

2023

ANNUAL REPORT

LOJAS RENNER S.A.

RENNER CMICADO youcom realize ASHUA repassa



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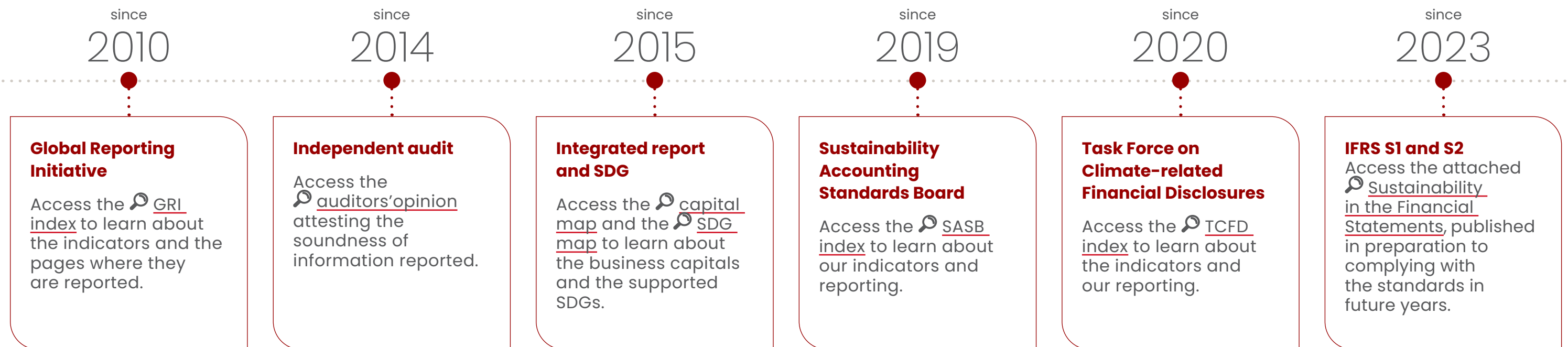
About the report

GRI 2-5

This report is the result of a collaborative, multidisciplinary effort involving approximately 50 employees from our company to monitor and disclosure key indicators that demonstrate the company's value creation and the progress of our 2030 ESG strategy.

The report is audited by an independent third-party organization and is validated by the Executive Board and the President of the Board to ensure its integrity. The Boards declare that this publication complies with the recommendations of the Accounting Pronouncements Committee technical guidance (CPC 09).

This report adheres to the best practices in performance management and ESG transparency, which the Company has innovatively adopted and upheld over the years. These practices drive our continual evolution in addressing the primary challenges confronting the industry and the business, aimed at reducing impact and fostering the development of sustainable solutions.



Browsing tips

Due to the large amount of information and indicators contained in this report, here are some tools that allow different ways of **reading it, so you can choose what suits you best.**

Summarized

Find a summarized version of this report in the attached [Sustainability in the Financial Statements](#).

Only indicators

Access all the ESG quantitative indicators in our [Indicator board](#), by clicking on the different sections in the report's top menu.

Published since 2020, the summary provides a comprehensive and consolidated view of the data required by the main ratings, indices and rankings in the capital market, significantly aiding analysts in their assessments

More in-depth

Learn more detailed information on the topics that interest you by clicking on the **explore icon**, which will lead you to our other documents and publications associated with that content.

By guidelines

Identify all the indicators and references of our adopted guidelines and where they are located from [each guideline's index](#) by clicking on each of them in the report's top menu.

Along the text you will also know when we are addressing a guideline's indicator by identifying the symbols shown below.

Along the text

GRI 000-0 | SASB XX-XX-000x.0 | TCFD XXXX

On the cover of each chapter

Addressed capital icons (integrated report)



Icons of SDGs addressed in the report



Message from the Administration

GRI 2-22

Introduction

Over the past few decades, we have crafted a proprietary, unique operational model firmly rooted in our purpose. This model not only grants us competitive advantages but also strengthens our ability to create lasting value over the years. We believe that companies guided by a consistent and socially beneficial purpose and value proposition are the ones that will flourish and adapt to diverse future landscapes.

Guided by this belief, we navigated through 2023 by making important adjustments to our ecosystem strategy. These changes were essential to place us at the forefront of our segment, establishing us as a prominent authority in fashion and lifestyle, as well as captivating experiences, while remaining steadfast in our commitment to responsible practices. Every investment we undertook focused on these three pillars, ensuring our brands are well prepared for sustained growth and efficiency gains.

Operation results

2023 was a challenging year marked by non-recurring effects stemming from changes that had unfolded over previous years. These changes initially posed hurdles, but, ultimately, they became catalysts for growth and efficiency. In addition, we faced a difficult

macroeconomic landscape, characterized by high default rates, which, in turn, impacted consumers' income and purchasing power.

To address this scenario, we undertook internal adjustments to adapt to our customers' needs and expectations, such as targeted adjustments to bolster our market position and enhance competitiveness. We also conducted campaigns to reinforce our brand presence and commitment to sustainability. As a result, our net retail revenue for the year stood at R\$11.7 billion, stable compared to 2022, but with a 9.3% increase in clothing revenue (excluding cosmetics) in the Brazilian operations during the last quarter, surpassing the Clothing PMC (IBGE Monthly Trade Survey) for the same period. This achievement gives us the confidence that our trajectory toward recovery will persist in 2024.

This confidence is bolstered by the outcomes of transformative initiatives undertaken in recent years. These projects spanned our trend analysis model, collection development, logistics and distribution, supplier qualification, and omnichannel approach. As a result, we've achieved greater agility and flexibility. Notably, a significant portion of our collection is now developed and bought in-season. This strategic shift enhances our ability to cater precisely to our clients' desires, leading to a more accurate stock, reduced rupture, and heightened efficiency and enchantment.

Responsible fashion

At the heart of our efforts to leverage value creation lies our commitment to responsible fashion. Guided by the second cycle of public commitments for 2030, we prioritize building human and diverse relations, as well

as climate, circular, and regenerative solutions, and expanding connections in the search for solving value chain issues. By doing so, we strive to mitigate risks and contribute to global retail's leadership in seizing socio-environmental and climate opportunities.

Human and diverse relations: we continue to enchant our team, who is responsible for all we have built so far. In a 2023 survey, we achieved an impressive 86% employee engagement level, which places us in the high-performance zone. Furthermore, we strive to enchant all employees by providing an increasingly diverse and inclusive environment: in 2023, 30.5% of leadership roles were occupied by black individuals, and 45% of senior leadership positions were held by women – a significant step toward fulfilling our public commitments.

Climate, circular, and regenerative solutions: we are working toward accelerating the transition to a low-carbon business, upholding global ambition and urgency in the face of climate change, and actively striving to achieve our Net Zero 2050 commitment. Today, eight out of every ten garments sold by Renner are more sustainable; 96.6% of Renner and Ashua cotton items, along with 94.5% of viscose (wood fiber) items, are made from certified raw materials, thus reducing their environmental and human rights impact.

Connections that amplify: over the last decade, we have made significant progress in bolstering the development of our supply chain. This is essential to ensure that our suppliers adhere to our values and commitments, manufacture less impactful products, and innovate towards more sustainable models. We have maintained 100% of our tier 1 and 2 garment suppliers certified and audited based on socio-

environmental criteria. Of these, 38.2% are ranked at the alpha, beta, and A levels of our matrix, indicating high performance and ESG compliance. Furthermore, we've extended this certification to 99% of our home and decor suppliers, thereby broadening our supply chain's compliance levels.

As a result of these initiatives, we've secured a spot in the ISE B3 for the tenth consecutive year, ranking 1st among retailers and 2nd overall. Additionally, we've once again emerged as the top fashion retailer in the Dow Jones Sustainability Index and the second in general retail.

Transition

As the end of his term approaches, Mr. José Galló, after 5 years presiding over our Board of Directors, has decided to close an important cycle and will no longer be part of our Board after our Annual General Meeting, scheduled for April 18, 2024.

In his own words, José Galló: "I would like to announce that, after 32 years of dedication to Renner, 27 of which as CEO and, for the last five, as chairman of the Board of Directors, I have made the personal and planned decision not to present my name for a new term. The time has come when I want more time to dedicate myself to personal interests and to take an active part in my family's business and social projects. Therefore, I take this opportunity to write a brief personal message of thanks.

Over these three decades, I have dedicated myself fully and passionately to leading Renner's transformation from a chain with eight stores in Rio Grande do Sul to a fashion and lifestyle ecosystem, with more than 650 stores in Brazil, Argentina, and Uruguay, connecting with

millions of customers also on digital channels. Today, the Company has 24 thousand direct employees, with an indirect impact on more than 100 thousand people. I am convinced that the Culture of Enchantment we have built in the Company has been the great driver of this result.

It is with great joy that I say that this enchantment goes far beyond making the Company grow: It mainly means making both our employees and our customers happy and fulfilling their dreams. I leave feeling a sense of accomplishment for having seen so many employees develop their potential, grow professionally, and become leaders. In challenging moments, Renner's people, working collaboratively, did extraordinary things even with few resources. This makes everything worthwhile.

Renner is an outstanding company, and I am sure that the coming years will bring several opportunities for it to extend its purpose to even more people. I am convinced that Renner is well-prepared and has every condition to continue to keep up with technological transformations, new habits and social behaviors, and its sustainability agenda, prioritizing its commitment to our customers, shareholders, employees, partners, and society. Above all, it will be tireless in always keeping the flame of enchantment alive.

Lastly, I want to extend my thanks to everyone who has been by my side and supported me throughout this journey and especially to the people who make Renner a Company that makes us all proud."

Fabio Faccio, the CEO of the company, expresses his gratitude by saying, "I would like to thank Mr. José Galló on behalf of our Board of Directors, Management, and all our employees. His pivotal role in transforming our company

into the country's leading fashion retailer cannot be overstated. His words portray well his trajectory and the relevance of all his contributions over 32 years of dedication to our Lojas Renner S.A. I would also like to take this opportunity to thank Mr. Thomas Herrmann for his cooperation during his two 7-year cycles with us in different periods, which will also end at the end of this term."

Acknowledgments

We would like to thank our employees for their engagement and dedication; our suppliers, whose partnership is integral in our operations; our shareholders, for their confidence in our business; and our customers and the broader community, for their support and affinity towards our brands.



José Galló
President of the Board
of Directors



Fabio A. Faccio
CEO



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capitals








sdg



Ecosystem

GRI 2-1 | 2-2 | 2-6

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

Retail					
Establishment or acquisition	1965	2011	2013	2016	2021
Business segment	Largest omnichannel fashion retailer	The Brazilian leader in home and decor	Retailer specializing in youth fashion	Retailer specializing in plus-size fashion	Resale Platform
Target market	18 to 39-year-olds	18 to 39-year-olds	18 to 24-year-olds	25 to 45-year-olds	-
Social class	A-, B, and C+	A-, B, and C+	A-, B, and C+	A-, B, and C+	B and C+
Stores	424	107	124	18	Available in 62 stores (physical +online)
% of net revenue in 2023	92%	5%	3%	Consolidated in Lojas Renner	Consolidated in Lojas Renner

Financial solutions

Established in 2021, it is our financial institution connected with the fashion and lifestyle universe, fostering customer loyalty and convenience, and providing support to the company's retail operations

Logistics

Uello, acquired in 2022, is our logtech, a logistics company that was born digital and provides solutions for urban deliveries that play an essential role as enablers within our ecosystem.

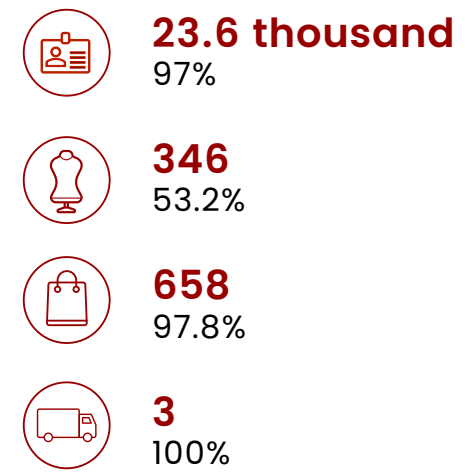
Innovation

Our investment fund finances new businesses that have the potential to transform the fashion value chain and that incorporate ESG (Environmental, Social, and Governance) innovations and best practices.

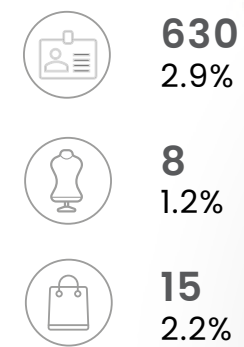
Overview of the value chain



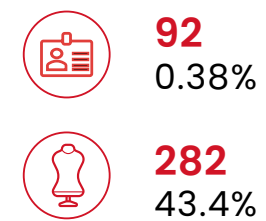
Brazil



Other LATAM countries



Asia



Europe



Learn about the volume of our products made in Brazil and Latin America in the infographic showing the [distribution of the resale supplier chain](#).

Business overview



RENNER

Brazil's premier omnichannel retailer in fashion and lifestyle, Renner is the Company's main business, accounting for 92% of total net revenue. The brand's value proposition is to provide an unparalleled fashion experience across channels, with different styles catering to medium and high segments. It enchants customers with superior products and services, while consistently promoting sustainable innovation.

In 2023, Renner kept its expansion plan for physical stores, opening 17 locations, while simultaneously closing 15 underperforming stores following a profitability review. Of the 424 stores in operation at year-end, 409 are in Brazil, 11 in Uruguay, and 4 in Argentina. The brand kept assembling the necessary tools to bolster customer relationships, with the aim of becoming increasingly more digital and omnichannel. Additionally, Renner introduced the new store format in both new and renovated stores. The Company also continued to strengthen other sales channels, including WhatsApp and Pague Digital (its novel digital payment method), and to make investments to enhance delivery speed, all aimed at continuously improving customer experience.



CAMICADO

Camicado, acquired in 2011, is Brazil's premier retailer in home decor, boasting over 35 years of operational expertise. Beyond resale items, it designs and sells products under its own brand, Home Style, and possesses a robust marketplace with 700+ sellers. In 2023, Camicado initiated a store profitability review, which led to the closure of 16 locations. By year-end, the company maintained a total of 107 stores.

Starting in 2022, Camicado underwent a significant transformation, revitalizing both its physical and digital spaces.

The company reevaluated its business strategies to align with emerging market trends, always aiming to provide customers with a seamless and inspiring experience. Notably, enhancements were made to the user experience on Camicado's app and website, making browsing simpler and more intuitive. These efforts bolstered the brand's digital footprint and elevated product visibility, resulting in improved profitability.



ASHUA

Established in 2016 as an e-commerce business, Ashua is a plus-size fashion brand offering collections with fashion statement pieces that prioritize fit, comfort, and style for every woman, in an omnichannel purchase experience.

In addition to opening 5 new locations in 2023, Ashua also expanded its presence in Renner stores, totaling 15 locations in Brazil and additional one in Uruguay. The second collaboration with an influencer and the Ashua 4 You collection (targeted at young women) were significant milestones on the brand's path to innovation and digital transformation.



YOUCOM

Established in 2013, Youcom is a youth fashion brand that embodies an urban lifestyle, consistently innovating to meet its consumers' needs sustainably.

The brand has grown steadily, staying true to its mission of connecting people with a youthful lifestyle. In 2023, Youcom expanded its reach by opening 13 new stores, primarily in new locations, while preserving its high-fashion appeal. Youcom provides its customers with an omnichannel experience via its exclusive e-commerce platform and app.

repassa

Repassa, an online platform specializing in the resale of clothes, shoes, and accessories, was acquired in 2021. As a sustainability-focused, native digital startup founded in 2015, Repassa operates in the fashion resale industry, expanding the offer of services to the customers in our ecosystem.



realize

Realize Crédito, Financiamento e Investimento S.A., also known as Realize CFI, provides retail-based financial solutions, offering a variety of products to simplify customers' everyday lives. These products include Cartão Renner (a private label card) and Meu Cartão (an international credit card), along with Saque Rápido (personal loans), and a range of insurance products. In 2023, Realize continued its strategy to boost retail and increase the frequency and average of customer spending by introducing Cashback Próxima Compra. This initiative offers a 10% cashback on future purchases for Cartões Renner holders. Initially launched in 45 stores, it aims to enhance the value of Realize's products while simultaneously promoting retail sales.

U E L L O

Our logtech, a company that combines logistics and technology, was digitally born in 2017 with a focus on streamlining e-commerce deliveries through a network of partnerships and hubs.

Acquired in 2022, it operates as an express delivery platform with intelligent technology that connects a network of couriers. These couriers sign up to receive products and deliver them to customers using motorcycles, utility vehicles, and cars. In addition, it owns warehouses and transportation firms that are also connected to its network. Uello significantly improves the level of service and efficiency in deliveries. While some traditional transportation solutions have delivery success rates lower than 90%, Uello's technology enables it to exceed 98%.

RX VENTURES

Established in 2022, the Fund is a corporate venture capital (CVC) of Lojas Renner S.A.

Operating as an independent venture, it has its own autonomy and governance, which accelerates the analysis and decision-making processes.

RX Ventures focuses on investing in innovative solutions that are ahead of the trends associated with the future of retail and shopping. It operates along five main verticals: fashion and lifestyle, retailtechs, e-commerce and marketplaces, logistics and supply chain, fintechs, and martechs.

Competitive Advantages

Over the past decades, we have cultivated a proprietary and distinctive operational model. This model, which is firmly rooted in our purpose, provides us with competitive advantages and ensures the consistency of our value creation over time.

A culture based on enchantment

For over three decades, the company has been driven by the mission: ‘Our fulfillment lies in enchanting everyone’ To achieve this, we strive to consistently exceed the expectations of our customers, a feat only possible if we also surpass the expectations of our employees, suppliers, shareholders, and society at large.

This purpose is realized through the persistent and unwavering alignment of our strategy, decision-making process, and mindset with our value proposition:

We are committed to providing the best fashion and lifestyle experience to the medium and high-end segments, enchanting our customers with high-quality products and services at competitive prices, all within an innovative, sustainable ecosystem.

We believe that companies with a consistent purpose and value proposition that benefits society and stakeholders are the ones that will thrive and adapt to various future landscapes.

Lifestyle-segmented collections

Our collections, segmented by lifestyle, enable us to present an ever-expanding variety of items, while concurrently reducing redundancy. In other words, each

brand and its associated lifestyle offer customers distinct but complementary choices, resulting in efficiency and stock gains, and ultimately enchanting our customers.

The largest omni fashion operator

We recognize that integrating our physical and digital footprints within an omnichannel framework is crucial in fashion retail, where the tactile experience of feeling, touching, and trying on plays a significant role in customer decision-making. Consequently, the omnichannel model guides customers through their entire journey, exceeding their expectations.

Our substantial advancements in the [📍 strategic digital cycle](#), coupled with our extensive reach across all Brazilian states and cities of varying sizes, establish us as the leading omnichannel fashion operator in Brazil.

Proprietary framework for product allocation and distribution

In recent years, we have made substantial strides in establishing a [📍 framework for the allocation and distribution](#) of products across both physical stores and e-commerce platforms, organized by units. This has yielded considerable benefits such as improved precision and assortment, as well as increased

availability and diversity of items, sizes, colors, and models for customer selection. Furthermore, it has enabled us to achieve more agile and efficient deliveries, leading to a rise in sales, enhanced margins, and greater inventory turnover.

Local supplier network

Over the past three decades, we have cultivated a top-tier, agile [📍 local supplier network](#) centered on fashion and adhering to rigorous sustainability standards.

Our close proximity and long-term relationship with these suppliers, consistently grounded in enchantment, allow us to enhance our products with escalating agility, superior quality, and innovation. This not only mitigates the industry’s adverse effects but also aids in fostering more conscientious fashion.

Diversification of our supplier network

In addition to our local suppliers, we maintain a supplier network in Latin America and Asia, which broadens our options and is also 100% compliant with our sustainability standards. These suppliers solidify our presence in the primary regions that house fashion production chains.

Strategy

GRI 2-22

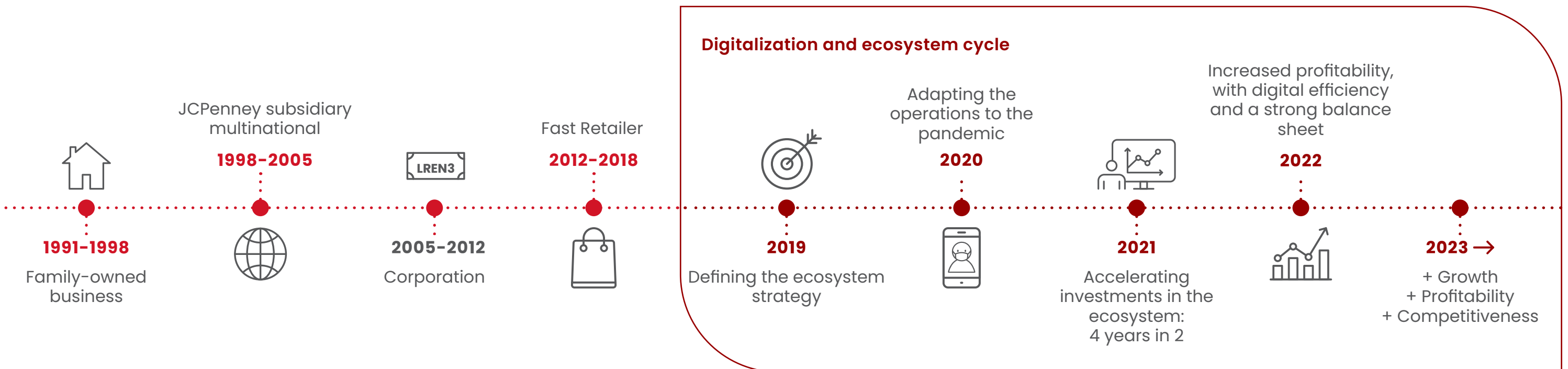
Every seven years we implement our strategic transformation cycles, which bolster business growth.

Over the past 30 years, our strategic cycles have seen us transform from a family-owned business into a large multinational company. We then evolved into a corporation with no dominant shareholders, with all our capital traded on the stock market. Finally, a significant shift in our business model has made us much more agile, flexible, and adaptable in providing our customers with the products they seek.

Our present phase of digitalization and ecosystem development was initiated in 2019. This period marked a substantial transformation for the Company, driven by significant structural investments and heavily influenced by the onset of the pandemic that same year.

Following the pandemic, our organization embarked on a recovery journey. Despite reduced revenues, we accelerated investments to complete crucial

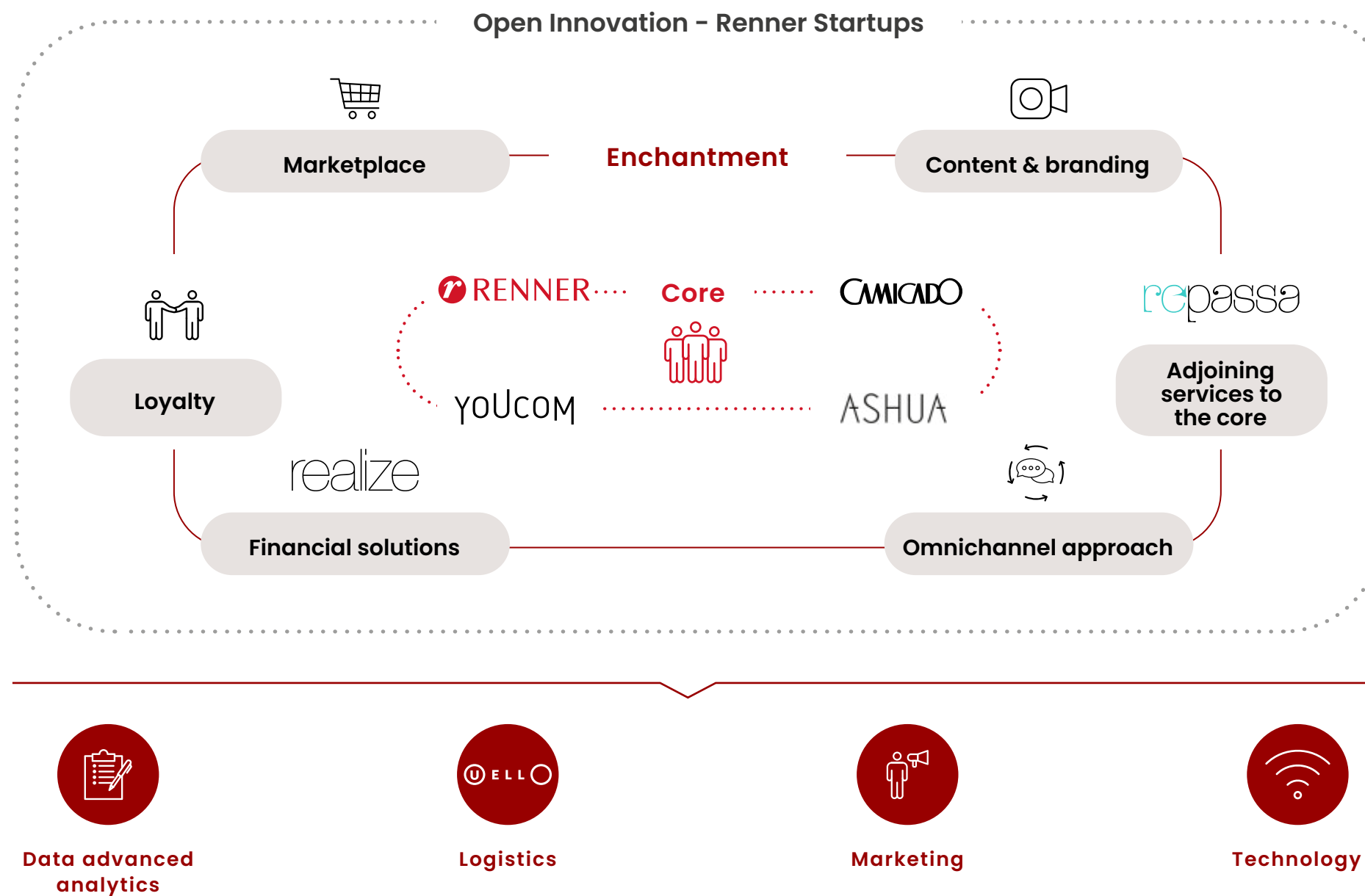
implementations aimed at realizing our expected gains. In 2023, having successfully executed these implementations, our strategic focus shifted to refining the solutions, tools, and processes established over the previous years. Our ultimate goal remained customer enchantment, which we believe will drive growth, enhance profitability, and bolster our competitive edge in the years ahead.



Explore the pages below to learn about the advancements we made last year in our business model, objectives and strategic priorities, which are propelling us toward the conclusion of our digitalization and ecosystem cycle, with the aim of achieving our ambition of becoming the leading fashion and **lifestyle ecosystem in Latin America**.

We establish strategic priorities to drive the continuous evolution of our business models and operations. By differentiating our brands and consistently enchanting our customers, we aim to propel growth, enhance profitability, and boost our competitive edge.

Business model







Strategic objectives

- Benchmark for fashion and lifestyle
- Benchmark for enchanting experiences
- Benchmark for responsible fashion

Strategic priorities

brand | culture | talents | ESG

-  Enchanting collections
-  Store and productivity expansion
-  Financial solutions
-  Digital acceleration & omnichannel approach

Discover below the key advancements and unique features within each strategic priority for us to realize our ambition of becoming the leading **fashion and lifestyle ecosystem in Latin America.**

Enchanting collections

Providing our customers with enchanting collections is a fundamental cornerstone of our business, creating a positive cycle of advantages.

We anticipate what the customer will want

🔍 Artificial intelligence and data analytics to analyze trends

We deliver products to customers however, whenever, and wherever they want

🔍 Logistics and distribution 4.0

We manufacture quickly

🔍 Fashion 4.0

🔍 Supplier chain development

Less impactful products and a fashion retail operation that sets the global benchmark for sustainability

🔍 2030 Sustainability strategy

ENCHANTING COLLECTIONS

- Enchant customers
- Reduce the need for price markdowns
- Meet revenue and margin goals while minimizing reliance on manufacture
- Reduce the use of raw materials and prevent waste
- Avoid stock rupture, when customers do not find what they are looking for
- Reduce the need to transfer items between DCs and stores, resulting in lower costs and less impact on the environment
- Help streamline the process of planning orders with suppliers
- Ensure socio-environmental compliance along the entire chain thanks to real-time monitoring
- Offer opportunities for enchanting omni experiences



Trend analysis

Anticipating customers' wishes

We've been leveraging data and artificial intelligence to enhance trend analysis. Our forecast model takes into account historical sales data and real-time customer behavior, enabling us to predict not only current store inventory and display strategies for physical store windows and e-commerce, but also future purchasing decisions for each style up to a year ahead.

Our journey has enabled us to gather a wealth of pertinent data, sourced from both our customers, the market, and the networks. This data enhances our active listening, helps us identify desires, guides our manufacturing process, and ultimately brings enchanting collections to our customers.



Sustainable Renner store model.

2018
We created algorithms and demand forecast models for styles, colors and sizes of products for each store.

2021
We've created an artificial intelligence tool that suggests markdowns and calculates discount percentages. Additionally, we've expanded our sales forecasting model to predict trends up to a year in advance, helping us recommend the optimal quantity of each style to purchase.

2023
We fine-tuned the tools, broadening their data collection to include both national and international fashion markets. We seamlessly integrated them into our manufacturing processes, resulting in more precise and voluminous recommendations for our teams.

As a consequence, we enhanced collection accuracy by aligning production with actual demand behavior, ultimately creating more responsible and enchanting fashion.

2018

2019

We adopted the RFID (radio-frequency identification) technology, with electronic tags that allow us to track the product in real-time along the value chain, enhancing inventory management, product availability to customers, production process compliance.

2021

2022

We implemented artificial intelligence to define the assortment and quantity of items in a store, considering the preferences of consumers in that region based on learning from e-commerce orders, thereby streamlining the distribution process and avoiding stock ruptures, creating customer enchantment.

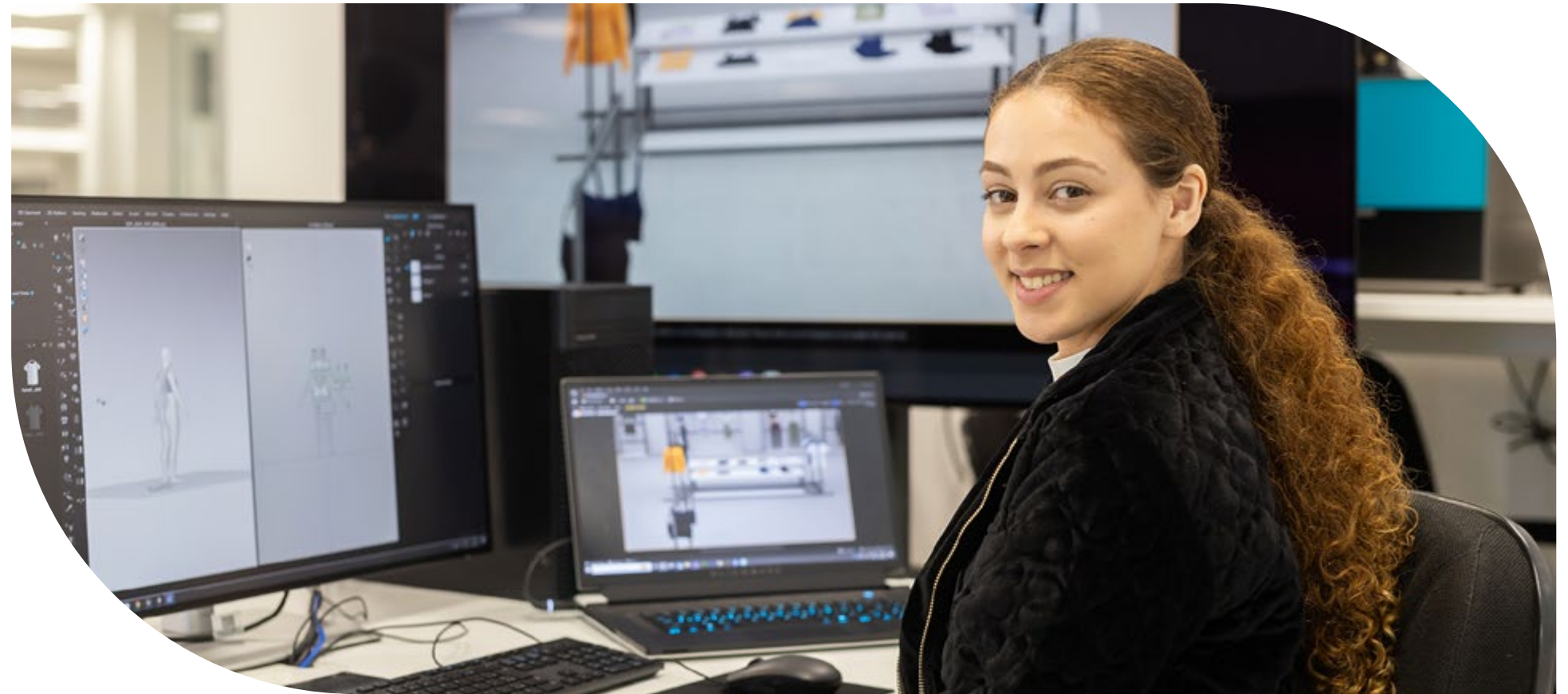
2023

Digital fashion

Transforming the collections' production process

We've established a digital fashion hub, aiming to position Renner as a Brazilian leader in Industry 4.0 applied to clothing retail.

This hub seamlessly integrates knowledge, tools, technologies, and solutions through collaboration across various departments. As a result, we're able to explore the potential of 3D technology for product development, enhancing quality while minimizing environmental impact. Additionally, our [suppliers](#) have embraced innovation, influenced by our cutting-edge digital fashion approach. Consequently, their processes have become better, more efficient, and more agile.



Digital Collection Hub.

2018 We've implemented software to catalog thousands of raw materials and facilitate seamless communication with our suppliers, resulting in accelerated and more efficient collection development.

2018

2019

We invested in research and analysis of Brazilian body types to enhance our products. As a result, we pioneered the creation of patterns in more realistic sizes, which aligns with our commitment to celebrating diversity.

2021 We created 14 3D mannequins by scanning real bodies, achieving a realistic physical and visual simulation. This process is critical for product validation and ensures faster and safer collection development.

Additionally, we pioneered an entirely digital collection—a groundbreaking approach where the entire creative process was conducted without any reliance on physical samples. Instead, we replicated the color, print, texture, and fit of raw materials within the software. This disruptive method has significant implications for the fashion industry.

2021

2022

Technological and virtual launching of our second fully digital collection: we created a 3D store integrated with our e-commerce and enhanced by virtual reality so that our customers could interact with our products and see their details from a 360-degree perspective.

2023 We trained over 70 individuals on our Design team, as well as our suppliers, in the use of our 3D tool. Simultaneously, we continuously expanded our collection of digital textiles and patterns.

As a result, we enhanced the visual quality and precision of our samples, leading to an increase in first-time approvals.

2023

Logistics and distribution 4.0

Integration and technology

Since 2017, we have been overhauling our logistics, supply, and distribution model. Our goal is to strengthen our omnichannel strategy across our brands and achieve substantial improvements in delivery efficiency. We're committed to ensuring that customers consistently find or receive the products they desire, regardless of when or where they want them.

This transformative effort has been acknowledged by awards such as Outstanding Logistics in Brazil.

 **1st place in the technology category**
in the first edition (2021)
1st place in the logistics category 4.0
in the second edition (2022)

 **1st place in the technology category**
in the 9th edition (2022)
5th place in the operational improvement category
in the 10th edition (2023)


● 2017


Beginning of a transition in our store supply model, moving away from the traditional 'push' logistics approach, where products are pushed to stores, to a more dynamic 'push-and-pull' approach, where items are replaced based on actual sales. This shift ensured a more precise supply, prevented stock ruptures (when an item is missing from the shelves), and eliminated unnecessary item transfers.

● 2019

Beginning of construction of the new omnichannel Distribution Center (DC) in Cabreúva (SP), a benchmark in automation and robotic innovation. Additionally, we reviewed our logistic network to gain efficiency, speed, and synergy among the brands.

● 2022

Acquisition of  Uello, an express delivery logtech, which offered an important contribution to enabling our ecosystem.

We launched operations at the  new distribution center (DC), marking a significant leap in logistical efficiency, digital transformation, and multichannel integration. This state-of-the-art DC has empowered us to enhance the customer experience by significantly reducing the time required to stock our stores nationwide—almost halving the previous duration. Additionally, it has expedited the delivery of products purchased by consumers through our digital channels.

● 2023

We ramped up the off-line garment operations for the new DC, and achieved a full shift in our operations, from a model where all products were managed by batches to one where they are managed individually.

Automated distribution center

Equipped with cutting-edge technology, automation, and advancements in robotics and artificial intelligence, our distribution center (DC) is poised to drive business growth until 2035 while propelling e-commerce and marketplace development within our ecosystem.

In Brazil, we've implemented **innovative and unprecedented automation systems** for merchandise storage, processing, and transportation. Unlike the conventional distribution approach in the country, which relies on product grids, our DC seamlessly handles items of varying sizes, including pieces on hangers, folded goods, footwear, and purses—all concurrently.

To achieve this goal, we've introduced **312 robots** from an Austrian group to Brazil. These robots efficiently store folded items, complemented by a novel product classification and separation system that allows near-instant process reconfiguration. As a result, we can swiftly adapt to fluctuations in online sales compared to physical store sales.

Our robotic workforce meticulously selects items from the stock, delivering them to other robots. These recipient robots manage products with diverse storage requirements—such as garments on hangers, perfumes, watches, and footwear—while efficiently organizing orders for individual customers and specific stores.

Empowered by artificial intelligence, our robots learn from patterns in product orders and autonomously reorganize inventory, continually improving their efficiency.

This cutting-edge technology ensures simultaneous separation of all products across various channels, including our group's distinct companies—such as Ashua, Camicado, and Youcom—as well as the marketplace.

By integrating robots into the order separation process for both in-store and customer orders, we've significantly accelerated and enhanced the accuracy of the entire workflow.

The largest omni fashion retail in Brazil

The DC marks a significant advancement in our logistical efficiency, digital transformation, and multichannel integration, firmly establishing us as Brazil's largest omnichannel fashion retailer. Thanks to this infrastructure, we've made substantial improvements in customer experience by nearly halving the time required to stock our stores nationwide. Additionally, we've expedited the delivery of products purchased by clients through our digital channels.

In total, we directly invested R\$ 750 million via CAPEX in the construction of the Distribution Center, with the majority of the funds allocated to technology, aiming to create an efficient system with pioneering and unprecedented automation technology in Brazil. With a storage capacity of approximately 25 million pieces and a daily movement of around 1.2 million pieces, it is currently the largest and most modern "wardrobe" in Brazil.

Furthermore, the new DC is also efficient in the use of natural resources, having earned a gold-level certification from LEED (Leadership in Energy and Environmental Design).



Automated order separation at our DC in Cabreúva (SP).

Precise, omni, and agile.

The Company's innovative logistics and distribution model, launched alongside the operation of our Distribution Center, enables us to achieve comparable sales levels with a smaller inventory and a broader array of products.

Precise, thanks to its stock efficiency and targeted approach: 100% of our products are managed individually, allowing us to tailor our inventory grid for each store in terms of the range of styles, sizes, and pieces, based on our [predictive models](#).

Omni, as it generates maximum synergy and maintains a unified inventory across all the channels: a single inventory for both physical stores and e-commerce stores streamlines logistics, reduces costs, and enhances overall performance.

Agile, because it halved the time required to stock stores: robots reorganize inventory based on the most frequently ordered items, ensuring swift and efficient restocking.

Responsible fashion

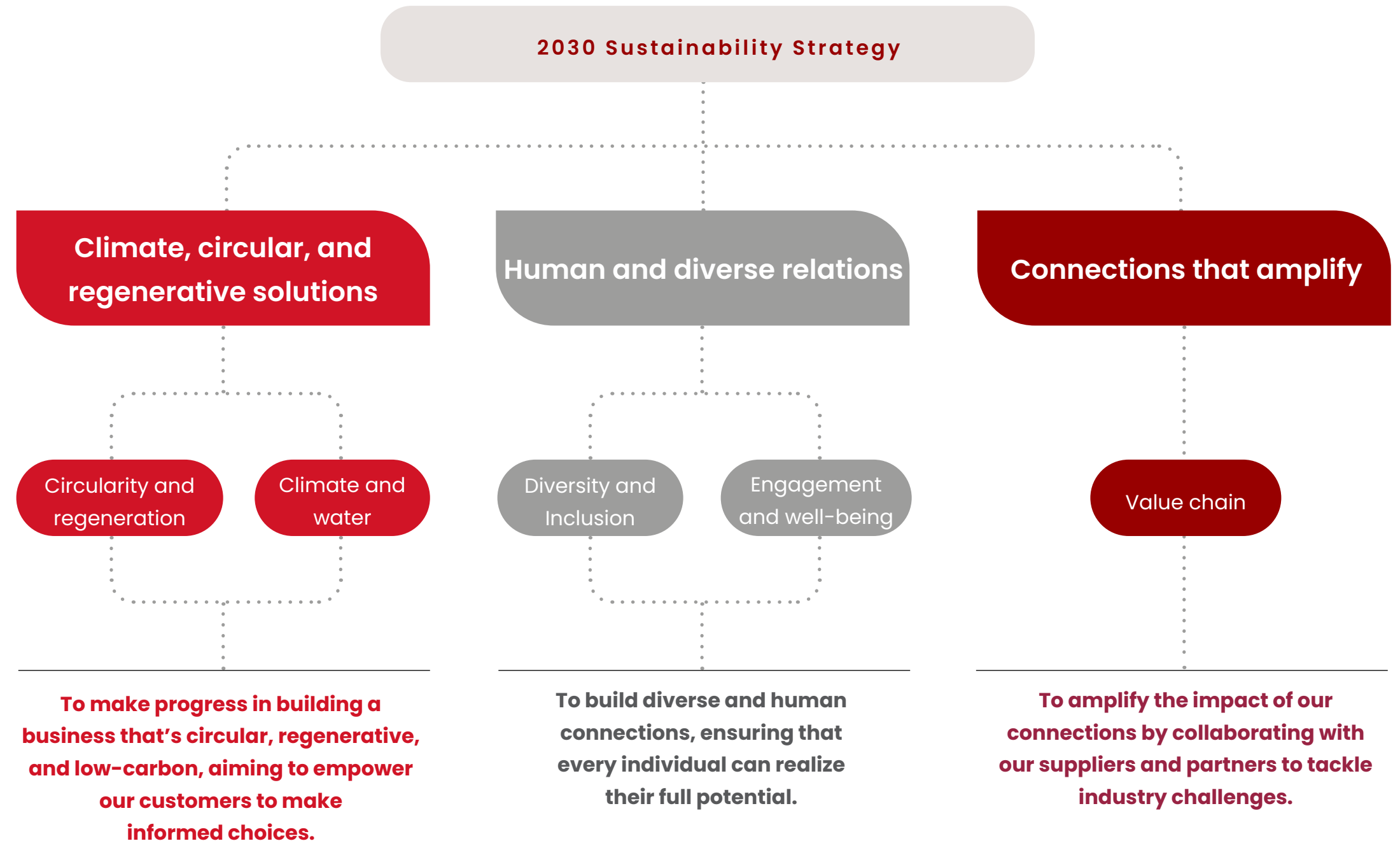
Taking care of what matters to enchant and exceed expectations

Since 2018, we have developed and published our ESG Responsible Fashion strategy, which guides our purpose of creating enchanting work.

We recognize that environmental preservation and fostering conscious, equitable, and prosperous social connections are essential for earning and maintaining the trust and pride of our employees, customers, suppliers, and shareholders.

With this in mind, we aim to build a company that remains transparent and aligned with a **value proposition** contributing to a more sustainable model.

Our commitment is to deliver the finest fashion and lifestyle experience for the medium and high-end segments, captivating our customers with top-quality products and services at competitive prices, all within an innovative and sustainable ecosystem.



ESG innovation

Innovation plays a crucial role in achieving our ESG strategic goals and advancing our decarbonization and regeneration strategy.

Over the past few years, we've innovated in various processes, solutions, and tools that promote sustainable fashion:

- We introduced the first jeans with infinite recyclability
- Our team developed inclusive underwear collections, the first catering to disabled individuals and the second to trans individuals
- We now offer fully digital collections, which reduce the use of virgin raw materials and minimize residues from the manufacturing process
- We mapped out and drafted Brazil's first positive list of chemicals
- We've created and certified a proprietary methodology for measuring the water footprint within our supply chain
- In the Mato Grosso savanna, we're engaged in a research and development project focused on growing agroforestry cotton
- Collaborating with a supplier, we're working on an innovation project to produce a nickel-free zipper at scale
- We opened the first Brazilian circular retail store

Product innovation lab

The Product Innovation Lab represents another significant initiative aimed at fostering innovation within our company. A dedicated team researches and develops initiatives that will shape the future of fashion. We aspire to be trailblazers in the fashion and lifestyle ecosystem, fully committed to responsible innovation, and dedicated to creating solutions alongside our customers.

Recycling hub

We're taking on the challenge of increasing the use of recycled materials in our products, all in pursuit of our climate goals for 2030.

In 2023, we resumed our recycling hub, with a focus on exploring fresh alternatives for recycled materials. This involved mapping out the volume and types of residues generated throughout our supply chain, collaborating with partners, and actively seeking innovative solutions for recycled products that meet our standards for quality, cost-effectiveness, and scalability.

Innovation challenge

In 2023, our Sustainability and Open Innovation departments jointly launched the Open Innovation Challenge. The primary goal was to identify innovative solutions within the ecosystem that could propel us toward achieving our 2030 Sustainability Strategy.

Our initial step involved conducting interviews with leaders from 13 distinct departments closely aligned with our strategy. Through these discussions, we mapped out existing challenges, unearthed opportunities, and ultimately defined the central theme of the challenge:

How can your startup contribute to Renner S.A.'s evolution and the development of a more circular, regenerative supply chain to ensure climate neutrality?

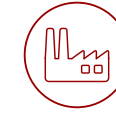
Areas involved:



Fabric recycling



Circular businesses



Less impactful manufacturing processes



Positive Impact

We explored the innovation ecosystem through two distinct avenues:

- **Active Solution Search:** We delved into innovation ecosystems associated with the global textile and fashion industries. This approach led us to identify 58 potential solutions. Among these, 11 solutions actively engaged with our challenge, demonstrating keen interest. Ultimately, 2 solutions were long-listed for our Pitch Day.
- **Open Call:** Our goal was to attract Brazilian solutions and position Lojas Renner S.A. as a catalyst for novel ideas within the innovation ecosystem. This open call yielded remarkable results: 4.4 thousand views on the landing page, 27 press mentions, and 99 enrollments in the challenge.



1st Pitch Day for Startups at the headquarters of Lojas Renner S.A., in Porto Alegre (RS).

Among the 157 startups that applied and underwent evaluation, 29 were chosen. Out of these, 23 have established connections with our company for future collaborations. Finally, we've selected the six most relevant startups to participate in Pitch Day.

This event, open to all Lojas Renner S.A. employees, drew an audience of over 500 attendees, both in-person and online, who came to watch the pitches of the 6 finalists.

Post-presentation, scores from the Technical Committee – comprising the departments involved in the project

–, audience, and a judging panel – comprising department heads from People and Sustainability, Product, Technology, New Businesses, and the CFO – were collated. Based on these evaluations, 3 out of the 6 finalists were selected to proceed to the Proof of Concept (PoC) stage. Our open call for startups to enroll in the challenge bolstered our standing and reputation as an innovative and sustainable brand in the Brazilian market and ecosystem.

Coupled with our proactive outreach to international startups, this approach connected us with innovative solutions and paved the way for future initiatives.



Innovation

Development of a powdered pigment derived from micro bacteria for fabric dyeing.

Advantages

This pigment's byproduct is eco-friendly, as it's biodegradable and doesn't affect the environment or effluents. Moreover, it's a regenerative solution, as micro bacteria consume organic waste from various production processes, such as beer manufacturing.

Diversity

LGBTQIAP+ leadership



Innovation

Repurposing polyester from knit fabric to produce new fibers.

Advantages

Curbs the need for fresh plastic in polyester production

Prevents plastics and synthetic fibers from ending up in landfills.



Innovation

A system to track ESG criteria throughout the production chain.

Advantage

Provides transparency on ESG performance within the supply chain, fostering a more sustainable chain beyond just compliance monitoring.



