

SUSTAINABILITY  
REPORT  
2023



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# 1. INTRODUCTION



## 1.1 ABOUT THE REPORT

The report aims to consolidate and report the main events and ESG (Environmental, Social and Governance) indicators of Lojas Quero-Quero and its subsidiaries for the period from January 1 to December 31, 2023.

The content of this report is periodically revised and updated based on an analysis of the company's benchmarks and consultation with our stakeholders through online questionnaires, which seek the engagement and participation of those who are directly interested in the company. Based on these processes, we periodically update the materiality matrix which, in turn, structures the choice of our GRI indicators.

In the document, we present our profile, our principles and our business model. We address our Corporate Governance, as well as our Social and Human Capital and the Environment, in order to continue the process we started in 2020, of positioning the Company in relation to these aspects so that we can continue to improve ourselves and, at the same time, develop additional actions always with the aim of advancing more and more on the ESG agenda.

With this annual report, we want to demonstrate our commitment to generating long-term value for customers, employees, suppliers, investors, shareholders, society and all the stakeholders we impact in some way or are impacted by.

This document was drawn up based on the international sustainability reporting guidelines: Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), and also includes our actions and efforts related to the United Nations (UN) Sustainable Development Goals (SDGs), in a structure guided by the company's materiality study.





## 1.2 MESSAGE FROM THE BOARD

We had incredible moments that shaped the year 2023 and the construction of the Dream Company. Just like in a building, we know the importance of the pillars in the construction of a company. They are what support the work being built. And in 2023, our work was no different.

We continue to grow and build together, guided by our pillars. We were recognized as one of the best companies in corporate governance in the Empresas Mais 2023 Awards, a reflection of our commitment to transparency, integrity and exemplary corporate practices. Our people management practices were certified as Top Employers, demonstrating the strength of our employer brand. We have hired more than 4,500 employees, positively impacting the communities where we operate.

Our belief in the development of our people has enabled us to train more than 180 managers and 94 apprentices, who have been promoted to trainee managers. Investment in training has contributed to our productivity. We made more than 340 courses available on our online development platform in 2023 alone.

Every month, employees were recognized for their achievements, and we awarded 2,000 certificates, bringing the number of recognized employees to over 700. Initiatives such as Dreaming and

Designing, through which our designers draw up a project according to the client's needs, have enabled us to offer a personalized service to each client.

The 56 years of history were celebrated by record sales in the anniversary week, and on Quero Friday, we had yet another sales record, bringing the brand even closer and reinforcing the purpose of being part of our customers' lives.

In 2023, we got closer to the communities with promotions and a lot of networking. Online, we produced hundreds of videos to publicize the digital mix and promotions, and offline, to overcome the damage caused by the heavy rains in the southern region, the mobilization of our people and communities was key to helping those who needed it most. Teams genuinely lived our core values and deserved to be our "outliers".

All these initiatives contributed to the high performance of the teams and, as a result, we reached the zone of excellence in the NPS<sup>1</sup>, demonstrating the positive perception to customers. The standard of service was audited on more than a thousand visits and rewarded those who ensured a positive experience when welcoming their customers into the store. The desire to constantly evolve and strengthen our mission and strategy deserved an incentive and we were able to honor the commitment of our people with the Sales Champions campaign, which rewarded more than 320 employees.

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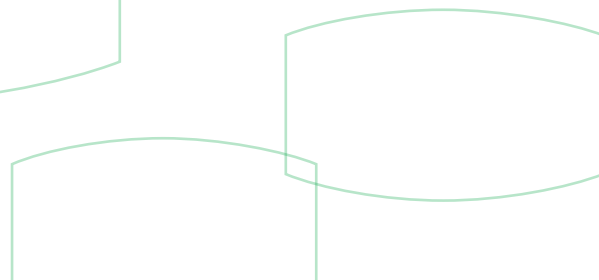
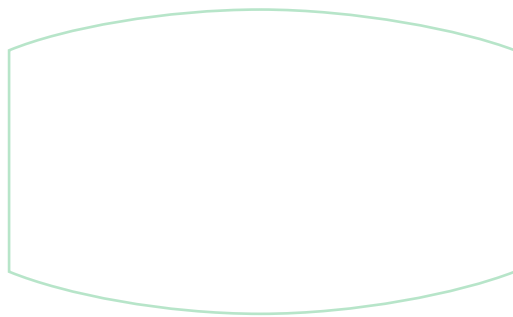
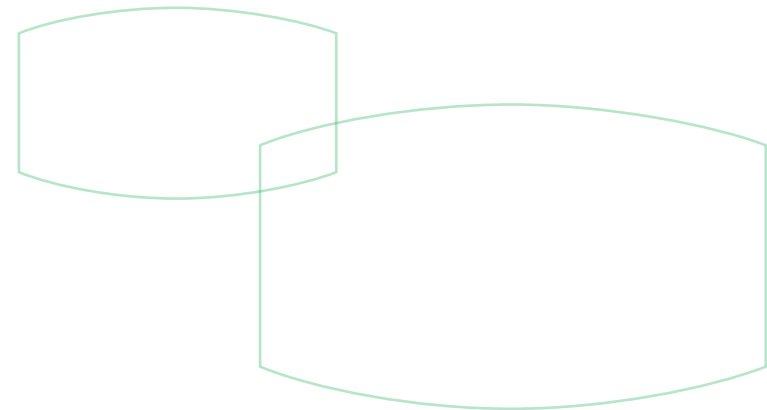
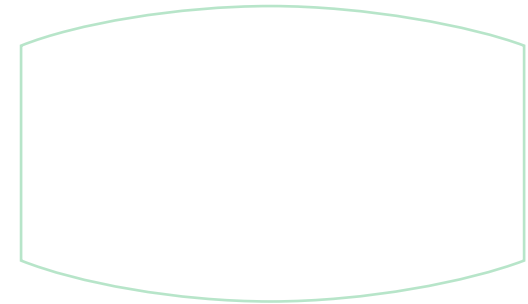
<sup>1</sup> NPS or Net Promoter Score is a methodology for evaluating customer loyalty

The Quero-Quero VerdeCard was essential for offering our customers even more agility, delivered instantly anywhere. Quero-Quero Pag in 2023 enabled us to win over 10,000 new customers.

In the digital pillar, it was a year of innovation. From marketplaces to platforms, we broke records and continued to see steady growth in our customers' adherence. Increasingly, Loja Infinita became part of people's lives, accounting for 22% of our sales.

We hope that 2024 will be a year for us to overcome limits, turn obstacles into stepping stones and gain even more market share. Always guided by our truths and values in our mission to provide a better life for our employees, clients and the communities where we operate, we hope to continue generating value and results that will provide us with constant and sustainable growth.

**May we be even more Quero-Quero. Let's go together!**





2. LOJAS

QUERO-QUERO S.A.

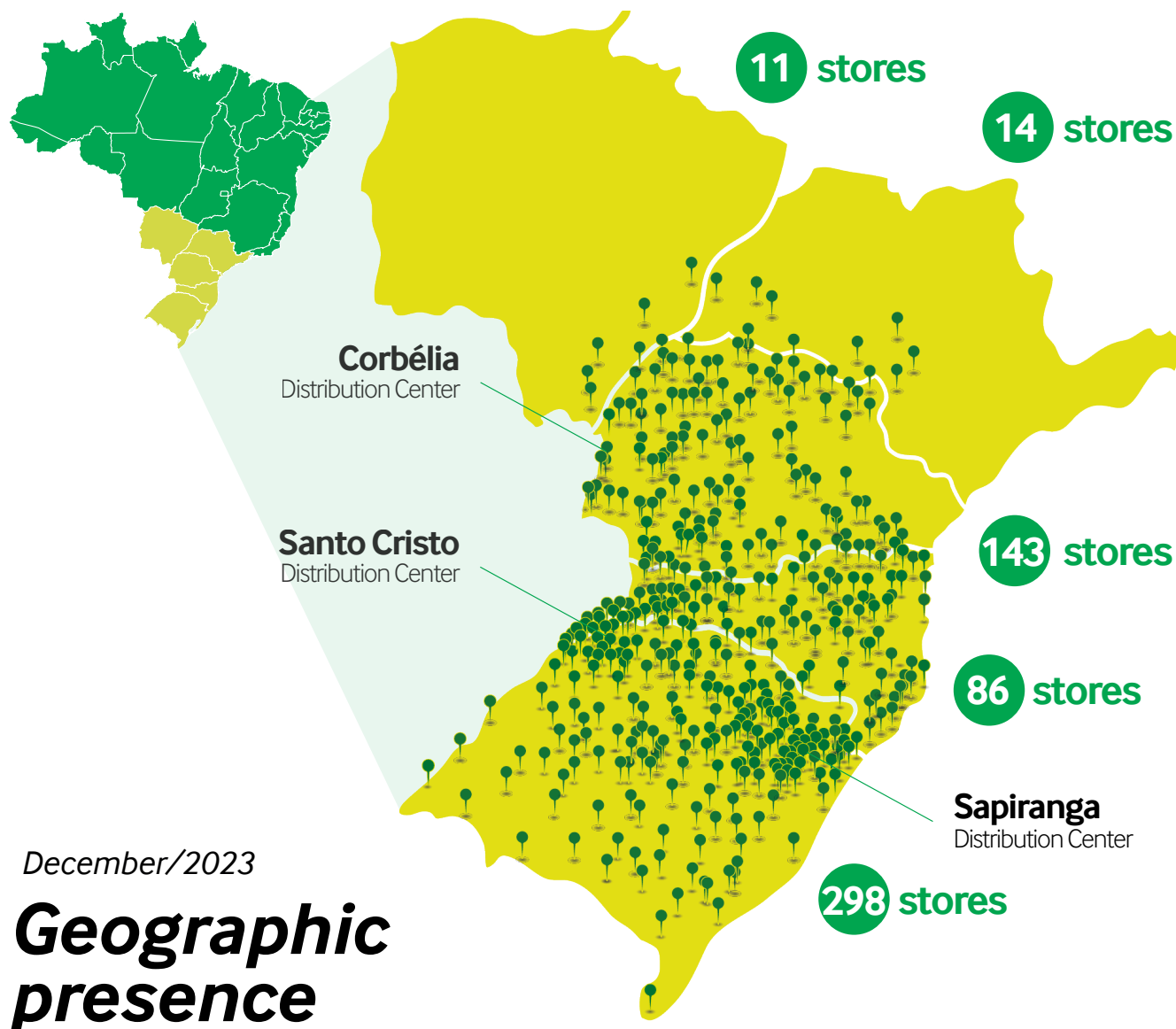
TRUÇÃO

LOJAS

QUERO-QUERO

CASA E M

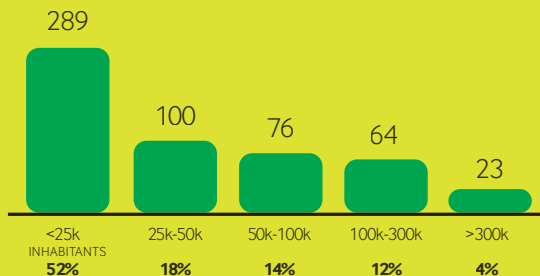




**552 stores**  
95% of them  
in cities  
with less than  
300k inhabitants

### Focus on small cities

(# of stores by size of city)



**Gross Revenue:** BRL 2,748 million

**Gross Profit:** BRL 826 million

**EBITDA:** BRL 228 million

**CAPEX:** BRL 49 million

Data referring to 2023



## 2.1 OUR HISTORY

Lojas Quero-Quero was born on August 15, 1967, in the city of Santo Cristo, in the interior of the state of Rio Grande do Sul, by the partners Mr. Tilli Alceu Scholze, Mr. Walter Edmundo Gallas and Mrs. Senna Klein Hartmann. Its name was inspired by the Quero-Quero bird, guardian of the lands from which the economic growth of the state of Rio Grande do Sul came at that time. In its early years, the store, which initially focused on agricultural implements and veterinary products, expanded its product portfolio to include hardware, tools and building materials, which would later become the company's main focus.

Our business model has made us known for offering an integrated solution to our consumers, characterized by our product portfolio of building materials, household appliances and furniture, in order to cover a large part of our customers' needs in the home and construction segment. In addition to the retail segment, through our subsidiary *Quero-Quero Verdecard Instituição de Pagamento S.A.* ("VerdeCard") we offer credit options to our customers, mainly in the financing of installment sales. In this way, Lojas Quero-Quero manages the VerdeCard credit cards and, to complete the mix of products offered, has a diversified portfolio of financial services, which enhance and provide a complete retail solution for its customers.

The first decade of the 21st century was one of continuous change and evolution for the company. As well as continuing on the path of

organic expansion, there was a change in control of the company. On September 5, 2008, private equity funds managed by managers affiliated with Advent acquired the majority of the shares in the company's share capital and, therefore, control.

With the change of control, the company's management was restructured in order to introduce the participation of independent directors on the Board of Directors and Audit Committee, professionalization of the administration, as well as the implementation of management and governance techniques following the guidelines of the private equity manager, Advent. On January 30, 2009, the company's head office was moved to Cachoeirinha, in the state of Rio Grande do Sul, in the metropolitan region of Porto Alegre, thus being closer to its main suppliers.

In 2020, the company held its initial public offering (IPO) in August, becoming listed on B3's *Novo Mercado* segment, an opportunity that marked the complete departure of private equity manager Advent from the shareholder roster.

In recent years, our focus has been on improving store operations, commercial strategies, people management, control of results based on cash flow, leadership development and investment in technology, which we believe has allowed us to create a unique business model that is successful in small and medium-sized towns in all regions of Brazil.

With a view to developing both our business model and the communities in which we operate, our main focus since

2019 has been on “*figital*” initiatives, i.e. initiatives that provide integration between the company’s physical stores and e-commerce. In 2019, we launched the e-commerce of *Lojas Quero-Quero*, serving all the cities where the company had previously had physical stores, thus creating a new sales channel through its own website or app, which has already been integrated with the stores in the store pick up and ship from store systems. Another important milestone in the company’s trajectory was the launch of the Infinite Store (Figital project) in 2021, an initiative that was born as a follow-up to the *Quero-Quero Muito Mais* (1P) project, which began in 2020. The Infinite Store consists of a showroom set up in Sapiranga and an online platform, which was launched in October 2021, with a virtual environment that represents the more than 4,000 m<sup>2</sup> of the showroom. Through this new initiative, we have been able to bring more than 20,000 SKUs to the small and medium-sized cities where we operate, which can be accessed by customers from their homes or from the physical store, with all the advice of their local salesperson.

In full expansion across the country, we currently have stores in the states of Rio Grande do Sul, Santa Catarina, Paraná and, more recently, Mato Grosso do Sul and São Paulo, as well as three distribution centers. In 2023, *Lojas Quero-Quero* celebrated 56 years of history, maintaining the essence of building lasting relationships with small and medium-sized communities in the countryside.



> **1967**

- Family management.



> **1969**

- Adding building materials to the product mix.



**1980** <

- Expansion acceleration: ending the decade with 4 stores.



**1978** <

- Adding home appliance to the product mix.



> **1981**

- Adding furniture to the product mix.  
- Start of sales of financial services and consortium.



> **1988**

- Moving to a joint-stock company.  
- More than 60 thousand products sold through consortium.



**2006** <

- Opening of **store 100**.



**1993** <

- Opening of the first store outside RS.





> **2008**

**Advent International**  
GLOBAL PRIVATE EQUITY

- Receives investment from the fund of private equity.



< **2020**

- Lojas Quero-Quero became a publicly-held company with pulverized capital (Corporation) listed on the *Novo Mercado*.



> **2021**

- Opening of **store 400**.  
- Start operation in Mato Grosso do Sul and São Paulo.  
- Opening of the 3rd Distribution Center in Corbélia/PR.



> **2011**

- Opening of **store 200**.  
- Start of operation in Paraná.



< **2019**

- Opening of **store 300**.  
- Launching of E-commerce platform.  
- New milestone: 50 stores opened in one year.



> **2022**

- Opening of **store 500**  
- 55 years of Lojas Quero-Quero.  
- Full implementation of the Infinite Store (Phygital project).



< **2023**

- 56 years of Lojas Quero-Quero.  
- Start of operation of contracted photovoltaic plants.



