

Sustainability-related financial information report 2025

Climate-related Disclosures

A photograph of four models (two men and two women) sitting on a red leather sofa in a rustic, industrial-style setting. They are wearing denim clothing. The background features a large window and a wall with peeling paint. The image is partially overlaid with orange geometric shapes at the bottom.

LOJAS RENNER S.A.

 RENNER  CMICADO  youcom  realize  ASHUA

Letter from the Administration

Lojas Renner S.A. (LRSA) takes another step forward in its efforts to increase its accountability to the market by presenting its second report on financial information related to sustainability, developed in accordance with the IFRS Sustainability Disclosure Standards and with the standards presented on the following page.

This milestone confirms our capacity to embed sustainability indicators into our financial strategy, propelling the company to the forefront of the global market through the adoption of the most strict standards in ESG and climate governance and risk management.

This technical maturity is especially significant in 2025 since it falls on both the company’s 60th anniversary and our 20th corporate anniversary. These achievements strengthen our conviction that longevity and competitive advantage are built on ethical and responsible practices. Throughout this journey, we have transformed challenges into institutional learning, continually raising the consistency of our reporting processes and systems to exceed our stakeholders’ expectations.

This report provides a thorough and transparent account of the journey’s progress. We welcome you to read this paper, which demonstrates Lojas Renner S.A.’s excellence in strategic risk management and in grasping possibilities in the face of climate change.



Carlos Souto
President of the Board
of Directors



Fabio A. Faccio
CEO

Contents

01	Introduction				
	Basis of preparation	3			
	Materiality	4			
	Overview of risks and opportunities	5			
	Business model	6			
02	Governance				
	Roles and responsibilities	9			
03	Strategy				
	History	12			
	Overview	13			
	Risk selection	15			
	Climate risks	16			
	Opportunities	28			
	Strategy and portfolio management	35			
04	Risk management				
	Risk management governance	37			
	Climate resilience strategy	40			
	Transition plan	45			
05	Metrics and goals				
	2030 Commitments	47			
	Leadership goals	50			
	GHG emissions inventory	51			
	Industry-specific metrics	54			
	Emission factors	55			
06	Independent Auditors’ Limited Assurance Report				57
07	Additional information				
	IFRS content Index	59			
	Approval	63			
	Glossary	64			

01. Introduction

Basis of preparation

S2-03, S2-010

Regulations

In compliance with CVM Resolutions No. 193/2023, 217/2024, 218/2024 and 227/2025, the Sustainability Financial Information Report, prepared by the Company, for the period from January 1 to December 31, 2025 were prepared in accordance with:

- Sustainability Disclosure Standards, issued by the Brazilian Committee for Sustainability Pronouncements (CBPS), and
- IFRS Sustainability Disclosure Standards, issued by the International Sustainability Standards Board (ISSB).

As regulated by these Resolutions.

Guidance sources

We adopt the following as guidance:

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).
- IFRS S2 Industry-based Guidance.
- Apparel, Accessories & Footwear (SASB Standard).

Organizational boundary

For the purposes of disclosures related to greenhouse gas (GHG) emissions, we are reporting in accordance with operational controls, taking into account:

- All controlled companies of Lojas Renner S.A.; and
- All countries where it operates.

Functional currency

Sustainability-related financial information is presented in millions of Brazilian Reais (R\$ million), the Company's functional currency, with balances rounded to the nearest thousand.

Connections

This report includes information that can be further explored in conjunction with the Financial Statements and the 2025 Annual Report¹.

Furthermore, throughout the report we indicate further connectivities through the "Learn more" highlights.

Transition reliefs

CVM Resolution No. 244/2026, issued on May 29, 2026, applies to fiscal years beginning as of January 1, 2026.

Accordingly, the Company's sustainability financial information considers the second-year reliefs permitted by CVM Resolution 193/2023:

- Exemption from publishing this report simultaneously with the financial statements; and
- Disclosure limited to climate-related risks and opportunities.

Judgments, Assumptions, Uncertainties, and Proportionality

In compiling this report, we applied judgments and made assumptions that are subject to uncertainties, which are disclosed throughout this report, when applicable.

Where applicable, proportionality mechanisms in regulations were also adopted, allowing companies to use reasonable and verifiable information available as of the reporting date, without undue cost or effort, and in a manner consistent with their available skills, capabilities, and resources.

¹ Document with other information not assured within the scope of this report.

Materiality

Financially material risks and opportunities

The definition of financial materiality, in accordance with CVM Resolution 217 and CBPS 01, paragraphs 17 and 18, encompasses both quantitative and qualitative aspects, and is under the Company's responsibility. This assessment is based on judgments specific to each business and segment, and took into account:

- Facts and circumstances related to the Company and its business context;
- Analysis of aspects related to the information's magnitude (quantitative aspect) or nature (qualitative aspect), or both;
- Benchmark performance indicators for market analysis;
- History of decisions made; and
- Impact on the market for events of a similar nature.

Upon determining the amounts, we reviewed sell-side analyst reports to verify alignment with market estimates for the Company's results.

Finally, the quantitative parameters were validated by our governance structure, following the approval process:

Controllership Officer > Statutory Board > Audit and Risk Committee + Sustainability Committee > Board of Directors.

Annually, whenever sustainability and climate risks and opportunities reach financial materiality, they will be disclosed.

Lojas Renner S.A. emphasizes that the financial materiality concept adopted in this document are the same as those used in the financial statements.

[Learn more \(+\)](#)

Learn about the criteria for **selecting risks and opportunities** on [page 15](#).

Time Horizon

S2H3-5

The Company considers the financial impacts of climate change across three time horizons:



These time horizons reflect the features of our business model. From a financial standpoint, the 10-year limit is aligned with impairment assessments (asset devaluation) and project feasibility studies, such as corporate initiatives and the opening of new branches.

To ensure the scientific alignment of our climate goals, our long-term vision extends through 2050.



Overview of risks and opportunities

This infographic brings together the risks and opportunities addressed throughout the chapters, both those that were subject to the calculation of financial effects and those addressed qualitatively, considering that there are financial data that have not yet been calculated regarding the transition plan, risks, and opportunities, which the Company will continue to assess in the coming years.

The consolidation of short and long-term financial effects for the main risks and opportunities for which measurable information was available adopts operating income as the main financial indicator, as it most directly reflects the identified impacts; therefore, financial income and expenses and other non-operating items were not considered in the estimates presented.

The calculation methodologies are explained and detailed on the pages where the effects are further explored.

The strategy for managing climate-related risks and opportunities is currently funded with own resources. At this time, the planned investments are not expected to generate material impacts on the Company's balance sheet in the short, medium or long term.

Total exposure of assets (business units — stores or distribution center) to risk have reached around 27%.

Reported climate risks and opportunities

Risks

R1: Heat waves

R2: Floods and Storms

R3: Forest fires

R4: Strong winds

R5: Meteorological droughts

Opportunities

O1: Share of sustainable product sales

O2: Use of low impact renewable energy

O3: Sustainable store models

O4: Efficient water resource management

¹ Result of the Company's main activities before financial result, income taxes, and other non-operating items.

² Net cash flow from taxes, discounted to present value over a defined period.

³ Estimated effect for the next 10 years.

Measured financial effects

RO Effects on operating results¹ in 2025

FC Future effects on cash flow² (10 years)

Risks

RO

R\$ -10 million

FC

R\$ -116 to -135 million

Opportunities

RO

R\$ 47 million

RO

R\$ 109 million

FC

R\$ 398 to 462 million

Cost of the transition plan³

RO



R\$ -164 to -191 million

Business model

Lojas Renner S.A. is the leading fashion and lifestyle ecosystem in omnichannel fashion retail in Brazil and one of the country’s largest brands.

Lojas Renner S.A. Ecosystem

							
Founded in 1965	Acquired in 2011	Founded in 2013	Founded in 2016	Founded in 2017	Acquired in 2021	Acquired in 2022	Founded in 2022
largest omnichannel fashion retailer in Brazil, with 443 stores	leader in home and decoration in Brazil	specialized in youth fashion, with 152 stores	specialized in curve & plus size	financial institution that supports retail operations by offering convenience and building customer loyalty	the ecosystem’s online fashion resale platform, focused on the B and C+ market segments	digital platform for logistics and urban deliveries	investment fund that finances startups focused on transforming the chain with innovations and good ESG practices

Lojas Renner S.A.’s role in the value chain of fashion, lifestyle, home, and decor stems from the design, planning, selection, and commercialization of products manufactured within its supplier network. Although there is no production process conducted internally, the Company is responsible for the design and development of collections based on trends, consumer behavior, and data analysis, offering customers exclusive products and proprietary brands.

Its close ties to the supply chain ensure that Lojas Renner S.A. controls quality, sustainability, and financial margins, thereby strengthening customer loyalty and the identity of its brands. The fashion and financial services segments, detailed next, accounted for 96% of the Company’s net revenue in 2025.

60 years

since the founding of Lojas Renner S.A. and 20 years as a corporation—the first of its kind in Brazil

113 years

of history

717

Stores

R\$ 1.5 billion

net income in 2025 (+21.8% vs. 24)

R\$ 15.8 billion

net revenue in 2025 (+9.6% vs. 24)

3

Distribution centers

26 thousand

employees

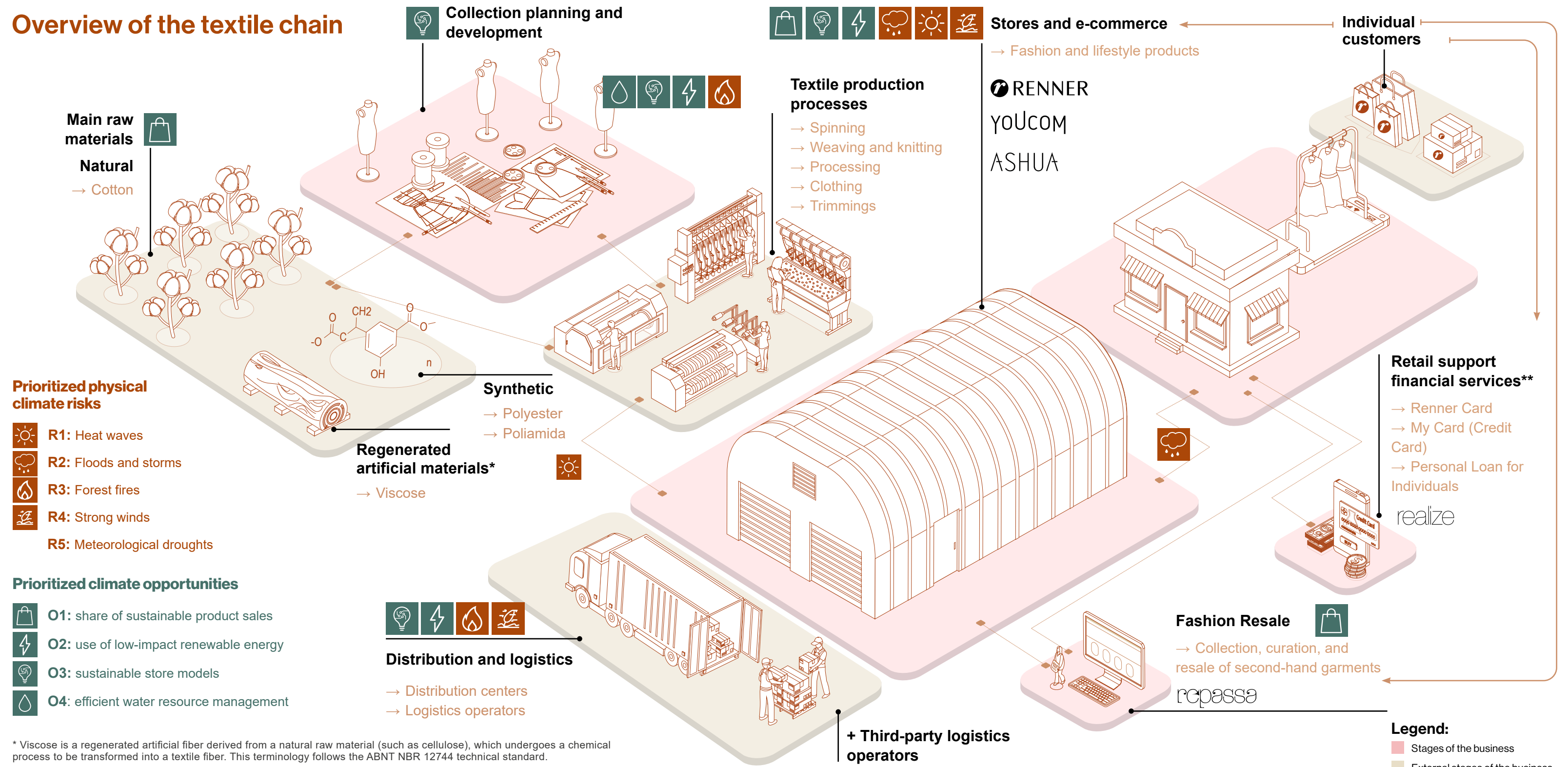
20 million

active customers

since 2018

in the Dow Jones Best-in-Class portfolio, the world’s leading ESG index, among global retail companies with the best ESG performance

Overview of the textile chain



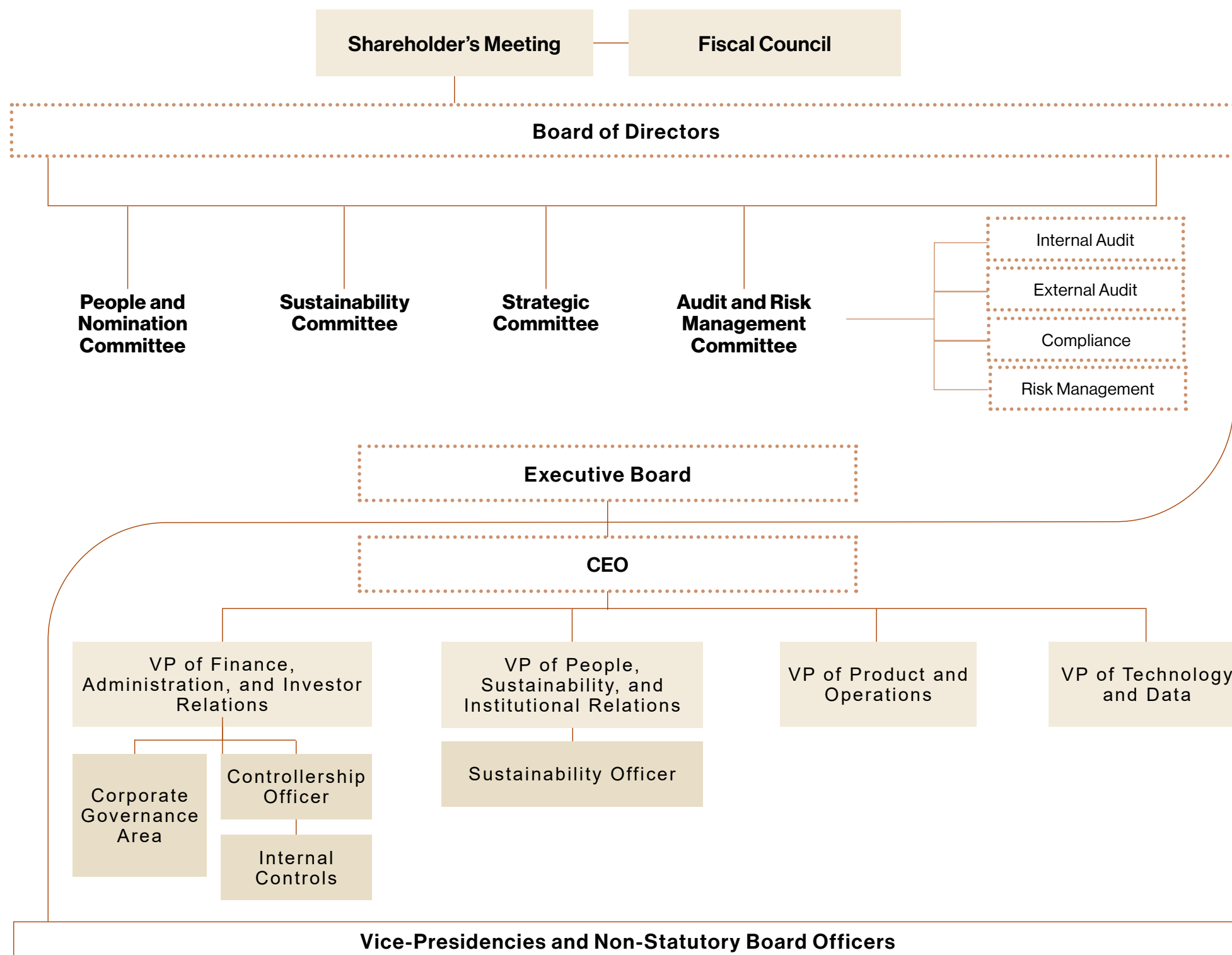
* Viscose is a regenerated artificial fiber derived from a natural raw material (such as cellulose), which undergoes a chemical process to be transformed into a textile fiber. This terminology follows the ABNT NBR 12744 technical standard.

** Majority pertains to individual (retail) clients.

The governance structure clearly outlines who is responsible for overseeing and managing risks and opportunities, and the definition, review and periodic monitoring of climate targets (learn more on [page 50](#)), including topics related to climate change and sustainability. Through organizations closely associated with top management, these elements are included into the company's strategy and important choices, ensuring decision-making agility and alignment. By doing this, we want to guarantee the efficiency of control measures and the uniformity of the methods used, always in accordance with investors' risk tolerance.

Approved in 2026, the new Risk Management Policy¹ focuses on mitigating strategic uncertainties and integrates sustainability risks more robustly. The full text is available [here](#)².

¹ The former Governance, Risk, and Compliance Policy was split up in 2025. As a result, the new Risk Management Policy now operates in a manner that complements the Compliance Policy. ²Document with other information not assured within the scope of this report.



Roles and responsibilities

S2-G5

The bodies responsible for monitoring, supervising, and managing risks and opportunities related to sustainability and climate are listed below, in hierarchical order.

Board of Directors (BoD)

Responsibilities related to the topic

As established in the Company’s Bylaws, the Bod periodically assess risk exposure and the effectiveness of risk management systems, internal controls, and the integrity and compliance system.

Additionally, the BoD is tasked with approving annual and multi-year budgets, strategic plans, expansion projects, and investment programs, as well as monitoring their execution, including those related to the climate change transition plan.

Information and reporting

To stay informed about sustainability and climate-related risks and opportunities, the Audit and Risk Management Committee (ARMC) and the Sustainability Committee (SC) report to the Board of Directors at the intervals defined in the bylaws.

The SC reports quarterly to the Board of Directors on its work and activities, including issues related to sustainability and climate risks and opportunities.

The ARMC ensures that the BoD is aware of matters within its scope that may significantly impact the Company’s financial position or business.

Moreover, through its Chairman, the ARMC participates at least quarterly in BoD meetings to provide clarifications and report on its activities.

Members’ competence and skills

In 2025, the Board of Directors (BOD) consisted of seven members with experience and technical expertise in sustainability and climate topics, as outlined in the competency matrix.

Furthermore, the Board is advised by the SC and the ARMC, which, through their expertise in sustainability and risk, ensure the oversight of strategies and the management of climate-related risks and opportunities.

Supported by the People and Nomination Committee, the BoD promotes the continuous improvement of its composition to ensure complementary experience and knowledge on topics relevant to the business. Learn about the key competencies of the members below.

	Carlos	Jean	Juliana	Andréa	André	Marcílio	Adriano	Christiane	Total
CORPORATE GOVERNANCE	✓	✓	✓	✓	✓	✓	✓	✓	8
SUSTAINABILITY	-	✓	✓	✓	✓	✓	✓	✓	7
RISK MANAGEMENT AND AUDITING	✓	-	-	-	-	✓	✓	✓	4
ACCOUNTING AND FINANCE	✓	-	✓	✓	✓	✓	✓	-	6

Audit and Risk Management Committee (ARMC)

Responsibilities related to the topic

The ARMC consists of three members, all of whom are independent directors, and advises the Board of Directors on the supervision and monitoring of risk management and audit processes. Its focus is on the adequacy of the corporate risk management system and internal controls, the quality and integrity of financial reports, the performance of internal and independent audits, as well as compliance with legal, regulatory, and statutory requirements.

On a quarterly basis, the Chair of the ARMC attends Board of Directors meetings to provide clarification and discuss issues related to risk management. This process ensures ongoing communication with the Board for the purposes of education, engagement, and oversight of risk management.

Members' competence and skills

According to the [ARMC's internal regulations](#)¹, each member's qualifications must include knowledge of the Company's risks and controls.

Completing the governance structure, the Chief Risks Officer was elected to serve as secretary for the proceedings, given their technical expertise in the area.

Information and reporting

To keep informed about sustainability- and climate-related risks and opportunities, the ARMC must meet ordinarily five times a year and extraordinarily whenever convened by its Chairman, on its own initiative, by request of any Committee member, or upon request of internal or independent auditors.

The ARMC also supervises Internal Audit activities, meeting separately with the head of Internal Audit whenever necessary, at least semiannually, to review matters deemed necessary by the Committee or internal auditors.

It is also responsible for ensuring that relevant issues, recommendations from internal auditors, and the corresponding action plans proposed by management are received, discussed, and properly implemented.

Finally, the ARMC is responsible for reviewing the Internal Audit plan proposed for the following year, ensuring it addresses key risk areas and is coordinated with the 2nd Line areas.