03 Corporate Governance

Best practices	26
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capitals



sdg

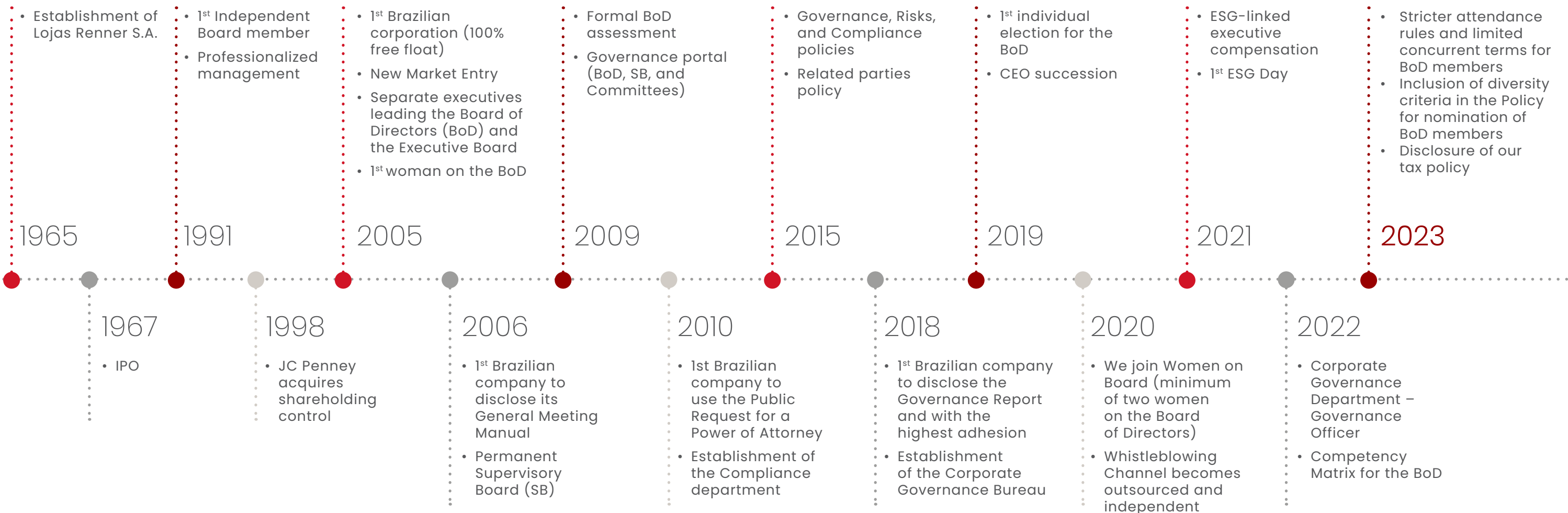


Best practices

Since 2005, when we became Brazil's pioneering corporation with 100% of our shares publicly traded and no controlling shareholder or group, we've championed world-class governance. That year, we joined the New Market—a B3 segment known for its stringent standards in corporate governance.

Our robust system of practices, policies, and structures ensures responsible and sustainable strategy implementation, with the aim of delivering value to our shareholders. Below are some of the key competitive advantages of our corporate governance:

Since we became a corporation in 2005, the number of shareholders has surged from 800 to 124 thousand (of whom 121 thousand are individual investors). During this period, we achieved an impressive total shareholder return (TSR) of 1,998.8% and distributed R\$4.9 billion in proceeds to our shareholders.



Key governance highlights

- Listing on B3 (Brasil, Bolsa, Balcão) New Market with 100% of common shares
- 88% of independent members on the Board of Directors (BoD) - 7 out of 8
- 25% of women on the BoD - 2 out of 8
- 9.4 years on average for BoD member terms
- 40% of women on the Executive Board - 2 out of 5
- Advisory Committees to the BoD, of which the Audit and Risk Management Committee is statutory
- Poison pill strategy to encourage share dispersion and protect shareholders from a hostile takeover
- 100% of committee members (People and Appointment, Audit and Risk Management) are independent
- Long-term incentive plans to align management's interests with those of shareholders
- Public internal regulations for the BoD, SB, Executive Board, and Committees
- Formal assessment of the BoD (including the President), Committees, and Executive Board
- Secretaries for the Boards, Executive Board, and Committees
- Governance portal (BoD, SB, and Committees)
- Internal audit and compliance linked to the Audit and Risk Management Committee, with reporting to the BoD
- Outsourced and independent whistleblowing channel
- Several public corporate policies
- Corporate Governance department with a Governance Officer
- Separate CEO and President of the BoD since 2005
- ESG compensation practices since 2017 and ESG goals for the entire Executive Board since 2021
- 98.1% adherence to the practices recommended by the Brazilian Corporate Governance Code

Explore further

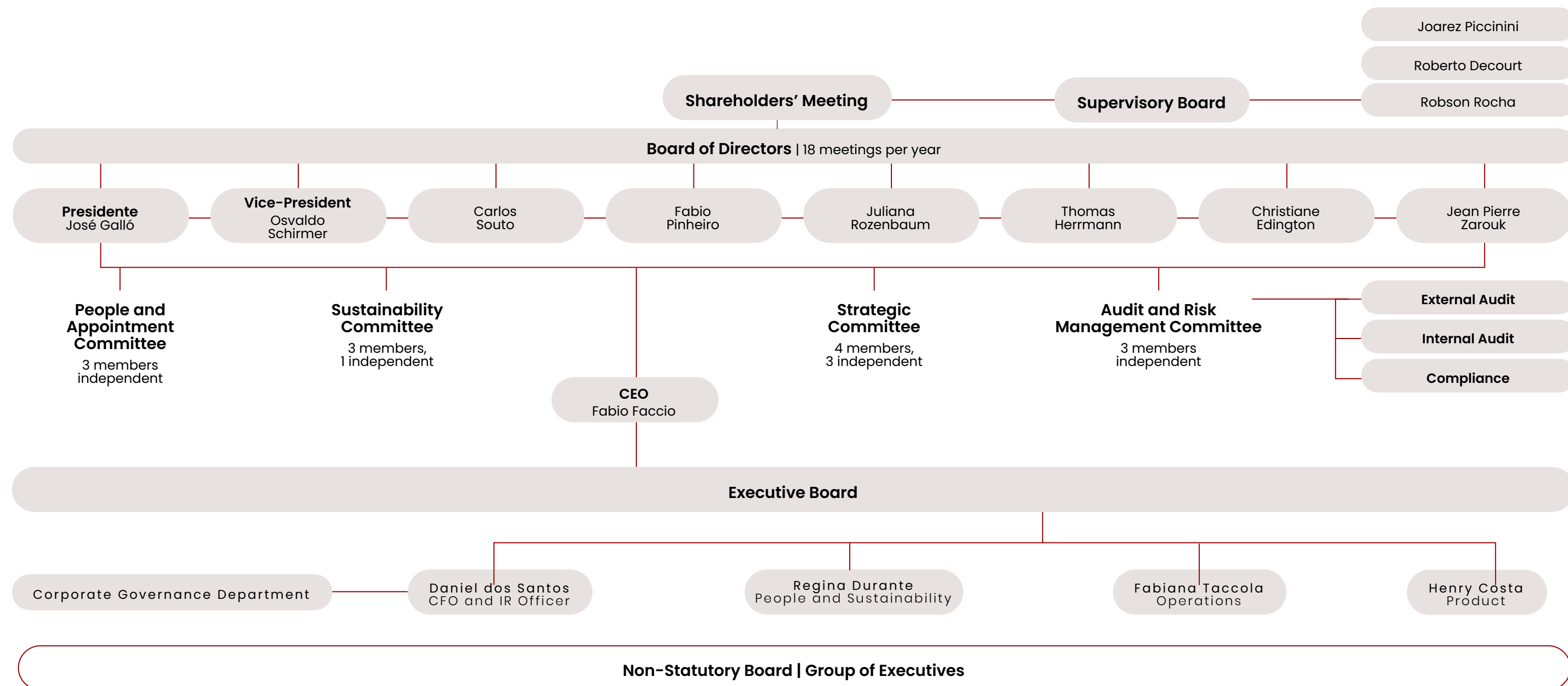
Refer to our [2023 Brazilian Corporate Governance Code Report](#) for more detailed information on governance practices.



Administration

GRI 2-9 | 2-11 | 405-1

The roles and responsibilities of each entity of the governance structure are defined in the Company's Bylaws and guided by the respective Internal Regulations. Additionally, other policies and standards govern the performance of directors, who undergo annual evaluations. For further information on the Bylaws, Statutes and Policies you can refer to the documents on our IR website.

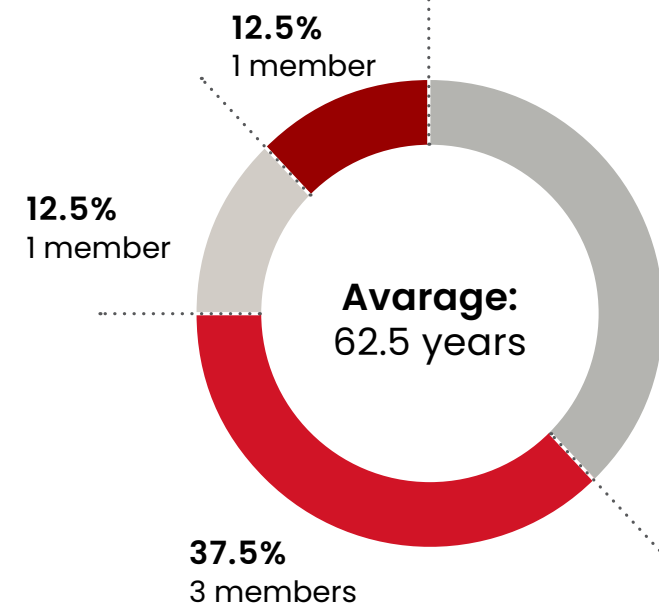


Board Members' Profiles

Age

GRI 2-9 | 405-1

Conselho de Administração



	Supervisory Board	Executive Board
● 50 and under	0 (0%)	3 (37.5%)
● between 50 and 60	4 (50%)	2 (25%)
● between 61 and 70	2 (25%)	0 (0%)
● 70 and above	0 (0%)	0 (0%)

Term of office

1 member



0 to 3 years

3 members



4 to 6 years

3 members



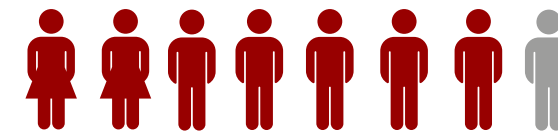
7 to 11 years

1 member



> 20 years

Independence



7 out of 8 members independent (87.5%)

Gender | 25% women



Competencies of each member

The matrix below shows the main areas of experience and competence of Lojas Renner S.A. Board Members:

Competencies	EXPERIENCES CEO OR CHAIRMAN	INTERNATIONAL EXPERIENCE	KNOWLEDGE ABOUT LOJAS RENNER	STRATEGY AND INNOVATION	TALENTS AND ORGANIZATIONAL CULTURE	MARKETING AND COMMUNICATIONS	TECHNOLOGY AND DIGITAL TRANSFORMATION	RETAIL	E-COMMERCE	FINANCE	CORPORATE GOVERNANCE	SUSTAINABILITY	AUDIT AND RISK MANAGEMENT	ACCOUNTING AND FINANCE
Board member														
José Galló	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		
Oswaldo Burgos Schirmer	✓	✓	✓	✓	✓			✓		✓	✓	✓	✓	✓
Carlos Fernando Couto Souto	✓	✓	✓	✓	✓			✓					✓	
Fábio de Barros Pinheiro	✓	✓	✓	✓	✓			✓	✓	✓			✓	✓
Thomas Bier Herrmann	✓	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓
Juliana Rozenbaum Munemori			✓	✓				✓	✓	✓			✓	✓
Christiane Almeida Edington	✓		✓			✓		✓	✓	✓				✓
Jean Pierre Zarouk	✓	✓	✓	✓				✓		✓	✓	✓		✓
	7	5	8	4	4	1	2	7	4	5	8	4	5	5

General Shareholders' Meeting

In 2003, we conducted our General Shareholders' Meeting in a hybrid format, providing our shareholders with the flexibility to attend either in person or remotely, based on their individual preferences.

Adhering to corporate governance best practices, we announce our shareholders' meetings at least 30 days in advance. During this period, we distribute a comprehensive [Shareholders' Meeting Manual](#) to our shareholders. This manual contains objective information about the meeting's agenda and details about the Company, enabling shareholders to thoroughly analyze proposals and make well-informed decisions.

In 2023, the notice was issued 35 days prior to the meeting, which was attended by 915 shareholders, representing 64.7% of the Company's capital stock.

The key agenda items included the approval of the year's accounts, allocation of net income, election of Board of Directors and Supervisory Board members, and determination of overall compensation for Board members.

Election

GRI 2-10

Our Board of Directors consists of eight members, each individually elected during the Shareholders' Meeting for a one-year term. These elected members have the possibility of being reelected.

None of our board members hold executive positions within Lojas Renner S.A. Their compensation is exclusively tied to their roles as board members and their participation in Advisory Committees.

Our board members are appointed by the Board for a two-year term, with the option of reelection. Selection criteria include their professional experience in the industry and alignment with Lojas Renner S.A.'s corporate values. Additionally, board members take on leadership responsibilities in managing their respective departments.

For further details about the Board of Directors and Executive Board Rules, as well as comprehensive information on each board member's professional background, please refer to our [IR website](#).

Performance Assessment

GRI 2-18

For over a decade, we have conducted an annual formal assessment of the Executive Board. Since 2009, the Supervisory Board has also undergone assessment, facilitated by a specialized external consulting firm. This process adheres to best practices in corporate governance and aims at the continuous improvement of the boards.

The **Supervisory Board's assessment** focuses on four key aspects: the President, members, dynamics, and advisory committees. While the 2023 assessment is still ongoing, we will promptly disclose the results once it concludes.

Regarding the **Executive Board**, the CEO undergoes evaluation by both the People and Appointment Committee and the President of the BoD. Meanwhile, the other members of the Executive Board receive evaluations from the CEO.

The outcomes of these assessments are then presented to the Committee, which subsequently submits them to the Board of Directors. Additionally, these assessments

play a crucial role in determining the executives' compensation, including the allocation of Company shares, as will be shown below.

Conflict of Interest

GRI 2-15

The Board of Directors (BoD) oversees potential conflict of interest cases related to transactions involving senior leadership members and related parties.

When members find themselves in a situation of potential conflict of interest during the negotiation and approval of a transaction with a related party, they are required to take the following steps:

- Submit an Impediment **Statement to the BoD**, the Executive Board, or the Shareholders' Meeting, depending on the circumstances, describing the extension of the conflict.
- Abstain from participating in discussions related to the conflict. They should no longer have access to any confidential information associated with the conflict of interest and must not exert any influence on the company's decision-making process. Additionally, they should refrain from voting during meetings of the BoD, the Executive Board, and the Shareholders' Meeting.

The Impediment Statement must be documented in the minutes of the meeting where the transaction with the related party is deliberated.

Compensation

GRI 2-19 | 2-20

Our compensation system for Executive Board members is designed to enhance sustainable, long-term value creation while also attracting and retaining top professionals. This comprehensive compensation package includes:

- Fixed compensation
- Fringe Benefits
- Short-term Variable Compensation
- Long-term Variable Compensation

The variable compensation component is contingent upon achieving both the Company's and individual financial and non-financial metrics. It serves as a measure of the senior leadership members' dedication to the Company's sustainable growth.

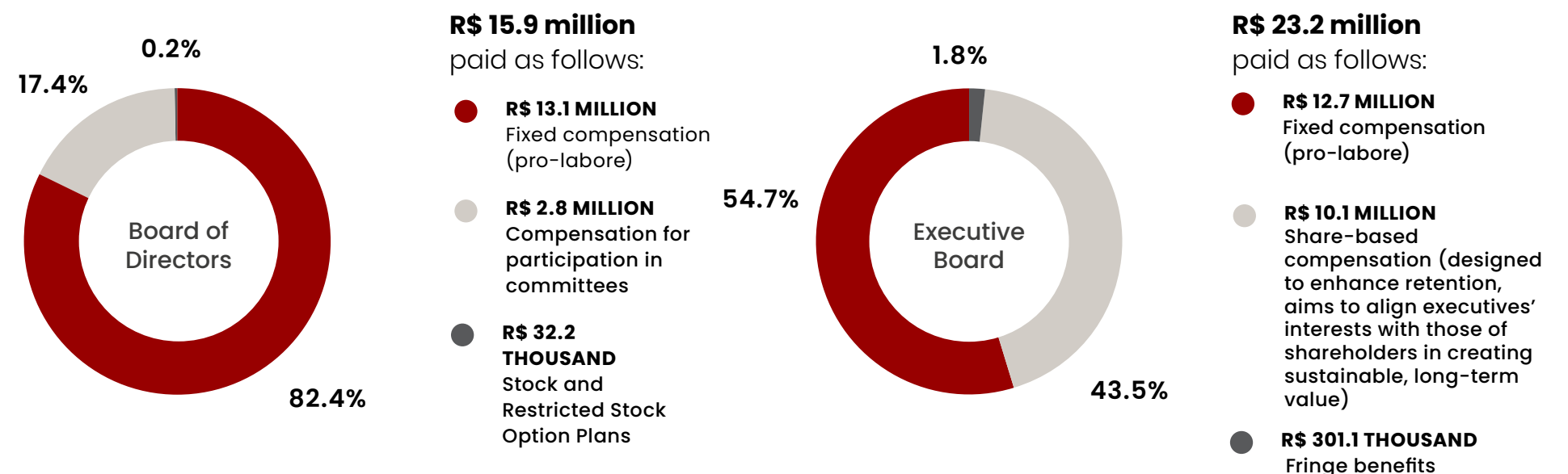
Starting in 2021, Executive Board compensation has been explicitly tied to ESG (Environmental, Social, and Governance) goals outlined in our 2030 Sustainability Strategy. These goals are rigorously monitored semi-annually through performance indicators.

Challenges such as climate change, supplier socio-environmental compliance, product impact reduction, and diversity are central to the [SDG goals](#).

The Stock and Restricted Stock Option plans serve to strengthen the link between the Executive Board and the business. They encourage retention and align the interests of board members with those of shareholders and long-term value creation. Specifically, the stock option plan determines a 4-year period following which Executive Board members can claim 100% ownership of their shares. On the other hand, the restricted share option plan allows for a 3-year period for receiving these shares. Importantly, upon leaving the company, Executive Board members forfeit the right to receive these options or shares.

Furthermore, to determine the allocation of shares, each executive undergoes an evaluation based on a predefined set of goals. These goals are assessed through corporate and individual performance targets, as well as the executives' alignment with the Company's core principles and values.

In contrast, the Board of Directors receives a fixed compensation, comprised of pro-labore and participation in committees.



Explore further

Refer to item 8 of the [Reference Form](#) and Attachment of the [Annual 2024 General Meeting](#) for more detailed information about [ESG goals' impact on the compensation of the Executive Board](#) and our compensation policy.

Share profile

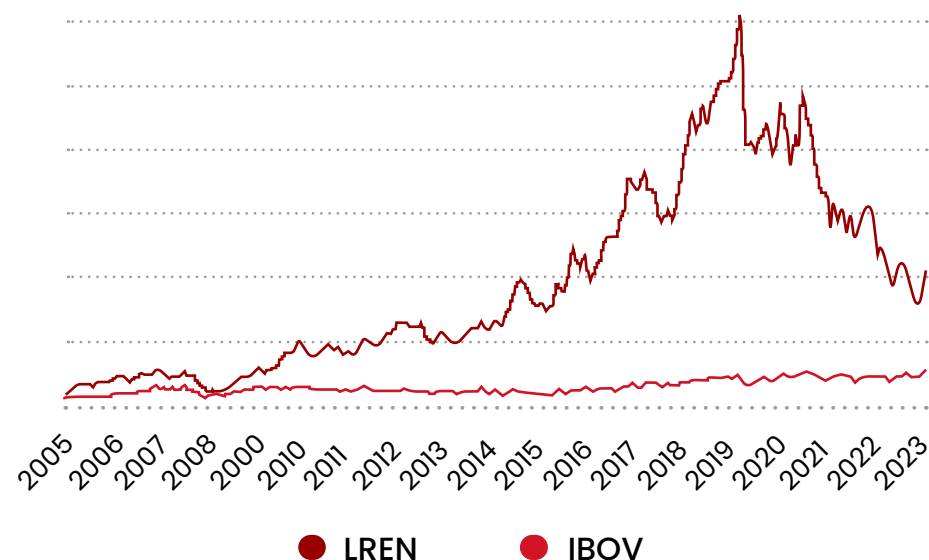
GRI 2-1

Our LREN3 shares, listed on B3, closed the year at R\$17.42, resulting in a total market value of R\$ 16.7 billion. In 2023, a total of 8.7 million trades were conducted, involving 5.2 billion assets, with an average daily trading volume of R\$ 365.6 million.

Additionally, we traded American Depositary Receipts (ADRs) under the ticker symbol LRENY on the U.S. over-the-counter market (OTC US), issuing a total of 824 thousand receipts by the end of 2023.

Value generation over time

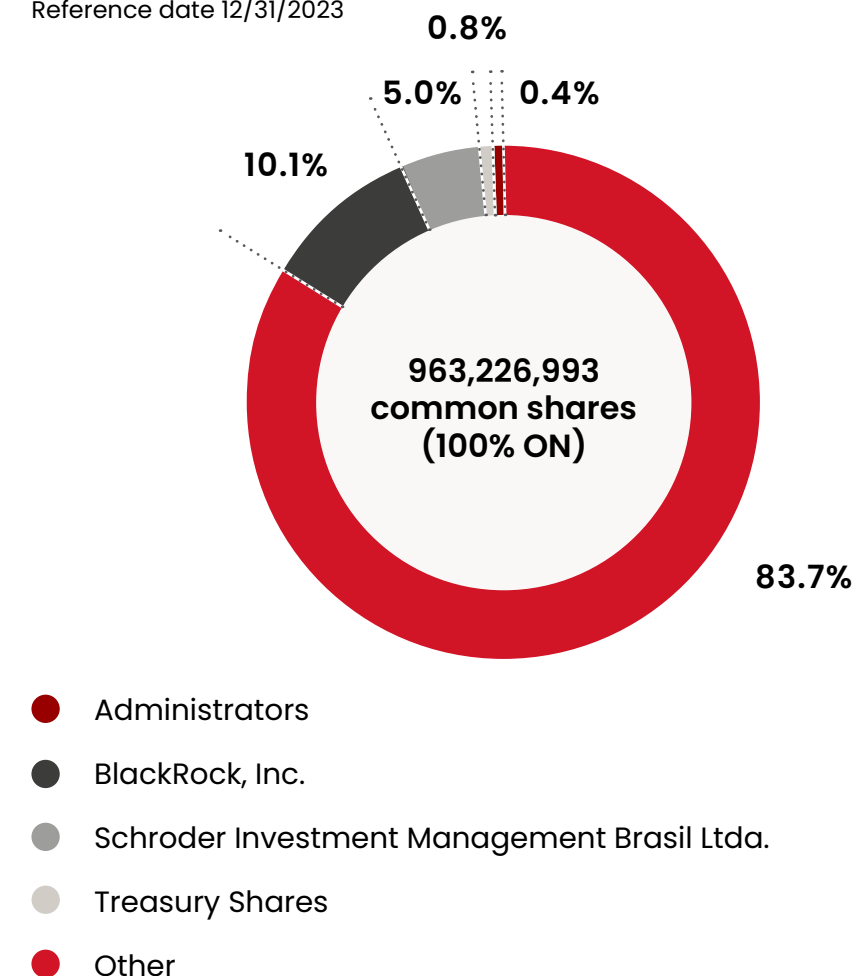
Since 2005, when we transitioned into a corporation, our shares have delivered a total shareholder return (TSR) of **1,998.8%**. In comparison, the Ibovespa index appreciated by **430.1%** during the same period.



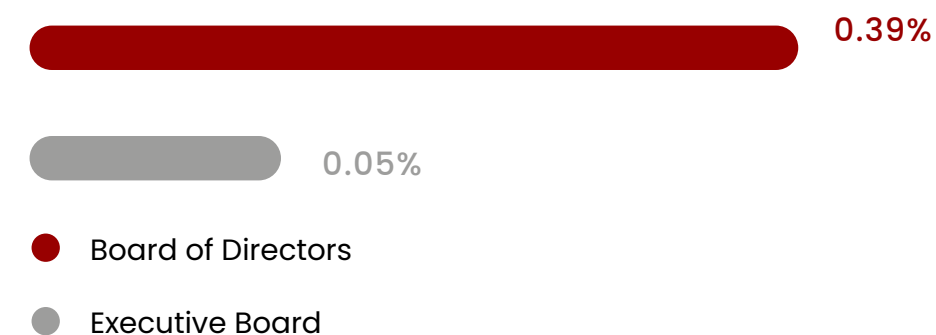
Renner store display.

Ownership structure

Reference date 12/31/2023



Shareholding position of senior leadership members

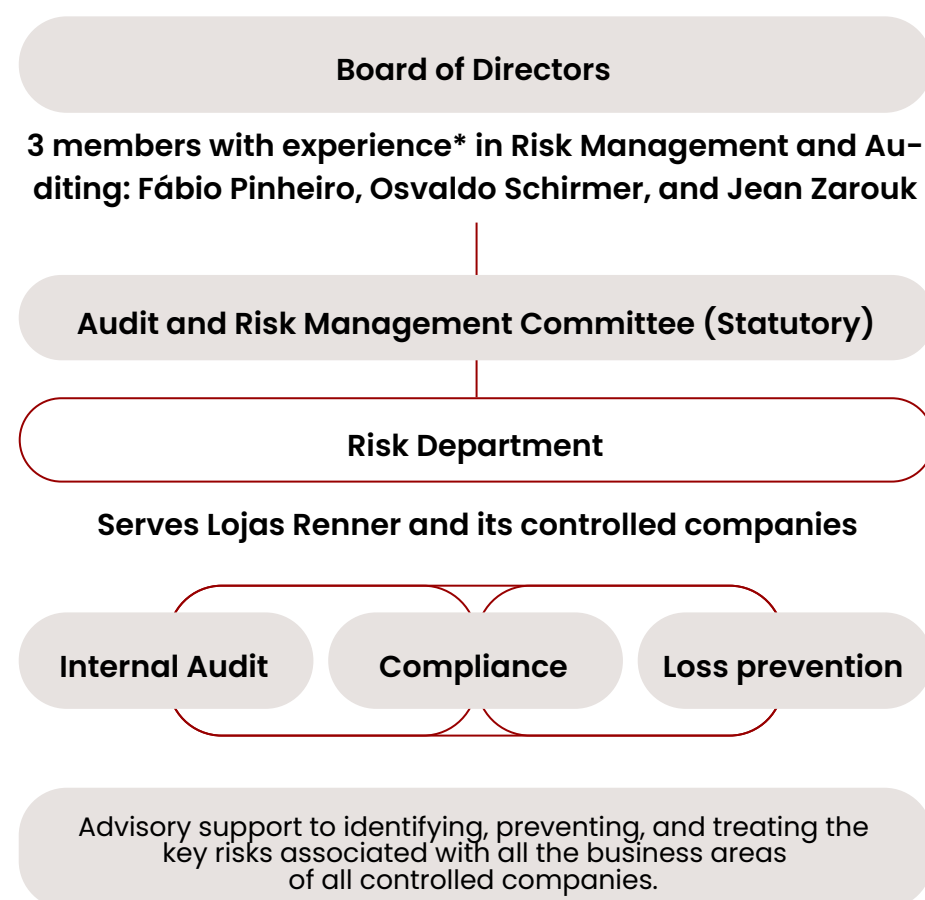


Risk management

GRI 2-12 | 2-13 | TCFD

Framework

We maintain a dedicated framework that is directly connected to our senior management. Its purpose is to enhance procedural efficiency and risk management, while also ensuring that our policies and practices align with our shareholders' risk tolerance.



*According to criteria of the Corporate Sustainability Assessment (CSA): experience in risk management or finance and assessment of financial risks.

Audit and Risk Management Committee

The Committee oversees and monitors the Company's risk management and audit processes. In 2023, the Committee met 12 times, with 100% member attendance. It consists of three independent members of the Board of Directors, two of whom specialize in finance:

- Fábio Pinheiro, who chairs the committee, brings 17 years of experience in risk management as a partner and executive officer at financial institutions.
- Osvaldo Schirmer, another independent member, previously served as a financial executive officer and CFO of a large publicly owned company

The Committee submits quarterly reports to the Board of Directors, as stipulated by its Internal Rules. These reports cover matters that could significantly impact the Company's financial standing or operations. Additionally, the Committee prepares an annual report summarizing key issues discussed throughout the year and providing recommendations.

Furthermore, the Committee's President, an independent Board member, attends Board meetings quarterly. Their presence ensures that Board members stay informed about risk management matters and receive continuous education in this area.

Risk Department

The Risk Department, headed by Luis Alexandre Ribeiro, Risk Officer, identifies, prevents, and manages key risks, while also reporting relevant matters to the Committee. A senior management team operationalizes the senior leadership strategic guidelines, establishing and overseeing appropriate policies and procedures. They implement effective methods for execution and foster a risk management culture throughout the entire organization.

The Risk Department directly reports to the Board Committee, ensuring the independence of auditors and professionals specializing in loss prevention and compliance.

The activities of the Risk Directorate are based on an annual plan approved by Management. The work of Internal Audit is approved by the Audit and Risk Management Committee (CAGR).

Its actions are guided by annual plans approved by Management and align with best practices from national and international organizations and study groups focused on Internal Auditing, compliance, and loss prevention. Notable examples include the Committee of Sponsoring Organizations of the Treadway Commission (COSO), The Institute of Internal Auditors (IIA), and the Loss Prevention Foundation.



Access the [Internal Rules of the Audit and Risk Management Committee](#).

Policies

GRI 2-23

The [Governance, Risks, and Compliance Corporate Policy](#) serves as the main guiding principle of our risk management approach. It outlines techniques that empower managers with autonomy and responsibility to balance risks while enhancing strategic, tactical, and operational decision-making.

This policy plays a pivotal role in senior management's decision-making process. It not only improves our overall performance but also amplifies our ability to identify opportunities for growth while mitigating the likelihood and impact of losses, going beyond mere compliance with regulatory requirements.

Additionally, we've developed several other policies that delve deeply into relevant themes related to risk and opportunity management:

Public

- [Governance, Risks and Compliance](#)
- [Sustainability](#)
- [Human Rights](#)
- [Code of Conduct for Employees](#)
- [Code of Conduct for Partners](#)
- [Compliance](#)
- [Allocation of Results](#)
- [Anticorruption](#)
- [Tax](#)

- [Disclosure of Relevant Facts and Security Trading](#)
- [Transactions with Related Parties](#)
- [Nomination and compensation of Board members](#)
- [Privacy and data protection](#)

Internal

- Audit
- Financial Management
- Information Security
- Customer service and CRM



Integrated process

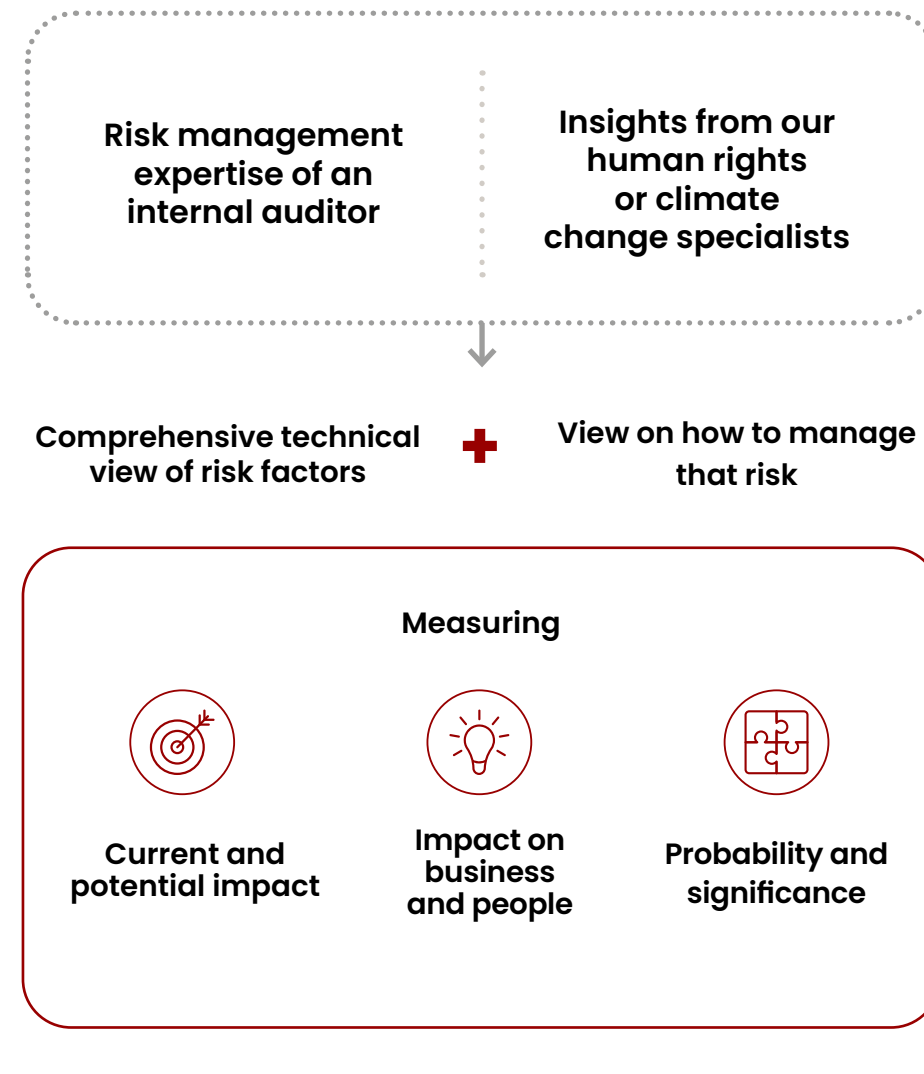
GRI 2-24

Our Risk Department collaborates closely with various business units, offering advisory support to identify, classify, prevent, and manage key risks. Additionally, we actively promote a culture of proactive risk management. As part of this process, each business department develops and implements its own action plans to mitigate risks.

This approach significantly enhances the Company's risk management efforts. By adopting a multidisciplinary perspective, we can address both best practices in risk management and in-depth technical knowledge related to specific risk areas

For instance, when combining the risk management expertise of our internal auditors with insights from our human rights or climate change specialists, we gain both a comprehensive technical view of risk factors and a view on how to manage that risk. This enables us to assess the real and potential impact, probability, and significance of each risk, ultimately informing the development of a robust and context-appropriate risk mitigation strategy.

Our close collaboration with business units also facilitates feedback and continuous improvement. Annually, the Executive Boards present their key risks and significant concerns, which inform the Audit Committee's strategic decisions and guide our management of everyday risks.



Allows us to develop a robust and context-appropriate risk mitigation strategy.

This structure ensures an operational risk management framework in three lines of defense, with the first line consisting of managers from all business areas, the second line including the Risk Directorate and the Audit Committee, and the third line comprising internal audit.

Risk culture

GRI 2-24 | 2-25 | 2-29

Engagement

Periodically, we conduct onboarding and orientation processes for employees in leadership positions. These processes address risk management and reinforce our company's preventive culture.

Annually, we provide training to our employees on our Code of Conduct, corporate practices, and anti-corruption measures (available in both Portuguese and English). Additionally, we consistently engage in communication efforts to raise awareness about these topics.

Upon joining the company, all employees are required to read and acknowledge their understanding of the Code. They must also do so whenever the document is updated.

Suppliers, upon signing contracts with the company, similarly declare their familiarity with the Code of Conduct for Partners (also available in Portuguese and English). They are responsible for sharing the Code with their own employees and ensuring ongoing education and awareness on this subject.

The Corporate Compliance department maintains an active and continuously reviewed Compliance Program. Our goal is to foster a corporate environment grounded in the best practices of corporate governance, risk management, and compliance.

Whistleblowing channel

We provide a whistleblowing channel to our customers, suppliers, employees, and society at large. This channel reinforces adherence to our policies and principles and is accessible across all companies within our group.

Diversas possibilidades de acesso



Website

contatoseguro.com.br/lojasrennersa



Accessible for disabled individuals



App

Contato Seguro



Secure contact

Toll-free number
0800 900 9091



24 hours
7 days a week

Structured handling

A dedicated team in the compliance department and biannual reporting to senior management.

Guaranteed discretion, confidentiality, and anonymity

In 3 different languages

Portuguese | English | Spanish

Status follow-up

A status follow-up field on our website allows users to track the progress of their complaints and include additional details if needed.

Emotional support

A team of psychologists receives the complaint and provides the appropriate follow-up.

Guiding and educational content encouraging use of the channel

Wide dissemination of the channel

We disseminate the channel on our website, through emails, and during workshops for both employees and suppliers. Additionally, we display signs in suppliers' factories (tier 1) and their contractors (tier 2), for which announcement is mandatory and undergoes audit during our technical visits.

Dealing with complaints

Once a complaint is lodged, the Compliance Committee forwards it to the committee responsible for its assessment (based on the specific operation, location, and/or unit involved). This committee then establishes a time frame to create an action plan aimed at rectifying the issue and preventing its recurrence.

After defining the action plan, the Compliance Committee verifies the effectiveness of the implemented actions. The complaint is officially considered closed only when all reported issues have been duly addressed through the action plan.

Upon concluding the complaint process, the complainant receives notification of the outcome, although specific details about the actions taken are not disclosed. The complaint must be dealt with and communicated to the complainant within a maximum of 30 days from its initial submission.

In 2023, 2,514 complaints were filed and investigated. Among these, 583 were deemed fully valid, 689 were partially valid, 644 were invalid, 344

were inconclusive, and 254 are still undergoing investigation.

We also maintain a multidisciplinary Crisis Committee that convenes whenever there is a non-conformity impacting the company's reputation

This committee assesses the situation and determines the necessary actions to mitigate the incident's effects on both the company and stakeholders. It also identifies the responsible parties for implementing an Action Plan to prevent a recurrence of the issue.

These processes span our entire operation. For cases involving suppliers, we follow a [non-conformity remediation](#) process agreed upon with them.

Furthermore, the company has a Conduct Committee, which is linked to the Board of Directors and consists of the company's CEO and other executive officers. This committee's purpose is to ensure the effective implementation, disclosure, training, review, and updating of the Code of Conduct and the Whistleblowing Channel.

Priority risks

Monitored risks

Reputation risks

Incidents that could damage the company's reputation in cases where poor risk management becomes publicly known.

Operational risks

Flaws in internal processes, systems or actions taken by individuals that may generate losses involving operations, assets, customers, and revenues.

Strategic risks

Strategic risks arise from decisions made by the company's senior management and have the potential to negatively impact the organization's economic value.

Socio-environmental risks

Adverse impacts across a product's life cycle involving a network of multiple agents. These risks have the potential to harm not only the company but also society at large.

Climate risks

Climate risks are also included in this category. Learn more about our [mitigation initiatives](#).

Emerging risks

New, emerging, or increasingly important risks, arising from external factors over which we have no control, which may significantly affect our business in the long term.

Below are the main emerging risks.

Geopolitical

The war between Russia and Ukraine has had far-reaching global economic consequences because of sanctions imposed against Russia, which have led to significant increases in the prices of exports for which both Russia and Ukraine are relevant suppliers. These exports include commodities such as oil, gas, fertilizers, and other goods.

This conflict, combined with the aftermath of Covid-19, has been raising inflation worldwide, posing substantial challenges for monetary policy. Like other countries, Brazilian government has responded by increasing interest rates as a method to keep inflation under control, creating additional channels for companies' financial management.

Any significant changes in the financial market or the Brazilian economy could dampen interest from both Brazilian and foreign investors in Brazilian securities.

This scenario might adversely impact the price of these securities, limit access to capital markets, and lower future financing for our operations to unacceptable levels.

Natural disasters and extreme climate events

The 2023 Global Risks Report from the World Economic Forum highlights natural disasters and extreme weather events as key emerging risks over both short-term (2 years) and long-term (10 years) horizons. These risks arise from climate change.

Year after year, we are witnessing record-breaking levels of greenhouse gas emissions worldwide. Despite efforts to limit global warming to 1.5°C, the 2023 Bulletin from the World Meteorological Organization indicates that these actions have not been effective. As a result, the risks associated with climate change are escalating, posing potential repercussions for society at large. The impacts of these risks are not just future threats; they are realities that we are already experiencing.

In the context of our operations, our studies on risk identification, opportunities, and climate change adaptation measures reveal two primary threats from extreme events:

Floods: These can inflict damage on our stores' physical structures and exposed products, leading to delays in restocking merchandise. This disruption can affect the smooth functioning of our stores and Distribution Centers.

Heat waves: Unforeseen climatic variations can have a significant impact on our operational results. Extended periods of elevated temperatures during winter can render a portion of our stock and collections unsuitable for the prevailing weather conditions. As a result, we may be forced to sell surplus stock at reduced prices, thereby diminishing our profit margins. This could have a substantial adverse effect on our business, particularly in the case of winter collections where average prices are higher.

In order to mitigate these impacts, we conduct an analysis of temperature fluctuations and climate predictions. Based on this, we devise a response strategy centered around customized tariff planning

aimed at minimizing losses and maintaining customer loyalty. Furthermore, we are actively engaged in strategizing the requisite logistical systems for any potential restructuring.

These studies have shown us that expanding distribution centers is a way to mitigate issues related to changes in customer demand, thereby stimulating efficiency in product distribution in case there is a need to supply stores according to demand.

Over the past few years, we have invested in [the Omnichannel distribution center](#), located in Cabreúva (SP) and have continued with the remodeling of the supply/logistics rationale for distributing collections to stores located in different regions of Brazil, [utilizing demand prediction](#) based on artificial intelligence and data analytics.

Regarding potential storms, floods, and road obstructions, we are formulating an adaptation strategy grounded in a cost-benefit analysis linked

to adaptation initiatives. We prioritize actions that yield high effectiveness and establish criteria for this process. This involves outlining subsequent steps to revise the study, encompassing both the costs of impacts and the estimated expenses tied to adaptation alternatives.

Learn more

About the Company's risk factors in item 4.1 - Risk factors, and 4.2 - Key risk factors of the [Reference Form](#) and about [the primary social, environmental, and climate impacts, along with our comprehensive management approach](#).

Information security

GRI 418-1

Governance

Information security serves as a cornerstone of our business, ingrained in the core commitments of our Code of Conduct. It relies on the Board of Directors' direct involvement in management, endorsing and affirming the strategy, as well as a robust governance framework for managing the subject.

- Information technology Department, headed by a senior manager who leads a team dedicated to Information Security
- Legal Department, headed by a data protection manager (The appointed liaison for addressing internal privacy concerns) and analysts
- Risk Department, with a team specializing in compliance and information security
- Corporate Committee for Cyber Risk Information Security, a multidisciplinary team interfacing with the Board of Directors
- Board of Directors with a Board member who is experienced in Information Technology (Christiane Edington)

Policies

Our management framework for the subject includes three policies, 21 standards, and comprehensive manuals. These resources detail the procedures

for ensuring information security, data protection, risk mitigation, incident management, and business continuity.

The Privacy and Personal Data Protection Policy of Lojas Renner S.A., applicable to all its employees and partners, establishes guidelines related to privacy and personal data protection in accordance with best market practices and complying with all applicable legislation in the countries where it operates.

Cyber security

We employ a variety of measures to safeguard the company against hacker attacks and intrusions. These measures are supported by operational macrostructures anchored in specialized partner companies.

- Security Operation Center: dedicated to protecting the Internet perimeter, internal environment, and systems. It also handles event correlation and incident response
- Security Tools: We utilize state-of-the-art, industry-leading security tools to shield our technological environment from cyber threats
- Our Ethical Hacking team conducts regular monthly intrusion tests in our environment
- Our Brand Protection team monitors the primary brands of Lojas Renner S.A. on the Internet

- We have a team that manages technical vulnerabilities, conducting daily or weekly vulnerability scans of our infrastructure. Additionally, we have an external process for identifying vulnerabilities, facilitated by a partner company
- We have a cybersecurity insurance policy in place
- We utilize a specialized tool that enables us to monitor and manage external cyber risks that originate from outside our company and its partners

Vulnerability analysis

We have a dedicated cyber intelligence team with internal Ethical Hacking experts and partnerships with leading companies in this type of service. They conduct monthly intrusion tests (simulated hacker attacks) and continuous vulnerability scans to detect new vulnerabilities for prompt correction.

We perform diversified attack simulations to enhance our processes, tools, and action plans for corrections, as well as to train our employees to be prepared for a potential real attack scenario, minimizing or eliminating possible impacts.

The results are analyzed, documented, and regularly monitored to ensure that corrective actions are effective.

Response to incidents and interruptions

We have a formal Business Continuity Management (BCM) Policy, which guides us in conducting comprehensive risk assessments for potential operational disruptions, be they partial or total. This process also includes a thorough Business Impact Analysis (BIA).

Based on this scenario, we formulate strategies within our Continuity of Operations Plan (COOP) to ensure the smooth functioning of our processes. Additionally, we have a robust Disaster Recovery Plan (DRP) in place for all systems deemed critical and vital according to the BIA.

To guarantee the effectiveness of these procedures, we carry out annual tests of the COOPs and biannual evaluations of the DRP. We also provide regular training in incident response.

Reflecting the evolution and solidity of our management, in 2023, we were evaluated on the **Security Score Card**, a tool that monitors the level of cybersecurity maturity of companies worldwide, in a ranking that positions us as one of the leading companies in our segment, with the highest score:

'A' level and a score of 98 points on the Security Score Card

Data protection

Data protection is a top priority for us. We have a dedicated team of specialized professionals and renowned suppliers who provide round-the-clock coverage. Our approach is multi-faceted, employing a variety of controls and tools.

We regularly update our personal data inventory to maintain a clear and organized understanding of our data landscape.

Our monitoring processes and Cyber Threat Intelligence solutions are mature and robust, enabling us to promptly identify and respond to any privacy risks or potential data protection violations that could infringe regulations or impact individuals' rights.

We evaluate our personal data processing practices for compliance with the Privacy by Design methodology. Additionally, we employ data protection techniques in our databases and use active Data Loss Prevention (DLP) features to monitor and prevent the leakage of sensitive data.

When it comes to credit and debit card information, we strictly follow the guidelines set by the PCI DSS (Payment Card Industry Data Security Standard), the most rigorous card security standard. We hold a PCI DSS **certification** for all our operations.

Furthermore, we are currently working towards obtaining ISO 27001 certification for our entire operation.

Data subject rights

To ensure that data subjects whose personal data are held by the company can exercise their rights over their data, we have a privacy and personal data protection helpdesk on our website that allows customers to:

- Access the data we hold about them
- Rectify any incomplete, inaccurate, or outdated data
- Anonymize, block, or erase data that is unnecessary, excessive, or processed contrary to the law

- Transfer their data to another service or product provider upon explicit request, in line with national authority regulations, while respecting commercial and industrial secrets
- Delete their personal data, except in situations specified by the applicable law
- Obtain information about public and private entities with whom we've shared their data
- Understand the implications of not providing consent and the consequences of refusal
- Review decisions made solely based on automated processing of personal data that affect their interests
- Revoke consent (opt-out)
- We seek customers' consent (opt-in), in applicable processes, clarifying to data subjects about the general conditions of data collection, use, storage, and other forms of processing

Limiting data collection and retention

Our internal governance and data protection policy mandate that personal data collection aligns with the General Data Protection Law's principles, such as necessity and purpose. This means it's strictly confined to what is legally permissible and communicated to the data subject.

To minimize data collection, our policy also dictates that data which is no longer needed for a specific purpose or to fulfill a requirement should be either discarded or anonymized.

A critical analysis must be conducted at least annually to ensure that the retained information doesn't exceed the specified limits.

Partners

We have a certification process for partners who will handle sensitive or confidential data. This process evaluates their compliance with the information security requirements set by our privacy governance program, in line with applicable laws and best management practices.

During certification, all partners are required to comply with our Information Security and Privacy/Personal Data Protection Terms. They are held accountable if the information is not appropriately managed and safeguarded in accordance with our Information Security and Privacy controls.

Partners who either refuse to sign or fail to meet these requirements are not certified.

Furthermore, we perform biannual cyber risk assessments for our key partners.

Auditing

We carry out an independent annual external audit that assesses the controls associated with Access Management, Change Management, and IT Operations Management processes. These processes are implemented on systems that support our business operations.

The audit culminates in a report of recommendations designed to foster progress. This report guides the creation of an action plan to implement improvements.

Reporting non-conformities

The Brazilian General Data Protection Law requires that incidents involving security breaches that may pose a significant risk or damage to data subjects be reported to

the National Data Protection Authority (ANPD) and to the data subject.

In 2023, there were no proven cases of complaints regarding data loss or privacy violation received from regulatory bodies or other stakeholders.

Access Control

Our Information Security Policy mandates that all systems and environments must possess Access Matrices. These matrices, which are formally approved by business areas, set forth rules and access boundaries for each employee according to their roles.

Based on these matrices, we maintain an identity and access management platform for employees and partner companies. This platform encompasses the most critical systems and a significant majority of access accounts.

We have adopted the principle of least privilege, or “least privilege access,” a concept in which a user should have access only to what is absolutely necessary to perform their responsibilities, enhancing control in protecting information flows.