## 2.2 OUR MISSION AND VALUES

Lojas Quero-Quero's values guide the actions and convictions of the entire team on a daily basis. Our values are the foundation of the pillars that support our operation. Pride in being part of them is our differential.

We are an organization that believes that relationships based on integrity, simplicity, trust and respect are the most important things. Our mission is to provide a better life for our employees, clients and the communities in which we operate. We believe that by living this with excellence we will generate the value and results that will provide us with constant and sustainable growth.



### Integrity

Having an open heart and acting genuinely. It means being true, being whole and, no matter how difficult the situation, never hiding the truth from anyone. We believe that integrity is what unites us and allows us to grow.

### Simplicity

It's having an inner soul and being proud of it. It means treating people equally, being humble and recognizing the value of others. This is how we recover our origins, bring people closer together and build strong, lasting relationships.



### Trust

It's believing in people, keeping your promises and always being truthful. It means giving yourself fully and unreservedly to your relationships. It's fighting for what we believe in and knowing that we're not alone. And more than that, it's having the conviction that we can make a difference.



### Respect

Is the feeling that leads you to treat people with attention, respecting their space, their limitations, their principles, beliefs and values. It means setting a good example and treating others the way you would like to be treated.







### Commitment

It's giving yourself without expecting anything in return, being in the fight with total commitment and being worthy, with the deepest sense of duty accomplished. It is our commitment that shows how important and necessary relationships are for each of us. And it is with everyone's commitment that we build a strong company that is always ready for any challenges that arise.



### Transparency

Looking people in the eye, having frank conversations, showing pure and sincere feelings. We believe that it is transparency that brings us closer to people and makes them want to be by our side. Transparency means building relationships based on truth.



### Focus on people

We believe that we should always look at people. It's betting on each person's dreams and believing that together we can build ever more consistent and bigger dreams. Focusing on people means being sure that they drive everything.

### Teamwork

It's seeing that, by teaming up with others, we consolidate a strong structure, with intense energy and consistent possibilities for achieving our goals. It's not being satisfied with just doing our part of the process, but striving for the team to reach its final goal. It's a virtuous cycle of strengthening and growth.



### Austerity

Learning how to do things objectively and avoiding waste. Seeking practical solutions, but without compromising on quality. Always setting a good example in the use of company assets.



### Continuous Learning

It's about constantly developing, sharing ideas and learning from others, seeking knowledge and being ready for opportunities. Being aware of this means believing that you can always go further. It means believing in yourself and in others, while maintaining motivation and a sparkle in your eyes.



## ***Our Vision***

To be the organization with the largest, most qualified and consistent network of relationships among the most populous classes in Brazil, operating with excellence in the retail of building materials, financial services and credit card administration.

## ***Our Fundamental Truths***

- Promise only what you can keep, but keep everything you promise, whatever the cost.
- Always speak the truth, always, no matter who it hurts.
- Do unto others as you would have them do unto you.





## 2.3 RELATIONSHIP WITH STAKEHOLDERS AND OUR MATERIALITY MATRIX

As a retailer, we have various levels of interaction with stakeholders in our daily lives, from direct conversations with our customers to meetings and conferences with investors. And through these connections, we are able to gain a greater understanding of the impacts of our operations.

It is from these formal and informal interactions that, together with our internal exchanges, our vision and our values, we gather information to define our focus areas. Throughout 2021, we carried out an assessment of the maturity of the ESG theme in Brazil and in the retail sector, covering national and international companies, and we assessed the Company internally to define the organizational maturity of each theme and the implementation of strategies to move forward on each front. We believe, however, that this process of defining our materiality matrix is an ongoing one. Therefore, in the first months of 2023, we will update our materiality matrix, expanding its scope even further. We invited all of our more than 8,000 employees, including the Board of

Directors and Executive Board, as well as our external stakeholders, via our registered email list, to complete a questionnaire in which they could select 5 topics that they considered to be of greatest relevance to the Company and its subsidiaries.

In this way, by periodically updating the materiality matrix, we have been able to improve the identification and prioritization of the most critical ESG issues for Lojas Quero-Quero in its medium and long-term strategic planning. Our goal continues to be that, as the Company's social impact information becomes more accessible, the material aspects and their limits are improved so that they are always aligned with the interests of our stakeholders and our objective as a Company.

### MATERIALITY MATRIX

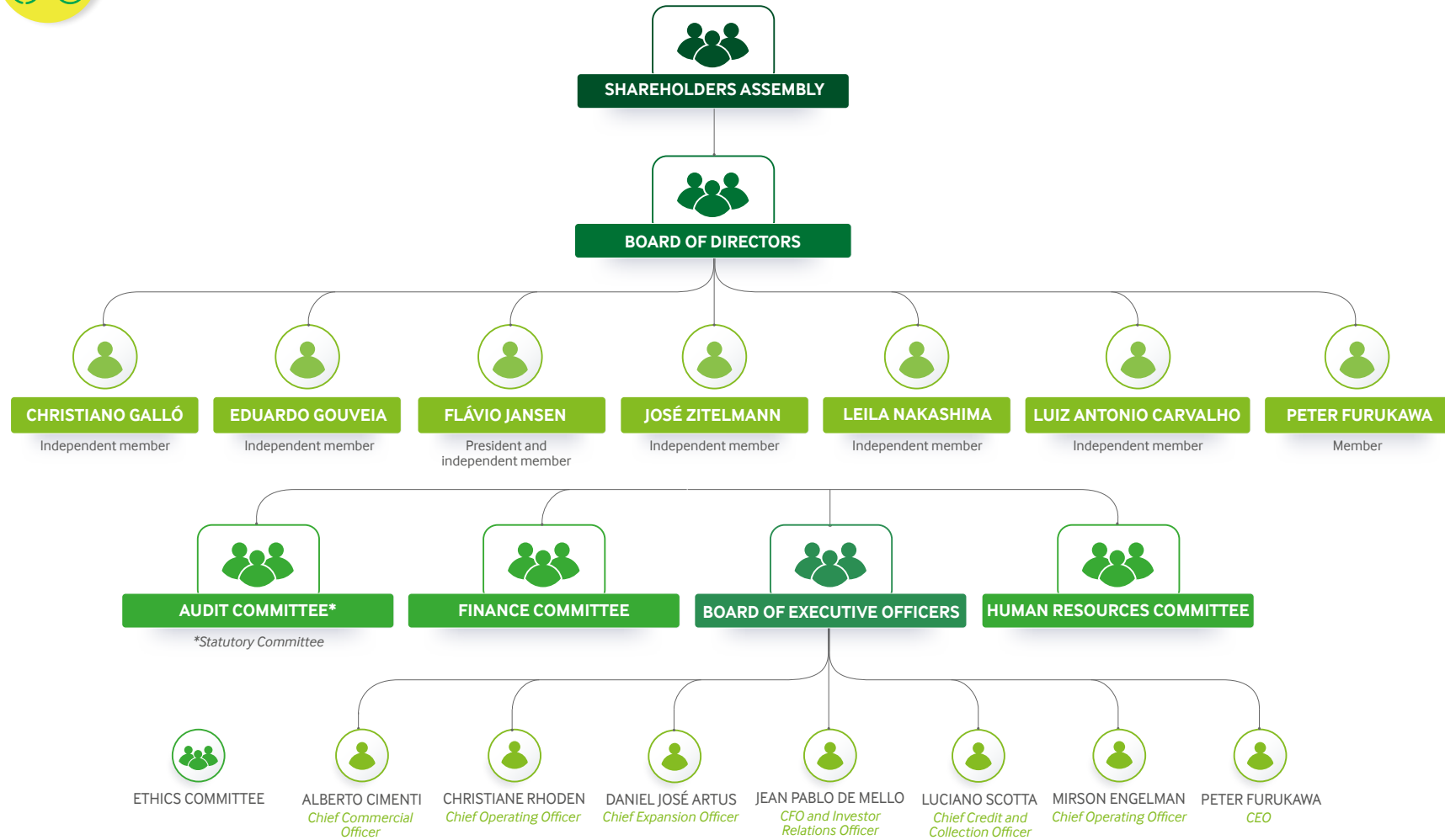
Our focus areas		
	<b>Environment</b>	<ul style="list-style-type: none"> <li>• Supplier Management</li> <li>• Energy efficiency</li> <li>• GHG Emissions</li> </ul>
	<b>Social</b>	<ul style="list-style-type: none"> <li>• Talent attraction, development and retention</li> <li>• Corporate Social Responsibility and Human Rights</li> <li>• Occupational health and safety</li> <li>• Diversity, inclusion and equity</li> </ul>
	<b>Governance</b>	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Information security</li> <li>• Innovation and technology</li> </ul>

# 3. OUR CORPORATE GOVERNANCE





## Structure



As part of our culture, Corporate Governance is based on our daily commitment to our core values and truths, which recognize our ethical obligations and our commitment to our employees, customers, shareholders and the communities in which we operate.

Lojas Quero-Quero aims to be the number one choice of our stakeholders in the home and construction market. We believe we have a responsibility to act ethically and to understand the impact we have on people and communities, while taking into account the interests of a broad base of constituents.

It is for this reason that we seek to continuously improve our Corporate Governance structure and enhance our internal controls, and we are committed to the best Corporate Governance practices.

The Company is subject to the rules of the Novo Mercado Regulations. Companies that join the Novo Mercado voluntarily submit to certain rules that are stricter than those in Brazilian legislation, obliging them, for example, to issue only common shares; to keep at least 25% of the company's shares in circulation, among other hypotheses; to set up an Audit Committee; to approve the internal regulations of the Board of Directors and its advisory committees and to set up an internal controls area within the company.

We adhere to the practices recommended by the Brazilian Institute of Corporate Governance, such as, for example, the existence of a policy for the disclosure of relevant information; Board members with experience in operational and financial matters, as well as experience in participating in other boards of directors; Maintenance of a complaints channel (Ethics Channel) for the submission of complaints or the resolution of ethical dilemmas and Provision in the articles of association for the installation of a Supervisory Board.

Thus, observing the highest level of Corporate Governance, Lojas Quero-Quero's Board of Directors, together with its executive officers and committees, are committed to maximizing long-term value for our shareholders, and are responsible for supporting and supervising the corporate strategy and risk management processes.



## Board of Directors



Our Board of Directors is made up of members elected individually or through a slate at the General Shareholders' Meeting, with a unified term of office of two years and re-election permitted, with the election of alternates permitted and subject to dismissal by the General Shareholders' Meeting.

The current Board of Directors was elected by the company's shareholders at the Annual General Meeting in April 2022. The Board is currently made up of seven effective members, six of whom are considered independent under the Novo Mercado rules. According to the Novo Mercado regulations, at least 20% of the members of the Board of Directors must be independent directors, i.e. they meet the conditions of independence and cannot be a controlling shareholder of the Company, related to the controlling shareholder or manager or receive other remuneration from the Group.

The members are chosen on the basis of alignment with the company's mission and strategic positioning, and on the basis of criteria such as diversity of knowledge, experience, behavior, cultural aspects, age and gender, so that the company can benefit from a plurality of arguments and a decision-making process with greater quality and security.

### **Christiano Antoniazzi Galló**

Mr. Christiano Antoniazzi Galló holds a degree in business administration from Southern Methodist University - Cox School of Business (USA), and an MBA from the University of Cambridge - Judge Business School (England). He began his career in e-commerce planning at JC Penney (USA). Later, he was an equity investment analyst focusing on retail and consumer companies at IP Capital Partners (Brazil), Dynamo Capital (UK) and VELT Partners (Brazil).

### **Eduardo Campozana Gouveia**

Mr. Eduardo Gouveia is an investor and advisor in startups such as Allya, Pin People, Hands, AsaaS, Marvin, HubLocal, among others. He has been a board member of large companies such as Mapfre Seguradora (Chairman of the Board), CI&T, Baterias Moura, Raymundo da Fonte, Abastece Aí (Ultra Group), Inspirali Educação. He was chairman of Cielo until August 2018, a company that provides payment solutions, technology and services for retailers. He was president of Alelo and founder and CEO of Liveloo, a loyalty company owned by Banco do Brasil and Bradesco. He was the first CEO of Multiplus Fidelidade. He worked at Cielo as Vice President of Sales and Marketing. He was Vice President of Marketing at Walmart Brasil and was Marketing Director of Bompreço and General Director of HiperCard. He

began his career at Banco Banorte, in the Technology area, working in the product, marketing and commercial areas. He has a degree in Computer Science from UFPE, a specialization in Finance from IBMEC and an MBA in Marketing from FGV.

### **Flávio Benício Jansen Ferreira**

Mr. Flávio Jansen Ferreira has been a member of the Board of Lojas Quero-Quero since 2009. He is a member of the Board of Directors of Locaweb Internet S.A., where he has also served as Vice-President of Marketing and CEO and was a member of the Advisory Board. He is a board member of the companies Digipix S.A. Allied Tecnologia S.A. and YDUQS Participações S.A. He has been a board member of the Brazilian Chamber of Digital Economy - Câmara E-Net, since 2003. He was responsible for starting the Submarino.com website and worked in the company as technology director, rising to the position of CEO. He was president of Submarino.com during the company's IPO on the Bovespa and during the merger with Americanas.com that resulted in the company B2W - Companhia Digital. He was a board member of CETIP-SA - Mercados Organizados, now part of B3. He was a board member of the education company Grupo IBMEC Educacional S.A. He was a board member of the company Fleury S.A. He was a board member and Chairman of the Board of Directors of the company International Meal Company Alimentação S.A. He has a degree in Electrical Engineering from the Catholic University of Rio de Janeiro.

### **José Zitelmann Falcão Vieira**

Mr. José Zitelmann Falcão Vieira holds a degree in Business Administration from FGV-SP. With over twenty years' experience in the financial and capital markets, he began his career in 1998 at Banco Pactual S.A., in the mergers and acquisitions area. In 2009, he became head of equities at BTG Pactual Asset Management S.A., where he remained until February 2019, and at the same time he was head of Latam Asset Management, which became part of the BTG Pactual Group in 2016. He is currently co-founder and managing partner of Absoluto Partners Gestão de Recursos Ltda.

### **Leila Harumi Nakashima**

Ms. Leila Harumi Nakashima was CPO (Chief Product Officer) of La Haus, a company present in Colombia and Mexico, until the beginning of 2023. At La Haus, she was responsible for developing digital products for the real estate market, making the dream of home ownership possible for millions of families. Previously, she took part in Magalu's digital transformation for ten years, rethinking the physical stores, implementing multichannel and the marketplace platform. She has experience in retail, consumer goods, technology and strategic consulting. She has a degree in Electrical Engineering from the Polytechnic School of USP and an MBA from Stanford University, USA.

**Luiz Antonio de Moraes Carvalho**

Mr. Luiz Antonio de Moraes Carvalho graduated in Production Engineering from the Polytechnic School of USP in 1969. He has over 45 years of solid professional experience, 30 of which have been with the COFRA Group, working in the General Management of Retail, Consumer Credit and Real Estate Operations. He has excellent knowledge of Planning, Finance, Technology, Human Resources, Consumer Behavior and Marketing. In the last 5 years as an Executive, he held the position of Executive Chairman of the Latin American Division of the COFRA Group, where he was responsible for its operations in Brazil, Argentina and Mexico. Since September 1, 2006, Luiz Antonio has held non-executive positions as a member of Boards and Committees, serving on various corporate governance bodies in Latin America, Europe and China. He is currently Chairman of the Board of Directors of C&A Modas S.A.

**Peter Takaharu Furukawa**

Mr. Peter Furukawa joined the company in 2009. Since then, he has held the position of Chief Executive Officer. In addition, he is a member of the Board of Directors of Fortbras and C&A Modas S.A. Before joining Lojas Quero-Quero, Peter served as CEO of IMC, COO of Pernambucanas, CEO of Submarino, CFO at PepsiCo Foods and Senior Engagement Manager at McKinsey & Co. He holds a degree in Computer Science and an MBA from Brigham Young University - USA.

