



# ANNUAL REPORT • 2021

COMMITMENT  
TO CHANGE.

LOJAS RENNER S.A.



CMICADO youcom realize repassa

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# about the report

We are committed to transparency about the way we build the business, reinforcing our purpose of being a responsible and sustainable fashion and lifestyle ecosystem.

This publication is intended to show our stakeholders how we take care of essential resources for the Company's development and seek to make decisions that contribute to sustainability.

In addition to the rendering of accounts, we are always connected to the continuous evolution of our customs by adopting the best practices in sustainability management and communications to guide the story herein presented.

**ENJOY YOUR READING!**

Global best practices in transparency and sustainability management adopted in this publication:



## **GLOBAL REPORTING INITIATIVE (GRI) 12<sup>TH</sup> CONSECUTIVE YEAR**

Access the GRI Index to learn about the indicators and the pages on which they are reported.



## **ASSURANCE PROCESS**

### **8<sup>TH</sup> CONSECUTIVE YEAR**

Access the Independent Auditor's Report.



## **INTEGRATED REPORTING (IR)**

### **7<sup>TH</sup> CONSECUTIVE YEAR**

Access the capitals map to see the pages on which each capital is covered in this report.



## **SUSTAINABLE DEVELOPMENT GOALS**

### **7<sup>TH</sup> CONSECUTIVE YEAR**

Access the map that presents our main projects that support the achievement of the SDGs and the pages where they are addressed.



## **SASB (SUSTAINABILITY ACCOUNTING STANDARDS BOARD)**

### **3<sup>RD</sup> CONSECUTIVE YEAR**

Access the SASB Index to know the indicators and the pages where they are reported.



## **TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)**

### **2<sup>ND</sup> YEAR OF REPORTING**

Access the TCFD Index to know the indicators and the pages where they are reported.

# message from the presidency

GRI 2-22

Innumerous transformations marked 2021 with the Company making significant investments in its strategy for developing the fashion and Lifestyle ecosystem. From the external point of view, we continue to experience much uncertainty and volatility not only due to the continuing Covid-19 pandemic and its effects on health and restrictions on mobility but also the economic consequences which accompany it.

We began 2021 with a growing number of Covid-19 infections in Brazil, leading to an intensification of social distancing protocols and consequently, fresh restrictions on operations. Once again, we responded immediately, totally committed to our employees, clients and suppliers and prioritizing their wellbeing. Since the middle of April, with the gradual resumption in mobility and normal store opening hours, we were able to observe an important consistency in sales performance over the following months with an average +20% increase in relation to 2019. Consequently, despite the reduction in average opening hours at 85%,

Net Revenue from Merchandise Sales reported significant growth, not only in relation to 2020 of 43.5%, but also when compared to 2019 of 12.8%. And all this set against a background of record enchantment: 99.1% of our customers being very satisfied or satisfied, signaling to us that we are on the right track in offering a value proposal to them which is increasingly more comprehensive.

However, more important than the short-term scenario, the Company is committed to the future and continues to advance in the building of its ecosystem for a more complete offering of products and services to the consumer. This journey had its beginnings back in September 2019 when the Board of Directors and the Executive Board in conjunction took a decision as to the strategic priorities for the next few years, on this basis, defining the structure of the ecosystem. At the same time, we renewed our value proposition for attending the new business model and since then we have been working on the necessary development in our

practices, introducing new expertise and structuring our teams. And 2021 was the year in which we accelerated even more and intensively invested in the execution of this plan, maximizing the capacity of our existing platform in order to be the specialized ecosystem leader in fashion and Lifestyle and a benchmark in Latin America.

Consumers habits have been changing faster than ever and to meet these demands, it has been necessary to act swiftly in providing a more comprehensive offering at all stages of the consumer's journey. In this context, the principal investment fronts are those related to the increase in assortment of products, categories and services as well as in the generation of proprietary content and media to ensure greater engagement, frequency and stickiness. In the same way, continuous investment in the omni journey, with its greater coverage of integrated channels and platforms, has brought greater flexibility and maximized sales. In addition, we are increasing the customer base at Realize CFI and expand-

ing the offer of financial solutions that attend the needs of all the component parts of our ecosystem. And for all this to happen, we are developing some important enablers: logistics, technology, knowledge of the customer and data. All these initiatives have the goal of leveraging enchantment, gains in productivity and efficiency, reducing CAC (customer acquisition cost), as well as increasing lifetime value.

It was with these plans in mind that at the beginning of May, we capitalized through an equity offering, the equivalent of approximately R\$ 3.9 billion. These resources have given us the flexibility and readiness to continue the construction of the ecosystem, irrespective of any extraneous scenario that may arise. Over the year, the Company has invested approximately R\$ 1.3 billion in expenditure and capex. This incorporates the construction of our new omni Distribution Center in São Paulo, of 163 thousand m<sup>2</sup>, currently at the equipment assembly and automation stage, for attending all the businesses and fundamen-

tal to a significant improvement in services as well as the expansion of the store network, with 32 new units, which in turn will leverage the online operation in the new store locations. Equally, these investments cover the higher expenses relative to the digitalization of the business and the creation of teams and reinforcement of structures to support the various initiatives in the ecosystem. Capex was also dedicated to the acquisition of Repassa, our managed fashion retail business in line with the offer to the consumer of services adjacent to the core business and our strategy of sustainability. And this more intense investment cycle has already resulted in important advances in the pillars supporting the ecosystem.

We posted new records in the digital channel in spite of a robust comparative base, the normalization of the off-line operation as well as the effects of the cyber-attack in August which led to instability in our systems and unavailability of our digital operations for some days. Annual GMV reached R\$ 1.6 billion, 49.9% greater than 2020 (242.8% versus 2019), and with an increased share of total business at 13.5%. During the year, Renner was the most sought-after brand among national players in the fashion business as well as maintaining absolute leadership in Monthly Active User (MAU) ratings on the same compar-

ative basis. Progress was also made in other digital sales modalities, such as social selling and Whatsapp, reaching up to 20% of online sales. As a result of our initiatives, our position as a digital brand has been reinforced being Top of Mind – Brand Recall in Fashion Retailing in all four quarters of the year and the most recalled Fashion brand over the Black Friday period in Fashion and accessories purchases.

As part of the omni journey, we made available physical store inventories for online purchasing, thus significantly increasing assortment and we focused our efforts on the improvement of standards of service, equated with greater productivity in the last mile. On this front, we saw a significant improvement at Renner, with 45% of deliveries being made in up to D+2, while at Youcom, this same indicator reached a level of 70%. At the bricks-and-mortar stores, we continued to report progress in the digitalization of the customer journey with the implementation of the RFID at points of sale, bringing a greater degree of agility to processes and customer service. We also increased the importance of alternative modalities of checkout such as store attendants equipped with mobile devices, the use of self-service totems or checkout via customer smartphone. These alternative methods at some units reached in excess of 45% of sales. As a result of a more flexible and complete expe-

rience, the participation of the omni customer base more than doubled in relation to 2019, leveraging the potential of our ecosystem, these customers accounting for a frequency and average spending considerably higher than those shopping in just one channel.

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**The Camicado and Renner marketplaces continued to expand the categories and variety of products on offer and reached their goals for the year, currently having 210 and 190 sellers, respectively. Renner's digital assortment more than doubled through partners' offers and with the entry of Camicado and Youcom in the platform – are among the top 5 sellers – the synergy between the businesses became even more evident.**

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We also evolved in themes related to the relationship and knowledge of the customer. In content & branding, we focused on awareness and leveraging flows with our efforts directed towards improvement in customer recurrence, engagement and monetization. Among these the holding of weekly lives as well as an intensification of the partnership with influencers, significantly increasing the potential reach. Again, we were the first brand in Latin America to make a 3D live, as well as the first fashion retailer in Brazil with a live of products on TikTok. On the CRM front we increased retention and saw our active customer base evolve sequentially through the year with 3.5 million more than in 2020, reaching 17.7 million. In addition, we have already detected significant synergies between the businesses with customers buying in more than one brand spending up to 7 times more than those that consume in only one of them.

Realize turned in a relevant performance through wider coverage of the ecosystem with the offer of financial solutions. In this context, the institution increased the offer of products at Renner as well as in the other businesses and reporting a record TPV (Total Payment Volume). In addition, the active customer base increased 12% compared with 2020 while service revenues further increased in importance. Realize also executed financial

operations for suppliers and in the case of sellers on a test basis. At year-end, the digital account was launched for customers in a specific city on a pilot operation basis.

And all this constantly observing our supporting pillars which permeate our operation: products and services, ESG strategy, people and culture of enchantment. In this context, our ESG initiatives merit special showcasing. In addition to collaboration and support measures for the community during the pandemic, 2021 was the year when we finalized our public sustainability commitments, previously established in 2018. Again, among the various indices related to the theme in which we participate, of particular note was the Dow Jones Sustainability Index, which is based on the S&P Global ESG Scores, in which we reached the highest score among global retailing companies as well as B3's ISE where we were placed second in the general ranking. We also unveiled our circular store, the first in the Brazilian retail sector to use this concept, an achievement of which we are very proud.

A year of challenges without a doubt, but many advances and lessons learnt. We have a net cash of R\$ 2.5 billion and we have surpassed R\$ 10.6 billion in Total Net Revenue, once more being the largest in our segment. Sales performance combined with the optimization of integrated inventories as well as the use of data in our processes has contributed to markdown levels historically among the lowest

producing a very healthy gross margin of 54.2%. Again, on this front, particular mention should also be made of the role of our offices in China and Bangladesh, bringing flexibility and security in the supply of imported products. Furthermore, our Net Income amounted to R\$ 633 million, 61% being approved for distribution to the shareholders, the largest percentage since 2013.

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**And we move on to 2022! Although uncertainties still prevail in relation to the economic and health-related scenarios, we know that we are more prepared and very alert to the opportunities that may arise. We believe that brands with meaning and a clear value proposition generate competitive differentials and create the conditions for gains in market share, principally when set against a more difficult macro scenario and one of sector consolidation like the current one.**

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We are the largest omni player in the apparel segment and we continue committed to our purpose in order to increasingly consolidate as the leading ecosystem in the segment. As a result, we will continue differentiating ourselves in terms of both product and Lifestyle, investing in quality and fashion. We shall continue prioritizing the omni journey, expanding the store network with about 40 rollouts expected for 2022, at the same time in which we are growing the online operation. In parallel to this, we shall also focus on investments in our logistics and technology platforms as well as best time to market and initiatives at Realize, the Company's total capex amounting to R\$ 1.0 billion. All this with much focus, striving for greater productivity and efficiency in the operations for potentializing customer enchantment and generating a return for our shareholders.

And last but not least, we would like to extend a vote of thanks to our employees, directors and executives, who continued engaged with our purpose; to the suppliers, that have committed to our operations; to the shareholders, that have supported our transformation; and to the customers and community in general, that have recognized us as the 12<sup>th</sup> most valuable brand in the country, according to Interbrand.

**Thank you all!**



**José Galló**  
Chairman of the Board  
of Directors



**Fabio Adegas Faccio**  
Chief Executive Officer

capitals



sdg



# LOJAS RENNER S.A.

01

**We are a fashion and lifestyle ecosystem,** leader in omnichannel fashion retailing and one of the largest brazilian brands.

GRI 2-1, 2-6



# our businesses

We are a fashion and lifestyle ecosystem, leader in omnichannel fashion retailing and one of the largest Brazilian brands.



## 6 RECOGNIZED BUSINESS

Renner, Camicado, Youcom, Ashua, Realize and Repassa



## 636 STORES

404 Renner, 119 Camicado, 104 Youcom, 9 Ashua



## 4 DISTRIBUTION CENTER

SC and RJ automated



## 25.7 THOUSAND

employees



## +20 PROPRIETARY BRANDS

Renner, Camicado, Youcom and Ashua



## PARTNERSHIPS

Porto Seguro, Mastercard, Visa, etc.



## 34.7 MILLION

Cards issued



## R\$ 4.8 BILLION

Realize portfolio



## 1.1 BILLION (+28% vs. 2020)

Visits to our e-commerce



## + 19 MILLION

Renner app downloads



## +13.5% IN

Online penetration



## 210 SELLERS

in Camicado marketplace



## 190 SELLERS

in Renner marketplace



Renner circular store at Shopping Rio Sul, Rio de Janeiro (RJ).



## fashion retail and lifestyle

**RENNER**

Largest omni fashion retailer in Brazil with 20 of its own brands, it has 404 physical stores (392 in all states of Brazil, 8 stores in Uruguay, 4 stores in Argentina), an online store and eight other sales channels, in addition to a marketplace.

**CMICADO**

Brand specialized in home and decoration, present in all regions of Brazil, with 119 stores, plus e-commerce. In addition to resale items, it develops its own brand items and has sellers in its marketplace.

**YOUCOM**

Young clothing and accessories brand, it offers women's and men's clothing, footwear, and accessories. It has 104 stores in all regions of Brazil, in addition to e-commerce.

**ASHUA**

Brand launched in 2016 on e-commerce focused on curve and plus size fashion. Since 2018, it also has 9 physical stores to expand its omnichannel offer.

**repassa**

Acquired in 2021, Repassa is an on-line platform that resells clothes, shoes and accessories. Digital native startup, founded in 2015, with sustainability at the center, Repassa expands our offer to our customers with a service adjacent to our retail operations, managing the fashion resale.

## financial products

**realize**

Our Financial Institution assists in the loyalty and convenience of our customers, supporting the company's retail operation, offering a set of financial services to customers, including the Renner Card (private label) and Meu Cartão (My Card - international credit card), in addition to credit lines for the Company's suppliers, Saque Rápido (Quick Withdrawal) and an Insurance portfolio.

# ecosystem development

## ● digital acceleration and omnichannel

In 2021, we reached the 4<sup>th</sup> year of our 2018-2025 digital transformation strategic cycle, in a context that has driven the evolution towards a more digital and omnichannel business, with new formats and tools necessary to continue fulfilling our purpose of enchanting, strengthening our relationship, expanding sales channels and improving deliveries.

Today, we are the largest omni player in apparel in Brazil. We went from 2 to 10 Renner sales channels, created new features and services in our app, integrated the stock of physical stores with e-commerce, quintupling the number of items available and accelerating deliveries, significantly improving the omni experience of our customers.

In 2021, we won 1<sup>st</sup> place in the Champions of Innovation award in the results category – which measures the ability to transform ideas and suggestions into concrete, tangible and measurable results –, the 4<sup>th</sup> place in the category of the most innovative in the South in the ranking of Revista Amanhã and among the 5 most innovative in the sector in the Valor Innovation ranking.

## ● KEY HIGHLIGHTS OF DIGITAL TRANSFORMATION ADVANCES

more **user friendly**

### **SALES VIA WHATSAPP**

**Active communication** with customers through a specific tool and partnership with influencers.

More **autonomy**

### **MOBILE SALES**

made by employees using mobile checkout devices.

### **SELF CHECKOUT**

self-service totems.

### **DIGITAL PAYMENTS**

Purchases made instore through the customers' smartphone, represented, in some stores, **10% of sales.**

less **stockouts**

Recor in **enchantment.**

Consistent gain in **market share.**

## ● new formats and advances in 2021

- We concluded the implementation of the Prateleira Infinita, with 100% of the assortment of physical stores available for online purchases.
- We advanced in terms of service, reaching 45% of deliveries made within two days of purchase at Renner and 70% at Youcom in São Paulo.
- We inaugurated the pilot of our Guide Shop Renner, a guide store model that combines online and offline and gives the customer the opportunity to see, touch and try the pieces before buying them online to receive them at home, allowing the variety of sizes and colors, the convenience of online and the advantage of seeing what you are buying up close and having assistance at the time of purchase.
- Youcom continued to invest in digital transformation to achieve its ambition to be digital first, launching its app, which showed positive results in terms of the number of downloads and customer retention. The entry into third-party marketplaces was also carried out and the partnership with affiliates was advanced, having influencers as brand ambassadors.
- We expanded purchase possibilities with the Renner Card, which is now also accepted at Youcom.

Reflecting this evolution, in 2021, we were winners in the retail category of the +Digital Institute's Most Digital Company Award, which measures the level of digital maturity of companies.



First Renner Guide Shop in Bento Gonçalves (RS).

## ● growth of digital channels

The acceleration of digital transformation has increased the representativeness and relevance of our digital sales and omni customer base in the last year.

- Our e-commerce continues to grow and now represents 13.5% of total sales.
- We reached 1.1 billion visits in our e-commerce, 65% in the app, which was downloaded over 19 million times, reaching an installed base of 8.3 million users, absolute leadership in active users among national players<sup>1</sup>.
- Sales via WhatsApp advanced in active communication with customers, growing more than 10 times.
- Our omni customer base grew by 46%.
- Our affiliate and social sales program, Favoritos Renner (Renner favorites, formerly Minha Sacola – My Bag), grew over 12 times with the largest presence of influencers.

<sup>1</sup> Data from platform that analyzes app: App Annie.

# logistics and technology platform

## ● integrated logistics model

We have an integrated product flow governance forum, made up of the Product, Supply Chain and Store Operations Departments, which jointly improves planning and management, based on performance indicators, allowing for more agile decision-making, fluid and precise, so that our logistics model is increasingly efficient.

In 2021, we concluded the civil construction of our Omni Distribution Center in Cabreúva (SP), and started the assembly of equipment and automation, which should be completed in 2022, the year expected to start operations, which will bring gains in efficiency, speed and synergy between the businesses. Additionally, You-com migrated the e-commerce DC from RJ to SP and reached 70% of orders in Greater São Paulo, delivered on the same day or the next day.

During the year, we also created a pilot for direct management of last mile transport for part of Greater São Paulo, which allowed us to achieve significant gains in the service level, with 90% of deliveries on the same day or the next day.

We were recognized by the 2021 Industry Award, which highlighted our fashion and lifestyle ecosystem in the Top Logistics - Omnichannel Integration and Sustainability category.



New omni Distribution Center in Cabreúva (SP).

## ● agile transformation

We work the innovation culture transversally, in all areas of the Company, offering our employees the training, tools and structures, so that innovation is in everyone's day to day, stimulating creativity, agility and autonomy to transmit and share knowledge and achieve more enchantment, more efficiency and better experiences for everyone who relates to our ecosystem.

In 2021, we created the Agility Office, which developed and disseminates the Company's agile operating model to ensure that the agile transformation takes place on a corporate scale, benefiting the more than 25,700 employees. In this model, we have 10 tribes and 86 squads, focused on the development and acceleration of key ecosystem initiatives and we have already enabled more than a thousand employees in the Renner Framework, offering more than 50 thousand hours of training.

We also accelerated our innovation processes by connecting with the education and innovation ecosystem, in Brazil and abroad, through our Circuito Program (learn more on page 45).

Lojas Renner S.A. was chosen as the best agile transformation case of 2021 in large companies, winning 1<sup>st</sup> place in the More Agile Award, organized by Mooven Consulting.

## ● data and artificial intelligence use

In recent years, a relevant innovation front in different areas of the Company has been the use of data and artificial intelligence to improve decision-making and planning. Below, we present the main advances on this front:

### **PEOPLE ANALYTICS**

We use people analytics in performance and skills management, recruitment and selection and workforce planning, applying advanced data analytics to improve our human capital management, supporting the identification of risks and opportunities to leverage development and management of talents, positively impacting the business. Based on data analysis and artificial intelligence, we were able, for example, to innovate in our career development platform, bringing personalized recommendations, based on data from the Individual Development Plan of each employee, of the most relevant content at Renner University and opportunities for internal vacancies that match your skills.

### **ARTIFICIAL INTELLIGENCE AND DATA ANALYTICS**

Our process for allocating basic items at Renner

stores is already 100% guided by artificial intelligence. We also use data analytics to support the selection of products that will be developed, predicting their acceptance by the customer.

### **MARKDOWN ENGINE**

In 2021, we developed an artificial intelligence tool that brings suggestions about the right time to make markdowns and the discount percentage, optimizing the process. Our tool already operates on products that represent 84% of Renner sales and 16% at Camicado.

### **PURCHASE FORECAST**

In 2021, we created a pilot for the use of artificial intelligence in the process of purchasing products for resale that suggests the volumes to be purchased for each model. The pilot is looking at basic Renner products, of national manufacture, and also considers sales forecast data.

## ● sustainability innovation

Innovation is critical to our advancement in sustainability and vice-versa. When we devise a new solution, we always think about how it can lead us to more sustainable practices. As a result, several innovative projects have led us to greater efficiency, reduction of environmental impact and generation of value for society. In 2021, the main advances were:

### **CIRCULAR STORE**

We innovated in the engineering, architecture and furniture model to create the first circular retail store in Brazil, in 2021, which offers an omni shopping experience in an environment designed based on circularity principles. Find out more on pg. 69.

### **3D MANNEQUINS**

For more than three years, we have invested in the research and study of Brazilian bodies to improve our products, leading the fashion retail market in creating size standards that are more adhering to our reality, in line with our commitment with the diversity of bodies. In 2021, we advanced on this journey using 3D technology to develop 14 physical mannequins, designed from scanning real bodies. Find out more on pg. 41.

## product

### ● core adjacent services

We want to add more and more value to our customer experience, enhancing their enchantment. Therefore, we are developing several service fronts that connect with our main retail operations, bringing convenience, connection and opportunity to our customers.

Among these solutions, there is opportunity for develop new resale, repair, sewing, utilities, decoration and beauty services. The acquisition of Repassa, in 2021, inaugurates an important service in this regard: the resale of clothing, shoes and accessories, through an online platform, operating throughout Brazil.

### ● marketplace & services for sellers

During 2021, we accelerated our Camicado marketplace platform and started the Renner marketplace, expanding the assortment of products and services offered, and increasingly becoming a one-stop-shop platform for a better customer experience.

The Renner marketplace ended 2021 with 190 sellers and continues to expand the categories and varieties of products that are complementary to those already offered, focusing on curating the assortment and partners, advancing the technological platform and optimizing processes. Camicado's has ended 2021 with 210 sellers, which represents about 20% of the gross volume of goods in e-commerce, and has made progress in the curation of partners, focusing on complementary categories such as furniture and electronics, and has implemented search tool improvements.

## financial solutions



Realize website.

Realize advanced in its participation in the ecosystem throughout the year, strengthening our platform of innovative and sustainable financial solutions that boost the fashion and lifestyle ecosystem.

One of the most important fronts of this advance was the implementation of the Digital Account, still in test, which will enhance the synergy between financial services and retail operations, contributing to the expansion of customer loyalty and raising the average sales ticket.

We also expanded the offer of financial solutions, with new insurance and assistance launched, such as the Pet, Wellness, Body Health and Mind Health modalities and solutions for businesses, with new operations for prepayment of receivables for sellers and financing of turnover capital to Renner suppliers, totaling more than R\$100 million. As a result, the services offered grew significantly and came to represent 28% of Realize's revenue in the year.

capitals



sdg



# VALUE GENERATION

## 02

We believe that **fashion must be fair, conscientious and responsible** and our strategic sustainability guidelines guide our actions towards this.

GRI 2-6, 2-22, 2-23, 2-24, 2-28



# responsible fashion

GRI 3-1, 3-2

The year 2021 marks the conclusion of our Responsible Fashion strategic cycle, which was launched in 2016 and listed the priority themes for advancing the sustainability management, generating public commitments between 2018 and 2021, to minimize relevant socio-environmental risks in our chain and

the value generation for our stakeholders, society and environment.

In 2021, we created our new sustainability strategy with commitments until 2030.



Collection made in partnership with Insecta, where fabrics were reused.





# public commitments

## 2018-2021



**less impactful products\*,  
100% certified cotton.**

Find out more on pg. 75.

\* Considering apparel products.



**of the consumption of corporate  
energy from low-impact renewable  
energy sources\*.**

Find out more on pg. 68.

\* Considering low impact renewable energy sources: small hydroelectric plants (SHPs), solar, wind and biomass.



**reduction in absolute emissions\* of  
CO<sub>2</sub> against the 2017 inventory.**

Find out more on pg. 64.

\* Considering scopes 1, 2 (buy choice approach) and 3.



**100% of the global resale chain\* with  
socio-environmental certification\*\*.**

Find out more on pg. 49.

\*1<sup>st</sup> and 2<sup>nd</sup> level companies that produce for the Renner brand.

\*\*Renner certifications and/or audits accredited by an external institution.

## New sustainability strategy 2030

### ● Human and diverse relationships

**To build human and diverse relationships, ensuring that each individual is able to accomplish their full potential.**

#### ENGAGEMENT AND WELL-BEING

To be among the national references in engagement, guaranteeing living wage\* and continually advancing in the promotion of the well-being of employees.

#### DIVERSITY & INCLUSION

To build a culture of diversity, equity and inclusion of minority groups\*\*, achieving at least:

- 50% of leadership positions held by black people;
- 55% of senior leadership positions held by women.

Offer a portfolio of diverse and inclusive products and services, considering the contribution potential of each of the businesses.

\* Local remuneration awarded to a worker sufficient to provide a decent standard of living for the worker and his or her dependents.

\*\* Racial, LGBTQIAP+, PWD and women.

### ● Climate, circular and regenerative solutions

**To move forward in building a circular, regenerative and low carbon business, stimulating and enabling our customers to make conscious choices.**

#### CLIMATE AND WATER

To speed up the transition to a low carbon economy, achieving science-based reduction targets (SBTi) and climate neutrality by 2050.

To reduce the water consumption of the operation and strategic suppliers, eliminating the disposal of chemical products with restricted substances in the production of textiles and footwear.

#### CIRCULARITY AND REGENERATION

To incorporate principles of circularity in the development of products, services and business models.

To invest in the development of circular textile raw materials and regenerative, guaranteeing 100% of the main raw materials more sustainable.

To eliminate plastic packaging from physical stores and e-commerce that cannot be reused or recycled by our customers; and to seek solutions in order to reduce the generation and promote the circularity of the main waste from the operation and from strategic suppliers.

### ● Connections that amplify

**To amplify the impact of our connections, building with our suppliers and partners the answers to the challenges of the sector.**

#### VALUE CHAIN

To certify the supply chain through socio-environmental criteria and focus purchases on suppliers with high management and performance.

To foster the adoption of living wages\* by strategic suppliers.

To achieve 100% traceability of cotton products and advance in the traceability of other textile raw materials.

To monitor and promote the inclusion and socio-environmental development of sellers.

# collaboration

GRI 2-28

**We actively participate in organizations for the development of the sector and for the promotion of sustainability in business, in order to expand learning and share our knowledge in favor of sustainable development:**

## SECTORIAL

- Members of the Sustainability Committee and People Committee of the Institute for Retail Development (IDV).
- Members of Better Cotton (BC): global initiative to grow a more sustainable cotton.
- Members of the Technical Committee on Union Relations and Labor of the Federation of Trade in Goods and Services of the State of Rio Grande do Sul (Fecomercio – RS).
- We participate in the leadership and in Working Groups (WG) with specific focus from the Brazilian Textile Retail Association (ABVTEX): we are part of the Direct Council, Management Committee, Legal Committee, Fiscal Committee, Suppliers WG, Quality WG and coordinate the Sustainability Committee.
- Members of Textile Exchange, global organization dedicated to the development of less impactful textile products.
- Member of the Group of Business Institutes and Foundations (GIFE), through the Lojas Renner Institute.

## THEMATIC (SUSTAINABILITY)

- Signatories of the United Nations (UN) Global Compact.
- Associates with the Brazilian Business Council for Sustainable Development (CEBDS).
- Members of the Green Building Council Brazil, which guides sustainable construction practices.
- Associated with the National Pact Institute for the Eradication of Slave Labor (InPACTO).
- SAC (Sustainable Apparel Coalition) Social & Labor Convergence (SLCP) affiliates.
- Supporters of Childhood Brasil's Na Mão Certa (In the Right Hand) Program, which fights sexual abuse and exploitation of children and adolescents.
- Signatories of the LGBTI+ Business and Rights Forum.
- Membership of the LGBTI+ Alliance.
- Signatories of UN Women's Empowerment Principles.
- Signatories of MOVER (Movement for Racial Equity).

- Adherence to the Business Coalition for the End of Violence Against Women and Girls.
- Partners of Instituto Identidades do Brasil ID\_BR.
- Adherents to the Woman on Board (WOB) initiative.
- Associates with the Ethos Institute.
- Mobilizers of the Companies with Refugees Forum.
- Supporters and members of the Climate Commitment's management committee, which brings together companies that wish to support socio-environmental projects and foster a low-carbon economy by jointly offsetting their greenhouse gas (GHG) emissions.
- Signatories of the UN Business Ambition for 1.5° C campaign, which invites companies to establish targets based on scientific data to sufficiently reduce emissions and contribute to limiting the increase in global temperature to 1.5° C above pre-industrial levels.

## ESG recognitions

As a publicly traded company, we are continuously evaluated by indices from the main stock exchanges and rating agencies, which analyze our commitments, policies, structure and practices in socio-environmental and governance (ESG) management.

In recent years, we have been recognized by these capital market drivers as a reference in the world's retail sector, as one of the companies with the best sustainability practices:

**In 2021, in addition to being one of the nine Brazilian companies in the world's most important sustainability index, the DJSI, we were positioned as the leading global retail company, with the best score in the evaluation of around 200 ESG questions (Results released on November 12, 2021).**

### **CORPORATE SUSTAINABILITY INDEX (ISE) B3**

8<sup>th</sup> consecutive year and the 2<sup>nd</sup> best placed in the index in 2021.

### **DOW JONES SUSTAINABILITY INDEX (DJSI)**

7<sup>th</sup> year of listing and leading global retail company.

### **SUSTAINALYTICS**

Categorized as low risk and positioned as the 2<sup>nd</sup> best fashion retailer in the world in the ESG risk ranking.

### **REFINITIV**

2<sup>nd</sup> best in the industry for ESG in the Refinitiv ESG scores, with an ESG A rating and maximum product responsibility score.

### **BRAZIL FASHION TRANSPARENCY INDEX (ITMB) 2021**

Renner and Youcom with the 3<sup>rd</sup> highest score among the 50 Brazilian retailers evaluated.

### **CARBON EFFICIENT INDEX (ICO<sub>2</sub>) B3**

11<sup>th</sup> consecutive year, present since the creation of the index.