Awareness raising

Our company has implemented a corporate program aimed at enhancing our employees’ understanding of information security. This initiative includes a variety of measures:

- Lectures for new hires

- **Cyber Week:** annual event which features a range of activities and communications related to the subject, reaching over 5,000 employees
- **Information security program:** compulsory courses at Renner University, including “Information Security”, “Phishing Awareness”, “General Data Protection Law – LGPD”, “Prevention of Money Laundering and Counter-Terrorism Financing”, and “Loss Prevention”
- **Educational campaigns:** covering areas such as password security, cybercrime, and information classification, among others
- **SecTube:** a collection of recorded internal workshops conducted by our Information Security teams, accessible via the company’s IS portal
- **IS Web Series of the “Esquadrão de Encantamento” (Charm squadron):** Eight annual episodes in animated cartoons, featuring characters created within the company’s core values, with playful and fun stories about safety precautions. They garnered tens of thousands of views, and the series was awarded in 2023 by ABERJ as the best Security and Compliance awareness campaign in the Southern Region
- **IS INFORMS:** A corporate email notification system that alerts all employees about potential threats and current market situations
- **Simulated Phishing:** In 2023, we conducted 13 simulated phishing campaigns. Employees who fell for the simulation were invited to participate in a Phishing Awareness training. This training covers what phishing is, how to report it, the importance of preventing such cyberattacks, and the potential impacts on the company. We encourage

employees to use the “report phishing” button in Outlook to help prevent future attempts

- **Welcome:** Every new employee goes through a security welcome, where we provide instructions on completing mandatory training, general safety precautions, gamifications, and how to proceed in risky situations
- **DevSecOps:** Our development pipelines include processes, tools, and training for our developers to prioritize security from the code conception (security by design), and we rely on some advocates of the security culture such as Security Champs
- **WorkPlace:** p Periodic posts of security tips for our employees

Reporting risks

As per our information security policy, all employees are responsible for reporting risks, vulnerabilities, and incidents to the Information Security team. We have provided two dedicated email channels for this purpose.

Sanctions

Breaching the terms of our Information Security Policy and Standards can lead to disciplinary actions. These may range from warnings and suspensions to immediate termination of employment contracts.

For partners, any violation of the Policy and the information security clauses outlined in the contract can result in consequences varying from warnings to contract termination. Additionally, legal penalties may be applied as per the law.





04 Sustainability management

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capitals



sdg



Governance

GRI 2-17 | 2-23 | 2-24 | TCFD

Frameworks and routines

We have a well-structured governance system in place to manage sustainability and climate-related risks and opportunities.

Our **Board of Directors** is assisted by a **Sustainability Committee**. This committee is dedicated to identifying and addressing issues that pose risks or opportunities related to sustainability and climate change, which have a significant impact on our business, long-term outcomes, reputation, and stakeholder relationships.

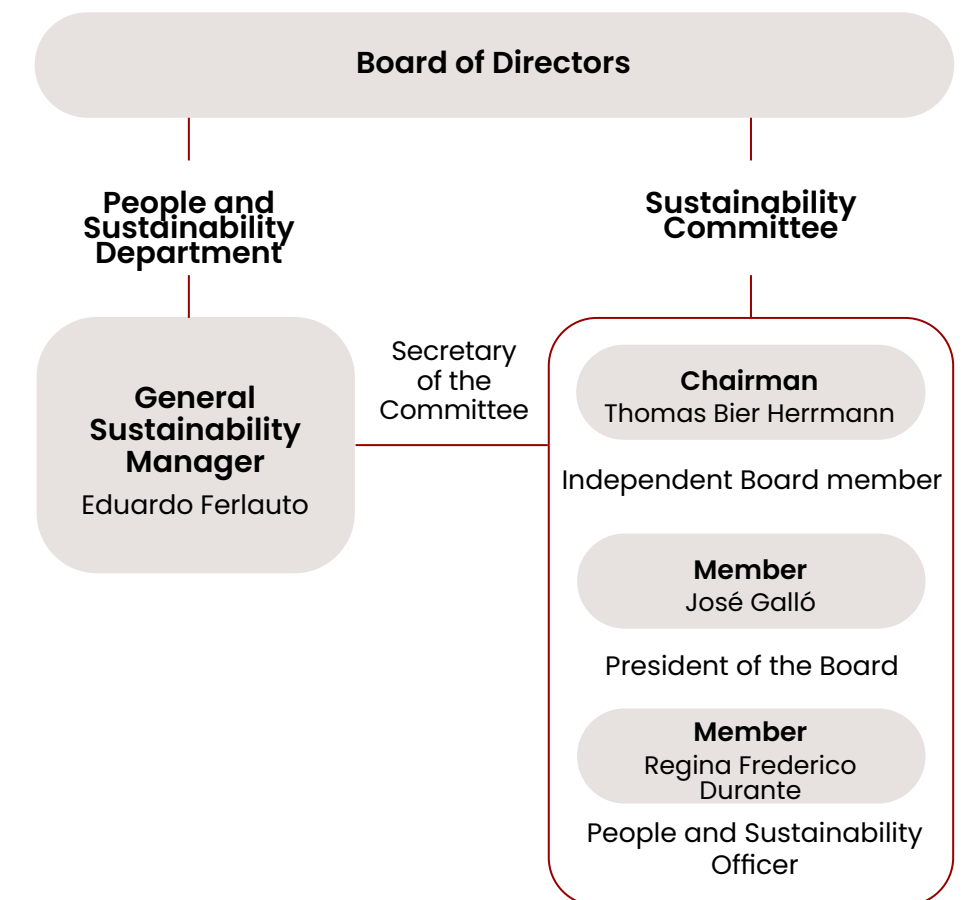
The Committee is led by an independent member of the Board, who serves as the advisor for this subject, bridging the gap between the two entities. **The committee meets quarterly, totaling four times a year in 2023, with an average attendance of 100% of its members**, with the option to invite other executives or external experts, to:

- Identify any socio-environmental risks, deviations, or infringements of human rights and environmental standards, and steer their resolution, removal, or reduction
- Approve corporate rules and processes that foster the advancement of sustainability management
- Assess and suggest whether to stick with, maintain, or pull out from principles, protocols, agreements, and treaties that align with its strategic emphasis on sustainability

- Maintain the Sustainability Policy and Committee Regulations up-to-date
- Guarantee adherence to best practices, policies, procedures, standards, and laws
- Review and endorse projects, proposals, and institutional campaigns that align with its strategic sustainability goals
- Evaluate and approve internal training programs and tools, advising other directorates and business units on sustainability
- Oversee and approve institutional reports and communications, with technical assistance on sustainability
- Offer recommendations on hiring specialized professional services for the execution of sustainability-centric programs, projects, and initiatives
- Make sure that the Board of Directors and Executive Directors are informed about issues that could significantly affect the company's reputation
- Every year, the Committee shares the main topics discussed in its meetings with the Board

Four directors, namely José Galló, Mr. Osvaldo Burgos Schirmer, Mr. Thomas Bier Herrmann, and Mr. Jean Pierre Zarouk, have expertise in sustainability. However, their competencies have not been evaluated.

Conversely, among its four statutory departments, the **Executive Board** includes one that is specifically devoted to sustainability. This department comprises four core teams that handle key themes and oversee the operations of the Lojas Renner Institute.



Get to know in detail the administration's responsibilities regarding ESG and the executives' and board members' experience on the subject on our [Investor Relations website](#) and in the [Sustainability Committee's Rules](#)

Strategy definition

GRI 2-29 | 3-1 | 3-2 | 3-3 | TCFD

In 2016, we created our first formalized and institutionalized Sustainability Strategy, with the publication of commitments for the first strategic cycle of the 2016–2021 Responsible Fashion.

In 2021, we developed the second cycle of our Sustainability Strategy for 2022–2030. This was based on an extensive study involving 45 employees from diverse company areas, the executive board, the board of directors, and external experts in the following areas:

1. Analysis of trends, pressures, and crucial sustainability issues impacting the industry's future.
2. Evaluation of our company's positioning and practices, as well as those of similar sector companies, to identify significant themes from the viewpoint of various stakeholders, including:
 - Government and regulators
 - Certifications
 - SDGs
 - Investors
 - Rankings
 - Opinion leaders
 - Customers
 - Civil society organizations
 - Sector associations
3. Prioritization of themes identified from the above analyses, based on the criticality of negative impacts and the significance of positive impacts.
4. Formulation of the response strategy to critical themes and consolidation of the sustainability agenda and change management plan. This was based on two dynamics that brought together 10 Executive Directors and the CEO, as well as managers from the Sustainability Department.

5. In-depth analysis of risks and opportunities, strengths and weaknesses in each prioritized theme, goal setting, and formation of working groups.

Upon conclusion of this process, the ESG 2030 strategy was presented to the Sustainability Committee and the Board of Directors, and it was approved.

Goals and metrics

In each strategic pillar, we identified the themes presenting priority risks and opportunities for the company and established a roadmap of goals for advancement until 2030. It is the first time we have taken on commitments of this magnitude, encompassing the entire ecosystem and comprising 12 major goals, many of which involve new indicators and ambitions for which we had no previous measurement reference. In this regard, we present below the advancements in 2023, the first year of the annual sub-goals of this roadmap, reinforcing our commitment to transparency. At the same time, the establishment of sub-goals and their initial results provide us with important insights into the pace of progress towards achieving the 2030 objectives, allowing us to adjust our actions and initiatives to realize our strategy.



1

Human and diverse relations

2

3

To build diverse and human connections, ensuring that every individual can realize their full potential.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

A. Engagement and well-being

To be among the national benchmarks in employee engagement, ensuring a living wage, and continuously advancing in promoting the well-being of employees

Goals for 2030

To be in the Brazilian high-performance market

Based on the engagement survey results, which encompass outcomes from both national and international consolidated operations.

☑ Goal for 2023

89%



☑ Status

86% ●



METHODOLOGICAL REFERENCE: Willis Towers Watson global engagement survey, including the average results observed in the Brazilian context.

To be among the top performers in the well-being category

Based on the engagement survey results, which encompass outcomes from both national and international consolidated operations.

☑ Goal for 2023

87%



☑ Status

77% ●



METHODOLOGICAL REFERENCE: Willis Towers Watson global engagement survey, including the average results observed in the Brazilian context.

100% of employees earning the same or more than the established living wage

☑ Goal for 2023

• Based on our progress roadmap, we are currently in the process of establishing the quantitative goal and laying the methodological groundwork.

☑ Status ●

- We've made headway in our discussions regarding the methodology and monitoring of living wages and responsible purchasing, leading to a deeper internal understanding of the topic.
- In its second cycle in 2023, our [due diligence](#) process also examined risks related to the topic, improving our understanding of gaps
- We initiated the project with the Anker Research Institute, a respected authority in the field, to review the methodology for calculating living wages

KEY ● Achieved ● In progress

1

Human and diverse relations

2

3

To build diverse and human connections, ensuring that every individual can realize their full potential.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

B. Diversity and inclusion

To build a culture of diversity, equity, and inclusion of minority groups.

Goals for 2030

50% of leadership positions held by black individuals

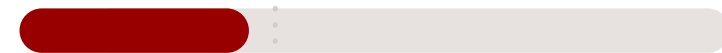
☑ Goal for 2023

33%



☑ Status

30.5%



METHODOLOGICAL REFERENCE: we consider leadership positions Specialists, Coordinators, Supervisors, Process Leaders, Consultants, Managers, Senior Managers, General Managers, and Executive Officers.

55% of senior leadership positions held by women

☑ Goal for 2023

49.2%



☑ Status

45%



METHODOLOGICAL REFERENCE: we consider senior leadership positions Senior Managers; General Managers, and Executive Officers

To offer a diverse and inclusive portfolio of products and services, considering the potential contribution of each business

- Fashion: to implement well-organized processes that take into account body diversity when creating our product portfolios.
- Home and decor: to design specialized product lines specifically for people with disabilities.
- Credit and financing: financial products and services tailored for socially vulnerable groups

☑ Goal for 2023

- To identify the needs of our priority markets

☑ Status

- Analysis in progress

KEY ● Achieved ● In progress

1

2

3

Climate, circular, and regenerative solutions

To make progress in building a business that's circular, regenerative, and low-carbon, aiming to empower our customers to make informed choices.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

A. Climate

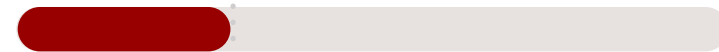
To accelerate the shift toward a low-carbon economy, achieving science-based reduction targets (SBTi) and climate neutrality by 2050.

Goal for 2023

To reduce absolute Scope 1 and 2 emissions by 46%.

☑ Goal for 2023

30%



☑ Status

59%



METHODOLOGICAL REFERENCE: goal based on science validated by the Science Based Targets initiative (SBTi), covers the entire business (100%).

Goal for 2030

To reduce Scope 3 emissions from goods and services acquired per item of clothing and footwear by 75%.”

☑ Goal for 2023

- Reduce scope 3 emissions intensity by 1.5% per item of clothing and footwear

☑ Status ●

- 4.7% increase in scope 3 emissions intensity per item of clothing and footwear

METHODOLOGICAL REFERENCE: goal based on science validated by the SBTi, covers Renner and Youcom (from extraction of raw materials up to the Distribution Center).

Goal for 2050

To achieve climate neutrality

☑ Goal for 2023

- To submit Net Zero goal to the SBTi for validation

☑ Status ●

- Goal submitted for the SBTi for validation in 2023 i

METHODOLOGICAL REFERENCE: goal based on science under validation by the SBTi during 2024.

KEY ● Achieved ● In progress

1

2

3

Climate, circular, and regenerative solutions

To make progress in building a business that's circular, regenerative, and low-carbon, aiming to empower our customers to make informed choices.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

B. Water

To decrease water usage in our operations and among our strategic suppliers while eliminating the disposal of chemicals containing restricted substances in textile and footwear manufacturing.

Goals for 2030

To establish a quantitative target for reducing water consumption.

Status

- In 2023, we established a goal to have 60% of our garments classified as low water consumption (jeans and strategic suppliers) by 2025. We successfully achieved 51% of garments meeting this criterion.
- By 2030, reaching 40% of Renner stores with low water consumption.

To eliminate the disposal of chemicals containing restricted substances in textile and footwear production.

Status

We expanded our [Chemical Management program](#), covering 100% of the national denim chain, and made progress in the international supplier chain, achieving 87% adherence to restricted substance testing within this chain. We had a 93% approval rate for conducting tests (considering both the national and international chains), and any non-conformities found are currently being monitored, managed, and addressed through action plans.

We started testing for the knitwear chain among our strategic suppliers, with the goal of completing its implementation for 100% of suppliers by 2025.

We've joined the ZDHC (Zero Discharge of Hazardous Chemicals) program, which will support the monitoring of chemical use in the international chain. We've also conducted tests to detect the presence of chemicals in effluents, following ZDHC guidelines.

METHODOLOGICAL REFERENCE: Yearly product testing to ensure compliance based on ZDHC restricted substance lists.

KEY ● Achieved ● In progress

1

2

3

Climate, circular, and regenerative solutions

To make progress in building a business that's circular, regenerative, and low-carbon, aiming to empower our customers to make informed choices.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

C. Circularity and regeneration

To create sustainable and restorative products, services, and business strategies that empower our customers to make informed decisions.

Goals for 2030

To integrate circularity principles into the creation of our products, services, and business strategies

☑ Goal for 2023

Our roadmap outlines a range of actions to evolve the theme from 2023 to 2025, with the aim of establishing monitoring indicators.

☑ Status

We've introduced a Circular Fashion Guide for our product team. The guide elucidates key concepts, provides useful tools and references, and offers practical advice for incorporating circularity from the very beginning of the product design process

KEY ● Achieved ● In progress

To invest in the creation of circular and regenerative textile raw materials, with a commitment to ensuring that 100% of our essential raw materials are sustainable.

☑ Goal for 2023

65% Renner and Ashua



☑ Status

63.6% ●



METHODOLOGICAL REFERENCE: sustainable raw materials that uphold the principles of circularity or originate from regenerative farming and planting methods. This includes organic farming or transitional techniques that, when combined with practices promoting soil health and effective land management, emulate natural processes.

To remove non-reusable or non-recyclable plastic packaging from physical stores and online platforms, while actively seeking solutions to minimize waste production and enhance the circularity of the main residues resulting from operations and strategic suppliers.

☑ Goal for 2023

0 stores with plastic packaging



☑ Status

43 stores ●



METHODOLOGICAL REFERENCE: plastic packaging used to pack items purchases in physical stores.

1

Connections that amplify

2

3

To amplify the impact of our connections by collaborating with our suppliers and partners to tackle industry challenges.

Goals

Our strategy encompasses goals and metrics to track the primary ESG risks and opportunities within each strategic pillar. These goals, born out of our ESG strategic planning process, are not mandated by law but reflect the best business practices aimed at enhancing our sustainability performance.

A. Value chain

To certify the supply chain using socio-environmental standards and focus on making purchases from suppliers who demonstrate superior management and performance.

Goals for 2030

To certify 100% of the supply chain according to socio-environmental standards.

☑ Goal for 2023

100%



☑ Status

100% apparel ●



99% home and decor ●

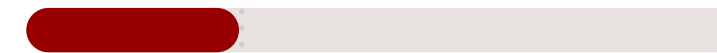


METHODOLOGICAL REFERENCE: As of the target baseline year (2022), all resale suppliers for Renner, Youcom, and Ashua were already certified, along with 90% of Camicado suppliers.

To achieve 60% of the purchase volume from resale suppliers rated A in our ESG performance matrix.

☑ Goal for 2023

30%



☑ Status

46.6% ●



METHODOLOGICAL REFERENCE: classification according to our ESG performance matrix, which categorizes suppliers into six levels based on their performance and socio-environmental commitments: alpha - protagonists, beta - performance model, A - high compliance management, B - medium compliance management, C - low compliance management, and D - insufficient compliance management.

To ensure 100% traceability of all cotton products and make progress in tracking other textile raw materials.

☑ Goal for 2023

2% traceability of cotton products



☑ Status

0% ●



METHODOLOGICAL REFERENCE: traceability refers to the process of tracking the origin of virgin cotton and its transformation from a raw material into a finished garment. This traceability is confirmed via a digital system that illustrates the stages of production and through certificates verifying the source of the raw material.

To encourage strategic suppliers to adopt a living wage

☑ Goal for 2023

Monitoring indicators and sub-goals under development

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

☑ Goal for 2023

Monitoring indicators and sub-goals under development

KEY ● Achieved ● In progress

Materiality

GRI 3-1 | 3-2 | 3-3

Every two years, we review the materiality of sustainability-related issues to update or refocus our ESG strategy.

Our materiality analysis of socio-environmental and climate-related issues involves a comprehensive evaluation of the topics and stakeholder consultations to help us identify their financial significance for our business and their impact on our business, stakeholders, society, and the environment.

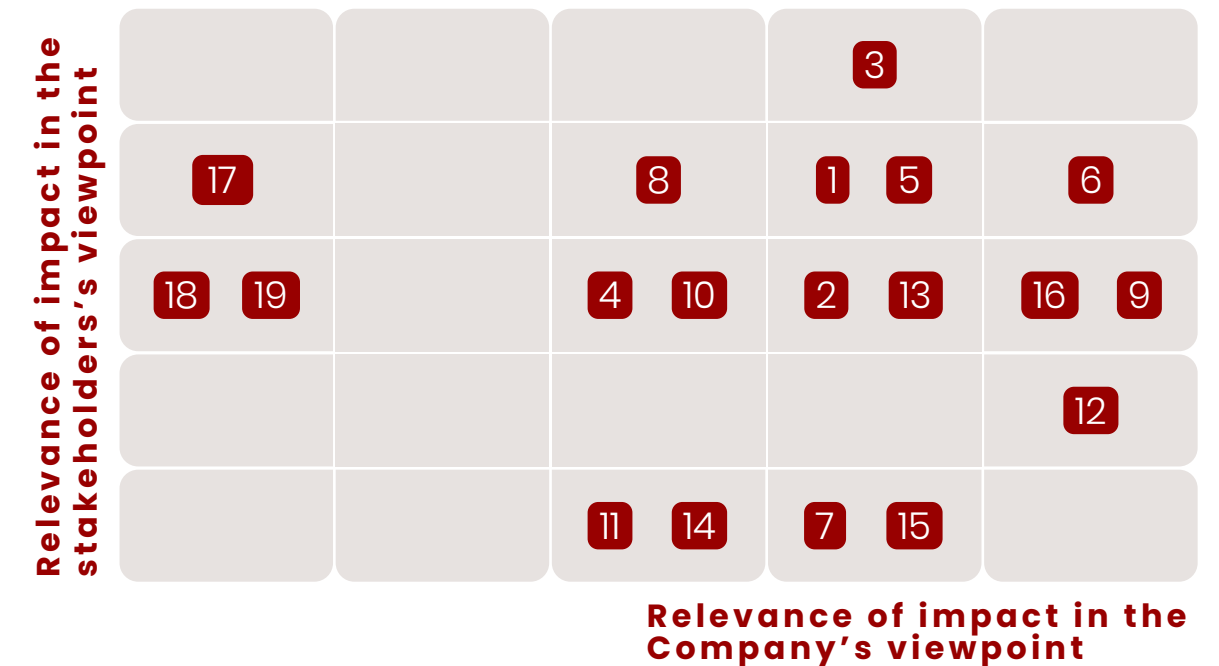
This procedure involved the following stages and was validated by our board of directors and audited by an independent third party. Both of these validations were part of the assurance process for our 2022 annual report and the ISO certification we obtained in 2023.

1. Analysis of impacts, priorities, significance, and ambitions from the company's viewpoint.
2. Prioritization of both internal and external stakeholders using a power-interest grid for each stakeholder group. This process guides our ongoing interactions with these groups and determines the importance of each group's opinion in stakeholder consultations.

3. Development of an online survey for stakeholder consultations, which is based on our 2030 strategy themes and an analysis of pertinent ESG issues in our ecosystem sectors. This analysis is informed by key ESG indices and capital market ratings.
4. Online stakeholder consultation to prioritize our 2030 commitment themes and relevant ESG topics for the sector. We employ a forced distribution method, which proposes a total point allocation among the questions, preventing equal scoring for more than one item.
5. Cross-referencing the results of the stakeholder consultation with the dual materiality methodology. This provides an external view of impact materiality and a comprehensive process for analyzing and prioritizing impact for defining our 2030 commitments. It offers a perspective on the impact materiality (both financial and non-financial) that the company experiences and exerts.

The materiality results are validated by the Board of Directors and undergo [external audit verification](#) as part of the GRI indicator materiality verification process.

The outcome of this process resulted in the following **materiality matrix**:



Learn more about management, impacts, and value generation

1. Well-being, safety, and development of employees.....	pg. 72
2. Diversity and inclusion.....	pg. 88
3. Ethics and transparency	pg. 148
4. Privacy and information security	pg. 39
5. Water consumption in operations and supply chain.....	pg. 103
6. Climate changes and energy in operations and supply	pg. 98
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9. More sustainable materials	pg. 109
10. Products with a cause and philanthropy	pg. 110
11. Animal well-being and veganism.....	pg. 110
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13. Encouraging conscious consumption.....	pg. 143
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16. Responsible and sustainable purchases.....	pg. 135
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ESG goals in executive compensation

GRI 2-19

Since 2021, the compensation structure for our Executive Board has been formally linked to ESG goals aligned with our public commitments for 2030. These goals are closely monitored on a semi-annual basis using result indicators.

Additionally, variable compensation for various roles across different teams is tied to relevant ESG themes and the achievement of our strategic objectives for 2030.

All the specified goals are integrated into the performance dashboard used by managers across different areas of the company. The weight assigned to each goal ranges from 5% to 15%. For the CEO position (as well as other members of the Executive Board), we specifically consider Renner's participation in sustainability indices such as ISE and DJSI, which carry a 5% weight in determining variable compensation.

Furthermore, we incorporate risk management indicators into the goal dashboard for certain executives (including director-level, managerial, and coordinator/specialist roles), who are eligible for short-term bonuses. Examples of these indicators include inventory loss percentage, merchandise breakage, corporate risk index, and successful execution of audit projects aimed at risk mitigation.

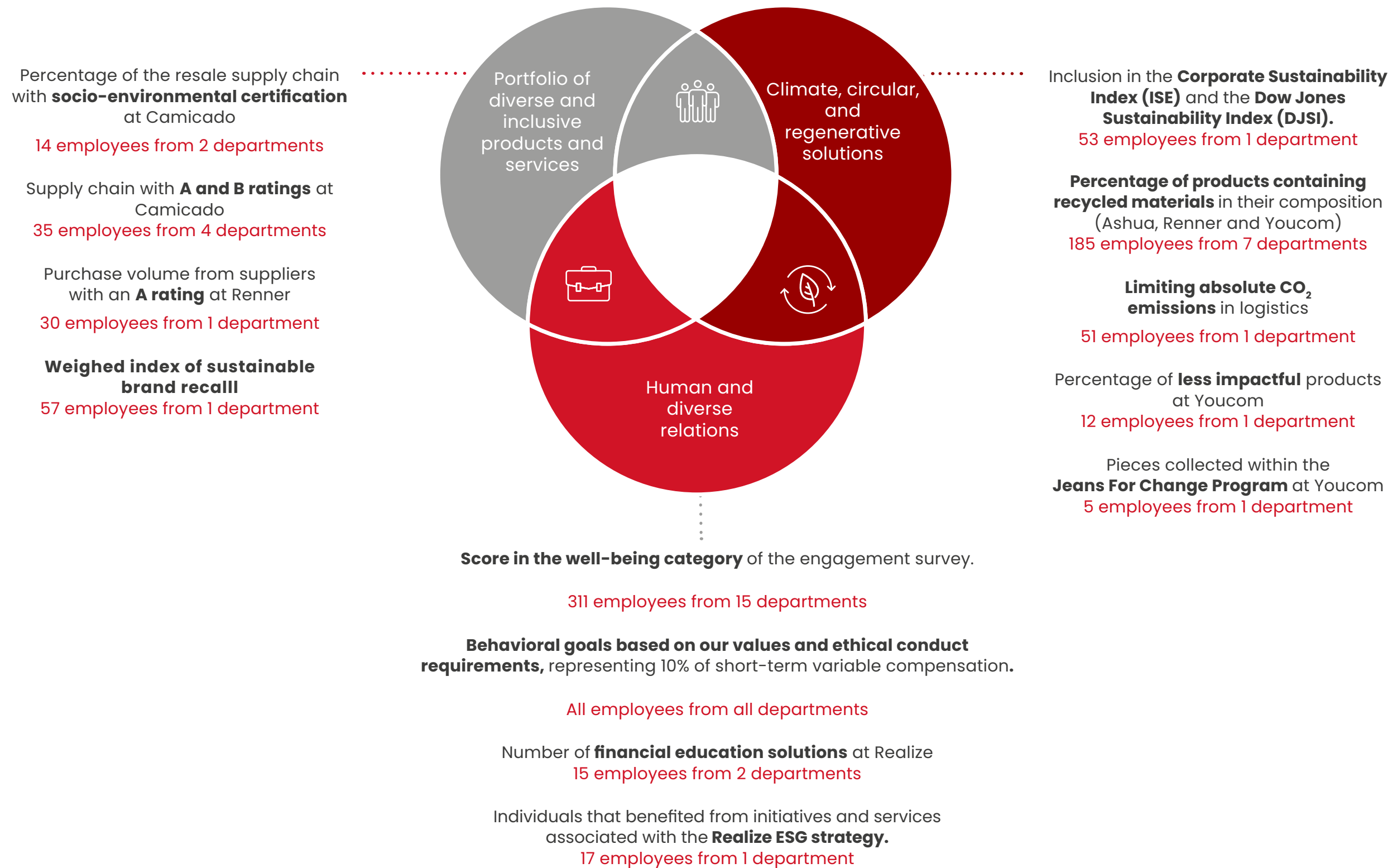
Please refer to the following map for an overview of the primary ESG goals and the specific positions and areas to which they apply.



Headquarters of Lojas Renner S.A., in São Paulo (SP).

We have integrated risk management indicators into the goal dashboard for executive officers, managers, coordinators, and specialists. These indicators directly affect their variable compensation and are tied to both minimizing the impact of identified risks and carrying out audit and mitigation projects.

ESG GOALS IN PERFORMANCE EVALUATION AND VARIABLE COMPENSATION



ESG Recognitions

As a publicly traded company, we undergo continuous evaluation by major stock exchanges and rating agencies. These assessments analyze our commitments, policies, organizational structure, and practices related to socio-environmental and governance management (ESG).

In recent years, we've garnered recognition from key players in the capital market as a benchmark in the global retail sector as one of the companies with the best sustainability practices.

Our unwavering commitment to sustainability over the years has positioned us as the most recognized company by ESG ratings and indices across all segments of the Brazilian retail industry.

We stand among the top-performing global retail companies in ESG assessments and ratings.

ISE B3

10th consecutive year in the Corporate Sustainability Index, with a 2nd place ranking in 2023.

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Listed for the 9th consecutive year, the top-ranked fashion retailer globally and ranked 3rd in general retail in 2023.



Rated as low risk in the ESG Risk Rating assessment, we stand among the top seven companies with the highest ratings in our sector.

REFINITIV

Ranked as the top performer in ESG within the sector according to Refinitiv ESG scores, with an ESG rating of A.



AA rating in 2023, and top-ranked in the sector for Supply Chain Labor Standards.



FTSE4Good

9th consecutive year in the index that tracks companies excelling in corporate social responsibility.



Renner and Youcom ranked 4th and 5th respectively, among the 60 evaluated Brazilian retailers.

IDIVERSA B3

5th place in the inaugural edition of iDiversa, an unprecedented index by B3, which brings together outstanding companies committed to diversity."

ICO2 B3

Listed for the 13th consecutive year on the Efficient Carbon Index, having been part of it since its inception.



TOP 5 in Corporate Governance at the Empresas Mais award by Agência Estado.



For the 13th consecutive year, we provided data to CDP Climate Change, earning an A grade. Furthermore, in our first year participating in CDP Water Security, we received an A- grade, and we were also acknowledged in the Supplier Engagement Leaders category by the same organization.



Sustainable Cotton Ranking

We are listed among the nine global companies with a score of over 99% in the 2023 Cotton Ranking, which assesses cotton certification data for companies in the fashion industry.



Platform Living Wage Financials (PLWF) Classified as 'maturing', we hold a position among the top 20 companies in our industry.

Collaboration

GRI 2-28

Our policies and management tools are influenced by reputable organizations that we endorse or have affiliations with. These organizations actively foster sector growth and corporate sustainability, enriching our knowledge and aligning our practices with the most reliable guidelines and references available.

References

- United Nations Sustainable Development Goals (SDGs)
- United Nations Guiding Principles on Business and Human Rights
- United Nations Universal Declaration of Human Rights and its two binding treaties
- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD)
- Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work

Supported initiatives in which we are members

- United Nations Global Compact
- Brazilian Business Council for Sustainable Development (CEBDS)
- Ethos Institute
- Better Cotton Initiative (BCI), a global effort aimed at promoting sustainable cotton cultivation practices.
- Textile Exchange, a global organization dedicated to the development of low-impact textiles
- *Moda Com Verso* movement, created by the Brazilian Textile Retail association (ABVTEX)
- Green Building Council Brasil, which guides sustainable construction practices
- GHG Protocol
- The UN Business Ambition for 1.5° C
- Signatories of the UN Fashion Industry Charter for Climate Action
- Climate Commitment Management Committee, which convenes companies that aim to endorse socio-environmental initiatives and advance a low-carbon economy by jointly offsetting their greenhouse gas (GHG) emissions

- Social & Labor Convergence (SLCP) of the Sustainable Apparel Coalition (SAC)
- Na Mão Certa program of Childhood Brasil, which fights abuse and sexual exploitation of children and teenagers
- Brazilian Covenant for the Eradication of Slave Labor (Instituto InPacto)
- Principles for Empowering Women, by UN Women
- Woman on Board (WOB)
- Business Coalition for the Elimination of Violence Against Women and Girls
- Movement for Racial Equity (MOVER)
- Institute Brazilian Identities (ID_BR)
- Seal Yes for Racial Equality
- Companies and LGBTI+ Rights Forum
- Companies with Refugees Forum
- Brazilian Association of Publicly held Companies (ABRASCA)
- Brazilian Corporate Governance Institute (IBGC)

We participate in the management of the following initiatives

- Management Committee of the Climate Commitment, which brings together companies wishing to support socio-environmental

projects and promote a low-carbon economy by collectively offsetting their greenhouse gas (GHG) emissions

- Sustainability Committee and People Committee of the Retail Development Institute (IDV) (members)
- Technical Committee on Union Relations and Labor of the Federation of Commerce of Goods and Services of the State of Rio Grande do Sul (Fecomercio - RS) (members)
- At the Brazilian Textile Retail Association (ABVTEX), we actively engage in various Working Groups (WGs) that focus on specific areas. These include the Board of Directors, Management Committee, Legal Committee, Fiscal Committee, Suppliers WG, Quality WG, and Marketplace WG
- Member of the Group of Business Institutes and Foundations (GIFE) through the Lojas Renner Institute

Impact assessment

GRI 2-25

Methodology

In 2023, we initiated our impact measurement and assessment strategy. As part of this effort, we conducted our first materiality analysis, assessing the business and supply chain's impact on external stakeholders. Additionally, we evaluated the key impacts, with the goal of quantifying the social value resulting from our contributions to the 2018-2021 Responsible Fashion commitments, as well as our emission offsetting strategy.

The concept of social value allows for the measurement of the impact on people, nature, and society that results from activities carried out under the 2018-2021 public commitments.

This study was grounded in the finest valuation practices and steered by several methodologies:

- **The Social and Human Capital Protocol** (2019, Capitals Coalition)
- **The Natural Capital Protocol** (2016, Capitals Coalition), and **A Guide to Social Return On Investment** (2012, The SROI Network)
- **GIIN COMPASS**
- **Impact Management Project**
- **Valuing Balancing Alliance**

The study utilized both primary data supplied by the Company and secondary data sourced from global databases, literature, and statistics.



Results

The impacts of the 2018–2021 Responsible Fashion commitments and the emissions offset strategy were measured as follows:

- 75% of corporate energy consumption from low-impact renewable energy sources
- 20% reduction in absolute CO2 emissions compared to the 2017 baseline
- 100% of the national and international resale chain with socio-environmental certification
- 80% of less impactful products, with 100% certified cotton
- 100% of offset emissions generated a net positive impact of R\$ 227 million.

The results obtained also support the advancement of our ESG strategy by allowing us to:

- Prioritize actions and goals
- Use SROI analysis (Social Return on Investment) to better understand the most efficient way to create social value
- Monitor, learn, and promote awareness of ESG impact on the business model

The impact assessment, which encompasses the four 2018–2021 commitments and the offset strategy, yielded a total net positive impact estimated at roughly R\$ 227 million. This impact is divided into 90% Natural Capital and 10% Human Capital.

This data offers valuable insights that enable us to continually fine-tune our sustainability strategy. By prioritizing pertinent actions and objectives derived

from the SROI (Social Return on Investment) analysis, we can discern the most effective methods for generating social and environmental value in our priority areas.

Primary Material Impacts

The two principal material impacts on our identified stakeholders are as follows:

Climate strategy

- Responsible link in the chain – our own operations.
- Assessment coverage – 100% of operations
- Assessed Stakeholder Groups/Areas of Impact – Environment, society, health, and jobs in the value chain.
- Relevance to external stakeholders – In recent years, our climate transition strategy has yielded various positive impacts on the environment and society.
 - Emissions Reduction: We have reduced our business emissions by 35.4% from 2017 to 2021.
 - Since 2021, 100% of our corporate energy has been sourced from renewable and low-impact sources, including solar, wind, biomass, and small hydroelectric plants (SHPs).
 - From 2016 to 2021, we offset 100% of our greenhouse gas emissions by supporting projects that preserve standing forests, combat deforestation, promote reforestation, and conserve biodiversity.

- We have created jobs in sectors and segments related to the low-carbon economy.

Sustainable products and services

- Responsible link in the chain – Products and services and supply chain
- Assessment coverage – 100% of operations.
- Assessed Stakeholder Groups/Areas of Impact – environment, society, customers, resale suppliers, tier 1 and 2 supplier employees, and suppliers of raw material.
- Relevance to External Stakeholders: We have made significant progress in our strategy to provide raw materials and processes with minimal impact. Additionally, we are actively promoting compliance within our resale supplier chain.:
- 100% of Renner’s global resale chain is engaged in social activities and holds socio-environmental certifications, thereby safeguarding human rights and promoting environmental responsibility within the chain.
- As of the end of the strategic cycle in 2021, 81.3% of Renner’s clothing carries the Responsible Re Fashion Seal. Furthermore, 99.15% of the cotton used is certified, which helps reduce the impact on ecosystem services and pollution.

Management of ESG risks

GRI 2-12 | 2-13

Responsibilities

The company identifies its ESG risks through two complementary approaches:

- An institutional process for [risk identification and management](#).
- A scenario analysis, which includes evaluating strengths, weaknesses, opportunities, and threats. This analysis is conducted as part of the development of the 2030 Sustainability Strategy.

The **Board of Directors** plays a crucial role in monitoring, evaluating, and overseeing the management of socio-environmental and climate risks and opportunities. These are identified from the **Sustainability Committee's** quarterly reports, which provide an update on the company's performance and highlight external trends that need to be monitored.

The Sustainability Committee is composed of the People and Sustainability Executive Officer, the President of the Board of Directors, and Thomas Bier Herrmann, who serves as the Chairman of the Committee and is an independent member of the Board of Directors. The Sustainability General Manager acts as the committee secretary, ensuring a close link with operations.

The Board also communicates with **shareholders** about these topics during the annual disclosure of results and at Renner Day.

Monitoring

We maintain a comprehensive work plan that outlines activities to be monitored in the short, medium, and long term. This plan includes a schedule, macro and micro objectives, responsible parties, and progress percentages. The ultimate aim is to ensure the advancement of each commitment and to mitigate any associated risks.

In addition to the Committee, the Board, and the People and Sustainability Department, we recognize, as stated in our Sustainability Policy, that the management of risks and opportunities is a cross-functional responsibility. It is incumbent upon everyone, regardless of their area of expertise or hierarchical level, to manage these risks and opportunities in their daily operations.

Impact on the business model

Socio-environmental and climate-related risks and opportunities are integral to our decision-making processes, directly shaping our business model, strategy, and financial planning.

The primary risk factors we consider in all decision-making processes include:

- Potential violations of human rights
- Legal sanctions for non-compliance in waste management
- Physical and transition climate risks

Since 2016, with the development of our first institutional ESG strategy, we've initiated substantial alterations to our business model, aiming to mitigate risks and seize opportunities. Here are some notable achievements from this process in 2023:

- We attained 80.49% of [products with sustainable attributes](#) for Renner and Ashua, and 75.6% for Youcom
- We launched the [first circular stores in Brazilian retail](#)
- Following the acquisition of the Repassa platform, we began a service to [sell our customers' used clothing](#) (thrift store)
- We secured [100% audit and socio-environmental certification in the global resale supplier chain](#) for both tier 1 and tier 2
- We developed innovative technologies and processes that bolster the transformation of the textile chain, such as the [first denim fabric with infinite recyclability potential](#) and [agroecological cotton cultivation](#)
- Since 2021, we've sustained [100% of our operation with low-impact renewable energy sources](#), leading to a 25% reduction in energy costs

In this report, each chapter delves into the various pillars of our ESG 2030 Plan, detailing the Company's risks and opportunities.

Thanks to substantial advancements, we've emerged as the top-positioned fashion retailer in the capital market's leading indices, ratings, and rankings.

Risk management and ESG opportunities financing

We're committed to meeting rigorous socio-environmental and climate standards in our investments, aligning with our ESG strategy.

A prime example is our new Distribution Center in Cabreúva. Operational since 2022, this project represents our most significant investment in recent years. From planning to execution, we prioritized mitigating socio-environmental and climate risks while creating opportunities. This commitment led to the center becoming the first in Brazil to earn LEED Gold certification, a testament to the highest eco-efficiency standards in construction and operation.

Our ESG and climate risk and opportunity management strategy is funded through our own resources, like the Distribution Center, and through RX Ventures. This venture capital fund incorporates sustainability into its criteria for investing in startups.



Omnichannel distribution center in Cabreúva (SP).

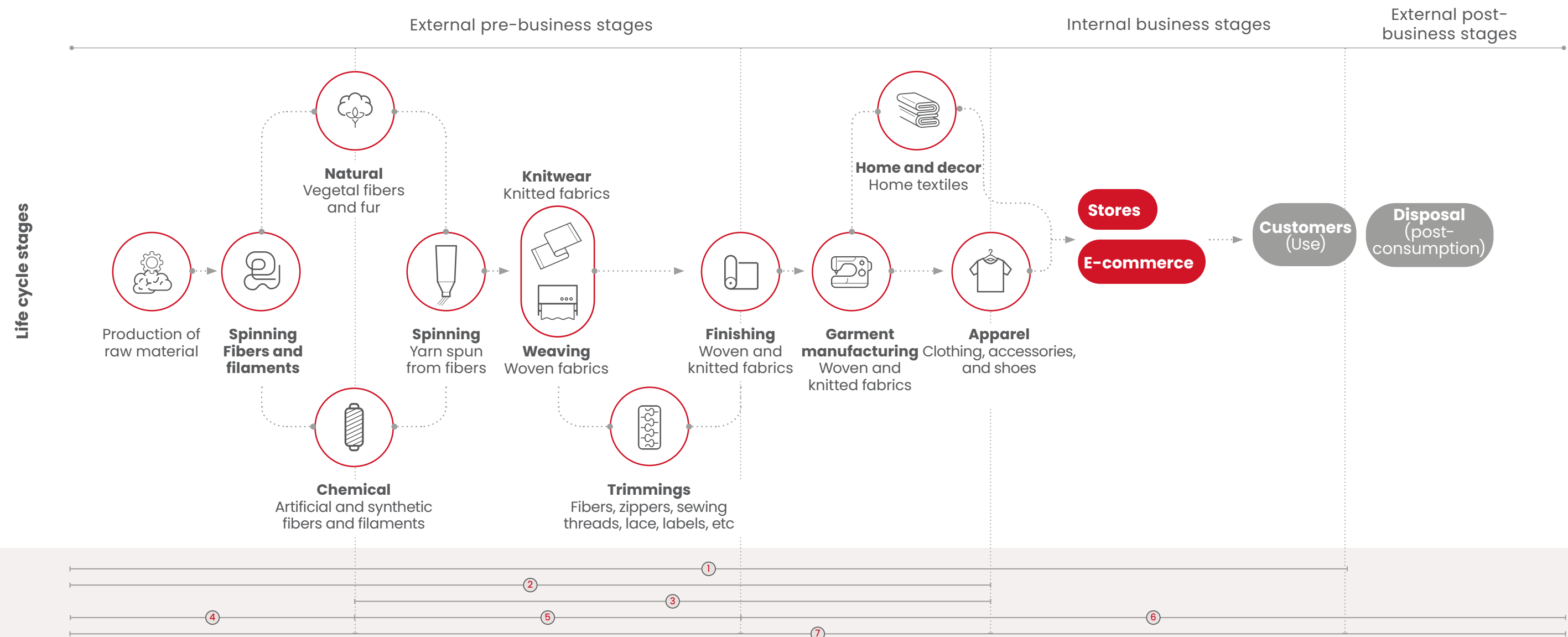
Identified risks

We place significant emphasis on managing ESG risks that we've identified as top priorities. In recent years, our focus has been on enhancing our approach to assessing, mitigating, and addressing human rights and climate change issues. These areas are urgent and globally relevant, and their effective management contributes to the sustainability of our business.

Below, you'll find an overview of the risks we've identified across our value chain. In subsequent sections, we'll delve into our specific actions, policies, and programs for addressing priority human rights and climate risks.

Variable compensation

In our target dashboard, we've incorporated risk management indicators for the executive board, management, coordination, and specialists. These indicators directly influence their variable remuneration and are tied to two critical aspects: minimizing the impact of identified risks and executing audit and mitigation projects.



Industry's Impact Factors by Life cycle Stage

- ① **INTENSE WATER CONSUMPTION:** During the processing of raw materials and throughout the product's life cycle, when being used by consumers.
- ② **DEGRADATION OF WORKING CONDITIONS:** in the fields, during raw material processing, and in garment manufacturing, which can lead to adverse effects on social responsibility. The textile industry, being the third-largest industrial sector globally, employs approximately 60 million workers.
- ③ **INTENSE ENERGY CONSUMPTION:** during raw material processing, retail logistics, and store operations, resulting in the generation of greenhouse gas emissions. Additionally, energy is consumed throughout the product's life cycle, particularly during its use by consumers.
- ④ **USE OF PESTICIDES:** degradation of soil and groundwater, impacting the health and safety of workers. The industry requires 25 million tons of cotton annually, making it the sixth largest crop in terms of land area.
- ⑤ **USE OF CHEMICAL PRODUCTS:** contamination of effluents and the water bodies into which they are discharged.**
- ⑥ **INTENSIVE WASTE GENERATION:** in garment manufacturing, in the construction and renovation processes of stores, and at the end of the product life cycle, when the products are discarded by consumers. In the United States, clothing disposal accounts for 4% of urban solid waste, with an average of 18 kg per person***
- ⑦ **PHYSICAL CLIMATE RISKS:** The effects of climate change affect everything from raw material production to the operations of stores, suppliers, and distribution centers.

* Data from the documentary film The True Cost, directed by Andrew Morgan in 2015. ** Occupational risk was not considered *** Data from the Office of Solid Waste of the United States Environmental Protection Agency.

Human rights

GRI 2-23 | 2-25 | 2-26 | SASB CG-AA-430b.3 | CG-AA-440a.3

We are **committed to upholding and respecting human rights**, and we are actively working to identify, mitigate, and remedy any potential risks of violations within our operations and value chain.

In addition to the [Ethics and Compliance Committee](#), we maintain a **Human Rights governance structure within the Sustainability department** focused on coordinating the necessary actions to mitigate and address identified risks.

On our **Board of Directors**, we have Thomas Hermann, the chairman of the Sustainability Committee, and Osvaldo Schirmer, the Chairman of the People Committee, representing us. In 2023, the Committee met 8 times, with 100% member attendance. Regina Durante, the People and Sustainability Officer, is responsible for managing this issue at the **Executive Board** level.

We conduct due diligence on the risk of human rights violation in our value chain guided by the **Human Rights Policy**, which addresses the issue, in addition to the **Employee Code of Conduct** and the **Partner Code of Conduct**.

Our process, backed by specialized external consultancy, takes into account potential risks at every stage. This includes the raw material production phase, supply chain (encompassing 100% of operations and tier 1 and 2 suppliers), our own operations, and the use of our products and services, thereby covering 100% of our operation.

As a result of this process, we develop a matrix that outlines human rights impact risks by theme and affected rights holder. This matrix also provides recommendations for enhancing risk mitigation and generating opportunities within each theme.

In 2023, we focused on identifying our management's stance on the most significant risks. We sought to understand which risks were already adequately mitigated or remedied and which ones required further action. This led to the creation of management programs with a human rights perspective.

By the end of the year, we had implemented mitigation measures for 73.4% of the total risks identified.

Priority risks

Appropriate management

We have identified the following themes as priority risks for which we already have solid mitigation and remediation actions in place. [Click on each topic](#) to learn more about our commitments, policies, and management strategies:

- Discrimination and harassment
- Working conditions in the supply chain and raw materials
- Harm to employees' mental health
- Forced and child labor in the supply chain
- Damage to the environment across the entire chain
- Environmental degradation and contamination in the agricultural chain

Areas for improvement

For the risks identified as areas of improvement for 2023 and 2024, we assembled a team comprising human rights experts and various department representatives. This team interacts with stakeholders who could potentially be affected, to analyze current management strategies based on documentation and interviews, and to formulate recommendations for improvement.


We have already made significant strides in two of the priority areas. [Click on each one](#) to learn more about our management strategies:

- [Product Safety Concerning Chemical Use in Production Processes](#)
- [Unfair Commercial Practices Resulting in Misinformation, Improper Sales, or Encouragement of Excessive Purchasing](#)

For the other two priority risks identified for improvement, we conducted a thorough study of the impacts and opportunities throughout 2023, with plans to address advancements in 2024:

- Harm to the Physical Integrity of Delivery Drivers
- Precarious Working Conditions for Sellers and Delivery Drivers

Engagement and awareness


We foster  engagement with our employees and suppliers around our Code of Conduct. This includes ongoing training at Renner University and regular communication about Human Rights. These initiatives reach all levels of our workforce and extend to our direct resale supplier chain. They address various topics related to risks identified through due diligence.


Our Human Rights Policy, which outlines the principles of protection and respect to be upheld in our operations and supply chain, was reviewed in 2023.

This policy was updated to address newly identified risks from due diligence, establish formal governance for human rights, and incorporate our outsourced whistleblowing channel. The finalized version of this document will be officially published in 2024.