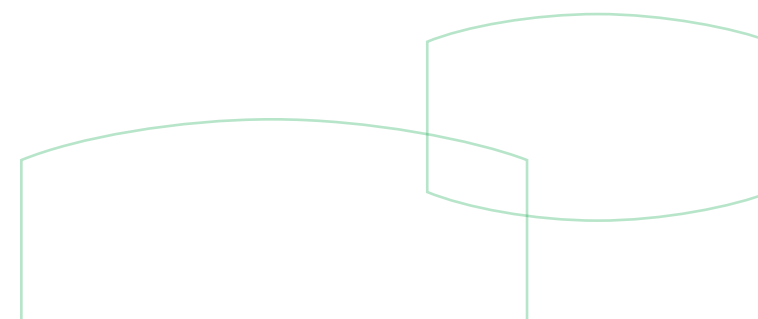
 **Shareholding Control**

 **1967 - 2008** Family management

 **2008 - 2020** Investee of a private equity











































































 **2020 - Present** Publicly-held Company (Corporation) listed on Novo Mercado





## Board of Directors - Competency Framework

Personal Information	Name	Flávio Jansen	Christiano Galló	Eduardo Gouveia	José Zitelmann	Leila Nakashima	Luiz Antonio Carvalho	Peter Furukawa
	Occupation	President of the CA	Counselor	Counselor	Counselor	Counselor	Counselor	Counselor
Diversity	Gender							
	Age range							
	Race/Ethnicity	White	White	White	White	Yellow	White	Yellow
	Term of office	16 years	4 years	4 years	2 years	2 years	4 years	4 years
Effectiveness	Effective							
	Independente							
	Participation in council/committees							
	Participation in RCAs	100%	100%	100%	100%	100%	100%	100%
Experiences	Administration							
	ESG							
	Marketing							
	Financial Market/M&A							
	People							
	Financial services							
	Technology and inovation							
	Retail							

 30-50 years old  +50 years old

## Advisory Committees



Lojas Quero-Quero has three advisory committees, the purpose of which is to assist the Board of Directors in the company's decision-making process so that decisions are assertive and in line with the Quero-Quero Group's strategy.

**Audit Committee:** statutory committee with the purpose of assisting the Board of Directors and the Executive Board in fulfilling their duties to supervise, mainly, the conduct and integrity of financial information, the internal control systems of financial information and compliance with legal and regulatory obligations.

**Finance Committee:** the purpose of which is to assist the members of the Board of Directors in any matters relating to the financial policies adopted by the Company.

**Human Resources Committee:** created in 2021, its purpose is to advise the Board of Directors on matters relating to the Quero-Quero Group's strategic human resources.

**Ethics Committee:** its purpose is to ensure, within the company, compliance with processes and procedures and compliance with the guidelines established in the Code of Conduct and Ethics of Lojas Quero-Quero S.A. and its complementary policies (Policy for Investigating Notifications and Policy for Consequences), guaranteeing an environment of integrity and the preservation of the company's reputational assets.

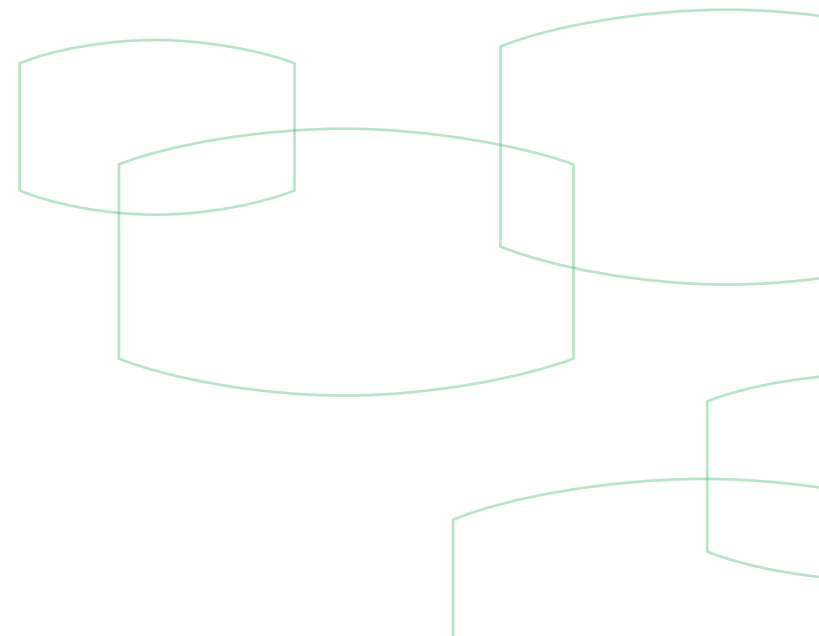


For up-to-date information on the experience of CA and Committee members:

<https://ri.quero-quero.com.br/governanca-corporativa/conselho-de-administracao/>

To access the Nomination Policy for Members of the Board of Directors, Committees and Statutory Executive Board of Lojas Quero-Quero S.A., click on the link:

<https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/>



## RECOGNITION

### IDIVERSA B3

A B3 novelty in 2023 was the launch of the first diversity portfolio called IDIVERSA B3. Lojas Quero-Quero proudly celebrates its inclusion among the 75 companies that make up the first index in Latin America to consider gender and race criteria in ten different economic sectors. This achievement reflects the company's firm commitment to promoting diversity, which is evident from the highest levels of leadership down to all hierarchical levels. We are also members of five other ESG indices: IGPTW, IGC, IGCNM, IGCT and ITAG.

### Institutional Investor

#### 2023 Latin America Executive Team

In 2023, Lojas Quero-Quero was recognized by Institutional Investor, in the retail small caps category, in two categories that evaluate the best professionals in Latin America.



**3° Place** – Best Board of Directors  
Sell-side



**3° Place** – Best ESG Program  
Buy-side e Combined

## 3.1 MANAGEMENT REMUNERATION

The annual Remuneration Proposal for the Board of Directors of Lojas Quero-Quero is prepared taking into account the assumptions defined in the Remuneration Policy and market practices, both to define the relative value of the positions and to seek market benchmarks.

The objectives of Lojas Quero-Quero's remuneration in relation to Management are:

- Attracting, rewarding, retaining and encouraging executives to conduct their business in a sustainable manner, observing the appropriate risk limits, while always being aligned with the interests of shareholders;
- Providing remuneration based on criteria that differentiate performance and also allow individual performance to be recognized and valued;
- Ensuring the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive with the benchmark labor market, regulating criteria and establishing administrative controls capable of responding to the Company's various needs.

The overall remuneration of the Company's Key Personnel (understood



as members of the Board of Directors, the Executive Board, the Audit Board and the Committees, including employees and service providers of the Company and its subsidiaries) is made up of the following components: (i) fixed remuneration; (ii) variable remuneration; and (iii) other elements that the Company’s Board of Directors may determine.

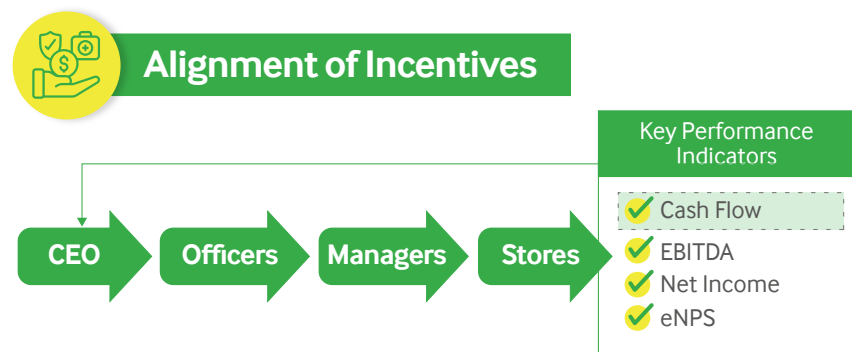
The composition of remuneration takes into account the responsibilities of each position and has as a parameter the values practiced by the market for professionals who perform functions of similar complexity, and seeks to align the interests between members of management and shareholders, contributing to the encouragement and retention of duly qualified professionals for the performance of their duties, as well as attracting new professionals whenever necessary.

The members of the Board of Directors have fixed remuneration, excluding one member who has opted not to receive remuneration. Remuneration is not based on attendance at meetings, they do not receive any benefits and may receive additional remuneration for participation in committees.

The remuneration of the members of the Company’s statutory Executive Board is made up of fixed remuneration (salary or pro-labore) and variable remuneration in the form of bonuses, as well as direct and indirect benefits, which include meal vouchers and medical assistance. The elements of variable remuneration are aimed at remunerating them according to the results of the company’s performance indicators and the individual targets set. This practice contributes to high performance and the achievement of pre-established targets. In addition, the amounts resulting from

the plans are also important for retaining executives as a long-term incentive.

In recent years, the Company has approved four stock option programs (SOP), in which directors, executives, employees and service providers of the Company and its subsidiaries have been eligible and who have been selected at the sole discretion of the Board of Directors to receive a purchase option that gives its holder the right to acquire shares strictly under the terms and conditions established in the Plan. In the event of the Participant’s termination, the rights granted to him under the Plan may be extinguished or modified, as defined by the Board of Directors in each Program and/or Option Agreement.



To find out more about the current plan, go here:  
<https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/>

## 3.2 PERFORMANCE EVALUATION

We carry out performance evaluations of the members of the Board of Directors, its Committees and Executive Officers, with the aim of continually improving their effectiveness, helping the Directors and Officers themselves to analyze their contributions, as well as establishing action plans for the constant improvement of the bodies. Evaluations are carried out at least once during each body's term of office.

The evaluation process is structured taking into account the main specific responsibilities and topics normally dealt with by each body. Each member is also assessed individually, and the result is presented at an individual feedback meeting.

It is important to note that our assessment has no impact on the remuneration of the members of the Board of Directors, which is fixed. We have adopted qualitative and quantitative corporate targets as performance indicators for the Board of Directors, as described above.

In addition, starting in 2023, we implemented 360° performance evaluations for top management (up to two levels from the CEO), which consists of an analysis of the employee through self-assessment and evaluations by those who work with them, including subordinates, leaders and coworkers. In total, 38 employees were assessed in this format.

## 3.3 RISK MANAGEMENT

The company has adopted a Risk Management Policy with the aim of controlling and mitigating financial, operational, strategic and compliance risks. Through the principles, guidelines and responsibilities described in the Risk Management Policy, the Company identifies, assesses, prioritizes, treats, monitors and communicates the various risks to which it is exposed.

In order to protect against the risks inherent in the company's activities, we have adopted a Risk Matrix, which aims to classify corporate risks, considering the dimensions of impact and probability of occurrence for prioritization and management purposes, for which risk and performance indicators have been defined for monitoring. These indicators are reviewed periodically by the Board of Directors, which adopts the appropriate measures whenever there are signs of a threat to the company's strategy and business.

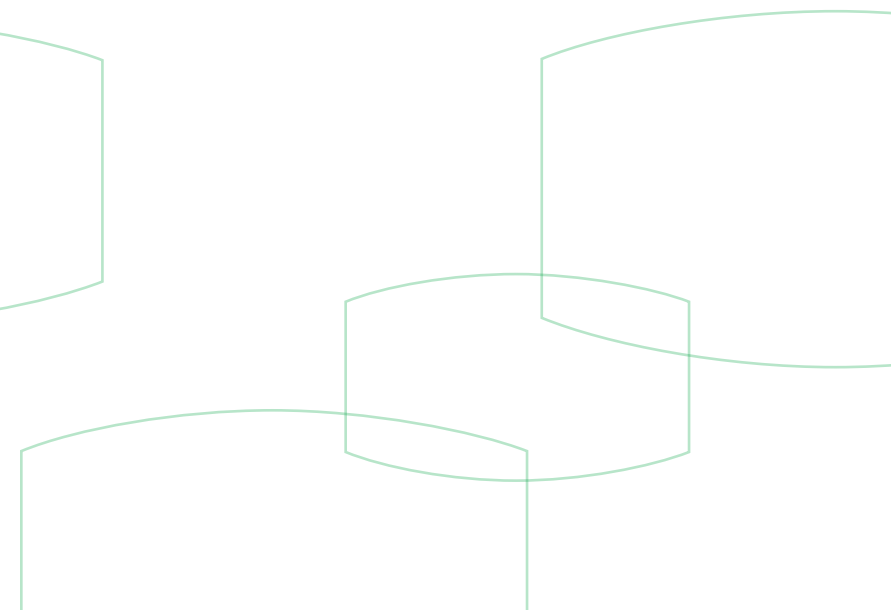
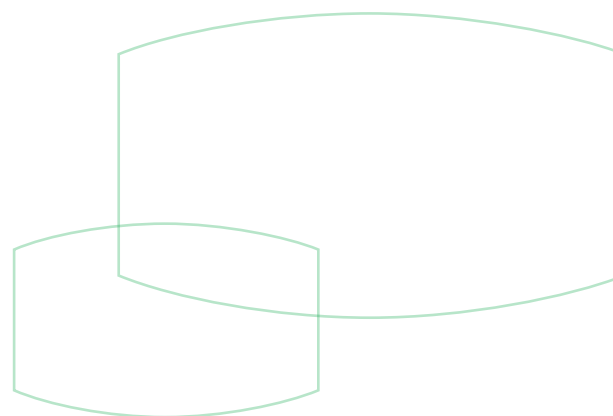
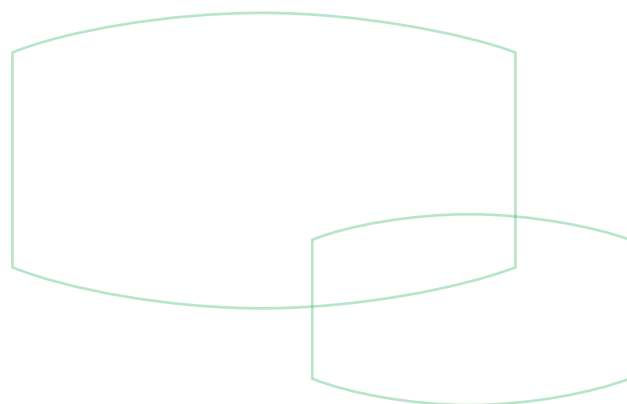
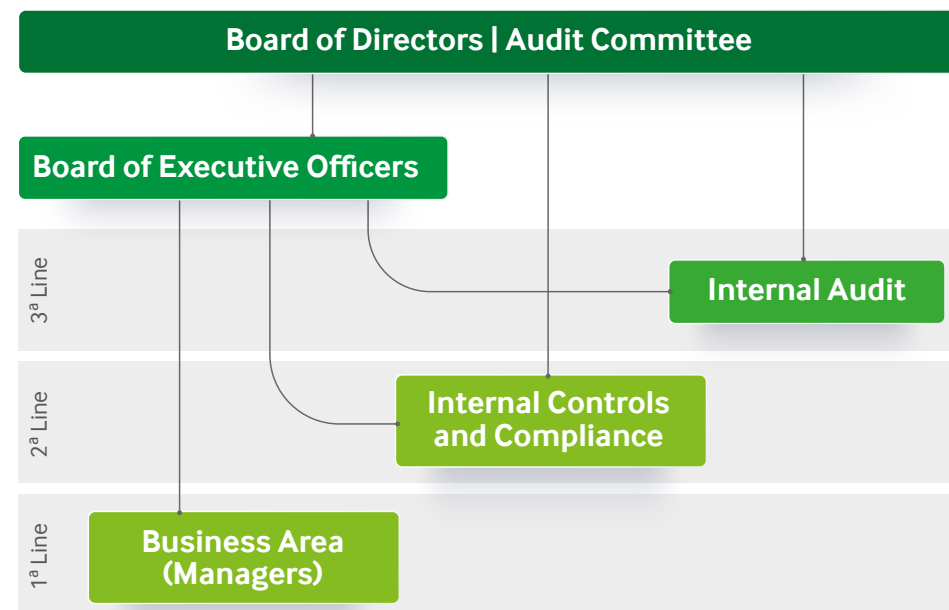
The Risk Matrix is reviewed regularly by the Board of Directors, or at any time, considering the circumstances and the change in its magnitude of impact, and its compliance is periodically monitored by the Executive Board, the Audit Committee, the Internal Audit, the Internal Controls and Compliance area, the managers of the business areas and the Company's Board of Directors.

The Internal Controls and Compliance area aims to maintain the highest level of integrity and ethics within the company. It is

supervised by the Board of Directors and the Executive Board and its principles are to prevent, detect and respond to non-compliance with the guidelines of the Code of Conduct and Ethics, internal policies and legislation inherent to the Company's activities.