### **MORGAN STANLEY CAPITAL INTERNATIONAL (MSCI)**

3<sup>rd</sup> consecutive year with A rating, 1<sup>st</sup> place in the sector in the Supply Chain Labor Standards category, one of the 25 Brazilian companies named as leaders in the MSCI Brazil ESG leaders index, and the only retailer named among the top 10 Brazilian companies as the best performer in the MSCI ESG ratings .

With a solid commitment to sustainability, maintained for many years, we are the company most recognized by the ESG ratings and indices of all Brazilian retail segments.

We are also among the best performing global retail companies in ESG indices and ratings.

### **CDP CLIMATE CHANGE**

11<sup>th</sup> consecutive year submitting information to CDP Climate Change, with advance from B to A-, the best score of all Brazilian retail and composing the CDP Brazil Index - Climate Resilience (ICDPR-70) portfolio.

### **SUSTAINABLE COTTON RANKING**

Listed in the "Well on the way" category of the World Wildlife Fund (WWF).

### **PLATFORM LIVING WAGE FINANCIALS (PLWF)**

Advance in the classification from "in development" to "in maturation", positioning itself among the 14 best-placed companies in the sector.

### **FTSE4GOOD**

7<sup>th</sup> consecutive year.

### **ESG RANKING IN BRAZIL**

In 2021, we were listed 1<sup>st</sup> in Bank of America's Brazil ESG ranking, based on MSCI, Refinitiv and Sustainalytics scores.

# performance

## Value generated

GRI 2-1, 201-1

### used capital

#### HUMAN

- 25.7 thousand employees

#### INTELLECTUAL

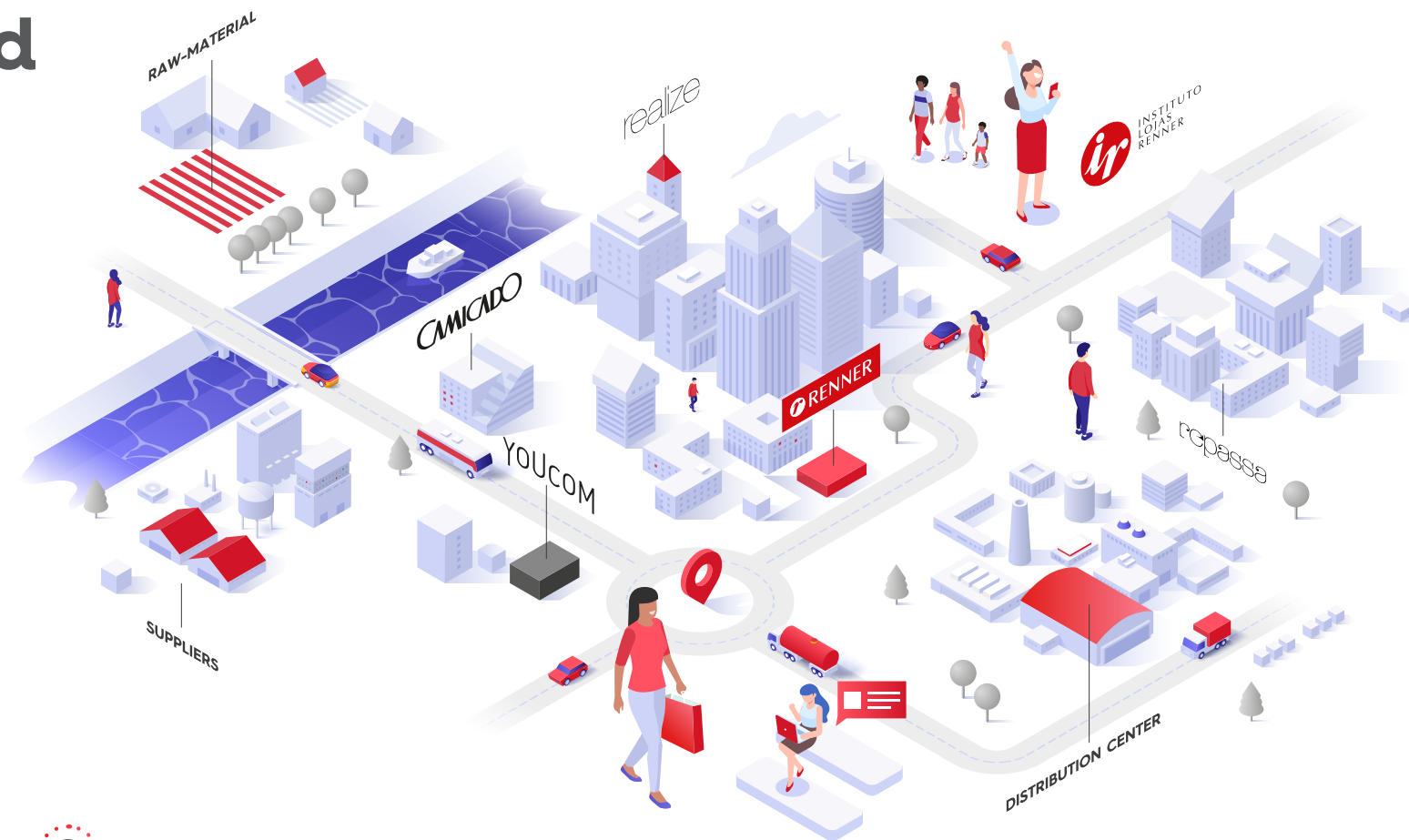
- Strong culture aligned with a purpose: enchanting everyone is our achievement
- Responsible Fashion strategy

#### MANUFACTURED

- 636 stores
- 4 Distribution Centers (DCs)
- Offices in Brazil, China and Bangladesh
- E-commerce

#### SOCIAL AND RELATIONSHIP

- 533 suppliers and 974 subcontractors who manufacture the products we resell
- 2,041 suppliers of other products and services
- Health institutions, communities and projects supported by the Lojas Renner Institute



#### FINANCIAL

- R\$ 14.4 billion in gross revenue
- 988,779,779 shares with market value of R\$ 24 billion
- R\$ 1.0 billion invested (CAPEX)

#### ENVIRONMENTAL

- 661.7 thousand GJ of energy consumed (0.6 GJ/m<sup>2</sup> of sales area), 100% from renewable sources
- 128.8 thousand m<sup>3</sup> of water consumed in the operation
- 16.9 t. of cotton, 4.5 t. of polyester, 5.4 t. of viscose, 2.9 t. of polyamide

### value generated

#### HUMAN

- \$1.6 billion in compensation and benefits
- 89% engagement
- R\$217.3 million distributed to employees as a Profit Sharing Program (PPR)

#### FINANCIAL

- R\$387.9 million in interest on equity paid to shareholders
- 2,887.5% share appreciation accumulated since 2005

#### INTELLECTUAL

- Omnichannel experience and new sales and service channels
- 81.3% of the clothing products sold at Renner with the Re Responsible Fashion Seal (sustainability attributes)

#### MANUFACTURED

- 30 new stores
- Store designed with circular economy attributes
- New DC under construction until 2022

#### SOCIAL AND RELATIONSHIP

- R\$7.0 million invested by the Lojas Renner Institute benefited more than 46 thousand people directly, in addition to the immeasurable value of donations and PPE to hospitals during the fight against the pandemic
- 99.1% of satisfied and very satisfied customers
- R\$ 6.5 billion in business contracted with suppliers
- 17.3 improvement in the Global Supplier Performance Index (IDGF) since 2016
- R\$ 2.4 billion in taxes and fees to be reversed by governments for the country's development

#### ENVIRONMENTAL

- Carbon neutral business: 100% of greenhouse gas emissions neutralized since 2016
- 36.0% reduction in emissions intensity since 2018
- 99.15% of cotton products and 93.1% of certified viscose products

# operation results

Below are the panels of key operational and financial performance indicators. To learn more about our results, access the Management Report: <https://bit.ly/3w7csmT>

Consolidated Information (R\$ MM)	2021	2020	Var.
<b>Net Revenue from Merchandise Sales<sup>1</sup></b>	<b>9,555.5</b>	<b>6,660.6</b>	<b>43.5%</b>
Same Store Sales Growth	40.1%	-23.9%	-
<b>Digital Sales (GMV)</b>	<b>1,625.2</b>	<b>1,084.0</b>	<b>49.9%</b>
Digital Sales Penetration	13.5%	12.4%	-
Gross Profit from the Retail Operation	5,178.8	3,459.3	49.7%
<b>Gross Margin of the Retail Operation</b>	<b>54.2%</b>	<b>51.9%</b>	<b>2.3p.p.</b>
Operating Expenses (Sales, General and Administrative) <sup>2</sup> (Post IFRS 16)	(3,529.8)	(2,608.9)	35.3%
Operating Expenses/Income from Sales of Goods	36.9%	39.2%	-2.3p.p.
Adjusted Retail Operation EBITDA (Post IFRS 16) <sup>3</sup>	1,475.8	1,578.3	-6.5%
Adjusted Retail Operation EBITDA Margin (Post IFRS 16) <sup>3</sup>	15.4%	23.7%	-8.3p.p.
Financial Services Result	247.6	83.0	198.3%
<b>Adjusted Total EBITDA (Post IFRS 16)<sup>3</sup></b>	<b>1,723.3</b>	<b>1,661.2</b>	<b>3.7%</b>
Adjusted Total EBITDA Margin (Post IFRS 16) <sup>3</sup>	18.0%	24.9%	-6.9p.p.
<b>Adjusted Total EBITDA (Post IFRS 16)<sup>3</sup> (ex PIS/COFINS)</b>	<b>1,723.3</b>	<b>925.8</b>	<b>86,1%</b>
Adjusted Total EBITDA Margin (Post IFRS 16) <sup>3</sup> (ex PIS/COFINS)	18.0%	13.9%	4.1p.p.
Adjusted Total EBITDA (Pre IFRS 16) <sup>4</sup>	1,108.4	1,190.4	-6.9%
Adjusted Total EBITDA Margin (Pre IFRS 16) <sup>4</sup>	11.6%	17.9%	-6.3p.p.
<b>Net Result</b>	<b>633.1</b>	<b>1,096.3</b>	<b>-42.2%</b>
Net Margin	6.6%	16.5%	-9.9p.p.
Earnings per share	0.64	1.38	-
ROIC <sup>LTM</sup>	6.7%	15.9%	-9.2p.p.

<sup>1</sup> In 2021, the Retail Operation includes the merchandise sales, as well as services operations (commissions and costs from marketplaces and Repassa).

<sup>2</sup> To facilitate analysis, Depreciation and Amortization expenses including Lease Depreciation have been excluded from the above table.

<sup>3</sup> Total Adjusted EBITDA without Lease Depreciation and Financial Expenses with respect to IFRS 16.

<sup>4</sup> Total Adjusted EBITDA with Lease Depreciation and Financial Expenses with respect to IFRS 16.

Note: In May 2020, the Company was successful in a lawsuit relating to the exclusion of ICMS from the PIS/COFINS tax calculation base. Thus, the tax credit of BRL 784.6 MM (BRL 735.4 MM net of legal fees) was booked to Other Operating Results, relating to principal amount as well as R\$ 578.4 MM (R\$ 551.4 million net of tax), relating to interest on this amount and booked to the Financial Result. The total amount was BRL 1,363.0 MM, with a net effect of BRL 1,036.9 MM on the profit for 2020.

# context

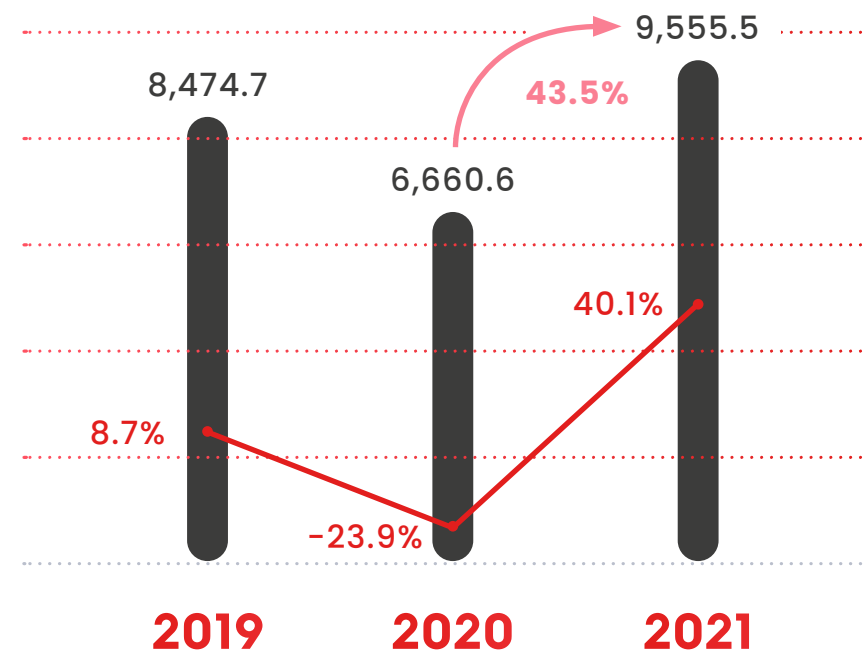
## ● economic scenario

The year 2021 was another one marked by the effects of Covid-19, which impacted the economy not only in Brazil, but throughout the world. At the beginning of the year, with the second wave of the pandemic, the new restrictions imposed by social isolation had important effects on the activity of several segments, as well as on the income of families. Then, as the pandemic situation evolved and restrictions were relaxed, sectors of the economy recovered at different levels. This movement occurred in several countries and this generated the imbalance of production chains globally, as well as logistical ruptures. In Brazil, these factors, combined with the energy crisis, high commodity prices and a devalued exchange rate, led to a significant increase in inflation in the country, followed by higher interest rates and effects on the fiscal agenda.

The apparel sector was no different. On the one hand, footfall through the shopping malls begin to show signs of a gradual recovery in flows and with this sales reported a corresponding improvement from April, in some months posting levels above those for 2019 based on PMC – Monthly Retailing Survey data, published by the Government Statistics Office - IBGE. On the other hand, the challenges were greater in terms of operating costs, mainly with respect to inflationary pressures and the devaluation of the Real against the US Dollar.

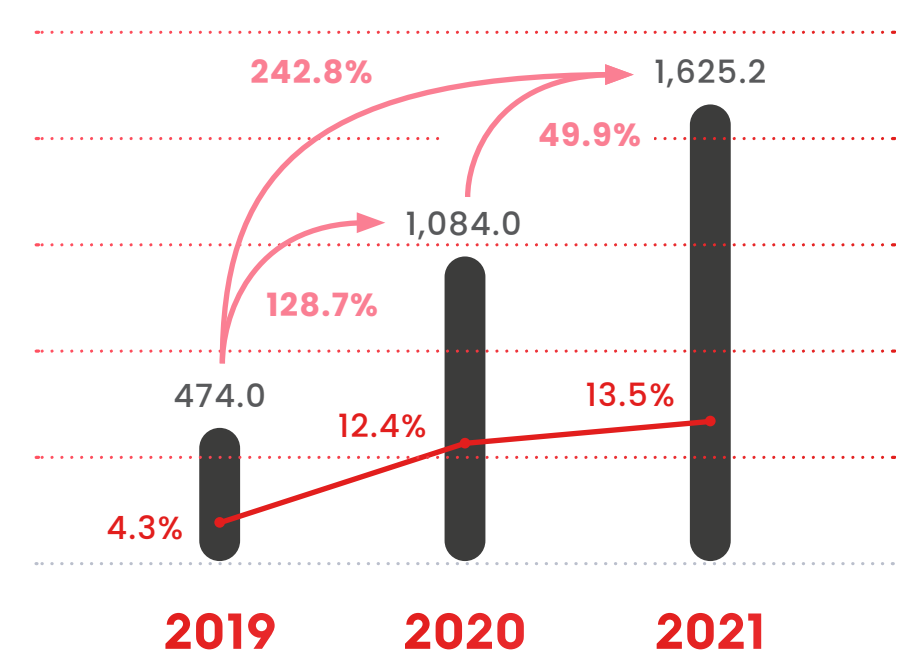
## ● results

Retail **net revenue** with a monthly average of +20% growth since April compared to 2019 and a consistent gain in share, with sales 24 p.p. above the market in 2021.



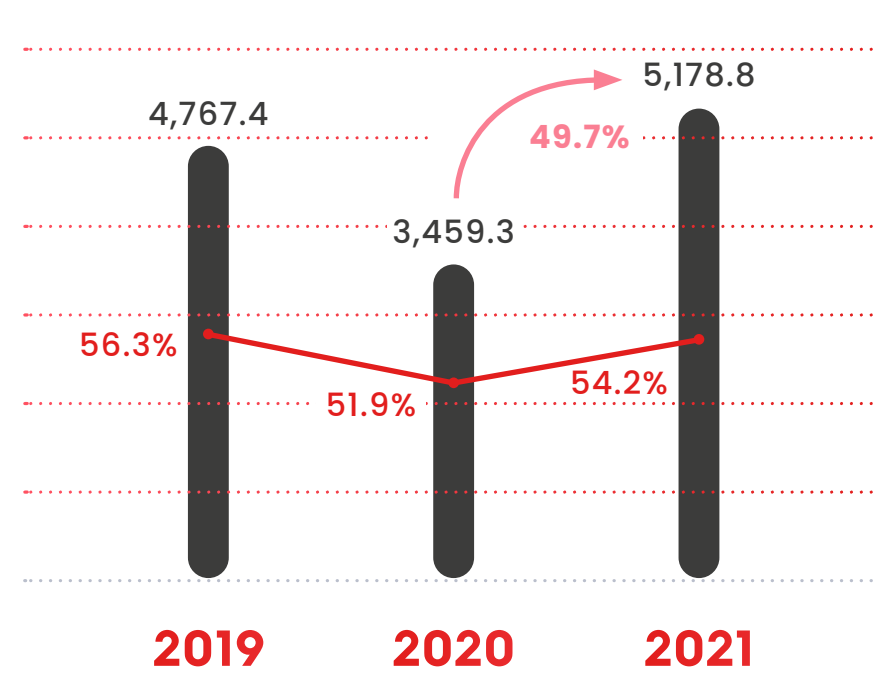
- **Lable**
- RETAIL NET REVENUE - R\$ MM
- SALES IN THE SAME STORES (%)

**Digital GMV** with a robust growth, on a record base and even more representative in the business.



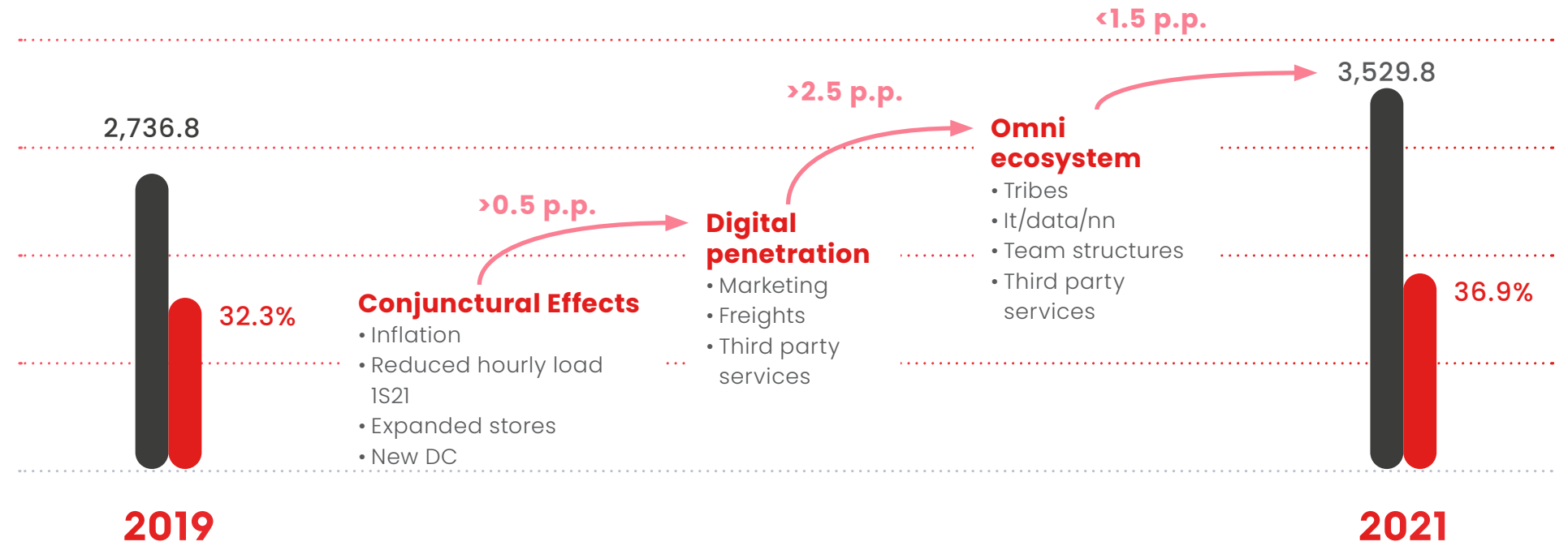
- **Lable**
- DIGITAL GMV - R\$ MM
- PENETRATION (%)

Healthy **gross margin**, higher than expected for the year, and the trend continues in 2022, at levels close to 2019.



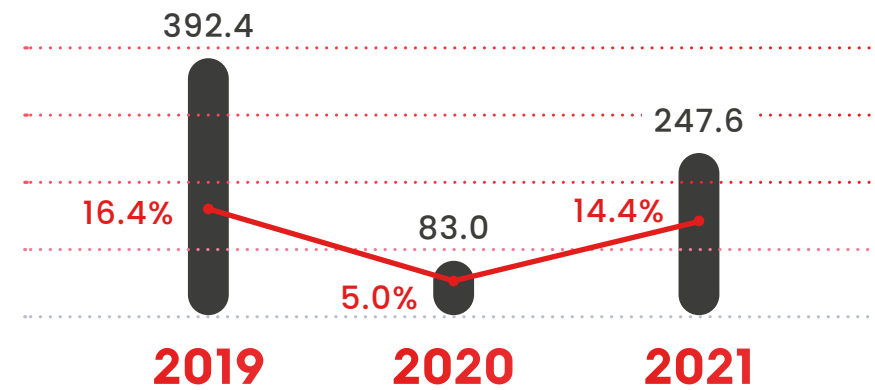
- **Lable**
- RETAIL GROSS PROFIT – R\$ MM
- ➔ GROSS MARGIN (%)

**Operating Expenditure** with a sequential improvement, despite the conjunctural effects, the greater penetration of online and relevant investments in operating expenses for ecosystem initiatives, balanced with initiatives that brought efficiency gains, with a reduction in the Customer Acquisition Cost (CAC) and cost per shipment.

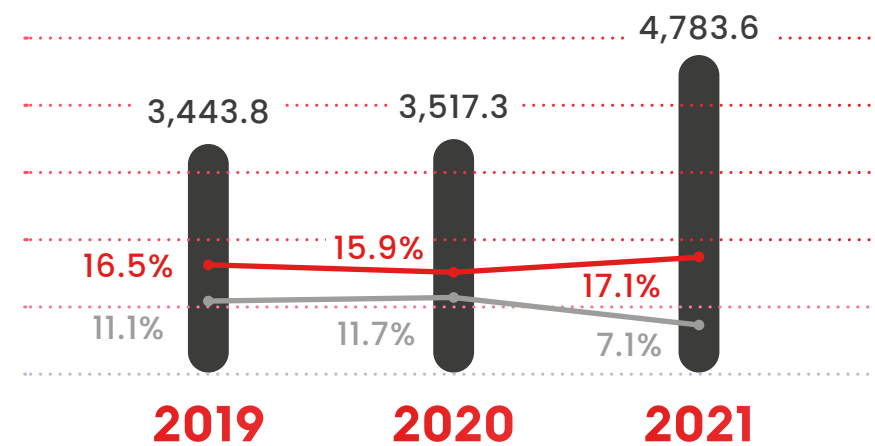


- **Lable**
- OPERATING EXPENDITURE – R\$ MM
- OPERATING EXPENDITURE/NET REVENUE

**Credit Portfolio** with a robust growth of 36.0% compared to 2020, with consistency in credit quality and default in line with historical levels, and an outcome from financial services 198.3% higher than the previous year.

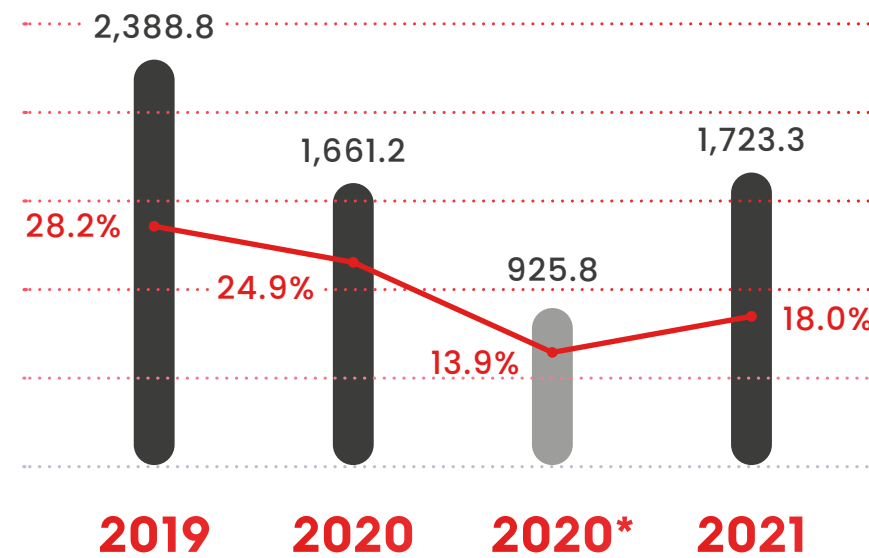


- **Lable**
- FINANCIAL SERVICE RESULTS - R\$ MM
- ➔ FINANCIAL SERVICES/TOTAL EBITDA



- **Lable**
- TOTAL PORTFOLIO - R\$ MM
- ➔ PAST DUE OVER TOTAL PORTFOLIO
- ➔ NET LOSSES OVER TOTAL PORTFOLIO

**Total Adjusted EBITDA** for the year 1.9 times higher than in 2020, on a comparable basis (excluding tax credit).



- **Lable**
- TOTAL EBITDA (POST-IFRS 16) (R\$ MM)
- ➔ EBITDA MARGIN (%)

\* It excludes a tax credit of R\$735.4 million, net of attorneys' fees, related to the success in a lawsuit referring to the exclusion of ICMS from the PIS and COFINS calculation basis.

● **tax management**

We adopt tax planning practices, always taking into account the provisions of legislation or recent jurisprudence. The practices must be approved by our Tax Committee and, for large amounts, also by the Audit Committee. All decisions on tax practices must also be supported by at least two external opinions. The Tax Committee is composed of the Administrative, Financial and IR Director, Controlship Director, General Legal Manager, General Manager of Tax Management and Senior Accounting Manager of the Company and meets ordinarily on a monthly basis.

Between 2020 and 2021, there was a reduction in the tax burden, due to increases in the payment of Interest on Equity decided during the year (limit increased due to the issuance of shares carried out in May), and non-taxation of Selic interest received arising from court proceedings.



capitals



sdg



# GOVERNANCE

03

With 53 years of experience in the capital markets, after going public with just two years of foundation, in 1967, we are pioneers in adopting the best corporate governance practices.

GRI 2-1, 2-9, 2-11, 2-17, 2-18, 2-19, 2-20, 2-23, 2-24, 2-25, 2-26, 3-3, 308-2, 412-1, 414-2, SASB CG-AA-440a.1



# good practices

Our governance model is one of the strengths of ESG policies, which is reflected in our presence and evolution in the main market indices, such as the **Dow Jones Sustainability Index (DJSI) and Corporate Sustainability Index (ISE B3)**.

In 2021, we were 1<sup>st</sup> place in the fashion retail category of the Merco Most Responsible Companies and Best Corporate Governance award and 2<sup>nd</sup> in the Corporate Governance category of the Estadão Empresas Mais award.

## ● 1<sup>st</sup> corporation in Brazil

Since we became the first corporation in Brazil, in 2005, with 100% of our shares traded on the stock exchange and without the presence of a shareholder or controlling group, we joined the Novo Mercado, the B3 segment with the highest level of demand for good corporate governance practices. In these 16 years:

- We grew from 800 to 156 thousand shareholders, 153 thousand of which are individuals.
- We grew 2,585% in market value, from R\$90 million to R\$24 billion.

## ● shareholders engagement

In 2006, we were the first Brazilian company to offer the Meeting Manual for shareholder participation, which is currently mandatory through the administration's proposal, detailing the agenda for meetings and supporting shareholder engagement and their conscious voting.

In 2021, we had a great demonstration of confidence from our investors with a public offering capitalization of 102 million shares, which raised approximately R\$ 4.0 billion, and provided greater flexibility and readiness to capture all the opportunities associated with continuing to build our ecosystem, both organically and inorganically. This move also allowed us to invest in the acceleration of digital transformation, the continuity of the works of our new omni DC and the physical expansion of stores.

## ● 1<sup>st</sup> and most adherent to the Brazilian Corporate Governance Code

In 2018, we were the first company to deliver the Report on the Brazilian Corporate Governance Code to the Securities and Exchange Commission (CVM) and the Company that most adhered to the document. We maintain this position and, since 2019, we count on 98.1% adherence to the practices recommended by the Report, while the average adherence of companies in 2021 was 58.7%.

As a result, in 2021, we ranked 1<sup>st</sup> in retail with the maximum score (100%) in the JP Morgan ranking, based on the Report on the Brazilian Corporate Governance Code delivered to the CVM, with 44 questions in the pillars Shareholders, Board of Directors, Executive Board, Inspection and Control Bodies, and Ethics and Conflict of Interest.