Remediation

Each violation we encounter is met with a unique response, all of which are designed to uphold Human Rights.

When Human Rights violations occur within our  supplier chain, we enforce our Supplier Compliance Consequences policy. This policy encompasses a range of actions from issuing a warning to immediate exclusion and contract termination. Furthermore, any potential impacts resulting from the violation are addressed according to the guidelines set by a specific committee formed for each case.

For valid reports received through our  whistleblowing channel, each case is thoroughly

investigated, analyzed, and forwarded to a committee as per our internal procedures. This committee then devises a unique Action Plan for each case. These plans can include measures such as training, process modifications, personnel reassignment, and psychological, social, or financial support, depending on the requirements of each case.

To prevent and address instances of  improper commercial conduct, we have implemented a quality process and a post-sale financial services review. This process ensures that sales adhere to the principles of fair commercial conduct and are appropriate. If necessary, actions are taken to rectify potential offer processes, and feedback is provided to the commercial system and sales team targets.

Dialogue

In addition to the whistleblowing channel and various direct contacts in the day-to-day operations with our stakeholders, anyone can get in touch with the team responsible for Human Rights within the company to ask questions or request guidance via email: sustentabilidade@lojasrenner.com.br



Climate risks

SASB CG-AA-440a.3 | TCFD

Through a comprehensive, multidisciplinary risk assessment involving various departments, we've identified the physical and transitional climate risks that our operations face. This process mirrors our approach to managing other corporate risks.




Our study takes into account short-term (3 to 5 years), medium-term (2030), and long-term (2050) horizons. It also considers GHG emission concentration scenarios as per the IPCC SSP1 -2.6 and SSP3-7.0*.

This comprehensive approach ensures our analysis is thorough, enabling us to devise effective strategies for risk valuation, control, and mitigation





In line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, we've chosen scenarios that require organizations to report on two distinct climate change scenarios, including one that keeps warming below 2°C. We model climate risks based on these scenarios for our units' locations, taking into account the unique infrastructure, characteristics, and financial and operational significance of each unit within the Lojas Renner S.A. ecosystem.

We evaluate identified risks for probability and severity, categorizing them into four impact dimensions: image, financial, legal, and reputational. Our climate risk study encompasses all Lojas Renner S.A. operations worldwide, including our global supply chain.

For a deeper dive into our risk management and TCFD compliance, check out our [Climate Risk Study and Adaptation Plan](#) on our website. These resources, developed in accordance with TCFD recommendations, offer detailed insights into our approach.






Key risks and opportunities	Impact	Critical units
Physical risks  HEAT WAVES	Inventory unsuitability Increased intensity and frequency of heatwaves, particularly during winter, may result in our stock or collections being unsuitable for the season's climate conditions.	Stores
Physical risks  WILDFIRES	Product Damage at Distribution Centers Wildfires pose a significant risk to products housed in our Distribution Centers. Such events can lead to substantial damage, rendering the affected products unsellable.	DCs
Physical risks  DROUGHTS	Industry Stigmatization Regarding Water Quality The decline in water quality around our supplier factories and finished material providers could potentially tarnish the industry's reputation. This could result in our company being associated with these suppliers and held accountable for the environmental impact.	Suppliers

Key risks and opportunities		Impact	Critical units
Transition risk	 FOSSIL FUELS	<p>Escalating Fuel Prices The elimination of subsidies and the introduction of taxes on fossil fuels have led to a surge in fuel prices. This increase directly impacts the fueling expenses for private vehicles, transportation trucks, and fossil fuel-dependent equipment, thereby escalating operational costs. In Brazil, in just over five years, the cost of a liter of diesel has seen an increase of approximately 121.73%, while the average price of gasoline has jumped by around 66%, according to the National Agency of Petroleum, Natural Gas, and Biofuels (ANP). During the same period, inflation was recorded at 32.88%.</p>	Uello
Transition risk	 COMPLIANCE IN FINANCING	<p>Financing Activities with Negative Environmental Impact Given the nature of the operations, if client integrity is not thoroughly assessed, Realize could inadvertently finance activities that pose a risk of causing adverse environmental and climatic effects.</p>	Realize
Technological	 LOGISTICS	<p>Adopting Low Carbon Emission and/or Hybrid Vehicles By minimizing direct greenhouse gas emissions, operational costs can be reduced in situations where fossil fuel prices are on the rise, thereby boosting competitiveness relative to competitors.</p>	Uello
Reputational	 CARBON-NEUTRAL SHIPPING	<p>Implementing Carbon-Neutral Shipping Programs To counterbalance the greenhouse gas emissions produced during product delivery, the company could introduce systems where customers contribute a fee to offset the carbon emissions associated with their product's shipment.</p>	Retail/Uello
Market	 BEHAVIOR	<p>Changes in Consumer Behavior Demand for products associated with the circular economy and/or reusable items is on the rise, fueling Repassa's sales.</p>	Retail

Key risks and opportunities		Impact	Critical units
Reputational	 <p>HEAT WAVES</p>	<p>Participation in Water Conscious Consumption Projects Involvement in initiatives that promote conscious water usage in the textile industry. Renner is presently participating in projects like “Fashion for Water”. The decision to join the “I Am Made of Cotton” initiative is also under consideration.</p>	Retail
Market	 <p>RENEWABLE ENERGY</p>	<p>Increased use of Renewable Energy Sources Diminishing indirect greenhouse gas emissions leads to decreased operational expenses in situations with carbon pricing, thereby improving competitiveness. In 2021, Renner S.A. exceeded its public commitment of sourcing 75% of its corporate energy consumption from renewable and low-impact sources—such as solar, wind, biomass, and small hydroelectric plants (SHP)—achieving a remarkable 100%.</p>	Retail
Legal	 <p>IMPACTS ON COMMUNITIES</p>	<p>Legal risk We categorize the legal risk, which stems from insufficient handling of climate effects on communities, as minimal.</p>	Retail
Emerging regulatory	 <p>CARBON PRICING</p>	<p>Carbon pricing According to a 2020 carbon pricing analysis conducted for denim goods, potential regulatory shifts involving emission taxes could affect our production expenses by 0.1% in the near term, 0.21% in the intermediate term, and 0.3% over an extended period. This is deemed to have a low financial impact.</p>	Retail

Transition and adaptation plan

In light of the recognized risks, we've not only devised a strategy to capitalize on the low-carbon trajectory for climate risk mitigation but also formulated a transition plan that incorporates our supply chain, a crucial element in executing this transformation. This plan will be periodically updated in line with best practices and the discovery of new components. For more information, refer to our [Risk Management and TCFD Compliance Report](#), as well as the section on [Climate, Circular, and Regenerative Solutions](#).

 Our Commitments	 Plan for our operations	 Plan for our supply chain	 Positive influence on society	 Governance
<p>Net Zero by 2050, target under analysis, submitted to SBTi (Science Based Targets initiative) in December 2023.</p>	<p>Since 2021, all of our operations have been powered by low-impact renewable energy</p>	<p>100% of tier 1 suppliers with GHG emissions inventories of their operations and use of primary data in our inventory by 2025</p>	<p>The target is in line with the most recent research on the 1.5°C target scenario</p>	<p>We have provided yearly reports on the progress of our initiatives and objectives since 2013, with third-party validation since 2014</p>
<p>To decrease greenhouse gas emissions from scope 1 and 2 by 46.2% by 2030, in alignment with the 1.5°C target scenario, as compared to the levels in 2019.</p>	<p>Store Automation Program Focused on Energy Efficiency</p>	<p>90% of our suppliers using renewable, low-impact energy sources by 2028</p>	<p>To join an advocacy coalition that promotes positive climate actions</p>	<p>The Sustainability Committee oversees the monitoring of this matter</p>
<p>To reduce scope 3 greenhouse gas emissions related to purchased goods and services by 75% per clothing and footwear item (specifically Renner and Youcom) by 2030 in comparison to 2019. This target is aligned with the well below 2°C target scenario.</p>	<p>Gradual Transition to More Efficient Air Conditioning Units and Environmentally Friendly Refrigerants with Lower Global Warming Potential (GWP)"</p>	<p>Boiler and Machinery Energy Efficiency Program</p>	<p>To engage customers in issues associated with climate urgency</p>	<p>Variable executive compensation has been based on ESG performance since 2021</p>
	<p>All our fleet vehicles will run on renewable fuel by 2028</p>	<p>100% of more sustainable raw materials by 2030</p>	<p>-</p>	<p>Commitment to the TCFD principles</p>
	<p>Integrating circularity principles into our products and services</p>	<p>-</p>	<p>-</p>	<p>Progress has been disclosed to investors through CDP (Carbon Disclosure Project) since 2012</p>

Carbon pricing

We conducted a study on carbon pricing to anticipate the effects on product valuation and decision-making during our decarbonization journey.

The project focused on women's softened jeans, a product that holds significant importance, manufactured both in Brazil and abroad.

The findings reveal the following:

- Short Term (until 2025): The price will correspond to R\$ 155.00 per ton of carbon
- Medium Term (until 2030): the price will correspond to R\$ 540.00 per ton of carbon
- Long Term (post-2030): The price is projected to correspond to R\$ 775.00 per ton of carbon
- For jeans produced outside of Brazil, the impact is more pronounced due to the higher electricity costs associated with production
- Considering products manufactured in Brazil, the short-term impact on Renner's profit remains below 1.5%
- Taking into account all products (both Brazilian and international), the estimated short-term impact on profit stands at 2.0%

Another valuable tool in our decarbonization decision-making process was the Marginal Abatement Cost Curve (MACC). We developed this curve while submitting our Net Zero target to SBTi. Essentially, the MACC enables us to calculate the cost of emission reduction for each project. This information helps us prioritize reduction efforts, allocate resources for



research and investment, and determine the most effective offsetting actions.

Risks associated with raw materials

Our products primarily rely on cotton as the main raw material. After studying climate risks in Brazilian cotton-producing regions, we've identified the threat of meteorological drought in the primary production states (MT and BA). This drought poses a direct risk to water availability for raw material production. To address

this challenge, we've actively promoted the [use of recycled raw materials](#) and supported initiatives for [regenerative cotton cultivation](#).

Other key raw materials include Polyester, Viscose, and Polyamide. However, we haven't yet conducted risk analysis studies specifically for these materials.

It is important to note that we do not promote the use of other natural/animal-derived materials in our products that may have an impact, such as natural rubber, feathers, silk, animal wool, or cashmere wool.

As part of our [Responsible Network Program](#), we embarked on the Low Carbon Economy Journey. This initiative engaged our suppliers, equipping them with the necessary tools to tackle this challenge across four key pillars.



Qualification

At Renner University, we disseminate information and knowledge on climate change via courses, workshops, and expert-led lectures. In 2023, we organized Climate Week, an event that equipped our suppliers with insights into climate risks and the process of preparing greenhouse gas emissions inventories.



Data management and transparency

We provide our suppliers with top-tier tools for data reporting and emissions inventory preparation. In 2023, we saw a **significant milestone with 32.5% of our suppliers successfully preparing their emissions inventories.**



Process and practices

We foster connections between suppliers and service providers, encouraging best practices for emissions reduction and advocating for the adoption of more efficient processes that utilize fewer natural resources. In 2023, our focus was on motivating our supply network to transition towards low-impact renewable energy sources.



Raw materials

We encourage the use of sustainable raw materials and champion the principles of the circular economy, encompassing every link in the chain. Over the course of the year, we've made strides in the cultivation of [agroecological cotton](#) and started a [recycling hub](#) to expedite this initiative.





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capitals



sdg



Goals of the 2030 commitment

To build diverse and human connections, ensuring that every individual can realize their full potential.

Goals

Engagement and well-being

To be among the national benchmarks in employee engagement, ensuring a living wage*, and continuously advancing in promoting the well-being of employees

Diversity and inclusion

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

- **50%** of leadership roles held by black individuals
- **55%** of senior leadership positions held by women

To offer a diverse and inclusive portfolio of products and services, considering the potential contribution of each business

Progress

86% of employee engagement in the 2023 survey

77% positive perception in well-being in the engagement survey

30.5% of leadership positions held by black individuals

45% of senior management positions held by women

We assess the favorable effects of leadership and career development initiatives, as well as culture and engagement programs. We do this by analyzing strategic and tactical indicators that are directly related to leadership variable compensation. The growth of this compensation is closely connected to advancements in our strategic people pillars.

100%

of senior leadership positions (from senior manager up) with mapped successors

71.3%

of positions opened held by internal candidates

Awards

• **FIA UOL AMAZING PLACES TO WORK 2023**

• **1ST PLACE IN THE FASHION RETAIL RANKING OF THE 2022/2023 MERCO TALENT TOP AWARD 100**

Dialogue

4 AWARENESS EVENTS ON DIVERSITY AND INCLUSION ATTENDED BY 7 THOUSAND EMPLOYEES.

Development

R\$ 5.4 MILLION INVESTED IN PROJECTS SUPPORTED BY INSTITUTO LOJAS RENNER



Headquarters of Lojas Renner S.A., in Porto Alegre (RS).

Engagement and well-being

Culture and engagement

Our entire value chain thrives on the collective efforts of our team, which comprises over 24 thousand dedicated employees. They play a pivotal role in our day-to-day operations, decision-making, goal attainment, innovation, and unwavering commitment to our core values, as well as for enchanting our customers and stakeholders.

Our Management Model stands as a unique asset, ensuring that everyone aligns with the company's strategic objectives. It fosters a cycle of recognition and career growth, and upholds the identification of technical and competency development needs.

For more than two decades, we've convened strategic alignment meetings, bringing together the Board of Directors, Executive Board, and General Managers. Supported by external consultants, this process occurs semi-annually since 2021.

It all begins with a thorough review of our company's Purpose and Value

Proposition. We analyze our strengths, weaknesses, opportunities, and threats—both internal and external—to shape our Grand Strategic Objectives.

As we look ahead to the next semester, we outline strategies and prioritize key projects. Our corporate and department goals seamlessly integrate with the strategic development cycle and budgeting process.

After aligning our strategic vision, we rely on a robust flow of communication and engagement initiatives to foster cultural alignment, prioritize objectives, and engage all employees.

Various ongoing strategic alignment forums permeate our entire organization, enabling us to promptly address any gaps in understanding, realign our course, and reinforce the pivotal role of employees as Business Owners.

Leadership Convention: For over two decades, this annual leadership and culture development event has brought together leaders—managers, general managers, and directors—to collaborate on content aimed at integrating strategic pillars into executive thinking.

Magia: Our continuous cultural programming unfolds the content from the Leadership Convention, cascading the strategy to all employees in an engaging and gamified manner. It strengthens alignment, reinforces our organizational philosophy, and fosters integration across different levels.

Magia 2023 was a hybrid event, combining in-person and remote participation, with an impressive 95% employee engagement. During this metaverse learning journey, we emphasized reinforcing our Enchantment Culture throughout the entire ecosystem.

Results Meetings: Each month, general and senior managers host these meetings in their respective areas to align understanding of the strategy, celebrate achievements, and tackle challenges. Employees actively contribute to shaping action plans during these sessions.



Headquarters of Camicado, in São Paulo (SP).

Monthly Results Meeting (MRM): The President, Board, and general managers closely monitor strategy implementation, corporate performance, and business results.

Quarterly Results Meeting (QRM): In addition to senior managers, this meeting involves the same audience as RMRs. It delves into progress related to strategic pillars for the semester/year and features guest speakers discussing key strategic topics.

Strategic Committee: Tied to the Board of Directors, this committee convenes at least four times annually. Its purpose is to oversee the execution of strategic plans and projects, review significant investment initiatives, and closely track strategy implementation—directly reflecting the Company’s collective understanding. In 2023, the Committee met five times, with an average attendance of 95% of its members. Any absences were prearranged and duly justified.

Attraction and retention

Employer brand

In 2023, our dedicated Employee Experience department mapped out the journeys of various employee profiles, regardless of whether they did in-person, remote, or hybrid work. This was done to identify opportunities for enhancing our people management practices and improving experiences

Additionally, we breathed new life into our brand that year, by unveiling our conscious seal, "What enchants you enchants us," to the public. This was inspired by our employer brand manifesto.

Being diverse enchants us.

Thinking about the future enchants us.

And what enchants you enchants us.

We introduced new methods for gathering employee feedback, including Pulse surveys, which are conducted in various editions throughout the year. These surveys serve to refresh the holistic perspective provided annually by the Engagement Survey.

Engagement

For over two decades, we've been conducting an annual, voluntary, and anonymous engagement survey for all employees of Lojas Renner S.A.

This engagement survey tracks 18 themes and poses 64 questions on subjects related to career and development, enchantment, collaboration, leadership,

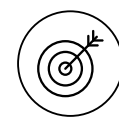
and diversity. It also evaluates aspects of employees' quality of life, such as job satisfaction, purpose, fulfillment, and stress levels.

In 2023, the participation rate for the survey was 89%, and the average engagement score was 86%, placing it in the high-performance category according to our benchmark database.

In the well-being category, we experienced a growth of 5 percentage points, reaching a 77% approval rate.

Job Satisfaction and Motivation:

Through our survey, we strive to gauge our employees' views on the career opportunities we provide and their perception of their ability to undertake new tasks and acquire new skills.



Purpose: Our survey aims to determine how likely an employee is to recommend working at our company and whether the company inspires them in their performance and instills a sense of pride in being part of this ecosystem.



Happiness: We endeavor to measure whether our employees feel acknowledged for their efforts and find fulfillment in their work.



Stress: We aim to understand if, and to what extent, our employees can strike a balance between work and personal life, and manage work-related stress effectively.

The feedback results are systematically presented to the organization's board of directors and leaders via workshops. These workshops equip leaders to devise action plans for their respective areas and departments.

Our commitment to effective people management has been recognized in recent years by various consulting firms and organizations. These entities conduct comprehensive evaluations of hundreds of companies regarding the different pillars of people management.



MERCO Talento TOP 100 2022/2023

- We hold the 30th spot in the overall sector ranking.
- We stand in 1st place in the fashion retail sector.

Leadership and career

Leadership and career development is one of our top priority pillars, aiming to provide all the necessary tools and mechanisms to accelerate the training and growth of our employees.

Our Career Cycle commences with a **competency assessment, conducted annually for leaders and biannually for employees, encompassing our entire team**. From the Specialist position, the assessment results in variable compensation, and for senior managers (comprising 0.7% of total employees), additional compensation is provided in the form of stock options.

Since 2022, we've introduced optional competency assessment cycles every three months, supplementing the mandatory cycles. This allows leaders and employees to continuously align expectations and deliveries, swiftly address and intensify areas for improvement, and tailor these to the current moment.

We advocate for the use of continuous 180° feedback as a potent development tool, to be utilized as needed, irrespective of the competency assessment cycles, and agile conversations. This is facilitated through an online and mobile career development system, enabling everyone to modify their Individual Development Plans (IDPs).

For leadership roles, we conduct a **potential assessment** in addition to the competency assessment, which measures behaviors in line with company values. This assessment gauges the learning agility, ambition, and motivation of professionals.



Headquarters of Lojas Renner S.A., in Porto Alegre (RS).

Post-assessment, we consolidate this data into a 9-box matrix, with performance on one axis and the final score of the **potential assessment** on the other.

This information is automatically plotted by the career system into the **9-box matrix**. The matrices' outcomes are deliberated in calibration committees (People Committee), involving leaders, clients, and

HR, making it a significant career discussion moment for Company talents.

This calibration process enhances visibility for professionals, enabling us to **identify standout talents** within the company and customize the IDPs of leaders based on their position in the matrix.

Calibration and succession

Our Succession Program, initiated in 2007, is designed to groom leaders who can keep up with our company's swift growth.

The journey starts with the recognition of high-performing and high-potential talent among our employees during calibration meetings. Once we've identified our talents, we conduct succession meetings to map out all positions from manager level upwards.

For general manager and executive officer roles, we have a Board Succession Committee, formed in 2009. This committee, consisting of all executive officers, validates the maps that were previously created in collaboration with the current position holders, their leaders, and the People and Sustainability area.

During these meetings, we create a Succession Map that identifies potential successors for each role and their readiness status: immediately ready, ready within a year, or ready within one to three years. We then establish a structured development plan to fast-track the preparedness of our executives.

The development initiatives are planned in consultation with the executive, the manager, and a representative from the People & Sustainability area, and are regularly reviewed.

We also have an organizational objective to cultivate a talent pool within the company that is prepared to assume more complex roles. This goal, along with others, is monitored across all departments.

As part of our career acceleration initiatives, we offer a range of development opportunities through our "Voa



Headquarters of Renner S.A., in Porto Alegre (RS).

Talento" (Talent Soar) Program, tailored specifically for our talent pool. These opportunities include executive coaching, high-performance communication coaching, women's development programs, counseling, mentoring, reverse mentoring, job rotation, assessments, and a variety of courses at the national and international level.

Our aim is to map successors for 100% of our senior leadership roles, from senior manager and above. Succession planning is a key objective at every

managerial level within the company. We're proud to say that since 2020, we've achieved this goal, with succession plans in place for all leadership roles, including supervisory positions.

In 2023, we saw a high rate of internal leadership utilization. Our succession planning proved to be 100% effective, with all identified successors stepping into their new roles. Furthermore, we maintained a talent retention rate of 98%.

Leadership Development

We also foster initiatives to expedite and enhance the development of leadership skills:

“Bora Líder” and #comofaz: These are our initial leadership programs, concentrating on fundamental leadership competencies and processes for managing people.

“Liderança S.A. Renner,” “Escola de Líderes de Camicado,” and “Lidera Youcom”: These programs are designed to enhance strategic skills that are crucial for the future of our business.

“Voa Talento”: This is a comprehensive suite of development actions aimed at fast-tracking the preparedness of professionals for succession planning. It includes executive coaching, mentoring programs, executive education, black leadership formation, women’s leadership academy, counseling, job rotation, and assessment centers.

Trainee Transforma (Transform Trainee) program

Established in 1992, our trainee program is open to both internal and external candidates. Its goal is to nurture and train future leaders who resonate with our business ethos, philosophy, and culture.

The program primarily focuses on preparing supervisors and managers for our stores, as well as planners, buyers, and designers for our product area.

The program’s success is reflected in the company’s highest leadership position. Our current CEO, Fabio Faccio, was a trainee at Renner 25 years ago.

At present, our Transform Trainee program is segmented into three distinct areas:



Our Trainee Supervision and Store Management programs, designed for internal candidates, run for two and four months respectively. These programs select talented individuals already employed within the company to be trained as supervisors and managers.

The advantage of this approach is that these professionals are already familiar with our business, which accelerates the training process compared to external trainees. In 2023, we had 141 trainees in Supervision.



Our External Management Trainee program, which targets external candidates, lasts for 10 months. This program trains individuals to become Store Managers. In 2023, we had a class with 20 graduates.



Our Product Trainee program, open to both internal and external candidates, also runs for 10 months. This program trains individuals to become planners, buyers, and designers. In 2023, we had a class with 8 graduates.

Throughout these programs, trainees are required to develop an applied project, as defined by the department director.

This project involves an operational challenge, requiring trainees to build a Minimum Viable Product (MVP) to solve it, with a focus on themes aligned with their department’s strategy.

Since 2019, our trainee development program has incorporated a sustainability discipline. This includes visits to projects supported by the Lojas Renner Institute and mobilization actions by trainees in partnership with women beneficiaries of these projects. Today, our program has a broad scope, encompassing not only sustainability but also well-being, as we prepare the new business leaders in these fundamental and strategic pillars of the company.

Trainees also undergo a comprehensive evaluation process. This includes biweekly continuous assessments, competency assessments, calibration assessments, potential assessments, and trainee evaluations of the program. The aim is to identify talents and determine the future paths of trainees during the last three months of the program.



Youcom's campaign "Jeans and Basics".

Renner University (RU)

Founded over two decades ago, RU stands as a trailblazer among corporate universities, continually innovating to bolster its learning culture.

The platform serves as a developmental social network, vital for accelerating our cultural transformation and mindset shift amidst the strategic cycle of digital and agile business transformation. RU is broadening its horizons, offering learning opportunities to external audiences through UR Sellers, Creators Labs (social influencers collaborating with the ecosystem), and suppliers.

Built on a modern technological base, RU links content from numerous providers, enabling employees to choose what to watch, like, comment on, and share. This is in addition to internal and external curation solutions, social learning, mentorship, tutoring, study groups, over 300 content tracks, gamified trails, immersive 3D experiences, and AI-powered content recommendations based on an employee's profile and Individual Development Plan (IDP).

Each employee plays an active role in their learning journey and influences others. They can curate content by adding it from other portals to the platform and form groups and networks within RU autonomously. This approach shifts us from merely transmitting information to sharing and collaboratively constructing knowledge.

In 2023, we spotlighted the UR Lojas Renner track, with monthly training focusing on Customer Service, Fashion and Product, Selling More (VM),

Sustainability, and Diversity. This track had an 80% employee participation. Additionally, UR Culture, a forum for monthly lectures on enchantment culture with Fabio Faccio and José Galló, had a 70% employee participation.

RU puts into practice our corporate development plan, ensuring upskilling (development of new or future skills) and reskilling (updating current skills) of abilities tied to strategic drivers and power skills necessary for executing the business strategy and the innovation and digitization cycle of the business.

Operating across all states of Brazil and five other countries, having RU online, multi-device, and with a broad array of multimedia content supports our goal of providing development to everyone, reaching nearly 25 thousand employees when, how, and where each one prefers.

RU offers a development experience that connects to people's daily lives, where they can access a variety of multimedia content on topics of interest, integrating the development process into their routines in a light and engaging way.

With a majority of employees under 30 years old, providing this multimedia content, accessible on any device and in digital language, akin to a social network, engages employees in the development process.

Advancements in innovation and technology

We maintain two significant initiatives to foster innovation and technological growth among our team members.

Launched in 2019, the “**Circuit Program – A Hub for Exceptional Talents**” bridges the gap between us and the global Education and Innovation landscape, with a special focus on Brazil. It guarantees the nurturing and growth of talents within and outside our organization. This is accomplished via an ongoing schedule of collaborative sessions with partners, facilitating the exchange of knowledge on vital skills and competencies for future professions. This collaboration not only enriches the industry but also contributes positively to society.

At the heart of our program lies the spirit of collaboration, which is why we adopt a shared governance approach, uniting professionals from diverse company sectors to make collective decisions.

We have successfully connected over fifty thousand external talents to our projects and initiatives, and have more than 240 active Makers – employees who are instrumental in planning and executing strategies to engage talents within our organization and the market. They serve a crucial role in university-linked projects, acting as mentors and collaborators in problem-solving, and as speakers on strategic business and market topics.

Our program transcends the mere attraction and creation of a talent pipeline; it aims to enhance the skills of external talents and engage in reverse mentoring with our internal talents. This fosters a socially and developmentally impactful ecosystem, opening up numerous innovation opportunities for the business.

Established in 2021, **Encantech** is our community designed to unify all technological sectors within Lojas Renner S.A., expedite our digital transformation, and consequently provide an enhanced omni experience.

Our community brings together individuals working with state-of-the-art technology in the fields of agility, data, digital, and tech. Our mission is to captivate our customers across various channels and service delivery methods through innovative solutions and a data-driven culture.

Encantech enables us to connect and engage with all individuals and sectors involved through meetings, dynamics, guilds, squads, listening sessions, and communications. These not only bolster the omni customer experience but also empower us to express our pride in belonging externally.

To achieve this, we launched the Encantech podcast, accessible to the public. It features discussions and content tailored for our target audience, consistently involving our team members sharing insights about their projects, cases, and solutions.

Educational support

In 2023, we continued with full scholarships through Lojas Renner S.A. for Coursera licenses in technology and data development courses. We also offered a postgraduate degree in 3D Modeling via Senac, with 39 employees graduating.

Furthermore, we established a network of partnerships with universities for undergraduate courses, providing discounts on both enrollment and tuition fees.



Benefits and impact

Benefits

Our programs bridge the gap between the company's strategic drivers and the talent market, ensuring a constant focus on current and future engagement and talent development needs. This supports both business growth and community development.

In addition, these programs spread knowledge, instilling pride in our employees, attracting new talent, and bolstering our brand's reputation within the tech industry and related fields.

Quantitative impact:

The positive impacts of our leadership, career, culture, and engagement programs are quantified using strategic and tactical indicators. These are linked to variable leadership compensation, which is developed in line with progress in strategic people pillars:

Successor Readiness: Since 2020, 100% of positions have successors mapped in the blue or green readiness categories.

Engagement Survey Score: In 2023, we had an 89% participation rate in the survey, and the average engagement score was 86%. This places us in the high-performance range compared to the benchmark database.

Internal Candidate Placement: In 2023, 71% of open positions were filled by internal candidates, an increase of 8 percentage points from 2022.

People analytics

Our People Analytics department is a dedicated team of analysts and data engineers, who are responsible for collecting, creating, analyzing, and monitoring key strategic indicators related to our people, enhancing the employee journey.

By applying principles of market intelligence analysis, we aim to advance in key areas of people management:

Performance Measurement: We analyze and report to the Board of Directors competency assessment results and indicators, 9-box potential matrices, succession maps, and internal utilization.

Workforce Planning: We analyze, plan, and control the sizing of teams and positions, providing monthly reports to the Executive Board.

Identification of Competency Gaps: Using the indicators analyzed in the previous stages, we map potential competencies and critical positions for the organization's future years, aiding in identifying development and recruitment needs.

Recruitment and Selection: We assess the efficiency and productivity of our recruitment and selection processes and employ data analytics in candidate selection through artificial intelligence.

Retention: We conduct thorough analyses of engagement surveys (three times a year), "Best Places to Work" market survey results, and turnover and exit interview indicators to monitor and pinpoint key retention risks.

Organizational Network Analysis: We assess the fluidity and effectiveness of communication, information flow, and decision-making within the company. In 2023, we conducted comprehensive studies on online and in-person work patterns, focusing on work hours, meeting duration and quality, with the aim of achieving well-being results.



Health and safety

GRI 403-1 | 403-9

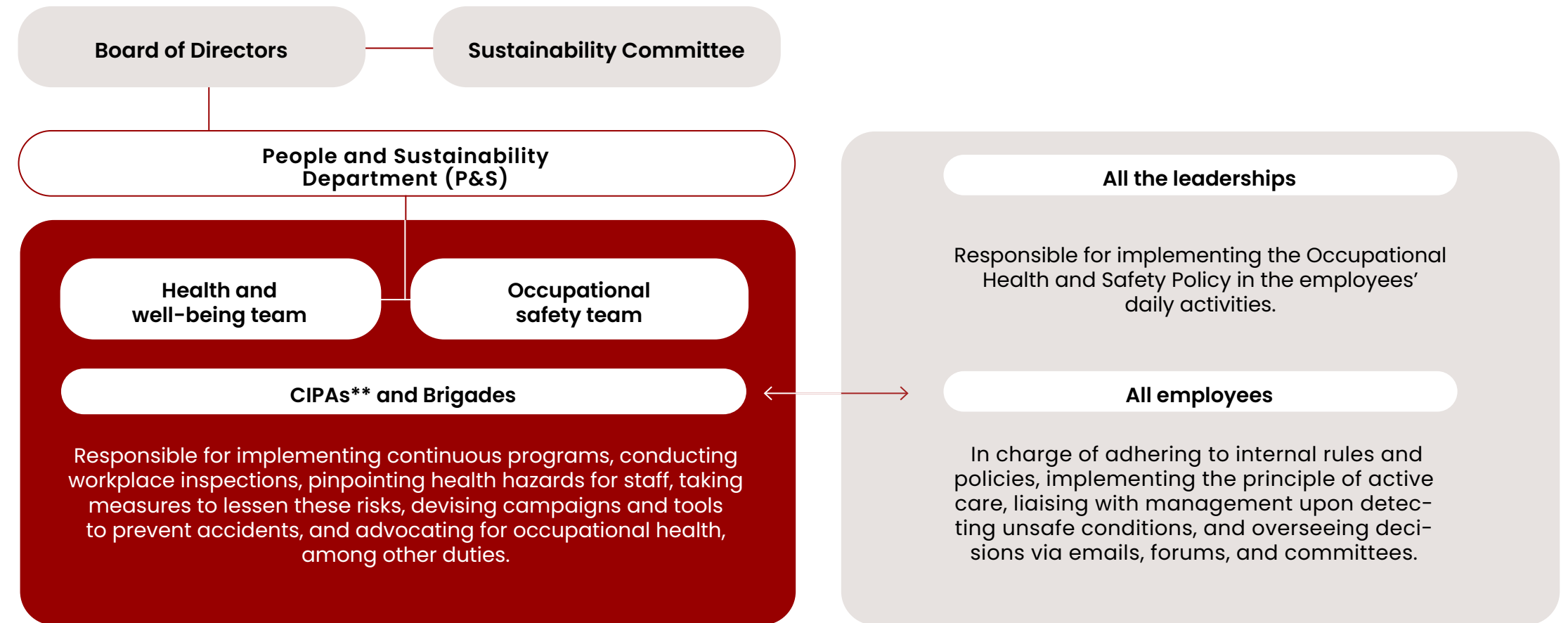
Management

We are committed to safeguarding the health and occupational safety of all our employees and service providers. This commitment aligns with key international benchmarks and best practices, including the International Labour Organization's (ILO) Occupational Health and Safety Convention recommendations and collective agreements inked with trade unions.

Our goal is to ensure that our workplaces are safe and healthy for our employees. We are always vigilant in adhering to laws pertaining to Occupational Health and Safety.

The People and Sustainability department holds regular meetings with the Board of Directors to report on the matter.

Health, Safety, and Well-being Management System



** Internal Commissions for Accident Prevention

Ongoing health and workplace safety management programs

- Risk Management Program (RMP)
- Medical Control and Occupational Health Program (MCOHP)

Indicators, targets and planning

Monitoring the progression of initiatives established throughout the year for strategic planning with designated objectives:

- For specialist teams
- For the P&S department
- For teams that interact with the subject matter, such as Maintenance, Architecture and Engineering, and Shared Services Center

Policies

Our Occupational Health and Safety Policy sets forth guiding principles to safeguard individual integrity and ensure suitable work environments, enchanting employees through proactive care, prevention, and health promotion actions. The policy is guided by four key premises:


- Preventing accidents and occupational diseases.
- Adhering to labor and social security laws
- Complying with current Regulatory Standards, such as NR17, NR7, NR23, NR05, NR01, among others¹, and
- Fostering employee health

We extend our management practices to our supply chain, mandating compliance with our Code of Conduct. Through audits of our resale suppliers, we evaluate adherence to various occupational health and safety standards, as well as the need for action plans to rectify any non-compliances.

Evolution

Our commitment to continuous improvement is underpinned by our Management System, composed of a dedicated team and a structured framework of procedures, manuals, standards, and policies. We also employ training, awareness initiatives, and consistent feedback mechanisms such as engagement surveys, pulse checks, and audits.

We are vigilant in monitoring health, safety, and well-being indicators. Our approach involves setting qualitative and quantitative targets and devising action plans to mitigate risks and foster a safety culture among all our employees.

Corporate qualitative and quantitative targets concerning health, safety, and employee well-being have a direct impact on variable compensation, including that of managers and leaders. These goals are tied to initiatives such as the increased adoption of  [Dr.Be](#) and the execution of engagement activities on the topic.

Informed by these insights, we formulate action plans to drive continuous improvements.

Risks

All our operations, facilities, and processes are subject to regular health and safety hazard and risk assessments. These assessments aid in risk mitigation and foster continuous improvement.

Each year, we update the Risk Management Program (RMP) and the Occupational Health Medical Control Program (OHMCP), creating an inventory of occupational risks from which we develop action plans. These plans are based on the identified risks to which our employees may be exposed.

The RMP facilitates the updating of the OHMCP, allowing for more precise and frequent monitoring of employee health.

As per NR01 and NR05, all employees, including safety committee members, participate in the risk assessment inventory process and contribute to defining safety and health standards at the units.

When a risk is identified, the action plan commences with efforts to eliminate the risk. This is followed by risk mitigation and the implementation of administrative or engineering control measures.

In 2023, we addressed 100% of identified significant risks through operational prevention procedures. If risk elimination or mitigation is not feasible, we inform employees and conduct monitoring through clinical examinations, resulting in the issuance of Occupational Health Certificates (OHC).

We conduct thorough analyses of all incidents and illnesses that could be related to work, and we closely monitor those affected. These measures help us create progressively safer work environments. Notably, in 2023, we saw a substantial decrease in the number of accidents across all operational units compared to 2019.

¹Some specific Regulatory Standards guide the ongoing programs and their action plans.

Reporting and investigation

In every unit, follow-ups are conducted for all instances of workplace accidents, be they on-site or in traffic. The operational team in the distribution centers (DCs) utilizes a specific investigation form. In contrast, other units adopt a support-based approach, employing a digital form and reaching out to the injured party. An accident reporting tool is available for inspection teams, and contact can be made via a designated email.

All employees and contractors can access health and safety assistance through the email sesmt@lojasrenner.com.br, the company's communication platform, or the emails of the individuals responsible for these areas.

Emergency response

Our operations, particularly in the distribution centers and logistics, incorporate emergency response actions as part of the Emergency Response Plans (ERPs).

These ERPs are crafted in accordance with the Technical Instructions of each state's Fire Department. The Fire Brigades of each unit, equipped with prevention and emergency actions, are responsible for executing the Plans.

The ERPs aim to define emergency situations, evacuation procedures, types of alarms, responsibilities of the involved areas, and available resources.

Measures and targets for monitoring risk reduction are derived from the annual strategic planning process, with goals assigned to specialist teams, the G&S Directorate, and maintenance and engineering teams.



Headquarters of Lojas Renner S.A., in Porto Alegre (RS).

Since 2023, we have also implemented a digital panel of statistical indicators for tracking results.

Training

Throughout the year, we provide various training sessions on occupational health and safety topics to employees and suppliers.

Besides mandatory training like fire brigade formation and the course for members of the Internal Accident Prevention Committee (CIPA), we offer two tracks on UR:

one centered on workplace ergonomics and another promoting mental health.

For suppliers, we conduct lectures and supply educational content. In 2023, the themes of the lectures were **accident prevention** and **organization of CIPA**, inspired by the "Abril Verde" (Green April) and "Maio Amarelo" (Yellow May) campaigns.

Additionally, we incorporate topics on the subject into the monthly communication routines of different areas.

Health and well-being

Through our well-being initiatives, we manage health risks, develop action plans for potential issues, and consistently prioritize the well-being of our employees across three key areas: health, occupational safety, and active care.

Below, you'll find the primary health and well-being measures implemented in 2023, benefiting all 100% of our employees.

Prevention and Active Care

Ergonomics

During our annual visits to the units, we perform a Preliminary Ergonomic Analysis (PEA). If further investigation is necessary, we conduct a comprehensive Ergonomic Work Analysis (EWA), following widely recognized methodologies, which include actively listening to employees.

The insights from the EWA guide us in developing improvement projects to enhance ergonomic conditions and comfort across all workstations.

Additionally, when acquiring new furniture, we carefully consider ergonomic characteristics.

Periodic Examinations

Annually, we carry out periodic examinations to ensure active care for our employees. These examinations help diagnose health profiles based on collected data, allowing us to take preventive actions. Importantly, our practice goes beyond legal requirements, which typically mandate biennial examinations.

Wellness Week

Every year, we host Wellness Week to actively engage our employees in health care, occupational safety, and overall well-being.

This initiative not only complies with the Regulatory Norm that mandates an internal accident prevention week but also goes beyond legal requirements by incorporating well-being themes.

In 2023, our Wellness Week took place in a hybrid format. We reached all employees through webinars covering topics relevant to their current needs, such as "self-compassion" and "speaking from the heart." Additionally, we provided in-person experiences, including massages, dance classes, stretching sessions, and aromatherapy, allowing employees to embark on a journey of self-care.

In addition to the wellness week, we maintain a continuous focus on employee well-being. Our ongoing efforts include promoting open communications, implementing best practices, and fostering psychological safety throughout the organization.

#ITAKECAREOFMYSELF

This campaign emerged from the collective brainstorming of colleagues across different departments. Supported by our health, well-being, and internal communication teams, this initiative centers around biweekly online meetings designed to enhance well-being. During these sessions, employees can participate in activities like yoga, dance, art therapy, and stretching practices.

Health Assistance

We've partnered with Dr. Be, a platform that offers telemedicine and telepsychology services, as well as nutritional and sports coaching, all at no cost, driven by a commitment to actively care for our employees, interns, and young apprentices.

In 2023, we witnessed a growth in demand for sessions, jumping from 7,006 sessions in 2022 to 13,665 sessions in 2023. We also highlight that the majority of therapy sessions are sought for self-awareness and anxiety management.

Monitoring and emotional support

Keeping Health in Check

Through this program, we provide care for employees and their dependents covered by our health plan and dealing with chronic illnesses. We have a dedicated nurse whose mission is to guide, provide emotional support, empathize, and raise awareness among employees about prevention, care, and healthy habits.

The nurse maintains regular contact with employees and their dependents through telephone or text messaging. Following ethical guidelines, all the collected information is input into software for thorough analysis and to track each individual's progress over time.

Oncology emotional support

Our program for providing emotional support to employees and their dependents covered by our health plan who have been diagnosed with cancer includes a

dedicated nurse. This nurse provides essential support and empathy during this difficult period.

Similar to the previous topic, the professional maintains ongoing communication via phone or text messaging with both employees and their dependents. Adhering to ethical principles, all collected information is meticulously input into software for thorough analysis and to track the progress of each individual.

Employee Leave Management

Our comprehensive program for managing employees on medical leave includes dedicated support and monitoring services. Additionally, we provide assistance to leaders and the Shared Service Center (CSC) in handling administrative matters related to the Social Security Institute (INSS) for employees on leave.

Psychological health and safety

Em Frente (Moving Forward) Program

Since our inaugural cycle for mapping risks and impacts related to human rights in 2019, we have prioritized enhancing our management practices to ensure **zero tolerance for discrimination and harassment, and Addressing Domestic Violence.**

With this goal in mind, we launched the “Em Frente” program in 2021. This program aims to provide support and guidance to all employees who experience physical, psychological, moral, property, or sexual violence within their family environments. Additionally, the program assists leaders and employees in effectively handling such situations when faced by a member of their teams.

The program comprises a team of specialized psychologists and social workers dedicated to providing mental health support and psychosocial care to victims of domestic violence.

The program’s implementation involved leadership development, employee sensitization, and comprehensive case management with follow-up.

Between 2021 and 2023, the program supported employees in 39 cases. Of these, 33 cases were successfully concluded, while 6 cases remain ongoing.

Balance

Since 2020, we have maintained the Balance program, which centers around the principles of Predictability, Teaming, and Open communication (PTO). Under this initiative, team leaders engage in open conversations with their team members to identify sources of stress and burnout. Subsequently, the leaders propose action plans aiming at improving quality of life and fostering a healthier work/life balance. This contributes to an environment of increased trust and psychological safety.

Leaders individually understand team members across dimensions like communication, recognition, well-being, and work tools, creating a team operating agreement that ensures mutual respect for each individual. This collaborative framework enables the team to function effectively while maintaining a healthy balance.

We were the second fashion retailer to win Mental Health in Companies Annual Report 2023, according to the Philos Org Institute.



Work Schedule

We aim to ensure respect for work schedules in accordance with legislation. Both store and administrative staff work 44 hours per week, with a one-hour break. While administrative staff work from Monday to Friday - 8 hours and 48 minutes per day - , to compensate for not working on Saturdays, store employees work 7 hours and 20 minutes per day, including Saturdays. For both, Sunday is the weekly day off, unless compensated on another day of the week, if necessary.

Additionally, training sessions on Work Schedule are provided to update leaders and their teams on legal limits, along with constant monitoring of occurrences related to the topic and compliance with overtime limits.

Eligible administrative employees can benefit from our flexible working hour policy, provided it is arranged with their manager and respecting the core hours between 10 am and 5 pm. We also maintain a remote or hybrid work policy.

Additionally, we offer benefits aimed at supporting employees' balance and quality of life:

- Childcare Assistance: Aligned with local collective agreements
- Lactation Room: Available at headquarters, allowing two half-hour breaks or leaving work one hour early for new parents with babies up to six months old
- Parental Leave: Complies with Brazilian legislation, offering 17 weeks of leave for primary caregivers (extendable by 14 days) and one week for non-primary caregivers
- Annual Vacation: Employees can take a 30-day period or divide it into two to three shorter periods (20/10, 15/15, or 15/10/5)



Labor rights

We hold a public commitment to labor rights. We adhere to labor legislation, promote free trade union association, and actively combat child labor and practices akin to slavery. This commitment extends across our entire operation and supply chain, guided by our [Code of Conduct](#) and [Code of Conduct for Partners](#), available in both Portuguese and English.

Collective bargaining is a regular practice, occurring annually for each union base. During these negotiations, we address critical matters such as salary adjustments, work hour regulations, and holiday working conditions. Importantly, we maintain open channels of dialogue with labor and employer representatives. Our company leadership collaborates closely with the department responsible for labor and union relations, ensuring ongoing communication and an agenda with the unions.

To uphold labor legislation, we employ rigorous compliance monitoring. This includes internal audits, periodic analyses, and tracking key HR labor indicators. We monitor apprenticeship quotas and support people with disabilities. Additionally, we oversee work hours, provide leadership follow-ups, and continuously train our leaders. Our labor process indicators guide action plans for risk mitigation.

Our employees benefit from comprehensive rights outlined in Collective Agreements across more than 200 bases. We prioritize transparency, ensuring that all leaders and employees receive information through our internal channels. These channels serve as spaces for clarifying labor-related doubts and providing

essential training on labor policies and regulations.

In cases of significant restructuring involving layoffs, such as operation or unit closures, we maintain transparent and respectful dialogue channels. Whether engaging with unions or directly communicating with employees, we prioritize openness. Notably, in 2023, there were no mass layoffs.

Social Security and Severance Fund

Brazilian labor legislation safeguards employees' social protection during retirement. The National Social Security Institute (INSS, in Portuguese) provides a public pension, offering income security for retirees. It also covers permanent disability benefits and support for dependents in case of the insured's death.

Furthermore, Brazilian workers have the right to the Severance Pay Fund (FGTS, in Portuguese). We contribute a percentage of each employee's salary to their FGTS account monthly. Accumulated FGTS funds can be withdrawn by employees in specific situations, including unjustified dismissal, home purchase, serious illness, death, or retirement.

In alignment with Brazilian labor laws, we fulfill our obligations regarding INSS and FGTS, ensuring timely social security contributions and compliance with our responsibilities.





Diversity and inclusion

The Plural program, established in 2020, serves as our compass for diversity and inclusion. During 2023, we actively advanced this initiative on three fronts, ensuring its integration across our entire value chain, as outlined below.



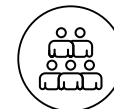
Our team

We've assembled a dedicated team committed to fostering an even more diverse and inclusive environment within our organization. This team ensures that diversity considerations are woven into every aspect of our company processes. We take into account the unique needs, expectations, and demands of different groups, with specific goals to enhance the representation of women and Black individuals in leadership roles.



Fighting discrimination

Discrimination and harassment have no place in our operations or relationships. We maintain a zero-tolerance policy and continually enhance our controls and reporting channels. Our procedures address corrective measures for perpetrators and provide remediation for victims.



Society

Through the Lojas Renner Institute, we actively promote diversity and inclusion across our supply chain, products, and services. For the past 15 years, our private social investment has focused on community development, income generation, training, and support for women's entrepreneurship within the fashion ecosystem.

Our Plural Program focuses on four key pillars of action and initial objectives:



Gender Equity

Taking proactive steps that address gender disparities within corporate environments.



LGBTI+ diversity

Actively engaging with the topic to ensure that all LGBTI+ individuals are respected and have their rights guaranteed.



Inclusion of people with disabilities

Understanding the challenges and barriers faced by people with disabilities in corporate settings.



Racial diversity

Our objective is to create opportunities for Black individuals across all levels within the company.

Education and literacy

We implemented various training, literacy, awareness, and development initiatives to foster a profound understanding of diversity and inclusion across our company, spanning departments and organizational levels.

Throughout the year, we hosted monthly online training sessions accessible to all employees. These sessions covered how to handle situations related to sexual and/or moral harassment, as well as addressing cases of racism and LGBTI+phobia.

Additionally, we convened our teams for four impactful events, bringing together approximately 7,000 employees:

- **Impostor Syndrome:** We explored strategies to overcome this syndrome and cultivate a culture of acceptance and individual recognition.
- **Pride Beyond Speech:** During LGBTQIA+ Pride Month, we engaged in deeper discussions about the challenges faced by the community, celebrated triumphs, and emphasized the ongoing importance of inclusion.
- **Beyond Barriers:** In an inclusive gathering, we hosted a Paralympic athlete to challenge stereotypes and inspire positive change.
- **Afrofuturism:** This event encouraged progressive and inclusive thinking, prompting reflections on future narratives that transcend racial biases and prejudices. Our goal was to contribute to a more egalitarian and diverse society.