Sustainability Committee (SC)

Responsibilities related to the topic

As established by the [SC's internal regulations](#)¹, the Committee is responsible for advising the BoD on all matters related to sustainability and climate, identifying, addressing, and managing issues representing risks or opportunities that may materially impact the business, long-term results, stakeholder relations, and the Company's reputation.

It is also tasked with guiding and establishing competencies for implementing measures necessary to eliminate or mitigate socio-environmental and climate risks, as well as deviations or violations of human rights and environmental standards.

Members' competence and skills

As provided for in the bylaws, in addition to three Bod members, at least one of whom must be independent and have experience in the subject matter, the Committee must include an executive among its members.

For the 2025 mandate, the Sustainability Committee (SC) includes the Vice President of People, Sustainability, and Institutional Relations as its executive member.

Rounding out the governance structure, the Director of Sustainability was elected to coordinate the committee's work, given his technical expertise in the field.

Information and reporting

To stay abreast on sustainability- and climate-related risks and opportunities, the SC must meet ordinarily four times a year and extraordinarily whenever convened by its Chairman, on its own initiative, or by request of any other member.

The Committee may also request consultancy services, subject to prior BoD approval, invite management members to attend meetings, as well as employees with relevant information regarding matters pertaining to its responsibilities.

¹ Documents with other information not assured within the scope of this report

VP of People, Sustainability, and Institutional Relations

Responsibilities related to the topic

It is primarily responsible for implementing and monitoring strategies, policies, and actions aimed at promoting sustainable practices across all business areas, through the Sustainability Department.

The Sustainability Department is responsible for proposing continuous updates to the business's sustainability strategy and work plan; coordinating with different departments to achieve goals; identifying sustainability and climate-related risks and opportunities; and developing mitigation plans. It also works alongside the controllership team to assess and quantify the financial impacts on the business and on society.

Information and reporting

The VP of People, Sustainability, and Institutional Relations reports to the SC on the monitoring of the strategy and risk management related to sustainability and climate opportunities through its Vice President, who is a member of the SC, and its Director, who supports the SC.

Risk and Audit Department

Responsibilities related to the topic

The Risk and Audit Department works closely with the business units to identify, prevent, and manage corporate risks. The connection between Climate Risks and Corporate Risk Management is achieved through the integration of internal processes and the use of methodologies aligned with the

corporate risk management model. This integration is carried out through an internal mapping, linking, and tracking model that relates corporate risks to climate risks, enabling a systemic and integrated view of potential impacts.

Information and reporting

As provided for in the ARMC's Internal Regulations, the Risk and Audit Department reports directly to the Committee, ensuring transparency and alignment with the governance bodies responsible for overseeing this matter.

Controllership Directorate

Responsibilities related to the topic

It works together with other areas in estimating and quantifying the financial effects of climate risks and evaluates their impact on the Company's financial statements on an ongoing basis.

The Internal Controls department works closely with the business units to ensure the reliability of information, compliance with regulations, and asset protection, incorporating these measures into sustainability processes and corporate risk management. This is achieved by developing and strengthening controls based on risk-based methodologies. The department maps, links, and monitors these factors, enabling a systemic and preventive approach that strengthens governance, supports an ethical culture, and drives the creation of sustainable value for the entire Lojas Renner S.A. ecosystem and its stakeholders.

Information and reporting

The Controllership Directorate reports quarterly to the Audit and Risk Management Committee for review and approval of accounting estimates, accounting matters involving risks, and financial statements.

With the adoption of disclosure standards regarding the financial impacts of ESG and climate risks and opportunities, the Company began assessing the financial measurement of risks and opportunities, as well as their materiality from both quantitative and qualitative perspectives, participating in recurring agendas on this topic at the ARMC and SC.

Strategy supervision

S2-G1, S2-G2, S2-G7

Controls and procedures used by management and executive leadership to oversee climate issues are integrated into the Company's strategic planning.

Lojas Renner S.A. conducts an annual strategic alignment process, which brings together the Board of Directors, the President, Vice Presidents and Executive Officers, with the support of consultants, to define the Strategic Drivers and Supporting Pillars for the upcoming cycle.

This process involves analyzing strengths, weaknesses, opportunities, threats, and trade-offs to build and review the Strategic Objectives, incorporating social, environmental, climate, and governance factors. From there, strategies for the year are developed, defining priority strategic projects and corporate and Boards goals.

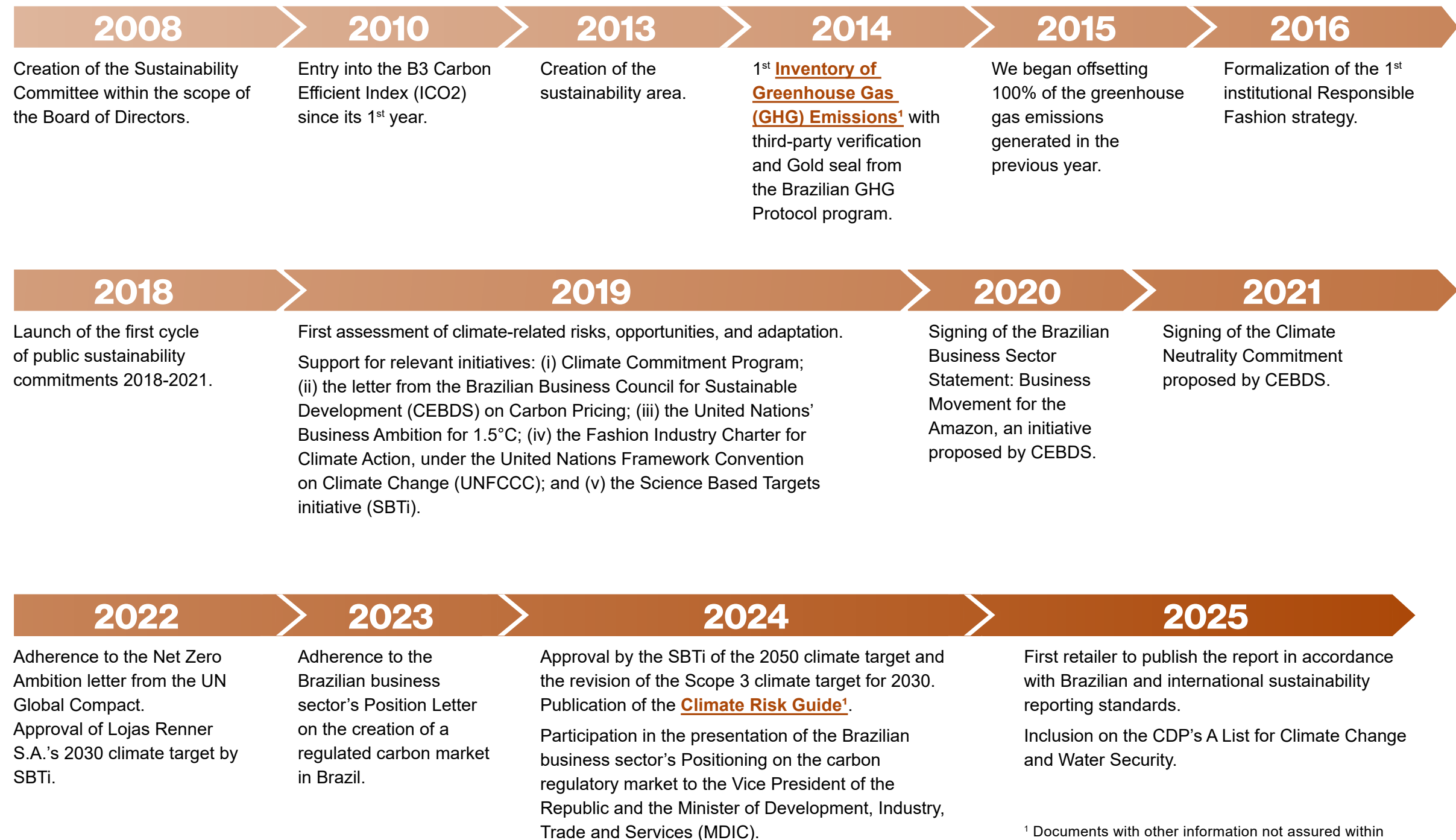
03. Strategy

The evolution of ESG oversight practices through governance is part of our history.

S2-09

In recent years, the integration of sustainability- and climate-related impact, risk, and opportunity management into the Company's business strategy has been consolidated as a competitive advantage. It has become a key driver for operational efficiency, enhancing the Company's ability to make more informed decisions, allocate resources effectively, mitigate risks, and ensure greater clarity and consistency in financial planning.

Next, we present an overview of the progress we have made in our risk and opportunity management, as well as our ESG and climate strategy, which enable us to expedite the sector's transition in the face of the challenge of climate change and to fulfill our value proposal of "Being the sustainable ecosystem reference in fashion and lifestyle."



¹ Documents with other information not assured within the scope of this report

Overview

This section provides an overview of the business’s climate resilience, showcasing how structural projects aimed at reducing emissions, meeting science-based targets, and managing climate risks are linked to the Company’s strategy.

The strategic initiatives reflect decisions guided by the supervisory bodies and by the corporate processes for managing climate risks and opportunities. These actions represent the incorporation of climate factors into the business strategy, focusing on operational efficiency, risk mitigation, and strengthening long-term resilience.

LEGEND:

Mitigated Climate Risks

-  **R1:** Heat waves
-  **R2:** Floods and Storms
-  **R3:** Forest fires
-  **R4:** Strong winds
- R5:** Meteorological droughts



PROGRESS IN BUSINESS STRATEGY

Integrated omnichannel supply and ship-from-store operation

Using physical stores as local distribution centers for e-commerce orders, optimizing inventory and speeding up deliveries to end customers.

Push and pull supply model by SKU

Using data intelligence to enable a more effective supply model. The resulting gains in logistics efficiency support climate mitigation goals, while optimized inventory management reduces the risk of incidents such as fires.

AI-driven collection development

Use of a proprietary forecasting model to identify market trends and inform strategic decisions regarding the volume and composition of the product mix.



Operational gains

- | | | |
|--|---|--|
| → Reduced delivery time for e-commerce orders. | → Reduction in stockouts and markdowns. | → Greater accuracy in collection, less need for markdown, more agility and flexibility to keep up with demand variations in product development. |
| → Logistics optimization. | → Delighting customers who find the products they want in stores. | |



Connecting advances to risk mitigation/ climate resilience



- Back-of-house inventory in stores diversifies routes and mitigates logistical impacts resulting from potential adverse weather events.
- Logistics optimization reduces greenhouse gas emissions, supporting climate goals. (page 45)



- Reduced need for increased production to achieve revenue and margin targets, generating less waste and raw material consumption, supporting the decarbonization of the chain. (page 45)



- Production optimization makes it possible to meet revenue and margin targets with lower physical volume. That leads to a reduction in waste and resource consumption (raw materials, energy, and water), lowering the environmental impact while supporting the decarbonization of the supply chain. (page 46)

Overview

(cont.)

This section provides an overview of the business’s climate resilience, showcasing how structural projects aimed at reducing emissions, meeting science-based targets, and managing climate risks are linked to the Company’s strategy. We detail next the key advances and how they relate to our vision for long-term resilience.

LEGEND:

Mitigated Climate Risks

-  **R1:** Heat waves
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- R5:** Meteorological droughts



PROGRESS IN BUSINESS STRATEGY

Close relationship and qualification of the supplier network

The supply chain is strengthened through nearshoring¹ strategies, reflected in the significant volume of purchases from suppliers in Brazil (66.2%), with a focus on long-term relationships and qualification programs. Notable initiatives include the Excellence Program (innovation and productivity), the Compliance Acceleration Program, and the Responsible Network (ESG progress). International supply chain management (33.8%), meanwhile, is guided by high standards, supported by third-party qualification and partnerships with global coalitions, such as Cascale and SLCP.



Operational gains

→ Joint development of solutions for pricing, lead time, quality, sustainability, and speed in the production process, productivity gains, and responsiveness for faster reaction to changes in demand.



Connecting advances to risk mitigation/ climate resilience



Progress in Responsible Network suppliers, achieving:

- 67.9% of pieces classified as low water consumption, reflecting the evolution of water efficiency in the production process of the denim chain. The geographic exposure of suppliers to water-stressed areas is monitored separately as part of the physical climate risk analysis. ([page 27](#))
- 53% supplied with low-impact renewable energy and 40% carry out their GHG Protocol inventories (Scopes 1 and 2), supporting the necessary progress to achieve the Company’s Net Zero goal. ([page 45](#))

¹ Nearshoring is a business strategy that involves transferring product manufacturing, material supply, or service provision to neighboring or geographically close countries.

Reference in Responsible Fashion Brands

Implementation of the Sustainability Strategy and 2030 Commitments, with a focus on climate, circular, and regenerative solutions for processes, infrastructure, and the partner network.



- Greater energy efficiency through store automation and less impactful construction and renovation projects, mitigating financial impacts and supporting the decarbonization of operations. ([page 30](#))
- R&D efforts focused on alternative raw materials and circularity solutions ([page 46](#)), along with significant progress in the use of certified raw materials (cotton and viscose), aimed at reducing Scope 3 emissions and driving supply chain decarbonization. ([page 46](#))
- Assessment of vulnerability to climate-related events is now part of the decision-making process for new store locations, helping mitigate Floods and Storms risk. ([page 20](#))
- Climate targets validated by the SBTi ensure that the Company’s actions are aligned with the goals of the Paris Agreement, actively contributing to decarbonization both within the industry and across Brazil. ([page 47](#))

Risk selection

S2-R5, S2H3-2, S2H3-3, S2H3-10

Lojas Renner S.A.'s risk identification process aims to recognize and detail events that could affect the company's outlook and jeopardize its organizational objectives, enabling their mitigation and strategic integration into decision-making processes. Risk is understood as an uncertain event or condition that may positively or negatively impact performance and the achievement of goals; it is dynamic in nature and requires continuous monitoring, as its criticality may change over time.

Climate risks are incorporated into the corporate risk portfolio and assessed in an integrated manner as part of the Company's risk management process, based on the COSO ERM 2017 frameworks (Aligning Risk with Strategy and Performance) and the Enterprise Risk Management (ERM) implementation guide for risks related to Environmental, Social, and Governance (ESG) topics.

The corporate risk portfolio includes seven operational climate risk factors linked to the risk of "Adverse Weather Events," covering operations in both Brazil and abroad. The corporate risk portfolio also encompasses other ESG areas, notably supply chain compliance and human rights.

Specific context study

Since 2022, Lojas Renner S.A. has been developing and updating, through a multidisciplinary approach, an assessment of the physical and transition climate risks to which its operations and value chain are exposed. This process, which includes the participation of various departments and specialized consultants, is based on global best practices and the IPCC's (AR6) climate scenario modeling, also using other external sources as technical inputs.

The ERM (Enterprise Risk Management) methodology underwent a technical review in 2025. Based on this, during the same period, a method was developed to compare and integrate ERM methodologies with those of Sustainability, as described in the validation and calibration flowchart on the following page.

Preliminary Analysis

Starting from a list of climate risks with the greatest potential to affect operations, employees and in-house experts with business knowledge conducted an analysis of the potential impacts and consequences of each scenario.

From there, we identified and detailed all factors that could prevent the Company from achieving its objectives, with the aim of mitigating their effects and incorporating them into strategic decisions.

With all potential risks mapped out, we performed an additional analysis to determine which of these risks are qualitatively material and relevant, using both quantitative and qualitative approaches.

Prioritization

In 2025, a restructuring initiative integrated climate risk assessments into the enterprise risk management (ERM) framework. The climate risk matrices were reassessed and adapted to the new magnitude and probability criteria.

Following this initial phase, a second analysis was conducted based on business assumptions, which resulted in a classification matrix.

Quantitative and Qualitative Analysis

Details of the methodology used for assessing the materiality of risks and opportunities can be found on [page 40](#).

Prioritization Outcome

The process resulted in the identification of seven physical risk factors linked to adverse weather events. Six of them were incorporated into the corporate risk map: heat waves, Floods and Storms (treated on a consolidated basis), wildfires, strong winds and meteorological droughts ([page 40](#))

These factors are considered a priority due to their potential to impact the Company's business model, directly influencing the economic decisions of financial report users.

Validation and calibration flowchart

Corporate risk portfolio (ERM)

Study of the corporate risk landscape of LRSA (Portfolio)

Magnitude and probability scale

For sustainability risks, the first assessment is conducted using the magnitude and probability scale



Connection between risks

An assessment is conducted of the corporate risk landscape in comparison with the sustainability risk landscape

Magnitude Scale

Probability Scale

Business assumptions

Following the first assessment, a second qualitative risk assessment is conducted, based on the set of business assumptions

Climate risks

The risks, their potential effects, and the various initiatives developed by Lojas Renner S.A. to mitigate them are discussed on the following pages.

Prioritized risk factors in the enterprise risk management (ERM) framework:



R1: Heat waves impacting People, Operations, and Infrastructure;



R2: Floods and Storms in Stores, Distribution Centers;



R3: Forest fires impacting suppliers, Distribution Centers, stores and the supply chain; and



R4: Strong winds impacting stores, Distribution Centers and Infrastructure.

Prioritized risk factor for the supply chain:



R5: Meteorological Droughts impacting water availability and quality.

R1: Heat waves

S2H3-2, S2H3-3, S2H3-10

Corporate Risk:

Adverse Climate Events

Physical Risk Factor:

Heat Waves Affecting People, Operations, and Infrastructure

Consequence of the Physical Risk Factor’s materialization:

Outdated product inventory due to reduced demand for cold weather clothing, caused by higher-than-expected temperatures

Potential impact on financial statements:

- Accounts receivable (BP)
- Inventory (BP)
- Net goods revenue (DRE)
- Selling expenses (DRE)

Potential impacts on the business and value chain

Risk Concentration

Sales in physical fashion retail stores in the southern and southeastern states of Brazil, Uruguay, and Argentina during the winter season, when demand for winter clothing may be lower than expected due to higher-than-average temperatures¹.

Current and future effects

Outdated product inventory

- **Short-term impacts:**
Impact on the Company’s merchandise sales performance and results, requiring additional discounts (markdown) to move products unsuitable for weather conditions.
Across the value chain, suppliers may have orders canceled, interrupted, changed, postponed, or delivered late to adjust inventory to meet demand.
- **Medium- to long-term impacts:**
Based on climate scenario analysis, the number of stores located in areas considered high-risk for heatwaves is expected to increase.
In addition to increased markdowns, the Company may need to invest in more agile supply chain adjustments and revise purchasing strategies to ensure collections are better suited to local climates.

Electricity consumption

Although the intensification of heat waves poses a potential risk of increased electricity consumption and maintenance costs for physical stores, Lojas Renner S.A. concluded that this factor is not financially material in the current scenario. An assessment of expenses in 2025 showed that there was no real growth in these costs beyond inflation, a direct result of the efficiency of automated air-

conditioning systems and the strict oversight by maintenance teams. Given this proven capacity for technological and operational mitigation—which ensures thermal stability and the proper use of equipment—the Company believes there is no need to project additional financial impacts from this climate risk on its future cash flows.

Mitigation and current changes to the business model

Adapting the collections

To mitigate the impacts of rising temperatures, the Company prioritizes a more diversified product assortment that is resilient to climate variations. The definition of this product offering is guided by a forecasting model based on Artificial Intelligence (AI), which identifies trends by extensively cross-referencing historical sales data with real-time consumer behavior.

This analysis informs everything from the volume and design of products to be manufactured to the curation of store windows and e-commerce positioning. Lojas Renner S.A. has expanded its data collection from both domestic and international markets, integrating this data into the design process to ensure greater precision and effectiveness in its collections.

Additionally, AI helps determine the product assortment and inventory levels by store location. Based on insights generated from online orders, the Company customizes the product assortment and volume at each physical store according to the preferences and climate conditions of each market. This intelligence makes distribution more efficient, prevents stockouts, and delights customers.

¹The World Meteorological Organization (WMO) defines a heat wave as a period of at least five consecutive days in which the daily maximum temperature exceeds the historical average maximum by 5 °C

Increased flexibility in store supply

Diversified assortment

Since 2017, the Company has transformed its logistics, supply, and distribution models to improve agility, accuracy, and reduce stockouts, ensuring that customers always find or receive the products they want, whenever and wherever they prefer.

As a result, it mitigates risk by enabling a more efficient exchange of items across different categories and seasons to meet demand as weather conditions change.

There were five main areas of progress that led to greater speed and flexibility:

- **Store Supply:** the model has shifted to a push-and-pull system. Rather than simply “pushing” products to stores, logistics now operate based on replenishment of sold items, with inventory management conducted entirely by SKU (Stock Keeping Unit), rather than by batch, as is common in retail.
- **Distribution Center (DC):** with cutting-edge technology, automation, and innovation in robotics and artificial intelligence, the distribution center in Cabreúva (SP) — which opened in 2022 — has made the SKU-based supply model feasible and has significantly improved the speed of store restocking, reducing lead time.
- **Agile Inventory Management:** operational automation of the most frequently ordered products and reorganization of the space, enabling the entire picking process to be carried out automatically.

- **Storage Space:** the DC provides dedicated space for temporarily holding stock of items with potentially lower sales during heatwaves.
- **Logistics:** through its ship-from-store model, the Company can ship products directly from stores to e-commerce customers or to other stores, providing agility in inventory changes, greater product availability and reduced disruptions.

Agility and flexibility in production

Lojas Renner S.A. offers various supplier development programs through financial support, consulting, performance monitoring, and digital transformation incentives.