## ● best practices adopted

We adopt the best market practices and count on a set of policies and regulations that ensure that our strategy is executed with responsibility and sustainability, with a commitment to generating value for shareholders. Among the best practices adopted, we can highlight:

- B3 Novo Mercado – Brazil, Stock Exchange, Over-the-Counter.
- 100% free float.
- 88% independent members in the Board of Directors (BOD) – 7 out of 8.
- 25% of women in BOD – 2 out of 8.
- 7.2 years of average term of office for Board members.
- 33% of women on the Supervisory Board (SB) – 1 out of 3.
- 40% of women on the Statutory Board – 2 out of 4\*.
- Different executives such as Board Chairs and Board of Directors.
- Permanent Supervisory Board.
- Board of Directors and Management Committees.
- Manual for Participation in Meetings and convening with at least 30 days in advance.
- Stock Option and Restricted Stock Option Plan.
- Internal Regulations for Councils, Board of Executive Officers and Committees.
- Formal evaluation mechanisms for the Board (including the Board Chair), the Committees and the Board.
- Secretaries for Councils, Board of Directors and Committees.
- Governance Portal (BOD, SB and Committees).
- Existing Internal Audit and Compliance.
- Outsourced and independent whistleblowing channel.
- Various Corporate Policies.
- Corporate Governance Area – Governance Officer.
- Executive Board with compensation linked to ESG goals.

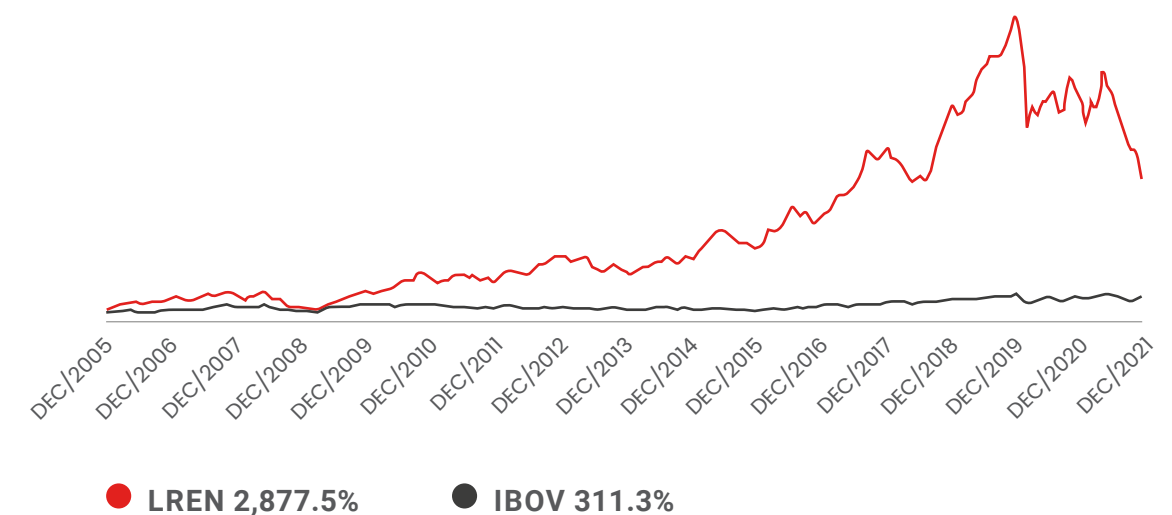
\* With the President temporarily occupying the position of CFO and DRI in November, we have four executives on the Board, raising the percentage that used to be 40%.

## ● shares performance

GRI 2-1, 201-1

Our LREN3 shares, traded on B3, closed the year quoted at R\$24.44, adding up to R\$24 billion in market value. In all, there were 7.6 million trades in the year, 2.4 billion of assets moved and R\$ 367.8 million of average daily volume traded.

In 2021, we distributed R\$387.9 million to shareholders as Interest on Own Capital, with a 1.8% dividend yield (based on the share price on 12/30/2021) and a 61.3% payout. Since 2005, the shares have increased in value by 2,887.5%.



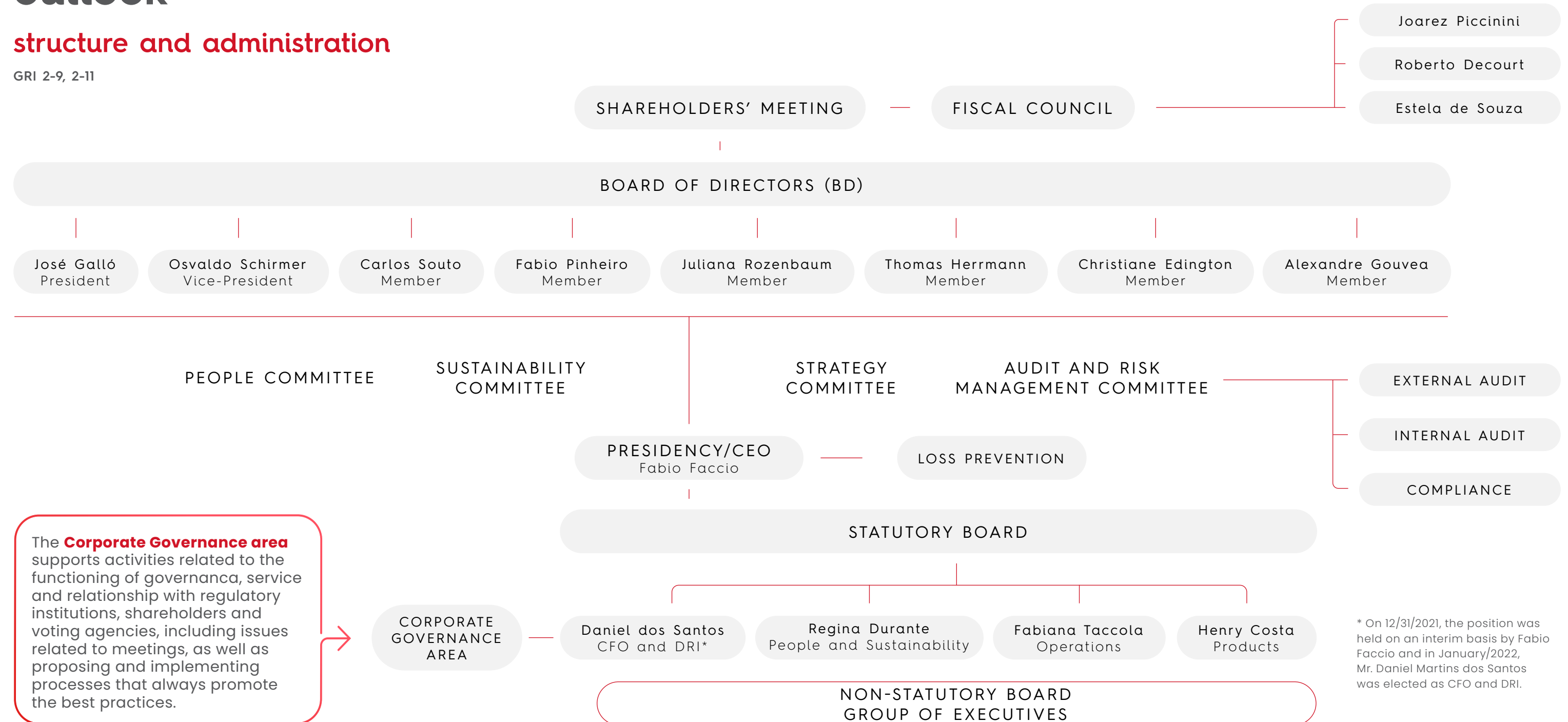
We also trade American Depositary Receipt (ADRs), under the code **LRENY**, on the North American OTC US market, with **11.6 million receipts** issued at the end of 2021.

# administration

## outlook

### structure and administration

GRI 2-9, 2-11



The **Corporate Governance area** supports activities related to the functioning of governance, service and relationship with regulatory institutions, shareholders and voting agencies, including issues related to meetings, as well as proposing and implementing processes that always promote the best practices.

\* On 12/31/2021, the position was held on an interim basis by Fabio Faccio and in January/2022, Mr. Daniel Martins dos Santos was elected as CFO and DRI.

# Governance structure bodies

The roles and responsibilities of each body of the governance structure are defined in the Company's Bylaws and guided by the respective Internal Regulations. Other policies and standards also govern the performance of directors, who are evaluated annually. Learn more about the Bylaws, Statutes and Policies by consulting the documents on our IR website: <https://bit.ly/37JdCNd>

## ● general shareholders' meeting

The General Shareholders' Meeting is the company's governing body, composed of all its shareholders. In 2021, we held two meetings, exclusively virtual, aimed at preserving the health in the face of the pandemic, in which we observed the commitment of shareholders to the business and new forms of participation.

The Annual General Meeting was attended by 774 shareholders, representing 64.3% of the Company's Capital Stock. Among the AGM's agendas were the approval of the 2020 accounts, distribution of dividends, election of the members of the Board of Directors and Supervisory Board and the compensation of the Administrators. All subjects have been approved.

The Extraordinary General Meeting, on the other hand, was attended by 915 shareholders, representing 67.75% of the Company's Capital Stock. Among the approved guidelines are:

- Increase of the Capital Stock in the amount of R\$ 1.230 billion, through the incorporation of part of Capital and Profit Reserves, with stock bonus to shareholders in the proportion of 1 new share for every 10 existing shares.
- Increase in authorized share capital, in the same proportion as the stock bonus (10%).
- Amendments and consolidation of the Bylaws, with emphasis on the expansion of the Company's corporate purpose, in order to reflect the new business fronts currently under development and which are in the context of the fashion and lifestyle ecosystem of Lojas Renner

S.A. and the optimization of the distribution of powers between the Executive Board and the Board of Directors.

The proposal for a new long-term incentive plan, with performance, restricted and matching shares, was not approved by the shareholders. Thus, the Company's two current plans remain in effect: Stock Option Plan and Restricted Stock Plan.

## ● board of directors

Our Board of Directors is made up of eight members elected individually at the General Meeting, with a term of office of one year and reelection permitted, with specific training to ensure a diversified and comprehensive view of the externalities, risks and opportunities that may impact our business model.

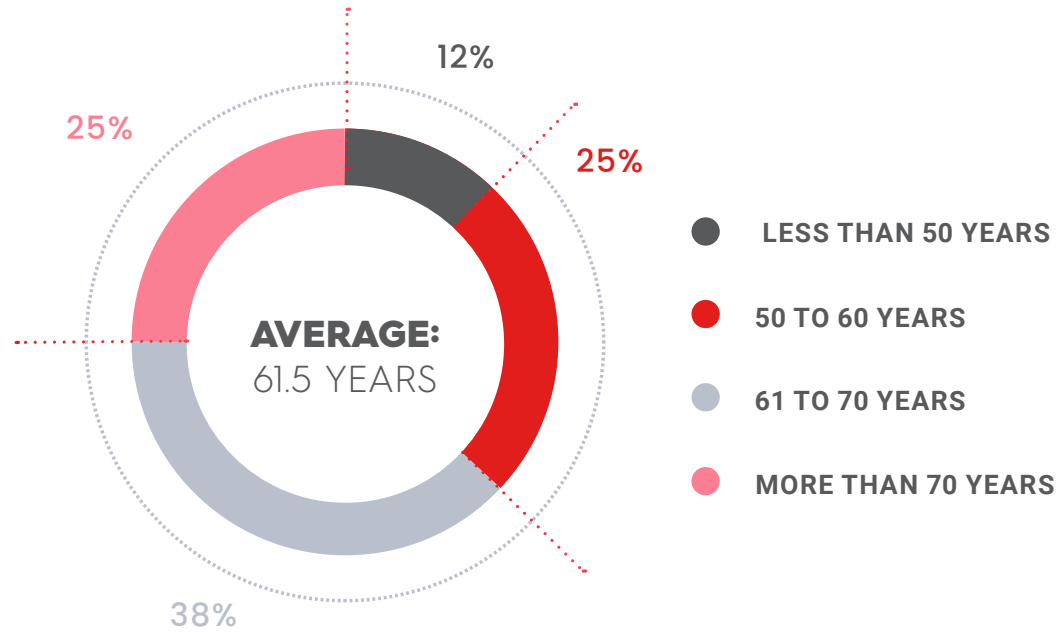
None of the members has an executive role at Lojas Renner S.A., and are compensated exclusively for their activities as directors and members of the Advisory Committees.

Learn about the Board Rules and the detailed experience of each member on the Investor Relations website: <https://bit.ly/3OFMGye> and <https://bit.ly/3ydN9IN>

● **COMPOSITION OF THE BOARD IN 2021**

GRI 2-9, 405-1

**AGE**



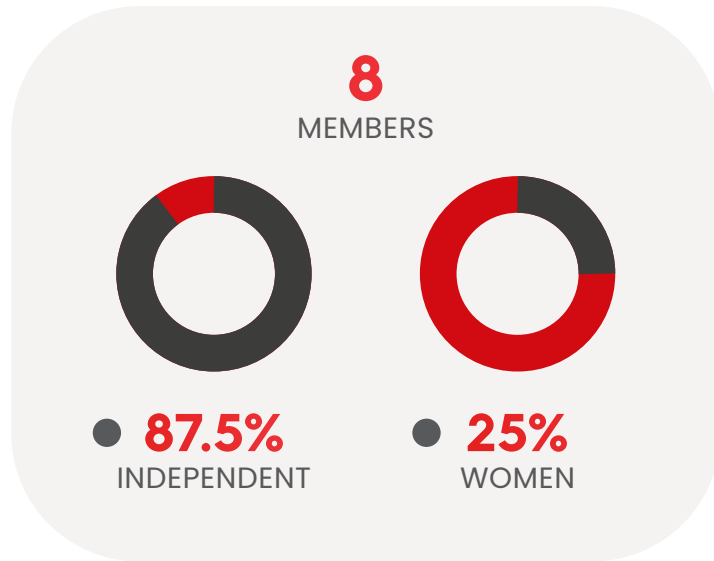
**TERM OF OFFICE**

members term of office

2  
3  
2  
1

0-3  
4-6  
7-9  
>20

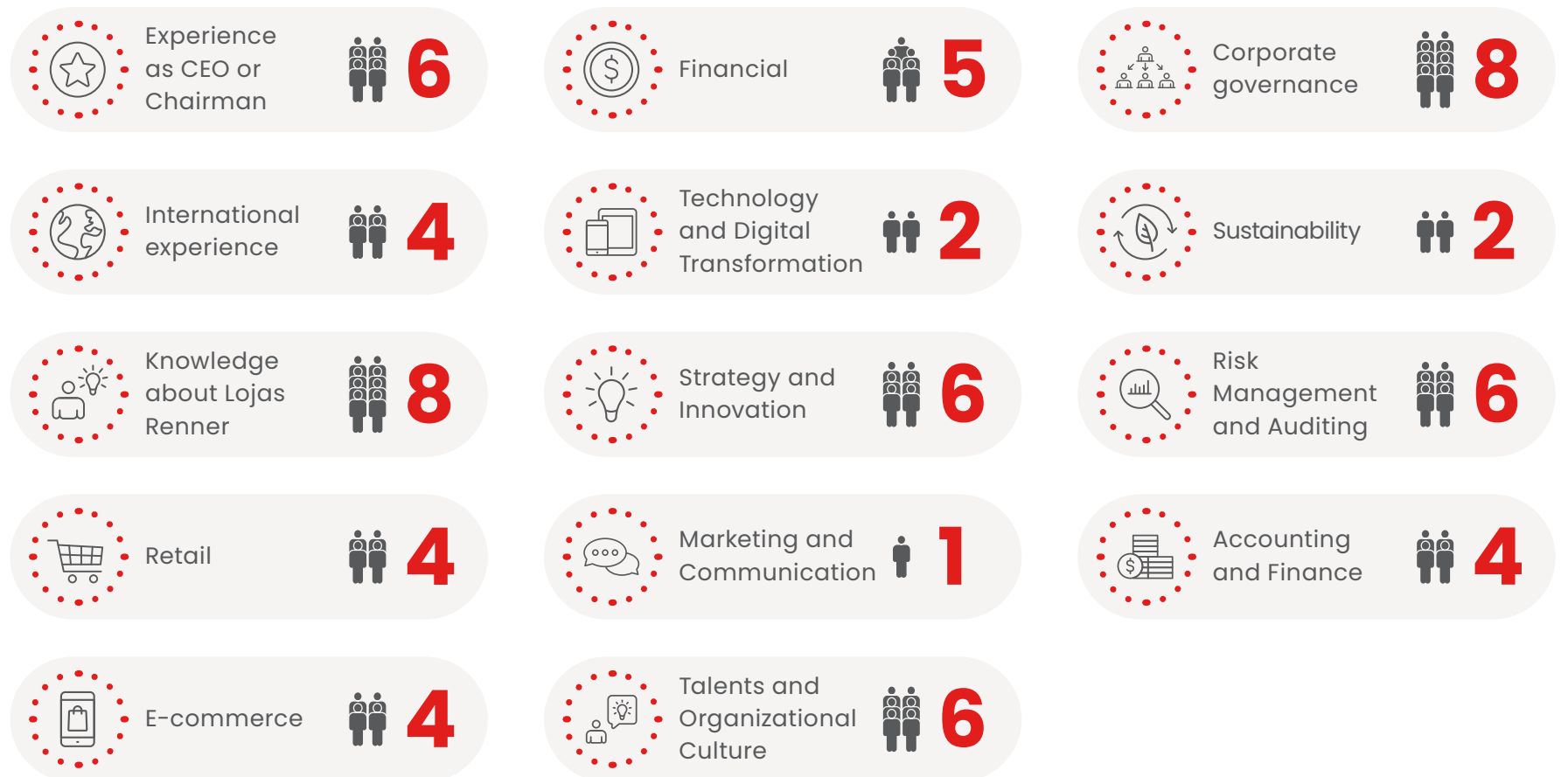
**COMPOSITION**



In line with the best global governance practices and valuing the importance of gender diversity, in accordance with our Policy for Appointment of Administrators, we have been signatories of the Women on Board (WOB) since 2020, committing to keep two women on the Board of Directors, which we already had as a practice. WOB is an independent initiative, supported by UN Women, which aims to recognize, value and publicize the existence of corporate environments with the presence of women in Boards of Directors, to demonstrate the benefits of this diversity to the business world and society.

● **SKILLS OF THE BOARD OF DIRECTORS**

The matrix below includes the skills and qualifications of Lojas Renner S.A. Board Members, highlighting the main areas of experience and competences they bring to the Company.



**ADVISORY** GRI 2-17

The Board of Directors is advised by four Administration Committees:

**PEOPLE COMMITTEE**

Since 2005, it has helped the Board of Directors to establish the terms of compensation and other benefits and payments to be received in any capacity from the Company by Officers and Advisors, based on the performance goals established by the Board of Directors. In 2021, the Committee met 8 times, with a 100% average attendance of members

**SUSTAINABILITY COMMITTEE**

Since 2008, it has been advising the Board in the establishment of guidelines and principles related to sustainable development in the social, environmental, economic pillars and within the best corporate governance practices. In 2021, the Committee met 4 times, with a 100% average attendance by members.

**AUDIT AND RISK MANAGEMENT COMMITTEE**

Since 2012, it has been carrying out advisory functions to the Board on the fulfillment of its supervisory responsibilities by monitoring the integrity of the Company's Financial Statement processes and

internal control systems, reviewing and evaluating the independence and performance of the independent auditors, as well as the internal auditors. The Committee also reviews areas of significant risk and monitors compliance with legal and regulatory requirements. In 2021, the Committee met 9 times, with a 100% average attendance by members.

**STRATEGIC COMMITTEE**

Since 2014, it has assisted the Board of Directors in approving and monitoring the execution of the Company's strategic plans, expansion projects and investment programs. In 2021, the Committee met 7 times, with a(n) 100% average attendance by members.

Get to know the Rules of Procedure of the Committees and the composition of the bodies on: <https://bit.ly/37P8JIE> and <https://bit.ly/3ydN9IN>

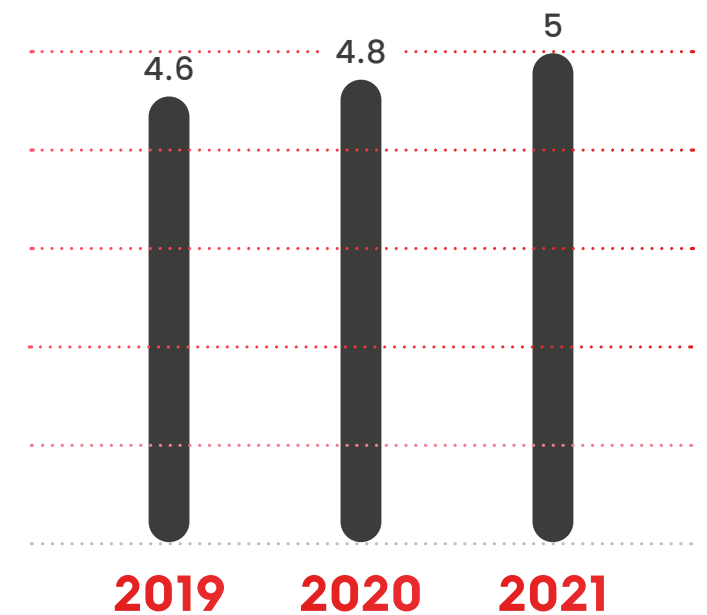
**PERFORMANCE EVALUATION**

GRI 2-18

Since 2009, we have carried out an annual formal performance evaluation, conducted by a specialized external consultancy, of the members of the Board of Directors, its Presidency, its dynamics and the Advisory Committees, following good corporate governance practices and seeking the continuous improvement of the bodies.

According to the result of the assessment, in general, the Company's Board of Directors is perceived as having a high level of effectiveness in fulfilling its role, having an effective performance in different dimensions, becoming consistent in the execution of good governance practices and in supporting the direction of the organization.

● **EVOLUTION OF THE GRADE OF BOARD ASSESSMENT (1 TO 6)**



Even with the effective performance, the results of the assessment enabled the identification of opportunities for improvement and some action plans to be drawn up for the continuous pursuit of improvement of the Body, always following good corporate governance practices.

Learn more in the Manual for Shareholder Participation in Meetings, page 14: <https://bit.ly/37Hshsd>

● **supervisory board**

The Supervisory Board (SB) is an independent body from the Company's Administration and External Audit, as its main responsibility is to supervise the actions of the administrators and analyze the financial statements, reporting their observations to the shareholders. Our SB is permanent, composed of three to five members, elected annually at the General Meeting, with term of office of one year and reelection permitted. Get to know the Supervisory Board's Rules of Procedure and the detailed experience of each member: <https://bit.ly/39jNYio> and <https://bit.ly/3ydN9IN>

● **board**

The Statutory Board is responsible for the day-to-day management of the Company and for the implementation of policies and general guidelines established by the Board of Directors, in addition to executing the business plan prepared in accordance with the strategic guidelines. Our officers, elected by the Board of Directors for a term of office of two years and reelection permitted, are chosen based on their professional experience and alignment with the corporate values of Lojas Renner S.A., playing the role of leaders to lead the teams in their areas of activity.

Based on the structured succession plan, in 2021, the Director of People and Development, Ms. Clarice Costa, after 29 years at the Company, left her position due to retirement and dedication to new projects, and Ms. Regina Durante took over as Director of People and Sustainability. Also in 2021, the Chief Executive Officer Mr. Fabio Faccio temporarily assumed the Administrative, Financial and Investor Relations Department, with the resignation, in November, of Mr. Alvaro Azevedo. In January 2022, Mr. Daniel Martins dos Santos was elected as CFO and IRD.

The Board is advised by several management committees that contribute to deepen the discussions of strategic topics and assist in decision-making.

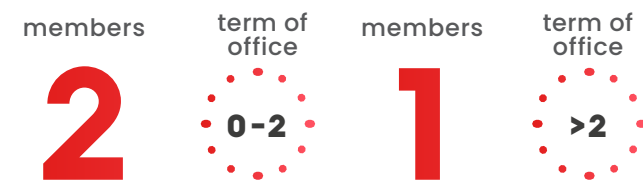
Learn more about the Board's Rules and the detailed experience of each member: <https://bit.ly/39jWhe7> and <https://bit.ly/3ydN9IN>

**PERFORMANCE EVALUATION**

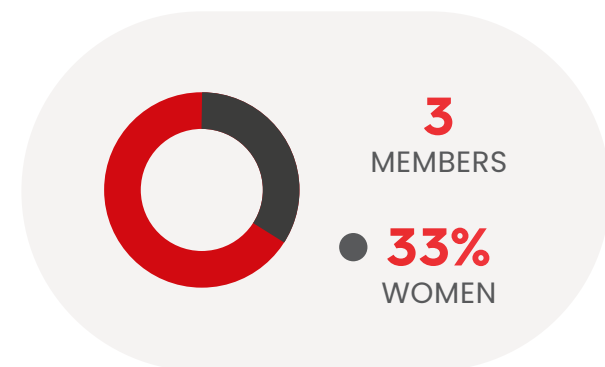
Annually, we carry out a formal assessment of the performance of the Executive Board. The Chief Executive Officer is evaluated by the Chairman of the Board of Directors, and annually evaluates each director, based on organizational, strategic and functional competencies. The results are reported to the People Committee, which takes the report to the Board of Directors. The evaluation also serves as input for the executive to receive Company's shares as part of their compensation, as shown below.

● **SUPERVISORY BOARD COMPOSITION IN 2021**

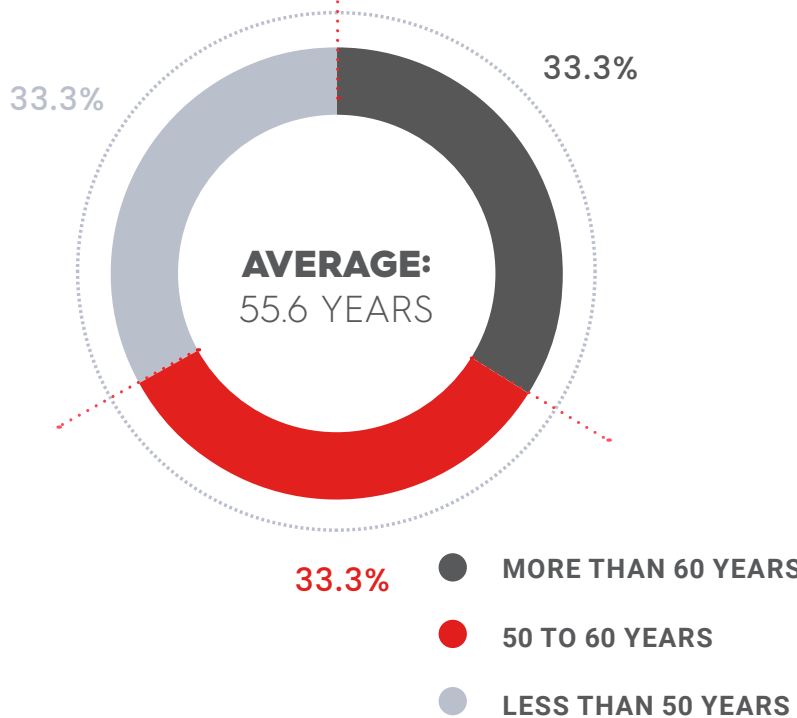
**TERM OF OFFICE**



**COMPOSITION**



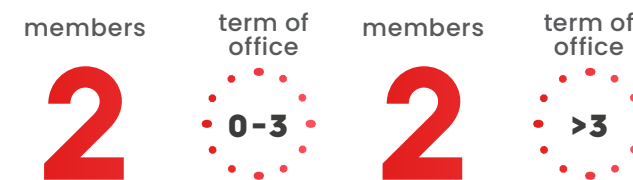
**AGE**



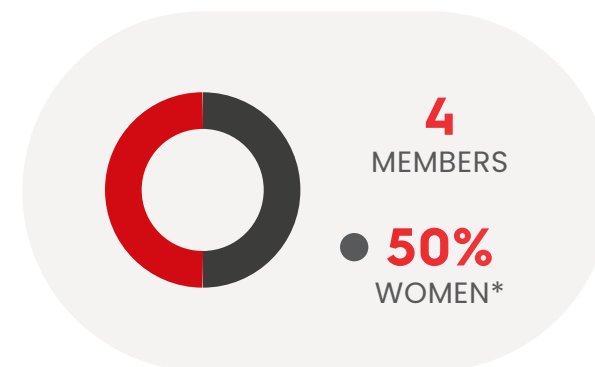
● **BOARD COMPOSITION IN 2021**

GRI 405-1

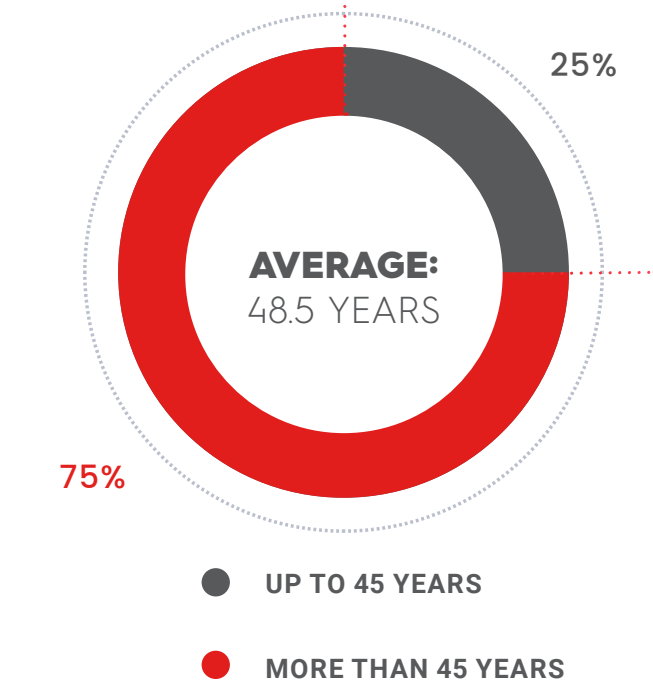
**TERM OF OFFICE**



**COMPOSITION**



**AGE**



\* With the position of CFO and DRI temporarily occupied by the President, the total number of members went from 5 to 4, raising the percentage of women that, in recent years, was 40% (two of the five members).



# compensation

GRI 2-19, 2-20

Our top management compensation system seeks to promote the creation of sustainable and long-term value, based on the definition of variable compensation for executives related to the achievement of the Company's and individual goals, guaranteeing the necessary commitment of the top leadership with advancement also on fronts not directly related to the Company's financial result.