Leadership

We conducted specialized training for senior leadership, focusing on racial diversity. This training covered awareness, empathy, equity, and inclusion, while also emphasizing organizational performance improvement, market trends, and the cultivation of a sustainable organizational culture.

Diversity in the Business Model

Throughout the year, we focused on integrating diversity into our daily practices to achieve the goals outlined in our 2030 Plan. Our aim is to offer a diverse and inclusive portfolio of products and services, taking into account the unique contributions of each business unit.

We conducted targeted training for the product innovation team and various product-related departments. The topics covered were:

- **Neurodiversity:** Specifically, we focused on Autism Spectrum Disorder (ASD)
- **Inclusion of people with disabilities**
- **Combating fatphobia**
- **Promoting racial diversity**

Additionally, for our stores, we provided personalized, in-person training. This approach allowed teams to learn practically, strengthen our organizational culture, and receive instant feedback for continuous improvement.

Safety team

Recognizing the critical nature of security professionals' work and the potential for violations, we offer ongoing quarterly training to our store inspectors and third-party service providers. The goal is to uphold a safe and inclusive environment.

In 2023, the training focused on understanding and mitigating unconscious biases, promoting racial diversity and combating racism, inclusion of transgender individuals, and practical actions in daily routines.

These quarterly sessions ensure that our inspectors stay up-to-date with best practices, reinforcing a sense of security among employees and creating a welcoming atmosphere for customers from diverse backgrounds.

Career acceleration

Aligned with our objective of fostering a culture of diversity, equity, and inclusion for marginalized groups, as outlined in the [2030 Plan](#), we have established career acceleration initiatives tailored to our priority audiences.

Black individuals

In our commitment to promoting equitable opportunities, we have implemented a specialized career acceleration program for Black individuals. This program offers mentorship, training, and dedicated resources.

Throughout 2023, it engaged 25 participants, aiming to remove barriers and create a developmental environment that accelerates readiness for leadership roles among black talent.

Women in senior leadership positions

To cultivate a strong pipeline of female leaders, we have introduced targeted career acceleration programs. These initiatives empower women to progress in their careers and assume strategic decision-making roles.

The program encompasses mentorship, networking opportunities, and the development of specific leadership skills. In 2023, it involved 30 participants.



Diversity Census

In 2023, we conducted a new diversity and inclusion census across the company. Our goal was to capture a snapshot of the company's diversity data and, based on this information, implement affirmative actions to support the development and hiring of individuals from marginalized groups.

Here are our key findings:

Gender

65% of employees identify as women.

Women in Leadership Positions

61.7% of leadership positions are held by women. This reflects our strong commitment to promoting gender equity in strategic roles within the company.

Board participation

25% of board seats are held by women. While this represents significant progress, we recognize the need to continue working toward greater female representation.

Racial diversity

50.4% of employees identify as Black, underscoring the considerable racial diversity within our organization.

Black individuals in leadership positions

36.0% of leadership positions are held by Black individuals, indicating significant progress in promoting racial diversity at higher levels of the hierarchy.

Identification with LGBTI+ in leadership positions

19.7% of employees in leadership positions identify with the LGBTI+ community, highlighting the significant presence and contribution of LGBTI+ individuals in strategic positions.

Identification as LGBTI+

22.7% of all employees identify as LGBTI+, demonstrating an inclusive and welcoming culture for diversity of sexual orientations and gender identities.

Identification as Transgender, Transvestite, and Non-binary

A total of 349 employees identify as transgender, transvestite, or non-binary individuals, reinforcing the company's commitment to recognizing and supporting the diversity of gender identities.

These results reflect our commitment to creating a truly inclusive work environment where diversity is not only recognized but also integrated at all levels of the organization.

We will continue to use this data as a basis for enhancing our initiatives and promoting an organizational culture that celebrates the plurality of experiences and identities.



Society

We strive to enhance the social and economic integration of women within our fashion ecosystem by directly supporting social initiatives related to our supply chain, products, and services.

Through the [Lojas Renner Institute](#), which has overseen our private social investments for 15 years, we actively develop and invest in programs that foster productive and social inclusion in our industry. Our goal is to contribute to the socioeconomic empowerment of women and their communities through fashion.

In 2023, we allocated R\$ 5.4 million to 12 supported projects, benefiting over three thousand individuals directly, including two thousand women. Additionally, approximately six thousand indirect beneficiaries were impacted across three key areas, along with emergency assistance during times of public crises.

Promoting Employment and Income Generation

Fashion Entrepreneurship – 2021/2023 Sustainable Fashion Initiative

In 2021, we embarked on our most ambitious project to date at the Lojas Renner Institute. Since then, we've facilitated over 9,000 consultations, investing R\$3.2 million over 24 months. Our goal? To accelerate fashion businesses led by women who create positive social impact and offer environmentally friendly products. We carefully select 20 to 30 entrepreneurs to participate in our acceleration program. They gain the opportunity to showcase their products through digital channels and receive comprehensive guidance on



Young apprentices at the headquarters of Lojas Renner S.A. in Porto Alegre (RS).

accessing major retail platforms, including the Renner and Camicado marketplaces.

Pride in them

Call for proposals to select formal and informal groups, collectives, and social organizations committed to causes related to self-identified LGBTQIAPN+ women. Our initiative offers funding of up to R\$50,000, distributed in two installments, to each of the five selected groups. Our goal is to provide financial support for projects that empower and uplift this vibrant community.

Empowering refugee women

Our project has successfully trained and placed over 300 refugee women in the job market since 2016. Approximately 100 of them have been hired by Lojas Renner S.A. Today, our primary empowerment initiatives for refugee women center around sewing, retail sales, and customer service in the capital city of São Paulo.

Social Retail

Social Retail is a forward-thinking program designed to enhance the efficiency of social institution bazaars. Through training, mentoring, and financial support, we aim to professionalize these bazaars. Our focus is on Civil Society Organizations led by women. By expanding resource mobilization through social bazaars, we not only benefit the organizations themselves but also the communities they serve. In 2023, we invested over R\$200 thousand in five NGOs, indirectly benefiting 4.9 thousand people.

Agroecological Cotton

We strive to promote the cultivation of organic and agroecological cotton, enhancing income and improving living and working conditions in rural areas.

We collaborate with local associations, providing guidance and knowledge transfer to producer families in the semi-arid regions of Minas Gerais, Paraíba, and Ceará. By cultivating this raw material within agroecological consortia, we embrace a more sustainable production model. Moreover, we actively empower women in the field and ensure food security for entire families.

Since its inception, our program has positively impacted approximately 331 families, resulting in the production of 26.3 tons of agroecological cotton, with 15.1 tons generated in 2022. This cotton material seamlessly integrates into the production chain of less impactful pieces available in Renner's special collections, which proudly bear the Responsible Fashion Seal.



Community strengthening

At Lojas Renner S.A., we are committed to enhancing living conditions, safeguarding rights, and promoting well-being in the regions where we operate. Our focus lies on empowering women leaders.

Through our support of social initiatives, we provide financial resources, training activities, technical assistance, and foster networks of action for social entrepreneurs, collectives, associations, and grassroots organizations. We firmly believe that a resilient and engaged community serves as a catalyst for positive transformations that benefit everyone.

Bonja Viva Territory Plan

The Lojas Renner Institute, in collaboration with local social agents from the Bom Jesus community in Porto Alegre, RS, is actively shaping the Bonja Viva Territory Plan. This comprehensive plan aims to systematize and prioritize proposals for neighborhood improvements through participatory workshops involving civil society organizations, collectives, movements, leaders, and local residents.

One of our primary objectives is to promote social inclusion by ensuring that residents have access to quality public services. Additionally, we are committed to environmental preservation and safeguarding local rights. To achieve these goals, we will identify priority action areas, carefully considering the community's demands and needs.

Through a range of collaborative efforts, including monthly meetings, organization visits, participatory workshops, thematic group mentorship, and the training of territory agents, we envision a brighter future for the Bom Jesus community in Porto Alegre, RS.

Social engagement

We fund our projects through a combination of tax incentives and our own funds. These resources are generated through various engagement initiatives involving both our valued customers and dedicated employees:

#TodasAvançamJuntas Movement: During specific periods, a portion of our sales is allocated directly to the Institute.

Solidary Change: At the checkout, customers have the opportunity to donate their spare change.

Solidary Style: We encourage our employees to contribute up to 6% of their income tax due to support our initiatives.

Repassa Contribution: Customers can also donate a portion of the value from their sales of used items through Repassa.

Volunteerism

Our Corporate Volunteer Program promotes volunteer initiatives across São Paulo and Porto Alegre. Our goal is to create positive transformations in the lives of women and their communities through fashion.

Our employees can explore various volunteer opportunities through our platform. They can also initiate and promote their own actions. In 2023, we made a difference by benefiting 55 organizations and over six thousand people. Remarkably, 14.4% of our administrative employees actively volunteered, contributing over 1,200 hours.

Highlighted actions:

- **Career Fair:** Collaborating with Projeto Pescar, Fundação Tênis, and Afaso, we provided young beneficiaries with exposure to diverse career possibilities. They engaged in activities, learned from Lojas Renner S.A. professionals, and explored potential career paths
- **Brilliant Girls:** Focused on empowering teenage girls in vulnerable situations, our Garotas Brilhantes project by ADRA provides emotional support and guidance for the future of young girls, empowering them to achieve their dreams and fullest potential
- **Sustainable Fashion Show:** Our volunteers collaborated with the Fundação Pão dos Pobres to celebrate the creativity and talent of young students at the end of a sustainable fashion course offered by the foundation. The result was a fashion show showcasing the students' work
- **Cotton Mission:** On May 21, 2023, we observed the organic cotton harvest in Crateús and Novas Russas, Ceará. This cotton would be used in Renner products. This project was carried out in partnership

with ESPLAR – Research and Advisory Center – and involved six volunteers from the Lojas Renner Institute, benefiting over 100 people in the region

- Neon Cunha House Collective Effort: A group of Lojas Renner Institute volunteers joined the Casa Neon Cunha to make improvements in the common spaces and productive inclusion of the house. This initiative provides refuge and support for LGBTQIAP+ individuals who often face rejection from family, society, and the State
- Bazaar Renovation: The Casa de Meninos Jesus de Praga (CMJP), a nonprofit institution dedicated to health care and multidisciplinary rehabilitation for people with disabilities, revamped the concept of a bazaar, transforming it into an experience of solidarity, beauty, and inclusion

Emergency volunteering

In cases of emergencies, we step up to provide the necessary support. In September 2023, during the extra tropical cyclone in Rio Grande do Sul, we participated in a solidarity chain, donating over 10 thousand items to address the most urgent needs of the affected municipalities. Our volunteer employees played a crucial role in this mobilization.





06 Climate, circular, and regenerative solutions

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capitals



sdg



Goals of the 2030 commitment

To make progress in building a business that's circular, regenerative, and low-carbon, aiming to empower our customers to make informed choices.



Climate and water

To accelerate the shift towards a low-carbon economy, with the aim of achieving science-based reduction targets (SBTi) and attaining climate neutrality by 2050.

Our goals from 2019 to 2030 include:

- Achieving a **46.2%** reduction in absolute scope 1 and 2 emissions, in line with a 1.5°C target scenario
- Cutting down **75%** of scope 3 emissions from purchased goods and services per item of clothing and footwear for Renner and Youcom, aiming for a target scenario well below 2°C

For 2050, our goal is

- **Net Zero** (scopes 1, 2 and 3) by 2050
- **To reduce water usage** from our operations and strategic suppliers, while also eliminating the disposal of chemicals containing restricted substances in textile and footwear production

Circularity and regeneration

- To integrate **principles of circularity** into our product development, services, and business models
- To invest in the creation of circular and regenerative textile materials, with a goal of **ensuring that 100% of our primary raw materials are sustainable**
- To eliminate **plastic packaging in our physical stores and e-commerce** platforms that cannot be reused or recycled by our customers
- To seek solutions to **minimize waste generation and promote circularity** from our operations and strategic suppliers, taking into account the potential contributions of each business



We, along with CEBDS, were involved in the composition of the Positioning Letter, representing the Brazilian business sector's stance on the pressing need to establish a regulated carbon market in Brazil.

100% of our denim products made without using restricted chemicals

A List in the CDP Climate Change and first reporting to the CDP Water Security, earning **an A- grade**

Through Ecoestilo, we have collected **43** tons of clothes since 2017, all destined for recycling, upcycling, or donation.

92.6% of the packaging in stores, distribution centers, and e-commerce made of paper/ cardboard, mitigating plastic consumption

Today, eight out of ten of Renner's items are already more sustainable.

97.7%

of cotton products sold by Renner and Ashua are made from certified cotton

94.7%

of viscose (wood fiber) products sold by Renner and Ashua are certified as Green Shirt by the NGO Canopy

600,000

clothing items diverted from landfills (488 thousand sold and 112 donated)

Fighting climate change

GRI 305-1 | 305-2 | 305-3 | TCFD

Commitment

Our commitment for 2030 is to accelerate the transition to a low-carbon economy, achieve science-based reduction targets (SBTi), and attain climate neutrality by 2050. We plan to support projects within our supply chain that aim to reduce and eventually offset emissions, in addition to offsetting residual Scope 1 emissions by 2030.

In 2021, we established a target for reducing absolute Scope 1 and 2 emissions and intensity reduction of Scope 3 (Category 1 - Goods and Services) by 2030. This target was approved in February by the Science Based Targets Initiative (SBTi). Our Net Zero 2050 commitment guides us to expedite changes in our business model and supply chain, steering towards a more responsible fashion industry.

The primary challenge in our transition to a low-carbon economy is to reduce emissions per unit over the coming decades while maintaining

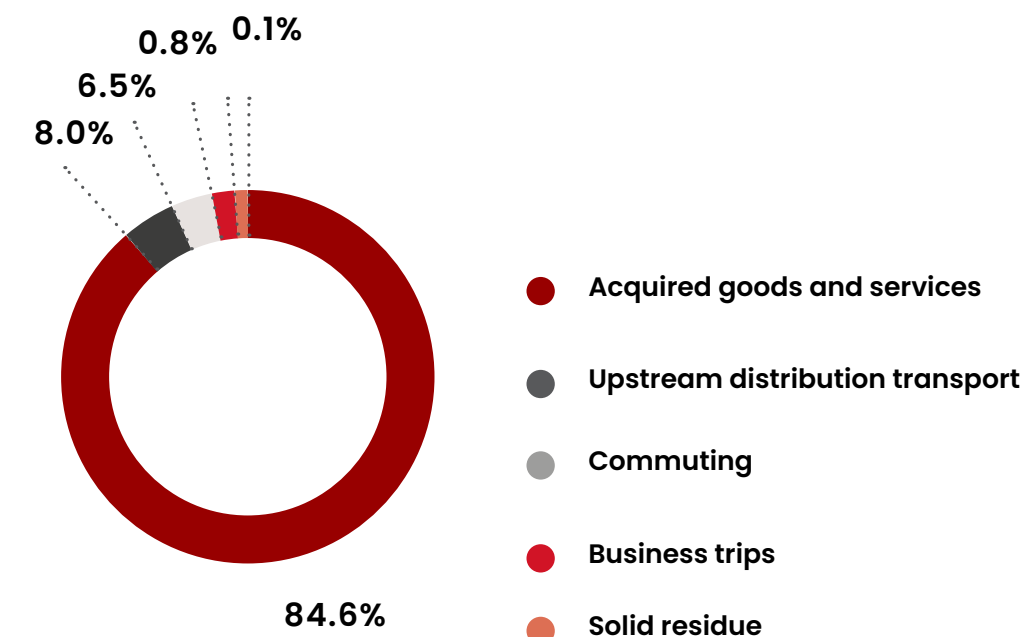
sustainable growth and increasing operational efficiency.

We improved the data reported in the upstream distribution transport category by including e-commerce.

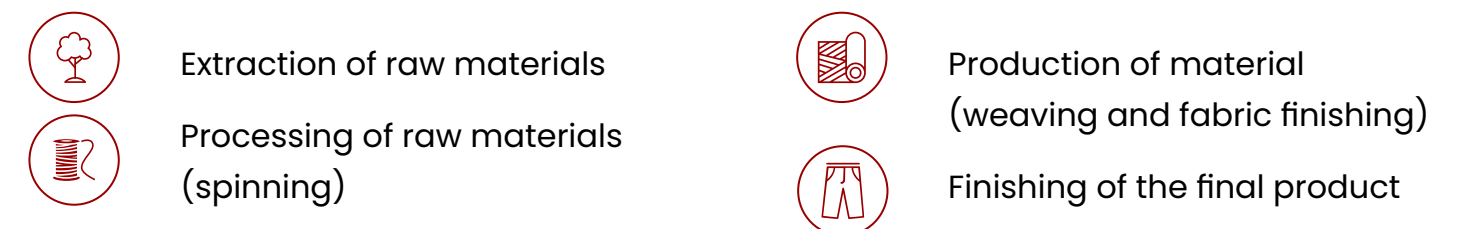
We also added significant categories such as employee commuting and acquired goods and services.

In light of this, our Strategic Emission Reduction Plan is designed to further promote the use of more sustainable raw materials and drive significant advancements, as detailed in the subsequent chapters.

Profile of Scope 3 emissions

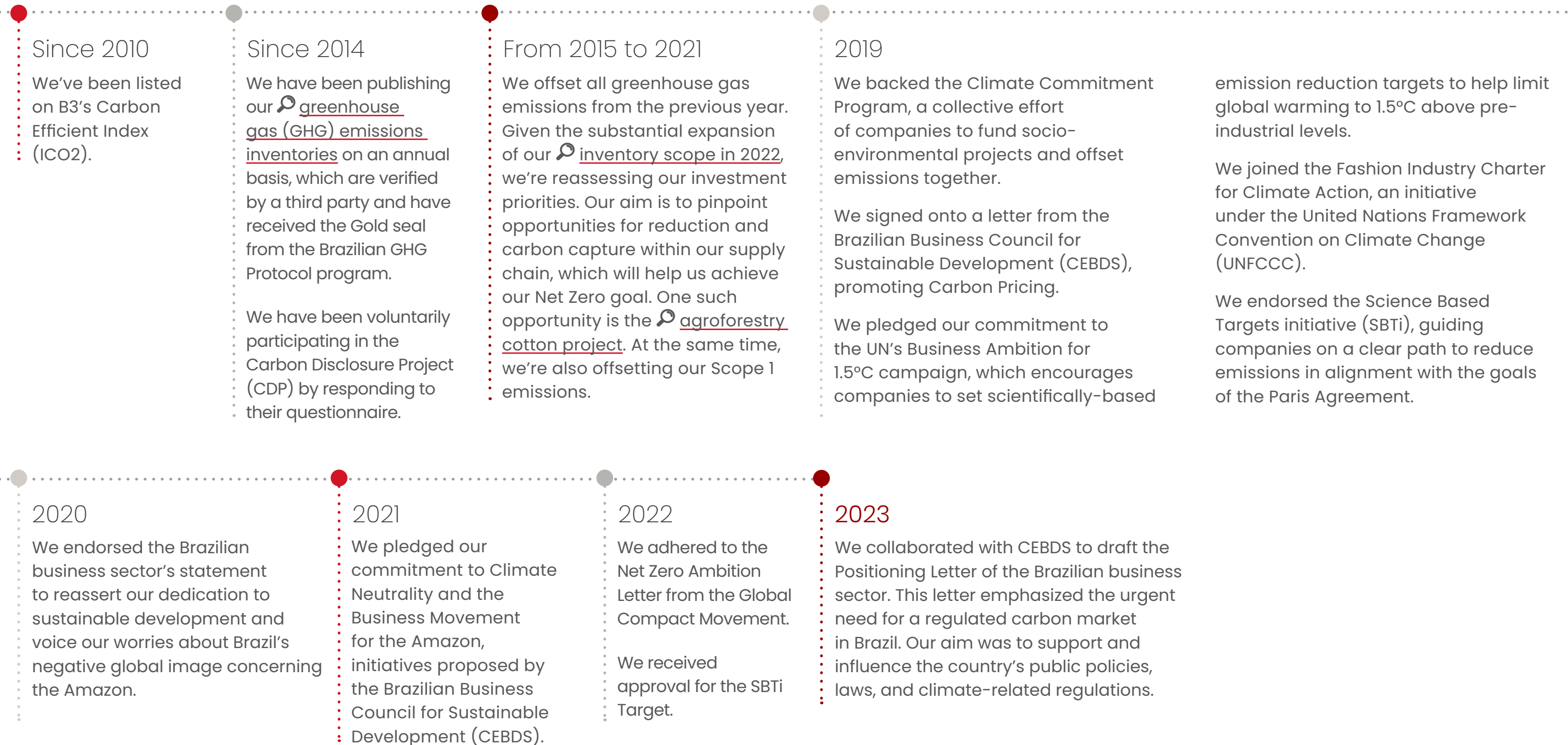


Stages of the acquired goods and services category



History

Our approach to climate change management is grounded in cooperative efforts that serve as benchmarks in the industry, reinforcing our commitments and procedures.



Risk management and adherence to the TCFD

Our climate strategy aligns with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). We are constantly exploring opportunities for enhancement. As part of our commitment, we are rolling out an advancement plan from 2023 to 2025 across all four TCFD areas.

01

Climate governance

Our Board of Directors includes a sustainability committee that regularly reports to the Board. At least once a year, we formally address climate change to discuss mitigation and adaptation strategies. This ensures that our **ESG governance structure** maintains an ongoing focus on information sharing, deliberation, and [strategic alignment](#) regarding this issue.

02

Climate strategy

In 2023, we updated our climate risk study from 2019, examining short-term (3 to 5 years), medium-term (2030), and long-term (2050) projections. This updated study incorporated the SSP1-2.6 and SSP3-7.0 greenhouse gas concentration scenarios from the IPCC, enhancing the scope and depth of our analysis for more effective risk assessment, management, and mitigation. Our choice of scenarios aligns with the TCFD's recommendations, which advise organizations to report on two distinct climate change scenarios, including one that keeps warming below 2°C. This comprehensive study includes all our brands, operations, and supply chain.

03

Risk management

After reviewing our climate risk study, we're revising our matrix of physical and transition risks to encompass our supplier network in Brazil and Asia. Additionally, we're incorporating climate risks into our company's risk management strategy. As a key part of our action plan, we're implementing a system to monitor significant risks, enhancing our ability to track and observe their progression.

04

Goals and metrics

Following the endorsement of our science-based targets in early 2022, we've been meticulously developing comprehensive, multidisciplinary action plans, pinpointing opportunities for reduction via internal carbon pricing. The physical branches of Lojas Renner S.A. are being equipped and trained to recognize incidents associated with the effects of climate change.

Adopted Scenarios:

SSP1-2.6

This scenario continues the current narrative of socio-economic evolution, predicting that greenhouse gas emissions will peak in 2020 and then start to decrease. It anticipates achieving carbon dioxide emissions neutrality between 2070 and 2080, but this comes with the high cost of developing policies and actions to fight climate change.

SSP3-7.0

This scenario projects a global landscape dominated by political nationalism, marked by regional conflicts and nations prioritizing internal issues over external ones, resulting in diminished international cooperation, including on environmental matters. Greenhouse gas emissions are expected to rise steadily throughout the 21st century. The global average temperature is likely to surpass 2°C by 2050, making this the scenario with the most significant challenges for climate mitigation and adaptation.

Refer to our [Report on risk management and adherence to the TCFD for further information on the theme.](#)

Performance

Since 2017, we have employed two methods to calculate Scope 2 emissions:

Location-based Approach: This method maps out energy-consuming units and applies the average emission factors from various electricity generation sources that constitute the National Interconnected System (SIN) as the emission factor. **Purchasing Choice Approach:** This method uses a specific emission factor tied to each electricity generation source that the company has opted to purchase and consume. Our publicly assumed commitment takes into account the data derived from the location-based approach.

To offset our residual emissions, we're implementing two projects:

REDD+ Manoa Project – we support the project that has been part of the Climate Commitment platform of the Ekos Brazil Institute for over five years, generating more than 940,000 carbon credits during this period, resulting in a reduction of over 270,000 tons of CO₂e emissions per year. The project promotes the conservation and restoration of biodiversity and the maintenance of ecosystem services in Cujubim (RO), as well as environmental education.

Lages Project – This project advocates for the recycling of industrial water, thereby diminishing water usage and mitigating methane emissions.

Inventory of GEE* emissions (covering 100% of our operations)

Source of greenhouse gas emissions (tco ₂ e)	2020	2021	2022	2023
Scope 1 emission				
Stationary combustion	152.3	240.6	285.7	379.4
Refrigeration/air conditioning equipment	0.9	3.0	2.8	2.0
Solid waste and liquid effluents	4,760.4	4,810.5	4,992.3	4,094.0
Solid waste and liquid effluents			53.0	104.0
Total Scope 1	4,913.6	5,054.0	5,333.7	4,579.5
Scope 2 emission				
Purchased and consumed electricity (location-based)	10,623.9	23,453.8	8,868.5	8,933.2
Purchased and consumed electricity (purchasing choice)	3,342.7	0.0	0.0	0.0
Total Scope 2 (location-based)	10,623.9	23,453.8	8,868.5	8,933.2
Total Scope 2 (purchasing choice)	3,342.7	0.0	0.0	0.0
Scope 3 emission				
Acquired goods and services	274,566.0	298,432.6	298,365.7	282,556.4
Solid waste	95.1	264.3	342.5	417.1
Business trips	357.7	597.8	1,290.1	2,710.8
Upstream distribution transportation	20,326.9	23,394.4	21,821.3	26,718.6
Commuting		15,835.8	19,246.1	21,785.3
Total Scope 3	295,345.69	338,524.95	341,065.74	334,188.3

* GHGs included in the calculation: CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs.

Key reductions by category

Our main reduction actions linked to scope 1 and 2 goals included implementing preventive corrections to reduce leaks with refrigerant fluids and prioritizing more efficient equipment in stores, distribution centers, and headquarters.

Regarding the scope 3 intensity goal, the main reduction actions are linked to the use of [more sustainable raw materials](#) such as certified cotton, certified viscose, and recycled materials.

Additionally, we continuously promote eco-efficiency gains in the manufacturing stage of garments with our direct suppliers (tier 1) through our [Rede Responsável](#) qualification program.

In 2023, 37% of the suppliers participating in the Responsible Network were supplied with low-impact renewable energy, contributing to emissions reduction per piece produced.

Science-based goal development*	Total emissions***					Variation vs 2019
	2019**	2020	2021	2022	2023	
To decrease absolute Scope 1 and 2 emissions by 46% by 2030, using 2019 as the baseline year (measured in tCO ₂ e)	11.2	8.3	5.1	5.3	4.6	-59.2%
To cut down Scope 3 emissions from purchased goods and services per clothing and footwear item (Renner and Youcom) by 75% by 2030, compared to the 2019 baseline year (measured in kg CO ₂ e per item).	1.47	1.59	1.55	1.57	1.54	+4.7%

* Target approved by SBTi (Science Based Targets Initiative).

** Base year approved for science-based target.

*** GHGs included in the calculation: CO₂, CH₄, N₂O, SF₆, HFCs, and PFCs.





Re-Jeans with reduced water consumption in production.

Water and chemicals

Commitment

As stated in our Sustainability Policy and approved by our Executive Board and Board of Directors, we at Lojas Renner S.A. are dedicated to enhancing the management and ongoing improvement of water and chemical usage across all our operations and suppliers. Our aim is to implement more efficient, less impactful processes and technologies, encourage the mindful use of resources, and establish and track indicators within our operations and supply chain.

Our [2030 Sustainability Strategy](#) also sets the objective of reducing water usage from our operations and key suppliers, and eliminating the discharge of chemicals containing restricted substances in the production of textiles and footwear.

The People & Sustainability Directorate is tasked with overseeing these issues, and reports to the Sustainability Committee, which provides advice to the Board of Directors.

Water Risks:

In 2023, we conducted a study to assess water-related risks and opportunities, mapping our entire value chain. We gathered data on our direct operations and tier 1 and 2 suppliers.

For each [identified risk](#), we assessed the potential impact, likelihood of occurrence, and financial implications for our business.

Water stress

Our study revealed that 75% of our stores, offices, and distribution centers are situated in areas with some level of qualitative or quantitative water stress.

However, since these units only use water for domestic purposes and not intensively, our activities do not significantly impact these areas.

Management

All new stores are constructed with sustainability features, which encompass autonomy and remote monitoring of water usage, along with the best sustainability practices derived from the circular store project.

Over the year, we have systematically implemented a water automation project in our older stores, an ongoing effort aimed at enhancing our control and measurement capabilities to foster efficiency.

For those stores and headquarters that have not yet adopted automation, we are refining our water consumption measurement methodology to achieve greater accuracy.

Our circular stores are equipped with automation, water-saving devices, low-flow faucets, and toilets, complemented by measures for leak prevention and detection.

At our distribution centers, we have initiated a rainwater harvesting project and another for the reuse of treated effluent, which is utilized for toilet flushing. The treated effluent undergoes periodic monitoring to ensure its discharge complies with the stipulations of relevant laws.

In our supply chain, which has the most significant impact on water consumption and effluent discharge, we have instituted the Responsible Network Program. This program manages data, monitors water footprints, sets consumption targets for strategic suppliers, and conducts workshops and training on [water and effluent management](#).



Sustainable Renner store model.

In 2023, we achieved a milestone where 51% of our products (jeans and twill) were classified as low water consumption items by our strategic suppliers. This was accomplished while measuring water consumption through meters, and 38% of our suppliers have already incorporated water recirculation practices into their manufacturing processes, demonstrating a commitment to conscientious water usage.

As for effluents in the supply chain, our management practices are grounded in environmental compliance, which involves monitoring the quality of treated effluents.

** Intensive use of water

Research and development

In 2023, our research and development initiatives, which were focused on reducing water-related risks and impacts, amounted to a total investment of R\$ 95,500.00.

In 2023, we achieved the A List status in the Carbon Disclosure Project (CDP) Climate Change, and for the first time, we responded to the CDP Water Security questionnaire, earning an A- grade.

Chemicals

SASB CG-AA-250a.1 | CG-AA-250a.2

In recent years, we've been striving to develop our entire supply chain to meet our 2023 commitment of removing potentially harmful chemicals from our operations.

2019 and 2020

We incorporate chemical management requirements into compliance audits for all national and international Resale Suppliers and conduct awareness-raising and training initiatives for these suppliers.

2022

2022: We conducted tests to validate the effectiveness of our management efforts, achieving a 93.75% compliance rate among tested jeans suppliers with no restricted substances identified. The remaining 6.25% were not tested, as they only completed one production outside the testing schedule during the year.

We ensured that 100% of our domestic denim pieces were free of restricted substances in fabrics, chemicals, thread, labels, and metal buttons.

We also supported practices throughout the supply chain to advance in designing new products aimed at reducing the chemical impact. Additionally, we initiated an innovation project in collaboration with a supplier to develop a competitively priced nickel-free zipper.

2021

We provided our suppliers with a booklet containing guidelines for compliance with toxic chemical regulations, based on REACH, ABNT*, and AFIRM*** standards. Additionally, we conducted training sessions and visits to support them.

We successfully completed the mapping and inventory of chemicals for 100% of Renner's national Jeans supply chain. Furthermore, we achieved 100% compliance with toxic chemical regulations across all groups in the jeans supply chain.

2023

We conducted a restricted substances testing program throughout the denim supply chain, one of the most commonly used fabrics in our products, both nationally and internationally, achieving 100% compliance with denim free of restricted substances.

We started the implementation of a restricted substances program in the knitwear supply chain, initially focusing on strategic suppliers, with the aim of expanding this program to cover 100% of the chain by 2025.

We became a member of ZDHC (Zero Discharge of Hazardous Chemicals), which will assist in monitoring chemical usage in the international supply chain.

Our testing program resulted in a 93% approval rate, with non-conformities identified in only one supplier. We are currently monitoring and managing this non-conformity and negotiating action plans.

* European Union regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals.

** Brazilian Association of Technical Standards.

*** Apparel & Footwear International Restricted Substance List Management Working Group.

Circularity and regeneration

Biodiversity

Commitment

We are dedicated to upholding biodiversity and preserving the ecosystems where our operations and value chain are situated, in accordance with our Sustainability Policy, which has received endorsement from the Board of Directors and Management.

Our commitment involves various approaches to avoid, reduce, restore, and compensate for impacts on biodiversity.

In 2023, we made history as the first Brazilian fashion retailer to join the Brazilian Business Commitment for Biodiversity. Within this commitment, we assumed three priority goals from the nine proposed, focusing on our operations and supply chain:

- To promote and reinforce best practices that support the responsible use of biodiversity resources
- To facilitate the development and promotion of studies, research projects, technology, and innovation aimed at biodiversity conservation and ecosystem services
- To make the collected information publicly accessible to aid in biodiversity management in the region and provide transparency to society



Risk assessment

Throughout 2023, we initiated a preliminary biodiversity risk analysis, with detailed findings expected in 2024. This assessment is based on the Taskforce on Nature-related Financial Disclosures (TNFD) approach called LEAP (Locate, Analyze, Assess, and Prepare).

Regarding our own operations, only our distribution centers in Cabreúva (SP) and São José (SC) are situated in permanent preservation areas. Our environmental management system ensures compliance with environmental preservation legislation for these sites. Consequently, risks related to raw material production in synthetic and natural fibers, weaving, wet garment

manufacturing processes, final products, and the end of the product life cycle were identified as priorities.

To address and mitigate these risks and minimize business impact, we have a strong commitment to circularity and regeneration. Our efforts focus on eliminating waste and pollution, promoting product and material circulation, and supporting nature regeneration.

Learn about the various action fronts in the following subsections:

- 🔍 [Certified and environmentally friendly raw materials](#)
- 🔍 [Supplier development and engagement](#)
- 🔍 [Encouragement of agroecological cotton cultivation](#)

Zero deforestation

Fighting against deforestation stands as a cornerstone commitment within our [sustainability policy](#), encompassing both our operations and our value chain.

To fulfill this commitment, we've instituted a supplier requirement mandating the certified origin of all wood-based materials used in our products and paper/cardboard packaging. This ensures that no wood from native forests is utilized in the production of these materials.

Moreover, we've established a specific requirement for raw materials with a heightened risk of biodiversity impact, such as cotton and viscose. These materials must possess certification demonstrating adherence to good practices concerning [biodiversity preservation](#).

Forest conservation

We support the REDD+ Manoa Project, which has been part of the Climate Commitment platform of the Ekos Brazil Institute for over five years. It has generated more than 940,000 carbon credits during this period, resulting in a reduction of over 270,000 tons of CO₂e emissions per year.

The project promotes the conservation and restoration of biodiversity and the maintenance of ecosystem services in Cujubim (RO), as well as environmental education.

Cotton

We rely on the Better Cotton certification as the primary certification for our cotton products. This certification ensures that farmers adhere to a biodiversity management plan throughout the production process. The plan is designed to conserve and enhance the ecosystem through the following measures:

- Identification and mapping of biodiversity resources: This involves understanding the various animal, plant, and microbial species present in and around production areas
- Identification and restoration of degraded areas
- Increase in beneficial insect populations
- Protection of riparian areas
- Restriction of pesticide use: phased elimination of highly hazardous pesticides and prohibition of pesticides listed in the Rotterdam Convention

Cellulose fibers

For cellulose fibers, we only use raw materials classified as "Green Shirt" in the Canopy's Hot Button Report. Canopy is a non-governmental organization that promotes the responsible sourcing of forest-based raw materials, such as viscose, with the aim of protecting native forests. Canopy's assessment ranks the best producers according to the following criteria:

- Nature preservation
- Innovation through new fibers
- Adoption of a Robust Forest Sourcing Policy, which includes:
 - Traceability, transparency, and sustainable sourcing
 - No sourcing of products from endangered forests

More sustainable agricultural practices

As part of our journey towards decarbonization, we continued our investment in the **Cotton Forests** project throughout 2023, collaborating with the startup FarFarm. This initiative centers on researching and developing agroforestry practices for cotton cultivation in the Cerrado region of Mato Grosso, Brazil. The project aims to bolster food security, promote soil regeneration, and foster education in agroforestry systems.

The objective is to pioneer a novel approach to producing one of our key raw materials in a regenerative manner, thereby contributing to the future transformation of the fashion industry chain in Brazil.

Over the course of the year, the project engaged 25 researchers, involved over 190 individuals, and provided training to 77 farmers from 19 communities.

We established the inaugural cotton forest unit on an experimental farm at the Federal University of Mato Grosso and devised an ecological management strategy tailored for cotton cultivation within an agroforestry framework. This strategy is poised for future replication by local family farmers.



Planting of agroforestry cotton.

Through meticulous monitoring of the initial unit, we developed and tracked productivity and environmental indicators, including carbon and biodiversity metrics. **The results affirmed the viability of agroforestry-based cotton cultivation.**

Concurrently, we actively engaged, sensitized, and trained numerous family farmers in agroforestry practices, with a

specific focus on regenerative cotton. This outreach involved community visits, in-person events, distribution of informational booklets, and community meetings. These efforts are integral to shaping the forthcoming phases for expanding the cotton forests initiative.

Less impactful raw materials

GRI 301-1 | SASB CG-AA-440a.3 | CG-AA-440a.4

Commitment

We recognize that advancing towards Responsible Fashion necessitates creating a range of products and services with reduced environmental footprints. This commitment is exemplified by the Re Responsible Fashion Seal (Renner) and YC Change (Youcom), which designate products featuring raw materials or processes with lower environmental impacts while enhancing value across the chain.

We are committed to investing in the development of circular and

regenerative textile raw materials by 2030, ensuring that 100% of our primary raw materials are more sustainable.

This includes decreasing our reliance on raw materials derived from fossil fuels and increasing utilization of recycled raw materials, target that is part of the company's goals and influences the variable compensation of leadership.

For further insights into the impacts and risks associated with raw materials, refer to the [climate risks](#) chapter.

Today, 8 out of 10 of Renner's items are already more sustainable.

97.7%

of cotton products sold by Renner and Ashua are made from certified cotton

94.7%

of viscose (wood fiber) products sold by Renner and Ashua are certified as Green Shirt by the NGO Canopy

80.5%

of items sold by Renner are made from less impactful raw materials or processes (over 100 million items)



Renner's collection made from agroecological cotton.

Advancements

In our quest to achieve our objectives, we've focused on empowering and [aligning Resale Suppliers](#). Our efforts are geared towards fostering innovation and sectoral development, with the aim of creating solutions that minimize the impact of raw materials.

We're also committed to engaging our product teams and raising their awareness. These teams have set [goals to create less impactful products](#), which are tied to their variable compensation for the year.

Below are the major special collections with more sustainable attributes. Our website also features a list of [attributes](#) of raw materials and less impactful processes that constitute the attributes of the Re Seal. Furthermore, we offer an [updated list](#) (as of 2023) of tier 1 and 2 suppliers for consultation, allowing for the filtering of suppliers involved in raw material production and processing.

Cotton

We conducted a risk assessment related to our main raw material, cotton, to identify and estimate risks in the locations with the highest production in the country. We identified threats of meteorological drought with an impact on water scarcity in raw material production. As the main mitigation measure, in addition to promoting the use of recycled materials, we have a project for [regenerative cotton cultivation](#).

In 2023, Renner introduced a collection featuring pieces made from Brazilian agroecological cotton. This cotton is cultivated without the use of pesticides and promotes greater soil and water conservation. It's grown by

[women supported by Lojas Renner Institute](#) in Ceará and Paraíba. In 2023, we expanded the use of agroecological cotton with the launch of our 4th collection featuring this raw material. For the first time, the collection included clothes produced in twill and knitwear, and also catered to the male audience.

Recycled denim

Youcom launched capsule collections in pre- and post-consumer denim. These collections are produced from recycling cutting waste generated in manufacturing (pre) and from pieces donated by customers in stores (post). In addition to clothing items, the capsules also feature an eco bag produced in collaboration with the Eu Visto o Bem ("I Wear Good") Movement. This project focuses on the social reintegration of women in prison and those released from the São Paulo prison system.

Aura collection

In 2023, Camicado launched a collection composed of pieces made from 100% recycled glass. This initiative reintegrated nearly four tons of virgin raw material back into the production process, which would have taken years to decompose if discarded in the environment. The pieces, inspired by nature, showcase a minimalist design based on organic shapes and textures. The collection was developed in partnership with Cristaleira Raiar da Aurora, a glassware company that has been working exclusively with recycled materials for almost eight decades.

Animal welfare

Leather is the only animal-derived raw material used in our products. Animal welfare is a concern addressed

in the stages prior to the leather manufacturing process. However, our actions have minimal impact on animal welfare.

Nevertheless, to support this cause, we prioritize the use of leather with Leather Working Group (LWG) certification, which is present in 46.5% of our products. LWG has an animal welfare working group. We also have a traceability working group that provides recommendations on how members can investigate animal welfare conditions in their supply chains.



Camicado's Aura collection.

Product circularity

To enhance the circularity of our products, we depend on multidisciplinary teams tasked with identifying our challenges and formulating the necessary solutions to fulfill our 2030 commitments.

We recognized the importance of creating a product development approach that incorporates circularity principles and climate change objectives from the very beginning. This includes minimizing the use of mixed materials and waste during production, ensuring product longevity, and adopting more eco-friendly materials and processes.

We've made strides in identifying the availability of recycled materials in the market, taking into account factors such as quality, cost, and scalability.

We've held discussions on this subject with both our internal teams and supply chain partners. In addition, we've created new recycled products, like pre-consumer recycled yarn, made from the defibration of production scraps.

Consequently, we've extended our pre-consumer recycled denim initiative to include Youcom and Ashua. In terms

of post-consumer efforts, we've made progress with Youcom's Jeans For Change project, initiated in 2014, a year after Youcom was established. This project involves collecting unwanted denim items from customers and repurposing them into new, environmentally-friendly products.

In 2020, we introduced the country's first post-consumer circular pants at Youcom, using materials gathered from the project. In 2021, we organized and expanded the Jeans for Change project, and in 2022, we set up collection points in all our stores to collect items, encouraging customers to repurpose their unwanted jeans and create lower-impact products using post-consumer recycled materials.

In 2023, the Jeans for Change project collected approximately 10 thousand items for sorting, trimming removal, spinning, and new fabric production for new items.

Circular fashion guide

To facilitate the growing incorporation of circularity principles in our product development, we introduced a **Circular Fashion Guide** in 2023. This guide, intended for our product team, presents essential concepts, tools, references, and practical advice for integrating circularity into product design.

The guide offers choices for lower-impact materials and processes, strategies for waste reduction, upcycling, and the use of existing resources, designs for durability and adaptability, and designs for recyclability.



Waste reduction


Quality

We prioritize quality, aligning our products with top international standards to foster a sustainable model that prolongs product life cycle.

Our quality checks at various stages enable us to spot and rectify any issues, thereby improving the quality of the items we sell. Over the year, we conducted around 137 thousand lab tests, marking a 14% increase from 2022. These tests simulate product use and washing to detect issues like shrinkage and color migration. We also performed 158 store audits, a 32% rise from the previous year.

The return rate of products due to manufacturing defects was 0.052% of total sales, a significant drop, representing a 36% decrease compared to 2022.

More Precise Assortment

Our commitment to Responsible Fashion is supported by  artificial intelligence and data-driven assortment decisions. We aim to produce what the customer truly desires, reducing markdowns and stock ruptures, eliminating the need to overproduce to meet sales targets, and consequently decreasing natural resource consumption and product waste.

Value generation from Repassa in 2023



600 thousand

items of clothing diverted from landfills



1.3 billion

liters of water saved



A reduction of **5.9 thousand metric tons**
of CO₂



112 thousand

items donated to social projects

Product Recovery

In 2023, we initiated a product recovery and refurbishment project at the Cabreúva Distribution Center. This project focuses on items previously discarded due to damage, extending their life cycle and reintroducing them into the market. Throughout the year, we managed to recover 32% of damaged products. At the Santa Catarina Distribution Center, we run a garment recovery program involving laundry and sewing, resulting in the recovery of 104 thousand items through laundry and 129 thousand through sewing.

Life cycle extension

Since 2021, we've been participating in the resale of used clothing and accessories, promoting circular fashion through Repassa. This initiative has expanded our footprint in the fashion and lifestyle ecosystem while offering a service that encourages conscious consumption and extends garment life cycle.

In 2023, we presented an exclusive collection at the 7th edition of Brasil Eco Fashion Week, featuring only gently used clothing sourced through Repassa, curated with a Brazilian identity concept.

Construction and Renovations

Since 2018, we've been integrating circular economy principles into our new store constructions, renovations, and furniture development. This approach has led to significant improvements in material consumption optimization, waste reduction, and the use of highly recyclable materials.

In 2021, Renner made history as the first Brazilian retail brand to open a store focused on eco-efficiency and minimizing environmental impacts. This pioneering circular store, located in Rio de Janeiro, combines circularity with digital transformation to offer customers a unique experience. We've made the best resource choices to minimize environmental impact from the design phase to operation. A Life Cycle Assessment (LCA) study guided our material selection and project decisions, aiming to reduce environmental impacts throughout the store's life cycle. The store follows the BREEAM (Building Research Establishment Environmental Assessment Methodology) guidelines and has earned LEED (Leadership in Energy and Environmental Design) Certification.

In 2022, we opened three more circular stores - one in São Paulo and two in Rio de Janeiro.

By 2023, we had a total of eight circular stores.

You can find more details about the circular store on page 71 of our [2021 Annual Report](#).

Less Impactful Constructions

We have been following a new store construction model since 2014, which features a simplified structure and reduced material and electricity consumption, based on LEED certification guidelines.

In 2021, we further developed and expanded these concepts through the BREEAM certification, which was applied to Brazil's first circular store. Our project and execution strategies, based on these guidelines, have resulted in significant reductions.

Our first Circular store received a LEED certification for its renovation, adding to our knowledge of sustainable certifications for shopping malls, new constructions, street stores, and renovations. Our store at Shopping Jacarepaguá earned a BREEAM certification for circularity.



Waste

GRI 306-4 | 306-5

Our operations

The solid waste management at Lojas Renner S.A. is guided by our Solid Waste Management Plan (PGRS) and focuses on minimizing waste production. We ensure the correct segregation, handling, packaging, and final disposal of waste to prevent contamination and facilitate its reintegration into the production cycle through recycling. This approach is in full compliance with the National Solid Waste Policy.

We conduct internal audits of waste management to ensure compliance and continuously strive to find solutions to diminish waste production and enhance the circularity of waste from our main operations and strategic suppliers. Our strategies include striving to make our Distribution Centers as close to zero landfill as possible and placing an increasing emphasis on waste reduction, reuse, and recycling by 2030. To achieve this, we are investing in a new waste disposal process, with the support of a specialized company, to divert waste from landfills.

We exceeded our recycling target of 92%, achieving 94.2%, and set the goal of progressively working towards zero landfill in the Distribution Centers.

Packaging

We remain committed to our 2030 goal, which is to eliminate plastic packaging from physical stores and e-commerce that cannot be reused or recycled by our



Omnichannel Distribution Center in Cabreúva (SP).

customers. We also aim to find solutions to reduce waste production and enhance the circularity of waste from our main operations and strategic suppliers.

To realize this, working groups from all business areas have formed the Responsible Packaging Project. This project aims to map and develop proposals for packaging with a lower environmental impact. Over the past few years, we have made strides in areas that prepare us for accelerating the fulfillment of this commitment by 2030:

- We have formalized sustainability recommendations, starting with the principle of

waste prevention. We have analyzed market options and thoroughly assessed material consumption in packaging to reduce it to the most efficient model

- We have initiated a pilot project aimed at reducing and eliminating single-use plastic. This project focuses on consumer packaging and proposes more sustainable packaging for e-commerce. The materials used include 100% FSC-certified paper (Forest Stewardship Council), biodegradable polymer, post-consumer recycled plastic from our own operation, and post-consumer recycled plastic from selective collection

* Forest Stewardship Council, a standard that ensures responsible forest management.

- We have mapped new packaging suppliers that meet sustainability requirements, adhere to the principle of waste prevention, and meet criteria for being biodegradable, recycled, or recyclable
- We have launched a pilot project to replace plastic protective packaging (bubble wrap and air cushions) with cardboard
- Another pilot project has been initiated for the reuse of shoulder pads and hangers' packaging and cardboard boxes from suppliers for product distribution from Distribution Centers to stores, thereby reducing waste generations
- The Camicado project reuses supplier boxes for both product distribution to our stores and for the final e-commerce

As a result of these initiatives, we have made progress in replacing plastic and certifying used paper/cardboard.

- Of the total packaging used in our stores, Distribution Centers, and e-commerce, 92.6% are made of paper/cardboard and 7.4% are plastic
- Paper/cardboard packaging, both in the Distribution Centers and in the stores, are 93% FSC-certified
- Among plastic packaging, 77% are recyclable
- 20.8% of Renner stores use bags made exclusively of FSC-certified paper and zero plastic for delivering products to customers
- We have a reverse logistics project to reuse store cardboard boxes for Distribution Centers in internal operations, ensuring the reuse of 1.6 million cardboard boxes per year



EcoEstilo and Repassa collectors at a Renner store.