In this way, it enhances the supply chain’s responsiveness, leading to more agile production and greater adaptability to fluctuations in demand.

Furthermore, an important part of its business strategy is the concentration of its Resale Supplier chain in Brazil, accounting for 66% of its production volume last year. This enhances qualification and development initiatives and strengthens relationships with suppliers, resulting in increased agility and flexibility in production.

Risk-related goal

Reduce absolute Scope 1 and 2 emissions by 46.2% by 2030 compared to 2019

Context

Increased energy and air conditioning refrigerant consumption caused by heatwaves may impact the Company’s emissions reduction target.

Plan to achieve the goal

To reduce Scope 1 emissions, the transition plan focuses on technological modernization using efficient equipment and fluids with low Global Warming Potential (GWP), as well as preventive maintenance to mitigate leaks and ensure operational efficiency.

For Scope 2, the Company is active on two main fronts: energy efficiency and the use of 100% low-impact renewable energy—a strategy adopted since 2021 that ensures zero emissions. To this end, it uses the Free Energy Market, which provides an average financial savings of 24% compared to the regulated market.

The strategy focuses on long-term contracts and promoting investments in clean energy, with three solar farms and a wind farm currently in operation, which supply power to some of the stores and the DC in Cabreúva (SP).

Progress toward the goal: Goal for 2025 achieved (learn more on [page 47](#)).

Financial impacts

To measure the financial impact of heatwaves, the study considered stores in Brazil’s colder regions (South and Southeast), as well as those in Argentina and Uruguay.

2024 vs. 2025 Comparison

Current (operating income):

2024	2025
~ R\$ 18 MM	~ R\$ 10 MM

Future (10 years - cash flow):

2024	2025
R\$ 64 MM - R\$ 74 MM	R\$ 94 MM - R\$ 110 MM

The decrease in the base year is due to fewer heat waves compared to 2024.

To project future effects, we used the new expansion plan disclosed to the market, which assumes a larger number of stores.

Outdated inventory

From the mapped regions, stores classified as “critical risk” in the climate risk matrix were selected, and their respective sales volumes of winter products were identified. Based on this data, a sensitivity analysis was conducted on historical variations in markdowns (price reductions). The model used the year with the highest incidence of heat waves—defined as a deviation of 5°C above the monthly average for five consecutive days—as a reference to project variations relative to fiscal year 2025.

This comparative baseline was critical for measuring margin resilience. While 2024 was classified by the World Meteorological Organization (WMO) as the hottest year in 175 years, marked by record-breaking temperatures and extreme weather events, the year 2025 was characterized by well-defined seasons and a lesser climate impact during the winter. The contrast between these two periods made it possible to accurately assess the potential financial impact of severe climate anomalies on inventory and business performance.

The projected variation was applied to sales for the period—already net of taxes and variable expenses—and integrated into future cash flows, taking into account the increased intensity of heat waves. To do this, the incremental variation in daily price adjustments was weighted based on the Company’s climate modeling studies, which use two temperature increase scenarios ([page 40](#)).

Moreover, the calculation incorporated the organization’s new strategic plan, which was disclosed to the market and calls for accelerated expansion of the store network over the next five years. Accordingly, the estimated amounts for the short-, medium-, and long-term horizons were consolidated and discounted to present value using the Weighted Average Cost of Capital (WACC), applying rates of 13.7% per annum for 2025 and 13.8% per annum for 2024.

Current financial impacts

For the fiscal year ended December 31, 2025, the Company recorded a negative impact on operating results of approximately R\$ 10 million.

Additionally, we report that no significant risk of a material impact on the accounting values of assets and liabilities for the financial statements of the subsequent period has been identified.

Projected financial impacts

Based on studies conducted by the Company, the following table compares the estimated negative financial impact of this risk on cash flow, net of taxes:

		2024	2025
Short	Up to 1 year	R\$ 7 MM to 8 MM	R\$ 9 MM to 10 MM
Medium	1 to 3 years	R\$ 13 MM to 15 MM	R\$ 17 MM to 20 MM
Long	3 to 10 years	R\$ 44 MM a 51 MM	R\$ 68 MM to 80 MM

Concluding remarks

Although it does not reach the financial materiality threshold, the issue is considered qualitatively relevant to the Company.

Judgments and Uncertainties

Variables such as sales strategies, changes in consumer behavior, remaining inventory management and promotional activities also directly influence markdown. Therefore, the ability to isolate the effects of heat waves on consumer behavior, sales performance, and markdown is limited, and projected values cannot accurately predict the impact.

R2: Floods and Storms

S2H3-2, S2H3-3, S2H3-10

Corporate Risk:

Adverse Climate Events

Physical Risk Factor:

Flooding in Stores, Distribution Centers, and Administrative Facilities

Consequence of the Physical Risk Factor’s materialization:

Damage to building infrastructure and road and access route blockages

Potential impact on financial statements:

- Accounts receivable (BP)
- Inventory (BP)
- Fixed assets (BP)
- Net sales revenue (DRE)
- Operating expenses (DRE)
- Other income (DRE)

Potential impacts on the business and the supply chain

Risk concentration

Renner, Ashua, Youcom, and Camicado physical stores during the rainy season in the geographical areas of greatest risk (Southern, Southeastern, and Northeastern regions of Brazil).

Current and future effects
Short-term effects

Floods and Storms can make it difficult for customers to get to stores, especially for street-level stores, and can also block roads and access routes, making it hard for employees and customers to arrive. Additionally, they may cause infrastructure damage to the stores. Such events can reduce foot traffic or even bring store operations to a standstill, resulting in lower sales.

Under a scenario of greater global warming, these effects tend to intensify, increasing the number of stores classified as being at critical risk. On the other hand, under a scenario of less global warming, there is a reduction in the number of stores in this category due to the prevalence of droughts, which results in fewer Floods and Storms in the states where the Company’s stores are most financially significant.

Medium- to long-term effects

The intensification of these weather events can cause delays in logistics processes, such as product restocking and delivery, limiting sales opportunities and compromising business performance.

Mitigation

Current changes in the business model
Climate impact planning in the design of new stores

S2-G2

The Company’s internal management and maintenance guidelines, as well as decisions related to business expansion, are critical on feasibility studies that incorporate climate risk analysis and logistics route planning, covering both primary routes and contingency alternatives.

This approach gives priority to operational resilience and business continuity. Furthermore, the guidelines of the corporate management model—which focus on identifying, assessing, and mitigating risks—strengthen governance in managing and responding to climate-related events. This model is complemented by preventive financial management measures, such as maintaining insurance policies, with the aim of mitigating any residual impacts resulting from these events.

Mapping of alternative routes

The Company has an established operational flow for managing road access blockages. This includes assessing operational impacts, defining alternative routes in collaboration with logistics partners, and coordinating communications with strategic areas.

The mapping of these routes integrates road closure data provided by authorities, such as the Federal Highway Police (PRF) and road concessionaires, as well as fleet monitoring information from third parties, enabling prompt responses that prevent operational disruptions.

To ensure the safe resumption of customer and employee traffic, the Company strictly follows the guidelines issued by Civil Defense and other relevant authorities regarding the reopening of roads and affected areas.

In-Store buffer stock

With a business model that maintains backup inventory at its physical locations, the Company is able to sustain sales for certain periods without experiencing stockouts or disruptions to product lines. Should emergency restocking be necessary, lightweight goods can be easily adapted for smaller modes of transportation, which can move quickly along alternative routes.

Adaptation

Customer support

In extreme cases of flooding and storms that may increase the risk of default among affected customers, the Company identifies possible support actions such as renegotiation of terms, waiving late interest charges, grace periods, and installment payment options. Other support initiatives and donations may be carried out through Instituto Lojas Renner.

Financial impacts

The analysis focused on reduced customer foot traffic and road blockages due to flooding, both of which may result in loss of sales.

The measurement estimated the number of days stores would remain closed, using past events and regional/yearly frequencies as a baseline, based on the Company’s impact matrix (learn more on [page 41](#)). It also factored in the likelihood of intensification of such climate events.

Financial impacts

To calculate the financial impact of Floods and Storms, the Company took into account the stores in all business units that were classified as critical risk in its impact matrix.

Current (operating income)

2024	2025
~ R\$ 10 MM	~ R\$ 0 MM

Future (10 years - in cash flow):

2024	2025
R\$ 21 MM - R\$ 25 MM	R\$ 22 MM - R\$ 25 MM

In the base year, we did not experience extreme weather events such as those that occurred in 2024. For forecasting future effects, the risk matrix remained stable compared to the previous year, even with the new expansion plan.

From these scenarios, projected sales for affected stores were incorporated into short-, medium-, and long-term cash flow models, adjusted according to each store’s expected growth rate depending on its maturity stage. Present value was calculated using a WACC rate of 13.7% p.a. for 2025 and 13.8% p.a. for 2024.

Current financial impacts

In the fiscal year ended December 31, 2025, the Company did not record any negative impacts on its operating results due to the financial effects of flood and storm risks.

There were no significant inventory losses or material property damage that would require impairment provisions. Due to the fact that the stores are preferably located in shopping centers and with great geographical dispersion, in addition to the Company’s risk response actions, there is no significant risk of material impact on the carrying amounts of assets and liabilities in the annual financial statements for the following period.

Future financial impacts

The comparison of the estimated negative financial impact of the risk on the Company’s cash flow (net of taxes) over a ten-year period is shown in the following table:

		2024	2025
Short	Up to 1 year	R\$ 3 MM to 4 MM	R\$ 2 MM
	1 to 3 years	R\$ 4 MM to 5 MM	R\$ 6 MM to 7 MM
Long	3 to 10 years	R\$ 14 MM to 16 MM	R\$ 14 MM to 16 MM

Concluding remarks

Although it does not reach the financial materiality threshold, the issue is considered qualitatively relevant to the Company.

Judgments and Uncertainties

The calculation of the financial effects of this risk involves limitations in measurement and estimation, due to the complexity of the variables involved. These variables are difficult to predict, such as the specific regions that may be affected in the coming years, the volume of rainfall that could impact these areas, the extent of damage to store structures and products, the duration of operational downtime, as well as potential losses of equipment. This variability makes it difficult to precisely quantify the future financial impact.

R3: Forest fires

S2H3-2, S2H3-3, S2H3-10

Corporate Risk:

Adverse Climate Events

Physical Risk Factor:

Wildfires Affecting Stores, Distribution Centers, and the Supply Chain

Consequence of the Physical Risk Factor’s materialization:

Delays in restocking goods and roadblocks on highways and access roads

Potential impact on financial statements:

- Accounts receivable (BP)
- Net goods revenue (DRE)
- Operating expenses (DRE)

Potential impacts on the business and the supply chain

Risk concentration

The Distribution Center (DC) in Cabreúva (SP) is subject to periods of drought that can increase the risk of wildfires in the surrounding area, impacting the logistics process and store replenishment.

Current and future effects

Short-term effects

Identifying fire outbreaks in the vicinity of the distribution center may require the temporary evacuation of the facility, impacting employee safety and the continuity of logistics operations.

Medium- to long-term effects

Regional history indicates that forest fires recur during dry seasons, made worse by the vegetation surrounding the facility.

An increase in the frequency and intensity of these events could cause the fire to spread, requiring operational shutdowns to respond to emergencies.

Such a scenario would affect supply chain logistics for physical stores and e-commerce deliveries.

Within the value chain, effects include delays in deliveries to customers and in the operations of logistics partners.

Given the investments made and the growing logistical dependence on this facility, future disruptions could have severe impacts on our operations.

Mitigation

Current changes in the business model Distribution Center designed considering the risk

The Cabreúva DC project was designed with forest fire risk in mind, setting up a significant safety buffer zone between the vegetation and the operational area, as well as an efficient response plan to mitigate potential fires. The prevention strategy includes the following measures:

- Pump house and firefighting reservoir for rapid response;
- Fire brigade trained and mobilized for critical situations;
- Regular creation of firebreaks, a technique that creates physical barriers to prevent the spread of fire;
- The DC’s location is close to Civil Defense and Fire Department stations, which ensures a quick response time to emergencies.

Flexible logistics and supply model

To ensure uninterrupted sales, the Company maintains contingency inventory for e-commerce at its Santa Catarina Distribution Center and backup inventory at its stores to cover approximately 15 days.

Additionally, the “ship from store” operation allows online orders to be processed and shipped directly from physical stores, mitigating the impact of any disruptions in central supply.

Financial impacts

Current and future impacts

For the fiscal year ended December 31, 2025, no financial impacts related to wildfires were identified.

Any incidents in the Cabreúva region did not affect the Company’s operational capacity.

Regarding the financial effects of the mitigation actions for this risk, these are not being disclosed because, in addition to being irrelevant, there are no new investments planned and the actions mentioned are intrinsic to the business.

Concluding remarks

According to the lack of a history of interruptions and the effectiveness of the mitigation strategies implemented, the potential risk is not considered material.

Nevertheless, from a qualitative perspective, considering that the region is subject to the occurrence of fire outbreaks, it is understood that this information is relevant for users of the information.

In this regard, we seek to ensure full transparency regarding the prevention, combat and mitigation actions adopted by the Company, contributing to the adequate market knowledge about the management of this risk.



R4: Strong Winds

S2H3-2, S2H3-3, S2H3-10

Corporate Risk:

Adverse Climate Events

Physical Risk Factor:

Strong Winds Affecting Stores, Distribution Centers, and Infrastructure

Consequence of the Physical Risk Factor’s materialization:

Damage to building infrastructure, delays in restocking goods, and road and access route blockages

Potencial impacto nas Demonstrações Financeiras:

- Accounts receivable (BP)
- Inventory (BP)
- Fixed assets (BP)
- Net goods revenue (DRE)
- Operating expenses (DRE)

Potential impacts on the business and the supply chain

Risk concentration

All Renner physical stores (Brazil, Argentina, and Uruguay), Youcom, and Camicado, as well as our Distribution Centers located in the geographic areas with the highest risk, according to the Company’s risk matrix.

Current and future effects

Short-term effects

At physical street-level stores, strong winds can cause immediate damage to facades, roofs, and visual communication elements, as well as cause objects and structures to fall. For stores located in shopping malls, any damage to the mall’s infrastructure may result in temporary disruptions and minor operational impacts. In both scenarios, there is a risk of reduced customer flow or a temporary halt in activities, which directly impacts sales volume.

At Distribution Centers, high winds have the potential to compromise physical infrastructure, causing damage to inventory, machinery, and equipment. This logistical disruption leads to delays in supplying the store network, which results in gaps in the product lineup and hinders the receipt of new collections. From a financial and asset management perspective, such damage may require the accounting recognition of estimated losses on inventory and fixed assets.

Medium- to long-term effects

Short-term effects may intensify, resulting in increased operational impacts.

Mitigation

Current changes in the business model

Insurance

For physical stores, the main mitigation measures include purchasing insurance policies against structural damage resulting from adverse climate events at all of the Company’s locations. Additionally, the fact that over 90% of the stores are located in shopping malls significantly reduces exposure to strong winds, as these facilities feature protected infrastructure, ongoing building maintenance, and shared safety and contingency systems.

Directing sales to other active channels and nearby stores

To mitigate the impacts of strong winds and ensure business continuity, the Company combines the rapid redirection of sales to other channels with structural protection measures at its Distribution Center (DC) in Cabreúva. The high resilience of this logistics facility was confirmed by an independent technical study, whose report concluded that the horizontal architecture, the low-lying topography, and the natural barriers are highly effective at dissipating wind force and preventing structural damage. Besides validating operational safety, this diagnosis helps us properly structure the facility’s insurance policies.

Backstock

Maintaining backup inventory at physical stores provides the chain with greater operational flexibility, allowing it to efficiently mitigate any potential disruptions to the supply chain and safeguard sales volume even during temporary disruptions.

Risk-related goal

There is no risk-related goal.

Financial impacts

Current and future impacts

For the fiscal year ended December 31, 2025, the Company did not identify any material impacts on operating income relating to this risk.

Regarding the financial effects of the mitigation actions for this risk, these are not being disclosed because, in addition to being irrelevant, there are no new investments planned and the actions mentioned are intrinsic to the business.

Concluding remarks

Due to the low probability of events of this nature having a relevant magnitude and the effectiveness of the mitigation strategy, the potential risk is not assessed as material and, therefore, there is no other information to be disclosed.

Nevertheless, given that events of this nature have been recorded in the period at other companies in the region, we maintain constant monitoring and the application of mitigation measures. Thus, we seek to ensure full transparency regarding the prevention, combat and mitigation actions adopted by the Company, contributing to the adequate market knowledge about the management of this risk.



R5: Meteorological droughts

S2H3-2, S2H3-3, S2H3-10

Corporate Risk:

Adverse Climate Events in Brazil

Physical Risk Factor:

Meteorological droughts

Consequence of the Physical Risk Factor’s materialization:

Restriction on water availability and deterioration of water quality in the regions of water-intensive suppliers in the denim supply chain, with joint liability for any legal financial penalties.

Potential impact on financial statements:

- Inventory (BP)
- Supply chain (BP)
- Contingencies (BP)
- Net goods revenue (DRE)
- Operating expenses (DRE)
- Financial income and expenses (DRE)

Potential impacts on the business and the supply chain

Risk concentration on the business and the supply chain

The denim supply chain, whose production process requires intensive water use, is currently made up of 98% domestic partners. Mostly concentrated in the South and Southeast regions, 50% of these suppliers are located in areas with high risk of water stress associated with meteorological droughts.

Current and future effects on the business and the supply chain

Short-term effects

Non-compliance with environmental legislation and restrictions on water use (quality and quantity), in regions affected by meteorological droughts, near the factories of denim supply chain, due to the high water consumption in production, which may result in a negative perception of the textile industry’s environmental impact and co-accountability of Lojas Renner S.A., affecting the business and the supply chain.

Medium- to long-term effects

Short-term effects observed may intensify, resulting in increased operational and regulatory impacts. Based on the climate scenario analysis, it is estimated that a growing number of denim supply chain suppliers classified as high risk will be located in regions of high meteorological drought risk.

Asset exposure to risks

The analysis of the risk of intensification of extreme meteorological droughts, with the consequent restriction on water availability and deterioration of water quality, covers suppliers with intensive water use in the denim supply chain and indicates a trend of continuous worsening.

By 2030, most of the assets analyzed present critical risk, especially under the SSP3-7.0 scenario, a condition that persists or worsens by 2050. Even under the SSP1-2.6 scenario, most regions remain in the high or critical risk ranges.

Mitigation on the business and the supply chain

Supplier chain compliance requirement

Since 2019, the Company has maintained an environmental pillar in its supplier compliance program, conducting audits across the entire chain of direct (Tier 1) and indirect (Tier 2) partners.

For denim suppliers, a specific checklist is applied covering water management, requiring a legal permit for water abstraction and a license for the Effluent Treatment Plant (ETP).

Furthermore, compliance with the standards of Resolution 430 of the National Environmental Council (CONAMA) is mandatory, which establishes the conditions for effluent discharge into water bodies.

All domestic suppliers, who represent the vast majority in the denim supply chain, hold socio-environmental certification through the Lojas Renner S.A. program and must mandatorily hold certification from the Brazilian Textile Retail Association (ABVTEX).

Supplier water footprint certification requirement

In 2019, the Company launched its water footprint program, focused on the denim/twill supply chain, which aims to identify and reduce the water footprint of garments.

The program classifies denim/twill garments into high, medium and low water consumption, using its own innovative methodology, certified by an independent third party.

Currently, all denim/twill suppliers and their contractors that operate laundries are certified under this methodology and are required to report the water footprint of the company and of the garments produced for Renner, Ashua and Youcom.

Risk-related goal

60% of garments classified as low water consumption (priority denim suppliers and largest volumes) by 2030.

Plan to achieve the target: In 2025, with the transfer of administrative supplier compliance management to the Sustainability department, we worked on evolving the program to expand governance and strengthen monitoring across the entire partner network.

This process is supported by close management, led by the Supplier Compliance Management team, which, in that year, consolidated under its responsibility the monitoring of both the administrative and resale chains — covering product manufacturers from all ecosystem companies and marketplace suppliers.

To ensure operational integrity, we systematically carry out a consolidated mapping (supplier screening) of the criticality of all categories, covering 100% of Lojas Renner S.A.'s partners, including administrative suppliers, resale suppliers and sellers.

This monitoring feeds a criticality matrix that enables the identification of significant suppliers based on the analysis of specific

country, sector and commodity risks. As a result, we have established a unified and integrated approach to supplier management, which enhances the dissemination of sustainability practices and optimizes the Company's contract management.

Year's advances:

Annual Chemicals and Water Meeting

Bringing together over 100 participants from the denim and knitwear supply chains to present results, provide training on cleaner processes and exchange best practices on the topic

1st Edition of the Chemical Innovation Award

Recognition of the supplier that developed a button free from restricted substances — a safer alternative with competitive commercial conditions.

Restricted Substances Manual

Revision and release of a new edition of the document, aimed at suppliers and based on the mapping of the main textile chain regulations.

The manual supports the identification of restricted chemicals and contributed to the elimination of potentially toxic substances in the chain.

📌 **Progress toward the target:** 67.9% of garments classified as low water consumption (+20.9 p.p. vs. 2024).

Resources to fund the target: The initiative does not require additional investments, as it is based on an already existing technological infrastructure.

The internal system manages the monthly supply chain reporting, covering everything from the source of water abstraction and volumes used to the treatment and disposal location of effluents.

The process is ensured by a dedicated technical team responsible for monitoring indicators and validating audited data.

Financial impacts

Current and future impacts

The Company identified no financial impacts related to meteorological droughts in the fiscal year ended December 31, 2025.

