



# 2022

Annual Integrated  
Report



# summary

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# introduction



entre

ACE



# Highlights of the year



**17**

new stores



**10**

new stores double door ACE



**BRL 6.2 billion**

net revenue



**19%**

increase in sales vs 2021



**50.2%**

total gross margin in comparison with 2021



**Sales by WhatsApp**

it is consolidated as the main digital channel

**C&A pay**

**+2.5 million**

digital cards issued

**C&A&VC**

**+24 million**

customers in C&A&VC program

**instituto C&A**

**BRL 7 million**

invested in programs

**+21 thousand**

people impacted



**Innovative Workplaces Award - MIT**

We were recognized as one of the 20 most innovative companies in Brazil



**Leader** in the **Fashion Transparency Index Brazil** for the 5<sup>th</sup> consecutive year



**+96%**

of the total amount of cotton used in production is sourced as Better Cotton



**65%**

Women in management positions and Other higher positions



**ECO 22 Award**

**AMCHAM**

We won the award with the Circular Jeans Project

# Message from the Leadership

GRI 2-22

For C&A, 2022 was a challenging year. Despite an uncertain macroeconomic environment, with inflation pressuring consumer spending and purchasing power, the company posted solid results, advancing its Fashion Tech strategy and focusing on efficiency and financial discipline.

We evolved in all our growth levers. We opened 17 new stores, following our expansion strategy in cities with up to 500 thousand inhabitants, which allowed us to increase the capacity of our operation, reach more clients and transform C&A into an important vehicle to connect with fashion in these regions. We converted 10 stores into the double door format for our ACE sports brand, showing solid results in sales growth in the category.

We continue to evolve our services to offer the best customer experience. One

of our highlights is the advance of the push-pull model of product distribution to stores, which reached the 25% mark of total apparel sales. In the radio-frequency identification (RFID) implementation project we have the technology covering 270 stores. We also advanced with our fully automated distribution center, and ship from store hub operations ensuring one of the best service levels, with over 50% of orders delivered within two days to the national territory, and total average customer service time of three days.

WhatsApp, besides being a direct sales channel, has become one of our main customer relationship tools. However, it is not only technology that is helping us to improve our online sales. We have a huge differential: the humanized service. For this channel, we have dedicated associates who even assist in-store, helping to further improve the customer experience. We expanded

our credit offer, mainly through C&A Pay, which continues to grow, and from its launch until 2022 has already accumulated over 2.5 million digital cards issued, enabling thousands of customers to consume fashion, representing 13% of sales.

We went even further: we innovated and launched our own beauty product line, integrated the customer even more in the decision making process for our products, developed fantastic collabs and designed the official look for Rock in Rio Brazil 2022. Through our values, we have strengthened the C&A Culture by putting the customer, passion for fashion and products, and team engagement first, always guided by respect, ethics, diversity and pride of belonging.

Our sustainability initiatives received important recognition during the year, reinforcing the ESG 2030 Commitments and the synergy with the Sustainable Development Goals (SDGs) of the United Nations (UN) Global Compact. For the 5<sup>th</sup> consecutive year, C&A was the best ranked brand (#1) in the Brazilian Fashion Transparency Index (ITM), an initiative of Fashion Revolution Brasil, which measures the extent to which the policies, practices and social and environmental impact of each value chain of the largest Brazilian retailers are disclosed. Furthermore, we are winners of the Eco AMCHAM Award with the Circular Jeans case, with fabric made from pre-consumption waste and used jeans parts donated at the collection points of the ReCiclo Movement, available at our stores.

I must also mention the C&A Institute, which has carried out various projects to strengthen communities through fashion, developing volunteer actions, projects to promote entrepreneurship and employability in the sector.

In corporate governance, we have improved our practices seeking to align sustainability commitments with corporate strategies, improving communication among shareholders and stakeholders in order to preserve and optimize the long-term economic value of the organization.

For 2023, Brazil's environment remains unpredictable. Within this context, our priorities are to protect our financial strength through strict control of investment and working capital, while

continuing the evolution of our value proposition in our collections, across all our channels and points of contact with our customers.

We will act in this new cycle aiming to create value for our stakeholders through continuous implementation progress of our strategy, with rigorous financial discipline to get through this unstable macroeconomic scenario.

**Paulo Correa**  
**C&A CEO**

# About the report

GRI 2-1 · 2-2 · 2-3 · 2-5

**We continue to work and strive to reinforce our commitment to people, the planet and the society.**

In order to do this, we demonstrate our awareness of the impacts that the company generates and have once again published C&A's Annual Report. It was prepared in accordance with the guidelines and orientations of the framework developed by the International Integrated Reporting Council (IIRC) and using the Sustainability Accounting Standards Board (SASB) indicators; and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In this report, we present the main economic, environmental, social and corporate governance aspects relevant to the company's sustainability throughout the fiscal year, a period that corresponds to January 1 to December 31, 2022.