As of 2021, the compensation of the Board of Executive Officers is linked to ESG goals, with semiannual monitoring of result indicators. Compensation metrics were related to public commitments assumed for 2021, on issues related to climate change, socio-environmental compliance of suppliers and less impacting products.

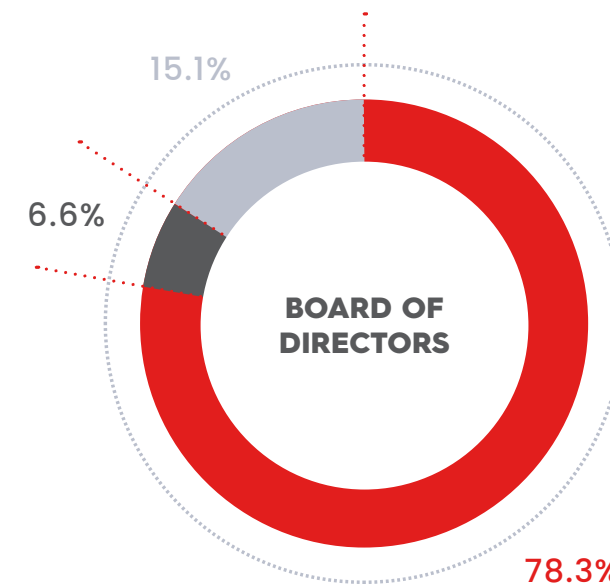
The Executive Board also counts on the Stock Option Plan and Restricted Stock Option Plan, which grants them Company's shares and, therefore, deepens their connection with

the business: if good management generates good performance, the business grows, the shares value and Executives have greater performance, supporting executive retention and aligning their interests with those of shareholders and the creation of long-term value.

Plan shares are only granted to executives in years in which the Company has achieved, in the immediately preceding year, sufficient profits to allow the distribution of mandatory dividends to shareholders. Moreover, to define the amount of shares, each executive is evaluated based on a composition of objectives, measured through corporate and individual goals and level of adherence to the Company's principles and values.

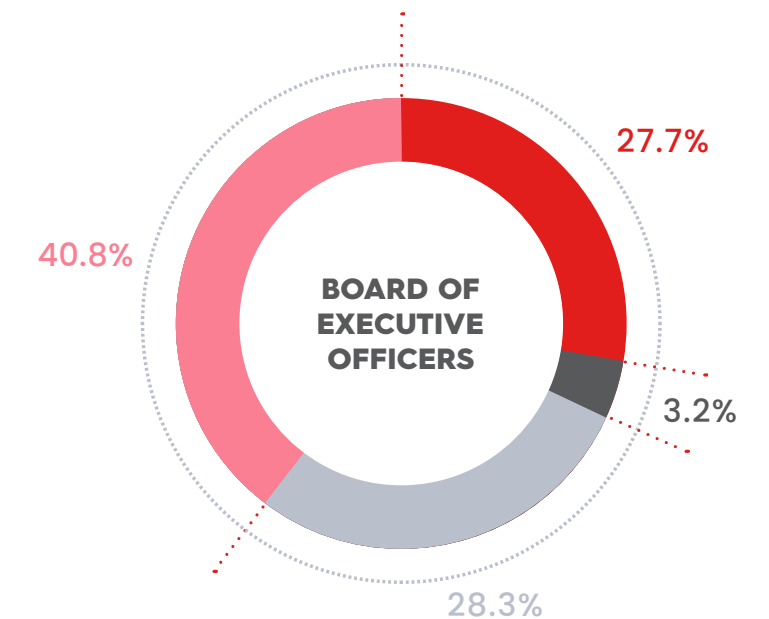
The Board of Directors, in turn, has only fixed compensation (pro-labore and participation in committees).

Find detailed information about our compensation policy in item 13 of our [Reference Form](#) (only in Portuguese) and in [Manual for Participation in Meetings](#).



● **R\$ 15.3 MILLION**  
DISTRIBUTED BETWEEN:

- **R\$ 12.0 MILLION**  
Fixed compensation (pro-labore)
- **R\$ 1.0 MILLION**  
Stock Option Plan and Restricted Shares
- **R\$ 2.3 MILLION**  
Compensation for participation in committees



● **R\$ 23.9 MILLION**  
DISTRIBUTED BETWEEN::

- **R\$ 6.6 MILLION**  
Fixed compensation (pro-labore)
- **R\$ 762.8 THOUSAND**  
Benefits
- **R\$ 6.7 MILLION**  
Variable compensation (in connection with Company and personal targets)
- **R\$ 9.8 MILLION**  
Stock Option Plan and Restricted Shares (helps us retain key executives, aligning their interests to those of our shareholders in creating value for our business in a sustainable way and in the long term)

# risk management

GRI 308-2, 408-1, 409-1, 411-1, 414-1, 414-2 | SASB CG-AA-440a.1 | TCFD

We adhere to the best national and international practices for the efficient management of business risks, reinforcing our culture of ethics, transparency and responsible governance, with a robust structure, as presented below:

## ● MANAGEMENT POLICIES TO CONTROL RISKS

- Administrative, Risks and Compliance Policy
- Audit Policy
- Compliance Policy
- Financial Management Policy
- Profit Allocation Policy
- Anti-Corruption Policy

- Disclosure Policy
- Policy for Disclosure of Material Facts and Securities Trading
- Related Party Policy
- Nomination and Compensation Policy for Directors

- Information Security Policy
- Privacy and Data Protection Policy
- Customer Service and CRM Policy
- Code of Conduct for Employees
- Code of Conduct for Suppliers
- Sustainability Policy

## IDENTIFY, EVALUATE AND MEASURE

The managers of each business unit or area of the Company continuously promote, with a minimum annual review, the identification of the risks to which we are subject. The identified risks are evaluated and classified in risk matrices according to the potential impact on the Company.

## TREAT AND MONITOR

For each risk with the greatest potential for impact, the manager defines the treatment and control processes to reduce or eliminate it. The treatment and monitoring of this risk is also supported by various risk management and compliance roles, such as the areas of Loss Prevention, Compliance, Legal, Information Security, Quality Control and Controllorship.

Additionally, internal auditors assess the effectiveness of risk management and internal controls and report to the Audit and Risk Management Committee and the management.

Know the policies in: <https://bit.ly/3MuETkV>

# monitored risks

GRI 2-25 | CG-AA-440a.1

## OPERATIONAL RISKS

Failures in internal processes, systems or actions developed by people that may generate losses involving operations, assets, customers and revenues.

## STRATEGIC RISKS

They involve decision-making by the Company's Senior Management and can cause large losses in the Organization's economic value.

## REPUTATIONAL RISKS

Events that may harm the Company's reputation in cases where poor risk management becomes public knowledge.

## SOCIO-ENVIRONMENTAL RISKS

Negative socio-environmental impacts throughout the life cycle of products, which involve a network composed of multiple actors, which can negatively impact the Company, its stakeholders and the society in general. This category also includes climate risks (learn more about mitigation initiatives on page 64 and details about socio-environmental risks in the chain on pg. 33 from our report from the previous year: <https://bit.ly/3rUXGyf>).

## ● emerging risks

### PANDEMICS

**Impact:** possible future pandemics, such as the one experienced from 2020 onwards, could have significant impact on the global economy and, therefore, on our business results and our ability to generate increasing revenues. In addition, pandemics can also impact the physical and psychological health of our employees, as well as their safety at work

**Mitigation:** from an economic point of view, we are continually developing new solutions to continue to delight our customers, accompanying and innovating in face of their changing habits (learn more about these actions on page 10). From the point of view of our employees' health and safety, we work with a medical front dedicated to the subject, with preventive actions, and actions to promote well-being, quality of life and physical and psychological health as well (learn more about these actions on page 48).

### CYBERSECURITY

**Impact:** possible cyber-attacks may result in leakage of confidential information, frauds, system unavailability, data hijacking and damage to the Company, both in reputation and in non-compliance with the laws.

**Mitigation:** we have a solid cybersecurity and information security strategy and structure, we fully comply with the General Data Protection Law and we continually promote a culture of security among our employees and partners (learn more about these actions on page 42).

## ● risk management culture

Our Risk Department works closely with the business areas, providing advisory support for the identification, prevention and treatment of the main risks, and also promoting the areas' awareness of a preventive risk management culture. The Risk Management and Internal Audit teams support the areas in identifying the main ordinary and extraordinary risks, as well as in structuring and implementing risk mitigation action plans, working together with the business areas, identifying risks that generated hundreds of plans of action.

Periodically, we carry out the onboarding process for employees with leadership positions, covering issues relevant to risk management, strengthening the Company's preventive culture. With the proximity of the areas, we also make room for feedback and continuous improvement. Annually, all Executive Boards must present their main risks and significant concerns that feed the Audit Committee's performance strategy for the management of ordinary risks.

Throughout 2021, we continued to implement tools and process improvements, such as an external platform for personal data privacy, referring to our commitment to the principles of the LGPD, and an external information security management tool, bringing relevant data to internal actions along with our partners.

# human rights

## management

GRI 2-23, 2-24, 412-1

### codes of conduct

Since 1995, we have the Code of Conduct and, since 2018, the Code of Conduct for Suppliers, to guide, clarify and formalize the conduct, values and principles expected from our employees, managers, and suppliers.

All employees must read and declare that they know the Code at the time of their hiring, or whenever the document is updated, and they also have training on the Code at Renner University. Suppliers, on the other hand, declare that they know the Code upon hiring, having to disclose the publication to their employees and receive continuous content and training on the subject.

Every year, we work on the qualification and training of our employees on our Code of Conduct, corporate policies and anti-corruption practices, in addition to continuously working, through communication, to raise awareness and sensitization on the issues.

### SUSTAINABILITY POLICY

It presents, since 2016, Lojas Renner S.A.'s commitment to sustainable development, guiding the management, values and the positioning of the Company and its entire value chain and stakeholders: from raw material producers to the players involved in post-consumption.

### HUMAN RIGHTS POLICY

Since 2020, it has formalized and disseminated our commitment to promoting respect for Human Rights, establishing the guiding principles that should guide the Company's activities and relationships throughout the business value chain.

### ANTI-CORRUPTION POLICY

Since 2014, it has pointed out practices and principles to be followed by employees, partners and third parties to fight corruption and fraud, specifying tools, warning signs, intolerable acts, sanctions and disciplinary measures and the bodies responsible for monitoring compliance. We did not identify, in 2021, operations with high risk of corruption.

### GLOBAL BEST PRACTICES GUIDING POLICIES AND MANAGEMENT



- UN Sustainable Development Goals.
- UN Guiding Principles on Business and Human Rights.
- International Charter of Human Rights of the UN and its instruments: International Declaration of Human Rights, International Compact on Civil and Political Rights and International Compact on Economic, Social and Cultural Rights.
- United Nations Global Compact.



- Guidelines for Multinationals from the Organization for Economic Co-operation and Development (OECD).



- Declaration of the International Labor Organization (ILO) on fundamental principles and rights at work.



- National Pact for the Eradication of Slave Labor, (InPacto Institute), of which we are a signatory.

## promotion of human rights

GRI 2-25

We are committed to preserving and respecting Human Rights, and we continue to work intensively to identify risks of violations in our operations and value chain, mitigating them and remedying the possible impacts caused.

In addition to the Ethics and Compliance Committee (learn more em <https://bit.ly/3yDN9IN>), we have a multidisciplinary Human Rights Working Group, focused on articulating the necessary actions to mitigate and address the identified risks and the Plural and multidisciplinary Committee, aimed at developing and putting into practice strategic initiatives to promote diversity and inclusion, in addition to the diverse Plural Working Group, responsible for providing advisory support to the actions of the diversity program.

Between 2019 and 2020, we conducted an important process of due diligence on the impacts of our chain on Human Rights, which identified 12 main priority risks, the main ones being:

- Discrimination among employees.
- Fraud, corruption and labor violations in the international reseller supply chain.
- Damage to the environment in the production process.

In 2022, we will review the risk matrix with a new due diligence considering all new aspects of the business. Learn more in the following subchapters about our initiatives to manage and mitigate these risks and, in our Annual Report 2020, details about the due diligence: <https://bit.ly/3rUXGyf>



Agroforest cotton producer: cultivation that respects the community and the environment.

We keep on expanding the scope of compliance audits with international Resale Suppliers (learn more on page 49), of programs to develop sustainability practices in the production chain (learn more on page 78), of our compliance program (learn more on page 49) and the promotion of diversity, equality and the fight against discrimination (learn more on page 39).

## complaints

GRI 2-25, 2-26

To support our Ethics and Human Rights Protection Programs in the Operation and Supply Chain, and the respect for our policies and principles, we offer the society as a whole, suppliers, customers, employees a corporate whistleblower channel, which assists, in an unified way, all the companies of the Group.

Anyone can make complaints to the channel, available 24 hours a day, offering guarantee of secrecy, confidentiality and monitoring of negotiations. It is operated by a specialized company, and supports the channel's independence and security for the whistleblower, in addition to enabling a greater reception by a team of psychologists that receives the complaint and provides the proper referral.

Channel: 0800 900 9091 or  
<https://contatoseguro.com.br/en/lojasrennersa>  
 (in Portuguese, English and Spanish)

We publicly disclose the channel on our website, as well as to employees and suppliers upon hiring, in workshops and e-mails. Among the resale and civil construction suppliers, we also demand the dissemination of the channel to their employees and contractors, through posters in areas where work circulates. During technical visits, we check whether the Renner code of conduct exists in the company and whether it has been properly disseminated.

In 2021, in the action plans for dealing with cases of violation, the main measures were: advances in procedures, infrastructure, standards, warnings, terminations, termination of business relationships, suspensions and transfers.

## fighting discrimination

Considering the scenario for the year and the risks identified in the matrix, we prioritized the risk of discrimination and created initiatives, including our internal and external publics, to manage the issue on two fronts: zero tolerance of discrimination and harassment, and the fight against domestic violence. Thereby, we mobilized a multidisciplinary squad to promote actions related to both themes, and with deliverables in the areas of processes, awareness, training, mitigation and corrective measures.

In 2021, we continued to promote training for employees and leaders on matters relevant to the topic and concluded other important actions on the front of zero-tolerance to discrimination and harassment. Regional managers, HR coordinators and employees of teams involved in cases of harassment or discrimination underwent specific training by a specialized company. We standardize and formalize the investigation and handling processes for complaints, review the practical protocols for action in cases of discrimination and harassment, the corrective measures for aggressors and the remediation plan for victims, and centralize in the Corporate Compliance the record of incidents in stores, involving physical aggression, harassment, discrimination and bullying between employees and customers.

We also advanced and promoted awareness-raising and training on domestic violence and implemented, with the support of a specialized partner company, Em Frente (Ahead), a channel for welcoming victims. The channel is freely accessible to Lojas Renner S.A. employees from all hierarchical levels in situations of physical, psychological, moral, patrimonial and sexual violence within the family.

## diversity and inclusion

GRI 2-23

Plural, created in 2020, is the Program that guides our diversity and inclusion strategy (learn more about the program in our 2020 Annual Report: <https://bit.ly/3rUXGyf>).

In 2021, we worked on disseminating Plural in the Company, with the publication of a manifesto video, the publication of our Diversity Guide for employees, communications and thematic events throughout the year, communication and awareness on diversity for suppliers and training on diversity, discrimination and race for employees and senior management.

We also started pilots to expand inclusion in the Attraction & Selection processes, as follows::

- Internship and Trainee Program with aspects of diversity in all phases.
- Selection processes with blind interviews.
- Test with data on the recruitment platform to improve the diversity database.
- Participation in a fair to attract disabled people.



Employees were models in the Pride campaign.

We are part of a relevant network that promotes diversity and combats discrimination:

- Signatories of the LGBTI+ Business and Rights Forum.
- Associated with the LGBTI+ Alliance.
- Supporters of the UN Women's Empowerment Principles
- Signatories of MOVER (Movement for Racial Equity)
- Members of the Business Coalition to End Violence Against Women and Girls
- Instituto Identidades do Brasil ID\_BR and its Yes to Racial Equality Seal.

## gender equality

40



All Advance Together is a campaign that promotes women empowerment.

We have a team composed of more than 64% of women in recent years and practically the same level in leadership positions, with the presence of women also in traditionally male careers, such as engineering and logistics.

From an external point of view, we understand that we have a great potential for social contribution to gender equality through the Lojas Renner Institute's support to women's entrepreneurship projects in the fashion chain (learn more on page 57).

Through the Todas Avançam Juntas Movement, we seek to raise awareness and engage customers in the

cause of women's empowerment, launching products and communications focused on the theme and promoting campaigns that revert a portion of the net sales revenue of all Renner stores and e-commerce, Youcom, Ashua and Camicado for the Institute and, consequently, for the empowerment of the women benefited. In its 13 years, the Movement has collected and allocated around R\$ 23 million to projects benefited by the Institute.

In 2021, we also created the "One woman empower many" change, in which our customers can donate change from their purchases to the Lojas Renner Institute.

In 2021, we won several recognitions in the rankings and awards that assess business practices to promote gender equality:



**Featured in the women category of the Exame Diversity Guide.**



**1<sup>st</sup> Place in WEPs Brasil Award – Companies Employing Women—in the large size category – bronze.**



**1<sup>st</sup> place in the Ibevar Ranking in the list of the highest participation of women in high leadership positions.**



**3<sup>rd</sup> place in the sector, in the Women in Leadership Award.**





Ashua Spring Summer Campaign

## product diversity

We work with extended size grids in the Ashua brand, specialized in curve & plus size, and we carry out modeling tests on different bodies in all our brands, to guarantee quality products for all styles.

After intense work to develop a size chart that takes into account more than forty measurements and not just the primary ones, such as bust, waist and hips, in 2021 we innovate using 3D technology to develop physical mannequins designed from the scanning of real bodies. The objective is to deliver to customers more ergonomic pieces that are faithful to the bio-type of Brazilians.

From the exhaustive use by the internal team and suppliers, and the adjustments made, 14 patterns of physical mannequins will be manufactured, in an unprecedented way, all designed from digital body scanning and with variations in sizes ranging from infant to plus size.

# information security

## management

Information security is one of the pillars of the business, it is part of the fundamental commitments of the Code of Conduct and counts on the direct involvement of the Board of Directors in the management, approving and validating the strategy that guides our solid management of the topic:

- Two structured areas focused on cybersecurity in the Company:
  1. Information Security Area, from the IT Department.
  2. Corporate Compliance Area, from the Risk Department.
- Corporate Cyber Risk and Fraud Committee, multi-disciplinary, with interface with the Board of Directors.

- Board member – Christiane Edington – with experience in Information Technology.
- Structure of guidelines composed of 3 policies and 21 standards, as well as manuals detailing the processes to ensure information security, data protection, risk and incident management and business continuity.
- Privacy and Personal Data Protection Policy of Lojas Renner S.A., which governs the guidelines and general conditions of collection, use, storage, processing and protection of data on websites, platforms and internet applications, in accordance with the legislation. Access at: <https://bit.ly/37M2grD>

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**In 2021, we continued to evolve with specific channels to comply with the rights provided for in the General Data Protection Law (LGPD): we implemented privacy centers for Renner, Camicado and Youcom brands, with a platform for privacy management that operationalizes all aspects related to the topic, such as the life cycle of personal data, the inventory of personal data processing, privacy policies, consents, purposes of use, among others.**

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Reflecting the evolution and consistency of our management, in 2021, we were rated A level and 93 points on Security Score Card, a tool that monitors the maturity level of cybersecurity in companies around the world, achieving the 1<sup>st</sup> place in the sector in Brazil.

# protection

We have several processes to protect the Company from the risk of attacks and intrusions by hackers (or crackers), with operating macrostructures anchored in specialized partner companies:

- Security Operation Center: focused on protecting the Internet perimeter, internal environment and systems, event correlation and incident response.
- Security Tools: we adopt modern, market-leading tools that protect the technological environment from cyber threats.
- We count on a team focused on Ethical Hacking, with intrusion tests in our environment with recurrence scheduled on a monthly calendar.
- Brand Protection: aimed at monitoring the main brands of Lojas Renner S.A. on the internet.

We have a team that manages technical vulnerabilities, and a contracted cyber insurance coverage.

In 2021, we acquired a tool that allows us to monitor the level of external cyber risks to the Company and partners that provide services, and we invested heavily in perimeter protection mechanisms and device protection in our environment.

In 2021, there were no complaints of data loss or breach of customer privacy received from regulatory bodies or other stakeholders.

## **RESPONDING TO INCIDENTS AND INTERRUPTIONS**

We have a Policy and a formal Business Continuity Management (BCM) process, through which we carry out the survey of operational stop risks (partial or total) and a Business Impact Analysis (BIA). Based on this scenario, we define the strategies in the Operational Continuity Plan (OCP) for the processes, and we have a Disaster Recovery Plan (DRP) for all systems classified as vital and critical in the BIA. To ensure the efficiency of this process, we carry out annual OCPs and half-yearly DRP tests and incident response training.

In the year, we suffered a cyberattack that led to system instability, as well as the unavailability of our digital operations for a few days. In this sense, our teams and partners acted very diligently and the incident showed us the relevance of having this risk identified and our teams always prepared and updated business protection and recovery plans.

## **IDENTITY AND ACCESS MANAGEMENT**

We have a platform for managing the identities and access of employees and partner companies that covers the most relevant systems and the vast majority of access accounts. We also have a partner approval process, where we assess the information security requirements of those who will access Lojas Renner S.A.'s sensitive or confidential data and, every six months, we monitor the cyber risks of the main partners.

## **PROTECTION OF CUSTOMERS DATA**

We have a strong focus on protecting customer data. We count on a dedicated area, with specialist professionals and renowned suppliers in full operations (24 hours a day and 7 days a week) and we have adopted a multilayered strategy with several controls and tools. We have been recertified annually in the Payment Card Industry Data Security Standard (PCI DSS) since 2012, the brand's standard for credit and debit card data protection, and we use database protection techniques and active Data Loss Prevention (DLP) features to monitor and prevent the leakage of sensitive data. In 2021, we continue to implement more mature and robust controls in monitoring processes, in addition to investing in Cyber Threat Intelligence solutions, in order to mitigate potential harmful events.

## **AWARENESS**

We have a corporate program aimed at the education and awareness of employees in information security, which includes lectures for new employees, the Cyber Week, an annual week with events and communications on the subject, an Information Security Program available online at Renner University (RU), as well as education campaigns on topics such as password care, cyber crimes, information classification, among others. In 2021, we reached about 70% of the workforce trained at RU on topics involving the LGPD.

capitals



sdg



# SOCIAL

## 04

We work with responsibility and excellence to **generate enchantment and development to all our stakeholders.**

GRI 3-3, 414-2, AF1, AF8, AF9, AF10, AF12, AF13, AF14, AF15, AF16, AF17, SASB CG-AA-430b.2, CG-AA-440a.1



# employees

## development

45

The development of technical, behavioral and cultural skills of our employees is key to sustaining our business in face of business demands and socio-cultural changes, ensuring that they have the necessary skills to support the accomplishment of our strategy with excellence and enchantment.

Check below the main development programs, which also support our differentiation as an employer brand, expanding opportunities for the personal and professional development of employees and enhancing a path of continuous evolution and career advancement.

### ● relationship with talents

#### **CIRCUIT PROGRAM**

Circuit is our program aimed at generating exchanges of experience and knowledge between Lojas Renner S.A. professionals and the education and innovation ecosystem, in Brazil and abroad, strengthening the attraction and development of talents, through a continuous agenda of meetings with partners, promoting dialogue about experiences, new skills and essential skills for future careers, and for a collaboration that generates value for the sector and the society.

In 2021, we created Circuit Takes Off, which brought together employees (which we call makers) and sponsoring directors to devise the next actions of the Circuit Program, seeking to address employer branding and innovation initiatives in the different areas and businesses of the Ecosystem. In five Take Off meetings, more than 500 ideas were generated, which turned into 20 idealized projects to be put into practice in 2022.

The Circuit Program won the GROW+ Innovation Award in the Culture of Innovation and Intrapreneurship category.

#### **GATEWAY PROGRAMS**

Missão S.A. and Trainee programs are the great gateway for potential talents in our Ecosystem. The Trainee Program has an average of 9 thousand applicants per edition and is very traditional at the Company, attracting talents to the Product and Operations areas. The selection process format has been evolving for 4 editions, absorbing lifelong learning and ESG concepts. The Missão S.A. Program, on the other hand, applies for the entire ecosystem, bringing more than 130 interns in its first edition alone.

In all, during the year, the Talent Relations area impacted more than 39 thousand talents, had 119 employees of the Company involved, 29 thousand people enrolled in the Programs, 943 people participating in the journeys in the Program and resulted in the hiring of 238 talents. Based on the Net Promoter Score, we recorded a 72% increase in brand perception by both makers employees (NPS 9.8) and external talents (NPS 8.9).

#### **CAREER CYCLE**

We provide 100% of Lojas Renner S.A. professionals with a career cycle that is carried out digitally through our career platform. Annually, all our leadership participates in the complete cycle, including the allocation of professionals to a performance and potential matrix, the subsequent calibration in the executive committee and the discussion of the succession map. Every six months, all our employees, including interns, participate in our competence assessment, which involves self-assessment, assessment by the immediate manager, a formal moment of feedback and career conversation, with the aim of reviewing the Individual Development Plan (IDP), focusing on personal and professional development goals. This year, in addition to our official cycles, we started to offer, optionally, the possibility of additional rounds of our cycle, thus ensuring continuous alignment between manager and evaluated professional.

Through artificial intelligence, we connect the needs listed in the IDP of each one with the contents of the Renner University (RU), pointing out a curatorship of courses and training aligned to the IDP of each employee, who can also add reference people, mentors and groups to their IDP (social learning).

<sup>2</sup> In 2021, 93% of employees joined and carried out the performance evaluation.

## RENNER UNIVERSITY

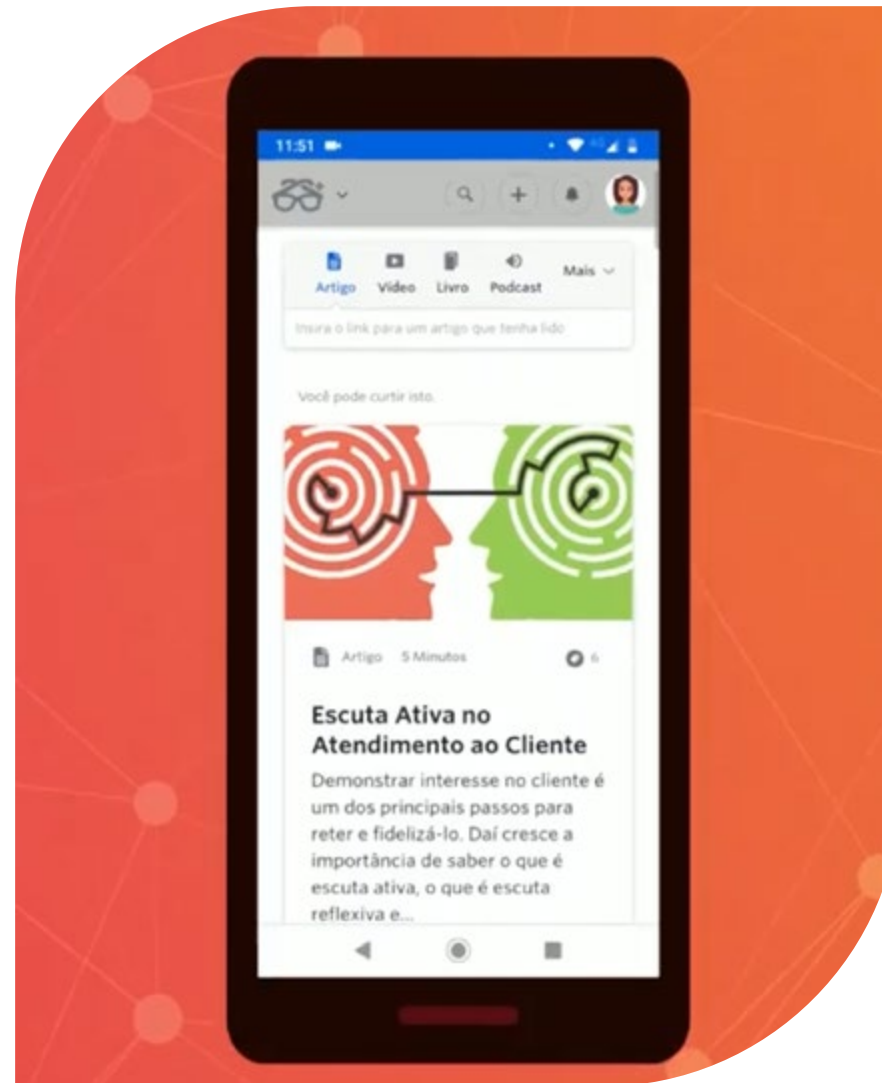
The Renner University (RU) is the learning ecosystem that connects excellent curation, development opportunities and social learning in a single platform available to employees and suppliers. In this Learning Experience Platform (Degreed), the employee develops, learns from colleagues from other areas, can apply for internal vacancies, mentoring opportunities, rotating jobs and projects; in addition to managing its Individual Development Plan (IDP). In addition, the employee has full autonomy to create and share what they have learned with the entire company, whether in the form of curation, creating their own trails, or sharing comments and insights about what they learned on the trails, or even contribute to the RU by connecting external content that they find interesting to the platform.

In 2021, RU continued to evolve with the launch of IDP Challenge and People on the Move UP. The IDP Challenge encourages employees, through gamification, to fill out their IDP and think about their career desires/challenges in a way that is connected to their development, making clear the importance of protagonism and the mindset of continuous learning so that we are increasingly prepared for new career challenges.

At People on the Move UP, on the other hand, internal vacancies and other development opportunities are shared in a space within the RU, which is also fed by artificial intelligence, seeking to present possibilities and paths for career advancement within our ecosystem, enabling managers to identify internal talents with the skills and competences for the challenges of their teams. Thus, employees with a complete IDP are more likely to match with available opportunities, whether internal vacancies, mentoring, tutoring or study groups, for example.