In addition, last year the company introduced a new approach to classifying risks, taking into account whether they are ESG (environmental, social and governance) or not. This included the analysis of environmental, climate and social risks, in line with the principles of sustainability and corporate responsibility. This initiative aims to further strengthen the process of identifying, assessing and managing risks, ensuring a more comprehensive approach that considers not only the financial and operational aspects, but also the social and environmental impacts of the company's activities.

### Organizational Structure of Risk Management



## 3.4 CODE OF CONDUCT AND ETHICS

Lojas Quero-Quero's relationship with its stakeholders is guided primarily by the Code of Conduct and Ethics, which is based on the company's values.

The entry of Advent International, a private equity fund, had a significant impact on the company's approach to corporate governance. Starting in 2008, we began to systematize and formalize all processes, with special attention to ethics, transparency and policies that guide our actions. In 2020, with our initial public offering (IPO) and the consequent going public, our governance practices were further strengthened. We are in compliance with all the requirements of the Brazilian Securities and Exchange Commission (CVM) and dedicate our efforts to ensuring all legal and applicable compliance for the Company.

In order to guarantee socio-economic compliance, the Code of Conduct and Ethics, approved by the Board of Directors, defines the principles and values of our company, the behavioral guidelines expected of our employees in their internal relations and with customers, suppliers, business partners, the community and public bodies in general.

All employees must read and declare that they are familiar with the Code when they are hired, or whenever the document is updated, and they also receive **mandatory annual training** on the Code at the Virtual School as a form of refresher **training**. In addition to the Company's employees, the Code applies to all directors, officers, its subsidiaries and controlled entities, as well as self-employed professionals, consultants, agents and sales representatives who act on behalf of the Company.

Our Code not only guides the behavior of our employees, but also mentions Lojas Quero-Quero's duties towards society. One of the benchmarks shared in the Code of Ethics is respect for human rights, following the principles of the United Nations (UN), by expressly rejecting practices analogous to slavery, child exploitation and inhumane working conditions. In addition, we are committed to being a safe, healthy and positive workplace, which is why we combat any act of bullying, sexual, racial and any other type of harassment, as well as threats, violent acts or physical intimidation.

In addition, the Ethics Committee is a non-statutory and permanent body made up of 7 members appointed by the Executive Board with deliberative powers. The purpose of the committee is to ensure, within the company, the compliance of processes and procedures and compliance with the guidelines established in the Lojas Quero-Quero S.A. Code of Conduct and Ethics and its complementary policies (Policy for Investigating



Notifications and Policy for Consequences), guaranteeing an environment of integrity and the preservation of the company's reputational assets.

Finally, Lojas Quero-Quero seeks to develop its business in a sustainable manner and encourages respect for the social relations of its employees, as well as the participation of employees in initiatives that contribute to society and the preservation of the environment.

## 3.5 COMPLAINTS CHANNEL

Any abusive, harassing or offensive conduct is unacceptable and should be reported through our Whistleblowing Channel or the "Contact Us" channel. The Company's Whistleblowing Channel was created to report any irregularity or attitude that goes against our values, the rules of the Code of Conduct and Ethics and current legislation.

This channel is managed by an independent and totally impartial company, which guarantees the secrecy and confidentiality of complaints. In addition, the complaints made on the platforms and the follow-up reports from the Ethics Channel are investigated by the Ethics Committee based on the provisions of the Company's

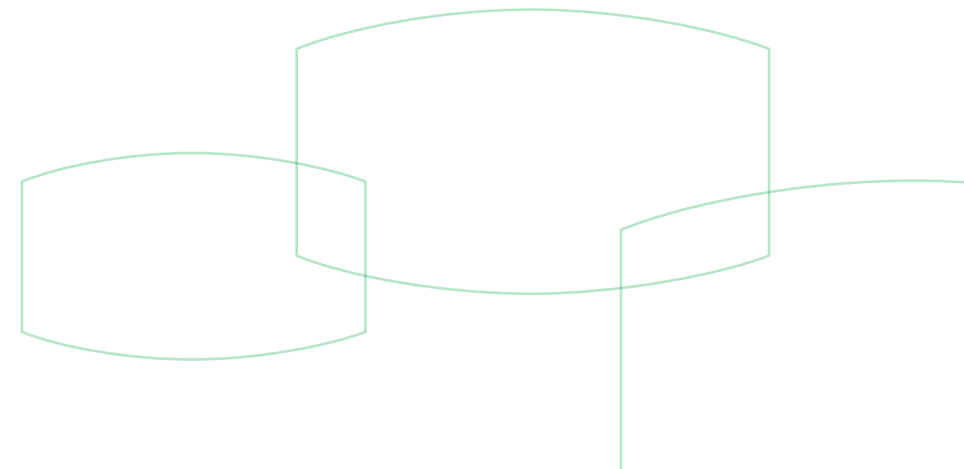
Code of Conduct and Ethics, with the aim of guaranteeing equal treatment for whistleblowers. Complaints are then forwarded to the Internal Controls Area via the ombudsman's office, under the terms of the Whistleblowing Policy.

### COMPLAINTS CHANNEL

**Channel open 24 hours a day, seven days a week, via website and telephone:**

<https://contatoseguro.com.br/pt/lojasqueroquero>

**0800 517 1242** (free call)



## 3.6 POLICIES WE HAVE

Policies formally approved by the Board of Directors.

### Governance Policies

- Risk Management Policy
- Policy on the Appointment of Members of the Board of Directors, Committees and Statutory Executive Board
- Remuneration Policy
- Securities Trading Policy
- Policy for Transactions with Related Parties and Other Situations Involving Conflicts of Interest, all under suspensive condition
- Relevant Act or Fact Disclosure Policy
- Anti-corruption policy
- Sustainability Policy
- Stakeholder Relations Policy

### Internal Policies

- Cyber and Information Security Policy

## 3.7 DATA SECURITY

As a company committed to the respect and integrity of our customers and employees, data security and privacy are of the utmost importance to us. In order to adequately protect our systems and our clients' data, we continually invest in technology, in training and raising awareness among our employees and in improving security and privacy processes.

Lojas Quero-Quero's Audit Committee monitors the company's main financial risks, regularly analyzes security and privacy issues and has been continuously improving the maturity and capabilities of cyber security programs. In addition to having a team made up of professionals with market experience in the area, **we regularly conduct risk assessments, penetration tests and compliance reviews.** We also carry out regular security reviews and impact assessments on new applications, systems and commitments to identify and mitigate risks. We also have an internal Cyber and Information Security Policy, which defines that it, together with the action and incident response plan, must be documented and reviewed at least annually.

For the greater security of our clients, we have increased transparency by disclosing how we collect, use and disclose

your personal data in our Privacy Policy, available on our website (<https://www.queroquero.com.br/privacy-policy>). This policy sets out our clients' rights to control their data, i.e. to access, rectify or delete their personal data from the company's database. In addition, we have drawn up the Privacy and Data Protection Notice whose main purpose is to inform our clients even more clearly about how their personal data is used by the Company. In order to strengthen our financial services structure, we have started a project that aims to complement our operations with the Payment Institution (IP) and FIDC VerdeCard through the future creation of a Credit, Financing and Investment Company (SCFI). As a Payment Institution since 2021, we have focused significant efforts on continuously improving our data security. Recognizing the critical importance of information security in all aspects of our operations, we have implemented a series of measures designed to strengthen our controls and protect the confidential data of our clients and partners. From reviewing and enhancing our cybersecurity protocols and policies to implementing training for our staff, we devote substantial resources to ensuring compliance with the latest data security regulations and standards.

### 3.7.1 LGPD

Lojas Quero-Quero has worked to adapt and implement the General Data Protection Law (LGPD). As this issue evolved, at the beginning of 2020, the company hired a specialized consultancy and carried out a diagnosis. Based on this advice, we began to make the necessary adjustments, ensuring compliance with

data protection legislation and promoting a cultural change in the use and processing of personal data. In addition, during this process, we mapped risks related to data protection privacy and included them in our Risk Matrix, which is reviewed periodically by the Board of Directors, or at any time, considering the circumstances and the change in its magnitude of impact, and its compliance is periodically monitored by the Executive Board. The most important achievements include: analyzing and mapping processing activities; adapting and making available the Internal and External Privacy and Data Protection Notices; developing a tool for exercising the rights of personal data subjects, available to the public at (<https://msb.queroquero.com.br/lgpd>); providing training for all employees on the LGPD; and amending our contracts with our legal department to include LGPD clauses.



## 4. OUR EMPLOYEES





At Lojas Quero-Quero, we strive to ensure that both our employees and our customers want us to be part of their lives. We know that for the end customer to have the best experience and leave one of our stores happy, our own employees must first be happy and satisfied with the company they work for.

That's why we constantly seek out and invest in the Quero-Quero way of being and doing things, all to build the company of our dreams and make it a place where people live the Core Values and Truths. A place where people wake up happy to go to work.

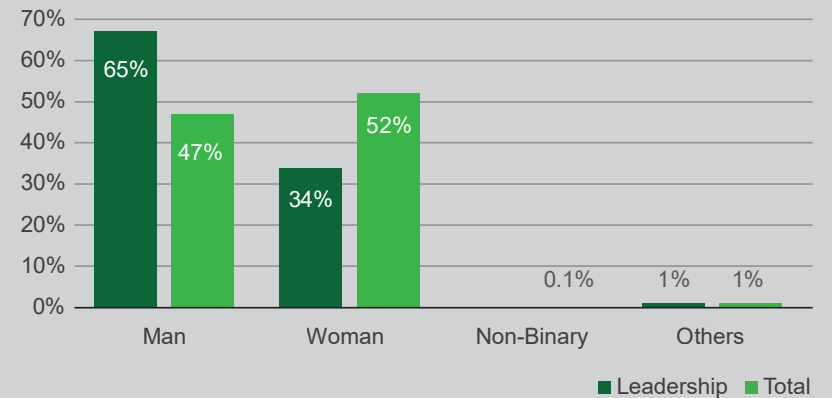
As a result of our actions, we have once again been certified as a **Top Employer** by the **Top Employer Institute**. The certification process takes around six months and more than 600 management practices are analyzed and audited, allowing for a detailed analysis of the performance of a company's Human Resources sector.

Together we continue to build the company of our dreams, making it an increasingly better place to work.

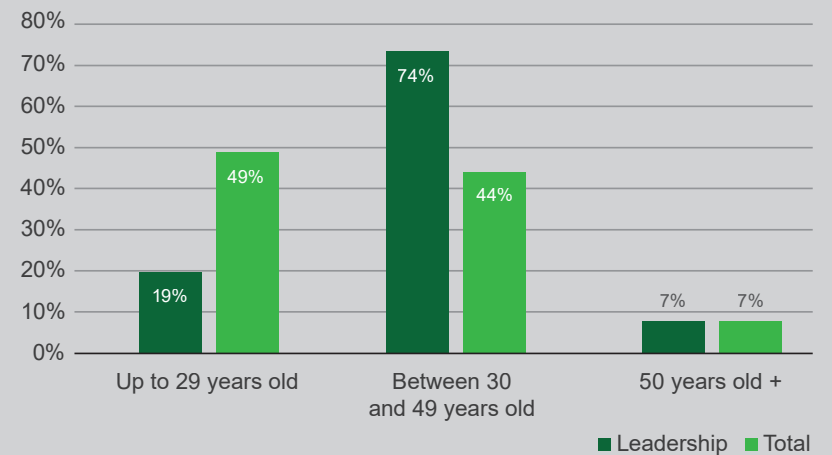


## 4.1 OVERVIEW

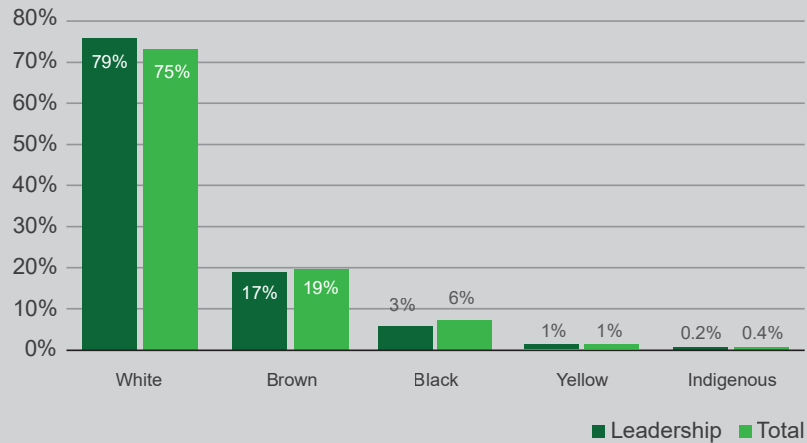
### Gender



### Age



## Color/Race



*\*The figures are calculated based on the self-declaration of our employees and do not take into account the employees who chose to respond to the survey.*



**+1.2k**  
internal  
promotions



**+100**  
new  
vacancies



**8,396**  
total  
employees

### Table of benefits\*



- Health insurance
- Dental plan
- Transport vouchers
- Food vouchers or canteen
- Physical Health Aid (Gympass)
- Educational support
- Employee discounts
- Discounts at partner chains
- Recognition awards
- Profit sharing
- Free Medical Care via App
- Maternity and paternity leave above what is required by law (Citizen company)
- Free pregnancy monitoring

*\*The above benefits are offered to all CLT employees, with the exception of food vouchers, which store employees receive in accordance with a union agreement.*

## 4.2 SAFETY AT WORK

Our employees are key to our success and their health and well-being is our top priority. Safety is the inherent value of the decisions we make throughout the company to protect the health and well-being of our employees, customers and suppliers.

To guarantee this, Lojas Quero-Quero has a team specifically focused on the health and well-being of its employees,

the SESMT (Specialized Service in Safety Engineering and Occupational Medicine), made up of professionals from different specialties (nursing technicians, occupational physicians, occupational safety technicians and occupational safety engineers). The SESMT is responsible for identifying risks in the workplace and promoting actions to neutralize or eliminate them, always with a view to promoting health and preventing accidents at work and occupational illnesses.

### *In recent years, we've had:*



#### Total accidents per days lost

	Total accidents	Typical accidents	Road accidents	Average number of days lost to a typical accident	Average days lost to commuting accidents	Total days lost (typical + commute)
<b>2021</b>	49	35	14	36,8	46,57	1.903
<b>2022</b>	77	49	28	25,9	57,6	2.885
<b>2023</b>	49	31	18	20,9	59,2	1.715

*The above indicators exclude the fatality that occurred in 2021.*

At the same time as we continue to improve the reporting process, we aim to reduce these indicators. We do this by raising awareness among our employees, addressing the issue in annual awareness campaigns. In 2023, we had the “Green April” campaign, a movement aimed at raising awareness and preventing the risks of accidents at work and occupational diseases through workshops, and the Internal Week for the Prevention of Accidents at Work (SIPAT). For typical accidents, we also focus on measures and actions related to work procedures, raising awareness and inspecting establishments, observing the use of Personal Protective Equipment (PPE).

In November 2023, we had a fire incident in one of Quero-Quero’s stores, which highlighted the importance of preventive measures and proper training of employees for emergency situations. The quick response of the employees, who used fire extinguishers to contain the fire until the Portão Military Fire Brigade arrived, was fundamental in preventing further damage. The incident highlights the importance of keeping workplaces in compliance with safety regulations, including the proper installation and maintenance of fire prevention systems. In addition, it highlights the need to train employees through training offered by the area responsible for employee health and safety (SESMT), ensuring that they are prepared to deal with emergency situations effectively, thus contributing to preserving the safety and well-being of everyone involved.

Finally, the company is also committed to respecting the International Labor Organization (ILO) conventions in relation

to labor laws. In addition, it carries out actions aimed at promoting employee health in order to comply with local legal requirements, taking into account the global agenda of the World Health Organization (WHO), focusing on issues such as common flu, sexually transmitted diseases, pregnant women, men’s and women’s health, obesity, hypertension, diabetes, smoking and mental health.

## 4.3 INTERNAL COMMUNICATION

As a people-centric organization, Lojas Quero-Quero has turned its attention even more in recent years to internal communication. We created a specific area for this subject and used Workplace’s internal communication platform, even before the COVID-19 pandemic, in order to improve it even more in the company.