Reverse logistics

At Renner, we provide our customers with a reverse logistics service - EcoEstilo - for both perfumes and clothing. Since 2011, customers have been able to dispose of their perfume and beauty packaging in EcoEstilo collectors located in our stores, regardless of whether the items were purchased at Renner. This collected waste is then disposed of in an environmentally friendly manner, preventing environmental pollution.

In 2023 alone, we collected over 55.9 tons of waste, bringing the total to 296 tons since the inception of the program, all of which has been disposed of in an environmentally responsible way.

Furthermore, since 2017, customers have also been able to dispose of their clothing in EcoEstilo collectors, irrespective of whether they were purchased at Renner. In 2023, we collected 20.4 tons of clothing, making a total of approximately 43 tons since 2017. These clothes were then either recycled through defibration, reused through upcycling, or donated.



07 Connections that amplify

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Fair compensation	133
Best procurement practices	135

capitals



sdg



Goals of the 2030 commitment

To amplify the impact of our connections by collaborating with our suppliers and partners to tackle industry challenges.

Goals

Value chain

- To certify 100% of the supply chain according to socio-environmental standards, and to focus our sourcing efforts on suppliers who demonstrate high standards of management and performance.
- Encourage strategic suppliers to adopt a living wage*
- Ensure **100% traceability of all cotton products and make progress in tracking other textile raw materials**
- To monitor and promote the socio-environmental inclusion and development of sellers

Overview

This is the first comprehensive mapping of supplier criticality for Lojas Renner S.A., involving all our partners across all business areas. The result is a criticality matrix that allows us to systematically identify key suppliers.

100% of garment suppliers and 99% of home and decor suppliers certified according to socio-environmental criteria

46.6% of our purchasing volume comes from resale suppliers who have an **'A' rating** in our ESG performance matrix.

The majority of resale suppliers are located in Brazil, enhancing qualification initiatives.

60%

of expenses with fashion suppliers concentrated in Brazil

38.2%

of fashion resale suppliers (tier 1 and 2) are in the alpha, beta, and A categories of our matrix, with high compliance and socio-environmental performance

Qualification

RESALE SUPPLIERS REPRESENTING 75% OF THE NATIONAL PURCHASING VOLUME ARE WITHIN THE RESPONSIBLE NETWORK PROGRAM FOR ESG QUALIFICATION.

37% OF PARTICIPANTS IN THE RESPONSIBLE NETWORK PROGRAM RECEIVE THEIR SUPPLY FROM LOW-IMPACT RENEWABLE ENERGY SOURCES.

ALL DIRECT FASHION SUPPLIERS (TIER 1) AND THEIR CONTRACTORS (TIER 2) COMPLY WITH EFFLUENT REGULATIONS.

ALL SUPPLIERS IN THE DENIM CHAIN ARE CERTIFIED TO REPORT WATER CONSUMPTION DATA FOR EACH GARMENT.

IN 2023, 53% OF OUR DENIM PRODUCTS ARE CATEGORIZED AS HAVING LOW WATER CONSUMPTION DURING THE MANUFACTURING AND FINISHING STAGES.

Compliance in the chain

SASB CG-AA-430b.1 | CG-AA-430b.2 | CG-AA-430b.3 | CG-AA-000.A

To maintain an efficient, strategic, and well-aligned supplier network, we employ a specialized segmentation approach based on the production chain. This strategy aids us in identifying business opportunities and requirements that support the growth of Lojas Renner S.A.

Our supplier management is comprehensive, with dedicated technical teams offering support and supervision to our supply chain. This chain is divided into three groups: Administrative Supplier Management, which produces products sold and provides services across all companies within our ecosystem; Resale Supply Network Management; and Resale Compliance Management, both of which manufacture products sold across all companies within our ecosystem.

Before entering into contracts, all suppliers serving Lojas Renner S.A. are subject to a qualification process. This process assesses their mechanisms for promoting integrity and the compliance of their documentation, ensuring consistency and adherence to our standards.

For administrative suppliers, our code of conduct is referenced within the contractual agreement. Resale suppliers, on the other hand, are required to sign our code of conduct, which is available in both Portuguese and English to cater to suppliers worldwide. These suppliers also undergo training at [Renner University for suppliers](#).

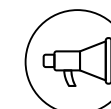
Supplier screening

In 2023, we undertook a comprehensive supplier screening process to assess supplier criticality. This process involved all partners of Lojas Renner S.A., including administrative, reselling, and sellers, spanning all our business sectors. These partners were categorized, resulting in a criticality matrix that systematically identified significant suppliers, considering country-specific risk, sector-specific risk and commodity-specific risk.

This marks the first instance of a unified and integrated approach to supplier management. It encompasses a broad set of partners from across the company, extending beyond resale suppliers, and enables us to foster a culture of sustainability among all our partners.

The matrix identified critical suppliers from all segments with a high potential impact and a substantial level of shared responsibility, considering Environmental, Social, Governance and Business Relevance aspects.

In total, there were 76 administrative suppliers and 653 resale suppliers considered critical, totaling 729 critical tier 1 and 833 tier 2 suppliers, with which we had a total expenditure of R\$4.97 billion in the year, equivalent to 63.7% of expenditure with suppliers in the year, and 18 sectors were deemed low risk, eight were considered medium-risk, 21 were classified as high-risk, and nine were identified as very high-risk sectors:



High risk

Suppliers responsible for brand representation (e.g., card, textiles for bags, uniforms, and t-shirts), resale suppliers dealing with third-party brands, suppliers of wooden household utensils, last-mile delivery personnel, sellers of various items including household textiles, footwear and accessories, wooden household utensils, cosmetics and personal hygiene products, resale suppliers of our own-brand electronics and household utensils, along with conservation and access suppliers, customs clearance suppliers, event suppliers, temporary labor suppliers, food service suppliers, employee transportation suppliers, and information technology suppliers.



Very high risk


Resale of our own-brand items, including footwear and accessories, household textiles and clothing, wooden household utensils, cosmetics and personal hygiene products, logistics operations, construction and renovation projects, security and surveillance services.

5,535
suppliers in 2023

R\$ 7.8
billion spent


Administrative suppliers

 **4,734**
suppliers


 **R\$ 3.3**
billion


 in Brazil
96% of expenses

Resale suppliers

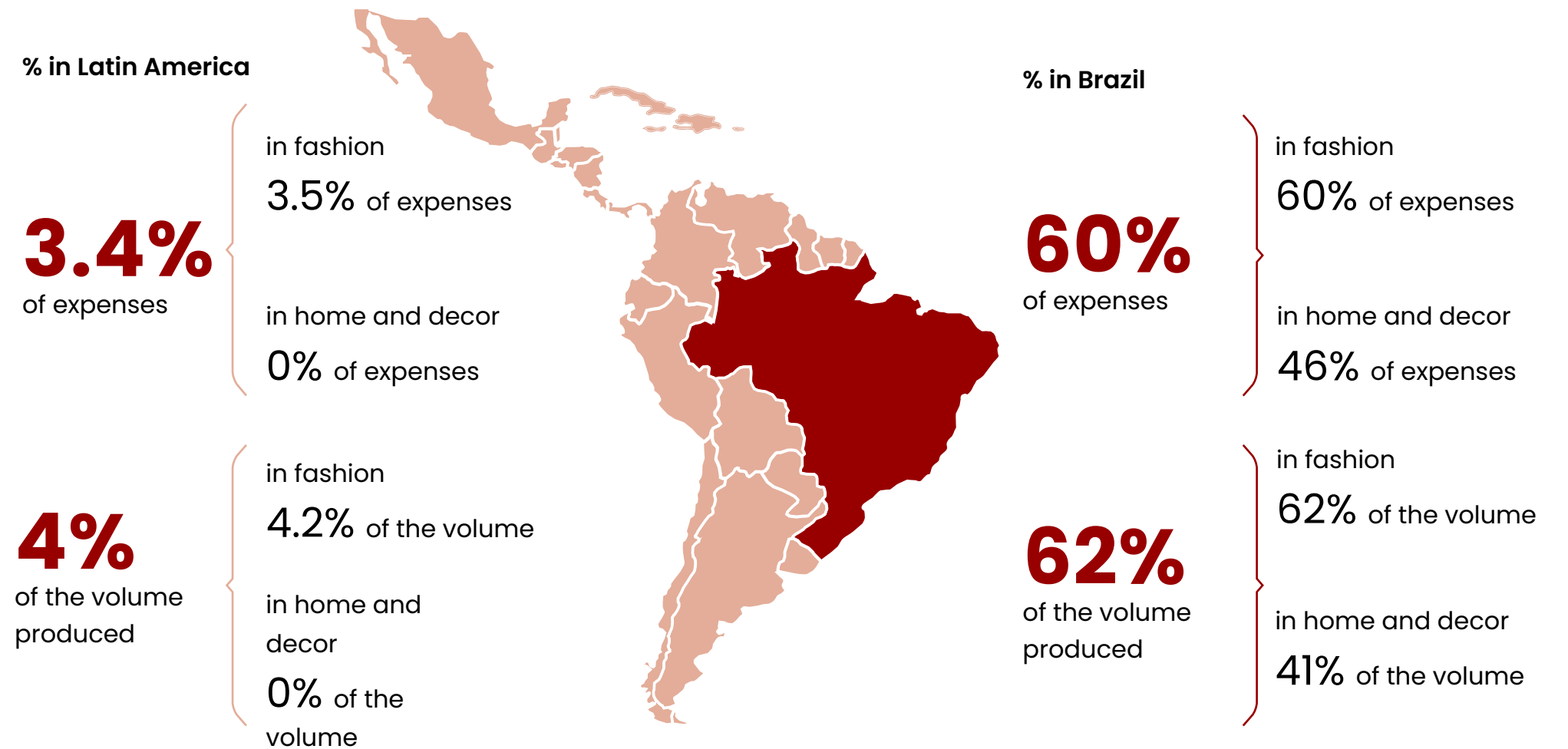
 **653**
suppliers operating in 2023

801
active suppliers in 2023

 **833**
subcontractors

 **R\$ 4.5**
billion

Distribution of the resale supply chain



Our Resale Supplier chain's focus in Brazil strengthens our qualification and development efforts, deepens our relationship with our suppliers, fosters their business growth, and ultimately, creates value for their employees.

Explore our [Resale Suppliers List](#), refreshed twice a year (most recent update in July 2023). It includes comprehensive details about all of our tier 1 and 2 suppliers: their names, addresses, services provided, affiliated unions, total employee count, gender breakdown, and the number of migrant workers. The list can be downloaded as a PDF and then converted to Excel for easy data processing.

Monitoring

SASB CG-AA-430b.2

We maintain rigorous monitoring processes for our suppliers to align with Lojas Renner S.A.'s policies and values, ensuring risk mitigation from their induction into our supply cycle, throughout their tenure, and monitoring the socio-environmental performance and growth of our network to guarantee responsible purchasing for our end consumer.

Here are the details of each team's strategies and progress in 2023.

Fashion Resale Suppliers

Post the initial recruitment process, all our national and international tier 1¹ and 2² Resale Suppliers for our own brands Renner, Ashua, and Youcom are included in our Compliance Program concerning social and environmental responsibility.

It is noteworthy that our entire national chain of apparel, footwear, and accessories is certified by ABVTEX.

We have a specialized management team dedicated to resale supplier compliance, consisting of 17 professionals. This includes our own team based in Asia and Brazil, ensuring close proximity to our suppliers, and a third-party company assisting with audits. In 2023, we conducted 707 audits with our team and the remaining with a third-party company.

¹ **Tier 1:** direct national suppliers and international factory units.

² **Tier 2:** contractors of direct national suppliers and manufacturing subprocesses in the international context.

Our suppliers undergo audits, the frequency of which is tied to their classification level and compliance risk.

Our audits, which can be on-site visits or remote evaluations, apply to suppliers and subcontractors of our resale suppliers. The goal is to ensure compliance with legal requirements and Lojas Renner S.A.'s policies, such as the [Partner Code of Conduct](#), [Human Rights Policy](#), [Sustainability Policy](#), and the [Socio-Environmental Checklist](#). We assess the criteria that suppliers must adhere to ensure compliance, respect for human and labor rights, and alignment with our policy requirements.

During Compliance audits, sample interviews are conducted based on the workforce size of each audited company. These interviews are confidential, conducted without the company's third parties present to ensure the worker's freedom of speech. The aim is to investigate compliance with hiring practices (like charging recruitment fees or conducting abusive tests), abuse and harassment, employee union association freedom of movement, adherence to working hours, rest hours, vacation rights, and any other sensitive worker-related issues.

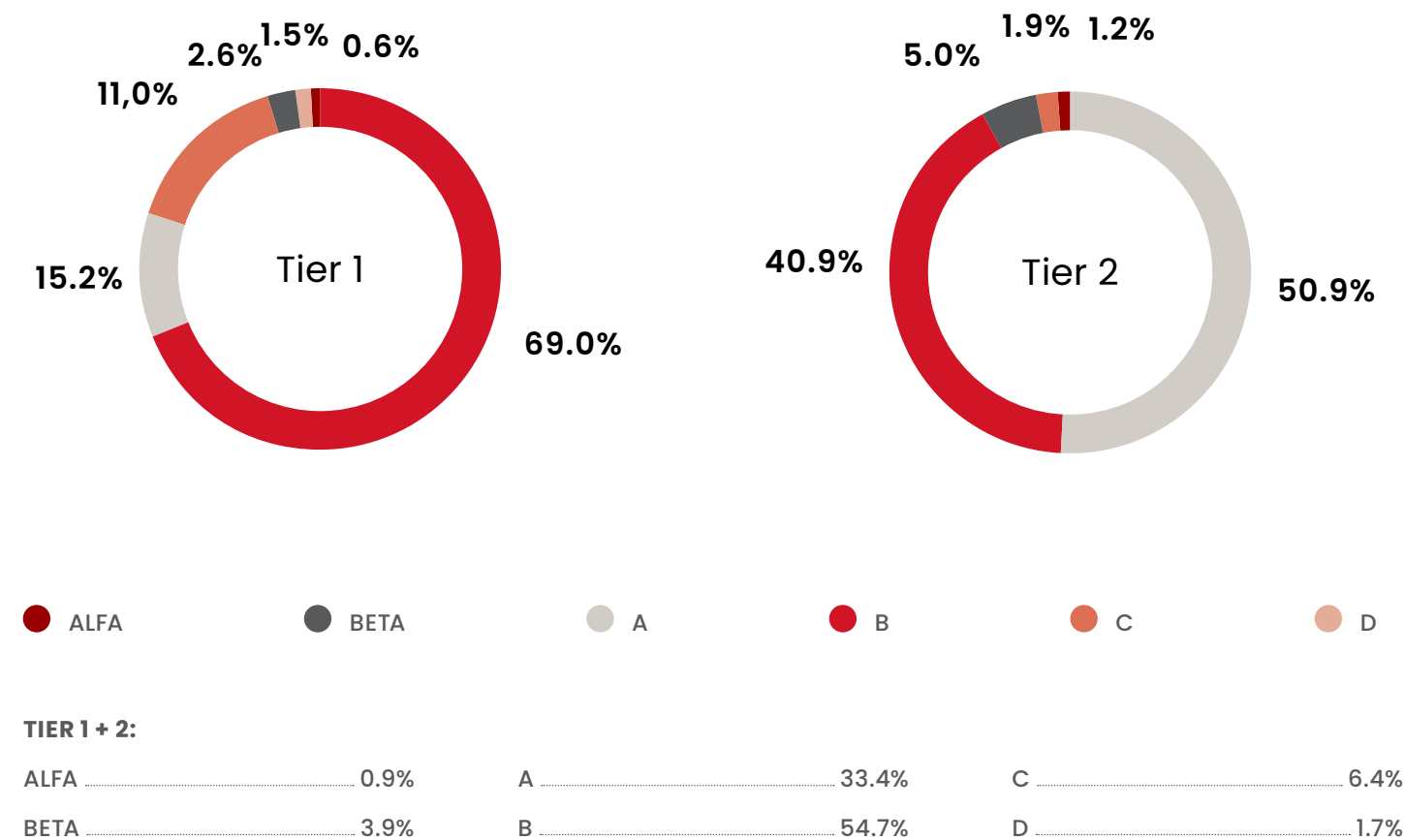
In addition to interviews, the auditor evaluates adherence to each of the items required on the checklist.

The scoring in audits generates a classification, which considers five risk factors - Constitutional Rights, Health and Safety at Work, Worker's Rights, Company Formalization, and Environment - and classifies suppliers into six levels, according to their performance and socio-environmental commitments:

- α** Suppliers with [exceptional socio-environmental performance](#)
- β** Suppliers with a model socio-environmental performance
- A** Suppliers with superior management of socio-environmental compliance
- B** Suppliers with average management of socio-environmental compliance
- C** Suppliers with poor management of socio-environmental compliance
- D** Suppliers with insufficient [management of socio-environmental compliance](#)

Since 2022, the alpha and beta tiers have been established as classifications that unite and acknowledge companies demonstrating superior socio-environmental practices. These classifications not only enhance their opportunities but also broaden their corporate relationships and promote a cycle of responsible procurement.

Suppliers by level



Since 2021, Renner's entire global resale chain has been certified with various socio-environmental standards, ensuring the adoption of widely recognized best practices.

Our Compliance Program, evaluated by an independent third party, aligns with internationally recognized best practices. These practices, which we either adhere to or have signed on to, form the foundation of our audit protocol.



ISO 19011:2018

guidelines for management system auditing.

ISO 20400:2017

guidelines for sustainable procurement



Performance monitoring

Beyond conducting audits, we also track the performance of Renner's resale suppliers across various sectors such as knitwear, woven fabric, denim/canvas, lingerie, beachwear, footwear, jewelry, and accessories. This is done through monthly evaluations using the Supplier Global Performance Index (SGPI).

The SGPI evaluates active suppliers on four key pillars: quality, logistics, commercial, and sustainability. Suppliers who perform poorly in these areas are identified, issued warnings, and are required to submit action plans.

The index also plays a significant role in shaping our supply matrix, taking into account factors like financial health, compliance aspects, and overall supplier performance.

Due to a challenging environment in recent months, we observed a decrease in the index for the year 2023. However, the stability of the indicator was maintained without any disruption to the supply.

Home and decor suppliers

At **Camicado**, we initiated the first phase of diagnostics for the Supplier Compliance Program in 2021. This involved engaging with suppliers through webinars and beginning the process of chain mapping and monitoring. Our team and external partners conducted socio-environmental assessments on both a national and international scale.

In 2023, we made further progress with these assessments, exceeding our initial goals. We managed to evaluate 99% of the global Camicado supply chain, which includes suppliers of Brazilian artisanal products, typically organized as Associations and Cooperatives.

As a result of these evaluations, we categorized our suppliers into two groups, A and B, which together make up 59% of the chain. We then developed a joint strategy to assist those suppliers who need to meet our compliance standards.



The socio-environmental assessment phase has now become an integral part of the approval process for new Camicado suppliers and the periodic reevaluation process for our existing partners.

After gaining an understanding of the supply chain and monitoring risks, we plan to continue refining the parameters for defining risk categories. We will leverage

technology and data to construct a risk matrix for our home and decor suppliers.

In 2023, we also hosted a **Sustainability Week** at the Camicado headquarters in São Paulo. The event aimed to engage our employees and suppliers in discussions around sustainability themes.

Consequence management

Whenever we spot any non-compliance, we ask the concerned company to implement a corrective action plan. The resolution period can range from one month to a year, depending on the severity of the issue, and includes on-site monitoring.

If a company fails to adhere to the plan, they face suspension, are barred from receiving new orders, and risk being removed from the Lojas Renner S.A. supply chain. In cases of contract termination due to non-compliance, we also conduct a termination audit. This year, we expanded our consequence management to include the Camicado supply chain.

Our Supply Committee, which is multidisciplinary in nature, deliberates on sensitive issues related to supplier retention in our supply chain, particularly those that do not adhere to the Compliance Program's procedures and methodologies.

Certain audit items are classified as "zero tolerance" issues. These can immediately block a supplier from our chain and may result in the termination of our commercial relationship. The most common non-compliances identified this year were the use of undeclared subcontractors or factories and unregistered workers. To address this, we conducted [online training](#) throughout the year to reinforce our

consequence management procedure and related legislation. We also encouraged our primary suppliers to share these processes and best practices with their contractors.

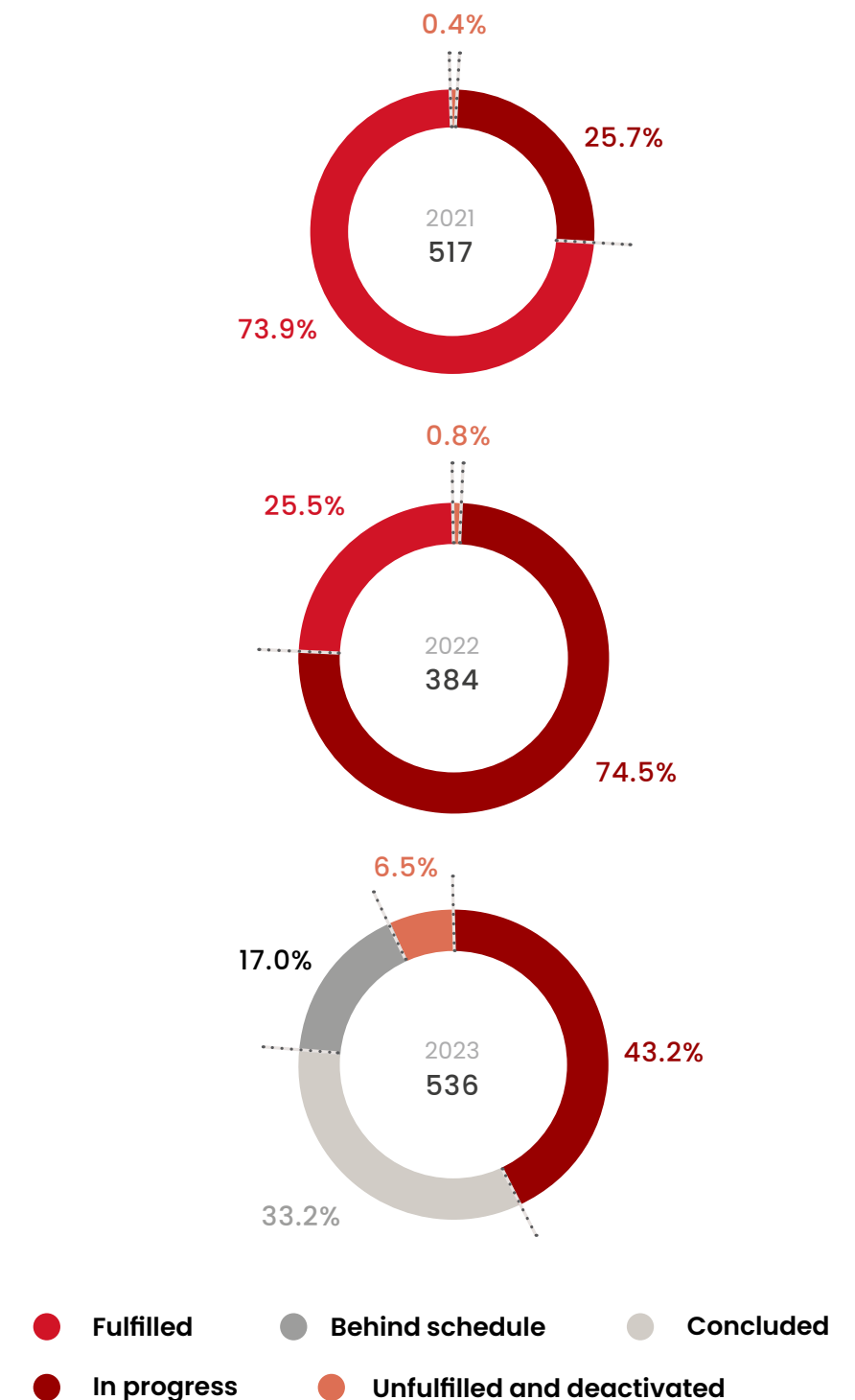
Our [Compliance Program Management Manual](#), accessible on our website, outlines the following infractions as zero tolerance:

- Forced or slave-like labor
- Child labor
- Provision of housing within the production area and/or instances of irregular accommodations
- Undocumented foreigners
- Corruption/Bribery
- Forgery of documents
- Emission of black smoke and/or particulate matter
- Infringement of freedom of association
- Structural risk
- Unauthorized modifications to the building

In 2023, we identified no zero-tolerance non-compliances within our tier 1 and 2 supplier chain.

ACTION PLANS ESTABLISHED

with national and international suppliers – tier 1 – and their contractors – tier 2



Technology and precision

We leverage technology as the foundation of our decision-making processes, enhancing the effectiveness of our compliance program and reducing supply chain risks.

By focusing on precision and improving our algorithms and data analysis, we have successfully reduced the number of suppliers in risk layers by 85% from 2019 to 2023, cut evaluation costs by 48%, and achieved a 90% effectiveness rate in audits conducted.


From 2018 to 2021, with the aid of data intelligence, we automated the acquisition of more information, thereby increasing the accuracy of on-site audits and fostering the evolution of our supply chain's socio-environmental management and performance.

Moreover, we managed to reduce the average audit cost and double process efficiency without compromising our risk management.

In 2023, we expanded our sustainability data team. This team works diligently to improve the structure and utilization of both internal and external data, involving data engineers, analysts, specialists, and various individuals from the sustainability area. This collaboration enhances product, supplier, and process information and productivity indicators in machine learning, which are updated according to our audits to adapt to the subtle changes that occur throughout the year in the behavior of suppliers and subcontractors in the chain. We also integrated new data sources into our database to contribute to the algorithms, enabling the construction of dashboards for monitoring goals, risks, and other operational indicators.

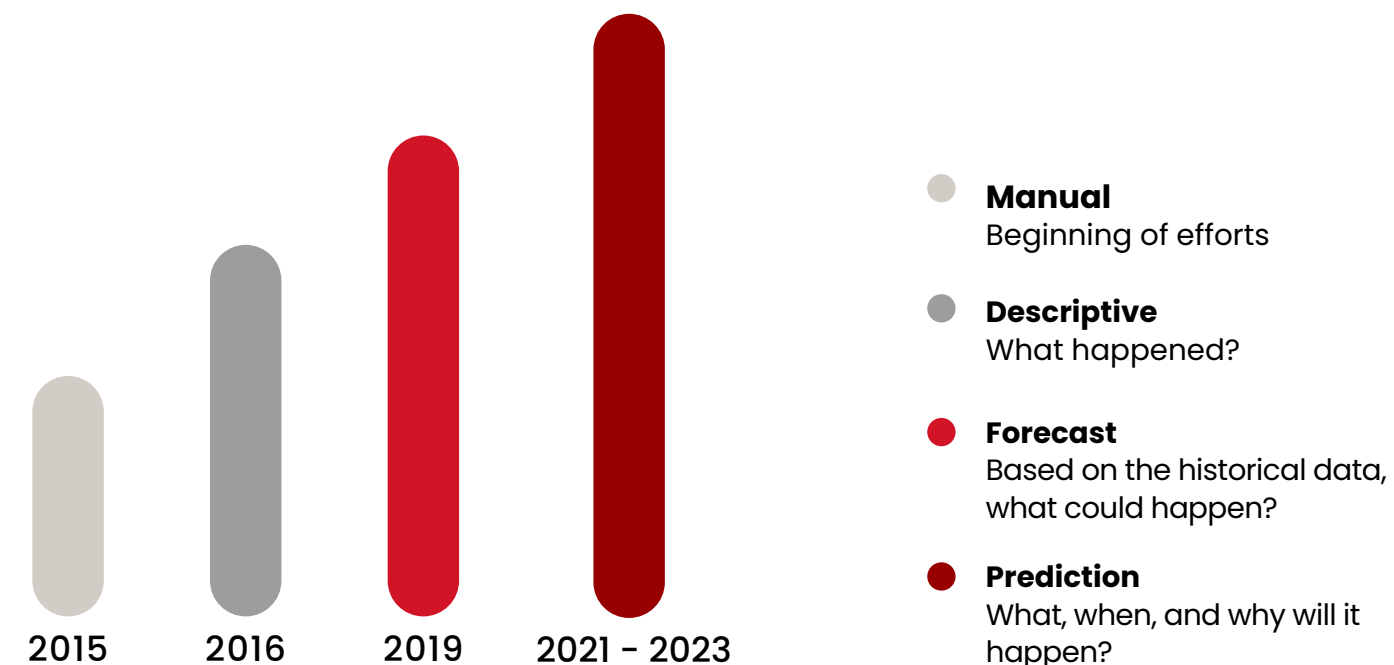
All these new data sources and algorithms are utilized to define the supplier risk matrix. Based on the results of these analyses, we focus our audits on regions, types, and sizes of companies, processes, and operation volumes that may present a risk trend.

We also align our matrix with other types of socio-environmental certifications (SLCP, HIGG, ABVTEX, among others), ensuring that all meet the basic compliance requirements, that we have an effective risk identification and audit process, and that we can direct efforts to improve the chain through

 supplier qualification projects. In 2023, we also automated these equivalences, where all suppliers evaluated by ABVTEX are also checked against our checklist, addressing important pending issues for management.

With the establishment of consolidated databases in 2022, we are working on cross-referencing all possible supplier information to increasingly understand the behavior of our partners and tailor compliance and qualification processes according to each one's specifications.

Advancements made in our monitoring model



- **2015**
Restructuring of the Compliance area.
Evaluation of social responsibility requirements.
- **2016**
Creation of order traceability audits.
- **2017**
Environmental diagnosis of the supply chain.
- **2018**
Inclusion of environmental responsibility in audits.
Raising awareness of chemical topics.
Start of the international program, with Tier 1 supplier mapping and monitoring.
- **2019**
Expansion of environmental items and inclusion of requirements in Chemical Management.
Expansion of Social Responsibility audits.
- **2020**
Restructuring and expansion of evaluated requirements in the audit checklist.
Creation of remote audit and recognition of other protocols.
Checklist phasing.
Inclusion of environmental items in the audit and expansion of mapping to Tier 2 suppliers.

- Creation of content to support the chain in evolving its sustainability practices.
Pilot project for chain qualification according to its risk level.
- **2021**
Review of the supplier chain classification (the highest level of requirement should bring an increase in companies in the lower levels of classification in the coming years).
- **2022**
Creation of alpha and beta categories in the supplier chain classification.
Creation of the Responsible Network and integration with the Compliance Acceleration Program (CAP).
- **2023**
Expansion of the CAP.
Consolidated prediction levels.
Traceability across 30% of national purchase volume.



Digital traceability

One of our technology-driven initiatives is digital traceability. Leveraging blockchain technology, we gather information about the journey of our products directly from the production control of our primary suppliers.

This approach enhances our oversight of product manufacturing locations, promotes increasingly responsible purchasing, and aids in risk identification.

By knowing the exact production output of each company, we can implement capacity versus occupancy controls, thereby preventing potential non-compliance and enabling proactive supply chain management.

Throughout 2023, we expanded the number of companies integrating blockchain technology into their supply chains. This effort aimed to achieve traceability from the inception of raw materials to the final product, while refining the algorithm for immediate and accurate supply chain information.

By the end of the period, 21% of our domestic clothing suppliers, representing 35% of the national supply volume (equivalent to 26.9 million

tracked items), were connected to our traceability platform.

We have been participating in the SouABR Program - Responsible Brazilian Cotton since 2021, in collaboration with the Brazilian Association of Cotton Producers (Abrapa, in Portuguese) and other brands.

This program, the first large-scale traceability initiative in the national textile industry, enables the tracking of cotton used in our products back to its farm of origin. Through the Responsible Brazilian Cotton certification, it ensures the adoption of sound socio-environmental practices throughout the supply chain, right up to the finished product.



Administrative suppliers

In 2023, we carried out socio-environmental audits on select administrative suppliers to ensure their compliance with ESG best practices.

We conducted more rigorous monitoring for suppliers in the construction, logistics, and maintenance sectors, identified as having higher criticality. This process involved evaluating companies' documents, practices, and commitments to Occupational Health and Safety, Environment, and Social Responsibility.

For construction suppliers and their contractors, we also made technical visits to construction sites and accommodations, assessing construction firms, managers, and their suppliers.

Evaluated themes



Occupational safety



Environment



Social responsibility

(child labor, forced or slave-like labor, irregular foreign labor, infringements on freedom of association, discrimination, abuse and harassment, compensation, working hours, and benefits).



Headquarters of Lojas Renner S.A. in Porto Alegre (RS).

These audits, conducted without prior notice, followed an inspection checklist and included worker interviews to understand their work routine perceptions.

For service providers at our Administrative Headquarters, we not only evaluated documents but also verified the employment status and work suitability of third-party employees accessing our premises.

In 2023, we continued to use the Global Supplier Performance Index (GSPI) methodology, which scores suppliers based on their performance in three areas: business, compliance, and commerce. .

The GSPI is applicable to construction suppliers (designers, managers, builders), import logistics (freight forwarders, transporters, ports), commercial furniture suppliers, cleaning services, and IT.

Responsible Marketplace

Before entering into a contract, all partners of Renner and Camicado Marketplace are subjected to a validation process. This process assesses their commitment to integrity and the compliance of their documentation, ensuring consistency and adherence to our standards. Since 2023, we have introduced a self-assessment of socio-environmental risk for all partners. This assessment generates a diagnosis of the partners' socio-environmental maturity level, which is categorized into three levels - low, medium, or high - based on factors such as certifications, manufacturing location, supply chain, and others.

Throughout 2023, we established a criticality matrix for sellers, which allows us to evaluate existing processes and formulate a brand protection program. This program consists of four pillars in the monitoring strategy: partner management, intellectual property, whistleblowing channel, and respect for consumers.

To foster the growth of our Marketplace partners, we grant them access to Renner University (UR). We extend the content of our learning platform to sellers, linking curated excellence and development opportunities with pertinent business and sustainability promotion content.

Additionally, we have launched a Tutorial channel in our Seller Center management tool, where we offer developmental content.



Supplier qualification

We strive to elevate our supply chain to the superior standards set by our [matrix](#). This means surpassing the obligatory compliance elements in our audit process and fulfilling advanced criteria that distinguish socio-environmental best practices.

In 2023, we solidified a support program aimed at enhancing ESG themes within our chain.



In 2022, Lojas Renner S.A. launched the Responsible Network Program, a corporate supplier qualification initiative. This program evolved from the expansion of the Clean Production Program 4.0, which has been in operation with resale suppliers since 2017.

As the program advanced and expanded its reach, we redefined its strategy, launching the Responsible Network to broaden the qualification focus to encompass Governance and Social themes.

The aim of the Responsible Network is to infuse practical knowledge of ESG concepts into the supply chain.

In 2023, in conjunction with the introduction of a new chain performance classification layer, we observed progress in the companies participating in the program.

We held eight thematic meetings, amounting to 31.5 hours of discussion, exchange, and benchmarking on socio-environmental topics. These meetings saw an average engagement rate of 83% among attendees. Our collaborations extended to our partners SEBRAE, InPacto, and Produzzare, as well as internal Renner departments.

Furthermore, we generated 19 hours of specialized content and offered mentoring and hands-on support from an internal network of socio-environmental specialists and consultants. This provided technical and tactical assistance to our chain.

We achieved our program participation goal, engaging 117 key suppliers from all Renner and Youcom resale chains. This represented 75% of the national purchase volume, with the aim of promoting eco-efficiency in their production processes and providing ongoing education and empowerment to Lojas Renner S.A.'s supply chain for ESG actions that impact their production performance.

We successfully classified 73 suppliers in the Responsible Network, 52 more than in 2022. This effectively contributed to our public commitment to focus purchases on suppliers with high management and socio-environmental performance. Here are the main advancements of the program:

Social and governance

We made strides in the priority material topics of Social and Governance themes, including ethics and transparency, subcontractor management, labor relations, health and safety, community relations, and diversity and inclusion.

We organized thematic meetings, conducted training sessions, and launched the 'Rede' Podcast. Through this podcast, we promote literacy and propose practical actions to advance our chosen theme. Additionally, we integrated this aspect of our business into the initiatives of the 'Plural' Program.

Supply chain management week

During the Subcontractor Management Week, we engaged with suppliers to discuss the effectiveness of supply chain management and its business impacts. Our goal was to encourage advancements in governance for a high level of subcontractor management and monitoring.

On this occasion, we shared data from one of the qualification initiatives, the [PAC - Compliance Acceleration Program](#), to illustrate the potential gains from effective risk management.

We also showcased the results of PAC monitoring in its mentoring methodology and the new program methodology in a consultancy capacity.

Environmental



Water and effluents

In 2021, we developed a certified methodology for measuring water consumption and encouraged the installation of water meters at our Resale Suppliers for better consumption control. This initiative led to the full certification of our jeans chain suppliers, enabling them to report water consumption data for each item. By 2023, 53% of the total denim products delivered to Lojas Renner S.A. were classified as having low water consumption during their manufacturing and finishing stages.

We also conduct [audits](#) to evaluate effluent management compliance among all suppliers that generate effluents. In 2023, we achieved full compliance regarding effluents from both our direct suppliers (tier 1) and their contractors (tier 2).

To further reduce water consumption, 38% of our suppliers have implemented water recirculation practices, and 1.5% have adopted rainwater harvesting strategies. Additionally, 57% of our laundries have incorporated water recirculation practices into their operations.

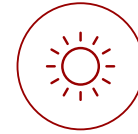


Chemicals

In collaboration with SENAI, we provided 16.5 hours of training aimed at promoting chemical management within our supply chain. This initiative contributes to our public commitment to eradicate potentially harmful chemicals.

Water & Chemicals Week

In honor of World Water Day, we organized a meeting centered around the theme of Water & Chemicals. The goal of this gathering was to align improvements in low-consumption practices and celebrate the advancements made in our Chemicals strategy. During this initial implementation phase, we specifically targeted the denim supply chain.



Energy

We've been collaborating with our suppliers to raise awareness and initiate an Energy Efficiency Program. We're proud to report that 37% of participants in our Responsible Network are now powered by low-impact renewable energy.

In 2023, we hosted a workshop titled "Cost Reduction Through Clean Energy". This event was attended by two specialized companies with expertise in Distributed Energy and Free Contracting Environment, as well as the Sale of I-REC Certificates.



Textile waste

In total, 36.7% of our program participants are actively prolonging the lifespan of their products through recycling, reusing, and donating.



Greenhouse Gas Emissions

Through the Environmental Management System, suppliers have the ability to carry out inventories of greenhouse gas (GHG) emissions, adhering to the methodology set forth by the Brazilian GHG Protocol Program. In the year 2023, 32.5% of participants in the Responsible Network, which equates to 38 suppliers, undertook their inventories, encompassing scopes 1 and 2.

A subset of these suppliers are also engaged in the carbon-neutral factory initiative. Here, they not only conduct inventories but also offset their emissions through projects that have received validation from the Climate Commitment.

In 2023, 4.7% of the volume of received products were produced in carbon-neutral factories.

Climate week

To celebrate World Environment Day, our focus was on Climate Change. This theme was the centerpiece for our debates, training sessions, and engagement activities. We paid particular attention to raw materials, underscoring the importance of circularity and transparency. A key topic of discussion was our Digital Traceability Project (RDT). Below are some highlights:

- We reaffirmed our commitment and explored ways to streamline our business's production stages. We acknowledged that climate change presents challenges that require resilience and adaptability
- We conducted the second module of the Greenhouse Gas Emissions Inventory Development Training. This was done in collaboration with Green Domus, utilizing the inventory tool that Renner provides to its suppliers
- We discussed the hurdles of establishing goals for low-impact raw materials. We also discussed the necessity to increase the use of recycled materials in fabrics to meet our emission reduction targets per piece. We stressed the need for recycled materials that align with Renner's standards in terms of cost, quality, and aesthetics
- We wrapped up our discussions by mentioning the RDT as an instrumental tool for data management and transparency



2023 Innovation Day, held with resale suppliers at the Lojas Renner S.A. headquarters.



Environmental Management System

We broadened the application of our proprietary Environmental Data System (EDS) to encompass all suppliers for Renner, Ashua, and Youcom. This expansion has enhanced our ability to manage environmental indicators throughout the supply chain and to more precisely evaluate the environmental impact of our products. In 2023, 48% of our suppliers adopted this system.

Q&A sessions

Initiated in 2020, our monthly Q&A sessions serve as a platform for our suppliers to address any queries related to Sustainability and Compliance. These topics are crucial to our business operations, particularly in terms of risk management. Our sustainability team, comprising specialists and auditors, provides this support.

In 2023, we held 12 sessions, delivering approximately 12 hours of content across 10 different topics, facilitated by 10 tutors. These sessions saw an average engagement rate of 64.24%.

Compliance Acceleration Program (CAP)

In 2021, we initiated the Compliance Acceleration Program (CAP), a program designed to offer technical support and mentorship to Renner's Resale Suppliers.

The program involves analyzing audit histories and diagnosing the supplier's management model to expedite the improvement of practices, ensuring compliance and progress towards superior socio-environmental performance.

Following the diagnosis, companies devise customized systemic actions to manage risks effectively. This process involves their top management teams to guarantee a commitment to the culture of sustainability.

Our objective is to motivate and practically aid our partners in surpassing mere compliance, empowering them to become benchmark suppliers.

Since the program's inception in 2021, we have supported 42 companies in achieving compliance and have seen a 67% enhancement in their socio-environmental performance and ranking.

Other supporting programs



Renner University (RU) for suppliers

Since 2019, our suppliers have been able to access the Renner University (RU), a platform that offers pertinent content for learning and development on key topics related to our business and supply chain.

We've broadened this access over time, and by 2023, we had a total of 289 companies enrolled in RU. This has enhanced and deepened the suppliers' understanding in areas where they had uncertainties or needed comprehension, which is a crucial aspect of their role in our supply chain.

Additionally, RU serves as the platform where our suppliers receive training on our Code of Conduct.

ENCADAMENTO
PRODUTIVO 

Productive chain development

In collaboration with Sebrae (Brazilian Service of Support for Micro and Small Enterprises), we have been fostering the growth of companies engaged by Renner's Resale Suppliers since 2017. This development process is carried out in four stages: awareness, diagnosis, training, and consultancy. We wrapped up the project cycle from 2021 to 2022 in 2023, involving 17 anchor companies and 91 small businesses. Over this six-year period, we have provided training to more than 300 micro and small enterprises.



Supplier development

In 2023, our Supply Network Management team carried on with its Continuous Improvement initiatives (previously referred to as PMC and implemented since 2013). These operations, active in Latin America and Brazil, broadened their scope to encompass new business opportunities.

We also concentrated our efforts on enhancing industrial development. Our focus was on integrating the supply chain, which led to improved responsiveness and expedited deliveries.

By keeping a close eye on supplier performance and risk, we were able to optimize results. This approach fosters a sustainable business relationship.



Renner Excellence Program (REP)

The REP is designed to foster development and innovation within the Renner Resale Supplier chain. It acknowledges companies that excel in Quality, Sustainability, Efficiency, Cooperation, and Innovation during the Suppliers' Convention. In 2023, the program saw participation from over 100 companies. Nine exceptional companies will be recognized in each category and as the highlight of the year at the upcoming Convention in 2024.



Brazilian Development Bank (BNDES)

Since 2016, another crucial aspect of our value creation within the chain has been providing financial support to our suppliers. We have been facilitating financing operations between our suppliers and the Brazilian Development Bank (BNDES).

Fair Wages

Promoting fair wages in the fashion supply chain is a global challenge, intensified by high worldwide inflation and an increasingly globalized chain with varying living costs across different regions and distinct labor laws.

In this context, we steer the management of living wages in our chain towards global best practices. These practices suggest pathways for progress, such as the Platform Living Wage Financials and market

capital ratings and indices that incorporate this topic in their evaluation processes, like the Dow Jones Sustainability, the FTSE, and the MSCI indices.

To address and advance the key areas of progress in the two strategic commitments we've undertaken, we've established an interdisciplinary working group. This group comprises teams from Compensation and Benefits, Health and Safety, Labor Relations, Supplier Network Management, and Sustainability.

As part of our supplier compliance monitoring process, we consistently evaluate compliance with labor laws, adherence to legal requirements or collective labor agreements on wages and overtime, freedom

of association, and the enforcement of fair wage payment across 100% of our Resale Supplier chain.

Any non-compliance identified by audits concerning wages triggers the implementation of [corrective action plans](#). Meanwhile, reports received through our independent reporting channel on this subject are investigated, and [remedial actions](#) are implemented.

Over the years, we've made continuous strides in identifying gaps between the wages paid in our operation and in the supplier chain, and we've taken actions to support progress.

2019

An initial analysis was conducted to identify the wage gap in Brazil's Resale Supplier chain. This chain accounts for 63.4% of the company's total production volume. The analysis compared the lowest wage paid within this chain to the country's fair wage, as determined by the methodology of the Inter-Union Department of Statistics and Socioeconomic Studies (DIEESE, in Portuguese).

2020

We included the process of monitoring the payments made within the Resale Supplier chain into compliance audits. This process is accredited by an independent third party.

2021

We accomplished 100% monitoring of the wages disbursed within our national Resale Supplier chain.

2022

We incorporated two commitments into our 2030 sustainability [strategic plan to advocate for fair wages](#): guaranteeing a living wage for our employees and encouraging our strategic suppliers to adopt a living wage. We also embraced the Dignified Wage Movement initiative of the Global Compact. This initiative, the first of its kind in Brazil, brings together various sectors to discuss issues related to remuneration and employee well-being. Our participation in the Movement has deepened our understanding of fair wage components and has allowed us to incorporate diverse perspectives from various stakeholders. This has helped us to refine our wage calculation methodology with the assistance of specialized consultants, ensuring alignment with best practices.

2023

We continued our human rights [due diligence process](#) into its second cycle, which allowed us to monitor and identify potential risks related to the topic more effectively. We launched a project in collaboration with the Anker Research Institute, a leading authority in the field. The project aimed to review the methodology for calculating Living Wages. This initiative not only advanced our discussions on the methodology and monitoring of living wages and responsible purchasing practices but also enhanced our internal understanding of all aspects related to the topic.