## EDUCATION SUPPORT

We offer all employees a reimbursement policy for continuing education (in-class courses, seminars, conferences, online courses and workshops) on business and behavioral topics and, for leaders and potential leaders, a specific continuing education policy, benchmark missions and language immersion.



Renner University: easy access to development contents.

Learn more about RU capabilities in our 2020 annual report: <https://bit.ly/3rUXGyf>

## LEADERSHIP DEVELOPMENT

We have leadership development programs to speed up the career progression of our employees and ensure that leaders are prepared to keep up with our intense pace of expansion. We identify who are the “high potentials” in our Calibration Committee, by crossing the results of the competence assessments, the achievement of goals and the analysis of potential, and we build the succession maps, with positions starting from senior manager, which are validated by the Succession Committee of the Board of Directors. The entire management level of the company has, among its goals, the formation of successors.

After the map validation, we created structured plans to accelerate the readiness and leverage the performance of identified talents, the Fly Talent Program, with a complete portfolio of development actions, such as executive coaching, media training, mentoring, national/international immersion, job rotation and expatriation. The People & Sustainability team also conducts workshops aimed at developing skills, working on concepts, content, tools, practical activities and cases for the development of leaders, such as coaching, leader coach, feedback, continuous coaching, roles and responsibilities, tools to assist in the feedback and development of IDPs.

Since 1992, we count on a trainee program, open to external and internal candidates, which develops and trains future leaders for our ecosystem: supervisors and managers for the stores, planners, buyers and designers for the product area. A reflection of the Program's success, our CEO, Fabio Faccio, was a Renner trainee 22 years ago.

## ● culture and employer brand

Faced with the cycle of digital transformation, innovation, expansion of the connection and business performance, and the strengthening of our fashion and lifestyle ecosystem, in 2021, we started a project of cultural evolution. We carried out a diagnosis, which considered the diversity of the operating segments, teams and countries, as well as the integration of new businesses (Repassa), which will be the basis for a work on value generation and reverberation of the culture of enchantment aligned with the Company's new challenges.

During the year, new disciplines were created to meet the demands of business development, such as Organizational Change Management and also Employee Experience, focusing on initiatives that benefit the experience of employees throughout their entire journey in the ecosystem, from their selection process, until a future dismissal, in an integrated manner, with different processes and in all areas and segments of the Company.

**With this dedicated look in mind, we started reviewing our value proposition for employees, and continued with an employer brand strategy that values our culture and the diversity of talents and businesses at Lojas Renner S.A., through different career styles. In this sense, we launched Encantech, our tech talent community, which seeks to attract and develop talents in the areas of Tech, Data, Agile and Digital from different parts of Brazil and the world.**

### STRATEGIC ALIGNMENT

To disseminate our culture and strategy to more than 25 thousand employees, we have important alignment forums that cover the entire organization, such as Journey S.A. (leaders and administrative employees) and Magic (operations employees).

In 2021, the theme of Journey S.A. was ONEx—Several Stories, One Power. With it, we started to engage everyone in building our ecosystem, through clear and transparent communication about the business challenges and transformation needs for continuous advancement. Thus, we mobilize leaders and teams through a great learning journey, sharing and experiencing strategic themes of the digital cycle and reinforcing the corporate culture. This journey continues with Magic, in a playful, engaging and digital format for the entire Operations employees.

### ENGAGEMENT SURVEY

Annually, for more than two decades, we have carried out the voluntary and anonymous engagement survey, together with all Lojas Renner S.A. employees. In 2021, adherence to the survey was 78% and the average engagement was 89%, a level that is above retail and which reached our goal of 89% engagement.

As advances to map employee experience and satisfaction, in 2021 we expanded the listening channels with new surveys such as pulse and offboarding and implemented bots to improve internal service levels, mapping different journeys of employee profiles, to promote continuous improvements.

We are TOP 5 in the **Great Place To Work 2021** in national retail, category more than 10 thousand employees, who ranks the companies that stand out for good practices in the work environment in the evaluation of practices and research with collaborators.

## ● Health, safety and well-being

We are committed to the health and safety of our employees, in line with global best practices and collective bargaining agreements with unions.

We provide our employees with safe and healthy workplaces, always attentive to compliance with laws relating to Medicine and Occupational Safety and seeking continuous improvement, with a team dedicated to the management of the topic, under the supervision of the statutory Director of People and Sustainability, a set of structured standards and policies, raising awareness on responsible attitudes.

We seek continuous improvement of our health and safety management system, based on a series of actions to identify and mitigate risks:

- Annual assessment to identify risks to which employees may be exposed, through the Environmental Risk Prevention Program (PPRA) and the Occupational Health Medical Control Program (PCMSO)
- Monitoring of health, safety and well-being indicators with definition of goals and action plans to reduce exposure to risks and promote evolution.
- Investigation and close monitoring of accidents and other topics related to the promotion of health and safety.
- Employee training about safety and well-being, fostering a safety culture and reducing potential accidents.

- Requirement to respect the best health and safety practices of our suppliers, through commitment to our code of conduct.

Moreover, we seek to encourage well-being and quality of life among our employees through the Well-being Program, based on three pillars—prevention, health promotion, occupational safety—and four dimensions—physical, emotional, financial and Social health. The main actions in 2021 were:

- Possibility of working from home and flexible working hours to administrative employees
- Training for leaders and employees on well-being, psychological safety, emotional aspects, self-care and self-knowledge.
- Balance pilot program, with the objective of serving as a listening channel for leaders to their teams, with a focus on improving the balance between work and personal life and reducing the potential for excessive overtime.
- Pilot at Youcom of the Dr.BE Program, in partnership with AON, with the aim of offering employees and their dependents a health care service through a 24-hour health center and telemedicine and telepsychology service, with the support of a multidisciplinary team formed by nurses, family doctors, nutritionists and personal trainer.
- Annual Wellness Week, which addressed topics such as happiness, relaxation and psychological safety practices, and the work environment.



Caring for the employees health at the offices

- Virtual lectures and meetings, open to everyone, to talk about mental health, well-being and current topics, such as the Covid-19 pandemic.
- During 2021, 21,000 hours of training were carried out for employees, in order to prepare them to assist customers and employees in the event of accidents in the work environment.
- Employees who have children also count with day care assistance and, at headquarters, we offer a breastfeeding/lactation room.



# partners

GRI 308-1, 308-2, 414-1, 414-2, AF1, AF8, AF9, AF10, AF12, AF13, AF14, AF15, AF16, AF17, SASB CG-AA-430b.2

## responsible purchasing

We have a close management of suppliers, with technical teams dedicated to monitoring and supporting our supply chain, divided into two groups: Administrative Supplier Management and Reseller Compliance Management (dedicated to reseller suppliers, those that manufacture the products sold across ecosystem companies and Marketplace providers).

Before contracting, 100% of the suppliers that serve our companies in the fashion segment in Brazil, including the sellers of the marketplace, undergo to homologation approval, which evaluates their mechanisms for promoting the integrity and compliance of their documentation, ensuring regularity and adherence to our requirements. In the international scenario, on the other hand, we assess all suppliers involved in our operations. In 2021, 2,915 suppliers were approved.

We have consistent monitoring processes for our suppliers, seeking alignment with Lojas Renner S.A.'s policies and values and ensuring risk mitigation from its entry into the Company's supply cycle, through its permanence as supplier, monitoring the socio-environmental performance and development of our network, in order to guarantee a truly responsible purchase for our final consumer. See the details of each team's strategy and progress throughout 2021.

### ● monitoring suppliers

#### **FASHION RESALE SUPPLIERS**

After the initial hiring process, national and international Resale Suppliers (tier 1) of Renner's own brand—for clothing, accessories, footwear and beauty—and their contractors (tier 2) are monitored in relation to social and environmental responsibility and evaluated in audits, whose frequency is linked to the level of classification and compliance risk, with at least one audit every two years.

The score in the audits generates a classification, which considers five risk factors—Constitutional Rights, Occupational Health and Safety, Workers' Rights, Company Formalization and Environment—and classifies suppliers into four levels, according to their performance and socio-environmental commitments.

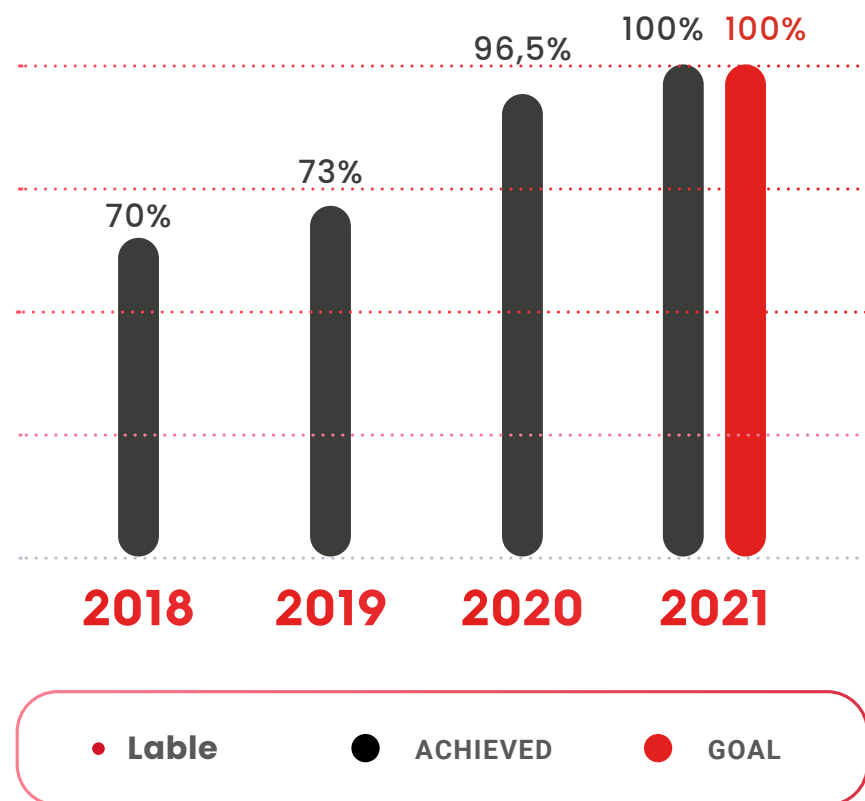
In the last year, 1.5% of suppliers were considered to have low management or insufficient management for sustainability and received special monitoring. Altogether, in 2021, we directly audited 75.4% of all resale suppliers (tier 1), and 56.6% of their total contractors (tier 2), with 100% of our suppliers (tier 1 and 2) being monitored in this and/or other ways in our compliance program.

- A** Suppliers with high management of socio-environmental compliance
- B** Suppliers with average management of socio-environmental compliance
- C** Suppliers with low socio-environmental compliance management
- D** Suppliers with insufficient socio-environmental compliance management (learn more in consequence management, on page 51).

Our compliance monitoring is validated by a third party, attesting that our Program is aligned with the best international practices contemplated in ISO 19011:2018—guidelines for auditing management systems and ISO 20400:2017—guidelines for sustainable procurement. Furthermore, we are signatories of ABVTEX, Social & Labor Convergence (SLCP) and SAC (Sustainable Apparel Coalition), which make up our Supply Chain Monitoring Program.

We achieved our public commitment for 2021 of having 100% of Renner's global reseller chain with a socio-environmental certification, ensuring the adoption of widely legitimized best practices.

● **STATUS: ACHIEVED GOAL**



In addition to audits, we monitor the performance of Renner's Resale Suppliers in the knitted, plain fabric, denim/twill, lingerie, beach line, footwear, costume jewelry and accessories chains, through a monthly assessment, based on the Global Supplier Performance Index (GSPI).

The GSPI evaluates active suppliers with deliveries in the pillars of quality, logistics, commercial and sustainability, identifying those with the most critical results, who receive warnings and must present action plans. The GSPI is also one of the aspects that influence our supply matrix, along with aspects of financial health and compliance, in addition to the performance of suppliers.

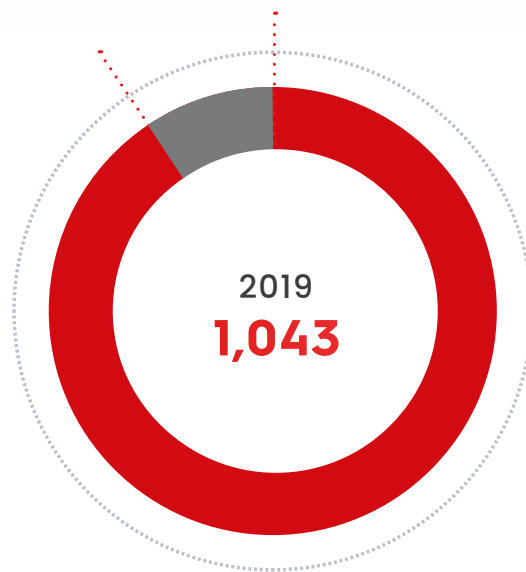
Based on 2016, when the GSPI was reformulated to the current assessment indices, suppliers have already shown an evolution of 17.3 percentage points by 2021.



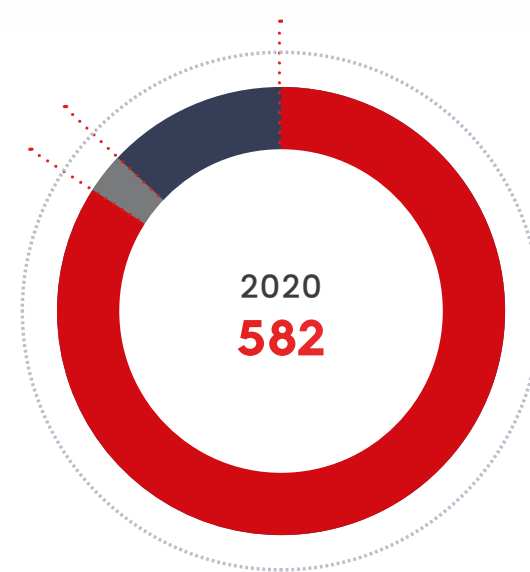
Re Jeans Collection, produced in one of the factories which uses less water to manufacture the clothes.

## ● ESTABLISHED ACTION PLANS

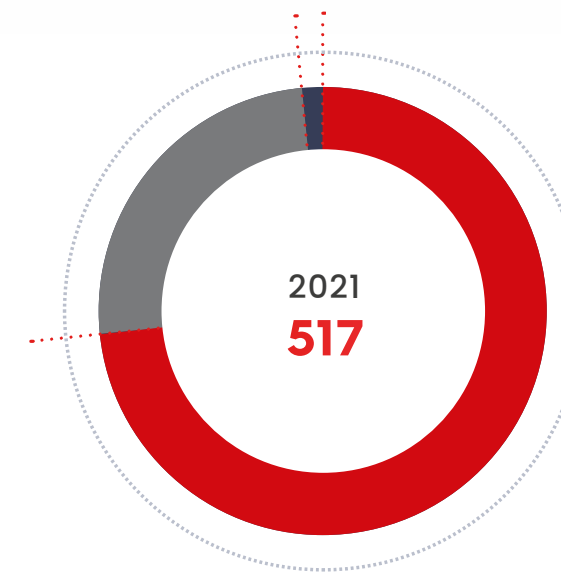
With national and international suppliers - tier 1 - and their contractors - tier 2



**92%** established  
**8%** in progress



**86.4%** established  
**3.1%** in progress  
**10.5%** not established and inactive



**73.9%** established  
**25.7%** in progress  
**0.4%** not established and inactive

## CONSEQUENCES MANAGEMENT

In all cases in which we identify non-compliance, we ask the company to implement an action plan, with two or three months for resolution and face-to-face monitoring, depending on the criticality of the plan. If the plan is not complied with, companies are blocked/suspended, do not receive new orders and are subject to disqualification from the supply chain of Lojas Renner S.A.

We count on a multidisciplinary Supply Committee that decides on sensitive cases related to the permanence of suppliers in our supply chain or that do not comply with the procedures and methodologies of the Compliance Program.

**Among the items evaluated in the audits, some are classified as "zero tolerance": they immediately block the supplier in our chain and can lead to the end of the business relationship.**

**Learn in detail about the items evaluated in the Audit Checklist, available on our supplier portal (only in portuguese):**  
**<https://bit.ly/37jHlbW>**

The main non-compliance in the year was the denied access to auditors in tier 2 suppliers. As corrective measure, we carried out online training throughout the year, reinforcing our consequences management procedure, and we encouraged our tier 1 suppliers to visit their subcontractors and review the checklist and audit process. In 2021, through international audits, we identified a zero-tolerance case, which occurred in a company not declared or authorized to produce. As an action, we demanded immediate regularization and discontinued the partnership with the companies involved.

## STRUCTURE

We have a specialized and dedicated management responsible for managing the compliance of resale suppliers, with 20 professionals, including our own team located in Asia, ensuring proximity to our suppliers, and a third-party company that supports the performance of international audits. We also carry out annual training sessions with the teams that develop the products and the purchasing teams that choose the suppliers on our principles and practices, to reinforce the importance of taking into account the risk classification of suppliers.

### HOME AND DECORATION SUPPLIERS

At Camicado, we started the first diagnostic phase for the implementation of the Supplier Compliance Program. We conducted internal and external engagement through a webinar with suppliers, and we started the chain mapping and monitoring through the socio-environmental audit (national and international), carried out both by Renner's internal team, and external partners.

During 2021, we audited 92 suppliers, representing 55% of the volume contracted in the year. For 2022, we are preparing for the second phase of consolidation of Camicado compliance program, which will establish as development of the program for the coming years all the steps required in the Lojas Renner S.A. Compliance Program.

### ADMINISTRATIVE SUPPLIERS

For service rendering suppliers in our Administrative Headquarters, in addition to documental approval, we conduct functional approval, which accesses bond and fitness for the job, considering applicable legal requirements to the activities they will perform, amounting to 198 companies and 1,494 professional assessed in 2021.

Administrative suppliers in the civil construction, logistics and maintenance sectors, identified as critical, also undergo a more in-depth monitoring process, where a specialized consultancy evaluates their documentation, in relation to practices and commitments with:

- Workplace Safety;
- Environment; and
- Social Responsibility (child, forced or slave-like labor, irregular foreign work, freedom of association, discrimination, abuse and harassment, remuneration, hours worked and benefits).

In this context, we monitored 167 suppliers in 2021. Also, with civil construction suppliers and their subcontractors, we make technical visits, through specialized consultancy, at construction sites and lodges. The inspections are guided by a checklist, take place without prior appointment and include interviews with workers in order to capture the perception of the work routine. In all, 35 works were audited in 2021, which represents 81% of the total works carried out and nine lodges, equivalent to 100% of the works with lodges. Monitoring identified 94.5% of compliance in the audited works and 96% of compliance in the audited lodges.

In this same group of civil construction suppliers (builders, managers and designers), we monitor their performance through the GSPI (Global Supplier Performance Index) on three pillars (business, compliance and commercial). In 2021, we included the socio-environmental agenda in a structured way in the program and, as of 2022, partners will be evaluated in relation to their maturity in these aspects, within the compliance pillar. The supplier classification supports both the Purchasing team and the business area with regard to decision-making in relation to new hires or supplier discontinuation.



Camicado's store, at the Ibirapuera mall.

# Data intelligence and transparency

## ● predictive model

In 2021, we work on automating and analyzing data to leverage our risk prediction processes, make supply chain audits more efficient and support decision-making for more responsible purchasing.

Using artificial intelligence, machine learning and business intelligence, we analyze historical data from audits to understand the correlations between non-compliances and recidivism per company profile, type of production process and region, pointing out the greatest potential risks. To prioritize the monitoring of the supply chain and have a more assertive performance, we consider the company's risk axes<sup>3</sup> and relevance to our business, classifying them into quadrants that define our form of monitoring (routine and format of audits).

Thus, we move towards a predictive model, where and when non-compliance will happen, increasing the visibility of risks and vulnerabilities, reducing the volume of audits carried out and having greater availability to go beyond legal compliance, increasing the level of management and promoting the improvement of socio-environmental performance in our chain.

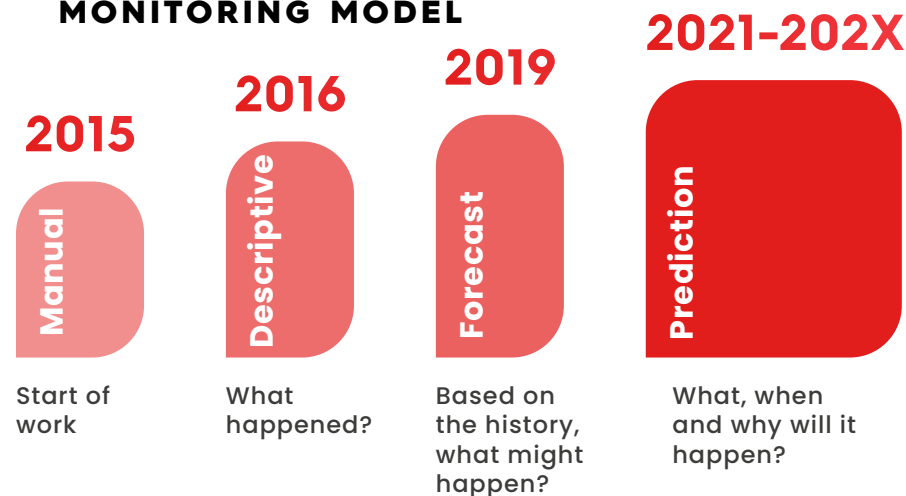
Between 2018 and 2021, with the support of data intelligence, we were able to obtain more information in an automated way, increasing the assertiveness of on-site audits and promoting the evolution of the management and socio-environmental performance of our chain. In addition, we reduced the average cost per audit, thereby doubling the efficiency of the process without affecting our risk management.

## ● digital traceability

We continue to advance in the use of blockchain technology in the supply chain, seeking traceability from the conception of the raw material to the final product. In 2021, we joined the SouABR Program—Responsible Brazilian Cotton, in partnership with the Brazilian Association of Cotton Producers (Abrapa) and other brands. The Program is the first large-scale traceability initiative in the national textile chain, and allows the tracing of the cotton used in the garments back to their property of origin, ensuring, through the Responsible Brazilian Cotton certification, the adoption of good socio-environmental practices throughout the chain, to the finished product.

Through the blockchain, information about the path taken by the cotton is digitized, accessible and auditable, giving reliability to the certification. The ABR certification analyzes 178 verification items, distributed across eight criteria: employment contract; prohibition of child labor; prohibition of work analogous to slavery or in degrading or undignified conditions; freedom of union association; prohibition of discrimination against people; safety; occupational health; work environment; environmental performance and good practices.

## ● ADVANCES OF OUR MONITORING MODEL



<sup>3</sup> The audit history, the location where the company is located (country and region), the supply segment, the type of activity, other certifications that it may have that contribute to mitigating the risk, financial assessment, among other available data.

<sup>4</sup> Parts volume, order quantity, supplier council participation or other projects.

# qualification

We want to go beyond risk and compliance management and maximize our potential for positive impact on the textile chain, supporting the development of Resale Suppliers and, consequently, the sector. Learn below about the main programs in this sense.

## ● local development

At Renner, 67% of tier 1 and 96.9% of our tier 2 suppliers are in Brazil, where we have most of our operations, with 47.5% located in Santa Catarina and São Paulo, states with tradition in the textile industry and where two of our DCs are located. With this concentration, we have very close relationships, enhancing collaboration in performance improvement actions and facilitating the creation of innovation projects.

Check our list of resale and raw material suppliers on our website (only in portuguese): <https://bit.ly/2Ob3frL> and <https://bit.ly/3er2EwI>

Another relevant front of value generation in the chain is the financial support to suppliers. In 2021, for the 6<sup>th</sup> consecutive year, we maintained the financing operation with the National Bank for Economic and Social Development (BNDES), this year aimed at overcoming the challenges of Covid-19 imposed on our Resale Suppliers. In all, financing operations were carried out that allocated R\$ 87 million to 19 companies in the Renner chain. In the six years of the project, around R\$ 180 million have already been financed.

## ● qualification of resale suppliers

We understand that in our Resale Compliance Management strategy, the qualification pillar is key to create the necessary basis for us to empower the chain socio-environmental performance in the chain. We believe that suppliers who are oriented and aware of the impact of their performance, can, in addition to mitigating and controlling the risks of their operation, improve their performance.

In 2021, we worked to ensure that our chain would reach performance levels, complying with advanced requirements, beyond the mandatory requirements of our compliance checklist, monitored during audits.

Besides, we have developed several initiatives that support the development, qualification, excellence and advancement of sustainability practices in the supply chain:

## **RENNER UNIVERSITY (RU) FOR SUPPLIERS**

In 2019, we started to provide our suppliers, as pilot, access to the RU, extending to partners relevant content for learning and development on strategic topics for the business and chain. In 2021, we expanded access and had 135 companies registered in the RU, improving and deepening the supplier's experience in matters in which they have questions or need to understand as a fundamental part of their permanence in the Company's business. The tool was essential for the intense training journey turned to promote sustainability, as part of as part of Cleaner Production Program (P+L 4.0) (learn more on page 78).

## **COMPLIANCE ACCELERATION PROGRAM (CAP)**

In 2021, we launched the CAP, in which we offer consultancy services to Renner's reseller suppliers identified in the audit process as needing to improve their performance in compliance management. With diagnostic steps and action plans, built with the supplier and our experts, we accelerate the advancement of supplier practices to ensure their compliance. Since the launch of the PAC, we have accelerated 12 suppliers, in two cycles, which lasted one semester with factory monitoring.

## PRODUCTIVE CHAIN PROGRAM

in partnership with Sebrae (Brazilian Service to Support Micro and Small Companies), since 2017, we have promoted the development of companies hired by Renner's resale suppliers in four phases: awareness, diagnosis, training and consultancy. In 2021, 121 companies were involved in the program and we are piloting with seven companies the implementation of a new module in the chemical management program. **Since 2017, we have trained more than 300 micro and small companies.**

## CONTINUOUS IMPROVEMENT PROGRAM (CIP)

In 2021, for the 9<sup>th</sup> consecutive year, the CIP maintained its focus on supporting the cash flow of companies, meeting financial needs with short and medium-term anticipation lines for Renner's national resale suppliers, according to analyses carried out with the chain. The initiatives provided sustainability and ensured the continuity of the business throughout the year.

## RENNER EXCELLENCE PROGRAM (REP)

It seeks to promote and encourage development and innovation in Renner's reseller supply chain, recognizing companies that stand out in Quality, Sustainability, Efficiency, Cooperation and Innovation at the Suppliers Convention. In 2021, more than 200 companies participated in the program, and nine of them were recognized by category and the highlight of the year.

During the year, we created Clear Doubts Program, moments of exchange between our team and Renner's resale suppliers on topics that they propose, improving our strategic alignment. There were seven editions in the year.

## ● fair living wage

In 2021, we achieved fair living wage monitoring in 100% of Renner's national Resale Supplier chain (tier 1 and 2). The review process continues to be updated as part of routine audits. Learn more about the methodology in the 2020 Report, on page 71: <https://bit.ly/3rUXGyf>

Compliance monitoring (learn more on page 49) supports the guarantee that our supply chain complies with labor laws, including rights related to compensation, freedom of association and collective bargaining.

Moreover, we believe that having responsible practices, from the moment of purchase, is also essential to support the sustainability of our network of suppliers and the generation of value for their stakeholders. Therefore, we have guidelines for the relationship with suppliers on clarity in negotiations, partnership with the supplier, respect for production deadlines, considering the productive capacity of each supplier and the generation of adequate conditions for the payment of fair living wages.

We count on a working group with Product, Purchasing, Style and Planning teams, led by the Sustainability and Supplier Management areas, to discuss our main steps forward in responsible purchasing, guided by the seven principles of Better Buying's Responsible Purchasing. The principles prioritized in 2021 were planning and forecasting, costs and negotiation, and the group discussed advances to give suppliers greater visibility into the stages of product development and production of orders and greater predictability of supply.

**In the 2021 Supplier Satisfaction Survey, 96% of respondents fully or partially agree that negotiations are conducted fairly.**

Learn, in detail, our commitment to promoting fair and safe work, on <https://bit.ly/3erPwqT> (only in portuguese).

# communities

For thirteen years, the Lojas Renner Institute has managed our private social investment, aimed at both community development and income generation, training and support to women's entrepreneurship in the fashion ecosystem.

**In all, we invested R\$ 7 million in the projects supported in the year, which benefited more than 8 thousand people, 60% with our own resources.**

Get to know the main projects supported below and access the Institute's website and annual report to learn more (only in Portuguese): [www.institutolojasrenner.org.br](http://www.institutolojasrenner.org.br)



Farmer supported by Instituto Lojas Renner in the program Weaving Autonomy.

## cotton agroecological

The promotion of female empowerment in the responsible fashion chain through the production of agroecological cotton is part of the Weaving Autonomy program, and is the result of the journey we started in 2017. In 2021, we worked to support small farmers in communities of Minas Gerais and Ceará and their integration into our supply chain.

Since it started, the Weaving Autonomy project has already benefited around 300 families and generated 11.2 tons of agroecological cotton, a material incorporated into the production chain of the least impactful pieces available in Renner's special collections, which receive the Re-responsible fashion seal.



# women in the fashion ecosystem

On this front, we support projects aimed at empowering women and small businesses, which benefit low-income or vulnerable women, to prepare for work or evolve their businesses into digital channels. See below the main projects supported.

## **WEAVING DREAMS**

Professional development and formalization of migrant micro-entrepreneurs, in São Paulo, with training and mentoring for 19 sewing workshops in the areas of logistics, marketing, human and financial development, in addition to legal and accounting advice, so that, in 2023, they will be prepared to form the first national fashion retail migrant association.

## **MASTERS OF CLAY**

Development and income generation for the collective group of artisans from communities linked to the Masters of Clay project, an initiative of Camicado, carrying out qualification workshops in clay crafts.

## **EMPOWERING REFUGEES**

Training and referral to the job market of more than 300 refugees since 2016, and with around 100 professionals hired by Lojas Renner S.A. Today, our main fronts for empowering refugee women are: Sewing School, MSG LAB and Plural Retail.

## **SEWING SCHOOL**

Training in basic sewing for 40 Venezuelans and migrants from neighboring countries, mostly women, in Criciúma and Blumenau (SC), connecting these professionals to the market, meeting the demands of our suppliers.