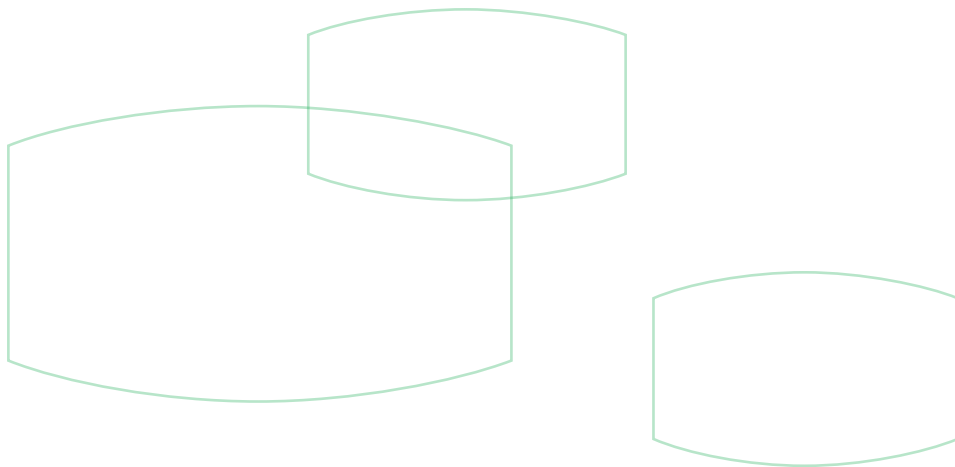
We believe that an effective internal communication strategy is essential to our daily operations. We therefore seek to have the best practices and means to communicate well, not only with clients and partners, but also with our own employees, in order to facilitate exchanges and build greater engagement.

In this way, over the last few years, internal communication has brought several benefits to the company, such as promoting



effective communications between our employees, facilitating a horizontal dialog between everyone, improving the reach of institutional messages and engagement between teams and with the company. In addition, the use of the platform offered important flexibility even before the pandemic, especially for employees who did not work in fixed locations, such as our collection agents and expansion teams.

With hybrid and remote working, we had to think about our organizational culture with even more care and attention, because the challenges of this format are greater: overcoming physical distance and aligning the organization's objectives for everyone. We reinvented ourselves and adapted to this new working format by launching strategic actions that helped share our culture (our values and fundamental truths).



## 4.4 HEALTH AND WELL-BEING

Focusing on people is a hallmark and one of our values, and we try in various ways to support the mental health and well-being of our employees.

To address these issues within the company, we have expanded employee support programs to help them with mental health issues, which have potentially been aggravated by the pandemic. We encourage participation and make available to our employees initiatives such as the Quero Estar Bem and Quero Te Escutar programs, aimed at our employees' support and support for issues related to mental health and well-being.

The Quero Estar Bem (I Want to Be Well) program seeks to strengthen the culture of health and reinforce the focus on people, promoting information and actions that help to take care of health throughout the year. We carry out various actions with the aim of making employees aware of the importance of integral health in five pillars: Social, Occupational, Physical, Financial and Emotional Health. In addition, we have the Pregnancy Monitoring and Faithful Donor Programs, as well as a free telemedicine service, offered to all our employees and their dependents 24 hours a day, seven days a week. Through these actions and programs, our employees have access to services such as a 24-hour clinic, nutritional coaching, sports coaching, specialized medical opinion and monitoring of pregnant women.

We also have the Quero Te Escutar (I Want to Listen to You) program so that our employees in our more than 460 cities can find empathetic listening and support, regardless of where they are: stores, DCs, Head Office or at home.

The Quero Estar Bem program is also responsible for holding awareness campaigns and events throughout the year for our employees. We hold workshops aimed at physical and mental health, accident prevention and occupational diseases, financial advice, encouraging breastfeeding, valuing life, among others. We also held a Health Blitz at the Head Office and at the Distribution Centers, where our employees were able to consult with health professionals.

	<b>Workshops</b>	<b>11</b>
	<b>Total participants</b>	<b>647</b>

	<b>Health Blitz</b>	<b>7</b>
	<b>Health care</b>	<b>474</b>
	<b>Psychological services</b>	<b>82</b>

In conjunction with these initiatives, the company's Human Development (HD) area is responsible for carrying out an annual internal climate survey via Workplace. This survey plays a fundamental role in understanding the company's climate and improving our work environment by assessing issues such as credibility, respect, camaraderie, pride and others. Our commitment and priority will always be to maintain a healthy and productive environment for all employees, and the data collected reflects our ongoing efforts towards this goal.

## CLIMATE SURVEY - RESULTS 2023



**55%**  
accession

**4,700**  
answers

**Overall average 8.56**

Since 2020, as a result of the COVID-19 pandemic, we have implemented remote working for all employees who could perform their duties in this format. In 2021, although we continued to prioritize remote work (home-office) in the administrative area, with a view to the well-being of our employees and understanding their different realities, we began to implement and give the option of the hybrid format to those who wished to go to the office.

Over the last two years, we started a campaign to get our employees who were still working from home to return to the office, with the aim of having everyone come to Head Office every week. This campaign was based on the recognition that face-to-face contact in the office promotes greater collaboration, effective communication and cohesion between team members. In addition, face-to-face interaction facilitates the exchange of ideas, the development of solid professional relationships and the construction of a more dynamic and creative working environment.

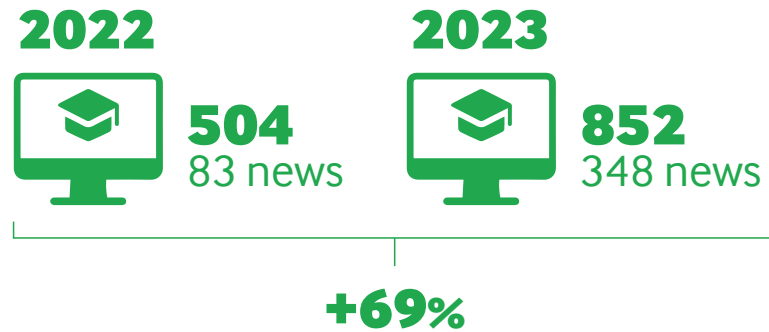
In 2022, 55% of Head Office employees were still working from home. Currently, 54% of employees work in a hybrid format, while only 5% work from home.

## 4.5 TALENT ATTRACTION AND LEADERSHIP DEVELOPMENT PROGRAMS

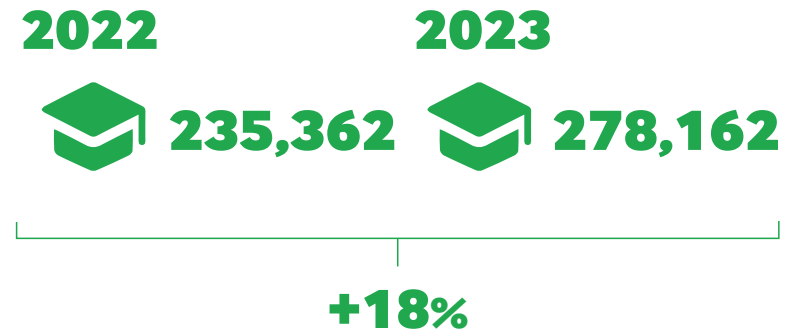
Lojas Quero-Quero's values include "continuous learning" and "focus on people", which are put into practice in the company's day-to-day professional development programs.

To create a first-rate working environment, we invest in training our existing employees, helping them to develop the confidence to excel in their work. To this end, we have developed two internal platforms: the Knowledge Library, aimed at giving our employees access to information, where all the company's useful content is made available (2k+ materials available), and the Virtual School, where various training modules are offered remotely to all employees, including training aimed at store experience and employee personal development, as well as leadership, and culture and diversity.

## Total Courses Virtual School



## Total Courses Completed



Total for the last 2 years: **513,524 completed**

**280,348 hits**  
**8,164 employees**  
took school courses





Lojas Quero-Quero strives to have a work environment where employees and leaders are trained and motivated by their activities at the company. Therefore, in addition to internal initiatives, we also have partnerships with local colleges and universities to offer our employees - and in some cases their dependents - discounts on undergraduate and postgraduate courses, both in person and online. With these partnerships, we hope to encourage continuous learning and contribute even more to the education and training of our teams.

In addition, the Company is committed to building a qualified, diverse and inclusive team through internal and external hiring programs. Initiatives to build our team include:

## CORPORATE

**Young Apprentice:** Aimed at young students looking for their first job, its purpose is to provide professional growth through practical and theoretical lessons.

**Talent Internship:** Aimed at attracting talent from the best universities, the program provides development and autonomy for interns to implement high-impact projects at the company. After the internship, participants are encouraged to apply for our Corporate Trainee Program.

**QQTech Internship:** Created in 2021 to foster the development of technology in southern Brazil, this is a training program aimed at professionals who want to start their careers in IT. In it, trainees receive classes and training given by the technical teams of Quero-Quero Verdecard Instituição de Pagamento S.A., a subsidiary of Lojas Quero-Quero, and at the end of the program, after completing their work, they receive the opportunity to work in one of the company's development teams.

**Corporate Trainee:** Created in 2010, its aim is to select and develop highly capable professionals with excellent academic backgrounds to become future leaders and take over strategic areas of the company, helping to strengthen management at a strategic and analytical level. The company currently has 50 former trainees who are now in leadership positions in the company.

**1,200+ candidates** in 2023.

**15 recent graduates** selected.

**18 trainees** in development.

**50 former trainees in leadership positions**, one of whom is the Company's Chief Financial and Investor Relations Officer.

## STORES

**Culture Ambassadors:** The aim of the program is for employees themselves to be multipliers of the company's culture, values and fundamental truths and to help us live these values. The Ambassadors promote internal communication actions and engage the teams so that the feeling of belonging and pride in being part of the program is spread throughout the company over a period of up to 2 years. Through the activities proposed, the Ambassadors work on the spirit of leadership within their teams, engaging, proposing improvements and leading to reflection.

**496 Ambassadors** in the network  
**90% of stores** have at least 1 Ambassador.

**Despontes:** Aimed at developing store leaders, its objective is to identify and prepare employees to become store managers in the future. Participants come to understand the activities and responsibilities of a store manager and have experience as a substitute for their direct manager. On completion of this program, employees are able to enter the Store Manager Trainee Program.

**338 employees** in the program by the end of 2023.

**Store Manager Trainee:** This full-time training program is aimed at professionals who identify with retail and want to build and consolidate a career in store management. During the 6 to

12 month program, the professional develops an analysis of the situation of a selected store and an action plan to improve its performance, as a final project.

**188 managers** trained by 2023.

## 4.6 DIVERSITY AND INCLUSION

Our goal is to build connections, create and generate a sense of belonging, welcome our employees and provide spaces for each person to play a leading role, regardless of who they are. For us, too, the diversity of people and, consequently, of ideas and visions is an essential factor for growth and learning as an organization.

Lojas Quero-Quero has made a commitment to its employees to correct any prejudiced attitudes and foster a more inclusive environment, with open space for everyone to be who they are. And this gained strength with the creation of the Quero Respeito (I Want Respect) program in 2020 by the Culture and Internal Communication team, which is prepared to receive demands and, together, create strategic actions focused on relationships,

communication and the dissemination of content on the subject, in addition to facilitating this movement of inclusion in the company's daily routine.

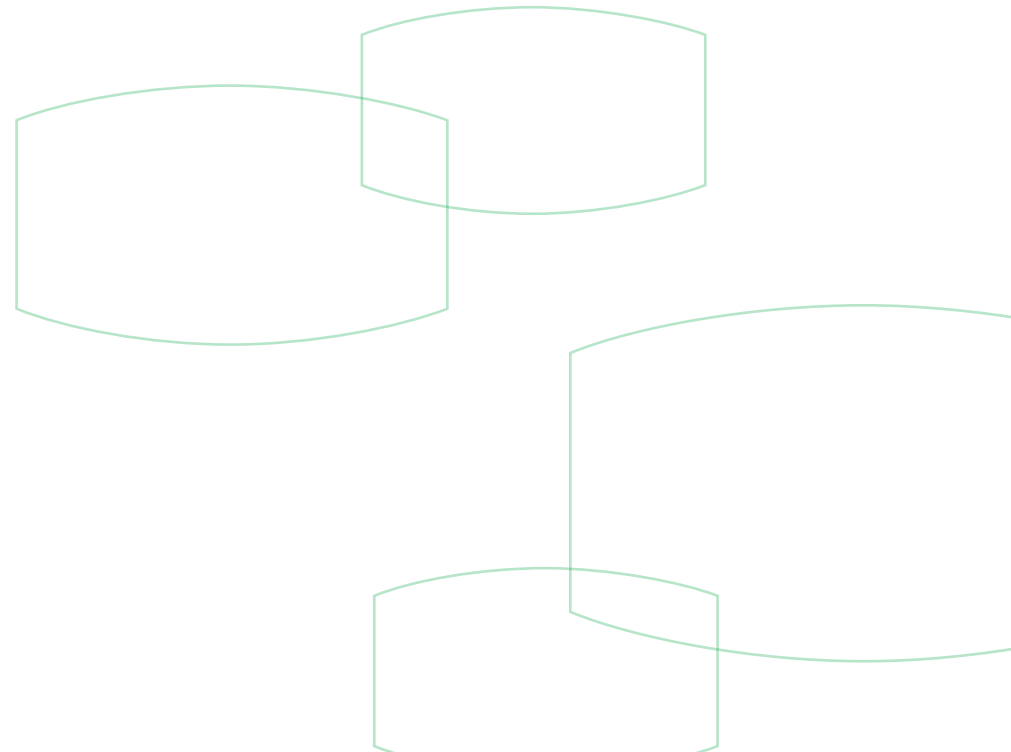
With the program, we want to encourage discussions, define strategies and, above all, make concrete changes with regard to respect, inclusion and diversity within our company. We know that there is still a lot to learn and a long way to go, but this is how we will continue to fulfill our goal: to provide a better life for our employees, customers and the communities where we operate.

The Quero Respeito actions are built with the awareness, engagement, learning and transformation of all our employees in mind. This is the basis for Conversation Rounds on topics such as empathy, diversity, feminism and racism. In this way, we draw up a schedule of actions on the topics and also carry out a survey on diversity, as well as interviews and sensitization of leaders, as well as the construction of educational content on the subject.

#### Benefits of the program:

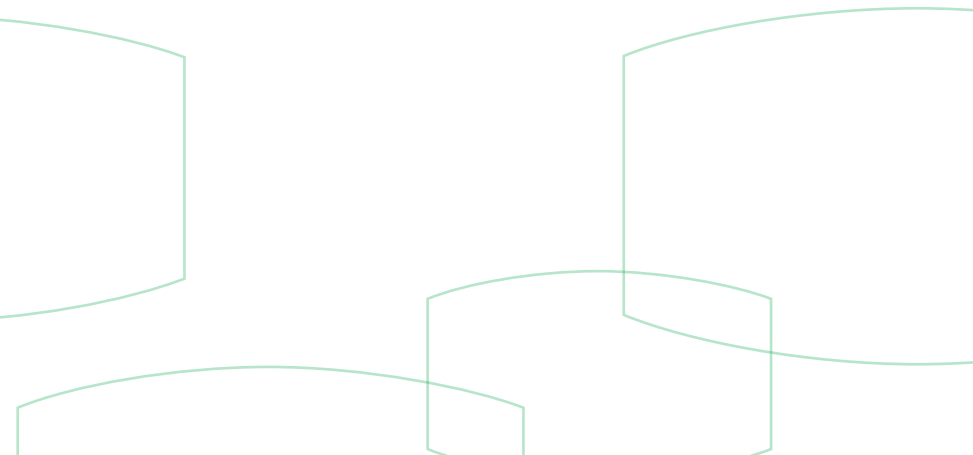
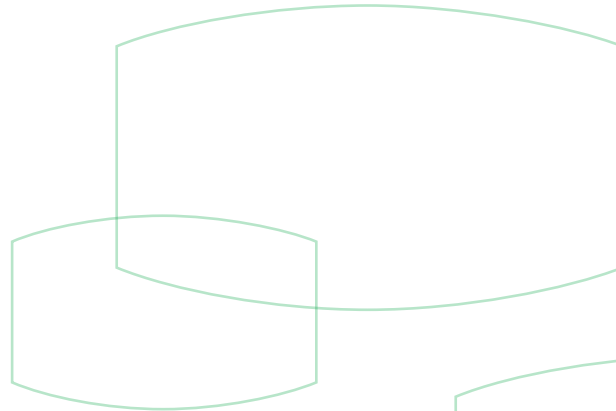
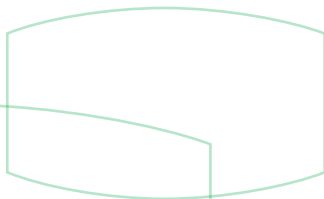
- Connecting people, creating an environment of exchange;
- Disseminate internal awareness actions;
- Promoting dialogues between different groups;
- Driving change within the company.