Regarding the financial effects of the mitigation actions for this risk, these are not being disclosed because, in addition to being irrelevant, there are no new investments planned and the actions mentioned are intrinsic

to the business.

Concluding remarks

Due to the zero history of environmental fines or sanctions among the jean supply chain suppliers, which indicates that, to date, there have been no penalties that could generate direct or joint financial impacts to the Company, the potential risk is not assessed as material and, therefore, there is no other information to be disclosed.

From a qualitative and informational perspective, however, the risk is considered relevant, considering the high intensity of water resource use in the production chain and the strategic importance of the supply chain for the operation, which demands continuous monitoring and the rigorous application of response actions.

Opportunities

S2H3-2, S2H3-3, S2H3-10

O1: Share of sustainable product sales

Potential impact on Financial Statements:

- Accounts receivable (BP)
- Net goods revenue (DRE)
- Sales expenses (DRE)

Financial impacts

Current (operating income):

2024	2025
~ R\$ 94 MM	~ R\$ 109 MM

Future (10 years - cash flow):

2024	2025
R\$ 223 MM to R\$ 256 MM	R\$ 166 MM to R\$ 193 MM

Context

In light of the intensifying effects of climate change, we conducted a research based on the relationship between the Company’s revenue and the share of products with sustainable attributes in the portfolio, considering the fiscal years 2024 and 2025.

It indicates that a specific segment of the population is paying attention to climate issues and matters of environmental and social responsibility.

Although this group still represents a limited share of the market, it signals the presence of a niche of consumers who are potentially interested in fashion products associated with the circular economy, which have lower emissions compared to products conventionally sold in the Brazilian market. Within this context, Lojas Renner S.A. can position itself to seize opportunities associated with this consumer profile.

Company activities

Products with a lower environmental impact

Since 2018, the Company has been offering products and services with a lower environmental impact, a goal embodied by the Re (Responsible Fashion, at Renner) and YC Change (Youcom) labels. These initiatives identify items produced using raw materials or processes that generate greater value for the supply chain and reduce pressure on the environment.

By 2030, Lojas Renner S.A. has committed to investing in the development of circular and regenerative textile raw materials, ensuring that 100% of its key raw materials are more sustainable. This classification must meet specific attributes related to the less impactful origin of raw materials, with the establishment of minimum percentages of presence in products, as well as globally recognized certifications, as presented in the [Guide to More Sustainable Raw Material Attributes](#)¹.

In 2025, we made progress in our research to expand the use of polyester and recycled denim. Within this context, Youcom launched its first collection of recycled denim in a black wash, continuing the Jeans for Change program.

Made from jeans collected in stores, the collection overcame technical challenges that previously limited circularity to blue jeans,

making it fully traceable and promoting water and energy efficiency. We also launched our first exclusive collection made with cotton grown in agroforestry systems supported by our project, marking the beginning of a new fashion economy in Brazil, focused on reducing emissions, restoring ecosystems, and supporting producers.

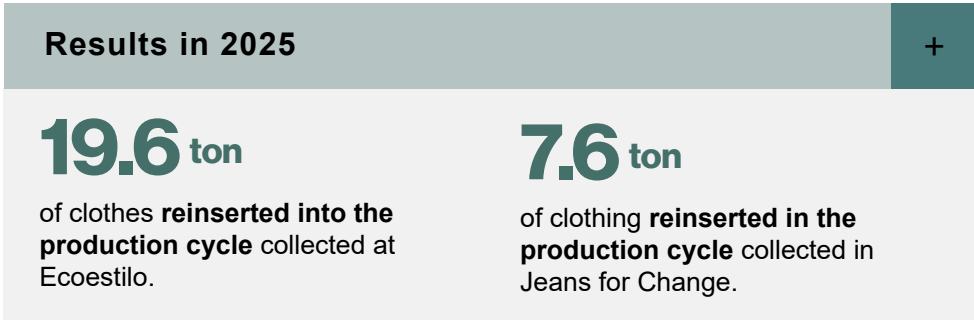
The results achieved include soil recovery, increased biodiversity, and an average carbon sequestration of 18.37 tCO2e per hectare per harvest, preparing the sector for a sustainable future.

Circularity

The Company implements circular economy initiatives both before consumption—through the “Rede Responsável” Program, which certifies suppliers, and after consumption, through the “Jeans For Change” (Youcom) and “Ecoestilo” (Renner) programs, which allow customers to properly dispose of unused items at stores.

To maximize this strategy, Lojas Renner S.A. published the [Circular Fashion Guide](#)¹ in 2024. Initially shared with the internal Product team and later disseminated to the supply chain and the market, the guide presents key concepts, tools, and practical tips for integrating circularity from the product design stage.

Such initiatives reduce waste generation and the demand for virgin raw materials, lowering emissions intensity per item produced.



¹ Documents with other information not assured within the scope of this report.

Reputation

To underline the strategic importance of this topic, the 2025 variable compensation of executives and employees from various departments was tied to the goal of establishing the Company as a leader in sustainability in the eyes of customers, partners, and the market.

Since 2021, consumer perception has been monitored using two methodologies:

- **Renner Brand Monitoring:** conducted every four months, it assesses perceptions of sustainability (with 7% of the questionnaire dedicated to this topic).
- **Weighted Ecosystem Index (Renner, Youcom, Camicado, and Ashua):** calculated annually through a national survey, it measures preference for the Group’s brands as benchmarks in social and environmental responsibility. The Company has achieved consistent results, standing out as the brand most spontaneously recalled by customers in this regard.

Measurement of financial impacts

To measure the financial impacts associated with this opportunity, a technical study was conducted based on the relationship between the Company’s revenue and the share of products with sustainable attributes in its portfolio, considering the fiscal years 2024 and 2025. This result was then weighted by an annual independent survey that maps customer habits and assesses the importance of sustainability as a determining factor in purchasing decisions.

Results show that products with sustainable features do not necessarily represent a standalone source of incremental revenue, but rather account for a growing share of the total sales

mix, reflecting the progressive incorporation of these attributes into the portfolio, in line with our transition plan (learn more on [page 45](#)). Within this context, the importance of sustainability helps maintain and drive repeat sales among consumers who value this issue, while also increasing the potential to attract and retain customers over time.

From this perspective, the offering of these items consolidates itself as a revenue base sustaining element. It favors customer loyalty and adherence to new consumption preferences, boosting the Company’s relative competitiveness as these attributes gain strength in the market.

Additionally, future projections consider the fulfillment of the Company’s public commitment to achieving 100% of products with more sustainable attributes , according to specifications presented in the [Guide to More Sustainable Raw Material Attributes](#)¹. As this level is progressively reached, total sales tend to reflect these characteristics, reducing the distinction between items with and without sustainability attributes. Thus, the economic effects begin to reflect a new structural level of the portfolio, aligned with the Company’s long-term strategy.

Finally, the projected amounts for the short-, medium-, and long-term horizons were converted to present value using a discount rate (WACC) of 13.7% per year (compared to 13.8% in 2024).

Current financial impacts

For the fiscal year ended December 31, 2025, the Company estimates that the operating profit resulting from the sale of more sustainable products amounted to approximately R\$ 109 million, in accordance with the transition costs (as shown on [page 46](#)).

Future financial impacts

Based on the study, the comparison of the estimated positive financial impact of this opportunity on the Company’s cash flow (net of taxes) is shown below:

		2024	2025
Short	Up to 1 year	R\$ 11 MM to 12 MM	R\$ 6 MM to 7 MM
Medium	1 to 3 years	R\$ 34 MM to 39 MM	R\$ 24 MM to 28 MM
Long	3 to 10 years	R\$ 178 MM to 205 MM	R\$ 136 MM to 158 MM

The transition costs shown on [page 46](#) are directly related to this opportunity. Based on the application of the proportionality principle, the Company did not estimate the value and percentage of activities aligned with this opportunity, as the informational benefits of such analysis would not, at this time, outweigh the effort and complexity involved in obtaining it.

Judgments and Uncertainties

To estimate the financial gains resulting from the shift in consumer behavior toward more sustainable products, the primary assessment was based on the interpretation of opinion polls. These data indicate that sustainability is a relevant and consistent factor in purchasing decisions. The projection assumes that this trend will continue, as reflected in the consumption profile identified for the business. However, there are natural uncertainties, such as possible shifts in consumer preferences over time, which require periodic reviews of the assumptions used.

1 Documents with other information not assured within the scope of this report.

⚡ O2: Use of low-impact renewable energy

Potential impact on Financial Statements:

- Suppliers (BP)
- Operational expenses (DRE)

Context

The use of renewable energy offers opportunities to reduce operational costs due to procurement on the Free Energy Market. In this environment, procuring low-impact renewable energy sources offers competitive advantages in light of the rising unit cost of electricity (R\$/MWh) in the regulated market.

Furthermore, this strategy is part of the Company's transition plan, being fundamental to achieving the target of reducing Scope 1 and 2 emissions by 46.2% by 2030.

Company activities

Since 2018, Lojas Renner S.A. has publicly committed to consuming energy from low-impact renewable sources — such as solar, wind, and small hydroelectric plants (PCHs).

In 2021, by combining energy consumption from the free market and the purchase of traceable certificates of sustainable renewable energy, the Company reached 100% renewable electricity consumption and committed to maintaining this level.

To ensure the achievement of this goal, the Company prioritizes long-term contracts in the free market and encourages investment in new ventures in the sector.

The company's history of in-house power generation began in 2017 with a pilot project in Rio de Janeiro (RJ) and evolved into the implementation of three solar power plants located in Vassouras (RJ), Brasília (DF), and Pantano Grande (RS), which supply a total of 2.83 GWh per year.

In 2021, the Company invested in the construction of a wind farm in Tacaratu (Pernambuco), operated by Enel, signing a Power Purchase Agreement (PPA) to secure 105,400 MWh/year for a period of 15 years.

Additionally, it acquires International Renewable Energy Certificates (I-RECs) for other stores and corporate offices within the group.

Energy efficiency

Lojas Renner S.A. sees the transition to a low-carbon economy as a strategic lever for value creation. By incorporating eco-efficiency into our physical expansion and prioritizing clean energy sources, we have transformed energy management into real margin gains and structural reductions in operating costs.

This drive for efficiency and resilience takes place across integrated fronts:

- **Automation and Smart Management:** We invest in streamlining consumption from start to finish. Currently, 55% of Renner stores already operate using automated systems, a successful model that is being rolled out to the Group's other brands.

- **High-Performance Buildings:** Our units follow rigorous global certifications (BREEAM and LEED), ensuring estimated reductions of up to 28% in energy consumption. To maximize this benefit, the principles of maximum efficiency from our pioneering Circular Store have become the mandatory standard for all new store openings since 2023.



Results

In 2025, energy expenditure intensity fell by 14% compared to 2024, totaling R\$ 0.012 for every Brazilian real of revenue generated. The average discount obtained in the negotiations was 32%, with total consumption of 850,800 GJ during the period. There was no additional investment required for this transaction, as the rates were negotiated at a discount compared to conventional grid (captive) energy.

In 2025, the total number of assets operating under the free energy market model reached 298 business units.

Financial impacts	
Current (operating income):	
2024	2025
~ R\$ 34 MM	~ R\$ 47 MM
Future (10 years - cash flow):	
2024	2025
R\$ 201 MM to R\$ 232 MM	R\$ 232 MM to R\$ 269 MM

Measurement of financial effects

The financial impact was measured based on the total number of units with the potential to be contracted on the open market. The calculation compared the cost per MWh of the subsidized energy with that of its conventional counterpart, deducting creditable taxes in both scenarios to determine the net impact.

Next, free cash flow was estimated, and the net gain from the contract was calculated. The amounts were updated using the indexation mechanisms provided in the contracts for the next ten years and brought to present value using the Company’s WACC of 13.7% (compared to 13.8% in 2024).

Current financial impacts

The positive impact of approximately R\$ 47 million on the 2025 operating income, resulting from the use of renewable energy sources, reflects the update to the contract on the Free Energy Market.



The new contractual terms proved to be more attractive to Renner, boosting the value of this opportunity during the fiscal year.

Future financial impacts

Based on the study, a comparison of the estimated positive financial impact on cash flow, net of taxes, is presented below:

		2024	2025
Short	Up to 1 year	R\$ 26 MM to 30 MM	R\$ 26 MM to 30 MM
Medium	1 to 3 years	R\$ 49 MM to 57 MM	R\$ 53 MM to 62 MM
Long	3 to 10 years	R\$ 126 MM to 145 MM	R\$ 153 MM to 177 MM

Judgments and Uncertainties

The calculation of the financial impact of the renewable energy opportunity is subject to judgment and uncertainty, as it involves the analysis of scenarios and external variables. Although prices on the Free Energy Market are set by contract, ensuring cost predictability, they remain subject to regulatory or legal changes in the sector’s guidelines. Such changes in the market structure may directly influence and affect the financial benefit estimated by the Company.

💡 O3: Sustainable store models

Potential impact on Financial Statements:

- Property, plant and equipment (BP)
- Operational expenses (DRE)
- Depreciation (DRE)



Context

Apart from meeting the growing demand for responsible practices, the use of technologies — such as circularity solutions in stores, automation systems for efficiency, and logistics process optimization tools — also creates opportunities to enhance customer experience, reduce costs, and strengthen competitiveness.

Company activities

Environmental management system

Lojas Renner S.A. has implemented an environmental management system that covers 100% of its operations. The focus is on reducing waste and resource consumption, ensuring regulatory compliance and continuous improvement through indicator monitoring.

Lower-impact construction and renovation

The Company holds certifications that attest to best environmental practices in infrastructure:

- Headquarters and Cabreúva DC certified with LEED Gold;
- Four stores certified with LEED (1 Silver and 3 Gold);
- One store certified with BREEAM (Building Research Establishment Environmental Assessment Method);
- DC in São José (SC), representing 20% of operations, certified with NBR ISO 14001.

Since 2014, the construction model used in 100% of new projects has employed simplified structures that reduce the use of materials such as plaster and joint compound. Starting in 2018, circular economy principles were incorporated into furniture and renovations, prioritizing recyclability.

In 2021, Renner launched its first circular store in Rio de Janeiro (RJ), based on eco-efficiency and certified to BREEAM and LEED

standards. Through a Life Cycle Assessment (LCA), the model made it possible to:

- Reuse of over 90% of construction waste;
- Reduce timber use by 35% through the use of modular and durable furniture;
- Reduce over 50% water consumption;
- Use of 100% recyclable mannequins with reverse logistics; and
- 24% reduction in the unit's global warming potential.

Since 2023, this has become the standard model for all new store constructions.

Results

In 2025, the portfolio reached 74 stores operating under the low-impact model, representing 17% of the total number of Renner stores.

Current and future financial impacts

As of the reporting date, the current financial effects associated with this opportunity are not considered financially material. However, due to the Company's expansion strategy, it is estimated that a potential reduction in the cost per square meter in the investments required for building new stores would be lower than that of conventional stores. Thus, its financial relevance tends to increase in future horizons.

Based on the application of the proportionality principle, the Company did not carry out a quantitative estimate of the possible future financial effects, as the informational benefits of such analysis would not, at this time, outweigh the effort and complexity involved in obtaining it.

💧 O4: Efficient Water Resource Management

Potential Impact on the Financial Statements:

- Inventory (BP)
- Suppliers (BP)
- Cost of Goods Sold (Income Statement)
- Operating Expenses (Income Statement)

Context

Water consumption is considered a key issue for our operations, particularly in the direct supply chain for the production of jeans and twill. In this regard, water is an essential input in the garment finishing processes, ranging from dyeing to the application of wash effects.

To mitigate this impact, we have been working since 2019 in close partnership with our suppliers to measure and reduce water consumption. This collaboration fosters the adoption of best industry practices, such as water reuse, the incorporation of eco-efficient technologies, and the modernization of industrial machinery.

These initiatives take on even greater relevance against the backdrop of increasingly severe droughts associated with climate change—a scenario already identified in our physical climate risk study.

As a result, this topic is currently part of our Resilience category and holds great potential to generate positive impacts through the development of projects focused on the conscious and efficient use of this resource throughout the value chain.

Company activities

Given the global climate challenges, Lojas Renner S.A. has identified an opportunity to lead and integrate projects focused on responsible water use into its operations. This approach guides the development of the Company's governance processes, which are structured around rigorous monitoring of its supply chain and the promotion of environmentally efficient production practices.

Supply Chain Governance and Environmental Compliance

To ensure the integrity of its operations, the Company has maintained a robust environmental pillar within its supplier compliance program since 2019, conducting systematic audits of both direct (Tier 1) and indirect partners. This governance model made significant progress in 2025.

Monitoring is supported by a comprehensive criticality assessment (supplier screening) that covers 100% of partners and mitigates specific risks. In the denim category, the requirements are even more stringent: a specific checklist focused on water management is applied, requiring a legal permit for water abstraction, a license for the Effluent Treatment Plant

(ETE), and strict compliance with CONAMA Resolution 430. As a result, the vast majority of domestic denim suppliers hold Lojas Renner S.A.'s proprietary social and environmental certification and the mandatory ABVTEX certification.

Water Footprint Monitoring and Traceability

To complement compliance requirements, the Company has been implementing an innovative program since 2019 focused on the water footprint of the denim and twill supply chain. Using a proprietary methodology certified by an independent third party, clothing items are classified into categories of high, medium, and low water consumption.

Currently, all suppliers in this segment and their respective laundry partners are certified. This ecosystem generates detailed monthly reports in an internal system that manages everything from the source of water intake and the volumes used to the treatment methodologies and effluent disposal sites for the Renner, Ashua, and Youcom brands.

Results

Strict water monitoring has driven progress toward Lojas Renner S.A.'s institutional goal of having 60% of its clothing classified as low water consumption by 2030, with a focus on the highest-volume and priority suppliers of jeans.

At the close of fiscal year 2025, the Company reported that 67.9% of its products already met this criterion, exceeding its long-term commitment ahead of schedule. This result represents a significant increase of 20.9 percentage points compared to 2024.

Another notable aspect is the cost-effectiveness of this strategy: this development did not require additional financial contributions, since the initiative is made possible entirely by a pre-existing internal technological infrastructure and the work of a technical team dedicated to the monthly validation of the indicators.

Engagement and Risk Mitigation in the Value Chain

The strengthening of these initiatives was reflected in significant milestones in industry engagement throughout the year. The Company hosted the Annual Chemicals and Water Conference, which brought together more than 100 participants from the denim and knitwear supply chains to share best practices, present results, and train partners in cleaner production processes.

As for innovation, the first edition of the Chemical Innovation Award recognized a supplier for developing a button free of restricted substances, providing a commercially competitive and environmentally safer alternative. Finally, Lojas Renner S.A. revised and launched a new edition of its [Restricted Substances Manual](#)¹.

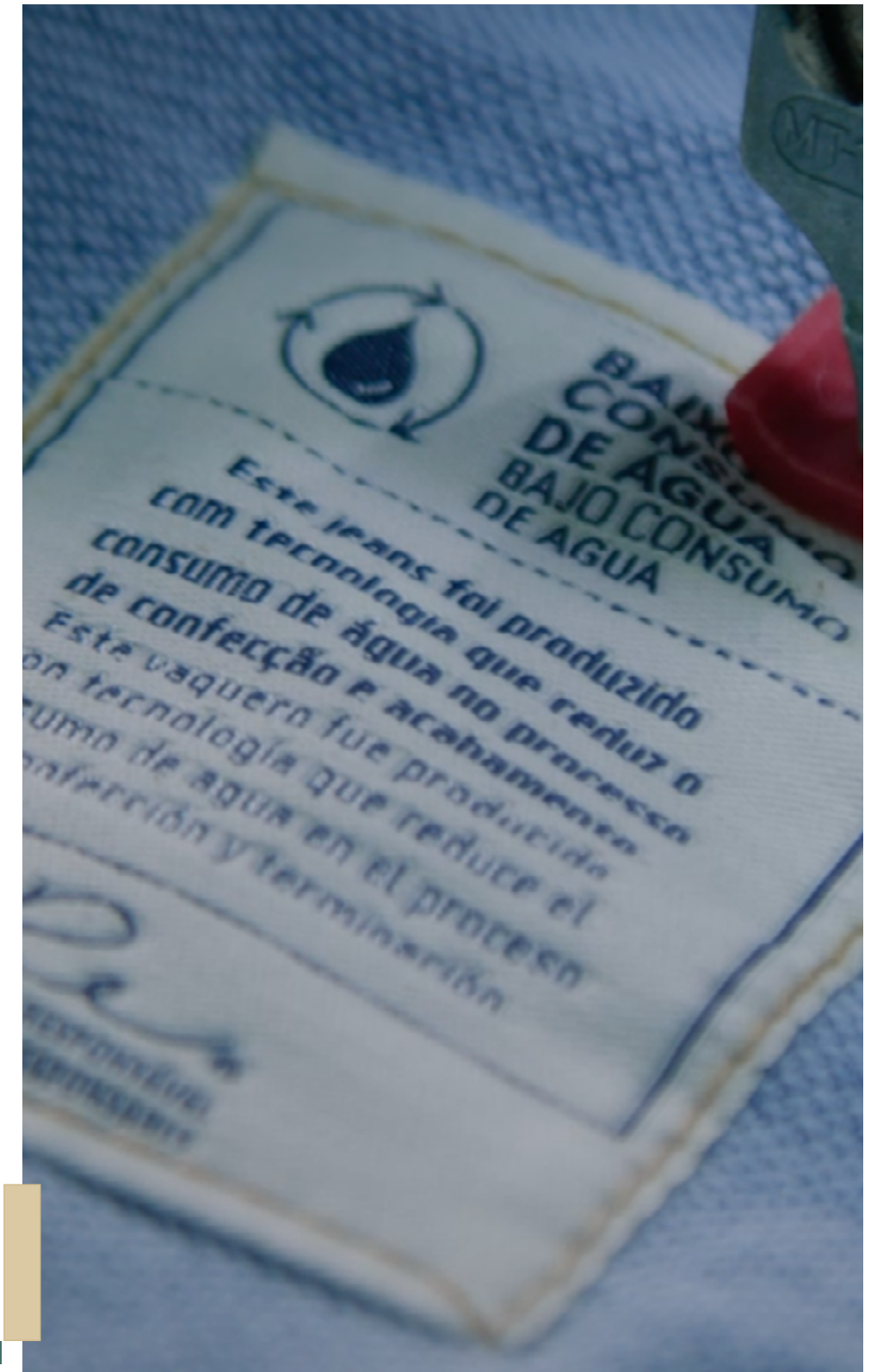
Based on key global textile regulations, the document helps suppliers identify and eliminate potentially toxic chemical components throughout the supply chain.