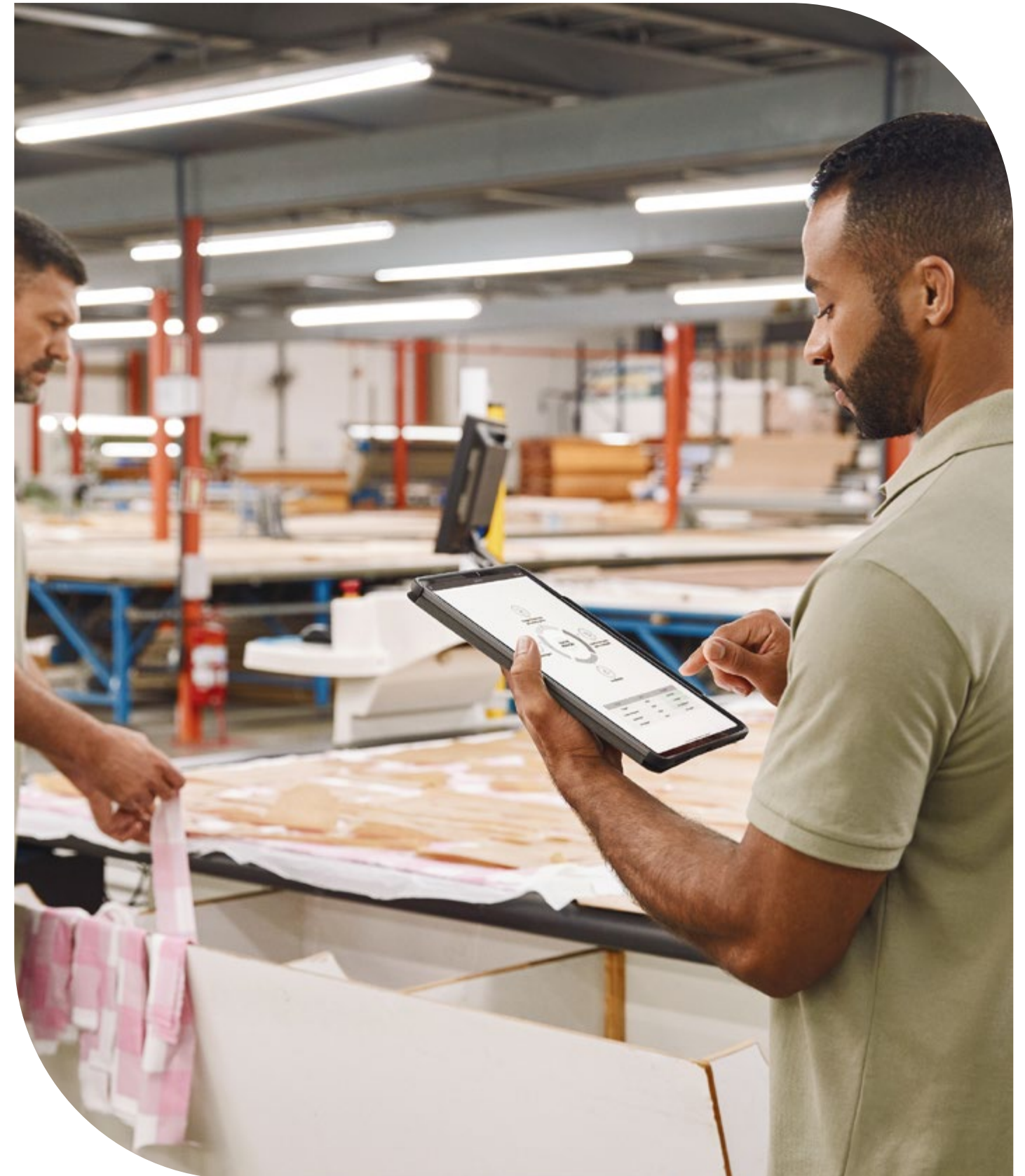
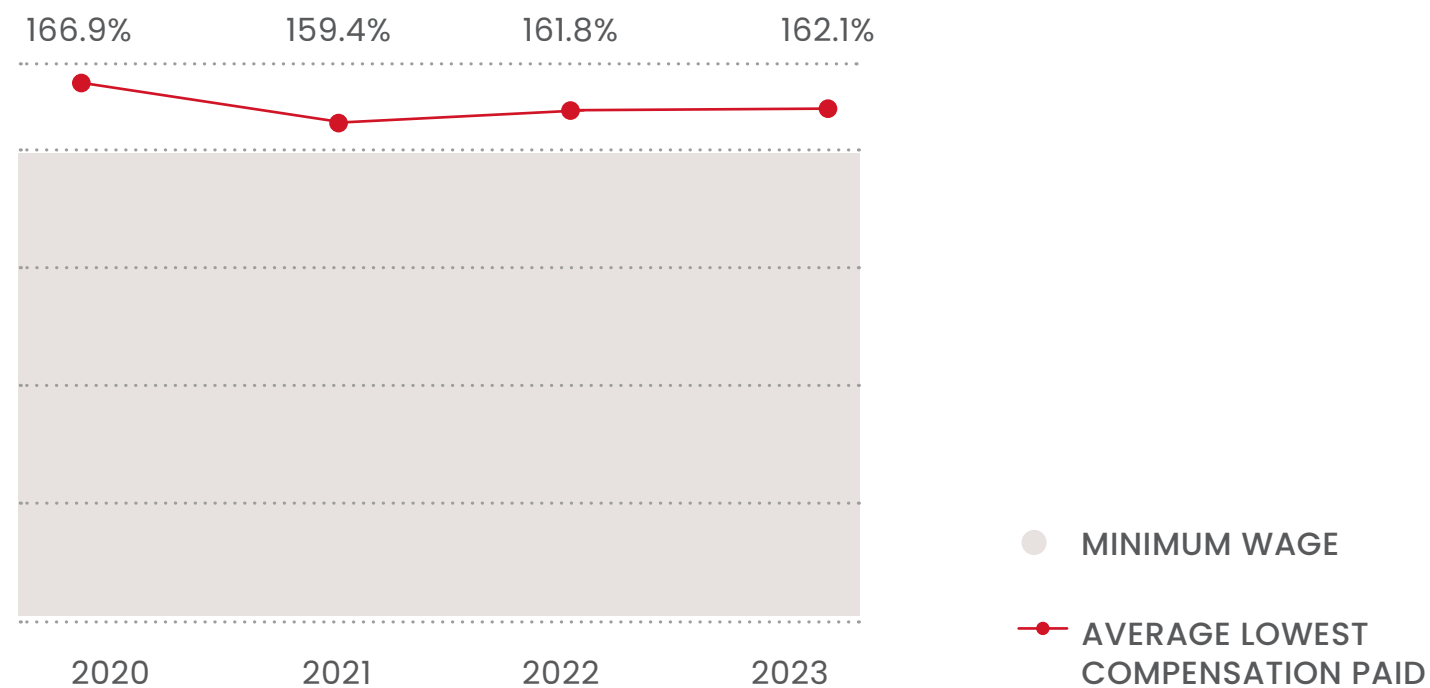
Results

Upon examining the wage trends within our supply chain, it's evident that our strategy for [responsible procurement](#) and fostering local suppliers is aligning well. By focusing our efforts on domestic production, we're able to amplify our positive impact progressively. We've initiated an assessment of the disparity between the living wage and the compensation provided to employees in our Resale Suppliers chain (tier 1 and

2) in Brazil. This is where our largest chain is located, accounting for 62% of the total production volume. We plan to extend this evaluation to other areas as well.

In all other countries where our supply chain is present, our mandate is to ensure payment of at least the minimum wage. We're also making strides in assessing living wages in countries with a significant supplier presence.

Average of the lowest compensation provided within the supplier chain in Brazil, relative to the local minimum wage.





Good sourcing practices

To ensure fair wages throughout our supply chain, we're continually improving our responsible sourcing practices. These practices are crucial for maintaining our supplier network's sustainability and creating value for all stakeholders.

We've implemented an internal **policy** that sets the criteria for selecting suppliers and provides guidelines for supply. This policy aids in executing the company's strategy by promoting good sourcing practices and mitigating risks. It's periodically reviewed and updated to reflect market best practices and prevent potential conflicts with sustainability/ESG requirements.

Our supplier relationship **guidelines** emphasize clear negotiations, transparency in transactions, and the provision of fair compensation to supply chain workers.

We also strive to balance the relationship between the company, the supply chain, and the customer using clear and transparent **negotiation strategies and approaches**, fostering a partnership with suppliers.

We agree on **delivery deadlines and order changes**, taking into account each supplier's production capacity to avoid overworking and potential human rights violations.

Our **sourcing team** also monitors the level of dependency on suppliers to adhere to the policy's limits.

In 2023, we continued to hold **strategic meetings** with high-volume suppliers, aligning with business areas to improve visibility of the purchasing plan, required counterparts, opportunities for improvement, action plan follow-ups, and other relevant topics.

Our **payment terms** are formally established and adhered to, supporting supplier financial predictability and creating suitable conditions for the payment of fair wages. We commit to payment within 120 days, with an average payment term of 95 days. Suppliers can also request accelerated payment, subject to company validation.

Our **buyer teams** receive ongoing training in best practices and the sustainability commitments of the 2030 Plan. This training enables them to make decisions that align with our policies, values, and goals. They are also encouraged to focus their purchases on suppliers with strong compliance practices and superior [audit monitoring](#) performance.

Additionally, we have several initiatives in place to support our [suppliers' development](#).

Feedback

We conduct an annual satisfaction survey with our national resale suppliers to assess our responsible purchasing practices, aligning with the principles of the Better Buying Institute.

The 2023 survey revealed the following:



96% of suppliers would recommend Renner to a friend or acquaintance as a potential client.



95% agreed that our communications are clear and concise.



76% felt they were timely informed by our commercial team about estimated product purchases.



92% concurred that delivery deadlines are mutually agreed upon and communicated before order placement.



86% believe they receive clear notifications about order changes, and 77% agree that any alterations impacting the deadline take their production capacity into account.



88% found the product development technical sheet to be comprehensive and informative.



85% deemed the agreed payment terms as satisfactory for all parties involved in the purchasing process.



Only 7% felt the need for improvements in payment deadlines and conditions, indicating that 93% are content with our current performance.





08 Financial results

Operation results _____ 138

capitals



sdg



Operation results

GRI 201-1

Below are the key panels showcasing our operational and financial performance indicators. For a deeper understanding of our results, please refer to the Administration Report.



In 2023, we were awarded the Transparency Trophy from ANEFAC (National Association of Finance, Administration, and Accounting Executives), standing out in the category of Net Revenue ranging from R\$ 5 billion to R\$ 20 billion.

¹ The Retail Operation includes revenue from the sale of goods, as well as service revenues (commissions and costs from the marketplaces and Repassa).

² Operating expenses (SG&A) do not include Depreciation and Amortization expenses.

³ Adjusted Total EBITDA (post IFRS 16) excludes depreciation expense and lease finance expense.

R\$ (MM)	2022	2023	Var.
Net Revenue from Merchandise Sales ¹	11,575.8	11,706.3	1.1%
Same Store Sales	18.5%	0.2%	-
Digital GMV	2,046.4	2,219.8	8.5%
Digital Sales Penetration	13.5%	14.3%	0.8p.p.
Gross Profit from Retail Operation	6,399.5	6,384.8	-0.2%
Gross Margin of Retail Operation	55.3%	54.5%	-0.8p.p.
Operating Expenses (SG&A) ² (Post IFRS 16)	-4,125.2	-4,360.9	5.7%
% SG&A without Net Revenue from Sales	35.6	37.3%	1.7p.p.
Adjusted Retail Operation EBITDA (Post IFRS 16) ³	2,381.6	2,199.4	-7.6%
Adjusted Retail Operation EBITDA Margin (Post IFRS 16) ³	20.6%	18.8%	-1.8p.p.
Financial Services Result	81.6	95.8	NA
Adjusted Total EBITDA (Post IFRS 16) ³	2,463.1	2,103.6	-14.6%
Adjusted Total EBITDA Margin (Post IFRS 16) ³	21.3%	18.0%	-3.3p.p.
Net profit	1,291.7	976.3	-24.4%
Net margin	11.2%	8.3%	-2.9p.p.
Earnings per share - basic (R\$)	1.3261	1.0195	-23.1%
ROIC ^{LTM}	12.8%	10.7%	2.1p.p.

Results

Net Revenue

Despite a tough macroeconomic climate leading to high household default rates and reduced consumer purchasing power, our retail operations managed to achieve a modest increase in Net Revenue and Same Store Sales.

As of the second half of the year, we took several steps to enhance various aspects of our operations. We regained more reactivity in our supply chain and increased the proportion of our collection that was developed and purchased within the season

(open to buy). We also improved price perception by adjusting our visual merchandising and making specific changes in our market pyramid. This included prioritizing the display of entry-level products and expanding our range of affordable items, thereby boosting our competitiveness. Furthermore, we launched a number of campaigns to strengthen our brand and encourage customers to visit our stores. These initiatives, coupled with a more competitive value proposition, led to a sequential increase in the number of items sold in the subsequent months.

As a result, we saw a sequential improvement in customer price perception, with strong sell-through of entry-level items. This significantly contributed to

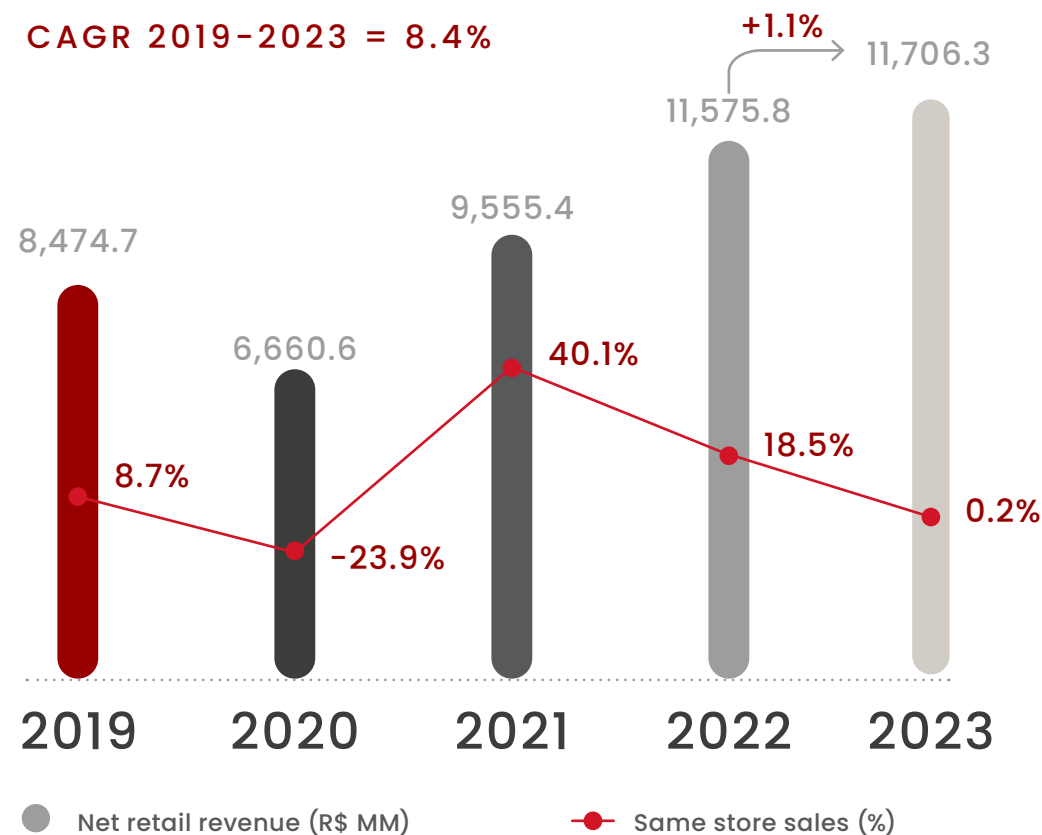
the increase in the volume of items sold and improved the performance of stores catering to a more popular customer profile.

Digital GMV

Our digital channels continued on their growth trajectory, becoming increasingly important in sales, primarily due to higher conversion rates.

Once again, our app topped the charts in terms of downloads and Monthly Active Users (MAU) among local fashion players, as per data from App Annie.

We achieved an 8.5% growth in Digital GMV, amounting to R\$ 2,219.8 million, accounting for a 14.3% share.



Gross profit

The gross margin experienced a decrease compared to the previous year, primarily due to an increase in markdowns during the first half of the year. This was a result of lower sales volumes during that period. When we consider only the apparel sector (excluding cosmetics) in Brazil, the gross margin stood at 56.0%.

However, the company managed to achieve higher levels of reactivity later in the year. A larger part of the collection was developed and purchased in-season, which added more flexibility to the operations. Consequently, the company's inventory value decreased by 3.4% over the year, while the turnover and average term remained stable. This, along with more favorable cost and exchange rate

conditions, positively influenced the gross margin dynamics in the second half of the year.

Operating expenses

The increase in sales expenses relative to retail net revenue primarily stemmed from the slower sales pace throughout the year. This pace was insufficient to dilute the fixed operational expenses, despite the nominal growth being below inflation rates. In the digital segment, we saw a reduction in freight expenses, which decreased by 4.7 percentage points compared to the previous year. This reduction was mainly due to logistics and advertising costs as a percentage of online net revenue, which are now at levels similar to those of physical operations.

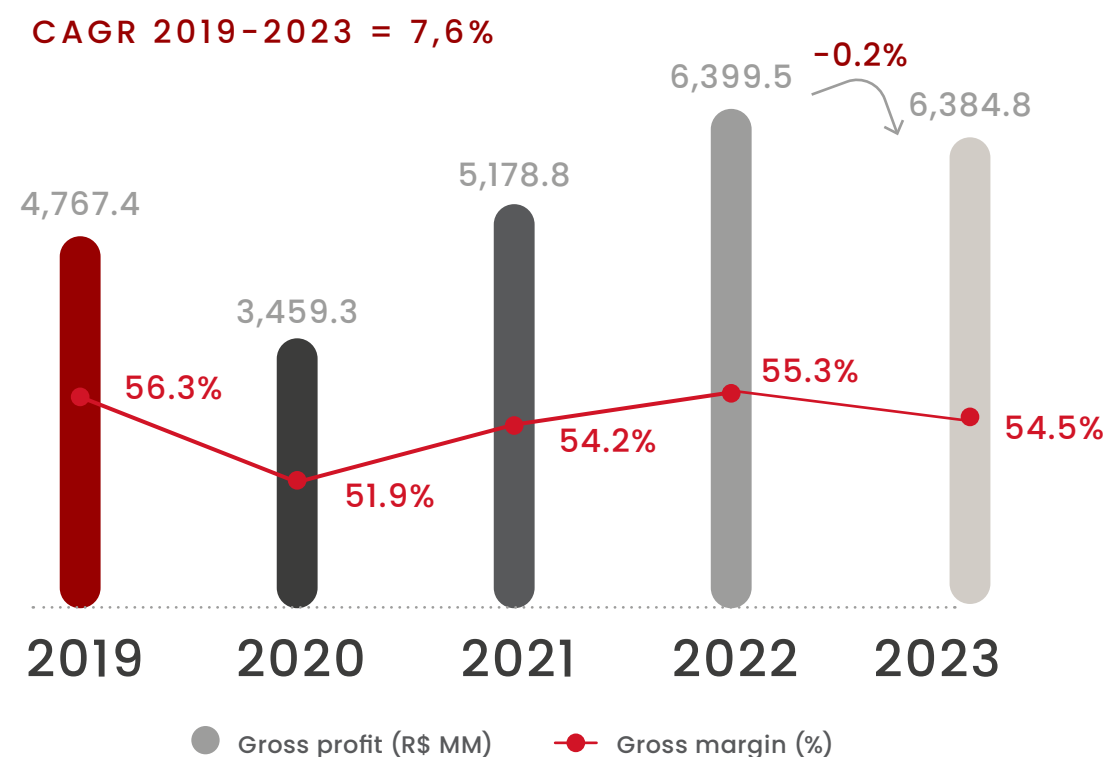
The rise in general and administrative expenses is largely attributed to additional costs associated with the operational ramp-up process of the SP Distribution Center. These costs included temporary operational redundancies during implementation, such as reprocessing, personnel,

freight, packaging, and third-party services, among others. The total expenditure in this area throughout the year was approximately R\$100 million, accounting for about 7% of this line.

Excluding this effect, the proportion of general and administrative expenses to retail net revenue would have remained relatively stable compared to 2022. In the first half of the year, the company intensified efforts to adjust its administrative and operational structures, which initially resulted in additional expenses of approximately R\$30 million.

The positive outcomes of these adjustments started to reflect from the second half of the year onwards.

Finally, other operating results were higher compared to the previous year, primarily due to a greater recovery of tax credits during the year. This was a result of continuous tax review efforts, with the main issue being the exclusion of ICMS ST from the PIS/COFINS calculation base and the recalculation of ICMS to be excluded from the PIS/COFINS calculation base.



Credit portfolio

The difficult macroeconomic environment, which impacted consumer purchasing power and habits, along with a still restrictive credit policy and a reduced base of active cards for consumption, led to less portfolio renewal. This resulted in a slight decrease in the total portfolio compared to 2022. The overdue portfolio decreased by 5.6%, while the on-time portfolio decreased by 1.9%.

In terms of total overdue amounts, they decreased compared to the previous year, thanks to ongoing portfolio cleansing efforts. Although overdue amounts exceeding 90 days were higher on an annual basis (19.6% in 2023 versus 18.9% in 2022), there was a significant improvement in the formation of balances

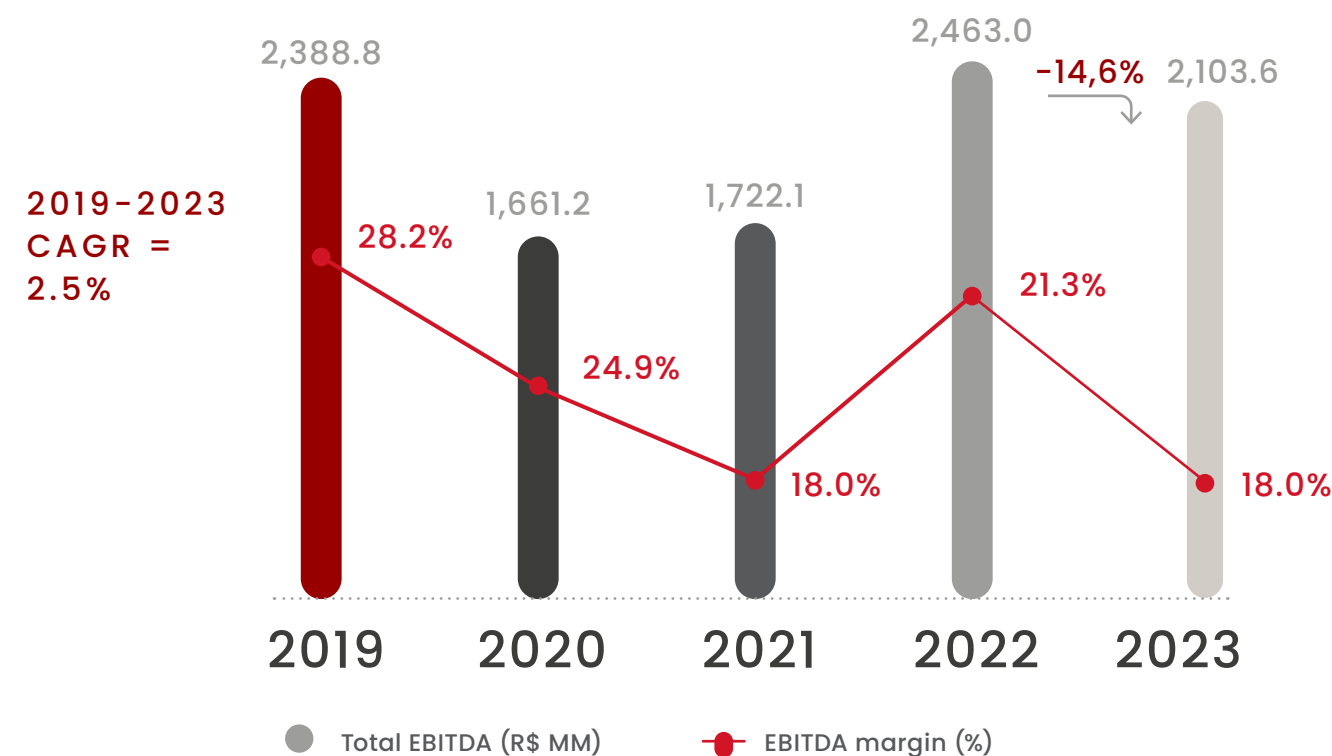
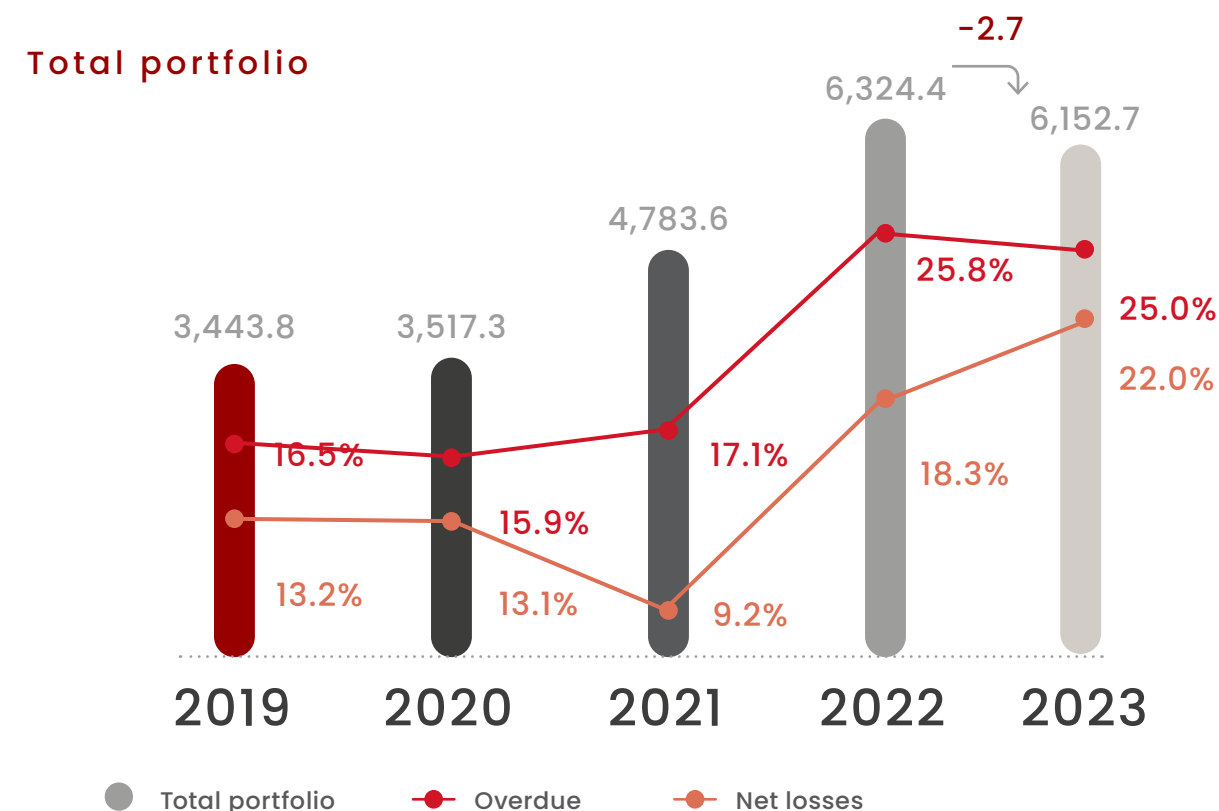
exceeding 90 days (NPL90 formation) from the second semester onwards, both in nominal values and as percentages of the total portfolio. Moreover, the behavior of customers from the new crops continued to demonstrate improved quality.

The increase in net losses, as previously explained, resulted from higher loss provisioning on the overdue portfolio, ensuring necessary coverage, as well as higher levels of effective loss and lower recoveries.

It's important to note that the assignment of overdue credits totaling R\$43.6 million in 2022 impacted this comparison. Finally, the total coverage reached 19.2%, an increase of 1.4 percentage points compared to the previous year, and the coverage for over 90 days increased from 94.4% in 2022 to 98.0% in 2023.

Total Adjusted EBITDA

The total adjusted EBITDA experienced a decrease from the previous year. This was primarily due to the underperformance of both the retail and financial services sectors. Furthermore, additional costs incurred from the distribution center negatively impacted the margin by 0.8 percentage points.





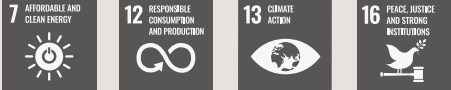
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Responsible marketing

Commitment

We are dedicated to the responsible provision of our products and services, with a particular emphasis on Realize. Our goal is to consistently supply our customers with transparent information about our offerings, ensuring ethical and responsible transactions that support our customers' financial health in a sustainable way.

We've recently updated our Code of Conduct, and all employees have undergone training on the principles outlined therein, reinforcing our commitment to responsible offerings. Furthermore, we strictly adhere to all laws, regulations, and guidelines set forth by the Central Bank of Brazil (Bacen), as well as the self-regulatory codes of ABECs (Brazilian Association of Credit Card Companies and Services) and ACREFI (National Association of Credit, Financing, and Investment Institutions), with which we are voluntarily affiliated.

Our commitment to responsible marketing encompasses:

- Providing accurate, fair, and balanced information about our company, products, and services
- Refraining from disseminating misinformation or misleading statements about our competitors
- Not overestimating our social, environmental, and sustainability initiatives

- Safeguarding vulnerable audiences in marketing activities (e.g., children, individuals unfamiliar with industry-specific terminology, etc.)
- Prohibiting the creation or approval of misleading, abusive, or discriminatory communications that incite violence, exploit fear, take advantage of vulnerable groups, disrespect environmental values, or encourage the public to engage in behavior detrimental to their health or safety

As part of our Code of Conduct training, all employees receive instruction on these topics.

Financial education

In 2023, we embarked on a journey to foster responsible credit practices among our employees. This initiative aligns with our goal of [mitigating risks associated with unfair business practices](#).

- We created a series of educational content on the Renner University platform and facilitated in-person training sessions at five pilot stores. Additionally, we implemented a debt renegotiation program, offering special arrangements for our employees
- We also hosted a workshop focusing on the financial sector's role, inviting experts to share their insights with the leadership team at Realize.
- Training was provided to all store employees involved in selling financial products. This training covered the attributes and characteristics of each product, with a dedicated chapter on sales ethics and quality. This chapter featured video presentations from our directors and other leaders,

equipping our employees with the necessary knowledge to align their sales approach with our value proposition

- To ensure our offerings remain ethical and transparent, all employees participate in refresher training twice a year. This training helps them identify customer needs and present sales conditions in a clear and objective manner. Furthermore, we conduct the “Acelera” training program semiannually across all our stores in Brazil, reinforcing guidelines on sales quality and various processes and alignments

Compliance

We ensure that our stores adhere to policies, norms, and guidelines when offering financial products to customers, in line with our commitment to responsible marketing.

Our monitoring process involves several actions:

- Active Customer Engagement: We select customers at random and conduct recorded calls to verify their awareness of the financial products they’ve contracted. This helps us assess whether they were fully informed about all conditions and identify any potential shortcomings in our offerings
- Monitoring and Identification: We use various channels, including the Complaint Channel, the Ombudsman, Reclame Aqui, and our social media platforms, to detect possible instances of non-compliance with responsible marketing practices

- Our Financial Products Quality team requests documents related to the contracting of financial products from randomly selected stores for compliance evaluation

If we identify practices that have led to customer misunderstandings, our Quality team investigates the case. The Loss Prevention team reviews the sales history of the involved employee. If we find any deliberate violation of our principles, the employee is disqualified from bonus-generating incentive campaigns.

Our incentive campaign emphasizes the importance of quality sales and includes penalties for non-compliances identified during quality monitoring by the Quality team. Stores are only eligible for awards if they maintain a quality score above 90%.

In 2023, we continued to require that employees complete the code of conduct training to be eligible for sales incentives.

Misunderstandings lead to specific training actions. If we identify a store or region with multiple non-compliance cases, we conduct intensive training to correct the deviations.

All data from our quality monitoring observations are shared on Dashquality, a dashboard of indicators that our Financial Products Quality team monitors monthly.



Brand perception

Business impact

At Lojas Renner S.A., we pride ourselves on operating with esteemed brands that specialize in fashion and lifestyle. This focus shapes our entire strategy and operations, from product development and customer experience to communication, innovation, and service level.

Our goal is to maintain a strong reputation, which we believe fosters customer loyalty and drives sales performance.

To achieve this, we have a dedicated team within our Marketing Department that manages our brand's reputation. This team bases their strategies on perceptions from both customers and non-customers, as well as recognition from rankings that evaluate our company's reputation across various business-relevant attributes such as sustainability, innovation, and diversity. They also consider the value of our brand in the eyes of society.

Through proactive reputation management and our commitment to our mission - "Our achievement lies in enchanting everyone" - we frequently secure prominent positions in external recognitions.

Renner is ranked as the 11th most valuable brand in Brazil, according to the 22/23 Interbrand Brazil's Most Valuable Brands.

The most sustainable brand

Our corporate objective is to be recognized as a sustainability leader by our customers, partners, and the broader market. This goal influences the variable compensation of numerous employees and executives across various levels and departments.

Since 2021, we have been tracking the progress of this objective in two ways:

- Renner Brand Monitoring: conducted quarterly, we have specific questions regarding the perception of a more sustainable brand from the consumers' perspective. In this monitoring, around 7% of the total questions are already focused on sustainability
- Weighted Brand Index for Renner, Youcom, Camicado, and Ashua: calculated from a national investigation with both customers and non-customers (annually)

In 2023, we achieved our target of 60 points in the monitoring for sustainable brand recognition.

In the weighted index, we measure the number of people who identify our brands as "the most sustainable and socially responsible." The annual goal for recognition as a sustainable brand was 17.8 points, and we achieved 17.7 points, nearly 100% of the target.

Our aim is to continually raise awareness about sustainability.

Therefore, throughout the year, we address this topic at various touch points such as social networks, stores, press, media, and influencers. These topics are always on our agenda, ensuring continuity of the theme for stakeholders. Alongside this, we run communication campaigns throughout the year across various channels.

In 2023, a significant milestone was launching the "Somos Re Moda Responsável" campaign in October. The primary objective was to inform Renner's audience about our range of less impactful products. The campaign also featured a team of influencers demonstrating how easy it is to assemble a more sustainable and responsible look with Renner products, while still being fashionable. This initiative aimed to debunk the myth that more sustainable products are more expensive or lack fashion appeal.

By continuing with projects like these, we aim to increasingly educate our audience about responsible fashion.

Eco-efficiency

Environmental Management System

Our environmental management system, which encompasses all of our operations, is designed to manage natural resources effectively. It focuses on reducing waste generation and water and energy consumption. It also ensures compliance with environmental regulations, clearly defines roles and responsibilities, encourages corrective actions for continuous improvement, and includes internal auditing and indicator monitoring.

The effectiveness of the system is verified through both internal and external audits. Renner's socio-environmental compliance team conducts internal audits on 67% of the operations, while the remaining 33% are audited by third parties.

In 2023, following a rigorous process of establishing and implementing environmental management processes and procedures, our Distribution Center in São José (SC) achieved ISO 14001 certification. This center represents 17% of our operations. Additionally, we have numerous assets that hold certifications, attesting to our commitment to adopting best environmental practices.

- The Cabreúva Distribution Center has the LEED (Leadership in Energy and Environmental Design) GOLD Level Certification.
- Our headquarters have the GOLD level LEED Certification.
- 4 stores have the LEED Certification (1 silver and 3 gold).
- 1 store has a BREEAM (Building Research Establishment Environmental Assessment Method) certification for its circularity practices.

Logistics

We are consistently enhancing the intelligence and efficiency of our product assortment and distribution processes. This progress is expected to result in increased vehicle capacity utilization and route optimization, thereby reducing the fuel consumption impact of product transportation.

Energy management

Energy consumption is the primary environmental impact of our operations. As such, we strive to enhance the efficiency of our stores and have been ensuring the use of low-impact renewable energy sources – solar, wind, and small hydroelectric plants (SHP) – in the free market since 2021. These sources emit zero greenhouse gases.

To accomplish this, we procure energy from the free market, favoring long-term contracts with low-impact generators, and promote investments in these projects. We secure International Renewable Energy Certificates (I-REC) to cover 100% of the electricity consumption across all our group units worldwide (including Lojas Renner, Camicado, Youcom, Ashua, Repassa, Uello, administrative offices, Distribution Centers, etc.). We also operate three solar farms and a wind farm that partially power our stores and the distribution center in Cabreúva (SP).

Low-impact renewable energies not only avoid greenhouse gas emissions during generation but also offer superior cost-effectiveness, and generate an average savings of 20% compared to conventional energy from the regulated market. [Read here !\[\]\(6a9b39b98eb945faa14c645ec99e4eaa_img.jpg\) the total consumption, energy intensity, and energy expenditures.](#)

We have the goal of zero growth in energy consumption year over year (assuming the same stores) and we actively advocate for the judicious use of energy and energy efficiency. The Energy Management Project establishes goals and investments for expanding automation in new constructions and renovations to promote remote asset management, automatic lighting control, and absence sensors, which help reduce energy consumption. We have already achieved 41% automation in Renner stores and have begun the process in other brands.

We continuously assess progress regarding energy efficiency and consumption reduction, comparing store performance before and after automation and efficiency actions. Stores with LEED certification, for example, show an estimated 15% to 18% reduction in lighting consumption.

An external audit by a specialized supplier also monitors consumption and sends deviation notifications to units, supporting the identification of possible causes and ensuring that actual consumption aligns with expected behavior.

Awareness

Through our internal communication channels, we continuously promote engagement and awareness among our employees regarding the importance and practices of reducing water and energy consumption and waste generation. Annually, we also hold an environmental awareness week with training sessions, presentations, and debates to promote eco-efficiency awareness.

Tax management

GRI 207-1

Management

We employ tax optimization strategies, always in compliance with existing legislation and recent legal precedents.

These strategies require approval from our Tax Committee. For substantial amounts, the Audit and Risk Management Committee must be notified. Decisions involving large sums must be backed by at least two external legal opinions.

Our Tax Committee, which meets monthly, consists of the Administrative Financial and IR Officer, Controllership Officer, General Legal Manager, General Tax Management Manager, and Senior Accounting Manager. The Committee also holds quarterly meetings with the Board of Directors to report on the effectiveness and compliance of our tax policy implementation.

In 2023, we contributed R\$ 2.9 billion to the economy through tax payments.

Commitment

In 2022, we publicly introduced our tax policy. This policy outlines the operational guidelines, structural rules, and organizational conduct related to tax and fiscal responsibilities for Lojas Renner S.A. and its subsidiaries, both in Brazil and internationally.

The policy also details the principles guiding our tax and fiscal strategy.

Through the policy, we establish commitments to:



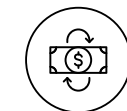
Comply with the spirit and letter of the tax laws and regulations of the countries in which we operate



Not transfer generated value to low-tax jurisdictions



Not use tax structures without commercial substance



Adopt transfer pricing using the principle of full competition



Not use secretive jurisdictions or “tax havens” for tax avoidance



Have our tax policy approved by the Board of Directors

In 2023, we participated in discussions on significant fiscal issues, such as the Brazilian tax reform and the illegality of cross-border trade, through our membership in sector associations such as the Retail Development Institute (IDV, in Portuguese), the Brazilian Textile Retail Association (ABVTEX, in Portuguese) and the United Brazil Institute - IUB).

We contributed R\$ 327.7 thousand to these associations as membership fees.

In 2023, we were honored with the CONFEB Award for our excellence in Fiscal and Tax practices within the commerce and retail sector, and also received the ANEFAC Tax Merit Award in the retail category.

Ethics and Anti-Corruption

GRI 205-2 | 205-3

Within our corporate framework, we emphasize maintaining an environment rooted in integrity. We achieve this through effective communication, comprehensive training, and purposeful events designed to raise awareness.

Our interactions with employees and business partners serve to reinforce the ethical principles outlined in the company's Code of Conduct. Additionally, we actively combat corruption, adhere to stringent information security requirements, and leverage the [Whistleblower Channel](#).

Our Anti-Corruption Policy, available in Portuguese, Spanish and English, underscores our unwavering commitment to preventing and addressing corruption. It guides not only our employees but also our partners and third parties.

Regular reviews of policies and codes ensure their ongoing effectiveness.

The corporate Compliance area, through the Compliance Program, is the executive body responsible for ensuring compliance with the policy and its continuous updating.

Authorized employees and suppliers receive guidance documents, especially when interacting with public officials. These documents include the Anti-Corruption Policy, Code of Conduct, Compliance Policy, and Public Official Relationship Norm.

In cases related to corruption, a dedicated committee promptly takes action.

The company's [Anticorruption Policy](#) undergo anti-corruption training, including all companies within the Lojas Renner S.A group.

Integrity analysis

When establishing new business relationships with suppliers and organizations, we diligently conduct integrity analyses of these companies. Through public sources, we assess restricted lists, processes in which the parties are involved, whether any partner is a politically exposed person, and negative media mentioning corruption cases or potential image risks.

Suppliers must also complete a Compliance assessment, in which the company informs whether:

- There will be any interaction with a public official
- They have clear guidelines and instructions on the conduct their employees should adopt when interacting with public officials
- They have a compliance/integrity program or anti-corruption practices aimed at detecting and addressing deviations, fraud, irregularities, and illicit acts against public administration, national or foreign
- Any partner, majority shareholder, board member, or administration employee (director, senior executive, or representative) is or has ever been registered on the politically exposed persons list, and
- The company to be contracted and/or its partners have ever been mentioned, indicted, formally accused, or are under official investigation by competent government authority or convicted by a competent judicial authority for any type of crime

Suppliers classified as high risk are kept under monitoring in case there is any change in the analyzed scenario.



Refer to the official [Compliance Program Management document for Lojas Renner S.A.](#)



10 Indicator board

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Governance

	2022	2023	Variation
Senior leadership			
Independent members of the Board of Directors (BoD)	7 (88.0%)	7 (88.0%)	-
Women on the BoD	2 (25.0%)	2 (25.0%)	-
Average attendance of BoD members	98.3%	98.5%	+0.2 p.p.
Board members with four or fewer terms	8 (100.0%)	8 (100.0%)	-
Average terms of Board members (in years)	8.8	9.4	+7.3%
Members with experience in the industry	2	2	-
Ethics			
Employees trained in the Code of Conduct in the last year GRI 205-2	100.0%	90.0%	-10.0 p.p.
Percentage of operations audited regarding anti-corruption	-	100.0%	-
Confirmed cases of corruption or bribery GRI 205-3	0	0	-
Complaints of Code of Conduct violations	1,975	2,514	+27.3%
Resolved complaints: fully valid or partially valid	1,063	1,272	+19.7%
Resolved complaints: invalid or inconclusive	750	988	+31.7%
Complaints under analysis	162	254	+56.8%

	2022	2023	Variation
Complaints of discrimination and harassment cases deemed fully or partially valid GRI 406-1	381	386	+1.3%
Reports related to modern slavery risk factors (operations and supply chain)	-	1 in the supply chain (excessive overtime)	-
Non-conformities related to modern slavery risk factors (operations and supply chain)	-	1 in the supply chain (excessive overtime)	-
Non-conformities identified by risk and compliance management (internal audit)	-	121	-
Political representation			
Contributions to representative associations (in R\$ thousand)*	1,226.5	6,325.1	+415.0%
Contributions to political parties GRI 415-1	0	0	-
Contributions to political interest representation	0	0	-
Cyber security			
Cases of cybersecurity violations	0	0	-
Cases of data privacy violations	0	0	-
Customers' complaints about privacy	0	0	-
Individuals affected by violations of data privacy GRI 418-1	0	0	-


*The data covers 100% of our operations. The variation between 2022 and 2023 is due to partnerships with new associations, notably the United for Brazil Institute, which involves a substantial payment amount.

	2022	2023	Variation
Percentage of employees trained in information security and privacy	-	88.0	-
Investments in data security in the year (in R\$ million)	-	23.0	-
Products			
Product recall	0	0	-
Volume of received products (in millions)	-	179	-
Percentage of products made in Brazil	-	53.2	-
Percentage of products made in Latin America	-	1.2	-
Percentage of products made in Asia	-	43.3	-
Percentage of products made in Europe	-	2.1	-
Percentage of products sold in developing countries	-	100.0	-

Social

	2022	2023	Variation
Suppliers			
Active suppliers in the year* GRI 2-6	6,246	5,387	-13.7%
Administrative suppliers GRI 2-6	5,492	4,734	-13.8%
Resale suppliers GRI 2-6	754	653	-13.4%
Supplier expenses (in R\$ millions) GRI 204-1	7,465.0	7,866.2	+5.6%
Administrative suppliers expenses (in R\$ millions) GRI 204-1	3,400.0	3,309.3	-2.7%
Local administrative suppliers expenses GRI 204-1	95.0%	96.0%	+1.0 p.p.
Resale suppliers expenses (in R\$ millions) GRI 204-1	4,100.0	4,556.9	+11.1%
Local resale suppliers expenses GRI 204-1	61.3%	59.6%	-1.3 p.p.
Active resale suppliers (tier 1) SASB CG-AA-000.A	754	801	+6.2%%
Local Renner resale suppliers (Latin America)	61.4%	54.5%	-6.9 p.p.
Subcontracted suppliers (tier 2 – contracts by our suppliers) SASB CG-AA-000.A	954	833	-12.7%
Local resale subcontracted suppliers (tier 2) (Latin America)	98.4%	98.0%	+0.40 p.p.
Resale tier 1 and 2 suppliers with socio-environmental certification or audit accredited by external organization SASB CG-AA-430b.1	100.0%	100.0%	-

*The decrease in suppliers occurred due to the supplier screening process at Camicado carried out in early 2023, reducing the volume of suppliers by two-thirds.

	2022	2023	Variation
Employees of the tier 1 and 2 resale supplier chain	-	265,742	-
Supply chain workers covered by collective agreements verified by the company	-	41,748	-
Tier 1 and 2 suppliers with elected unions	-	170	-
Percentage of supply chain workers earning above the minimum wage	-	100.0%	-
Supplier audit and monitoring			
Audited tier 1 suppliers SASB CG-AA-430b.1	99.2%	100.0%	+0.8 p.p.
Audited tier 2 suppliers SASB CG-AA-430b.1	99.6%	100.0%	+0.40 p.p.
Tier 1 suppliers critical for sustainability (level D)	0.77%	1.5%	+0.73 p.p.
Tier 2 suppliers critical for sustainability (level D)	0.21%	0.00%	-0.21 p.p.
Tier 1 and 2 critical suppliers with established action plans	100.0%	93.5%	-6.5 p.p.
Non-conformities identified in the monitoring/audit of tier 1 and 2 suppliers	384	340	-3.8%
Priority( <u>zero tolerance</u>) non-conformities identified in tier 1 and tier 2 supplier audits	1	0	-100.0%
Non-conformities associated with collective bargaining or freedom of association in tier 1 and 2 suppliers	-	1	-
Non-conformities associated with gender on tier 1 and 2 supplier premises	-	0	-
Tier 1 and 2 suppliers requesting monetary values for contracting	-	0	-

	2022	2023	Variation
Percentage of tier 1 and 2 suppliers assessed regarding risks related to human rights	100.0%	100.0%	-
Percentage of tier 1 and 2 suppliers with risks related to human rights (level D of the headquarters)	0.40%	0.22%	-0.18 p.p.
Percentage of tier 1 and 2 suppliers with risks related to human rights that have remediation actions in place	100.0%	100.0%	-
Customers			
Very satisfied customers (and target)	93.6% (92.6%)	91.3% (92.0%)	-2.3 p.p.
Satisfied and very satisfied customers	98,2%	97,7%	-0,50 p.p.
Percentage of customers using online sales channels (and target)	-	19.0 (18.5)	-
Percentage of revenue derived from online channels (and target)	-	14.3 (14.4)	-
Percentage of customer requests resolved through customer service channels	-	77.0	-
Response time in digital channels (in business days)	-	3	-
Response time in voice channels (in seconds)	-	40.0	-
Percentage of complaints relative to the total customer service interactions	-	94.5	-
Percentage of complaints resolved within a maximum of five business days	-	58.4	-
Society			
Private social investment (in R\$ million)	6.4	5.4	-15.6%

	2022	2023	Variation
Percentage of investment with tax incentive	23.3%	8.3%	-15.0 p.p.
Percentage of investment with own resources	76.7%	91.7%	+15.0 p.p.
Amount raised by institutions after selling donated products or services (in R\$ million)	-	4.0	-
Value of items donated by Lojas Renner S.A. (in R\$ million)	27.2	29.1	+6.9%
Expenses Associated with Volunteer Work for the LRI Operation (in R\$ thousand)	290.4	395.0	+36.0%
Amount invested in the corporate volunteering program (in R\$ thousand)	-	409.5	-
Expenses associated with social investment management (in R\$ thousand)*	490.4	1,185.4	+141.7%
Employees			
Employees GRI 2-7	25,251	24,364	-3.6%
Percentage of employees in Brazil (and total) GRI 2-7	96.8 (24,445)	97.0 (23,645)	+0.20 p.p.
Percentage of employees in Uruguay (and total) GRI 2-7	2.2 (565)	2.2 (543)	-.
Percentage of employees in Argentina (and total) GRI 2-7	0.60 (148)	0.35 (87)	-0.25 p.p.
Percentage of employees in China (and total) GRI 2-7	0.33 (84)	0.21 (52)	-0.12 p.p.
Percentage of employees in Bangladesh (and total) GRI 2-7	0.04 (9)	0.04 (11)	-
Percentage of employees in Vietnam (and total) GRI 2-7	-	0.11 (26)	-

*This increase is due to higher investment in communication (social media management, photos, videos), LRI's 15-year anniversary event, and structuring of the new LRI website.

	2022	2023	Variation
Percentage of full-time employees (and total) GRI 2-7	100.0 (25,251)	100.0 (24,364)	-
Female full-time employees GRI 2-7	-	15,893	-
Male full-time employees GRI 2-7	-	8,471	-
Percentage of part-time employees (and total) GRI 2-7 ¹	0.00 (0)	0.00 (0)	-
Percentage of indefinite-term employees (and total) GRI 2-7 ²	84.3 (21,278)	81.3 (19,806)	-3.0 p.p.
Percentage of definite-term employees (and total) GRI 2-7 ³	15.7 (987)	18.5 (4,497)	+2.8 p.p.
Percentage of interns (and total)	0.33 (83)	0.25 (61)	-0.08 p.p.
Board of Directors GRI 2-7	8	8	-
Employees in executive positions GRI 2-7	22	20	-9.1%
Employees in leadership positions GRI 2-7 ⁴	3,073	2,884	-6.6%
Employees in non-leadership positions GRI 2-7	22,197	21,452	-3.4%
Outsourced employees GRI 2-8 ⁵	-	432	-

¹ All employees are considered full-time as they fully comply with the working hours as per applicable legislation.

² All employees are considered indefinite-term except those in the probationary period, interns, and apprentices.

³ Employees in the probationary period, interns, and apprentices are considered fixed-term employees. Only in Brazil there are fixed-term employees.

⁴ Leadership positions: managers, coordinators, supervisors, and team leaders. Consultants and specialists were not considered as leadership.

⁵ The total of third-party personnel refers to those who have access to the headquarters in Porto Alegre. The main activities carried out by these service providers, in general, are maintenance, cleaning, gardening, and IT services.