In order to promote transformational movements and build a work environment that welcomes and respects everyone, Lojas Quero-Quero has started Affinity Groups in the company. The voluntary action, which continues the Quero Respeito (I Want Respect) Program, is intended to further promote inclusion, bringing together employees who believe in the power of diversity and who want to be part of racial, gender, age, LGBTQIA+ and People with Disabilities (PWDs) discussions. It's an opportunity to share experiences and reflect on behavior, contributing not only to employee relations, but also to a better world. What's more, this is a way of giving a voice to employees, who can take collective demands to the company's leaders.



Since 2022, we have made the “Respect for Diversity” training program available to all employees. The courses were designed based on our affinity groups and divided into gender, LGBT, ethnic/racial, PCD and generational. Throughout the training, content is provided on the following topics: transgenderism, harassment, ableism, ageism, racism, domestic violence, masculinities, non-violent communication, among others.

**Diversity Survey** – Carried out annually since 2021, the survey is anonymous and voluntary, with the aim of mapping the different profiles of our employees, to find out how they view diversity and how our actions aimed at diversity and inclusion are being perceived by them. In the last year, it has been carried out in conjunction with the Climate Survey, with greater adherence by our employees.





# 5. OUR COMMUNITY



We aim to continue building relationships with the communities where we operate, seeking to offer a complete home and construction solution to our customers, always cultivating the soul of the countryside, which guides us in our growth, and which brings opportunity and development to our small and medium-sized towns.

## 5.1 SUSTAINABLE DEVELOPMENT

Continuing our sustainable development, in 2023 we opened 28 new stores, ending the year with 552 stores in 464 cities. Our focus is on small and medium-sized towns in the countryside, located in regions that are often overlooked by other retailers. With each new store opening, an average of 13 new local job opportunities are created, giving part of this community access to benefits such as a career plan and health insurance.

In line with our commitment to building strong ties with the communities we serve, we seek to establish collaborative and mutually beneficial partnerships with a variety of small suppliers. These partnerships not only allow us to meet the diverse needs

of our customers, but also contribute to boosting the economic growth of the communities in which we operate by promoting local businesses. By supporting regional suppliers and fostering fair and decent employment practices, we seek to **strengthen the local economy, generating job opportunities and encouraging sustainable development.**

Still seeking to bring the best to the communities in which we operate, in 2020, as an alternative to circumvent the adversities faced during the pandemic, we reinforced the use of new communication channels linked to digital tools, so that our teams can continue to serve customers seeking the desired levels of service. We presented our strategy for the Quero-Quero Muito Mais project, with which we seek to make differentiated products available, through stocks in our distribution centers, leveraging the relationship of our sales teams with the communities, uniting concepts of physical and digital sales, thus delivering a “figital” experience. Our goal is to provide all the communities we are in, even in towns of 5,000 inhabitants, with access to a mix of construction and decoration materials that they would only have in large home centers. With Loja Infinita, all our stores will have a mix of more than 25,000 products with fast delivery. In 2022, we completed the implementation of the project that began in 2021, and which brought together previous projects within a single *omnichannel* front.



## ACADEMIC INTEGRATION AT LOJAS QUERO-QUERO

Since May 2023, Lojas Quero-Quero has established an educational and professional collaboration partnership with Feevale University, located in Novo Hamburgo, Rio Grande do Sul. This partnership aims to carry out joint projects involving teaching, research, innovation and technical-scientific and cultural exchange. Its purpose is to provide students on the Architecture and Interior Design courses with the opportunity to apply their academic knowledge in practice, meeting the demands of society and preparing them for a more qualified entry into the job market.

Architecture and Interior Design students, supervised by university lecturers, take part in practical classes at our Infinita Store showroom, located in Sapiranga, Rio Grande do Sul. They play an active role in drawing up the layout projects for the showroom's environments and inspirational spaces, from the initial analysis to the concept, specification of materials and presentation of the projects for technical assessment by the supervising teachers.



## 5.2 SOCIAL RESPONSIBILITY

Our commitment is to ensure that Lojas Quero-Quero employees feel a deep sense of belonging and pride, contributing in a meaningful way to the communities where they live and work. We seek to promote the active participation of our staff in volunteer initiatives through different campaigns and programs carried out annually, with the aim of supporting local entities in the communities where we operate.

Last year, we introduced the “Loyal Donor” program to encourage and raise awareness of the importance of blood donation among our employees. In addition, we continued with our traditional annual clothing drive, collecting clothes for distribution during the colder months, as part of our ongoing efforts to positively impact our communities.

### CAMPAIGNS AND PROGRAMS

#### Pregnancy Program

**129 pregnant women** monitored in 2023

#### Loyal Donor Program

**210 donors and influencers** registered in the program

#### Unimed races

**370 impacted people** encouraged to participate

#### Social Worker

**1,187 social services** in 2023

#### Warm clothing campaign

**9,549 items collected** reported in the survey

**56 branches** responded to the survey, including the head office





Throughout the year, several branches showed initiative and engagement, in line with our values, by carrying out campaigns aimed at solidarity actions in their communities, even without a centralized campaign launched by the company. For example, the Alegrete (RS) branch mobilized employees and customers to collect toys for needy children in the city. Similarly, the Alfredo Wagner Branch (SC) distributed 300 Christmas hampers to children in the community, exemplifying the commitment to well-being and solidarity in their respective regions. These initiatives reflect the collaborative spirit and social responsibility of our branches in making a positive contribution to their communities.

The year 2023 was marked by a period of heavy rainfall, especially in the state of Rio Grande do Sul, where most of our stores are located. These precipitations caused significant impacts in several communities, also affecting Lojas Quero-Quero employees. In response to this challenging situation, we mobilized resources to provide immediate assistance, including essential donations such as clothing, water, non-perishable food, personal hygiene products, cleaning products and blankets. In addition, in our stores, we offer a variety of products used to rebuild homes and establishments at affordable prices, with interest-free installment options and credit flexibility for those impacted. To ensure the efficient distribution of these resources, we also provide dedicated logistical support for the coordination and delivery of donations. These measures reflect our ongoing commitment to supporting local communities and providing assistance when it is most needed.



**SOS  
CHUVAS**

Estamos arrecadando doações para ajudar as vítimas das chuvas da última semana no Vale do Taquari(RS).

**Estaremos recebendo roupas, alimentos não perecíveis, produtos de higiene pessoal, produtos de limpeza, cobertores e outros. Brinquedos também serão aceitos.**

Agradecemos a generosidade e apoio.



## 5.3 SOCIAL INVESTMENT

Our approach to selecting social investments is geared towards ensuring that the projects chosen bring benefits to the communities in which we operate. We prioritize initiatives that promote social and/or cultural development and strengthen community ties. By investing in projects in these areas, we seek not only to positively impact the quality of life of those involved, but also to contribute to the sustainable development of communities in general.

Our aim is to select projects that not only meet the needs identified, but also bring us closer to the local communities, thus strengthening our relationship and commitment to the areas where we operate.

In recent years, a total of 13 projects have been selected relating to: culture, education, sport, health, projects to support social equality, children and the elderly. The total allocated was R\$504,667.17, with tax benefits.

In 2023, we donated R\$180,000 to projects with tax benefits. One of the projects selected was the National Soybean Festival (*Fenasoja*), which takes place in the northwest of Rio Grande do Sul. *Fenasoja* is Brazil's largest multi-sector fair and one of the region's main development agents, fostering business, research and innovation.

QUERO-QUERO STORES ARE MEMBERS OF THE ASSOCIATIONS:



## 5.4 PALAVRA! PROGRAM

Lojas Quero-Quero values and respects each and every one of its customers and that's why it has implemented an innovative initiative in Brazilian retail, in which the product comes free for our customers in the event of a delay in delivery. This is what we call Palavra! Quero-Quero Stores.

The *Palavra* Quero-Quero initiative was implemented in 2013, guaranteeing that products are delivered on time, otherwise the product is delivered at no cost to the customer. Based on our values of integrity, respect, commitment and transparency, this initiative is a commitment created by the Company with

the intention of not only delivering a better experience for our customers and strengthening our relationship with the communities, but also demonstrating our confidence in our employees, processes and systems, which allow us to put a program like this into practice.

In 2023, **only 0.08% of all orders** were delayed, so they were free for our customers.

## 5.5 *CLIENTE É TUDO PARA GENTE!* PROGRAM

As an organization that believes in relationships based on integrity, simplicity, trust and respect, the relationship with the client goes far beyond providing punctual services or simply meeting their basic needs. In order to develop and maintain these relationships over time, we need a customer service team dedicated to delighting both new and existing customers.

To perfect the art of customer service, you need the right combination of strategies to generate value and results that will give you constant and sustainable growth.

That's why, in order to promote this culture of excellence in customer service, we developed the "Customer is Everything to Us" program. This program encourages employees to share their successful experiences with customers, through stories of delight told in podcast format on a streaming platform. In addition, we have the "Fora de Série" program to recognize and reward professionals and teams who stand out in the store environment, demonstrating our values on a daily basis and achieving exceptional results.

Thanks to internal initiatives like these, focused on the continuous development of our teams, in 2023 we achieved the best accumulated NPS index in history, ending the year in the service excellence zone with a score of 75.



## 5.6 EXTERNAL COMMUNICATION

The InfluenQQers Program was created in 2023 as an initiative to strengthen external communication and involvement with the communities in which we are present. Through this initiative, employees are trained to become digital influencers, representing the company on social media. The aim is to establish an authentic connection with our customers, expanding the company's presence in these local communities.

### InfluenQQer

**555**  
in stores

**95%**  
of the  
stores

2023



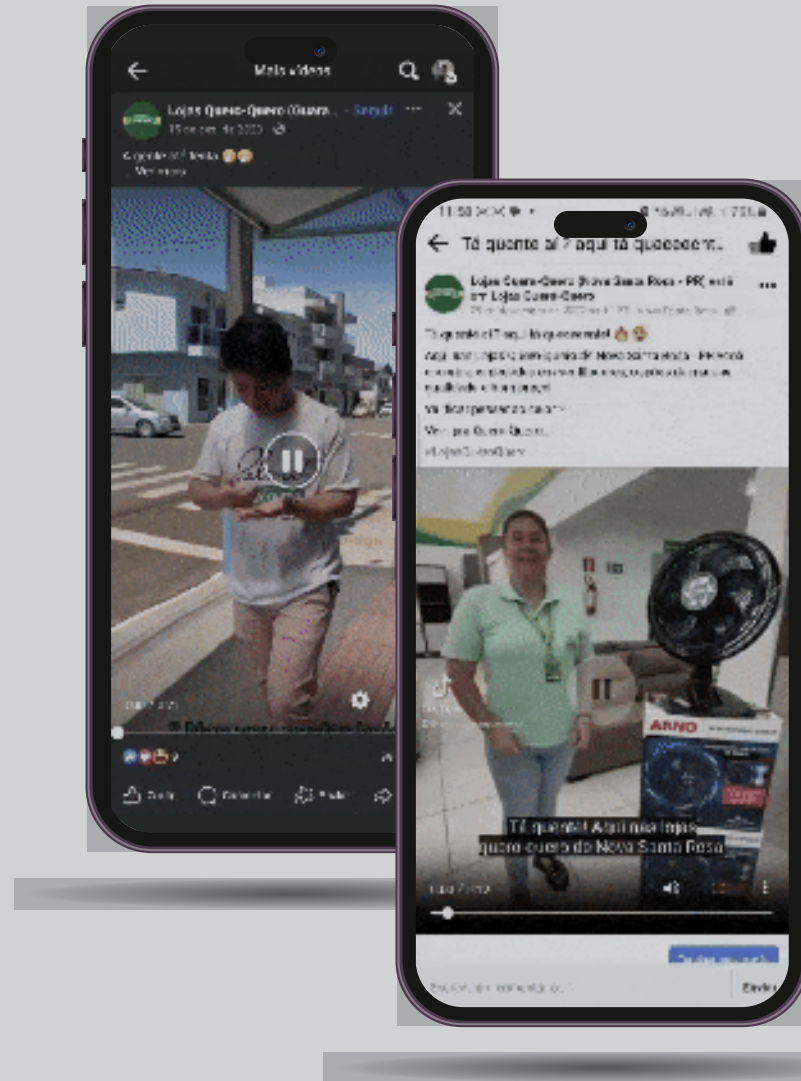
**+than 200k**  
posts



**+than 170 MI**  
of people impacted



**+than 1,1 MI**  
followers





## 6. ENVIRONMENT



## 6.1 CLIMATE CHANGE AND GREENHOUSE GAS (GHG) EMISSIONS

Lojas Quero-Quero is committed to contributing to sustainable development through efforts to reduce greenhouse gas emissions.

As a retailer, Lojas Quero-Quero's main impact in terms of greenhouse gases (GHG) is related to the transportation of commercial products, representing approximately 93% of the company's total value chain emissions in 2023.<sup>2</sup>

We have noticed that our logistics network is a source of added value for our customers and a competitive advantage over our competitors. However, its constant geographical expansion and the increase in the volume transported can contribute significantly to greenhouse gas emissions. For this reason, Lojas Quero-Quero is constantly seeking to improve logistics efficiency, mainly by optimizing routes, and contemplating the

use of less polluting vehicles, such as those that use biodiesel as fuel. In the second quarter of 2021, with the inauguration of our Distribution Center in Paraná, the third in the chain, we reduced the average distance between our DCs and the stores they serve from 283km to 222km, 22% less, and an impact that will become even greater as we continue to expand our service network.

As a way of improving the measurement of our emissions, while at the same time increasing transparency for our stakeholders, Lojas Quero-Quero will once again carry out its GHG inventory in 2024 through the FGV (Fundação Getúlio Vargas) GHG Protocol Program. The company has been awarded the Silver seal for the last two years. The GHG Protocol Program is the national entity responsible for adapting the international method for calculating GHG emissions to the Brazilian reality, making the guidelines clear and practical for business management.

The 2023 emissions, although presented below, should be officially disclosed on the platform created by the program itself (Public Emissions Registry) from August 2024.

In Scope 1, the expansion of our store base was the main influence, reflected directly in the increase in mobile combustion associated with the new operations. In addition, fugitive emissions resulting from the

<sup>2</sup> Value calculated based on emissions listed in the 2024 Cycle of FGV's GHG Protocol.

<sup>3</sup> <https://www.registropublicodeemissoes.com.br/>



air conditioning of the new stores during 2023 also contributed to this increase, impacting both Scope 1 and Scope 2 emissions. However, it is worth noting a reduction in emissions from employee commuting, the result of an update to the mileage per liter factor used in the company's inventory calculation tool. The same occurred in the Logistics line, which saw a reduction due to an update of the diesel oil emission factor.

That said, we reiterate our commitment to continually improving our emissions report, identifying areas for improvement and implementing measures to reduce our environmental impact. Our goal remains to move towards a more sustainable and responsible operation, in line with the principles of sustainable development.



## Greenhouse Gas Emissions (tCO<sub>2</sub>e)

	2020	2021	2022	2023
<b>Scope 1</b>	<b>9,913</b>	<b>11,537</b>	<b>9,858</b>	<b>11,459</b>
Fuel Cell Combustions	9,913	11,175	9,567	11,143
Fugitive Emissions		362	291	316
<b>Scope 2</b>	<b>679</b>	<b>1,419</b>	<b>568</b>	<b>614</b>
Electricity Acquisition	679	1,419	568	614
<b>Scope 3</b>	<b>17,311</b>	<b>20,262</b>	<b>22,991</b>	<b>17,744</b>
Logistics	14,626	17,011	20,892	16,490
Employee Commuting	2,664	3,235	2,057	1,176
Business Travel	21	15	42	78
<b>Total</b>	<b>27,903</b>	<b>33,218</b>	<b>33,417</b>	<b>29,817</b>

Photovoltaic plant in operation, in the city of Venâncio Aires (RS).