Current and future financial impacts

As of the reporting date, the current financial effects associated with this opportunity are not considered financially material. However, with the advancement of this initiative, a decrease in water consumption costs and a reduction in product acquisition costs are expected. Thus, its financial relevance tends to increase in future horizons.

Based on the application of the proportionality principle, the Company did not carry out a quantitative estimate of the possible future financial effects nor of the value and percentage of activities aligned with this opportunity, as the informational benefits of such analysis would not, at this time, outweigh the effort and complexity involved in obtaining it.

¹ Document with other information not assured within the scope of this report.



Strategy and portfolio management

Project Definition

Lojas Renner S.A. has a dedicated area responsible for managing the portfolio of investments, in accordance with the priorities defined during the Company's strategic alignment. When planning structural initiatives, one of the key criteria for decision-making is alignment with public commitments to sustainability and climate action.

The greater the project's contribution to these commitments, the more points it receives in the prioritization matrix. This indicator is a key factor in the decision to implement the initiative, which is evaluated by the Committee composed of the Executive Board and the Presidency.

Investments in innovation and venture capital

RX Ventures, the division responsible for overseeing and guiding the Company's acquisitions and investments in innovation, incorporates sustainability and climate criteria into its portfolio evaluation.

The process identifies unique practices, as well as risks and negative impacts, using due diligence procedures to ensure compliance prior to the financial investment.

Fifteen sustainability topics are assessed, including greenhouse gas emissions management. The resulting assessment is attached to the investment memorandum to support decision-making.

Additionally, RX Ventures adopts exclusion criteria that disqualify businesses whose core activities fall into critical segments: economic activities that raise serious ethical, legal, environmental, or reputational concerns, such as weapons and gambling.



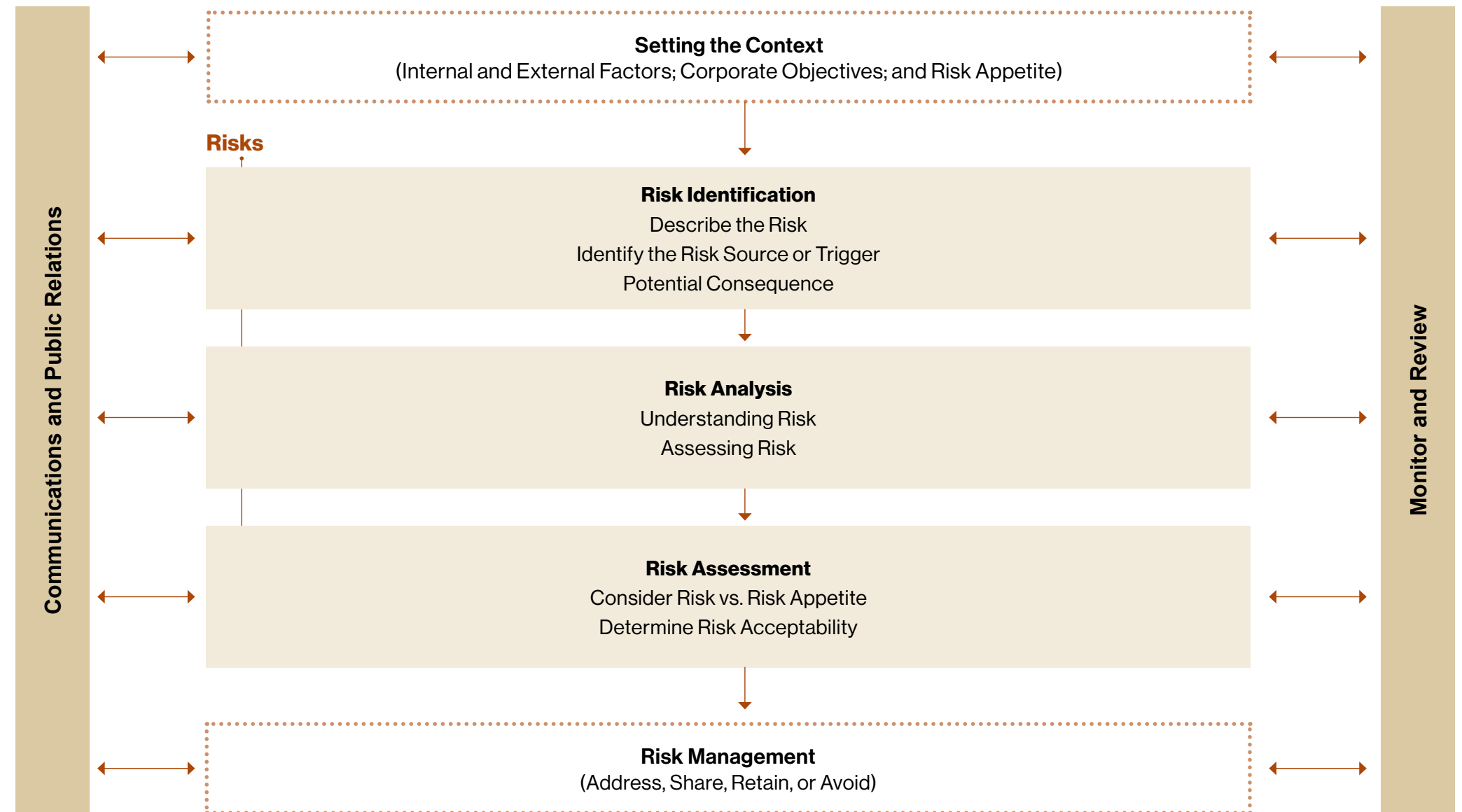
04. Risk management

The purpose of enterprise risk management is to support LRSA in achieving its strategic objectives by systematically identifying, assessing, and addressing risks that could impact the company's strategy, performance, and sustainability.

Risk management is a strategic, cross-functional role that provides decision-makers with timely, consistent, and reliable information on risk exposure, thereby promoting more informed decisions that are aligned with the Company's risk appetite.

As a continuous process integrated into corporate governance, risk management strengthens the risk culture, contributes to value protection, and increases the likelihood of strategic success, while keeping risks at acceptable levels.

Aligned with international frameworks and the Three Lines Model, the function connects strategy, performance, and control, monitoring strategic, financial, operational, compliance, and sustainability risks, as well as anticipating emerging risks relevant to the business.



Risk Management Governance

We have a structure that reports directly to senior management, dedicated to ensuring the effectiveness of risk management procedures and to safeguarding that our policies and practices are consistent with our shareholders' risk tolerance.

Board of Directors

In 2025, there were four board members with experience* in Risk Management and Auditing: Carlos Souto | Marcilio Pousada | Adriano Seabra | Christiane Edington

Audit and Risk Management Committee (Statutory)

Serving Lojas Renner and its subsidiaries

Risk and Audit Department

Vice President of Finance, Administration, and Investor Relations

Risk Management

Internal Audit

Corporate Compliance

Loss Prevention

Corporate Governance

Internal Controls

Advisory support for the identification, prevention, and management of key risks across all business areas of all subsidiaries

Board of Directors

In accordance with the Bylaws, the Board of Directors periodically assesses the Company's risk exposure and the effectiveness of its risk management systems, internal controls, and integrity and compliance system.

Audit and Risk Management Committee (ARMC)

The ARMC consists of three members, all of whom are independent directors, and advises the Board of Directors on the supervision and monitoring of risk management and audit processes. Its focus is on the adequacy of the corporate risk management system and internal controls, the quality and integrity of financial reports, the performance of internal and independent audits, and compliance with legal, regulatory, and statutory requirements.

On a quarterly basis, the Chair of the ARMC attends Board of Directors meetings to provide clarification and discuss issues related to risk management. This process ensures ongoing communication with the Board for the purposes of information, engagement, and oversight of risk management.

Learn more (+)

Learn more about how the committee operates in the [Internal Regulations of the Audit and Risk Management Committee¹](#).

Risk and Audit Department

The Executive Board is responsible for identifying, assessing, and addressing key corporate risks, reporting directly to the ARMC. Led by a senior team, it is responsible for translating senior leadership's strategic direction into practical guidelines, setting appropriate policies and procedures, implementing effective execution mechanisms, and fostering a strong risk management culture throughout the Company.

Ensuring the independence of both Internal Audit and Risk Management professionals, the Department has an annual plan approved directly by the ARMC.

At the same time, our guiding [policies¹](#) on risk management provide techniques to empower managers with autonomy and accountability, enabling them to balance risks and improve strategic, tactical, and operational decision-making.

In 2025, the corporate risk management methodology underwent a review process, focusing on strengthening the maturity model and improving the processes for identifying, assessing, and monitoring risks.

This update is lined up with international best practices and guidelines, reinforcing the robustness and consistency of the adopted model, such as those of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Institute of Internal Auditors (IIA), and ISO 31000:2018.

*According to Corporate Sustainability Assessment (CSA) criteria: performance in operational areas of Risk Management or Finance and Financial Risk Assessment.

¹ Documents with other information not assured within the scope of this report.

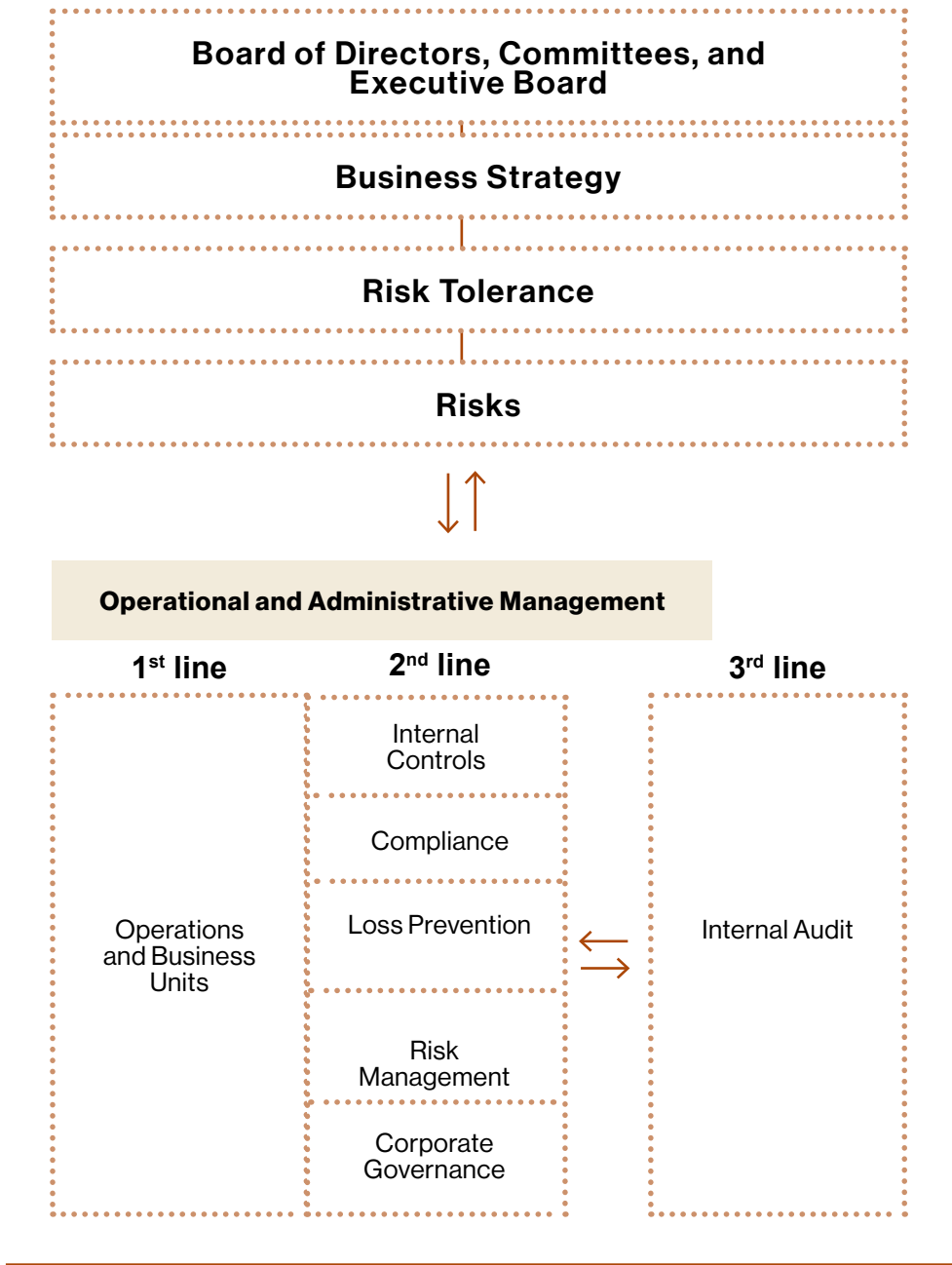
Integrated process

Our Risk and Audit Department operates strategically and across all areas of the business, in line with international standards such as ISO 31000:2018 and COSO ERM. Through this department, we provide advisory support in identifying, assessing, managing, communicating, and monitoring key risks.

This is an ongoing process designed to ensure that decision-makers have access to consistent information about risks, forming an operational risk management framework based on the Three Lines Model: the first line consists of managers from all business areas; the second line consists of the Risk and Audit Department, which supports risk management in the areas of Internal Controls, Governance, Compliance, and Loss Prevention; and the third line consists of Internal Audit.

This dynamic allows each area to structure and implement action plans to mitigate identified risks, fostering an integrated culture. The model strengthens the Company’s risk management, as it enables the integration of best practices in governance and risk management with the specialized technical expertise present in each area.

In this way, we are able to conduct comprehensive analyses that combine the strategic perspective of our consultants and auditors with the technical expertise of specialists in specific areas. We then establish an appropriate prioritization of mitigation actions, while fostering a culture of continuous feedback and ongoing improvement.



Alignment | Communication | Coordination | Collaboration

Risk Culture

All employees are engaged and receive guidance to strengthen the risk management culture through ongoing training on: the Code of Conduct, Sustainability, Anti-Corruption Practices, Compliance, and Information Security, among other topics. This content, available in Portuguese and English, is part of the onboarding process for new employees and is periodically reinforced to ensure broad adherence.

Additionally, we offer specific training for leadership positions and areas considered most sensitive to the business through communication campaigns led by the Compliance, Risk Management, Internal Controls, Governance, and Loss Prevention departments.

All employees must also read and acknowledge the Code of Conduct upon hiring or whenever the document is updated. Similarly, suppliers must acknowledge the Code of Conduct for Partners (available in Portuguese and English) upon signing a contract, share the document with their employees, and receive ongoing content and training on the subject.

The Corporate Compliance department is responsible for maintaining the Compliance Program and ensuring it is constantly reviewed. The program is overseen by the ARMC to ensure that we have a corporate environment guided by best practices in corporate governance, risk management, and compliance.

Monitored risks

Typical risks

Financial risks

Events with the potential to result in losses due to cash flow volatility, market fluctuations, credit and liquidity risks, affecting the Company's economic and financial health.

Operational risks

Failures in internal processes, systems, or actions taken by individuals that could result in losses affecting operations, employees, assets, customers, and revenue.

Strategic risks

May compromise the Company's ability to carry out its plans and achieve its strategic objectives.

Compliance Risks

Threats of legal sanctions, financial losses, or reputational damage resulting from noncompliance with laws, regulations, standards, and internal policies.



Emerging Risks

New, emerging, or increasingly significant risks whose nature and impacts are not yet fully understood and which are still evolving.

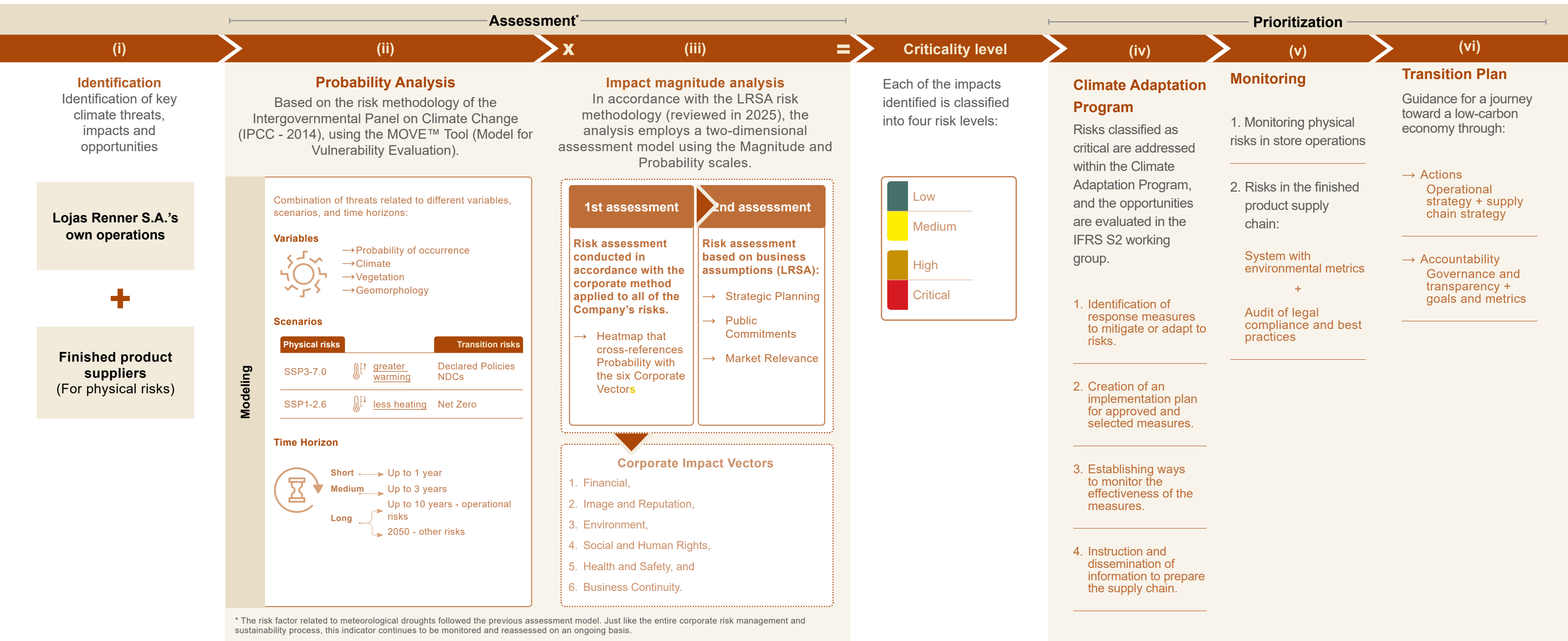
In general, they are strongly influenced by external factors over which we have no control, involve a high degree of uncertainty, and may significantly affect the business in the long term.

These risks are subject to the same general risk management framework, are continuously monitored in accordance with the [Risk Management Policy](#)¹ and are disclosed publicly in the [Reference Form](#)¹, under item 4.1, "Description of Risk Factors."

¹ Documents with other information not assured within the scope of this report.

Climate resilience strategy

Lojas Renner S.A.'s climate resilience strategy was developed based on two main pillars: climate ambition aligned with the Paris Agreement, with science-based targets approved by the SBTi to limit global warming to 1.5°C, and the preparation of the Company and its value chain to face risks and opportunities related to climate change through mitigation and adaptation actions in the IFRS S2 working group. Climate scenario analysis is a key component of this strategy, guiding decisions and reinforcing the commitment to the climate transition, as can be seen in the risk management flowchart below.



Analysis of climate risks

S2-E3, S2-E4, S2-E5, S2-R1, S2-R7, S2H3-7

Since 2019, the Company has been conducting climate resilience analyses (reviewed in 2022 and 2025), based on the identification of risks and vulnerabilities in its operations, assets, and value chains.

The study is led by the Sustainability department with multidisciplinary participation from sectors such as Distribution Center Management, Supply, Store Operations, Architecture, Engineering, and Expansion, and also relies on the support of specialized consultants.

The analyses use the assumptions from the IPCC's Sixth Assessment Report (AR6) to identify threats and opportunities in Brazil, Uruguay, and Argentina, while also covering the entire supply chain, as specified in the scope outlined on the following pages.

(i) Probability analysis: Variables

The probability analysis of climate hazards was conducted using MOVE® (Model for Vulnerability Evaluation), a computational tool based on the IPCC (2014) risk methodology. The model makes it possible to project climate hazards by combining different variables, as well as to assess the probability of physical risks occurring in the short-, medium-, and long-term horizons.