	2022	2023	Variation
Percentage of employees in Brazil who receive post-employment benefits, specifically contributions to the State's Severance Indemnity Fund for Length of Service.	100.0	100.0	-
Employees protected by collective bargaining agreements GRI 2-30	100.0%	100.0%	-
Strikes	0	0	-
Mass layoffs or hirings (more than 10% of the total employee workforce)	None	None	-
Diversity			
Female employees	65.1%	65.0%	-0.10 p.p.
Female employees in leadership positions	61.4%	61.7%	+0.3 p.p.
Female employees in junior leadership positions	62.1%	61.9%	-0.20 p.p.
Female employees in senior leadership positions (up to 2 levels below the CEO)	50.0%	48.4%	-1.6 p.p.
Female employees in revenue-generating leadership positions	66.4%	67.2%	+0.76 p.p.
Female employees in STEM (science, technology, engineering, and mathematics) positions	18.9%	25.0%	+6.1 p.p.
Self-declared black (black and brown) employees	50.0%	50.4%	+0.40 p.p.
Self-declared black employees in leadership positions	38.3%	36.0%	-2.8 p.p.
Black employees in Executive or Board positions	0	0	-
Self-declared white employees	45.0%	46.7%	+1.7 p.p.

	2022	2023	Variation
Self-declared white employees in leadership positions	57.6%	60.3%	+2.7 p.p.
Self-declared Asian employees	3.1%	2.3%	-0.80 p.p.
Self-declared Asian employees in leadership positions	3.3%	3.2%	-0.10 p.p.
Self-declared indigenous employees	0.70%	0.60%	-0.10 p.p.
Self-declared indigenous employees in leadership positions	0.40%	0.45%	-0.05 p.p.
Employees who did not self-declare	-	3.180	-
Employees in leadership positions who did not self-declare	-	167	-
Employees with disabilities (PwD)	3.9%	3.3%	-0.6 p.p.
Self-declared LGBTQIAPN+ employees	23.7%	22.7%	-1.0 p.p.
Self-declared LGBTQIA+ employees in leadership positions	20.8%	19.7%	-1.1 p.p.
Employees aged 29 and under	55.7%	53.3%	-2.4 p.p.
Employees aged between 30 and 49	40.7%	42.7%	+2.0 p.p.
Employees aged 50 and above	3.6%	4.0%	+0.40 p.p.
Ratio between the average wage of women and men across all employees	-	0.78	-
Ratio between the average compensation (wages + benefits) of women and men across all employees	-	0.73	-
Ratio between the average wage of women and men in executive positions GRI 405-2	0.84	0.83	-1.2%

	2022	2023	Variation
Ratio between the average compensation (wages + benefits) of women and men in executive positions GRI 405-2	0.85	0.98	+15.5%
Ratio between the average wage of women and men in other leadership positions GRI 405-2	0.85	0.81	-4.2%
Ratio between the average compensation (wages + benefits) of women and men in other leadership positions GRI 405-2	0.86	0.78	-9.2%
Ratio between the average wage of women and men in other non-leadership positions	0.86	0.85	+1.2%
Ratio between the average wage of white and black employees	-	0.47	-
Ratio between the average compensation (wages + benefits) of white and black employees	-	0.43	-
Ratio between the average wage of white and black employees in leadership positions	-	0.53	-
Ratio between the average wage of white and black employees in non-leadership positions	-	0.67	-
Retention rate of women after 12 months following return from maternity leave GRI 401-3*	80.1%	42.1%	-38.0 p.p.
Average years of tenure for women in the company	-	3.5	-
Average years of tenure for men in the company	-	3.3	-
Training and development			
Average hours (and days) of training per employee GRI 404-1	108.0 (13.5)	65.0 (8.1)	-60.2%
Average hours of training for employees in non-leadership positions GRI 404-1	114.0	62.0	-45.6%
Average hours of training for employees in leadership positions GRI 404-1	64.0	87.0	+28.1%

*A increase was not specifically targeted at this audience. The rise is a reflection of the overall turnover rate in 2023.

	2022	2023	Variation
Average hours of training for employees in executive positions GRI 404-1	33.0	42.0	+27.3%
Average training investment per employee (in R\$)	391.4	393.0	+0.40%
Attraction and retention			
Employment	13,252	14,102	+6.4%
Employment rate	51.2%	59.6%	+8.4 p.p.
Women's employment rate GRI 405-1	64.7%	65.0%	+0.30 p.p.
Men's employment rate GRI 405-1	35.3%	35.0%	-0.30 p.p.
Employment rate for individuals aged 29 and under GRI 405-1	55.9%	70.6%	+14.7 p.p.
Employment rate for individuals aged between 30 and 49 GRI 405-1	32.4%	27.9%	-4.5 p.p.
Employment rate for individuals aged 50 and above GRI 405-1	11.7%	1.5%	-10.2 p.p.
Percentage of open positions filled by internal candidates	63.0%	71.0%	+8.0 p.p.
Average recruitment cost per opening (R\$)	357.2	450.6	+26.1%
Turnover GRI 401-1	12,197	14,904	+22.2%
Turnover rate GRI 401-1	49.7%	64.8%	+15.1 p.p.
Female turnover rate GRI 401-1	49.1%	64.5%	+15.4 p.p.
Male turnover rate GRI 401-1	50.8%	65.4%	+14.6 p.p.

	2022	2023	Variation
Turnover rate for employees aged 29 and under GRI 401-1	49.3%	77.9%	+28.6 p.p.
Turnover rate for employees aged between 30 and 49 GRI 401-1	29.3%	50.5%	+21.2 p.p.
Turnover rate for employees aged 50 and above GRI 401-1	21.4%	32.3%	+10.9 p.p.
Turnover rate for senior leadership GRI 401-1	10.0%	15.7%	+5.7 p.p.
Turnover rate for Executive Officers GRI 401-1	-	35.3%	-
Turnover rate for mid-level leadership GRI 401-1	14.5%	24.7%	+10.2 p.p.
Turnover rate for junior leadership GRI 401-1	21.5%	30.6%	+9.1 p.p.
Voluntary turnover GRI 401-1	-	7,757	-
Voluntary turnover rate GRI 401-1	29.5%	33.7%	+4.2 p.p.
Female voluntary turnover rate GRI 401-1	-	34.5%	-
Male voluntary turnover rate GRI 401-1	-	32.3%	-
Voluntary turnover rate for employees aged 29 and under GRI 401-1	-	43.1%	-
Voluntary turnover rate for employees aged between 30 and 49 GRI 401-1	-	23.7%	-
Voluntary turnover rate for employees aged 50 and above GRI 401-1	-	8.6%	-
Voluntary turnover rate for black employees GRI 401-1	-	39.9%	-
Voluntary turnover rate for white employees GRI 401-1		31.6%	

	2022	2023	Variation
Voluntary turnover rate for Asian employees GRI 401-1	-	56.4%	-
Voluntary turnover rate for indigenous employees GRI 401-1	-	43.8%	-
Voluntary turnover rate for senior leadership GRI 401-1	-	2.6%	-
Voluntary turnover rate for Executive Officers GRI 401-1	-	5.9%	-
Voluntary turnover rate for mid-level leadership GRI 401-1	-	8.2%	-
Voluntary turnover rate for junior leadership GRI 401-1	-	11.3%	-
Adhesion to the engagement survey	89.0%	89.0%	-
Employee engagement	89.0%	86.0%	-3.0 p.p.
Engagement of female employees	-	87.0%	-
Engagement of male employees	-	85.0%	-
Engagement of black employees	90.0%	88.0%	-2.0 p.p.
Engagement of white employees	89.0%	87.0%	-2.0 p.p.
Engagement of Asian employees	87.0%	88.0%	+1.0 p.p.
Engagement of indigenous employees	88.0%	92.0%	+4.0 p.p.
Engagement of employees aged 24 and under	86.0%	84.0%	-2.0 p.p.

*Recordable incidents (injuries and fatalities with lost time, cases requiring medical treatment, and cases of restricted workdays) per million hours worked.

	2022	2023	Variation
Engagement of employees aged between 25 and 44	90.0%	89.0%	-1.0 p.p.
Engagement of employees aged 45 and above	95.0%	91.0%	-4.0 p.p.
Compensation			
Ratio of CEO compensation to median employee compensation (excluding the CEO) GRI 2-21	117.6	190.8	+38.4%
Short-term incentive compensation for Executive Officers (in RS million)	8.5	10.1	+12.9%
Long-term incentive compensation for Executive Officers (in RS million)	2.2	0.0	-100.0%
Health and Safety GRI 403-9			
Employee deaths (and death rate)	0 (0.0)	0 (0.0)	-
Work-related accidents requiring mandatory reporting (total)	60	152	-
Lost workdays due to injuries, accidents, deaths, or illnesses	-	3,558	-
Lost time injury frequency rate ¹	1.2	1.5	+0.3 p.p.
Lost time injury frequency rate with commuter accidents ^{1 2}	ND	2.9	
Severity rate (SR) of accidents ³	-	70.2	-
Deaths of outsourced employees	-	1	-

¹Frequency rate = (Number of accidents resulting in lost time)/(total hours worked in the accounting period) x 1,000,000.
Exposure man-hours = 50,679,551h

²In this year, we also report the indicator with commuter accidents in the calculation, in addition to typical accidents.

³SR = (Number of lost days + debited days) X 1,000,000 / Exposure man-hours.

Environmental

	2022	2023	Variation
Management			
Percentage of operations covered by an environmental management system	100.0%	100.0%	-
Non-compliance with laws and regulations GRI 2-27	0	0	-
Emissions			
Scope 1 emissions (tco2e) GRI 305-1	5,333.7	4,579.53	-14.1%
Scope 2 emissions – purchasing choice (tco2e) GRI 305-2	0	0	-
Scope 2 emissions – location-based (tco2e) GRI 305-2	8,868.5	8,933.2	+0.7%
Scope 3 emissions (tco2e) GRI 305-3	341,065.7	334,188.29	-2.0%
Emission intensity (tCO ₂ e/m ² of built-up area) GRI 305-4	1.55	1.54	-1.9%
Energy			
Energy consumption (in thousand GJs) GRI 302-1*	696.2	810.8	+16.4%
Energy intensity (in thousand GJs/m ²) GRI 302-3**	0.56	0.59	+5.4%

* Includes all Lojas Renner S.A. companies, excluding administrative offices Only electric power. Increase caused by the inclusion of administrative buildings in the calculation.

** Energy intensity is calculated by the electric power consumption of the stores divided by their total area.

	2022	2023	Variation
Energy expenses (in R\$ million)	167.3	176.3	+5.4%
Relative energy expenditures (R\$ spent/R\$ net revenue)	0.014	0.013	-7.1%
Percentage of renewable low-impact energy (small hydroelectric, solar, wind and biomass)	100.0	100.0	-
Percentage of renewable energy use in the supply chain	-	19.1	-
Water			
Volume of water withdrawn from the municipal network (concessionary/water tanker trucks) in cubic meters (in m ³) GRI 303-3	412,560.0	390,366.0	-5.3%
Withdrawal of groundwater from wells in cubic meters (in m ³) GRI 303-3	7,562.0	30,017.0	+25.2%
Total water withdrawal in cubic meters (in m ³) GRI 303-3	420,123.0	420,383.0	+0.06%
Intensity of water withdrawal (m ³ /R\$ million in net revenue)	-	30.8	-
Water recovered and recirculated in operations (reuse of treated effluent) in m ³	-	11,162.0	-
Percentage of withdrawn water recirculated in operations	-	2.7	-
Disposal of effluents into the municipal network (concessionary) in m ³ GRI 303-4	ND	278,778.0	-
Disposal of effluents into surface water (lakes and rivers) in m ³ GRI 303-4	ND	25,059.0	-
Disposal of effluents into groundwater in m ³ GRI 303-4	ND	12,128.0	-
Total water disposal in m ³ GRI 303-4	ND	315,965.0	-

Water consumption control by concessionaires and wells is carried out only at distribution centers, for stores and administrative units, consumption is calculated through the average intensity of consumption per employee. The average intensity of consumption was obtained through a specific study (1.09 m³/employee for offices and 1.538 m³/employee for stores). The data consider all companies under Lojas Renner S.A. in Brazil.

	2022	2023	Variation
Total water consumption in m ³ GRI 303-5	ND	104,418.0	-
Percentage of tier 1 suppliers whose effluents comply with legal requirements SASB CG-AA-430a.1	-	100.0%	-
Percentage of tier 2 suppliers whose effluents comply with legal requirements SASB CG-AA-430a.1	-	100.0%	-
Waste			
Volume of waste generated (in tons)	3,538.0	6,034.36	+70.5%
Amount of pre-production waste generated - leftovers, trims, yarns, end rolls of fabrics (in thousand tons)	-	700.2	-
Discarded electronic waste (in kg)	-	259.6	-
Hazardous waste (in percentage of total)	19.1	0.17	-18.9 p.p.
Hazardous waste recycled (tons) GRI 306-4	-	6.6	-
Hazardous waste disposed in landfill (tons) GRI 306-5	-	3.8	-
Percentage of hazardous, non-recyclable waste	0.10	0.06	+0.04 p.p.
Non-hazardous waste recycled (tons) GRI 306-4	-	5,641.7	-
Non-hazardous waste disposed in landfill (tons) GRI 306-5	-	382.1	-
Percentage of recycled waste	92.7%	93.6%	+0.90 p.p.
Waste generation intensity (tons of waste generated per R\$ million of net revenue)	0.307	0.442	+44.0%
Cost associated with waste management (in R\$ million)	-	1.4	-

	2022	2023	Variation
Perfumery waste collected by Ecoestilo - reverse logistics (in tons)	40.5	55.9	+38.0%
Clothing waste collected by Ecoestilo - reverse logistics (in tons)	11.5	20.4	+77.6%
Raw materials (apparel)			
Cotton consumption (in thousand tons)* GRI 301-1 SASB CG-AA-440a.4.	24.5	18.2	-25.2%
Polyester consumption (in thousand tons)* GRI 301-1 SASB CG-AA-440a.4.	14.6	10.2	-30.4%
Viscose consumption (in thousand tons)* GRI 301-1 SASB CG-AA-440a.4.	4.0	6.0	+51.0%
Polyamide consumption (in thousand tons)* GRI 301-1 SASB CG-AA-440a.4.	7.8	2.8	-64.1%
Certified cotton (in thousand tons) SASB CG-AA-440a.4	24.0	17.8	-25.8%
Certified polyester (tons) SASB CG-AA-440a.4	236.0	238.0	-0.85%
Certified polyamide (tons) SASB CG-AA-440a.4	7.0	0.76	-89.1%
Certified viscose (in thousand tons) SASB CG-AA-440a.4	7.3	5.7	-21.9%
Percentage of less impactful Renner and Ashua products	81.5%	80.5%	-1.0 p.p.
Percentage of less impactful Youcom products	-	75.6%	-
Percentage of cotton products certified for responsible manufacture	98.0%	96.6%	-1.4 p.p.
Percentage of paper/wood fiber (viscose, modal and lyocell) certified for responsible manufacture	96.3%	92.5%	-3.8 p.p.

*We're currently enhancing our raw material measurement and management processes, which might lead to some variations compared to previous years. Additionally, in 2023, we experienced an overall decrease in the receipt of items from the company compared to 2022.

	2022	2023	Variation
Percentage of leather products certified for responsible manufacture	-	46.5%	-
Percentage of polyester products certified for responsible manufacture	-	2.44%	-
Percentage of polyamide products certified for responsible manufacture	-	0.03%	-
Percentage of products made from traceable cotton	-	95.8%	-
Percentage of products made from traceable leather	-	46.5%	-
Percentage of products made from traceable viscose	-	94.5%	-
Packaging			
Plastic consumption in packaging (in tons)	366.0 (8.0%)	439.0 (7.41%)	+19.9%
Paper/wood fiber consumption in packaging (in tons)	3,950.0 (92.0%)	5,481.4 (92.6%)	+38.8%
Percentage of paper/wood fiber consumed in packaging certified or originated from recycling	-	93.0%	-
Percentage of recyclable plastic used in packaging	64.0%	77.0%	+13.0 p.p.
Percentage of plastic used in packaging originated from recycling	0.00%	0.03%	+0.03 p.p.
Stores that use plastic packaging	-	140	-



11 Reading tools

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GRI Index

Universal Norms	Reference (page)/Direct answer	Related SDGs	Material topic
General Contents			
	Statement of Use		
GRI 1	2021 Foundations		
GRI 2: General Contents 2021			
The organization and its reporting practices			
2-1	Details about the organization		
2-2	Entities included in the organization's sustainability reports (Scope of Subsidiaries)		
2-3	Reporting period, frequency, and point of contact		
2-4	Information reformulations		
2-5	External verification		
Activities and employees			
2-6	Activities, value chain, and other business relationships		
2-7	Employees		
2-8	Contributors who are not employees		

Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
Governance				
2-9	Governance structure and breakdown	Pages 28 and 29		
2-10	Appointment and election of Board members	Nomination and Compensation Policy for Members of Management.		
2-11	President of the Board of Directors	Page 28		
2-12	Board of Director's role in impact management	The Board is the entity responsible for validating policies, principles, and strategies, as well as for overseeing impact management processes and diligence through its committees (page 33).		
2-13	Delegation of responsibility for impact management	The Board delegates responsibility for risk management to its Committees and the Executive Board, in addition to the teams directly involved in risk management (pages 33 and 55)		
2-14	Role played by the highest governance body in sustainability reporting	The Board is involved in the definition and monitoring of materiality (sustainability strategy) and approves the Report through its Sustainability Committee.		
2-15	Conflicts of interest	The Board's Internal Rules outline procedures to prevent conflicts of interest and require that any conflicts arising within the Board's scope be disclosed in meeting minutes. (Page 30).		Ethics and integrity
2-16	Communicating critical concerns	The Board oversees and directs the handling of critical concerns during its meetings and regular interactions with committees. There were no major concerns in 2023.		
2-17	Collective knowledge of the highest governance body	Page 44		
2-18	Assessment of the Board's performance	Page 30		
2-19	Compensation policy			
2-20	Process for determining the compensation	Pages 31 and 53. For more details, refer to the Policy on Appointment and Compensation of Directors and the People Committee's Rules.		

Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
2-21	Proportion of the total annual compensation	Page 164. For calculating employee remuneration, the annual median value is used. For employee remuneration (excluding the CEO), active employees from January to December/23 were considered. The CEO's remuneration value considers the highest amount received in a month.		
Strategy, policies, and practices				
2-22	Declaration on the sustainable development strategy	Pages 06 and 15		
2-23	Commitment policies	Pages 34, 44 and 62		Ethics and integrity
2-24	Incorporating the commitment policies	Pages 35 and 44		Ethics and integrity
2-25	Processes to remedy negative impacts	Pages 35, 57 and 62		Ethics and integrity
2-26	Mechanisms for seeking guidance and voicing concerns	Page 62		Ethics and integrity
2-27	Compliance with laws and regulations	Page 165. There were no cases of non-compliance with laws and regulations in 2023.		Ethics and integrity
2-28	Participation in associations	Page 56	16	

Stakeholder engagement

2-29	Approach to stakeholder engagement	In order to have an integrated view of stakeholders, the sustainability team maps the value chain and prioritizes the power and interest of each stakeholder group, based on Edward Freeman's stakeholder theory and Ann Qualman's power x interest methodology. Below we present the stakeholders identified as priorities in the power and interest matrix in 2022 and the pages where we present the means of engagement with these stakeholders: employees and leadership (page 35), suppliers (page 129), investors (page 30), customers (page 145), partners and beneficiaries of the Lojas Renner Institute (page 94), and startups (page 23).		
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Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
2-30	Percentage of employees protected by collective bargaining agreements or represented by unions	Page 158		
GRI 3: Material topics 2021				
3-1	Process for determining material topics	Pages 45 and 52		
3-2	List of material topics	Pages 45 and 52		
3-3	Material topic management	Pages 45 and 52		
Specific Norms				
GRI 201: Economic Performance 2016				
201-1	Economic value generated and distributed	Pages 138 and 184	8 and 16	
GRI 204: Procurement Practices 2016				
204-1	Percentage of the procurement budget used for local suppliers in significant operational units	Page 153. Local suppliers are those located in Brazil.	12	Supply chain management
GRI 205: Anti-corruption 2016				
205-2	Communication and training on anti-corruption policies and procedures	Pages 148 and 150	16	Ethics and integrity
205-3	Confirmed cases of corruption and measures taken	Pages 148 and 150	16	Ethics and integrity
GRI 207: Tax 2019				
207-1	Tax approach	Page 147		Tax strategy and transparency

Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
Environmental Contents				
GRI 301: Materials 2016				
301-1	Key raw materials used, broken down by weight (tons)	Pages 109 and 168. Recyclable (cotton and viscose) and non-recyclable (polyester and polyamide) materials	7, 8, 12, and 13	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Page 165	7, 8, 12, and 13	Energy consumption
302-3	Energy intensity	Page 165	7, 8, 12, and 13	Energy consumption
GRI 303: Water and effluents 2018				
303-3	Water withdrawal	Page 166		Water consumption
303-4	Water disposal	Page 166		Water consumption
303-5	Water consumption	Page 167		Water consumption
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) emissions of greenhouse gases (GHG)	Pages 98 and 165. In addition to GHG emissions, total direct biogenic CO ₂ emissions was 34.66 tCO ₂ equivalent.	3, 12, and 13	Greenhouse gas emissions
305-2	Indirect (Scope 2) emissions of greenhouse gases (GHG) from energy acquisition	Pages 98 and 165	3, 12, and 13	Greenhouse gas emissions
305-3	Other indirect (Scope 3) emissions of greenhouse gases (GHG)	Pages 98 and 165. In addition to GHG emissions, total indirect biogenic CO ₂ emissions was 6,203.75 tCO ₂ equivalent.	3, 12, and 13	Greenhouse gas emissions

Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
305-4	Intensity of GHG emissions	Page 165	13	Greenhouse gas emissions
GRI 306: Waste 2020				
306-4	Management of significant waste-related impacts	Pages 114 e 167. Data from Brazil only.	3 e 12	Waste management
306-5	Management of significant waste-related impacts	Pages 114 e 167	3 e 12	Waste management
Social contents				
GRI 401: Employment 2016				
401-1	Total number and percentage of new hires by age group, gender and state/country	Pages 161, 162 and 163	5	
401-3	Return-to-work rates and retention outcomes following maternity and paternity leave, broken down by gender.	Page 160. Data from Brazil only. Paternity leave information not available.	5	Diversity and inclusion
GRI 403: Health and safety at work 2018				
403-1	Health and safety management system	Page 81	5	Occupational health and safety, and employee well-being and quality of life
403-9	Work-related accidents	Pages 81 and 164	5	Occupational health and safety
GRI 404: Training and education 2016				
404-1	Average annual training hours per employee	Pages 160 and 161	4	Employee training and development

Universal Norms		Reference (page)/Direct answer	Related SDGs	Material topic
GRI 405: Diversity and equality 2016				
405-1	Composition of the groups responsible for corporate governance and breakdown of employees by category, according to gender, age group, minorities, and other diversity indicators	Pages 28, 29 and 161	5	Diversity and inclusion
405-2	Mathematical ratio of wages and compensation between women and men, differentiated by job category and pertinent operational units	Pages 159 and 160. Data from Brazil only.	5	Diversity and inclusion
GRI 406: Non-discrimination 2016				
406-1	Cases of discrimination and measures taken in that regard	Page 151	8	Diversity and inclusion Ethics and integrity
GRI 415: Public policies 2016				
415-1	Total value of financial contributions to political parties and politicians, broken down by country and recipient/beneficiary	The Company did not make contributions, directly or indirectly, to political parties, political campaigns, or lobbying associations.	16	Ethics and integrity
GRI 418: Customer privacy 2016				
418-1	Proven complaints regarding privacy violations and loss of customer data	Pages 39 and 152		Cybersecurity and data security

SASB Index

Code	Metric	Page reference	Related SDGs
Chemical product management			
CG-AA-250a.1	Discussion on procedures to ensure adherence to rules regarding controlled substances.	Page 105	6 and 12
CG-AA-250a.2	Discussion on processes to assess and manage risks and/or hazards associated with chemicals in products.	Page 105	6 and 12
Environmental impacts in the supply chain			
CG-AA-430a.1	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 in compliance with wastewater discharge permits and/or contractual agreements.	100% of supplier and their contractors	6 and 12
CG-AA-430a.2	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 that have completed the Environmental Module Assessment of the Higg Facility Environmental Module (Higg FEM) by the Sustainable Apparel Coalition or an equivalent environmental data assessment.	SELF-ASSESSED tier 1: 62 = 7.74% tier 2 = 1,44% VERIFIED tier 1: 58 = 7.24% tier 2: 10 = 1.20%	12
Working conditions in the supply chain			
CG-AA-430b.1	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 audited by a Labor Code of Conduct, (3) percentage of total audits conducted by an external auditor.	100% of tier 1 e 2 suppliers are audited by internal and external auditors.	8 and 12
CG-AA-430b.2	Percentage of non-compliance with priority issues and percentage of the respective corrective measures in audits of the suppliers' Code of Conduct.	Pages 118 and 120. No high-priority non-conformities occurred in 2023.	8 and 12
CG-AA-430b.3	Description of the most significant (1) labor risks and (2) environmental, health, and safety risks in the supply chain.	Pages 62 and 118	8 and 12

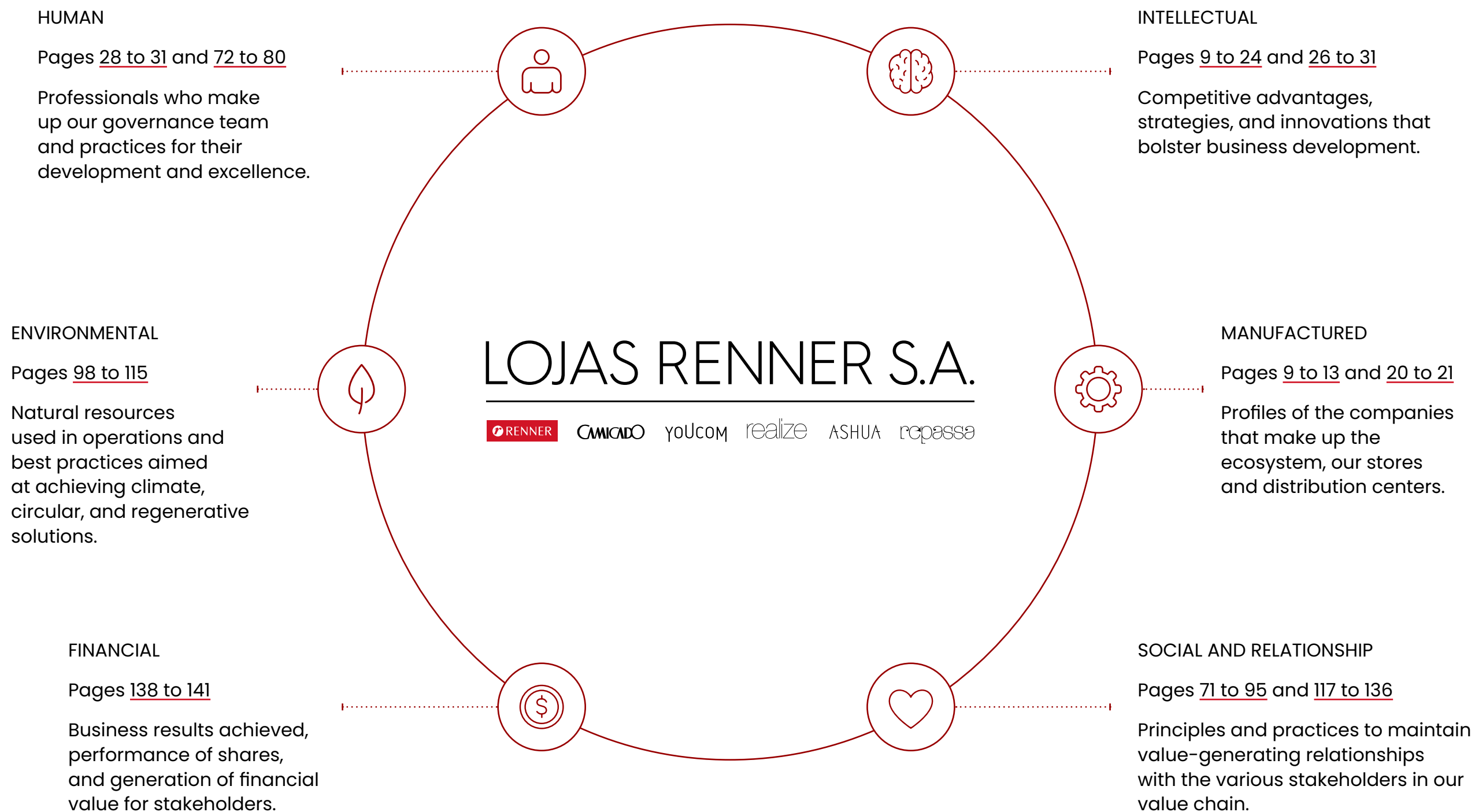
Code	Metric	Page reference	Related SDGs
Raw material supply			
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) with the highest likelihood of threats, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy to address business risks and opportunities.	Pages 62, 63 and 109	8 and 12
CG-AA-440a.4	(1) Amount of priority raw materials acquired, broken down by material, and (2) Amount of each priority raw material certified by a third-party environmental and/or social standard, broken down by standard.	Pages 109 and 168. The totals of certified materials are: cotton 17.8 thousand tons, polyester 238 tons, polyamide 0.765 tons, and viscose 5.7 thousand tons (these amounts includes Renner and Ashua).	8 and 12
Activity metrics			
CG-AA-000.A	Number of (1) tier 1 suppliers, and (2) suppliers beyond tier 1.	Pages 118, 153 and 180	

TCFD Index

Code	Metric	Page reference
Governance 1	1. Describe how the Board of Directors oversees climate-related risks and opportunities.	Our ESG 2030 strategy includes a robust focus on climate change mitigation and adaptation. The Sustainability Committee, which advises the Board, provides quarterly updates on our progress in implementing the strategy. This includes our ongoing work on adaptation, informed by a vulnerability analysis that identified critical risks and opportunities (see page 100 for more details).
Governance 2	2. Describe the Board's role in assessing and managing climate change-related risks and opportunities.	The Audit and Risk Management Committee, which advises the Board, assesses and quantifies risks related to business areas. They establish control procedures to mitigate these risks and collaborate with relevant departments to monitor them. Regularly, they report to the Board of Directors on the efficacy of our risk management efforts. For additional details on our risk management structure, please refer to page 33.
Strategy 1	3. Climate change-related risks and opportunities identified by the organization in the short, medium, and long terms.	Page 100
Strategy 2	4. Impacts of climate change-related risks and opportunities on the organization's business, strategy, and financial planning.	We carried out a carbon pricing study to help us anticipate the effects on product valuation and decision-making during our decarbonization efforts. The project specifically focused on the production of soft women's jeans, which is a significant representative product. Our findings from the short-term scenario revealed a 6% impact on profit, 19% in the medium term, and 28% in the long term.
Strategy 3	5. Resilience of the organization's strategy, considering different climate change scenarios, including one with temperature rises of 2°C or less.	We have developed a cohesive Responsible Fashion strategy that bolsters our business against the challenges of climate change. Our approach involves creating products with reduced environmental and social impact across their entire life cycle (see page 109). Additionally, we maintain a substantial share of renewable energy in our consumption matrix (page 146), implement an ongoing energy efficiency program to reduce intensity (page 146), and set formal emission reduction targets (page 48). Notably, these targets are even tied to variable compensation for our leadership team (page 54).

Code	Metric	Page reference
Risk management 1	6. Processes used by the organization to identify and assess climate change-related risks.	Page 100
Risk management 2	7. Processes used by the organization to manage climate change-related risks.	Pages 67 and 100
Risk management 3	8. How the processes used by the organization to identify, assess, and manage climate change-related risks are integrated into the organization's overall risk management.	Pages 59 and 66
Metrics and goals 1	9. Metrics used by the organization to assess climate change-related risks and opportunities in accordance with its strategy and risk management risk process.	Pages 67, 97 and 130
Metrics and goals 2	10. Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions, and the risks associated with them.	Page 101
Metrics and goals 3	11. Targets used to measure climate change-related risks and opportunities, and the organization's performance in relation to these targets.	Pages 64 to 67 and 98 to 102

Capitals Map

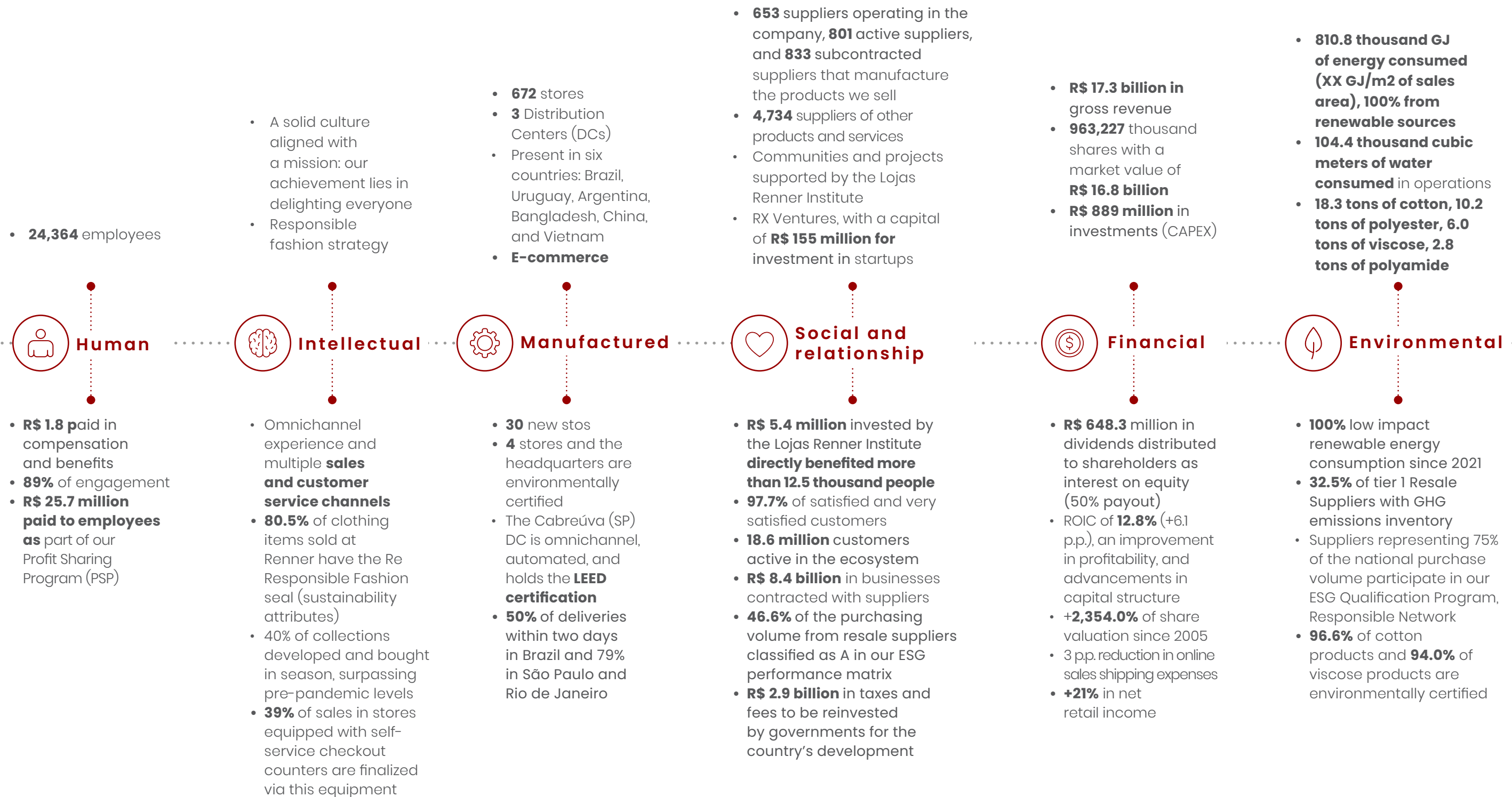


Capital-generated value

GRI 201-1

Capitals used

Value generated



Priority SDG map

1 NO POVERTY



Ensuring inclusive, equitable, and quality education and promote lifelong learning opportunities for all.

Professional qualification projects for women in the fashion value chain. [Page 92](#)

Support and development programs for suppliers and their contractors. [Page 129](#)

Employee development programs. [Page 78](#)

5 GENDER EQUALITY



Reaching gender equality and empower all women and girls.

Ensuring equity in employment, training, and career development for women. [Page 89](#)

Fostering women's participation in senior leadership positions. [Page 90](#)

Empowering women through training and entrepreneurship in the fashion chain. [Page 92](#)

8 DECENT WORK AND ECONOMIC GROWTH



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

Generating employment in our operations and in the supply chain. [Page 119](#)

Ensuring health and safety at work, as well as employee well-being and quality of life. [Page 81](#) and [84](#)

Fostering the defense of human rights in our operations and in the supply chain. [Page 62](#)

Promoting economic development and growth through social investment. [Page 92](#)

10 REDUCED INEQUALITIES



Reducing inequality within countries and between them.

Fostering the adoption of the living wage* by strategic suppliers. [Page 133](#)

Being among the Brazilian benchmarks in terms of engagement, guaranteeing a living wage* and continuously advancing in promoting employee well-being. [Page 117](#)

Programs for supporting the development of suppliers and their contractors. [Page 129](#)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensuring sustainable production and consumption standards.

Promoting circularity in the development of products, services, and business models. [Page 106](#)

Ecoefficiency in operations. [Page 146](#)

Projects with suppliers to monitor, control, and promote responsible production processes. [Page 129](#)

Raising our customers' awareness of sustainable consumption. [Page 112](#)

13 CLIMATE ACTION



Taking urgent measures to fight climate change and its impacts.

Strategy for reducing emissions and mitigating climate change. [Page 97](#)

Since 2015, offsetting 100% of our Scope 1 and 2 emissions. [Page 99](#)

Reducing fuel consumption. [Page 146](#)

Commitment to preserving biodiversity and fighting deforestation. [Page 107](#)

17 PARTNERSHIPS FOR THE GOALS



Strengthening the means of implementation and revitalizing the global partnership for sustainable development.

Active participation in organizations for development of the industry and promoting sustainability. [Page 56](#)

Assurance letter

GRI 2-5

Annual Report



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A free translation from Portuguese into English of auditors' limited assurance report on non-financial statements originally prepared in Portuguese.

Independent auditors' limited assurance report on the non-financial information contained in the Annual Sustainability Report

To
Shareholders, Directors and Management of
Lojas Renner S/A
Porto Alegre - RS

Introduction

We have been engaged by Lojas Renner S/A ("Renner" or "Company") to present our limited assurance report on non-financial information contained in Renner's 2023 Annual Sustainability Report ("Report 2023"), for the year ended December 31, 2023.

Our limited assurance does not cover prior period information, or any other information disclosed together with the Report 2023, including any embedded images, audio or video files.

Responsibilities of Renner's management

Renner's management is responsible for:

- selecting and establishing criteria that are appropriate for the preparation of the information included in the Report 2023;
- preparing the information based on the criteria and guidelines of the Global Reporting Initiative ("GRI Standards"), the Sustainability Accounting Standards Board ("SASB") – standard Apparel, Accessories & Footwear, and for climate disclosures in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017) and its annex Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021), hereinafter collectively referred to as guidelines of TCFD;
- designing, implementing and maintaining internal control over information relevant to the preparation of the information included in the Report 2023 that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on non-financial information included in the Report 2023, based on the limited assurance engagements conducted in accordance with the Communication CTO 07 - Limited Assurance Engagements regarding the non-financial information contained in the Integrated Report issued by Brazil's National Association of State Boards of Accountancy (CFC), and based on NBC TO 3000 *Assurance Engagements other than Audits or Reviews* also issued by the CFC, which is equivalent to the international standard ISAE 3000 *Assurance engagements other than audits or reviews of historical financial information* issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor to comply with ethical and independence requirements, and other responsibilities related thereto, including as regards the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on Compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the Report 2023 as a whole is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of making inquiries of Renner's management and other professionals of Renner involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that enables us to issue a limited assurance conclusion on the information as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that might lead the auditor to believe that the information disclosed in the Report 2023 as a whole might be materially misstated.

The procedures selected are based on our understanding of the aspects relating to the compilation, materiality and presentation of the information included in the Report 2023, other circumstances of the engagement and our consideration of areas and processes associated with the material information disclosed in the Report 2023, which could contain material misstatements. The procedures included, among others:

- a) planning the work, considering the materiality and the volume of quantitative and qualitative information, and the operating and internal control systems that were used to prepare the information included in the Report 2023;
- b) understanding the calculation methodology and procedures for compiling the indicators and climate disclosures through inquiries of the managers responsible for preparing the information;
- c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators and climate disclosures included in the Report 2023;

d) when non-financial relate to financial indicator, comparing these indicators with the financial statements and/or accounting records.

The limited assurance works also included adherence based on the guidelines and criteria of the GRI Standards framework, SASB and TCFD guidelines applicable in the preparation of the information contained in the Report 2023.

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

Scope and limitations

The procedures applied in limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained on a reasonable assurance engagement. Had we performed reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the Report 2023. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance and accuracy of the data are subject to individual assumptions and judgments.

Furthermore, we did not consider in our work the data reported for prior periods, nor on future projections and goals.

The preparation and presentation of sustainability indicators and climate disclosures followed based on the criteria of the GRI Standards, SASB and guidelines of TCFD and, therefore, their objective is not to provide assurance with regard to compliance with social, economic, environmental, or engineering laws and regulations. Those standards establish, however, the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the selected criteria (GRI Standards, SASB and guidelines of TCFD).


With respect to the guidelines of TCFD, the absence of a significant body of established practices upon which to rely for assessing and measuring relevant disclosures allows for different but acceptable valuation and measurement techniques, which may affect comparability between entities over the course of the time. TCFD recommendations are principle-based, allowing the possibility for different organizations to implement a variety of policies, processes and activities to demonstrate their alignment. How management determines how they should respond to these recommendations remains, to some extent, a matter for their judgment, exposure to climate risks and commitments to their stakeholders. For this reason, our conclusion does not extend to the suitability of Renner's policies, processes or activities to achieve alignment with TCFD recommendations.

Conclusion

Based on the procedures performed, described in this report and on the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in Renner's Report for the year ended December 31, 2023, are not prepared, in all material respects, based on the criteria and guidelines of the Global Reporting Initiative – GRI ("GRI - Standards"), Sustainability Accounting Standards Board ("SASB") and Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

Porto Alegre (RS), April 11th, 2024.

Ernst & Young
Auditores Independentes S/S Ltda.
CRC SP-015199/F



Arthur Ramos Arruda
Contador CRC RS-096102/O

Emission inventory



KPMG Assessores Ltda.

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Independent Auditor's Limited Assurance Report on the Greenhouse Gases Declaration of Lojas Renner S.A.

To the Board Of Directors and Management
Lojas Renner S.A.

Porto Alegre - RS

Introduction

We have carried out the limited assurance engagement on the "GHG Declaration" of Lojas Renner S.A. for the year ended December 31, 2023, which comprises the emission declaration according to Appendix 1 ("GHG Statement").

Responsibilities of the Management of Lojas Renner S.A. for reporting GHGs

The management of Lojas Renner S.A. is responsible for the proper preparation and presentation of the information included in the "GHG Declaration", in accordance with "The Greenhouse Gas (GHG) Protocol - Corporate Accounting and Reporting Standard - Revised Edition from WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development)" - (2004 Revised Edition), "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories", "Specifications of the Brazilian GHG Protocol Program ("Applicable Criteria") as described in the GHG declaration. This responsibility includes planning, implementing and maintaining internal controls that are relevant for preparing a GHG return that are free from material misstatement, due to fraud or error.

Limitations inherent in the preparation of the GHG Declaration

As described in the GHG Declaration, the quantification of greenhouse gas emissions is subject to inherent uncertainty due to the incomplete scientific knowledge used to determine the gas emission factors and the amounts required to combine emissions of different gases. The quantification of greenhouse gases is subject to inherent uncertainty as

a result both of scientific uncertainty and estimation uncertainty. Uncertainty about the estimate may arise because of:

- the uncertainty inherent in quantifying inputs, such as activity data and emission factors, which are used in mathematical models to estimate emissions (measurement uncertainty);
- the inability of such models to accurately and accurately characterize in all circumstances the relationships between various inputs and resulting emissions (uncertainty of the model); And
- the fact that uncertainty may increase as emission quantities with different levels of measurement and calculation uncertainty are aggregated (uncertainty as a whole).

Management's selection of a different, but acceptable measurement method, inputted data or assumptions into the model, or a different point value within the range of reasonable values produced by the model could result in materially different values or metrics being

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reported. Moreover, the information included in the GHG Declaration is based on historical information that is quantitative and qualitative by nature. Therefore, it does not provide information about future reporting periods.

Our independence and quality control

We have complied with the Professional Code of Ethics for Accountants and professional standards issued by the Federal Association of Accountants, which include independence requirements and other requirements based on key integrity, objectivity, professional skills and due zeal, confidentiality and professional behavior.

We follow the NBC PA 01 Quality Management Standard, which requires that the Company design, implement and operate a quality management system, including policies or procedures for compliance with ethical requirements, professional standards and applicable statutory and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Declaration based on the procedures we performed and the evidence we obtained. We conducted our limited assurance engagement in accordance with NBC TO 3410, which is equivalent to ISAE 3410 standard – Assurance Engagement on Greenhouse Gas Statements in accordance with NBC TO 3410, issued by the Federal Association of Accountants. This standard requires that we plan and carry out this engagement to obtain a limited degree of assurance about whether the GHG return is free from material misstatements.

The limited assurance engagement carried out in accordance with NBC TO 3410 consists of evaluating the adequacy in the circumstances under which Lojas Renner S.A. uses the applicable criteria to prepare the GHG Declaration, assess the risks of material misstatement of the GHG declaration due to fraud or error, address the risks assessed as necessary in the circumstances and evaluate the overall presentation of the GHG Declaration. The limited assurance engagement is substantially lower in scope than the reasonable assurance engagement with respect both to risk assessment procedures, including an understanding of internal controls over procedures applied to respond to assessed risks.

The procedures that we applied were based on our professional judgment and included inquiries, observation of the procedures carried out by the Company, inspection of documents, analytical procedures, evaluation of the adequacy of quantification methods and reporting policies and agreement with or reconciliation to underlying records.

Given the circumstances of the engagement, when performing the procedures listed above, we will:

- by inquiring, we obtained an understanding of the control environment of Lojas Renner S.A. and of the information systems relevant for quantifying emissions and preparing reports, but we did not evaluate the planning of specific control activities, nor did we obtain evidence or test their implementation;
- we evaluated whether Lojas Renner S.A.'s methods for developing estimates are adequate and have been applied consistently. However, our procedures did not include testing data on which the estimates are based or developing our own estimates separately to evaluate the estimates made by Lojas Renner S.A.;
- we visited the Distribution Center (Rod. Dom Gabriel Paulino Bueno Couto, 82 - Agglomeration Urbana de Jundiaí, Cabreúva - São Paulo, 13212-240) and at the Corporate Office (R. Gomes de Carvalho, 1108, Vila Olímpia, São Paulo – SP, 04547-004) on February 27, 2024 to evaluate the integrity of emission sources, data collection

methods, source data and significant assumptions applicable to the sites. The places selected for testing were chosen taking into account their emissions in relation to total emissions, emission sources and selected locations in previous periods.

The procedures applied in a limited assurance engagement vary in nature and are less extensive than the reasonable assurance engagement. As a result, the level of assurance obtained from the limited assurance engagement is substantially lower than what would have been obtained if a reasonable assurance engagement had been carried out. Accordingly, we do not express a reasonable assurance opinion on whether the GHG Declaration of Lojas Renner S.A. has been prepared, in all material respects, in accordance with the applicable criteria explained in Appendix 1 - GHG Declaration.

Conclusion

According to the procedures we applied and the evidence we obtained, nothing came to our attention that causes us to believe that the GHG Declaration of Lojas Renner S.A. for the year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the Applicable Criteria, as explained in Attachment 1 - GHG Declaration.

São Paulo, April 11th, 2024

KPMG Assessores Ltda.

Original report in Portuguese signed by



Anderson Linhares de Oliveira
Accountant CRC MG-086685/O-8

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Credits

GRI 2-3

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Pedro Milanez

Vinicius Dalla Rosa

Collaboration

This report was produced thanks to the contribution of a multidisciplinary working team, to whom we would like to express our gratitude and dedicate this publication.

To learn more

 [Policies](#) that reaffirm our commitment to creating value for society:

[Sustainability Policy](#)

[Human Rights Policy](#)

[Code of Conduct](#)

[Code of Conduct for Partners](#)

Detailed results, with comments made by the Management:

 [Financial Statements](#)

Overview of the relevant aspects of the business, such as corporate governance and risk management:

 [Reference Form](#).

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