## **MSG LAB**

We offer professional training in industrial sewing to 160 vulnerable Venezuelans and migrants from neighboring countries to Brazil and connect them to the SOS Sewing application, which offers repair and customization of parts, supporting their employability and contributing to the increase in the life cycle.

## **PLURAL RETAIL**

Training of underprivileged groups for socioeconomic inclusion in retail and, thus, a more inclusive, diverse and plural retail. In 2021, we trained 52 people, 28 of whom started working in our circular store (learn more on page 69) and other 19 entered the job market.

## **LIBERTEES**

We support the social business in Belo Horizonte, whose mission is to provide women in deprivation of liberty with the opportunity to redefine their own trajectory and restore their self-esteem through fashion.

## **CASA 1**

With the mobilization of Renner, Ashua and You-com brands, we spent R\$ 140,000 on behalf of Casa 1 (House 1), which welcomes LGBTQIA+ people and provides professional training to the community on different fronts.

## development of community leadership

On this front, we seek to promote strategies that encourage the creation of a fertile community environment for female leadership, through the development of leaders of social and sports projects in communities.

### THEY MOVE FORWARD

In 2021, we launched an online page for ongoing applications for projects that are approved by the Sports Incentive Law and Funds for the Elderly and Children and Adolescents and that promote female empowerment or contribute, directly and/or indirectly, to the construction of a fertile environment for their protagonism. In this first year, we already have some successful cases, such as Floripa Apps, which offers free online training in technology and development for students from the public school system in Florianópolis (SC).

### RE APPRENTICE

We created a group of young Re apprentices, with the participation of Renner volunteers, and offered training to accelerate the development of these young people, involving topics such as Circularity, Diversity, Sustainability and Social Impact.



Seamstress at Cooperativa Novos Horizontes, a project supported by the Lojas Renner Institute.

## combating covid-19

In 2021, we continued to work to support the health system and vulnerable communities through donations, articulation of resources and institutional partnerships that multiply the social impact, a front that received the largest volume of the amount collected by the Lojas Renner Institute for the second consecutive year.

We invested R\$ 2.4 million in actions aimed at combating Covid-19, such as the construction of the new factory at the Butantan Institute, intended to expand the vaccine production, supporting the construction of oxygen plants and shipment of trucks of oxygen to the Amazon, participating in Unidos pela Vacina (United for the Vaccine), a program created by the Institute for Retail Development (IDV) to accelerate immunization, donating equipment to health institutions and donating food cards to vulnerable families.

## engagement

We seek to engage employees, customers and society in projects and causes supported by the Lojas Renner Institute. In 2021, the All Advance Together Movement raised R\$ 4.7 million, and involved all brands for the first time—Renner, Youcom, Ashua and Camicado. We also created actions to encourage donations:

### “ONE WOMAN EMPOWERS MANY” CHANGE

Since October, in the physical stores of Renner and Ashua in Brazil, customers who make purchases and pay invoices in cash have the option to donate the rest of the change to the Lojas Renner Institute.

### RECURRING WAGE DONATION (EMPLOYEES)

We implemented a tool on Lojas Renner S.A. Intranet that allows employees to choose to make recurring or one-off donations to the Lojas Renner Institute, through payroll deductions.

### RECURRING DONATION BY CARD (ILR WEBSITE)

Anyone can access the Institute’s website, under the “DONATE NOW” menu, and make recurring or single donations by credit card or bank slip to the cause of women’s empowerment through fashion. Visit <https://bit.ly/3gU4tIX> (only in portuguese).



Good Bag, through which they are sent the pieces for sale at Repassa .

### SOLIDARY STYLE

We engage employees to donate up to 6% of their income tax due to projects already validated and supported by the Lojas Renner Institute, raising R\$ 42,000 in 2021. Visit <https://bit.ly/3rG5rs0> (only in portuguese).

### REPASSA (CONTRIBUTION)

Customers who sell their used parts on the Repassa platform, from Lojas Renner S.A., can donate part of their sales to the Lojas Renner Institute. Learn more at: <https://bit.ly/3LiGtXo> (only in portuguese).

## sebrae agreement\*

In 2021, we formulated the largest project in the history of the Lojas Renner Institute, which will enable the accomplishment of more than 9 thousand services, with an investment of R\$3.2 million, duration of 24 months and a scope that covers different stages of a production chain, as shown below.

**Agriculture:** develop and qualify local production and promote the organic cotton chain, providing knowledge about technological capabilities and new business models, contributing to the communities of Minas Gerais, Paraíba and Ceará, supported by our Weaving Autonomy project. More than 200 families will be monitored by the end of 2023, resulting in the completion of two cotton crops.

**Retail:** free online courses focused on the sale of products through digital channels to those benefited by our Fashion Entrepreneurs project, a selection of 90 women entrepreneurs who will undergo a specialized mentoring process with professionals from different areas of Lojas Renner S.A. and, at the end, between 20 and 30 women entrepreneurs will undergo an acceleration program, with the possibility of selling their products on digital channels and receiving complete guidance on how to access the major retail channels, including the chance to sell them on Renner and Camicado marketplace.

**Industry:** encourage 20 enterprising stylists from Brazilian authorial fashion brands to develop sustainable production and management practices with a customized acceleration program.

\* Brazilian Service to Support Micro and Small Companies.

# customers

## engagement

### ● communications

We believe that, in addition to offering less impacting product lines (learn more on page 75), it is necessary to inform and educate our customers about the production process of these parts and their differentials, empowering their choices and encouraging more sustainable consumption and use habits. We take the concepts of sustainability to society on our Renner Style blog, showing its importance and engaging everyone towards a more sustainable consumption, with content on responsible behavior and consumption patterns that contribute to the preservation of the environment and respect for people.

### ● products

Since 2018, we have also used the Re Responsible fashion seal for Renner products and, in 2020, the YC Change seal for Youcom products, which symbolize our way of thinking and practicing sustainability and identify our products, services and initiatives that bring more sustainable production processes (learn more on page 78).

In 2021, we took to our Renner customers 81.3% of the clothing products launched with the Re Seal and 38.9% of Youcom products with the YC Change seal, and we launched special collections of products with a cause, connected to the projects supported by the Lojas Renner Institute (learn more on page 56).



EcoEstilo furniture in Renner's circular store at Rio Sul mall (RJ).

We also significantly strengthened communications and engagement on sustainability and responsible fashion to our customers:

- We promoted the first Re Seal campaign in Argentina and Uruguay.
- We created voiceovers about the Re Seal, which are reproduced in all stores in Brazil and Latin America.
- We started to use explanatory visual communication materials in stores, identifying collections with the Re Seal.
- We intensified partnerships with influencers to talk about the topic.
- We created an exclusive page on sustainability in e-commerce and a Re Seal menu on our Renner Style Blog, bringing together all communications on the topic, with easy access and highlighting.

## ● sponsorships

Through sponsorships, we allocated R\$ 3.0 million to institutional sponsorships, most of which are linked to cultural initiatives, such as Masp (São Paulo Museum of Art), the biennial and the Tomie Othake Institute, and also to support the creation of more responsible fashion, sponsoring initiatives relevant to the sustainability of the sector:

- 5<sup>th</sup> edition of Brasil Eco Fashion Week (BEFW): largest fashion and sustainability meeting in Latin America, where we participated in 4 panels: 3 years of the Re seal (page 60), sustainable footwear collection in partnership with Insecta (page 77), agroforestry cotton planting project (page 77) and circular store (page 69).
- Brasil Verde Estadão Conference: an event that brought together representatives of several companies debating and exchanging on good ESG practices.
- Liberty Forum of the Institute of Business Studies (IEE): as the largest space for political, economic and social debate in America, the event provides debates between great speakers and promotes objective and viable alternatives to solve the problems of Brazil and Latin America.
- ABIT International Congress: meeting of representatives of the textile and apparel production chain to debate the paths towards an industry with increasing innovation, design, technology, sustainability and Compliance.



Action of the Renner Cultural project at MASP (São Paulo Museum of Art) in São Paulo.

## responsibility

We are committed to a responsible offer of our products and services, especially in relation to Realize's financial products and services, aiming to always provide our customers with clear information about what is being offered or contracted for an ethical and responsible sale, supporting , in a healthy and sustainable way, the financial capacity of our customers.

In addition to observing the principles defined in the Code of Conduct, we also observe compliance with all legislation, regulations and guidelines of the Central Bank of Brazil (Bacen) and the self-regulation codes of ABECs (Brazilian Association of Credit Card Companies and Services) and ACREFI (National Association of Credit, Financing and Investment Institutions), to which we are voluntarily associated.

We offer training to all store employees who sell financial products on the attributes and characteristics of each one of them, providing the necessary knowledge for a sale in line with our value proposition and, twice a year, refresher training, ensuring an ethical and transparent offer, identifying the customer's need, presenting the sales conditions, with clarity and objectivity. We also apply Accelera training annually, in 100% of stores in Brazil, to reinforce guidelines on sales quality and various processes and alignments.

### MONITORING

We have a customer satisfaction assessment process in which, through calls, we assess whether the customer knew about the contracting of financial products and whether he or she was informed about all the conditions. We also monitor the Whistleblower Channel, the Ombudsman, Reclame Aqui (Complain Here) and the Company's social networks to identify non-compliance cases.

When practices that led the customer to error are found, the Quality area investigates the case, the loss prevention area investigates the employee's sales history and, if an act contrary to the principles is deliberately identified, the employee involved is disqualified from the sales campaigns that generate bonus. Our incentive campaign provides in the regulation the importance of selling with quality and penalties in case of non-compliances identified in the monitoring carried out by the quality area.

Cases generated by misunderstandings generate specific training actions. If an offending store or region is identified with several cases of non-compliance, intensive training is carried out to correct deviations.

### COMMUNICATION

In 2021, we did not identify any non-compliance with regulations and voluntary codes regarding Marketing communications, both institutional and retail. Our commitment also covers protecting the most vulnerable audiences in marketing actions (eg. children, people who don't understand technical terms in the sector, etc.), not promoting misinformation or misleading our competitors and not overestimating our socio-environmental actions.

## enchantment

Enchanting customers is part of our essence: it is one of our values and our reason for existing. More than 20 years ago, we were pioneers with the creation of the Enchantmeter, which measures the shopping experience of customers at the door of each Renner store—a company differentiator in the fashion retail market. In 2021, we reached 91.3% of very satisfied customers, exceeding the target of 88% and 4p.p. above the previous year, 7.8% were satisfied and only 0.9% dissatisfied.

**During the year, we also started to analyze customer perceptions of sustainability, reaching 48% of customers (grades 9 and 10), promoting recommendations of Renner as a sustainable brand, 10 p.p. more than in 2020.**

In 2021, we won 1<sup>st</sup> place in the sector in the Consumidor Moderno award for Excellence in Customer Service and also 1<sup>st</sup> place in the sector in the Reclame Aqui Award.

capitals



sdg



# ENVIRONMENTAL

# 05

We aim to mitigate the environmental impacts of our business with a **eco-efficient operation and more sustainable products and services.**

GRI 3-3, 301-2, 302-1, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, TCFD, SASB CG-AA-440a.2, SASB CG-AA-250a.1, CG-AA-250a.2, CG-AA-430a.2, CG-AA-440a.1 TCFD



# combating climate change

GRI 305-1, 305-2, 305-3, 305-4, 305-5, TCFD

## mitigation

We continue to reduce emissions from the business on an ongoing basis. In 2018, we had made a public commitment to reduce absolute corporate CO<sub>2</sub> emissions by 20% until 2021 compared to the base year 2017—a level surpassed with the achievement of a 35.4% reduction<sup>1</sup>.

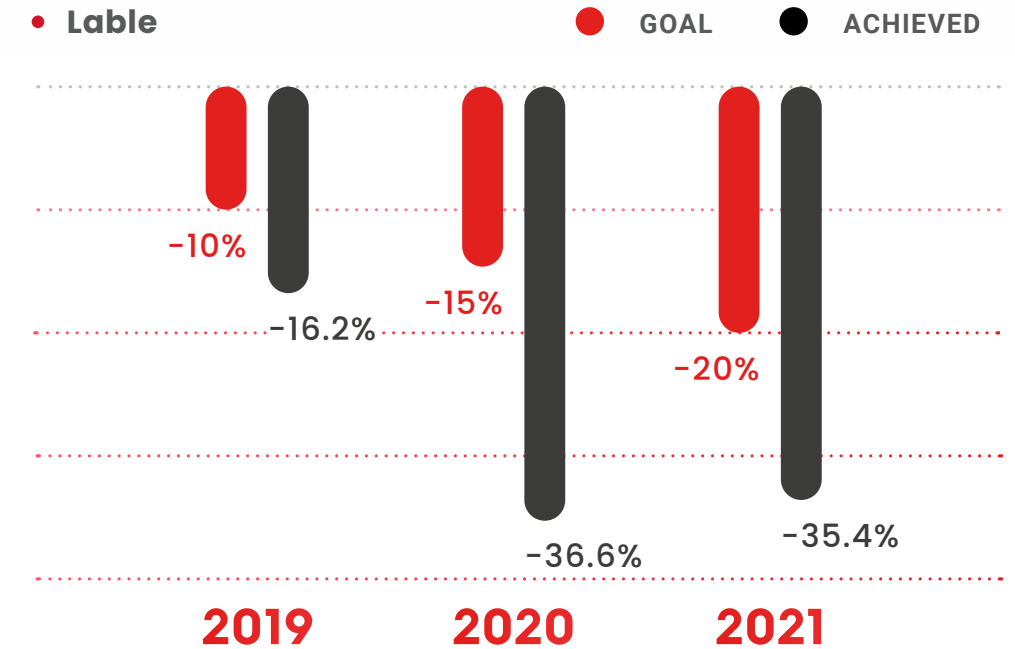
<sup>1</sup> Considering scopes 1, 2 (buy choice approach) and 3 and comparing totals of approach by location in 2017 and approach by choice of purchase in 2021.

We seek to achieve this objective by working both on energy efficiency gains in our own operations and logistics (learn more on page 68).

The volume of emissions from all Lojas Renner S.A. operations in 2021 increased compared to 2020 because of the resumption of operations after stoppages and significant reductions in the previous year, arising from the pandemic. Compared to 2019, more comparable year with normalized operation, we achieved a reduction in absolute emissions and intensity, as shown below.

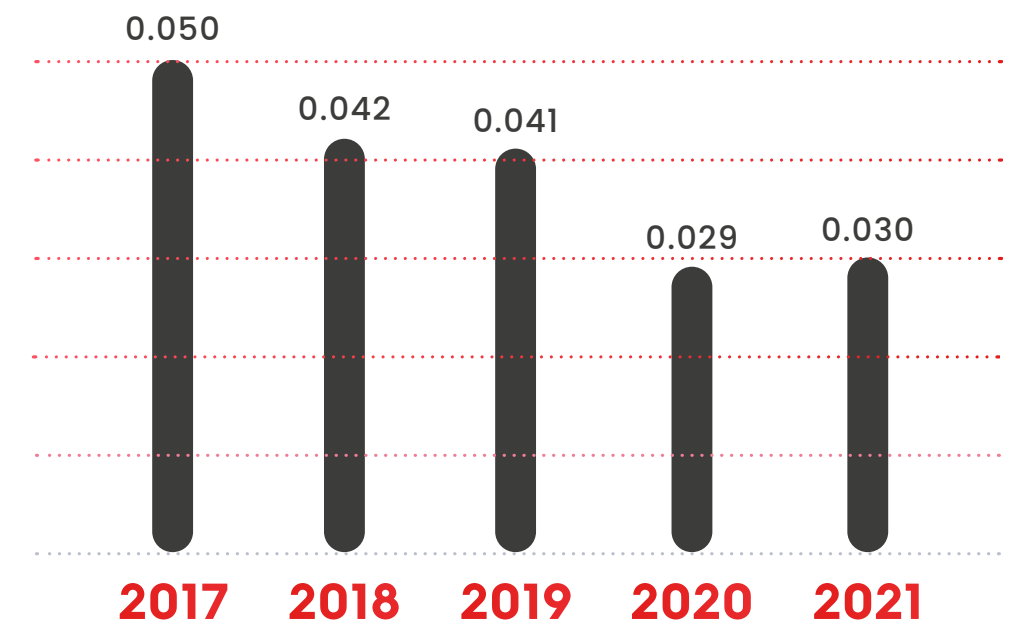
Check out our inventories (only in portuguese): <https://bit.ly/3wogkBz>

### ● STATUS: ACHIEVED GOAL\*



\* Considering scopes 1, 2 (buy choice approach) and 3 and comparing totals of approach by location in 2017 and approach by choice of purchase in 2021.

### ● EMISSIONS INTENSITY (tCO<sub>2</sub>e/m<sup>2</sup> OF BUILT SPACE)





Since 2017, we have used two approaches to calculate scope emissions:

The location approach is based on the location of energy consuming units and uses as an emission factor the average of the emission factors of the different sources of electricity generation that make up the National Interconnected System (SIN). The purchase choice approach uses a specific emission factor associated with each source of electricity generation that the Company has chosen to purchase and consume.

## offsetting and biodiversity

We put into practice our commitment to preservation of biodiversity and ecosystems and to prevent deforestation throughout our chain on several ways.

**Raw materials:** cotton and viscose, both main raw materials used in manufacturing of our products, must have certification that attests to good socio-environmental practices, including related to the preservation of biodiversity. In 2021, we reached 99.15% of cotton and 93.1% of viscose certificates (learn more on page 75).

**Support for conversation and restoration projects:** in 2021, in the ambit our emissions offsetting, we supported the Jari/Amapá REDD+, which promotes forest and biodiversity conservation, protecting 65,980 hectares and promoting forest management in an area of 121 thousand hectares. The other offsetting project supported promotes the reuse of industrial water, reducing water consumption and methane release, in addition to generating jobs. In addition to the compensation projects, since 2018 we have also supported the Voluntary Forest Restoration project, which promotes forest densification in the Mantiqueira region to preserve local flora and fauna, and also contributes to the regulation of water availability and water quality in an area where there are 13 sources of the important river basins Rio Grande and Rio Jaguari.

In relation to operations in areas of water stress, we have suppliers with wet process in five states in this condition: Paraná, São Paulo, Minas Gerais, Goiás, Mato Grosso do Sul and Mato Grosso. To support responsible water management, we have the Cleaner Production Program (P+L 4.0) (learn more on page 78).

Source of GHG emissions (tCO <sub>2</sub> e)	2017	2018	2019	2020	2021
<b>Scope 1</b>					
Stationary combustion	137.3	97.0	103.5	148.4	236.2
Mobile fonts	21.2	11.6	6.7	0.9	3.0
Refrigeration / air conditioning equipment	5,474.4	3,234.7	3,324.8	4,760.4	4,740.4
<b>Total scope 1</b>	<b>5,632.8</b>	<b>3,343.3</b>	<b>3,435.0</b>	<b>4,909.7</b>	<b>4,979.5</b>
<b>Scope 2</b>					
Electricity purchased and consumed (location)	17,883.2	13,091.8	13,528.5	10,262.1	23,055.3
Electricity purchased and consumed	12,704.1	8,585.5	7,764.7	2,980.9	0.0
<b>Total scope 2 (location)</b>	<b>17,883.2</b>	<b>13,091.8</b>	<b>13,528.5</b>	<b>10,262.1</b>	<b>23,055.3</b>
<b>Total scope 2 (purchase choice)</b>	<b>ND</b>	<b>8,585.5</b>	<b>7,764.7</b>	<b>2,980.9</b>	<b>-</b>
<b>Scope 3</b>					
Solid waste	489.5	223.6	209.4	95.1	264.3
Business trips	2,967.7	1,838.3	3,413.8	357.7	596.8
Transport and distribution (upstream)	16,944.3	20,562.5	22,013.9	19,436.3	22,522.5
<b>Total escopo 3</b>	<b>20,401.5</b>	<b>22,624.3</b>	<b>25,637.0</b>	<b>19,889.2</b>	<b>23,383.6</b>
<b>Total emissions</b> (in tons of CO <sub>2</sub> e) - considering scope 2 by the location approach	<b>43,917.6</b>	<b>39,059.4</b>	<b>42,600.5</b>	<b>35,061.0</b>	<b>51,418.4</b>
<b>Total emissions</b> (in tons of CO <sub>2</sub> e) - considering scope 2 by the purchase choice approach	<b>38,738.5</b>	<b>34,553.1</b>	<b>36,836.7</b>	<b>27,779.7</b>	<b>28,363.1</b>
Emissions intensity (tCO <sub>2</sub> e/m <sup>2</sup> of built area)	<b>0.050</b>	<b>0.042</b>	<b>0.041</b>	<b>0.029</b>	<b>0.030</b>

**OUR COMMITMENT TO A LOW CARBON ECONOMY TRANSITION**

In 2021, we submitted to Science Based Targets Initiative (SBTi) our Scope 1, 2 and 3 emission reduction target for 2030, which was approved, and released our Net Zero 2050 commitment.

We have goals that involve accelerating changes in our business model, towards a more responsible fashion.

Our main challenge in the transition to a low carbon economy is linked to reducing emissions from the value chain in the coming decades. We have carried out our emissions inventory since 2010, but it still did not include some significant categories (goods and services, e-commerce and employee travel) in scope 3 (chain), of which the goods and services category represent 84% of emissions. With the inclusion of this scope, our total emissions increased about 10 times\*.

\* These values refer to the year 2019.

For this reason, our Emissions Reduction Strategic Plan includes efforts to encouraging the use of more sustainable raw materials, to promote significant advances in the chain, in addition to our own operation, through actions such as those shown in the box:

Main fronts of the emissions mitigation plan

**In the supply chain:**

- Transition to the use of low-impact renewable energy in the supply chain.
- Energy efficiency in the supply chain.
- Continue and expand the use of less impacting raw materials.

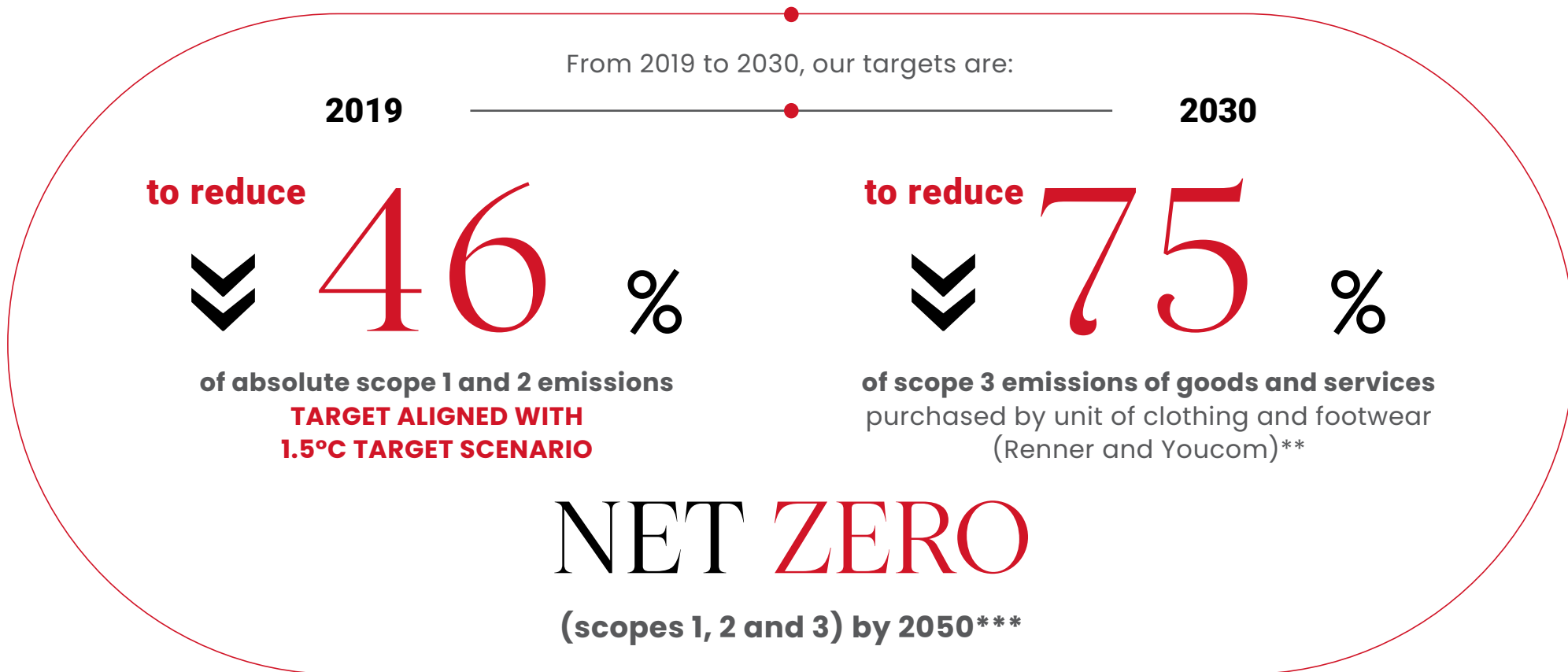
**In the operation:**

- Continue the use of low-impact renewable energy.
- Work with more efficient equipment and refrigerants with lower GWP.
- Promote continuous gains in logistics efficiency.

The results and advances of our journey in recent years drive us to commit ourselves in pursuit of NET ZERO (2050). Find out below the main advances for mitigating emissions and adapting to climate changes.

\*\*Target aligned with target scenario well below 2°C.

\*\*\* We are committed to the target to be NET Zero by 2050, but this goal has not yet been submitted for approval by the SBTi.



## best practices

Our climate change management is based on collaborative initiatives that are references in the subject, strengthening our commitments and practices.

### SINCE 2010

- We remain in B3's Carbon Efficient Index (ICO<sub>2</sub>).

### SINCE 2014

- We published our inventory of greenhouse gas (GHG) emissions with third-party verification and the Gold seal of the Brazilian GHG Protocol program. Check out all the inventories at the link (only in portuguese) : <https://bit.ly/3uRblbP>
- We voluntarily answered to the Carbon Disclosure Project (CDP) questionnaire.

### SINCE 2016

- We are a carbon neutral business, offsetting 100% of our greenhouse gas emissions.

### SINCE 2019

- We are institutional supporters of the Climate Commitment Program, which unites companies that wish to support socio-environmental projects and foster a low-carbon economy by jointly offsetting their greenhouse gas emissions.
- We adhere to the letter of the Brazilian Business Council for Sustainable Development (CEBDS) that defends Carbon Pricing.

To strengthen the relevance of our commitment to combating climate change, there are officers with short-term variable compensation linked to the achievement of goals to combat climate change as of 2021 through topics such as energy efficiency, increasing the proportion of renewable energy and reducing emissions in logistics.

- We are committed to the UN's Business Ambition for 1.5° C campaign, which invites companies to establish targets based on scientific data to sufficiently reduce emissions to contribute to limiting the global temperature rise to 1.5°C , above pre-industrial levels.
- We have adhered to the Fashion Industry Charter for Climate Action, a commitment created by the United Nations Framework Convention on Climate Change (UNFCCC).
- We support the Science Based Targets initiative (SBTi), a global initiative that brings companies together on a clearly defined path to reduce emissions in line with the Paris Agreement target.

### SINCE 2020

- We signed the Brazilian business sector press release, carried out by dozens of companies, investors and institutions, aimed at the Executive, Legislative and Judiciary, to reaffirm the commitment to the sustainable development agenda and expressing concern about the negative international perception of Brazil in relation to the Amazon. Learn more about the document (only in portuguese) on: <https://bit.ly/2LOAMGQ>

### SINCE 2021

- We sign the commitment regarding Climate Neutrality and the Business Movement for the Amazon, proposed by CEBDS.

## adaptation

### VULNERABILITY ANALYSIS

In addition to mitigating climate change, we have also been working on our strategy to adapt to this scenario, in order to reduce, control risks and generate opportunities. In 2019, we carried out a work to identify risks, opportunities and adaptation measures in the face of climate change, considering the company's reality and the specifics of the retail sector for the next 30 years. The study pointed to a potential cost associated with climate change of R\$ 1.1 million. Learn about the risks and opportunities analyzed and identified in the 2020 Annual Report: <https://bit.ly/3rUXGyf>

### PRICING

In 2020, we carried out a carbon pricing study that assigns costs to the impacts of climate change, supporting the anticipation of impacts, risks and opportunities and, therefore, representing a strategic instrument for decision-making in the decarbonization journey. Find out more in the 2020 Annual Report: <https://bit.ly/3rUXGyf>

Considering the average domestic carbon price in the fashion retail sector in the world of R\$ 150/tCO<sub>2</sub>e, we identified that carbon pricing has the potential to impact 1.93% on long-term profit.

# energy management

## consumption reduction

GRI 302-4, 302-5, TCFD EC31

Our main environmental impact in our own operation is energy consumption. Therefore, we work to have stores that are increasingly eco-efficient. We have a LEED silver-certified store, in addition to our headquarters and two gold-certified stores.

Since 2015, we have adopted premises, concepts and criteria for building and renovating stores with sustainability standards, in line with the lessons learned from certified stores, and with the Energy and Asset Management Project, we have adopted the best technologies in automation, lighting and air conditioning, for efficiency gains in Renner stores.

In the six years of the Project, we invested R\$9.8 million and achieved automation in 39% of Renner stores, 11% of Ashua, 6% of Youcom and 4% of Camicado and one of the towers at our headquarters. In 2021, we made progress in implementing automation in Camicado, Youcom and Ashua satellite stores.

### LOGISTICS

In 2021, we achieved a 25% reduction in fuel consumption (diesel) in the road modal, mainly due to our initiatives to gain efficiency in the vehicle occupancy rate and better fueling routes.