## 6.2 ENERGY MANAGEMENT

Despite the fact that most of our energy comes from hydroelectric plants, due to the Brazilian energy matrix, in order to follow this principle of operational efficiency and at the same time manage the company's electricity consumption, most of our stores are located at strategic points in the cities where we operate. We look for spots that benefit from solar lighting, thereby reducing our energy use. As a result, our current consumption can be considered low when compared to other commercial establishments that have refrigeration and/or are located in shopping malls.

Even so, because we understand the importance of being a sustainable company and having a positive influence on society, we are looking for alternatives to improve our energy consumption and make it as sustainable as possible. In recent years, we have invested in changing all the light bulbs in our stores, warehouses and distribution centers to LED and, in 2023, we completed the implementation of photovoltaic plants to supply a significant portion of our consumption.

In 2021, we signed a distributed generation contract in partnership with the company GreenYellow. The project consists of leasing six photovoltaic plants, with the installation of more than 23,000 solar panels, in the states of Rio Grande do Sul, Santa Catarina and Paraná. Over the course of the year, five of the six plants went into operation. The last plant should be fully

implemented in the first half of 2024. With this initiative, we expect to produce around 13.5 GWh of clean energy per year. Our goal is that, even with the constant expansion of the grid, more than 75% of the company's energy consumption will come from renewable energy sources by 2030.

These plants, powered by solar energy, have contributed to diversifying our energy matrix and reducing our dependence on non-renewable sources. Photovoltaic plants also allow us to move towards a more efficient and sustainable operation in the long term, combining the principles of environmental sustainability with tangible financial benefits. Through partnerships like this, we not only mitigate our environmental impact, but also strengthen our financial resilience, promoting a virtuous cycle that benefits both our planet and our economic performance. In this way, we are committed to continuing to invest in clean and renewable energy initiatives, in line with our vision of a more sustainable future.

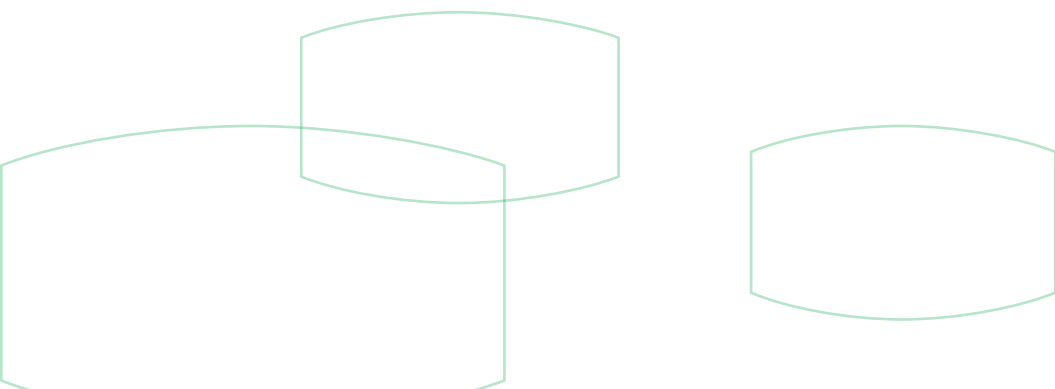
By December 2023, the five plants will have generated a total of **3.6 Gwh.**

## 6.3 SUPPLIER MANAGEMENT

Lojas Quero-Quero is committed to being a company aligned with human and environmental rights, and we expect the same from our business partners.

In 2023, we had partnerships with 642 suppliers and, as an example, we can mention that our ten largest suppliers, responsible for 49.6% of the value of our purchases, are committed and follow ESG guidelines in their business models. The aim of our connection with these partners is to form long-term bonds so that we can improve the management of the supply chain over time and make it increasingly sustainable and aligned with our sustainability guidelines.

As we mentioned earlier, in 2021 we created our first Sustainability Policy, which defines the main guidelines applicable in operations and business to manage the company's activities in a sustainable manner, in order to reduce and mitigate negative socio-environmental impacts. Based on this policy, we have defined that all our commercial contracts will include clauses to ensure that our suppliers comply with current environmental and human rights laws, in order to eradicate the risk of child labor or forced or compulsory labor in our supply chain, as well as to ensure the sustainable management of raw materials





for products. Respect for current rules and regulations is an extremely important factor when choosing a supplier, as is their alignment with our values.

## REGIONAL DEVELOPMENT

In our production chain, 99.6% of our suppliers are located in Brazil. Aligned with our purpose of generating value for the business and for local communities, as well as enabling a close, long-term relationship, building and maintaining trusting partnerships.

## COMPLIANCE

Even before our Sustainability Policy, we always tried to ensure that our supply chain respected the law, our commitments and principles with ethics and sustainability, and the adoption of good social, economic and environmental practices.

The first step in ensuring compliance is homologation, a process in which we analyze suppliers' documentation to identify possible legal non-compliance in relation to labor and environmental topics.

In addition, in the last year we have implemented an internal monitoring system that regularly checks that suppliers are in line with our corporate values and policies. This system uses the detection of contraventions related to the environment, slave labor and other possible sanctions that are not in line with our ethical and sustainable principles. This proactive approach allows us to maintain a responsible supply chain in line with our ethical and sustainability commitments.

In addition, we try to carry out visits with our own team to analyze and verify the conditions of some suppliers in person so that we can continue with the partnership.

Any supplier who violates any ethical and/or sustainability criteria is automatically excluded from our supplier base, and the partnership is not renewed.

## 6.4 FOREST RESOURCES

**As a company, we should be as transparent as possible about how forest resources are used in the products available in our mix.**

We know that sustainable and responsible forestry is essential to protect the health of our ecosystems, biodiversity and the communities that depend on forests for their livelihoods. For this reason, we have recently turned our efforts to better understanding the social and economic effects that timber purchases have, especially in regions with endangered forests.

Thus, in addition to the legal environmental compliance required by our trade agreements, at the end of 2022 we began a survey

of our suppliers in order to formally identify all those who have environmental/forestry certification, such as the Forest Stewardship Council (FSC).

In 2023, at least 82% of our furniture purchases came from suppliers with some form of environmental certification.

Over time, we hope to improve this control even further so that we can do even more in the future:

- Promote the efficient and responsible use of wood and wood products;
- Promote and support the development and use of alternative environmental products;
- Give preference to buying certified wood and products from responsible forests whenever possible;
- Eliminate the purchase of wood and products originating from forest regions identified as threatened;
- Demand that our suppliers and their suppliers of wood and wood products maintain compliance with laws and regulations concerning their operations and the products they manufacture.





## 6.5 WASTE MANAGEMENT AND CONSCIOUS DISPOSAL

We believe in the need to turn our attention to the control and disposal of waste from our operation and the disposal of materials linked to the products we sell in our stores at the end of their life cycle.

Lojas Quero-Quero is not involved in the production or manufacturing process of the products sold in its stores. However, we always strive to manage our stock well, especially

in relation to products with a finite shelf life, such as paints and cement, so that we can eliminate waste resulting from the expiry of these categories. For these products, in order to avoid waste, when we identify that they are about to expire, we promote the product in our stores and/or donate it to the local community.

For the disposal of packaging, which is or is returned to our distribution centers, we work with local recycling industries, thus guaranteeing the reinsertion of these materials into the production chain. In addition to packaging, we saw the need to do something similar with the roof tiles we sell. To avoid improper disposal of broken roof tiles, we collect them in our stores, centralizing them in our distribution center so that they can then be returned to the supplier.

Packaging for recycling - Santo Cristo Distribution Center, RS.



## 6.6 SUSTAINABLE WATER MANAGEMENT

Although water is not a resource widely used in our daily operations, we recognize its importance and have adopted measures for the sustainable management of this resource.

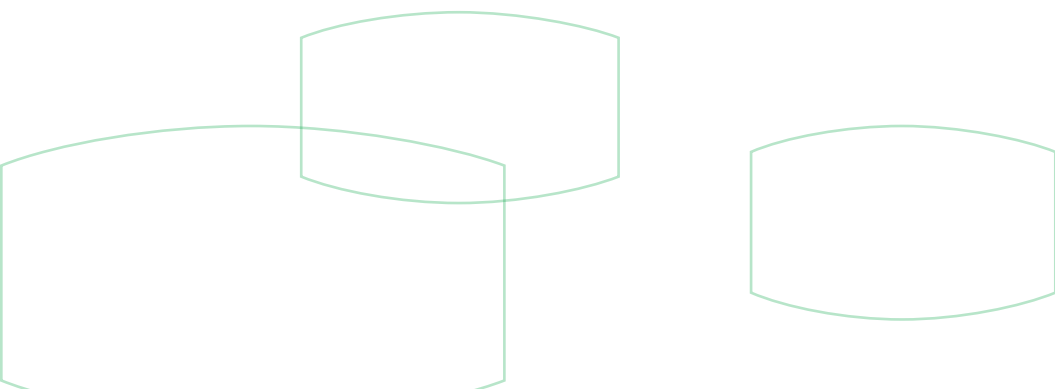
At Lojas Quero-Quero, water consumption is mainly destined for the bathrooms, where it is used for sanitary purposes, since we don't have a cafeteria or our own production. Although our use is limited compared to other sectors, we are committed to adopting responsible water consumption practices. To this end, we carry out regular maintenance on our facilities to identify and correct leaks, promote the efficient use of water among our employees through awareness-raising actions, and seek to use low-water consumption technologies in our facilities whenever possible. Our aim is to ensure that, even in areas where water use is minimal, we are contributing to preservation and sustainable consumption.

## 6.7 RISK MANAGEMENT AND CLIMATE CHANGE

Climate change is seen as the most serious threat to humanity globally. That's why, in recent years, we've tried to highlight this topic and its potential risks to our operations in order to mitigate them and make further progress on the ESG agenda.

Given the nature of our retail business, we have identified physical and transition risks arising from climate change that we consider most relevant to the operation, which we have formally listed in Section 4 of our Reference Form. These include risks associated with: (i) unfavorable weather conditions and natural disasters that may impact the performance and purchasing power of those who depend on agricultural production, who are our main customers; (ii) behavioral changes of our customers; (iii) regulatory changes, which could make legislation stricter, with the aim of mitigating climate change, for example by taxing greenhouse gas (GHG) emissions - which is already a reality in countries such as Chile, Colombia and Mexico, and; (iv) pressure from investors, due to adherence to pacts aimed at sustainable investments.

At the same time, we have identified opportunities arising from climate change that are directly related to the company's value creation in five aspects: (1) facilitating top-line growth, as it helps



us to explore new markets and expand those we already operate in; (2) reducing costs, through distributed energy projects, for example; (3) minimizing regulatory and legal interventions; (4) optimizing investments and capital expenditure; and (5) attracting investment.

## TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE)

With the aim of improving the management of climate-related strategies and cooperating with the construction of a more transparent and resilient market, as of this year we have

voluntarily begun to follow the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). We believe that, based on the information disclosed by companies, the market can more accurately price the impact of climate change on business, increasing the efficiency of processes and the stability of the global economy.

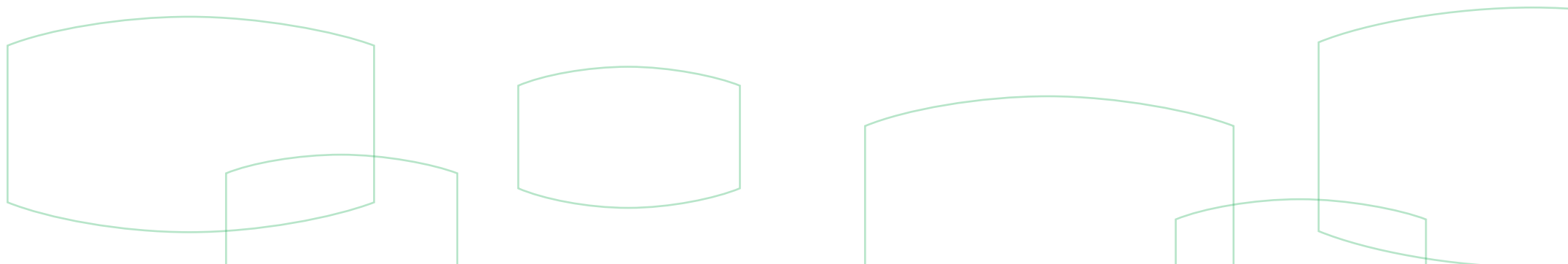
The TCFD recommends that companies disclose their climate-related actions on four fronts: governance, strategy, risk management and metrics and objectives. This division allows businesses from a wide range of sectors to use the guidelines and compare their performance.

## TCFD Structure

Governance	a) Board supervision of climate risks and opportunities	The Board of Directors and the statutory Audit Committee assess climate change issues through the company's risk management and incorporate them into the company's strategies. The risk matrix is regularly reviewed by the Board of Directors.
	b) Management's role in assessing and managing climate risks and opportunities	The company has an ESG manager who reports to the Finance Department, which monitors and identifies possible risks and measures to be taken that are updated in the Risk Matrix. The Risk Matrix is regularly assessed and reviewed by the Audit Committee and the Board of Directors.
Strategy	a) Short-, medium- and long-term risks and opportunities related to climate change	Risks and opportunities can be found in this report, and in section 4 of the Reference Form.
	b) Impact of climate-related risks and opportunities on business, strategy and financial planning	For each of the risk and opportunity factors in our risk matrix, the most significant impacts on the company's business, strategy and financial planning were identified.
	c) Climate resilience strategy	Lojas Quero-Quero has identified resilience strategies for each risk identified and assessed, listed in this Sustainability Report in the Environmental section.

### TCFD Structure *(Continuation)*

Risk Management	a) Processes for identifying and assessing climate risks	The Company has a corporate risk management methodology based on an integrated and systemic vision, which enables an environment of continuous risk monitoring at all hierarchical levels of the Company, including a classification to determine whether the risk is ESG and, if applicable, at what level it falls. For more information: This report, ODS and the Risk Management Policy.
	b) Climate risk management processes	The Risk Management Policy, approved by the Board of Directors, is based on the principle of aligning the company's strategic objectives and structure with the best market practices. The company's risks are monitored through performance indicators (KPIs) and risk indicators (KRIs). The Board of Directors is responsible for monitoring the effectiveness of the company's risk management structure and process, while the Executive Board is responsible for defining, in conjunction with the Internal Controls and Compliance area, action plans for risk mitigation.
	c) Integration of climate risk identification, assessment and management with general risk management	The risk factors identified were integrated into Lojas Quero-Quero's risk matrix. + in Risk Management + in Stakeholder Relations and our Materiality Matrix.
Metrics and Goals	a) Metrics used to assess the risks and opportunities related to climate change in accordance with the strategy and risk management	(i) Relationship with Stakeholders and our Materiality Matrix (ii) SDGs directly aligned with our activities
	b) Scope 1, scope 2 and scope 3 greenhouse gas emissions and related risks	Lojas Quero-Quero reports its scope 1, 2 and 3 emissions in accordance with the GHG Protocol methodology. The risks related to emissions have been identified in Chapter 6 of this report.
	c) Targets used to manage risks and opportunities related to climate change and performance against targets	Sustainability Report, Chapter 6 (Environment) + SDGS



# 7. UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)





The United Nations Sustainable Development Goals (SDGs) represent a global call to action to create a sustainable, equitable and just world. The plan, outlined in 2015, focuses on 17 areas in which nations, governments, businesses and citizens can work to achieve measurable results by 2030.

Lojas Quero-Quero has many of these objectives as core values. Our aim is to continuously improve our products, business and operations to offer value to our customers, partners, suppliers and communities, improving not only the working environment, but the communities we are part of.



WE HAVE IDENTIFIED 10 ODS THAT ARE DIRECTLY ALIGNED WITH OUR SPHERE OF ACTIVITY



### Health and well-being (SDG 3)

- The Quero Estar Bem (I Want to Be Well) program, which supports employees in issues related to mental health and well-being.



### Quality Education (SDG 4)

- Health plan and access to wellness and health apps, where employees can make online appointments, access gyms or online classes, meditation and nutrition.
- Holding 11 internal workshops on social, physical, financial, occupational and emotional health in 2023, with 600+ employees taking part.
- More than 550 health and psychological consultations through the Quero Estar Bem program in 2023.