The selected hazards included heat waves, floods, storms, forest fires, strong winds, meteorological droughts and landslides. To feed the model, the variables were extracted from the following sources:

- **Geomorphological:** Obtained from the Shuttle Radar Topography Mission (SRTM) digital elevation model.
- **Vegetation:** Sourced from the MapBiomass platform.
- **Climatics:** Derived from global climate model simulations from the Coupled Model Intercomparison Project Phase 6 (CMIP6), part of the IPCC AR6 results.

Scenarios

The analysis of climate scenarios plays an essential role in supporting the accuracy of future-effect estimations related to both opportunities and physical and transition risks. Therefore, it underpins the overall climate resilience strategy. The scenarios used for risk analysis are described next.

Climate opportunities, in turn, are analyzed using the same methodology applied to transition risks. The selection of climate scenarios for the modeling process was directly derived from the Company's climate resilience strategy. In 2019, the Organization joined the Business Ambition for 1.5°C commitment, aligned with the Paris Agreement, directing its emissions reduction efforts toward limiting global temperature rise to 1.5°C, preferably. The first submission and approval of its science-based target took place in 2021, with this scenario as the target.

In the 2022 update of the climate risk study, the definition of the models followed two strategic approaches:

- **Lowest Warming Scenario (Aligned with the Strategy):** The SSP1-2.6 (physical) and Net Zero (transition) scenarios were selected, as they are considered to result in the lowest warming and are consistent with the corporate commitment to limit the temperature increase to well below 2°C.
- **Higher Warming Scenario (Conservative Approach):** The SSP3-7.0 (physical) scenario and the Nationally Determined Contributions (NDCs for transition) were used to identify potential impacts in a more severe and prudent manner.

Opportunities involve specific variables related to their probability of occurrence. The likelihood of each opportunity materializing is assessed through a qualitative analysis of the behavior and trends of the Network for Greening the Financial System (NGFS) scenarios at each established time horizon. The categories assessed include reputation, market, products and services, and resilience.

Judgments and Uncertainties

Climate-related metrics

The percentage of vulnerable assets ([page 5](#)) is linked to the geographic location of the stores, considering different climate scenarios, and the local geomorphology. Despite the assumptions of increased threats provided by the scenarios, there are uncertainties regarding the effects and potential physical impacts that may occur on the assets.

Physical risks

Determining the probability of physical risks involves analyzing different climate variables based on the climate scenarios presented in AR6, which consider the combination of greenhouse gas emission and concentration trajectories with socioeconomic development (see the table of judgments and uncertainties next).

Scenarios used for physical risks		SSP 1-2.6 and SSP 3-7.0, from AR6 published by the IPCC
International agreement		Scenario aligned with the Paris Agreement
Time horizon		Baseline (1995 – 2014), 2025, 2027, 2030, 2034 e 2050
Scope assessed		Lojas Renner S.A. operations for fiscal year 2024: Stores in Brazil and Latin America, Distribution Centers, and Offices in Brazil and Asia. Lojas Renner suppliers for fiscal year 2022: Finished product suppliers (tier 1) in Brazil and Asia.

Two climate scenarios were selected: one with greater warming, SSP3-7.0, and another with lesser warming, SSP1-2.6, which meets the commitment to limit temperature rise to below 2°C.

For physical risks, the following scenarios were adopted:

- **SSP 1-2.6:** The narrative of socioeconomic development remains consistent. Greenhouse gas (GHG) emissions in this scenario are assumed to have peaked in 2020, with reductions beginning in the years that follow. Carbon neutrality is reached between 2070 and 2080, at the cost of significant advancements in climate policies and actions.

- **SSP 3-7.0:** The global context is one of political nationalism, marked by regional conflicts and a stronger focus by nations on domestic rather than international matters, resulting in reduced global cooperation, including on environmental issues. GHG emissions steadily increase throughout the 21st century. The rise in average global temperature is likely to exceed 2°C by 2050, making this the scenario with the greatest challenges for climate mitigation and adaptation.

Transition Risks

For transition risks, an interpretation is made of the trajectories and trends related to the shift toward a low-carbon economy. The scenarios and variables used for the analysis are provided by the NGFS. The selected scenarios were Net Zero, aligned with our public commitments (read more on [page 47](#)), and NDCs Stated Policies, for the trajectory correlated with the presented NDCs.

- **Net Zero:**
Focused on a structured transition to a low-carbon economy, this scenario aims to limit the rise in global temperature to 1.5°C by the end of the century. It is based on the immediate and coordinated adoption of progressively stricter climate policies across sectors and countries, with the goal of achieving net-zero carbon emissions by 2050.
- **NDCs Stated Policies:**
This scenario forecasts full compliance with the unconditional energy and emissions targets pledged by 2020 for the 2025 and 2030 time frames. However, the continuation of these efforts through 2100 is highly uncertain. Because it anticipates insufficient action for a low-carbon transition, this model projects a severe worsening of the physical risks resulting from climate change.

Judgments and Uncertainties

Scenario analysis approach

Although Lojas Renner based its study on the IPCC’s (AR6) most recent climate scenarios, there are still uncertainties regarding the effects of temperature rise over different time horizons, such as macroeconomic trends, evolution of the energy mix, and technological development.

These scenarios consider the combination of different greenhouse gas emission and concentration trajectories – Representative Concentration Pathways (RCPs) – with different socioeconomic development trajectories – Shared Socioeconomic Pathways (SSPs).

To better complete the analysis of wildfire and flood threats, geomorphological variables extracted from the digital elevation model, derived from SRTM, and vegetation from MapBiomass were used.

Scenarios used for transition risks	Net Zero and Stated Policies NDCS - NGFS
International agreement	Scenario aligned with the Paris Agreement
Time horizon	2030 and 2050
Scope assessed	Operation of Renner S.A. stores (retail segment, financial institution and logtech) year of analysis 2022.

Judgments and Uncertainties

Scenario analysis approach:

Climate scenarios for transition risks utilize the interpretation of the trajectories and trends of several variables related to the shift to a low-carbon economy. The variables used for analysis are provided by the NGFS.

There is uncertainty regarding the potential implications of events and actions, such as the price of electricity or diesel, and CO₂ concentrations.

(ii) Assessment Methodology: The New Integrated Model

The climate risk assessment has been restructured to ensure full alignment with enterprise risk management (ERM), and is divided into two main stages:

1st Assessment: Heatmap

At this stage, severity is determined by the intersection of two axes:

- **Y-Axis (Magnitude):** Assessed across six strategic areas: Financial, Image and Reputation, Environment, Social and Human Rights, Occupational Health and Safety, and Business Continuity.
- **X-Axis (Probability):** Measures the degree of preparedness and resilience of the asset or process in the face of a threat.

Both axes are classified into four levels: Low, Medium, High, and Critical, resulting in a Heatmap that prioritizes the risks with the greatest potential severity and the least capacity for immediate mitigation.

2nd Assessment: LRSA Business Sensitivity and Relevance

After the initial classification, the risks undergo a refinement process focused on Lojas Renner S.A.’s strategy. This stage assesses the risk’s alignment with three sensitivity factors:

1. Strategic Planning: Impact on the achievement of long-term goals.
2. Public Commitment: Alignment with ESG goals and commitments to stakeholders.
3. Market Relevance: Impact on competitiveness and industry perception.

Judgments and Uncertainties

Identification of risk-related risks and opportunities:

Exposure Factor was a premise used to differentiate assets according to their level of exposure to climate-related events. One example is the case of street stores versus shopping mall stores: assets (stores) located in indoor environments are considered to have lower exposure when compared to those in outdoor settings.

(iii) Prioritization - Climate Adaptation Program

As a result of the analysis stages, a Criticality Level is determined, classifying risks according to their degree of impact as low, medium, high, and critical. Risks classified as critical are addressed within the Climate Adaptation Program, which aims to manage prioritized risks through measures such as prevention, mitigation, and response to those categorized as critical.

This process, which involved the participation of 13 department s within the Company (including distribution center management, transportation, architecture and engineering, finance, sustainability, among others), was based on mapping mitigation measures, analyzing their cost-effectiveness, and prioritizing structural and non-structural actions.

Once these measures were identified, a method was incorporated to calculate the residual risk, allowing for a more accurate assessment of the Company’s exposure after accounting for existing control measures.

The method consists of identifying and evaluating the control measures for risks classified as critical in the risk matrix, applying an effectiveness factor to reduce the impact.

The calculation is based on multiplying the impact assessment (ranging from 1 to 5, from very mild to catastrophic) by the control evaluation factor, which may range from 1 (no controls in place) to 0.2 (strong controls). This factor reduces the inherent impact, resulting in the residual impact, which, when combined with the risk factor probability, determines the final residual risk.

This procedure provides a more realistic view of the Company's units' exposure, highlighting where control measures need to be strengthened and supporting the prioritization of mitigation actions. This assessment contributes to the development of the implementation strategy for the adaptation program.

The approach is grounded in actions aimed at making the Company increasingly resilient to climate change. Furthermore, to engage and prepare the supply network, the Responsible Network Program expanded its reach in 2025 by hosting 43 events dedicated to the supply chain and providing 70 hours of exclusive content, with the integrated participation of the Sustainability, Product, and Supplier Development departments.

Responsible Network also invested in employee training, offering 55 hours of content on responsible management and sustainable practices, thereby strengthening the corporate culture and preparing teams to make more informed purchasing decisions. During the year, we achieved a 62% participation rate from the supply chain in the training programs.

(iv) Monitoring

There are different ways to monitor risk, depending on its nature. Currently, there are processes in place to monitor physical risks that may affect store operations, with ongoing tracking of the exposure defined in the Climate Adaptation Program.

Additionally, when events related to climate threats and monitored risks occur, they are logged in a system by the store manager, who details the material damage caused. The responsible areas then handle the situation and report it internally.

As for risks related to the supply chain, we have a dedicated system that monitors metrics associated with environmental issues. These suppliers are subject to audits conducted by the Company's internal compliance team, which verifies legal compliance and the adoption of best practices. This information is managed by the sustainability team.

(v) Transition Plan

The Company's Climate Transition Plan comprises climate targets and strategic actions to mitigate greenhouse gas emissions and adapt operations to the risks and opportunities posed by climate change. Learn more on the following page.

S2-M7, S2-01

Based on Law No. 15,042/2024, which establishes the Brazilian Emissions Trading System (SBCE), Lojas Renner S.A. assesses that its direct operations will not be subject to the carbon pricing mechanism. However, recognizing the importance of this issue for a low-carbon economy, the Company uses an internal carbon price as a tool to support the management of climate risks and opportunities.

The methodology adopts a range of reference values per tCO₂e, differentiated by emission type, geographic origin, applicable regulatory or market instrument, and time horizon. The value considers the carbon price that may impact suppliers, considering exclusively the item studied, a pair of jeans. For suppliers in the domestic production chain, the estimated carbon price in 2025 is R\$ 9.06/tCO₂e, and for suppliers in the international production chain, it is R\$ 67.75/tCO₂e.

These values are used in internal analyses and financial exposure simulations, and do not represent a single corporate price or a value directly applied to the final price of products.

Transition Plan

S2-E1

Since 2019, the Company has been conducting a climate resilience analysis (learn more on [page 40](#)) based on which it has structured a climate transition plan that guides its journey toward a low-carbon economy.

The plan details the Company’s climate goals, the strategic actions planned to mitigate greenhouse gas emissions, and to adapt its operations to the risks and opportunities associated with climate change.

Based on scientific analyses, and global regulatory monitoring, the plan integrates the corporate strategy and contributes to long-term business resilience.



Ambition

To accelerate the transition to a low-carbon economy, achieving Science-Based Reduction Targets (SBTi) and climate neutrality by 2050, supporting development projects in the supply chain to reduce and, in the future, offset emissions, in addition to offsetting residual scope 1 emissions by 2030.



Action

Operational Strategy

-  **Energy transition**
 - Since 2021, 100% of the energy consumed has come from low-impact renewable sources.
 - Expansion of the use of renewable fuel in company-owned vehicles.
-  **Energy efficiency**
 - Expansion of automation to 60% of stores in 2025;
 - Replacement of air conditioners with more energy-efficient models with a low GWP¹.
-  **More sustainable raw materials**
 - Investment in research and innovation related to circular and regenerative textile raw materials;
 - Reduction of raw materials derived from fossil fuels;
 - Progress in the use of recycled materials.
 - 95.3% of cotton products are certified at Renner and Ashua.
 - 89.7% of viscose products are certified under the Green Shirts program, run by the NGO Canopy, for Renner and Ashua.
-  **Circularity and reverse logistics**
 - Continuation of programs such as Jeans for Change and EcoEstilo for recycling textile waste and bottles.

-  **Design and Planning**
 - Launch of the Circular Fashion Guide for the internal team, featuring practical guidelines for developing products with circular features;
 - Improvement of trend forecasting to prevent excess production and waste.
-  **Innovation and Partnerships**
 - Conducting global technical visits to explore new raw materials;
 - Strategic collaboration with universities, research centers, and startups in the industry.

Strategy in the supply chain

-  **Responsible Network Program: qualification of resale suppliers and their subcontractors**
 - Ongoing training for suppliers to mitigate risks and develop low-carbon business models, with a special focus on high-impact processes, such as laundry services.
-  **Support for best practices in the supply chain**
 - Encouraging the use of renewable energy, achieving 70% of purchases from direct domestic suppliers sourced from those that used low-impact renewable energy in their production processes.
 - The 2025 emissions inventory uses primary data from direct suppliers (T1) and already captures actual reductions in the weaving stage (T2) of the domestic denim supply chain.

-  **Knowledge sharing**
 - Publication of the Climate Risk Guide to support the entire textile chain and engage suppliers.
 - Training events and weekly thematic meetings;
 - Monthly sessions to address suppliers’ questions about compliance.
-  **Events and Training**
 - Biennial Innovation and Sustainability Fair for training and engaging retail suppliers.
 - Initiatives to engage and train the team and management (Board of Directors and Executive Board).

Advocacy and engagement

-  **Public policies**
 - Engaging with the government and civil society to influence regulations and policies aligned with global decarbonization.
-  **Sector-specific commitments**
 - Participation in cross-sectoral initiatives that strengthen the climate agenda and the path toward sustainability in Brazil.

¹ Global Warming Potentiall.

Transition plan

S2-E1

 Accountability

Governance and Transparency

-  **Responsibility of senior leadership**
- Oversight of strategy and risk management by the Board of Directors through the Sustainability Committee.
 - Since 2021, variable executive compensation has been linked to performance on this topic.

-  **Good Monitoring and Reporting Practices**
- Disclosure of progress to investors through the CDP since 2012.
 - Annual reporting of the emissions inventory and progress on targets since 2013, with third party assurance since 2014.
 - Support for suppliers in emissions measurement through training and provision of a dedicated system (40% of suppliers had Scope 1 and 2 inventories in 2025).

Resilience

-  **Responsibility of Senior Leadership**
- Align climate strategy with the impacts and opportunities related to climate change.
 - Prepare the supply chain for the effects of climate change.

Goals and Metrics

-  **Emissions (baseline year: 2019)**
- Scope 1 and 2:**
- Reduce absolute emissions by 46.2% by 2030;
 - Reduce absolute emissions by 90% by 2050.

-  **Scope 3:**
- Reduce emissions from purchased goods and services on a per-item basis (apparel and footwear) by 55% by 2030.
 - By 2050, reduce absolute emissions from goods and services, transportation, upstream distribution, business travel, and employee commuting by 90%.
 - Maintain an annual electricity supply that is 100% renewable by 2030.

-  **Raw Materials**
- 100% of key raw materials to be more sustainable by 2030.
 - Promoting innovation to achieve scale, quality, and efficiency in raw material circularity.

Financial impacts of the Transition Plan

Incremental Cost of Raw Materials (Viscose, Polyester, and Cotton)

The Company estimated the incremental cost associated with the transition from the current raw material sourcing scenario to a model aligned with its public commitments to use more sustainable viscose, polyester, and cotton. For this analysis, the costs of conventional raw materials were compared with those of sustainable alternatives, using up-to-date pricing from suppliers.

Based on these assumptions, the growth in demand for these inputs was projected for the next ten years. The total incremental value of the transition was calculated by discounting future cash flows to present value, using a weighted average cost of capital (WACC) of 13.7% per year. Based on this methodology, the investment required for raw material substitutions was estimated in the cash flows, as detailed in the table below.

		2024	2025
Short	Up to 1 year	R\$ 1 MM to 2 MM	R\$ 4 to 5 MM
Medium	1 to 3 years	R\$ 13 MM to 16 MM	R\$ 22 to 26 MM
Long	3 to 10 years	R\$ 134 MM to 154 MM	R\$ 138 to 160 MM

As for the other initiatives in the transition plan, the Company did not provide quantitative disclosure of the financial effects due to the unavailability of centralized information. Consequently, the proportionality method was adopted. The organization will continue to work on consolidating this data to broaden the scope of the calculation of financial effects in future reporting cycles.

Judgments and Uncertainties

Raw material prices: Measuring the transition financial plan involves judgment and uncertainty, especially since it is a future estimate based on market assumptions. Market raw material prices can fluctuate over time, making any estimate subject to change.

05. Metrics and goals

Lojas Renner S.A. aims to advance the construction of a circular, regenerative, and low-carbon business, encouraging and enabling customers to make informed choices. The Company is the first¹ Brazilian retailer with Net Zero goals and a revised short-term goal approved by the SBTi.

2030 Commitment

CLIMATE, CIRCULAR, AND REGENERATIVE SOLUTIONS

Objective

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

These targets, which aim to mitigate greenhouse gas emissions, are in line with the objective of limiting global temperature rise to 1.5°C or 2°C above pre-industrial levels, in line with the Paris Agreement.

¹ According to the SBTi website, which shows the date of definition and publication of the targets.

Base year: 2019

Goals for 2030 (gross)	Sub-goal for 2025	Results 2025
Scope 1 and 2 Reduce absolute scope 1 and 2 emissions by 46.2% (market-based approach)	Reduce absolute scope 1 and 2 emissions by 35% (market-based approach)	ACHIEVED 202460,9% 202537%
Scope 3 Reduce scope 3 emissions from goods and services purchased per item of clothing and footwear by 55%	Reduce Scope 3 emissions from purchased goods and services per piece of clothing and footwear by 5%	NOT ACHIEVED 20246% 20250%

***Justification for not achieving the target:** In 2025, there were significant changes in emission factors (secondary data) and the overall composition of raw materials. To advance the management and mitigation of impacts, an action plan was structured, including the automation of emissions calculations and the training of Product teams to integrate climate criteria into decisions regarding the development and selection of raw materials.

Base year: 2019

Goals for 2050	Results 2025
Scope 1, 2 and 3 Achieve climate neutrality by reducing absolute scope 1, 2, and 3 emissions by 90% and offsetting the remaining 10%	ACHIEVED Target approved by the SBTi in September 2024



Science-based targets validated by SBTi in September 2024, with review frequency every 5 years or upon significant changes, as recommended.

Details of goals

S2-M1, S2-M3, S2-M11, S2-M13, S2-M15, S2-MM1, S2-MM4, S2-MM5, S2-MM6, S2H3-11, S2H3-12, S2H3-15

The Company has established goals and monitoring metrics for its main climate-related risks and opportunities throughout its strategic sustainability process.

Initially, it reassessed its emissions inventory to include relevant Scope 3 categories, such as purchased goods and services, which are essential for setting science-based targets.

Using the Marginal Abatement Cost Curve (MACC), the Company mapped out the actions required to achieve short-term reductions, leading to the submission of its target for SBTi validation at the end of 2021.

The short-term target was approved in 2022, while the Net Zero strategy proceeded to validation in 2023. During this period, the Company revised its Scope 3 target to align with the new intensity criteria as outlined in the SBTi’s guidance and standards for setting targets.

Consequently, as part of the Net Zero validation process, it requested an update to the short-term target to reflect the new market parameters, maintaining its commitment to limit global temperature rise to 1.5°C.

Both submissions were approved at the end of 2024. Although not required by law, these indicators reaffirm Lojas Renner S.A.’s commitment to the United Nations (UN) Business Ambition for 1.5°C

Goal for 2030: Reduce absolute scope 1 and 2 emissions by 46.2%

Metric	% absolute emissions reduction
Scope	Scope 1 and 2 (market-based approach) of Lojas Renner S.A.
Methodology	The SBTi Criteria and Recommendations guide, Version 4.2. 2021, made available by SBTi, was used to define the goal.
Definition	Absolute quantitative
Monitoring	The metric used is the absolute amount of tCO ₂ e related to scope 1 and 2 in the last year compared to emissions from the same scopes in 2019. The transition plan has annual intermediate goals, which are indicators of progress towards achieving the goal.

Goal for 2050: Reduce absolute scope 1 and 2 emissions by 90%

Metric	% absolute emissions reduction
Scope	Scope 1 and 2 (market-based approach) of Lojas Renner S.A. To achieve the net-zero target set for the fiscal year 2050, the Company plans to use carbon removal credits, in accordance with the SBTi methodology guidelines, to offset the 10% of residual Scope 1 and 2 emissions.
Methodology	To define the target, the guide Foundations for Science-Based Net-Zero Target Setting in the Corporate Sector. 2021, made available by the SBTi, was used.
Definition	Absolute quantitative
Monitoring	The metric used is the absolute amount of tCO ₂ e related to scope 1 and 2 in the last year compared to emissions from the same scopes in 2019. Achieving the short-term goal (scope 1 and 2) is an indicator of progress.

Details of goals (cont.)