## use of renewable energy

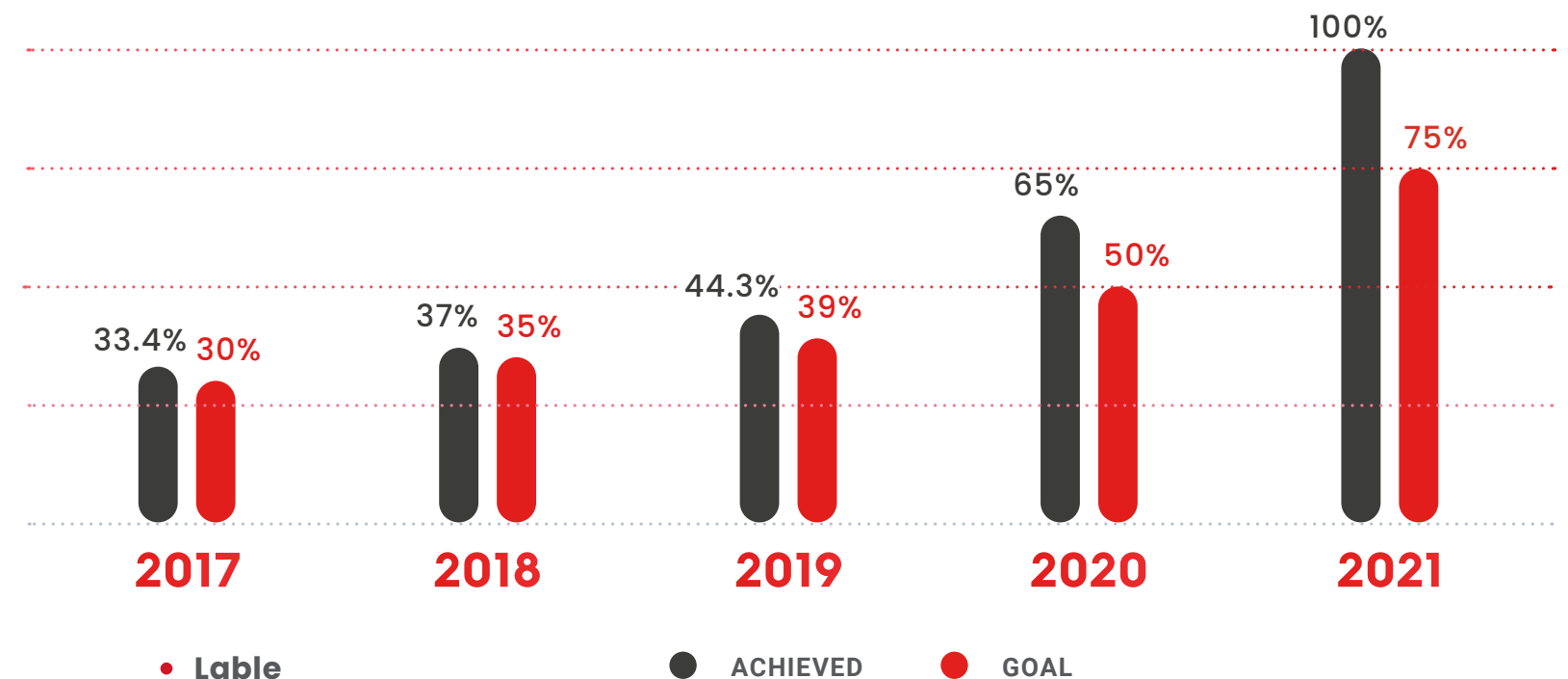
GRI 302-4, 302-5, TCFD EC31

In 2021, we exceeded the target of our public commitment of 75% of corporate energy consumption from renewable, low-impact sources—solar, wind, biomass and small hydroelectric plants (shp), reaching 100%.

In addition to the purchase of energy in the free market (44% of our energy consumption), and renewable energy certificates I-REC (International REC Standard) obtained for 100% of our operations, and the solar farms (1% consumption), in 2021, we invested in the construction of a wind farm in Taractu (PE) by Enel, which will power 170 stores and our new distribution center.

In addition to not emitting greenhouse gases in the generation process, low-impact renewable energies are more cost-effective and generate savings. In relation to conventional energy from the regulated market, energy from the free market provides average savings of 25%. Find out the total consumption, energy intensity and energy costs on page 93.

### STATUS: ACHIEVED GOAL



# transition to a circular economy

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## less impacting buildings

Since 2018, we seek to incorporate the principles of economics circular in the construction of new stores, renovations and in the development of furniture to achieve advances in optimizing material consumption, reduction of waste generation and use of materials with greater recyclability potential.

Since 2016, we also have a new model for building stores with a more simplified structure and lower consumption of materials, which was used in 100% of the openings in 2021, allowing us to achieve significant reductions<sup>1</sup>, such as:

- 62% less gypsum per m<sup>2</sup>, adding up to 92,500 m<sup>2</sup> of gypsum saved in the year
- 69% less slurry per m<sup>2</sup>, adding up to 75.1 ton of slurry saved in 2021
- 91% fewer air conditioning return ducts per m<sup>2</sup>, totaling 90.4 tons of ducts saved in 2021.

<sup>1</sup> Percentages consider the maximum possible reduction to be achieved, but do not represent that these percentages are actually achieved in every project.



## circular store

**In 2021, we opened the first circular store in the country, in Rio de Janeiro, which aligns circularity with digital transformation to create a unique experience to customers, with the best choice of resources to reduce environmental impact from conception to operation.**

During the design phase, a **Life Cycle Assessment (LCA) study** was carried out, which helped in the choice of materials and project decision-making that would reduce impacts to the environment throughout the store's life cycle.

The Store adopted the premises of the BREEAM (Building Research Establishment Environmental Assessment Methodology) certification and is in the process of obtaining LEED (Leadership in Energy and Environmental Design) Certification. In addition to reducing impact, the store also offers a differentiated journey to the customer and the promotion of value creation in the social pillar:

- **New storefront and facade concept:** the store has an open storefront integrated with wider access as a means of communicating fashion to the customer in a 360° way, where he or she interacts with the physical product while the background screens bring the perception of technology and omnichannel, and a facade with greater breadth of access, qualifying the initial stages of the customer journey (motivation and navigation).
- **Omni journey:** we brought solutions that make more sense to users, evolving the experiences offered in the store, increasing the role of consumers and bringing even more autonomy to the purchase journey. Customers have totems to access the digital catalog (infinite shelf), a screen in the perfumery to support the perfume selection experience, more self-service boxes and mobile sales devices (60% more than in the traditional store) and a space dedicated to collection of products purchased online.
- **Dressing rooms:** the changing rooms were redesigned to qualify the moment of experimentation, enhancing the value points for the user and promoting inclusion, plurality and socialization, through an entrance lounge and offer of individual cabins, without distinction of gender.
- **Lighting:** the new lighting project, in addition to efficiency, privileges the product and helps guide the customer's circulation through a lighting project designed to qualify the customer's journey.



Exhibition at the entrance of the store, with video wall in the background.

- **Engagement:** store communication, through panels and QR Codes, presents sustainability and circularity issues, supporting the process of raising awareness and increasing customers' perception of differentials.
- **Biophilia:** we use natural elements bringing greater identification with the store's purpose and well-being to users.
- **Re Space:** a space that counts on curatorship of products with the Re Responsible Fashion seal, in addition to the unified Ecoestilo collector, our reverse logistics program for perfumery bottles and packaging, and disused clothing.
- **Training of employees:** during the six months the store was under construction, the Lojas Renner Institute trained people in vulnerable situations to work in retail. Our store employees also received training on sustainability circularity, digital journey, omnichannel, diversity, responsible products and raw materials to start working in the Circular Store.

All suppliers involved in the creation of the store were trained and developed in relation to sustainability concepts.



Our Circular Store reduces the environmental impact of its construction and operation:

- 97% of the waste generated at the construction site was reused;
- We reduced the volume of wood used by 37%, both with modular, optimized furniture, and more durable materials and aesthetic permanence, and with the prioritization of more sustainable recycled and recyclable materials in the renovation. Just for structural steel, for example, with the recovery of existing elements, we avoided the use of 8.5 tons of it;
- water consumption in the operation is 56% lower than in conventional stores;
- the store's mannequins are 100% recyclable, and already have their destination defined by reverse logistics for remanufacturing with the supplier, so that they return to their chain to become new products;
- the store is powered by wind energy and has more energy efficient equipment, automatic lighting control and absence sensors, which help to reduce energy consumption.

With all this, the store achieves 24% reduction in its global warming potential and the CO<sub>2</sub> emission avoided in construction and operation (in a 20-year scenario) corresponds to the restoration of a 1.5 hectare area of the Atlantic Forest. This is equivalent to planting three thousand trees and maintaining them for two decades.

Re space in Renner's circular store at Rio Sul mall in Rio de Janeiro (RJ).

# packaging

Working groups from all businesses make up the Responsible Packaging Project, aimed at mapping and building proposals for packaging with less environmental impact. With the Project, we prioritize actions to eliminate and reduce single-use plastic, focusing on packaging for end consumers, and formalize sustainability recommendations, having as initial premise the non-generation of waste, analyzing the options available in the market and evaluating in detail the consumption of materials in packaging. From these studies, we identified whether the packaging is in its most efficient model, promoting the use of packaging that has less impact on the environment and society.

Of the total packaging used in our stores, Distribution Centers and e-commerce in 2021, 64% are paper/cardboard and 36% plastic. Paper/cardboard packaging, both in DCs and in stores, is 100% FSC certified<sup>1</sup>. Among plastic packaging, 32% are recyclable.

In 2021, we created pilot projects and initiatives to reduce the environmental impact of packaging in stores, e-commerces and DCs, aiming to gradually reduce our consumption of single-use plastics.

<sup>1</sup> Forest Stewardship Council, a standard that guarantees responsible forest management.

## PILOTS

- Test for replacing personal protective plastic with paper on the inside of e-commerce packaging for perfumery products;
- Removal of plastic from e-commerce packaging for delivery of Collab products with Insecta;
- Feasibility tests to replace the plastic that accommodates the tax receipt for a paper label, printed with all the information.
- Tests for the replacement of the plastic film used in the internal movement of Camicado's DC by reusable tapes.
- Bag made from reused pieces of clothing for fashion delivery (a bag delivery program with Renner products to customers), made by the Novos Horizontes cooperative, a group of women entrepreneurs supported by the Lojas Renner Institute.

## CHANGE OF PROCESS

- 75% post-consumer recycled plastic packaging for Circular store;
- Roadmap for the elimination of plastic packaging in Renner stores that still have this material and replacement with FSC-certified paper bags;
- Reduction in the use of protective plastics on the DC.
- For customers, we have offered, since 2011, the reverse logistics service for perfumery packaging, Ecoestilo (learn more on page 73).



# recycling

GRI 306-1 | 306-2

## OPERATION WASTE

Solid waste management at Lojas Renner S.A. focuses on reducing the volume of waste generated and ensuring correct separation, handling, packaging and final disposal, avoiding contamination and encouraging their reinsertion into the production cycle through recycling, and it is 100% compliant with the National Solid Waste Policy. To reduce the generation of waste in DCs, we promote the reuse of cardboard packaging and fragmented cardboard to replace the air pillows in the boxes of beauty products sent to stores, which will be later sent for recycling.

In 2021, we did not reach the goal of reducing waste generation by 10%, due to the resumption of the pace of our operations after the peak of the pandemic, totaling 2,771.8 tons of waste generated, 92% of which was sent for recycling.

## REVERSE LOGISTICS FOR CUSTOMERS

We offer our customers a reverse logistics service, EcoEstilo, in the perfumery and clothing categories in more than 330 stores. Since 2011, perfumery and beauty packages and bottles can be discarded in Ecoestilo perfumery collectors in stores, even if they were not purchased at Renner. The collected waste receives environmentally correct destination, avoiding environmental contamination. In 2021, there were 48.3 tons, totaling more than 198 tons since the beginning of the program, with environmentally correct destination, and we reached 54% of the collected glass and packaging recycled.

Since 2017, customers can also discard their clothes, purchased at Renner stores or not, in the Ecoestilo clothes collectors. In 2021, 5.6 tons of clothes were collected, totaling approximately 10.9 tons since 2017, which were destined for recycling, through defibration, reuse by upcycling or donation.

## PRODUCTS WITH RECYCLED OR REUSED MATERIALS

With the Cleaner Production Program (P+L 4.) (learn more on page 78), we promote the reduction of waste generation in the production process and the reinsertion of waste into the production chain. In the creation of some of our collections, we use the upcycling technique to avoid wasting materials, making pieces made with the creative reinsertion of raw materials that would be discarded in the production cycle, using the surplus of existing fabrics to create new products and give new uses for a material that would no longer have a place in the market.

# reduced waste

## QUALITY

We take special care with quality, adapting products according to the best international practices, and contributing to a model that extends the life cycle of products. We carry out quality inspections on products at different stages, allowing us to correct any problems and improve the quality of the products sold. About 122 thousand tests and 382 audits in stores were carried out in 2021. In the year we also reduced the return of products due to manufacturing defects in relation to the total of parts sold from 0.07% to 0.06%.

## MOST ACCURATE ASSORTMENT

Predictive analysis and assortment decision based on data and artificial intelligence (learn more on page 13) support Responsible Fashion: we are increasingly producing what the customer actually wants, reducing markdowns and stock outs, avoiding having to produce even more to achieve sales targets and, consequently, the consumption of natural resources and disposal of products' leftovers.

## SHELF LIFE EXPANSION

In 2021, after a successful partnership in 2020 and with great support from our customers, we acquired Repassa, a native digital platform for reselling used clothing and accessories. With this, in addition to

expanding our operations in the fashion and lifestyle ecosystem, we started to offer a service that encourages conscious consumption and the extension of the shelf life of the pieces.

**With 38,300 bags of clothes received in 2021, 2.4 times more than in 2020, Repassa generated great reduction in environmental impact and generation of social value:**

### ● REDUCTION OF ENVIRONMENTAL IMPACT BY AVOIDING PRODUCTION OF NEW ITEMS

R\$ **316** K

**donated to the partner ngos**

**826**

**million liters of water**

**3.7** K

**less tons of CO<sub>2</sub>**

**19.7**

**million KW/h**

**=**

**=**

**=**

**196** K

**donated clothes**

**765** K

**people drinking water for one year**

**167** K

**trees absorbing CO<sub>2</sub> for one year**

**22** K

**families consuming energy for 1 month**

# sustainable products and services

GRI 301-2 | SASB CG-AA-440a.2



Renner's collection with Insecta reused over 4,000 meters of fabric leftovers.

We understand that the path to Responsible Fashion, necessarily, involves building an offer of less impactful products and services, a purpose materialized by the Re Responsible Fashion Seal (Renner) and YC Change (Youcom), which identify products with raw materials or processes with less environmental impact and greater generation of value in the chain.

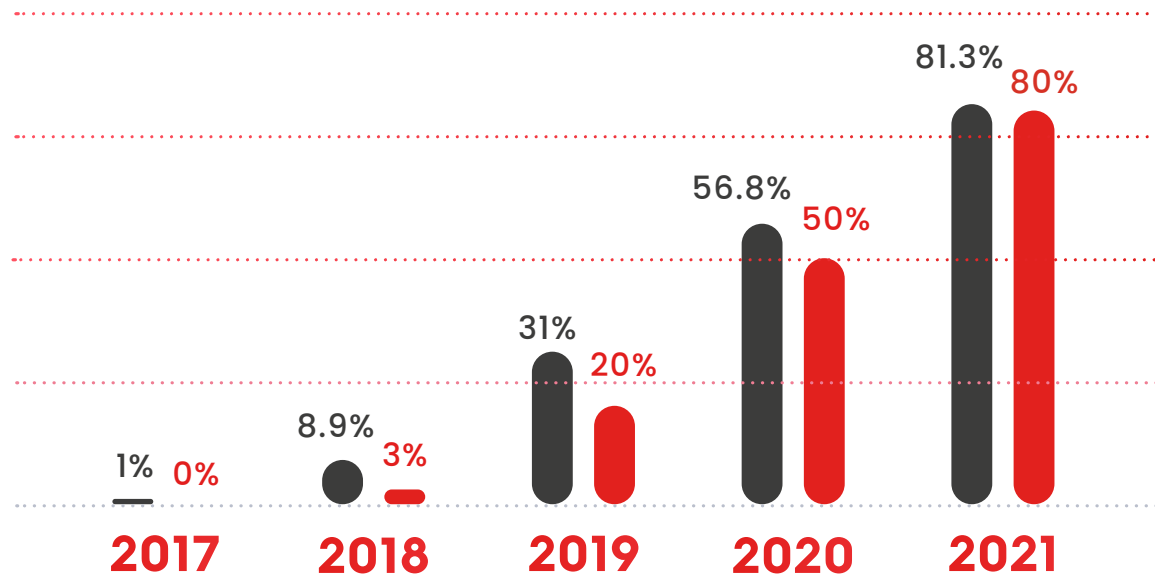
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**In 2021, we surpassed the target of our public commitment, which was to reach 80% of our pieces of clothing by Renner with the Re Seal, reaching 81.3% of pieces with the Re Responsible Fashion Seal.**

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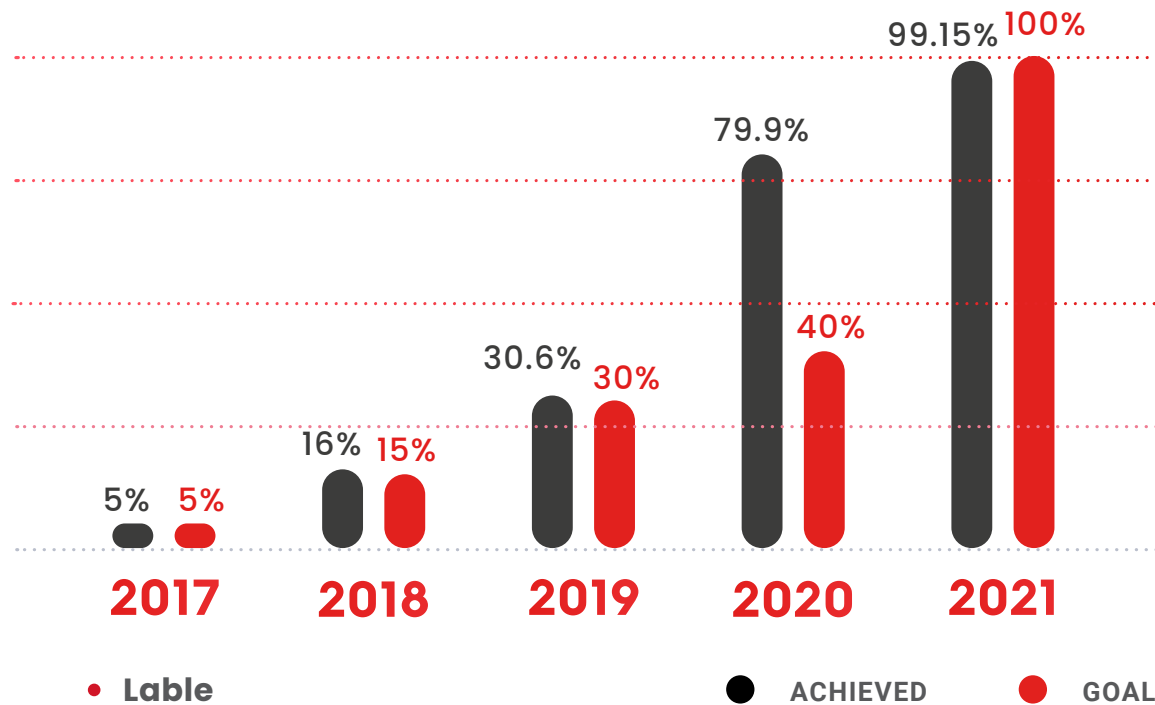
● **STATUS: ACHIEVED GOAL**

**81.3% OF RE PRODUCTS**



● **STATUS: PARTIALLY ACHIEVED GOAL**

**99.15% OF CERTIFIED COTTON**



Special collection of responsible cotton from the Re Seal.

Regarding cotton products, we reached 99.15% of products with certified cotton, against the target of 100%. This difference is mainly justified by the impact of the pandemic, in which adjustments and extensions were necessary in orders, leading to the receipt of a small portion of products without certified cotton.

To achieve the goals, we have worked on training and alignment of resale suppliers, supporting innovation and sector development, and engaging and raising awareness of our product teams, whose goals include the creation of less impactful products linked to their variable compensation in the year.

We also reached 92.9% of products made from fiber of wood (viscose, modal and lyocell) with origin and production responsible (from suppliers with at least minus 20 buttons in the evaluation of the Canopy Hot report Button Report) and document traceability, which supports our commitment to biodiversity and preservation and mitigates the risk of deforestation in the production chain of these raw materials, which is where our business has the greatest interface with this risk.

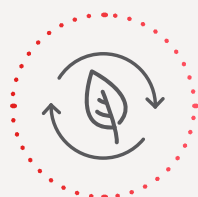
**Check out on our website** the list of less impacting raw materials and processes that make up the attributes of the Re and YC Change seal (only in portuguese): <https://bit.ly/3KSVaAj>

Regarding leather, we reached 20.8% of the leather in Renner with the Leather Working Group (LWG) certification.

Discover next the main special collections of products with more sustainability attributes.



We keep on investing in the innovative pilot project of a startup that promotes the planting of cotton using the principles of agroforestry regeneration, helping to regenerate the soil and capture CO<sub>2</sub>, supporting the neutralization of emissions from later stages of the production process. The cotton collected will be destined to a new collection.



#### **RE ACCESSORIES**

Collection made with recycled yarn and zero waste production, produced in partnership with the Eu Visto o Bem Movement (I wear the good), supported by the Lojas Renner Institute, for the empowerment of women incarcerated and released from the prison system.

#### **RE MINAS**

Collection made with agroecological cotton from the north of Minas Gerais, produced by women supported by the Lojas Renner Institute.

#### **RE JEANS AND TENNIS WITH REUSED MATERIAL**

A collection of jeans products with responsible cotton and sneakers produced from jeans that were collected by the Ecostyle program, in addition to other defective pieces, which were stored in our distribution center.

#### **COLLAB INSECTA**

A Renner collection featuring garments, bags and shoes made from recycled fabrics or fabrics stored in suppliers' stocks.

#### **RE JEANS**

Jeans collection made with responsible cotton, recycled fabrics, less water consumption and natural dyeing.

#### **ORGANIC COTTON**

A Renner collection that bears in the title its raw material grown and harvested in Brazil, in an artisanal way and without the use of pesticides.

#### **MARFINNO STUDIO**

A Renner footwear collection made with recycled materials, clothes with natural dyeing in recycled fabrics, certified linen and responsible viscose and cotton, and also Alchemia beauty products that used raw material from part of the Re Minas collection to extract oil from agroecological cotton seeds.

#### **YC CHANGE**

Youcom collections with more sustainable attributes with the YC Change seal.

#### **GRAFFITI**

A Youcom collab collection with the YC Change seal in, with artists from the Bom Jesus community, in Porto Alegre (RS), whose funds are donated to the Lojas Renner Institute.

#### **MASTER OF CLAY**

A Camicado collection with handmade ceramic pieces produced by women supported by the Lojas Renner Institute in Vale do Jequitinhonha (MG).

At Camicado, in 2021, we mapped the national and international supply chain seeking to identify the traceability and origin of materials, and started developing training for purchasing teams to support decision-making guided by sustainability attributes. The goal was to launch two collections with sustainability attributes and we achieved at three.

## less impactful processes

GRI 308-2, SASB CG-AA-250a.1, CG-AA-250a.2, CG-AA-430a.1, CG-AA-430a.2, TCFD ECC31

We have an environmental management system that covers 100% of our operations, seeking to ensure compliance with environmental regulations, a clear definition of roles and responsibilities, and taking corrective actions to encourage continuous improvement, internal auditing and monitoring of indicators.

Additionally, since 2017, we have carried out the Cleaner Production Program (P+L) with Resale Suppliers. Currently, P+L 4.0 covers strategic and leverageable suppliers from all Renner and Youcom resale chains, which represent 40% of orders, seeking to encourage ecoefficiency in their production processes and improve environmental performance.

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**In addition to supporting eco-efficiency, we assess compliance and environmental management in the audits of 100% of our national and international Resale Suppliers (learn more about the audits on page 49), based on the Sustainable Apparel Coalition's Higg Index standard. In all, 29% of suppliers also completed the Higg self-assessment in the year.**

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To advance in all pillars of the Program, Renner University offered, to all suppliers that have access to the Renner University, training for the formation of their environmental managers in four modules: legal aspects, performance, innovation and optimization.

In addition, throughout the year we developed various training courses, content and manuals on environmental issues related to each pillar of the P+L.

Find out below the main advances of the project on each front.

### WATER

In 2021, we reached 100% of suppliers in the jeans chain certified to report the consumption data of each piece. **Of the total jeans orders delivered to Renner, 40% are classified as having low water consumption in the stages of production, manufacturing and finishing, saving at least 300 million liters of water (taken from the water body).**

The program is highly relevant considering that in our chain there are suppliers with wet processes located in Brazilian states that are experiencing a water crisis: Paraná, São Paulo, Minas Gerais, Goiás, Mato Grosso do Sul and Mato Grosso.

### ENERGY

We have worked with suppliers to raise awareness on actions concerning the importance of using low-impact renewable energy, electrical energy efficiency initiatives, having already reached 19% of P+L participants supplied by low-impact renewable energy.

### WASTE

In 2021, we avoided the generation of more than 830 kilos of textile waste, which were reinserted into the production cycle, and gave rise to the Re Jeans and Re Mesh collections (learn more on page 77). **Since the beginning of the project, we have collected more than 2,800 tons of waste, destined for use as raw material in other segments, which are no longer destined to landfills and have gained new uses.**

## CHEMICAL SAFETY

We are committed to eliminating potentially toxic chemicals from our supply chain by 2030 and focus on developing the entire supply chain. Therefore, in 2021, we offered to our suppliers the first Renner booklet, based on REACH, ABNT and AFIRM regulations, in which the supplier has access to the guidelines for the adequacy of toxic chemical substances, and we are carrying out training and technical visits to support them.

In 2021, we made progress in adapting 100% of the jeans chain in all groups of toxic chemicals for all new developments, in addition to controlling through management tools, such as chemical inventory, and mapping of the entire supply chain for all Renner products. From 2022 onwards, the project will move on to the next steps and will include annual tests to prove the effectiveness of the management carried out. Based on these tests, we will provide a portfolio of suppliers that are proven to be safe in relation to the chemicals used.

## GHG EMISSIONS

We have developed a data management system that calculates greenhouse gas emissions from suppliers' factories, and implementing a pilot project with suppliers that represents 5.3% of the knitted products received in the year, **supporting the offsetting of 100% of scope 1 and 2 emissions, thus becoming a "neutral plant."**

## EFFLUENTS

All suppliers that generate effluents have their effluent management compliance assessed through audits (learn more on page 49). **In 2021, 100% of direct suppliers (tier 1) and their contractors (tier 2) were compliant with regard to effluents.** Additionally, 52% of the laundromats of the jeans chain work with water recirculation practices in their manufacturing processes.

## ENVIRONMENTAL MANAGEMENT SYSTEM

**We expanded the implementation of the Environmental Data System (SDA), developed with our own technology, from 12 to 141 strategic suppliers Renner, Ashua and Youcom,** which enabled us to better manage the environmental indicators in the chain and assess with greater accuracy the intensity of environmental impacts of our products.



The contract with Enel for wind power supply will serve almost half of the Renner units in the country.

# reading tools

## GRI index

Universal Norms		Reference (p.)/ Direct answer	Relationship with SDGs
<b>General contents</b>			
<b>The organization and its reporting practices</b>			
2-1	Details about the organization	Lojas Renner S.A., publicly traded corporation, headquartered in Porto Alegre (RS ). More details on pg. 7	
2-2	Entities included in the organization's sustainability reports (Scope of Subsidiaries)	All the Company's subsidiaries, except when indicated otherwise, presented in Note 13.3, on pg. 61 of the Financial Statements, available at <a href="https://bit.ly/3w7csmT">https://bit.ly/3w7csmT</a>	
2-3	Reporting period, frequency and point of contact	Annual, published in April 2022, covers information from January 1 to December 31, 2021, the same period as the financial report.	
2-4	Information reformulations	None	
2-5	External verification	pg. 96	
<b>Activities and collaborators</b>			
2-6	Activities, value chain and other business relationships	pgs. 7, 15 and 88	
2-7	Contributors	pg. 89. Numbers of collaborators based on total at the end of the reporting period.	
2-8	Collaborators who are not employees	Information not available	
<b>Administration</b>			
2-9	Administrative structure and composition	pgs. 28, 30 and 87	
2-10	Appointment and election of the Board	Nomination and Remuneration Policy for Directors: <a href="https://bit.ly/3Lvw4qU">https://bit.ly/3Lvw4qU</a>	
2-11	Board Chairman	pg. 28	
2-12	Role of the Board in the management of impacts	The Board is the entity responsible for validating of policies, principles and strategies without a fixed periodicity, and over-see the impact management and due diligence processes through its Committees (page 31).	