- Virtual School, an internal platform with more than 800 courses available.
- Partnerships with local colleges and universities, offering discounts on undergraduate and postgraduate courses for employees and their dependents, both in person and virtually.
- The company encourages corporate trainees to seek high-level education opportunities, such as MBAs abroad, and has already sent trainees to renowned universities such as INSEAD and the Wharton School.

5  
GENDER  
EQUALITY

### Gender Equality (SDG 5)

- Adherence to the Citizen Company Program, with the possibility of extending maternity leave to six months, and 20 days for paternity leave.
- Annual workshops and lectures on equality and diversity.
- By 2023, 34% of Lojas Quero-Quero's leaders will be women.

7  
AFFORDABLE AND  
CLEAN ENERGY

### Clean and Affordable Energy (SDG 7)

- Brazil's electricity matrix is itself extremely renewable, with around 80% coming from renewable sources such as hydroelectric plants.
- Completion of the implementation of the distributed energy generation project, from which part of our electricity consumption will be produced from solar panels.
- We currently have six photovoltaic plants, with more than 23 solar panels, which should generate 13.5 GWh of clean energy per year.

8  
DECENT WORK AND  
ECONOMIC GROWTH

### Decent Work and Economic Growth (SDG 8)

- 8.4 thousand employees.
- 112 additional vacancies in 2023.
- More than 1,200 employees promoted in 2023.
- Health and wellness team and psychologists available to our employees.
- Specific area for employee safety.
- The company focuses on cities in the interior, with an average population of 25k, and is responsible for providing them with economic development and access to products.
- Leadership development programs, such as Corporate Trainee and Store Manager Trainee.
- Annual bonus for employees in the form of a PPR (Profit Sharing Program).

10  
REDUCED  
INEQUALITIES

### Reducing Inequalities (SDG 10)

- Quero Respeito Program, created in 2020, aimed at promoting diversity and inclusion in the company.
- Creation of affinity groups.
- Mandatory diversity training.



### Sustainable Cities and Communities (SDG 11)

- Annual campaigns in favor of the communities in which we operate, such as the Warm Clothing Campaign (more than 9,000 coats, clothes and blankets collected).
- Ação SOS Chuvas, in 2023, a campaign aimed at helping communities affected by the rains, as described in the report, to help rebuild the homes of those affected.
- The Loyal Donor Program, aimed at encouraging blood donation, had 210 employee donors.



### Responsible Consumption and Production (SDG 12)

- Stores designed to require as little electricity as possible. In recent years, all the light bulbs in the stores, headquarters and DCs have been replaced with LEDs.
- Recurring packaging recycling actions at Distribution Centers.
- Encouraging suppliers to follow sustainable actions in their operations through contractual forecasts and internal analysis.
- Key suppliers, responsible for +40% of our purchases, are committed to ESG aspects in their business.



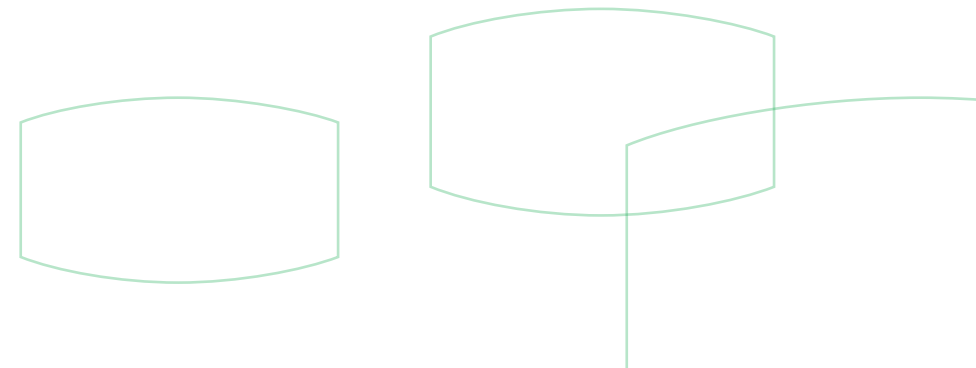
### Climate Action (SDG 13)

- For the third year running, we have joined the GHG Protocol cycle, run by the Getúlio Vargas Foundation, to publish our GHG emissions inventory. In 2023, we were awarded the Silver seal.
- Optimization of routes and prioritization of renewable fuels when possible.
- Hiring renewable energy (solar) through a partnership with Green Yellow.



### Terrestrial Life (SDG 15):

- Provide for clauses in trade agreements to ensure that suppliers adopt all appropriate measures, in compliance with current laws, with regard to the legal and sustainable exploitation and management of the raw materials for their products.
- In 2023, 82% of Lojas Quero-Quero's furniture purchases will come from suppliers who have some form of environmental certification, including FSC.



# GRI INDEX

## UNIVERSAL STANDARDS

### Reference (page)/ Direct Response

#### GENERAL DISCLOSURES

#### The Organization and its reporting practices

2-1	Organizational details	Lojas Quero-Quero SA is a publicly traded company, headquartered in Cachoeirinha (RS). More details on pages 7 to 9
2-2	Entities included in the organization's sustainability reporting (Scope of Subsidiaries)	The scope of the report includes the parent company, Lojas Quero-Quero S.A., as well as its subsidiaries: Quero-Quero VerdeCard Instituição de Pagamento S.A. and Sentinela dos Pampas Administradora e Corretora de Seguros LTDA.
2-3	Reporting period, frequency and contact point	January 1, 2023 to December 31, 2023. Annual publication frequency.
2-4	Restatements of information	Pages 15, 54 and 55
2-5	External assurance	n/a

#### Activities and workers

2-6	Activities, value chain and other business relationships	Pages 7 to 15
2-7	Employees	Pages 33 and 39
2-8	Workers who are not employees	Item 10.1 (b) of the Reference Form.

#### Governance

2-9	Governance structure and composition	Pages 17 to 21
2-10	Nomination and selection of the Board of Directors	Page 18 and Nomination Policy for Members of the Board of Directors, Committees and Executive Board, available at: <a href="https://ri.quero-quero.com.br/corporate-governance/statutes-and-policies">ri.quero-quero.com.br/corporate-governance/statutes-and-policies</a>
2-11	Chairman of the Board	The Chairman of the Board has no executive functions in the Company
2-12	Role of the Board of Directors in overseeing the management of impacts	Pages 26 and 62

2-13	Delegation of responsibility for managing impacts	Page 62
2-14	Role of the highest governance body in sustainability reporting	The Sustainability Report is assessed by the Board of Directors at a meeting.
2-15	Conflicts of interest	The Company adopts a specific mechanism to identify conflicts of interest in the Board of Directors, applying to this case the rules contained in the Brazilian legislation, in the Policy on Transactions with Related Parties and Other Situations Involving Conflicts of Interest ("Related Party Policy") and in the Internal Rules of the Board of Directors and Executive Board. All documents can be accessed at the following link: <a href="https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/">https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/</a>
2-16	Communication of critical concerns	Page 28
2-17	Collective knowledge of the highest governance body	Pages 22 to 23
2-18	Evaluation of the performance of the Board of Directors	Page 26
2-19	Remuneration policies	Published at the following link: <a href="https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/">https://ri.quero-quero.com.br/governanca-corporativa/estatutos-e-politicas/</a>
2-20	Process to determine remuneration	Pages 24 and 25. For more information: Item 8 of Reference Form.
2-21	Annual total compensation ratio	Item 10.3 (d) of Reference Form.
405-1	Composition of the groups responsible for corporate governance and breakdown of employees per category according to gender, age group, minorities and other diversity indicators	Pages 22, 33 and 34. For more information, item 10 of the Reference Form.



## UNIVERSAL STANDARDS

## Reference (page)/ Direct Response

GENERAL DISCLOSURES		
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Page 12
2-23	Policy commitments	Page 30
2-24	Embedding policy commitments	Pages 64 to 67
2-25	Processes to remediate negative impacts	Pages 28 and 61
2-26	Mechanisms for seeking advice and raising concerns	Page 29
2-27	Compliance with laws and regulations	No ano de 2023, a Lojas Quero-Quero não recebeu multas significativas nem sanções não monetárias devido ao não cumprimento a leis e regulamentos nos âmbitos sociais e econômico.
2-28	Membership associations	Page 50
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Pages 15, 32, 36, 37 and 46
<b>Material topics</b>		
3-1	Process to determine material topics	Page 15
3-2	List of material topics	Page 15
3-3	Management of material topics	Supplier Management (page 57); Energy Efficiency (page 56); GHG Emissions (page 54); Attracting, Developing and Retaining Talent (page 39); Social Responsibility (page 48); Occupational Health and Safety (pages 35 and 37); Diversity, Inclusion and Equity (pages 33, 42); Ethics and Integrity (page 28); Information Security (page 30); and Innovation and Technology (pages 46 and 47).

## SPECIFIC STANDARDS

ECONOMIC DISCLOSURES		
<b>Economic performance</b>		
201-1	Direct economic value generated and distributed	Page 8. For more information, the 2023 Financial Statements (FS) are published on the Results Center of the Company's IR website <a href="https://ri.quero-quero.com.br/">https://ri.quero-quero.com.br/</a>
<b>Indirect economic impacts</b>		
203-1	Infrastructure investments and services supported	FS, page 16, available on the Results Center of the Company's IR website <a href="https://ri.quero-quero.com.br/">https://ri.quero-quero.com.br/</a>
203-2	Impacts on the local economy	Pages 29 and 54
<b>Procurement practices</b>		
203-4	Proportion of spending on local suppliers	Page 57
<b>Anti-corruption</b>		
205-1	Operações avaliadas quanto a riscos relacionados à corrupção	The Company has a formalized risk matrix that includes scenarios related to corruption, and a Code of Conduct that outlines guidelines in accordance with the major Brazilian anti-corruption laws.
205-2	Communication and training about anti-corruption policies and procedures	We conduct periodic training through our internal platform (Online School), and require all employees to complete anti-corruption training.
205-3	Confirmed incidents of corruption and actions taken	We have had no cases of corruption.

## SPECIFIC STANDARDS

## Reference (page)/ Direct Response

## ENVIRONMENTAL DISCLOSURES

## Materials

301-3	Reclaimed products and their packaging materials	Page 60
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## Energy

302-1	Energy consumption within the organization	Page 56. In 2023, Lojas Quero-Quero consumed 16.346 MWh.
302-2	Energy consumption outside of the organization	n/a
302-3	Energy intensity	Page 56. 0,04 MWh/m <sup>2</sup>
302-4	Reduction of energy consumption	Pages 56 and 57
302-5	Reductions in energy requirements of products and services	Pages 56 and 57

## Emissions

305-1	Direct (Scope 1) GHG emissions	Pages 54 and 55
305-2	Energy indirect (Scope 2) GHG emissions	Pages 54 and 55
305-3	Other indirect (Scope 3) GHG emissions	Pages 54 and 55
305-4	GHG emissions intensity	Pages 54 and 55
305-5	Reduction of GHG emissions	Pages 54 and 55

## Waste

306-1	Waste generation and significant waste-related impacts	Page 60
306-2	Management of significant waste-related impacts	Page 60
306-3	Waste generated	Page 60
306-4	Waste diverted from disposal	Page 60

306-5	Waste directed to disposal	Page 60
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## Supplier environmental assessment

308-1	New suppliers that were screened using environmental criteria	Pages 57 and 59
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## SOCIAL DISCLOSURES

## Employment

2-30	Collective bargaining agreements	The Company follows the collective bargaining agreements negotiated between the various unions that represent the employees and the employer in each location where it operates. In certain cases, the Company engages in collective bargaining directly with the union representing the employees, but currently does not have this number publicly available. In recent years, there have been no stoppages or strikes at the Company's facilities.
202-1	Ratios of standard entry level wage compared to local minimum wage	The lowest wage for all genders is equivalent to the local minimum wage in the country in which we operate.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 34
401-3	Parental leave	The company participates in the Citizen Company Program, and grants maternity and paternity leave above that required by law, which is 180 and 20 days, respectively.
402-1	Notice periods regarding important changes	n/a

## Occupational health and safety

403-1	Occupational health and safety management system	Pages 35 and 36
403-2	Hazard identification, risk assessment, and incident investigation	Pages 35 and 36

**SPECIFIC STANDARDS**

**Reference (page)/ Direct Response**

403-3	Occupational health services	Pages 37 and 38
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 35, 36 and 38
403-5	Worker training on occupational health and safety	Pages 35 and 36
403-6	Promotion of worker health	Pages 37 and 38
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 35 to 38
403-8	Workers covered by an occupational health and safety management system	Page 35
403-9	Work-related injuries	Page 35
403-10	Work-related ill health	Page 35

**Training and education**

404-1	Average hours of training per year, per employee	19,7h
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 39 to 42
412-2	Training on human rights	Training on our Code of Conduct, which encompasses human rights, is mandatory for all employees of the Company and subsidiaries.

**Non-discrimination**

406-1	Incidents of discrimination and corrective actions taken	All cases are assessed and, if confirmed, result in a formal warning, dismissal and/or criminal liability. In 2023, seven confirmed reports of discrimination or harassment were recorded through the reporting channel. Six of these complaints resulted in the dismissal of employees, and one resulted in the suspension of the contract of an outsourced service provider.
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**Freedom of association and collective bargaining**

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There is no risk in own operations. The Company follows the collective bargaining agreements negotiated between the various unions that represent the employees and the employer in each location where it operates.
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**Child labor**

408-1	Operations and suppliers at significant risk for incidents of child labor Operations and suppliers at significant risk for incidents of child labor	There is no significant risk in own operations. Learn more about chain management to ensure these rights on page 57.
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**Forced or compulsory labor**

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There is no significant risk in own operations. Learn more about chain management to ensure these rights on page 57.
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**Local communities**

413-1	Operations with local community engagement, impact assessments, and development programs	Pages 46 to 50.
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 46 to 50.

**Supplier social assessment**

414-1	New suppliers that were screened using social criteria	Page 57
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### Public policy

415-1	Total value of financial contributions to political parties and politicians by country and recipient/beneficiary	The Company has made no contributions, directly or indirectly, to political parties, political campaigns or lobbying associations.
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### Customer privacy

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We didn't have any cases in 2023.
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## SASB RETAIL

### SASB Retail

### Reference (page)/ Direct Response

#### Retail & Distribution Energy Management

CG-MR-130a.1	(1) Total energy consumed, (2) percentage of electricity from the free market, (3) percentage of renewable energy	Pages 56 and 57
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#### Data Security

CG-MR-230a.1	Description of the approach to identifying and dealing with data security risks	Page 30
CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	We had no data breaches in 2023.

#### Labor Practices

CG-MR-310a.1	(1) Average hourly wage and (2) percentage of employees in stores earning minimum wage, by region	(1) Average hourly wage: R\$10.38 (excluding management, apprentices and trainees). (2) All employees earn above the minimum wage.
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CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for employees	(1) Voluntary: 29.8% (2) Involuntary: 20.0%  *Calculated by dividing the number of dismissed employees by the company's active workforce.
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### Workforce Diversity and Inclusion

CG-MR-330a.1	Percentage of gender and ethnic/racial group representation for (1) management and (2) all other employees	(1) Administration: page 22 (2) Other Employees: page 33
CG-MR-330a.2	Total value of monetary losses resulting from legal proceedings associated with discrimination in employment	Lojas Quero-Quero had no convictions related to employment discrimination cases in 2023.

### Product sourcing, packaging and marketing

CG-MR-410a.1	Revenue from third-party products certified with environmental and/or social sustainability standards	Page 59
CG-MR-410a.2	Discussion of processes for assessing and managing risks and/or hazards associated with chemicals in products	Not applicable, Lojas Quero-Quero does not produce products or products that use chemicals in their production.
CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Not applicable, Lojas Quero-Quero does not have own production.

### Activity metrics

CG-MR-000.A	Number of: (1) stores and (2) distribution centers	(1) Number of stores: 552 (2) Number of distribution centers: three - Santo Cristo (RS), Sapiranga (RS) and Corbélia (PR)
CG-MR-000.B	Total area of: (1) stores and (2) distribution centers	(1) Total store area: 369 thousand m <sup>2</sup> (2) Total distribution center area: 91 thousand m <sup>2</sup>