S2-M1, S2-M3, S2-M11, S2-M13, S2-M15, S2-MM1, S2-MM4, S2-MM5, S2-MM6, S2H3-11, S2H3-12, S2H3-13, S2H3-14, S2H3-15

Goal for 2030: Reduce 55% of emissions per item (scope 3)

Metric	% Emission reduction per product
Scope	Reduce Scope 3 GHG emissions from purchased goods and services by 55% per product purchased by 2030 covering Renner’s and Youcom’s operations. The goal limit includes terrestrial biogenic emissions and removals of raw materials for bioenergy.
Methodology	The Guidance for the Apparel and Footwear Sector, Washington, DC: World Resources Institute, 2018, made available by SBTi, was used to define the goal.
Definition	Intensity quantitative
Monitoring	The metric used is the absolute amount of tCO ₂ e related to the category of goods and services purchased from the Renner and Youcom brands versus the quantity of products received from the last year compared to the same indicator from 2019. The transition plan has annual interim targets, which are indicators of progress towards meeting the goal.

Goal for 2050: Reduce 90% of scope 3 emissions

Metric	% Emission reduction per product
Scope	Reduce greenhouse gas emissions from purchased goods and services, upstream transportation and distribution, business travel,and employee commuting by 90%. The goal limit set includes land-related biogenic emissions and the removal of raw materials for bioenergy. To achieve the net-zero target by the fiscal year 2050, the 10% of residual Scope 3 emissions will be offset using carbon removal credits, in strict accordance with the SBTi methodology.
Methodology	The guide “Foundations for Science-Based Net-Zero Target Setting in the Corporate Sector, 2021,” provided by SBTi, and “Roadmap to Net-Zero: Delivering Science-Based Targets in the Apparel Sector, 2021,” provided by WRI, were used to define the target.
Definition	Absolute quantitative
Monitoring	The metric used is the absolute amount of tCO ₂ e related to scope 3 (purchased goods and services, upstream transportation and distribution, business travel and employee commuting) from the last year compared to emissions in 2019.



Leadership Goals

S2-G3, S2-M9

Corporate goals, derived from strategic planning, are implemented at all levels of leadership—from supervisors to the Executive Board—and include shared metrics that foster cross-departmental collaboration.

The variable compensation for a significant portion of leaders and 100% of the Executive Board is formally tied to sustainability and climate goals. For the CEO and other Statutory Directors, sustainability goals represent 5% of variable compensation, tied to the goal of participation in the ISE B3 and S&P BiC sustainability indices, which require good management practices and climate strategy.

For other leaders, there are also additional goals, with a weight between 5% and 15%, potentially reaching 55% in roles with cumulative sustainability targets.

Connection of these goals with the climate strategy

In addition to the goal directly related to emissions, the commitment to prioritize purchases from certified suppliers directly supports the energy transition in the supply chain. This guideline encourages the signing of contracts with A+ rated partners, a category that requires the adoption of best management practices in this area. Similarly, the supply chain traceability goal strengthens the climate strategy by ensuring greater accuracy in the emissions data per unit of the products sold.

At the same time, goals related to product manufacturing processes and the expansion of circular and low-impact solutions are critical to achieving the 2030 targets. This approach is crucial, given that most business-related emissions fall under Scope 3, which focuses on the Company's raw materials supply chain.

Progress on these joint initiatives drives the Organization's performance on sustainability indices, fostering the continuous evolution of climate mitigation and transition practices. The maturity of corporate environmental management carries significant weight in the evaluation processes used to select companies for the B3 and S&P indices.

Internal Carbon Pricing and Decision-Making Tools

To further integrate climate criteria into business decisions and facilitate compliance with future regulations, the Company developed a pilot project for internal carbon pricing focused on jeans production.

The application of the internal carbon price extends to conducting cost-benefit analyses and energy efficiency projects covering Scopes 1, 2, and 3. This mapping covered all of the Company's operations, with efforts focused primarily on the store network due to its significant physical presence and consumption levels.

This tool also supports the development of strategic decarbonization decisions through the Marginal Abatement Cost Curve (MACC), which was originally developed during the process of submitting the Net Zero target to the SBTi. The MACC methodology allows for a comparison of the estimated financial return and the potential for emissions reductions relative to the financial investment required.

GHG emissions inventory

S2-MM4, S2-MM5, S2-MM9, S2H3-12, S2H3-13, S2H3-15

GHG emission source (tco ₂ e)*	2019	2024	2025
Scope 1 emission			
Stationary Combustion	103,5	493,02	408,88
Mobile Sources	6,7	1,26	8,74
Fugitives	3.324,8	3.643,48	6.469,56
Solid waste and liquid effluents	-	259,62	145,93
Total Scope 1	3.434,995	4.397,38	7.033,11
Scope 2 emission			
Purchased and consumed electricity (location-based)	13.561,1	13.300,23	11.146,36
Purchased and consumed electricity (market-based)	7.797,3	0,0	0,0
Total Scope 2 (location-based)	13.561,10	13.300,23	11.146,36
Total Scope 2 (market-based)	7.797,30	0,0	0,0
Scope 3 emission			
Acquired goods and services	337.852	315.375,33	322.896,48
Fuel and energy-related activities not included in Scopes 1 and 2	5.117	10.086,96	8.978,10
Solid waste	209	287,97	446,46
Business trips	3.414	2.558,31	2.196,28
Upstream distribution transportation**	22.343	30.656,51	26.010,79
Commuting	20.400	21.547,95	26.085,77
End-of-cycle treatment of products sold	7.133	11.022,76	11.517,38
Total reported on Scope 3**	396.468	391.535,79	398.131,26

*Includes e-commerce.
** A proportionality mechanism was used in category 2 of scope 3, due to the limitation in data availability.

Data reporting

Lojas Renner S.A.’s greenhouse gas (GHG) emissions inventory uses an operational control approach, covering all of its facilities and operating units. The geographic scope includes activities carried out in Brazil, Uruguay, Argentina, China, Bangladesh, and Vietnam.

The report covers all Scope 1 and Scope 2 emissions, as well as the most representative and relevant categories of Scope 3. In keeping with its commitment to historical consistency, there have been no methodological changes to the inventory since the submission of its science-based target to the SBTi.

Gross scope 1 emissions are reported before carbon credit offsets, are presented separately and are not deducted. Scope 2 (location-based) and scope 3 are currently not offset.

Since 2014, the emissions inventory has been verified by a third party accredited by National Institute of Metrology, Quality and Technology (INMETRO). Data collection is centralized in an integrated system that consolidates most of the raw data.

The calculation methodology prioritizes the use of primary data. In Scope 3, this practice becomes more difficult due to limited access to direct information from the supply chain and the maturity of the sector. However, the Company has an evolution plan to expand the collection of primary data for Category 1 (Purchased Goods and Services).

To fill these information gaps while maintaining the report’s accuracy, the Company relies on the best international bibliographic references available on the market, such as the Higg Index and Ecoinvent, ensuring the quality, reliability, and timeliness of all estimates generated.

See on [page 55](#) the emission factors used.

Scope 1

Currently, the Company acquires credits certified by Verra, based on avoided emissions, with the objective of offsetting the current residual Scope 1 emissions, through the Climate Commitment.

In 2025, we offset our Scope 1 emissions through the REDD+ Brazilian Amazon APD Grouped Project, part of the Ekos Brasil Institute platform. This forest conservation initiative operates in areas beyond the Legal Reserve requirements in the nine states of the Legal Amazon, promoting emissions reductions by preventing deforestation and strengthening biodiversity protection.

The project conserves 30,056 hectares of forest, which serve as habitat for over 1,000 identified species, with the potential to prevent the emission of 14 million tCO₂e by 2032.

Scope 2

Since 2017, two approaches have been applied to Scope 2 emissions:

- Location-Based Approach: This approach is based on mapping energy-consuming units and uses the average emission factors of the National Interconnected System (SIN) as a parameter. This is the official methodology adopted to track the organization's public commitment.
- The market-based approach uses a specific emission factor associated with each electricity generation source that the Company has chosen to purchase and consume.

Scope 3

S2-M5, S2-H13, S2-H14

The main driver of Lojas Renner S.A.'s Scope 3 emissions is concentrated in the category of purchased goods and services, which encompasses the impacts of product manufacturing throughout its supply chain.

To mitigate this impact, the Company has developed the Rede Responsável Program, an initiative that encourages, trains, and monitors the climate performance of partners with the highest production volumes. This ecosystem has shown annual progress in data reporting, with over 40% of engaged suppliers already conducting their own greenhouse gas inventories, providing essential primary data for the methodological improvement of the corporate emissions inventory.

In the breakdown of Scope 3, the Purchased Goods and Services category (Category 1), includes the production stages and the transportation of the pieces, considering from cradle to gate.

The report also covers upstream transportation and distribution (Category 4), including logistics for stores in Latin America and e-commerce, as well as waste generated by operations (Category 5) and business air travel (Category 6).

Employees' daily commutes (Category 7) are measured using a robust database with over 20,000 annual observations, which tracks housing variables and work arrangements—whether on-site, blended, or remote—across all brands in the ecosystem.

Finally, activities related to fuel and energy (Category 3) and the treatment of end-of-life products (Category 12) round out the inventory.

Key progress toward achieving the goal

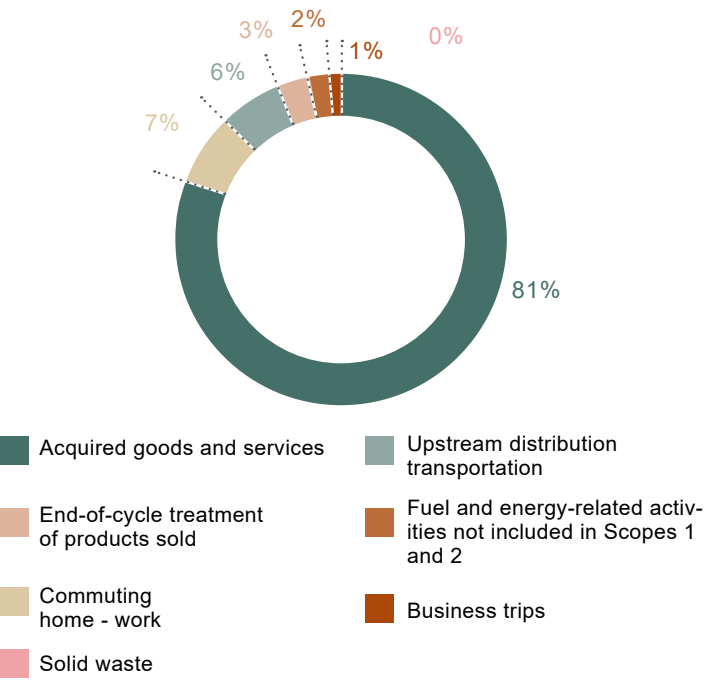
The main reduction efforts related to the Scope 1 and 2 goal involved the implementation of preventive maintenance measures to minimize refrigerant fluid leaks and the use of 100% low-impact renewable electricity.

With regard to the Scope 3 intensity goal, the main reduction actions are linked to the use of more sustainable raw materials, such as certified cotton and viscose, as well as recycled raw-materials.

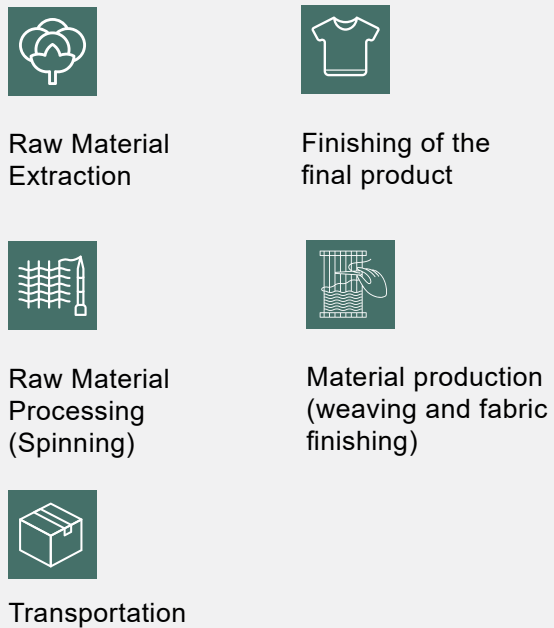
In addition, the Company continuously promotes improvements in eco-efficiency during the manufacturing stage at direct suppliers (Tier 1), through the Rede Responsável qualification program.

In 2025, 53% of the suppliers participating in the Rede Responsável program were powered by low-impact renewable energy, contributing to the reduction of emissions per unit produced.

Scope 3 Emissions Profile



Stages of the category 1 - goods and services purchased



Evolution of the Science-Based Target*
GRI 305-4

	Total emissions***			
	2019**	2024	2025	Variation vs. 2019
Reduce absolute Scope 1 and 2 emissions**** by 46% by 2030, relative to the 2019 base year (thousand tCO ₂ e)	11.2	4.4	7.0	-37.5%
Reduce Scope 3 emissions from goods and services purchased per item of clothing and footwear (Renner and Youcom) by 55% by 2030, relative to the 2019 base year (kg CO ₂ e/item)	1.62	1.53	1.62	-

*Target approved by the Science Based Targets Initiative (SBTi).
**Approved base year for the science-based target.

***Greenhouse gases included in the calculation were: CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs.
****Market-based reporting format.

Judgments and Uncertainties

Inherent limitations: GHG (greenhouse gas) emissions are inevitably subject to significant inherent limitations, due to the incomplete scientific knowledge used to determine emission factors and the inherent limitations of the nature of emissions data and the methods used for their determination. The selection of different emission factors or equally acceptable measurement techniques could have resulted in the disclosure of materially different GHG emission values.

Measurement of Scope 3 GHG Emissions:

For the category of purchased goods and services within Scope 3, even though the best available studies and emission factors provided by the Higg Index and Ecoinvent platforms are used, the data may still be subject to uncertainties. These limitations occur due to challenges in value chain traceability, the low availability of primary data, variations in order of magnitude, and the complexity of the different production stages of the supply network.

Emissions Reduction Projects and Circularity: Investment in circular and regenerative raw materials, with the goal of achieving 100% utilization in key inputs, aims to reduce Scope 3 emissions, particularly in fiber extraction and processing. Replacing virgin resources with recycled ones mitigates risks related to price volatility and availability, while also reducing the carbon footprint of the final product. However, uncertainties remain regarding the scalability and traceability of these new supply chains, which require ongoing investments in innovation, certifications, and strategic partnerships.

Promoting circularity in products and services complements the decarbonization strategy by extending the useful life of items and minimizing textile waste. Examples of this transition include the Rede Responsável Program, the Repassa resale business, circular stores, and assortment optimization. The main uncertainties associated with this model involve the predictability of demand, changes in consumer behavior, and the maturity of Brazil's recycling infrastructure.

Industry-specific metrics

In accordance with the [Sector Guidance](#)¹ on the implementation of IFRS S2 (CBPS 02) – Climate-Related Disclosures, Lojas Renner S.A. presents below the required metrics for the apparel, accessories, and footwear sector.

Suppliers

SASB CG-AA-000.A

At the close of 2025, we had 699 active reseller suppliers (Tier 1) and 872 subcontractor suppliers (Tier 2), which manufacture the products resold by the Company.

The main business risks arising from environmental factors with the highest probability of threatening sourcing are financial in nature, driven by the potential increase in raw material costs.

As the main form of mitigation, in addition to encouraging the use of recycled raw materials, we have a regenerative cotton farming project.

Strategy to address risks and opportunities

Altogether, 95,3% of cotton products sold under the Renner and Ashua brands are certified as responsibly produced, with the majority following the Better Cotton Initiative (BCI) methodology. This methodology ensures that farmers implement a biodiversity management plan to conserve and enhance ecosystems.

Lojas Renner S.A. has also participated in the SouABR – Responsible Brazilian Cotton Program since 2021, in partnership with the Brazilian

Cotton Growers Association (ABRAPA) and other brands. This is the first large-scale traceability initiative for the national textile supply chain.

The program enables the traceability of the cotton used in products back to the originating farm, ensuring, through the Responsible Brazilian Cotton certification, the adoption of good socio-environmental practices throughout the supply chain, up to the finished product. Also, in 2025, the Company made progress on:

Launch of the Regenerative Cotton collection - First in Brazil using raw materials from agroforestry and agroecological farming.

Brazil’s First Recycled Black Jeans - Youcom’s “Jeans for Change” project overcame technical challenges that had previously limited circularity to blue jeans alone.

Working groups to boost the use of recycled raw materials - Cost and technical impact analysis to facilitate increased use of recycled polyester and processes for reusing waste from the supply chain to produce recycled jeans.

Circularity Workshops - Training on circularity with the Product team and the development of more sustainable parts.

Priority Raw Materials

SASB CG-AA-440A.3

Main climate threats

We conducted a risk assessment related to the main raw material of our operations, cotton, in order to identify and estimate the climate impacts in the regions with the highest production in the country.

In it, we identified threats of meteorological drought (read more on [page 26](#)), and severe storms which directly impact the crop schedule.

¹ Documents with other information not assured within the scope of this report.

Consumption of raw materials (clothing)	2024	2025	var. 24 vs. 25
Cotton consumption (thousand tons)	19,6	23,2	+18.4%
Polyester consumption (thousand tons)	10,4	9,9	-4.8%
Viscose consumption (thousand tons)	6,0	4,1	-31.7%
Polyamide consumption (thousand tons)	2,9	5,3	+82.8%
Certified cotton (thousand tons)	19,0	21,2	+11.6%
Certified polyester (thousand tons)	0,27	0,92	+240,7%
Certified polyamide (thousand tons)	0,02	0,07	+250,0%
Certified viscose (thousand tons)	5,7	3,7	-35.1%

Emission factors

S2-MM4, S2-MM5, S2-MM9, S2H3-12, S2H3-13, S2H3-15

Gases	GWP
CH4	28
CO2	1
Renewable CO2	1
HCFC-124	527
HCFC-141b	782
HCFC-22	1,760
HFC-125	3,170
HFC-134a	1,300
HFC-152a	138
HFC-32	677
N2O	265

Emission Factors	Fuel/ Technology	Description	Factor	Source
Scope 1				
Stationary combustion	Diesel oil - kg/TJ	CO2 emission factor for diesel oil combustion	74,100	IPCC 2006 -V2 CH2. Table 2.4
		CH4 emission factor for stationary diesel combustion - Commercial/ Institutional	10	IPCC 2006 - V2 CH3 table 3.5.3
		N2O emission factor for stationary diesel combustion - Commercial/ Institutional	0.6	IPCC 2006 - V2 CH2. Table 2.4
	Biodisel- tCO2/ m³	CO2 emission factor for biodiesel combustion	2.43	PBGHGP 2021 - Uncertainty range not provided.
		CO2 emission factor for LPG combustion	63,100	IPCC 2006 -V2 CH2 table 2.5
	Liquefied petroleum gas (LPG) - kg/TJ	CH4 emission factor for stationary LPG combustion - Commercial/ Institutional	5	IPCC 2006- V2 CH2. Table 2.4
		N2O emission factor for stationary LPG combustion - Commercial/ Institutional	0.1	V2 CH2. Table 2.4
		CO2 emission factor for motor gasoline combustion, according to the Brazilian GHG Program	69,303.0	PBGHGP, 2026 Table 3. Emission factors for fossil fuel use in mobile sources
Mobile combustion	Road transport - gasoline - kg/TJ	N2O emission factor for motor gasoline combustion - road transport	7.5	PBGHGP, 2026 Table 3. Emission factors for fossil fuel use in mobile sources
		CH4 emission factor for motor gasoline combustion - road transport	17.2	PBGHGP, 2026 Table 3. Emission factors for fossil fuel use in mobile sources
Solid waste and liquid effluents	Effluent treatment sludge (wet) - kg/t	CH4 emission factors based on wet weight - Anaerobic digestion in biogas facilities	0.8	IPCC 2019 - V5 CH4 table 4.1. Default values on a wet weight basis.

Emission Factors	Fuel/Technology	Description	Factor	Source
Scope 2				
Purchased and consumed electricity (location-based)	Electricity - tCO2/MWh	Emission factor for electricity generation in Brazil	0.05	SIN FE - generation (National Interconnected System) 2025
		Emission factor for electricity generation in Thailand	0.51	CARBON FOOTPRINT. Country specific electricity grid greenhouse gas emission factors, base year 2025. 2026.
		Emission factor for electricity generation in India	0.95	CARBON FOOTPRINT. Country specific electricity grid greenhouse gas emission factors, base year 2025. 2026.
		Emission factor for electricity generation in Argentina	0.33	CARBON FOOTPRINT. Country specific electricity grid greenhouse gas emission factors, base year 2025. 2026.
		Emission factor for electricity generation in Hong Kong	0.66	HK Eletric Comp. 2025; Hong Kong Electric Company (central region and HK island supplier) CO2e emission factor. Carbon Calculator. 2023.
Purchased and consumed electricity (location-based)	Electricity-tCO2/MWh	Emission factor for electricity generation in Uruguay	0.06	MINISTRY OF INDUSTRY, ENERGY AND MINING. National Energy Balance Uruguay. Uruguay, 2024. Accessed on 03/21/2025.