Universal Norms		Reference (p.)/ Direct answer	Relationship with SDGs
2-13	Delegation of responsibility for managements of impacts	Pg. 31. The Board delegates responsibility for risk management to its committees and Executive Boards, in addition to the teams directly involved in risk management (page 34).	
2-14	Role played by the highest administration department in sustainability reporting	The Board is involved in the definition and monitoring of accuity (sustainability strategy) and approves the Report, through its Sustainability Committee. The annual report undergoes review and approval by the board, including the CEO.	
2-15	Interest conflicts	The Internal Regulations of the Board determine the management to avoid conflicts of interest and establish that conflicts within the scope of the Board are disclosed in the minutes of the meetings: <a href="https://tinyurl.com/y99fzsht">https://tinyurl.com/y99fzsht</a>	
2-16	Communicating critical concerns	The Board monitors and guides the management of critical concerns through its meetings and periodic meetings with its committees.	
2-17	Collective knowledge of the highest administration department	pg. 31	
2-18	Board performance evaluation	pg. 31	
2-19	Remuneration policies	pg. 33. More details about the Appointment and Remuneration Policy for Directors - <a href="https://bit.ly/3Lvw4qU">https://bit.ly/3Lvw4qU</a> - and in the Personnel Committee Rules - <a href="https://bit.ly/3ODj1pG">https://bit.ly/3ODj1pG</a>	
2-20	Process for determining remuneration		
2-21	Proportion of total annual remuneration	pg. 89. Does not include proportion in relation to percentage of growth, because this kind of information is confidential.	
<b>Strategy, policies and practices</b>			
2-22	Declaration on the sustainable development strategy	Pgs. 4 and 15 to 18	
2-23	Commitment policies		
2-24	Incorporating commitment policies	Pg. 36	
2-25	Processes to compensate negative impacts	Pgs. 37 and 38	
2-26	Mechanisms for seeking guidance and raising concerns	Pg. 38	
2-27	Compliance with laws and regulations	Pg. 87, 88 and 92	
2-28	Participation in associations	Pg. 18	16
2-30	Rate of collaborator covered by collective bargaining agreements or represented by unions	Pg. 89	
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	"In 2019, we carried out a value chain mapping and stakeholder prioritization analysis, based on stakeholder theory by Edward Freeman and on the power vs. interest methodology of Ann Qualman . The stakeholders Priorities were involved in face-to-face and online research on accuity and will be continuously engaged in the communication and engagement program for sustainability. Os Priority stakeholders were: Collaborators, Administrative Suppliers, Resale Suppliers and their subcontractors, Raw Material Suppliers, Customers, Partners of Instituto Lojas Renner, Investors, Sectoral Departments, Consultancies and Influencers. "	

Universal Norms		Reference (p.) / Direct answer	Relationship with SDGs
<b>Material topics</b>			
3-1	Process for determining material topics	Pg. 16	
3-2	List of Material Topics	Pg. 16	
3-3	Managing Material Topics	Pg. 25, 44 and 63	
<b>Specific standards</b>			
<b>Economic Performance</b>			
201-1	Economic value generated and distributed	Pg. 20 and 27	8 and 16
<b>Purchasing Practices</b>			
202-1	Proportion of the lowest wage, segmented by gender, compared to the local minimum wage	The lowest wage for all genders is equivalent to the local minimum wage in the countries where we operate. Information about other workers who are not employees is not available.	10 and 12
<b>Purchasing Practices</b>			
204-1	Proportion of spending on local suppliers at significant operating units	Pg. 88	12
<b>Anti-corruption</b>			
205-2	205-2 Communication and training in anti-corruption policies and procedures	Pg. 87	16
205-3	205-3 Confirmed cases of corruption and measures taken	Pg. 87	16
<b>Environmental contents</b>			
<b>Raw material</b>			
301-1	Materials used, broken down by weight or volume	Pg. 93 (renewable)	7,8, 12 and 13
<b>Energy</b>			
302-1	Energy consumption within the organization	Pg. 93	7,8, 12 and 13
302-3	Energy intensity	Pg. 93 (includes electricity consumed in the Company)	7,8, 12 and 13
302-4	Reducing energy consumption	Pg. 68	7,8, 12 and 13
302-5	Reductions in the energy requirements of products and services	Pg. 68	7,8, 12 and 13
<b>Emissions</b>			
305-1	Direct emissions (Scope 1) of greenhouse gases (GHG)	Pg. 92	3, 12 and 13
305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	Pg. 92	3, 12 and 13
305-3	Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Pg. 92	3, 12 and 13
305-4	Intensity of greenhouse gas (GHG) emissions	Pg. 93	13
305-5	Reduction of greenhouse gas (GHG) emissions	Pg. 64	13

Universal Norms		Reference (p.)/ Direct answer	Relationship with SDGs
<b>Waste</b>			
306-1	Waste generation and significant waste-related impacts	Pg. 73	12
306-2	Management of significant waste-related impacts	Pg. 73. The disposal of waste is carried out by third parties in line with the legislation and we manage it in our environmental management system.	3 and 12
306-3	Waste generated	Pg. 93	12
<b>Environmental Assessment of Suppliers</b>			
308-1	Percentage of new suppliers selected based on environmental criteria	100% are approved, which includes criteria related to the environment.	12
308-2	Actual and potential significant negative environmental impacts in the supply chain and measures taken regarding that issue	All 533 Renner resale suppliers (tier 1) are evaluated for environmental impacts, and all potentially generate impacts (get to know more on page 33 of our 2020 report: <a href="https://bit.ly/3rUXGyf">https://bit.ly/3rUXGyf</a> ). Suppliers participating in the P+L generate improvements because of their participation in the program.	12
<b>Social content</b>			
<b>Employment</b>			
401-1	Total and rates of new collaborators hires by age group, gender and state/country	Pg. 91	5
401-3	Return to work and retention rates after maternity/paternity leave, segmented by gender	Pg. 90	5
<b>Training and Education</b>			
404-1	Average hours of training per year, per collaborator	Pg. 90 (no data available segmented by gender)	4
404-3	Percentage of collaborators receiving regular performance and career development reviews	Pg. 91 (no data available segmented by gender)	4, 5 and 8
<b>Diversity and Equality</b>			
405-1	Composition of the groups responsible for corporate administration and segmented of collaborators by category, according to gender, age group, minorities and other indicators of diversity	Pg. 30, 32, 89 and 90	5
405-2	Mathematical ratio of salary and remuneration between women and men, segmented by employee category and relevant operating units	Pg. 89 and 90	5
<b>Non-Discrimination</b>			
406-1	Discrimination cases and corrective measures taken	Pg.87. All cases are evaluated and a solution plan is established: formal warning, verbal warning, dismissals, development of Standards, monitoring and review of processes/procedures.	8
<b>Freedom of Association and Collective Bargaining</b>			
407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Two suppliers with non-compliance in relation to freedom of association were identified in Bangladesh, which obtained a D rating in the audit and were removed from Renner's supply chain. Get to know more about chain management to ensure these rights on pg 49.	8 and 16

Universal Norms		Reference (p.)/ Direct answer	Relationship with SDGs
<b>Child labor</b>			
408-1	Operations and suppliers with significant risk of child labor cases	Three suppliers with no commitment against child labor were identified in China, of which two obtained a D rating in the audit and were removed from Renner's supply chain and one remains a supplier of Camicado, where it is developing/implementing an action plan to solutionate the identified non-conformities. Get to know more about chain management to ensure these rights on pg 49.	8 and 16
<b>Forced or Slave-like Labor</b>			
409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor	There is no risk in own operations. Get to know more about chain management to ensure these rights on pg 49.	5, 8 and 16
<b>Human Rights Evaluations</b>			
412-2	Total hours of employee training on policies and procedures relating to aspects of human rights relevant to operations, including the percentage of collaborators trained	100% of employees are aware of the Code of Conduct and 39% were trained on the subject during the year.	5 and 16
<b>Social Evaluations of Suppliers</b>			
414-1	Percentage of new suppliers selected based on human rights criteria	100% are approved, which includes criteria related to human rights.	5 and 16
414-2	Significant actual and potential negative human rights impacts in the supply chain and measure taken regarding that issue	All 533 resale suppliers (tier 1) Renner are evaluated for impacts on human rights and all potentially impact generators (get to know more on page 33 of our 2020 report: <a href="https://bit.ly/3rUXGyf">https://bit.ly/3rUXGyf</a> ). Suppliers that participate in our qualification programs (p. 54) generate improvements as a result of their participation in the program.	8, 12 and 16
<b>Public policy</b>			
415-1	Total value of financial contributions to political parties and politicians segmented by country and recipient/beneficiary	The Company has not made contributions, directly or indirectly, to political parties, political campaigns or lobbying associations.	16
<b>Sector Supplement</b>			
AF1	Content and Coverage of the Code of Conduct	Pg. 49	16
AF7	Number and location of jobs covered by the Code of Conduct	100%	8, 10 and 12
AF8	Number of audits performed and percentage of audited workplaces	Pg. 49	12
AF9	Cases of non-compliance with legal requirements or collective bargaining agreements on wages	Pg. 49	10 and 12
AF10	Cases of non-compliance with the rules related to overtime	None	12
AF12	Incidents of the use of child labor	None	12
AF13	Cases of non-compliance with the rules on gender discrimination	Pg. 49	12
AF15	Analysis of Code Compliance Audit Data	Pg. 49	12
AF16	Remediation practices in response to findings of non-compliance	Pg. 49	12
AF17	Actions to identify and mitigate business practices that affect code compliance	Pg. 49	12

# SASB index

Code	Metric	Page reference	Relationship with SDGs
<b>Chemical products management</b>			
CG-AA-250a.1	Discussion of processes to maintain compliance with regulations relating to restricted substances.	Pgs. 78 and 79	6 and 12
CG-AA-250a.2	Discussion of processes to assess and manage risks and/or risks associated with the presence of chemicals in products	pgs . 78 and 79	6 and 12
<b>Environmental impacts on the supply chain</b>			
CG-AA-430a.1	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 complying with wastewater disposal permits and/or contractual agreement.	pg. 79	6 and 12
CG-AA-430a.2	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 that completed the Higg Facilities Environmental Module assessment Facility (Higg FEM) by Sustainable Apparel Coalition or an equivalent environmental data assessment.	pg. 78	12
<b>Working conditions in the supply chain</b>			
CG-AA-430b.1	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 that have been audited by a labor code of conduct, (3) percentage of total audits performed by an external auditor.	100% of Renner resale suppliers (tier 1 and 2) were audited by a labor code of conduct, 100% of national suppliers underwent internal and external audits and 51.2% of international suppliers underwent external audits.	8 and 12
CG-AA-430b.2	Priority non-compliance rate and associated corrective action rate for auditssupplier labor code of conduct	Pg. 51	8 and 12
CG-AA-430b.3	Description of the major (1) labor risks and (2) environmental, health and safety risks in the supply chain	Get to know about the main risks in chapters 4.1, 5.1 and 5.2 Reference Form (portuguese only) - <a href="https://bit.ly/3vho72W">https://bit.ly/3vho72W</a> - and on pg. 33 of our 2020 report: <a href="https://bit.ly/3rUXGyf">https://bit.ly/3rUXGyf</a>	8 and 12
<b>Raw material supply</b>			
CG-AA-440a.1	Description of the environmental and social risks associated with obtaining priority raw materials.	Pgs. 34 and 35	8 and 12
CG-AA-440a.2	Percentage of raw materials certified by third parties with an envi-ronmental and/or social sustainability stan'dard, as a rule.	Pg. 75	12
<b>Activity metrics</b>			
CG-AA-000.A	Number of (1) tier 1 vendors and (2) vendors beyond tier 1.	Pg. 88	

# TCFD index

Themes	TCFD recommendations	Reference (page)/direct answer
Administration 1	1. Describe how the Board oversees climate change-related risks and opportunities.	Our Responsible Fashion strategy has a strong pillar of work in mitigation and adaptation to climate change. The Sustainability Committee, which advises the Board, presents quarterly the evolution of our actions and performance in relation to the Responsible Fashion strategy, including our adaptation strategy, which is being constructed from a vulnerability analysis, which identified the main risks and opportunities (get to know more on pages 33, 34 and 67).
Administration 2	2. Describe the Board's role in assessing and managing risks and opportunities related to climate change.	The Audit and Risk Management Committee, which advises the Board, identifies, assesses and measures risks with the business areas, including those related to climate change, defines the control processes to reduce them and follows up with the areas involved, communicating to the Board of Directors about the effectiveness of risk management. Get to know more about the risk management framework on pages 34 and 35.
Strategy 1	3. Risks and opportunities related to climate change that the organization has identified in the short, medium and long term.	on pg. 67 we present the risks and opportunities identified in the risk and impact analysis process, based on the IPCC methodology and constructed by a specialized external consultancy. The analysis focused on physical and transition risks and covered all the Company's stores and its Distribution Centers at the end of 2019.
Strategy 2	4. Impacts of risks and opportunities related to climate change on the organization's business, strategy and financial planning	Our carbon pricing study identified a potential impact of emissions of 1.93% on long-term profit. Discover our goals on pg. 66.
Strategy 3	5. Resilience of the organization's strategy, considering different climate change scenarios, including a scenario of 2°C or less.	We have developed a consistent Responsible Fashion strategy, which brings resilience to the business in the face of climate change: we are a carbon neutral business (pg. 67), we develop products with less environmental and social impact throughout the entire life cycle (pg. 75), we have 100% renewable energy in our consumption matrix (pg. 68), an energy efficiency program with continuous intensity reduction (pg. 68) and formal emission reduction targets (pg. 66), including being part of the variable remuneration of leaders (pg. 67).
Risk Management 1	6. Processes used by the organization to identify and assess risks related to climate change.	pg. 35
Risk management 2	7. Processes used by the organization to manage risks related to climate change	pg. 35
Risk management 3	8. How the processes used by the organization to identify, evaluate and manage risks related to climate change are integrated into the organization's overall risk management.	General risk management promotes continuous alignment with the business areas to identify, treat and monitor risks, including climate (get to know more on page 34). Risks related to climate change are therefore treated and monitored jointly between the sustainability team and the corporate risk management structure.
Metrics and goals 1	9. Metrics used by the organization to evaluate risks and opportunities related to climate change in accordance with its strategy and risk management process.	pg. 35
Metrics and goals 2	10. Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions, and the risks related to it.	pg. 64
Metrics and goals 3	11. Targets used to manage climate change-related risks and opportunities, and performance against targets.	Adopted metric: SBTi (pages 64 and 66)

# summary of esg indicators

For the first time, we present here the panels of the main monitored ESG indicators. In the next years, the table will bring also the evolution of the indicators. To get to know more about the management and initiatives related to the themes, you can click on the subheadings in the first column of the table.

## ● Administration

	2021
<b>Top Leadership</b>	
Independent members of the Board of Directors (BOD)	7 (88%)
Women in BOD	2 (25%)
Average attendance of BOD members	100%
Directors with four other terms or less   GRI 2-9	2 (25%)
Average term of office of directors – years	7.2
Members with experience in the sector	4
<b>Ethic</b>	
Collaborators who declare to know the code of conduct	100%
Collaborators trained in the code of conduct and anti-corruption in the last three years   GRI 205-2	100%
Suppliers who declare to know the code of conduct	100%
Suppliers trained in the code of conduct in the last three years	100%
Fines for anti- competitive practices	0
Case under investigation for anti-competitive practices	0
Confirmed cases of corruption or bribery   GRI 205-3	0
Total reports of code of conduct violations	855
% of complaints with treatment completed	73.7%
% of complaints with ongoing treatment	26.3%
Total complaints about cases of discrimination and harassment recorded   GRI 406-1	84
<b>Political Representation</b>	
Contributions with representative associations (BRL thousands)	456.8
Contributions with political parties   GRI 415-1	0
Contributions with representation of political interests	0

2021

**Cybersecurity**

Cases of data privacy breaches	0
total customer privacy complaints	0
Total people impacted by data privacy breaches	0
Regulatory fines related to cybersecurity and privacy	0

**Quality**

Total product recall	0
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● **Social**

2021

**Responsible fashion KPIs**

Resale suppliers (tier 1 and 2) with socio-environmental certification - Target 2021: 100%	100%
Less impactful apparel products - Target 2021: 80%	81.3
Products with certified cotton - Target 2021: 100%	99.2

**Supplies** GRI 2-6 | SASB CG-AA-000.A (Indicators include only Renner, except expenses with administrative suppliers that include other subsidiaries)

Active suppliers	2,608
Expenses with suppliers	R\$ 6.5 bi
Retail vendors who manufacture the products we sell (tier 1)	533
Expenses with local Renner resale suppliers (Brazil)   GRI 204-1	67.8%
Resale subcontractor's suppliers (tier 2 - contracts by our suppliers)	974
Local resale (tier 2) subcontracted suppliers (Brazil)	944
% of tier 1 reseller suppliers audited	87.7%
% of tier 2 reseller suppliers audited	100%
% of critical tier 1 reseller suppliers for sustainability (level D)	1.5%
% of critical tier 2 reseller suppliers for sustainability (level D)	1.6%
% of critical tier 1 and 2 reseller suppliers with established action plans	100%

**Customers**

% of satisfied and very satisfied customers	99.1%
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	2021
<b>Company</b>	
Private social investment (R\$ million)	7.0
Percentage of investment with tax incentive	40.0%
Percentage of investment with own resources	60.0%
Value of product or service donations (R\$ million)	17.0
Value of volunteer work (R\$ thousand)	300.1
Expenses with social investment management (R\$ thousand)	455.8
<b>Collaborators</b> GRI 2-7	
Total collaborators	25,705
Collaborators covered by collective bargaining agreements   GRI 2-30	100%
Strikes	0
Percentage of collaborators (Brazil) with salary above the fair wage (living wage)	100%
Percentage of collaborators in Brazil	96.9
Percentage of collaborators in Uruguay	2.1
Percentage of collaborators in Argentina	0.7
Percentage of collaborators in China	0.3
Percentage of collaborators in Bangladesh	0.04
Percentage of full-time collaborators*	96.3
Percentage of part-time collaborators*	3.7
Percentage of collaborators with indefinite time**	95.8
Percentage of collaborators for active period***	4.2
Percentage of interns	0.6
Relationship between the lowest wage paid and the minimum wage	1x
Post-employment benefit (contribution to the Government Severance Indemnity Fund)	100%
Collaborators in leadership positions	2,931
Collaborators in non-leadership positions	22,678
<b>Diversity</b> GRI 2-7, GRI 405-1, GRI 405-2	
Female collaborators	64.6%
Leadership positions held by women	62.8%
Junior leadership positions held by women	65.1%

\* Only considers employees in Brazil and does not consider Board. \*\* Does not consider apprentices, interns and trainees. \*\*\* Considers only trainee and apprentice.

	<b>2021</b>
Senior leadership positions held by women	31.6%
Income generating positions held by women	68.1%
STEM (science, technology, engineering, and mathematics) positions held by women	24.9%
Black collaborators (black and brown) self-declared in census	49.5%
White collaborators self-declared in census	48.3%
Asian collaborators self-declared in census	1.1%
Indigenous collaborators self-declared in census	0.7%
Collaborator with uninformed race	0.5%
Leadership positions held by self-declared black collaborators	33.0%
Leadership positions held by self-declared white collaborators	63.9%
Leadership positions held by self-declared Asian collaborators	1.3%
Leadership positions held by self-declared indigenous collaborators	0.3%
Leadership positions with uninformed race	1.6%
Collaborators with Disabilities (PWD)   GRI 2-23	3.8%
Self - declared LGBTQIA+ collaborators	17.7%
Transgender or non-binary employees	0.8%
Collaborators up to 29 years old	56.1%
Collaborators between 30 and 49 years old	40.1%
Collaborators aged 50 or over	3.8%
Ratio between the salary of women/men at the executive level   405-2	0.83
Relationship between compensation (salary + benefits) of women/men at the executive level  405-2	0.86
Ratio between the salary of women/men in other leadership positions  405-2	0.84
Relation between compensation (salary + benefits) of women/men in other leadership positions  405-2	0.84
Relationship between the compensation of women/men in other positions (non-leadership)   GRI 405-2	0.86
Retention rate of women after 12 months of returning from maternity leave  GRI 401-3	77.9%
<b>Training and development</b>	
Average hours (and days) of training per employee   GRI 404-1 *	66 (8.3)
Average hours of training for non-leaders   GRI 404-1 *	68
Average hours of training for leaders   GRI 404-1 *	50
Average hours of training for executives   GRI 404-1 *	43

\* Does not include Board. Does not include Youcom and Camicado.

	<b>2021</b>
Average investment in training per employee (R\$)	565.78
Collaborators who performed performance evaluation   GRI 404-3	93%
<b>Attraction and retention</b> GRI 401-1	
Hiring	12,743
Hiring rate	49.8%
Female hiring rate	49.1%
Men's hiring rate	50.7%
Argentina hiring rate	21.3%
Bangladeshi hiring rate	33.3%
Brazil hiring rate	50.2%
China hiring rate	24.1%
Uruguay hiring rate	42.5%
Hiring rate of collaborators up to 29 years old	64.7%
Hiring rate of collaborators between 30 and 49 years old	31.7%
Hiring rate of collaborators aged 50 and over	11.1%
Percentage of open positions occupied by internal candidates	56.0%
Average recruitment cost per vacancy (R\$)	492.2
Total dismissals	11,921
Turnover index	46.6%
Voluntary turnover index	24.0%
Female turnover rate	46.0%
Male turnover rate	48.3%
Argentina turnover index	29.5%
Brazil turnover index	47.6%
Uruguay turnover index	12.3%
Employee turnover rate up to 29 years old	57.0%
Employee turnover rate between 30 and 49 years old	34.1%
Turnover rate of collaborators aged 50 and over	22.4%
Engagement survey membership	78%
Employee engagement	89%

	2021
Black employee engagement	90.5%
White employee engagement	89%
Engagement of Asian collaborators	83%
Engagement of indigenous collaborators	90%
Employee engagement up to 24 years old	90%
Engagement of collaborators between 25 and 44 years old	89.5%
Engagement of collaborators aged 45 and over	94%
<b>Health and safety</b>	
Work-related fatalities	0
Loss time accident frequency rate*	0.9
Occupational disease rate	0

\* Frequency rate = (Number of accidents with leave) / (Total hours worked in the accounting period) x 1,000,000.

## ● Environmental

	2021
<b>Responsible Fashion KPIs</b>	
Reduction of 100% absolute CO <sub>2</sub> emissions (scopes 1, 2 - purchase choice - and 3) compared to the 2017 inventory - Target 2021: 20%	-35.4%
Corporate energy consumption from low-impact renewable energy sources (small hydro, solar, wind and biomass) - Target 2021: 75%	100%
Percentage of the global retail supply chain (tier 1 and 2) with socio-environmental certification - Target 2021: 100%	100%
Percentage of less impactful apparel products* - Target 2021: 80%	81.3
% of products with certified cotton - Target 2021: 100%   SASB CG-AA-440a.2	99.2
<b>Management</b>	
% of operations covered by an environmental management system	100%
Fines or environmental compensation   GRI 2-27	0
<b>Emissions</b>	
Scope 1 emissions   GRI 305-1	4,979.5
Scope 2 Emissions - Choice of Purchase   GRI 305-2	0
Scope 2 emissions - location   GRI 305-2	23,055.3
Scope 3 Emissions   GRI 305-3	23,383.6
Emission intensity (tco <sub>2</sub> e/m <sup>2</sup> of built-up area)   GRI 305-4	0.030
Investment in R&D related to climate changes	R\$ 170,000

\* Renner's soft clothing line.

	2021
<b>Energy</b>	
Energy consumption (thousand GJ)   GRI 302-1	661.7
Energy intensity (thousand GJ/m <sup>2</sup> )   GRI 302-3	0.647
Energy expenses (R\$ million)	162.1
Relative energy expenditures (R\$ spent/R\$ net revenue)	0.015
Percentage of renewable energy	100
<b>Water</b>	
Total water consumption ( 100% supply from utilities)*	128,751 m <sup>3</sup>
<b>Waste</b>	
Waste volume generated (tones)   GRI 306-3	2,771.8
% non-recyclable waste   GRI 306-3	8.0
% hazardous waste   GRI 306-3	0.3
% of waste recycled   GRI 306-3	92.0%
Intensity of waste generation (Tons of waste generated per R\$ million of net operating revenue)   GRI 306-3	0.257
<b>Consumption Of Main Raw Materials (Clothing) GRI 301-1</b>	
Cotton (ton)	16.9
Polyester (ton)	4.5
Viscose (ton)	5.4
Polyamide (ton)	2.9
<b>Less Impacting Products</b>	
% certified viscose	93.1%
% of products made from wood fiber (viscose, modal and lyocell) with a guarantee of responsible production	92.9%
Total plastic consumption in packaging (tones)	1,634 (36.1%)
Total consumption of paper/cardboard in packaging (tones)	2,891 (63.9%)
% of plastic used in packaging that is recyclable	32%
% of plastic used in packaging that comes from recycling	0.1%
Waste collected by Ecostyle of perfumery – reverse logistics (ton)	48.3
Waste collected by Ecoclothing style – reverse logistics (ton)	5.6

\* Data presented in 2020, of 292 thousand m<sup>3</sup> of water consumed, was recalculated and corrected to a total of 115.2 thousand m<sup>3</sup>.

# capitals map



## map of **priority sdgs**



### **Achieving gender equality and empower all women and girls.**

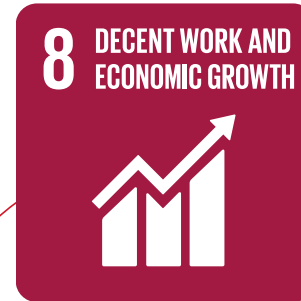
- Ensuring equity in employment conditions, training and benefits for women;
- Empowerment of women in the textile chain; and
- Supporting women through social development projects and initiatives.

**Employees, page 45**

**Development support, page 45**

**Supporting Communities, page 56**

**Diversity and Inclusion, page 39**



### **Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**

- Creating job opportunities within our operation and, indirectly, with our suppliers;
- Promoting the defense of human rights in our operations and supply chain; and
- Promoting economic development and growth through social support.

**Responsible Suppliers, page 49**

**Development support, page 54**

**Supporting Communities, page 56**



### **Reducing inequality within and between countries.**

- Creating job opportunities within our operation and, indirectly, with our suppliers;
- Promoting the defense of human rights in our operations and supply chain; and
- Promoting economic development and growth through social support.

**Responsible Suppliers, page 49**

**Supporting Communities, page 56**



### **Ensuring sustainable production and consumption patterns.**

- Managing the socio-environmental impacts involved in the life cycle of our products;
- Acting with suppliers to monitor, control and promote responsible production processes;
- Promoting the awareness of our customers for sustainable consumption.

**Risk Management, page 34;**

**Responsible Suppliers, page 49**

**Eco-efficient stores, page 69**

**Combating climate change, page 64**

**Supporting Communities, page 56**

**Customers, page 60**

**Transition to Circular Economy, page 69**



### **Taking urgent action to combat climate change and its impacts.**

- Ensuring emission reduction and climate change mitigation strategy;
- Neutralization, since 2015, of 100% of our emissions; and
- Reducing fuel consumption.

**Eco-friendly stores, page 69**

**Facing climate change, page 64**



### **Strengthening the means of implementation and revitalize the global partnership for sustainable development.**

- Active participation in organizations for the development of the sector and for the promotion of sustainability.

**Strategic Commitment to Responsible Fashion, page 16**

# assurance letter

GRI 2-5

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## Limited assurance report issued by independent auditors

To the Board of Directors and Share-  
holders of  
**Lojas Renner S.A.**  
Porto Alegre - RS

### INTRODUCTION

We were engaged by Lojas Renner S.A. ("Lojas Renner" or "Company") to apply limited assurance procedures on the sustainability information disclosed in the Annual Report 2021 ("Report"), in the accompanying information to this report related to the period ended December 31, 2021.

### RESPONSIBILITIES OF LOJAS RENNER'S MANAGEMENT

The Management of Lojas Renner is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2021 in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI, with the Sustainability Accounting Standard - Apparel, Accessories & Footwear of Sustainability Accounting Standards Board (SASB), with the Task Force on Climate-Related Financial Disclosures (TCFD), and with the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### INDEPENDENT AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence

ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes Ltda. ("KPMG") applies Brazilian and international standards on quality control, and consequently maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical and professional standards, in addition to the legal and regulatory applicable requirements. We comply with the comprehensive code of ethics including detailed independence requirements, established based on the ethical principles of integrity, objectivity, competence and professional care, confidentiality and professional behavior.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Lojas Renner and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to

believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a.** engagement planning: considering the material aspects for Lojas Renner's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Lojas Renner's Report. This analysis defined the indicators to be checked in details;
- b.** understanding and analysis of disclosed information related to material aspects management;
- c.** analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the Standards for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards, with the Sustainability Accounting Standard - Apparel, Accessories &



Footwear of Sustainability Accounting Standards Board (SASB), with the Task Force on Climate-Related Financial Disclosures (TCFD);

**d.** evaluation of non-financial indicators selected:

- understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
- application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
- analysis of evidence supporting the disclosed information;

**e.** analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

### **SCOPE AND LIMITATIONS**

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

### **BASIS FOR CONCLUSION WITH QUALIFICATION**

Lojas Renner declares that its Annual Report was prepared in accordance with the recommendations of the TCFD – Task Force on Climate-Related Financial Disclosures. However, the Company

did not fully comply with the TCFD requirements regarding the following topics: (i) Strategy (climate-related risks and opportunities the organization has identified over the short, medium and long term, impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario); (ii) Risk Management (organization's processes for identifying, assessing and managing climate-related risks) and (iii) Metrics and targets (metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process).

### **CONCLUSION WITH QUALIFICATION**

Based on the procedures performed, described in this report, except for the effects, if any, of the matter described in the Basis paragraph for conclusion with assurance qualification, we have not identified any relevant information that leads us to believe that the information in the Annual Report 2021 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative – GRI (GRI- Standards), with the Sustainability Accounting Standard – Apparel,

Accessories & Footwear of Sustainability Accounting Standards Board (SASB), with the Task Force on Climate-Related Financial Disclosures (TCFD), and with the records and files that served as the basis for its preparation.

São Paulo, April 27<sup>th</sup>, 2022



KPMG Auditores Independentes Ltda.  
CRC 2SP014428/O-6

*Original report in Portuguese signed by Sebastian Yoshizato Soares  
Accountant CRC 1SP257710/O-4*

# credits

GRI 2-3, 2-23

## COORDINATED BY

People and Sustainability Board

Investor Relations Board

Controllership Board

Marketing Board

## CONSULTANCY, CONTENT, TRANSLATIONS AND LAYOUT

RICCA Sustentabilidade

<https://riccari.wixsite.com/sustentabilidade>

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## COLLABORATION

This report was produced thanks to the contribution of a multidisciplinary work team committed to Responsible Fashion, to whom we would like to thank and dedicate this publication.

## to learn more

Policies that reaffirm our commitment to creating value for society:

[SUSTAINABILITY POLICY](#)

[HUMAN RIGHTS POLICY](#)

[CODE OF CONDUCT](#)

[SUPPLIER CODE OF CONDUCT](#)

Detailed results, commented by Management:

[FINANCIAL STATEMENTS](#)

Overview of relevant aspects of the business such as corporate governance and risk management: [Reference Form](#) (only in portuguese)

If you are looking for additional information about our commitment towards Responsible Fashion, please write to our sustainability team. They will be happy to talk to you: [sustentabilidade@lojasrenner.com.br](mailto:sustentabilidade@lojasrenner.com.br)