Category	Description	Source
Scope 3		
Category 1 - Purchased Goods and Services	Emissions from products received by Lojas Renner S.A. (cradle-to-gate) arising from the extraction, production and transportation of purchased goods and services.	Higg Index; Ecoinvent, DEFRA 2024a
Category 3 - Fuel and energy-related activities not included in Scopes 1 and 2	Emissions from the extraction, production and transportation of fuels and electricity used by the company (not included in Scopes 1 and 2), including transmission losses.	IPCC 2013
Category 4 - Upstream transportation and distribution	Emissions from transportation and freight of inputs or products carried out by suppliers or third parties before reaching the company, and emissions related to e-commerce.	DEFRA, 2024a, PBGHGP, 2026
Category 5 - Waste generated in operations	Emissions from the treatment and disposal of waste and effluents generated by the company’s own facilities.	IPCC 2019, IPCC 2006, DEFRA, 2025a
Category 6 - Business travel	Emissions associated with employee travel for meetings, conferences or air travel.	DEFRA, 2025a
Category 7 - Employee commuting	Emissions generated by the daily transportation of employees between their homes and the workplace, or by remote work.	PBGHGP 2016; National Interconnected System
Categoria 12 - End of the useful life of sold products	Emissions associated with the final treatment, recycling and disposal of the company’s products at the end of their useful life.	DEFRA, 2025a

06. Independent Auditors' Limited Assurance Report



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Independent auditors' limited assurance report

To the Board of Directors and Shareholders
Lojas Renner S.A.
Porto Alegre - RS

Limited assurance report on the Sustainability Financial Information Report 2025 of Lojas Renner S.A. as of December 31, 2025

Conclusion

We have performed a limited assurance engagement on whether the Sustainability Financial Information Report 2025 (the "Sustainability Report") of Lojas Renner S.A. (the "Company") as of December 31, 2025, was prepared in accordance with the Sustainability Disclosure Standards issued by the Brazilian Committee of Sustainability Pronouncements, and IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board, as regulated in the Resolutions issued by CVM – Brazilian Securities and Exchange Commission No. 193/2023, No. 217/2024, No. 218/2024 and No. 227/2025 (the "Criteria").

Based on the procedures performed and the evidence obtained, nothing has come to our attention to cause us to believe that the Company's Sustainability Report as of December 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the Company's Sustainability Report does not extend to information relating to the Letter from Management on page 2, the 2025 Annual Report referenced on page 3, the Restricted Substances Manual referenced on page 34, the Supplementary Information on pages 59 to 64, or the information accessible through external hyperlinks referenced throughout the Sustainability Report ("other information"). In addition, our conclusion does not extend to any other information that accompanies or contains the Sustainability Report and our report. We have not performed any procedures as part of this engagement with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with NBC TO 3000 (Revised) – Trabalho de Asseguração Diferente de Auditoria e Revisão and NBC TO 3410 – Trabalho de asseguuração para declarações de emissões de gases de efeito estufa (gee) e de mudanças climáticas, issued by the Federal Association of Accountancy (CFC) and International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Accountant's Professional Code of Ethics and Professional Standards (including the Independence Standards) issued by the CFC based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies NBC PA 01 *Gestão de Qualidade para Firms (Pessoas Jurídicas e Físicas) de Auditores Independentes Revisão de Qualidade do Trabalho* and the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the CFC and IAASB, respectively. These standards require the firm to design, implement and operate a system of quality management, including policies or procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

Our conclusion is not modified with respect to the following matters.

Comparative information assured by a predecessor independent auditor

The comparative information in the Sustainability Report as of December 31, 2024 was subject to a limited assurance engagement conducted by another independent auditor, whose report dated July 17, 2025 expressed an unmodified conclusion on such information.

GHG emissions base year information not assured

The GHG emissions base year information disclosed on pages 51 and 53 as of December 31, 2019 was not subject to this limited assurance engagement and, accordingly, we do not express a conclusion or provide any assurance on such information.

Responsibilities for the Sustainability Report

The Company's management is responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Report such that it is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Sustainability Report and appropriately referring to or describing the criteria used; and
- preparing and properly presenting the Sustainability Report in accordance with the Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Sustainability Report.

Inherent limitations in the preparation of the Sustainability Report

The measurement of certain amounts and sustainability metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty. Obtaining sufficient appropriate evidence to support our conclusion does not reduce this uncertainty. Management's selection of a different but acceptable measurement method, input data or model assumptions, or a different point value within the range of reasonable values, could have resulted in significantly different amounts or metrics being reported.

- Climate scenario analysis: As described on pages 41 to 43, the climate scenario analysis is based on IPCC (AR6) scenarios and is subject to significant uncertainty associated with the key assumptions used, such as macroeconomic trends, the evolution of the energy mix and technological developments.
- GHG emissions: As described on page 53, GHG emissions are subject to significant inherent limitations due to the incomplete scientific knowledge used to determine emission factors and limitations inherent in the nature of, and methods used for, determining emissions data.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's Board of Directors and shareholders.

Summary of the work we carried out as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Report that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Sustainability Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- inquiring of the managers responsible for preparing the Sustainability Report to obtain an understanding of the calculation methods and estimates, the assumptions adopted and the procedures applied for gathering information; our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- evaluating management's procedures followed to prepare the Sustainability Report, as well as its structure, presentation, content and consistency with the Criteria;
- performing analytical procedures over the quantitative information disclosed in the Sustainability Report;
- inspecting a selection of the information disclosed in the Sustainability Report, agreeing it to underlying source documentation and recalculating select data; and
- comparing the sustainability-related financial information to the Company's financial statements as of December 31, 2025.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement had been performed.

São Paulo, July 16, 2026

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6

Original report in Portuguese signed by
Flavio Gozzoli Gonçalves
Accountant CRC 1SP290557/O-2

07. Additional information

Here you will find the content index, created based on the IFRS taxonomy, with the aim of facilitating the identification of where information corresponding to each requirement of the standard is reported.

IFRS content index

Code	Element to report	Type of Answer	Reference Standard	Answer
Table H1 - True or false indicators (boolean elements) and their descriptions				
Governance				
S2-G1	How does the responsible body (or bodies) or individual(s) take ESG risks and opportunities into account when overseeing strategy, making decisions on major transactions, and managing related risk management processes and policies	Text block	IFRS S2.6(a)(iv)	Page 11
S2-G2	Whether the responsible body (or bodies) or individual(s) considered trade-offs associated with climate-related risks and opportunities	True or false	IFRS S2.6(a)(iv)	True
S2-G3	Whether and how performance metrics related to ESG risks and opportunities are included in remuneration policies	Text block	IFRS S2.6(a)(v), IFRS S2.29(g)(i)	Page 50
S2-G4	Climate-related performance metrics are included in remuneration policies	True or false	IFRS S2.6(a)(v), IFRS S2.29(g)(i)	True
S2-G5	Whether the management's role in governance processes, controls, and procedures used to monitor, manage, and oversee risks and opportunities is delegated to a specific management position or committee, and how such oversight is exercised	Text block	IFRS S2.6(b)(i)	Page 9
S2-G6	The management's role in governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities is delegated to a specific management position or committee	True or false	IFRS S2.6(b)(i)	True
S2-G7	Whether management uses controls and procedures to support the oversight of risks and opportunities and how these are integrated with other internal functions	Text block	IFRS S2.6(b)(ii)	Page 11
S2-G8	Management uses controls and procedures to support the oversight of climate-related risks and opportunities	True or false	IFRS S2.6(b)(ii)	True
Strategy				
S2-E1	Climate-Related Transition Plan	Text block	IFRS S2.14(a)(iv)	Page 45
S2-E2	The organization has a climate-related transition plan	True or false	IFRS S2.14(a)(iv)	True
S2-E3	How and when the climate-related scenario analysis was conducted	Text block	IFRS S2.22(b)	Page 41
S2-E4	The climate-related scenario analysis included a diverse range of climate scenarios	True or false	IFRS S2.6(a)(iv)	True
S2-E5	The climate scenario used is aligned with the latest international agreement on climate change	True or false	IFRS S2.6(a)(iv)	True

Code	Element to report	Type of Answer	Reference Standard	Answer
Risk Management				
S2-R1	How scenario analysis was used to inform the identification of risks	Text block	IFRS S2.25(a)(ii)	Page 41
S2-R2	The entity uses climate-related scenario analysis to inform the identification of climate-related risks	True or false	IFRS S2.25(a)(ii)	True
S2-R3	Whether and how climate-related risks were prioritized relative to other types of risk	Text block	IFRS S2.25(a)(iv)	They weren't
S2-R4	Climate-related risks were prioritized relative to other types of risk	True or false	IFRS S2.25(a)(iv)	They weren't
S2-R5	Whether and how the processes for identifying, assessing, prioritizing, and monitoring risks for risk management purposes were changed compared to the previous reporting period	Text block	IFRS S2.25 (a)(vi)	Page 15
S2-R6	The entity has changed the processes for identifying, assessing, prioritizing, and monitoring risks compared to previous reporting periods	True or false	IFRS S2.25(a)(vi)	True
S2-R7	Whether and how climate-related scenario analysis was used to inform the identification of climate-related opportunities	Text block	IFRS S2.25(b)	Page 41
S2-R8	The entity uses climate-related scenario analysis to inform the identification of climate-related opportunities	True or false	IFRS S2.25(b)	True
Goals and Metrics				
S2-M1	Description of how the metric used to measure and monitor the risk or opportunity, the Company's performance in relation to that risk or opportunity, and the targets related to the topic are defined	Text block	IFRS S2.25(a)(ii)	Page 48
S2-M2	Whether the metric is derived from an IFRS Sustainability standard (e.g., S2) or from another framework	True or false	IFRS S2.25(a)(ii)	True
S2-M3	Whether the metric is assured by third parties, and if so, who those third parties are	Text block	IFRS S2.25(a)(iv)	Page 48
S2-M4	The metric is assured by third parties	True or false	IFRS S2.25(a)(iv)	True
S2-M5	Changes in the measurement approach, data sources, and assumptions used to quantify GHG emissions, along with the reasons for those changes	Text block	IFRS S2.25 (a)(vi)	Page 52
S2-M6	Changes made to the measurement approach, inputs, and assumptions used to quantify GHG emissions	True or false	IFRS S2.25(a)(vi)	True
S2-M7	Explanation of whether and how carbon pricing is applied in decision-making	Text block	IFRS S2.25(b)	Page 44
S2-M8	The entity applies carbon pricing in its decision-making processes	True or false	IFRS S2.25(b)	True
S2-M9	Whether and how ESG-related risk or opportunity performance metrics are included in remuneration policies	Text block	IFRS S1.27(a)(v),S2.6(a)(v) e 29(g)(i)	Page 50
S2-M10	Climate-related performance metrics are incorporated into remuneration policies	True or false	IFRS S2.6(a)(v), IFRS S2.29(g)(i)	True

Code	Element to report	Type of Answer	Reference Standard	Answer
S2-M11	Approach to defining and revisiting targets and monitoring progress	Text block	IFRS S2.34	Page 48
S2-M12	Climate-related targets and methodologies are assured by a third party	True or false	IFRS S2.34(a)	True
S2-M13	Revisions made to the target	Text block	IFRS S1.51(g), IFRS S2.34(d)	Page 48
S2-M14	The target has been revised	True or false	IFRS S2.34(d)	True
S2-M15	Details of the GHG emissions target	Text block	IFRS S2.36(a),36(b), 36(c) e 36(d)	Page 48
S2-M16	The climate-related target was derived using the sectoral decarbonization approach	True or false	IFRS S2.36(d)	True
General requirements				
S2-01	Explanation of whether and how carbon pricing is applied in decision-making	Text block	IFRS S2.25(b)	Page 44
S2-02	The entity applies carbon pricing in its decision-making processes	True or false	IFRS S2.25(b)	True
S2-03	Statement of compliance with the IFRS Sustainability Disclosure Standards	Text block	IFRS S1.72	Page 3
S2-04	The entity has made an explicit and unqualified statement of compliance	True or false	IFRS S1.72	True
S2-05	Adoption of the omission of commercially sensitive information related to ESG opportunities	Text block	IFRS S1.B36(a)	Not adopted
S2-06	Climate-related target and methodology validated by a third party	True or false	IFRS S1.B36(a)	True
S2-07	Impracticability of restating a prior-period comparative figure to enable comparability	Text block	IFRS S1.51(g), IFRS S2.34(d)	None
S2-08	Impracticability of restating a prior-period comparative figure to enable comparability	True or false	IFRS S1.B54	False
S2-09	IFRS Sustainability Disclosure Standard applied early	True or false	IFRS S1.E1, IFRS S2.C1	True
S2-010	Transition relief adopted allowing disclosure of climate-related information under IFRS S2 only	Text block	IFRS S1.E5	Page 3
S2-011	Transition relief adopted allowing disclosure of climate-related information under IFRS S2 only	True or false	IFRS S1.E5	True

Table H2 - Single-choice indicators and their descriptions

Goals and Metrics				
S2-MM1	Guidance from which the metric was constructed	Text block		Page 48
S2-MM2	Guidance from which the metric was constructed	Select one of the following: SASB Standards [IFRS S1 58a] Climate Disclosure Standards Board (CDSB) Framework [IFRS S1 58b] X Global Reporting Initiative (GRI) [IFRS S1 C2a] European Sustainability Reporting Standards (ESRS) [IFRS S1 C2b]		
S2-MM3	Type of metric used	Select one of the following: Absolute Measure X Measure expressed relative to another measure Metric/Qualitative		
S2-MM4	Type of metric used to establish the target and monitor progress	Text block		Page 48
S2-MM5	List of metrics used in the target	Text block		Page 48
S2-MM6	Describe how the guidance that guided the construction of the target was selected	Text block		Page 48
S2-MM7	Sources of guidance applied in the preparation of these sustainability-related financial disclosures	Select one of the following: SASB Standards [IFRS S1 58a] Climate Disclosure Standards Board (CDSB) Framework [IFRS S1 58b] X Global Reporting Initiative (GRI) [IFRS S1 C2a] European Sustainability Reporting Standards (ESRS) [IFRS S1 C2b]		
Governance				
S2H3-1	Topic(s) covered by the integrated governance disclosure (when discussing ESG governance, which topics are covered)	Climate-related topics	EE-M IFRS S2.7	Not applicable, as specific climate risk management was presented
Strategy				
S2H3-2	Description of risks or opportunities	Text block	TB IFRS S1.30(a), IFRS S2.10(a)	pages 15, 17, 20, 22, 24, 26 and 28
S2H3-3	Topic(s) for which risks or opportunities were described	Climate-related topics	IFRS S1.30(a), IFRS S2.10(a)	pages 15, 17, 20, 22, 24, 26 and 28
S2H3-4	Category of climate-related risks covered	X Physical X Transitional	EE-M IFRS S2.10(b)	-

Table H2 - Single-choice indicators and their descriptions

Strategy				
S2H3-5	Time horizon(s) over which the effects of the risk or opportunity could reasonably occur	Text Block	IFRS S1.30(b), IFRS S2.10	Page 4
S2H3-6	Time horizon(s) over which the effects of the risk or opportunity could reasonably occur	X Short term X Medium term X Long term	IFRS S1.30(b), IFRS S2.10(c)	-
S2H3-7	How and when the climate-related scenario analysis was conducted	Text block	IFRS S2.22(b)	Page 41
S2H3-8	The climate-related scenarios used are associated with transition risks or physical risks	X Physical X Transitional	IFRS S2.22(b) (i)(3)	-
Risk Management				
S2H3-9	Topic(s) covered by the integrated risk management disclosure (i.e., when discussing climate risk management, what topics are covered)	Climate-related topics	IFRS S2.26	Not applicable, as specific climate risk management was presented
S2H3-10	List of metric(s) related to risks and opportunities	List of metrics	IFRS S2.36 e(iii)	pages 15, 17, 20, 22, 24, 26 and 28
S2H3-11	List of metric(s) used to set target(s) and monitor progress	Text block	IFRS S2.36(e) (iii)	Page 48
S2H3-12	Metric(s) used to monitor progress	List of metrics	IFRS S2.36(e) (iii)	Page 48
S2H3-13	Details of what is included in Scope 3 GHG emissions	Text block	IFRS S2.29(a) (vi)(1)	Page 49
S2H3-14	Categories included in Scope 3 emissions	Text block	IFRS S2.29(a) (vi)(1)	Page 49
S2H3-15	GHG emission target details	Text block	IFRS S2.36(a), 36(b), 36(c), 36(d)	Page 48
S2H3-16	Greenhouse gases covered by the target	X Carbon dioxide (CO ₂) X Methane (CH ₄) X Nitrous oxide (N ₂ O) X Hydrofluorocarbons (HFCs) X Perfluorocarbons (PFCs) X Sulfur hexafluoride (SF ₆) _Nitrogen trifluoride (NF ₃)	IFRS S2.36(a)	-
S2H3-17	Emission scopes covered by the target	X Scope 1 (GHG emissions) X Scope 2 (GHG emissions) X Scope 3 (GHG emissions)	IFRS S2.36(b)	-

Approval

This report was developed by the Controllershship and Sustainability departments, with analysis and recommendations provided by the Audit and Risk Management Committee and the Sustainability Committee, and was approved by the Board of Directors of Lojas Renner S.A.

Porto Alegre (RS), July 16th, 2026.

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RISKS

Yuri Francisco Rabello Quadros
Risk Officer

Learn more (+)

For questions or feedback about this report, please write to:
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Glossary

Acronyms	Terms	Descriptions
-	Higg Index	A tool created by the Sustainable Apparel Coalition that measures the environmental and social impact of the fashion industry’s value chain. It is used for design, production, and ESG performance reporting decisions.
-	Ecoinvent	Globally recognized database that provides life cycle inventories (LCI) for thousands of products and processes, used in environmental impact analyses.
-	CDP	Largest global environmental data disclosure system, through which companies, cities, states and regions report their impacts.
-	Scopes 1, 2 and 3	Greenhouse gas (GHG) emission categories of the GHG Protocol. Scope 1 covers direct emissions from the organization; Scope 2 covers indirect emissions from purchased energy; Scope 3 covers other indirect emissions in the value chain.
AR6	Sixth Assessment Report	AR6 is the IPCC’s Sixth Assessment Report, published between 2021 and 2023. It is the most up-to-date scientific analysis on climate change, its impacts, and mitigation and adaptation pathways. It is the authoritative scientific source used by governments, businesses, and NGOs to make decisions about climate risks, public policies, regulations, and transition strategies. The document establishes scenarios based on RCPs and SSPs and reinforces the urgency of action to limit warming to 1.5°C or 2°C.
BP	Balance Sheet	A financial statement that presents the company’s financial position at a specific point in time. It shows the assets (resources and rights), liabilities (obligations), and shareholders’ equity (the difference between assets and liabilities). This statement is essential for assessing the organization’s financial health.
CBPS 01 and 02	Brazilian Sustainability Standardization Criteria	Standards adapted for the national context based on ISSB guidelines. CBPS 01 addresses the disclosure of sustainability-related financial information (based on IFRS S1), while CBPS 02 focuses on the disclosure of climate-related risks and opportunities (based on IFRS S2).
CDP	CDP	Global environmental disclosure system through which companies, cities, states and regions annually report their impacts related to climate change, water and forests.
CMIP6	Coupled Model Intercomparison Project Phase 6	A set of climate models developed by international research centers that support IPCC reports and analyses such as the RCP and SSP scenarios. These models provide global projections based on different emissions pathways.
COSO	Committee of Sponsoring Organizations of the Treadway Commission	A widely used framework for corporate risk management (ERM – Enterprise Risk Management), internal controls, and governance. The COSO framework helps companies identify, assess, and respond to risks, including those related to climate.

Acronyms	Terms	Descriptions
DRE	Income Statement	An accounting report that summarizes a company’s revenues, costs, and expenses over a given period, indicating whether the business generated profit or loss. The income statement is used to evaluate the company’s financial performance and support strategic decision-making.
GWP	Global Warming Potential	A measure of how much a greenhouse gas warms the planet compared to CO ₂ over a given time horizon (typically 100 years). For example, methane (CH ₄) has a GWP approximately 28 times greater than that of CO ₂ .
IPCC	Intergovernmental Panel on Climate Change	The IPCC is the United Nations body established in 1988 to assess the scientific evidence on climate change, synthesizing thousands of peer-reviewed scientific studies.
NDCs	Nationally Determined Contribution	Nationally Determined Contributions are the formal climate commitments made by each country that ratified the Paris Agreement, aimed at limiting global warming. These commitments include specific targets for reducing greenhouse gas emissions, adapting to climate change, and providing climate finance and technology transfer. Each country autonomously defines its NDCs, based on its own economic, social, and environmental context, therefore the term “nationally determined.” While not legally binding, they carry strong political, reputational, and financial weight.
NGFS	Network for Greening the Financial System	A network of central banks and financial regulators that promotes the alignment of the financial system with climate goals. It develops climate scenarios and issues recommendations for managing climate-related risks in the financial sector.
RCPs	Representative Concentration Pathways	Climate scenarios used for projecting global warming based on varying levels of greenhouse gas concentrations. The main RCPs are: RCP2.6, RCP4.5, RCP6.0, and RCP8.5.
SBTi	Science Based Targets initiative	An initiative that supports companies in setting science-based emissions reduction targets. The targets must align with the Paris Agreement and are validated by SBTi itself.
SKU	Stock Keeping Unit	A unique code that identifies a specific item in inventory. It is essential for inventory control, product tracking, and sales analysis across different variations of a product.
SLCP	Social & Labor Convergence Program	A program designed to improve the efficiency of compliance audits in the textile sector through a tool that collects and evaluates data on social and labor conditions in value chain facilities.
SSPs	Shared Socio-economic Pathways	Scenarios that combine projections of population growth, economic development, and public policy to analyze how society may evolve in response to climate challenges. These are used alongside the RCPs.