The information contained in this publication encompasses all the units of C&A Modas S.A. in the country and is a summary of the main events of the year 2022, as well as our performance in this setting.

C&A did not change the way it presents its Integrated Annual Report, and there were no restatements of information involving the basis, duration, period or nature of the report, nor was there any omission of relevant information according to the integrated report framework.

The content was evaluated by the Internal ESG Committee, which confirms the veracity and reliability of the information presented and made available to the Human Resources and Sustainability Committee. In addition, it was submitted to external verification by an independent third party.

For questions about the document or content of the document, please contact us by email [sustentabilidade@cea.com.br](mailto:sustentabilidade@cea.com.br) or [ri@cea.com.br](mailto:ri@cea.com.br)

**Enjoy the read!**

## Best practices in transparency and sustainability management



Integrated Reporting, created by the International Integrated Reporting Council (IIRC), a global reference framework for corporate reporting to demonstrate long-term value generation.



Global Reporting Initiative (GRI) Standard, a global practice for sustainability monitoring and reporting.



Sustainability Accounting Standards Board (SASB), a voluntary standard for sector sustainability reporting, which aims at ESG impacts on financial performance.



The Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) sets out recommendations for risk and opportunity management related to climate change.



The United Nations (UN) Sustainable Development Goals (SDGs) make up a universal action plan for the promotion of sustainability.



An independent verification process, which aims at bringing credibility to the report and confidence to readers in their decision-making process. The methodology used is AA1000, with issuance of a Letter of Assurance and an Opportunity Report.



C&A



# Our essence

GRI 2-6

Dutch in origin and founded in 1841 by the brothers Clemens and August, whose initials give name to the company, we are one of the largest fashion retailers in the world.

Our history in Brazil began in 1976, with the inauguration of our first store in Shopping Ibirapuera, in the city of São Paulo, positioning ourselves as one of the pioneers in the fashion industry in the country.

Since our foundation, 181 years have passed in the world history and 46 years in Brazil's history. As a company, we continue to be innovative, fun and, above all, passionate about people, working in an ethical manner and focusing on how we can make all our customers always happy.

**We believe in the beauty of diversity and fashion as the greatest element of self-expression.**

We stand out for offering a diverse and affordable fashion for adults and children, in addition to the line of fashiontronics (which offers a wide variety of mobile phones, smartphones and watches), the beauty line (a category composed of cosmetics and perfumery items), and credit, through C&A Pay, our financial service.

In the social pillar, we rely on the C&A Institute, which has been operating for over 30 years in Brazil, strengthening communities through fashion - developing volunteer actions, projects to foster entrepreneurship and employability in the sector.



Fashion, fashiontronics and beauty retail.

**Physical stores + e-commerce**

**46 years**

present in Brazil (C&A)



pay

It's a card,  
It's digital,  
It's all about advantages.

Financial Services to offer

**credits products**

**instituto**



**31 years**

Present in Brazil

## More C&A

### GRI 2-1

For 46 years in Brazil, the brand has been transforming and following the change in consumer behavior. In 2019, with the completion of the Initial Public Offering (IPO), C&A Modas S.A. launched a new stage for operations in Brazil.

The last few years have shown us that we need to always be attentive to the transformations of our times to remain relevant and significant in the lives of our customers.

In response to this movement, in 2022, we kept our innovative, fun, and passionate essence and reconnected with our goal of going beyond what we already are. We decided to be more and offer more: to be more diverse and sustainable, to show more our pride, to work in a more integrated way, and, above all, to be the fashion company most loved by Brazilians because for us the customer is EVERYTHING!

We are a fashion brand that always delivers something new and beautiful, making people desire our items and making our customers happier as we

constantly reinvent ourselves to **create special experiences through fashion.**

We believe in the beauty of diversity and fashion as the greatest element of self-expression and, therefore, we work guided by ethics, integrity and sustainability to fulfill our purpose.

We do this through our operation, our people and our social projects that reflect our commitment to sustainability and reinforce our values.

## #VistaAMudança

The **#VistaAMudança (#WearTheChange)** Movement is how C&A seeks to engage its audiences to build with them a more sustainable fashion. This is how we practice and communicate our sustainability strategy (learn more on page 65) and embrace all initiatives to promote the sustainable development of our business.

We want our customers to feel good about purchasing a C&A product and our employees to feel proud of our contributions to the planet and society. We are responsible and work every day to offer fashion that does not compromise the quality of life of those who produce it or the environment.

We know that we still have a long way to go and that we will not achieve anything alone, and the #VistaAMudança is our way of engaging all our audiences to build a new future for fashion together.

**Come with us and engage yourself with change!**

To learn more, see the **Sustainability** chapter (on page 64) or visit our website [sustentabilidade.cea.com.br](https://sustentabilidade.cea.com.br)

### Purpose

Impacting people to be what they want to be through fashion.

### Mission

Grow as a fashion business preferred by Brazilians, omnichannel, offering human warmth and continuous evolution of our products, services and experiences.

### Dream

To be the best and most loved fashion company in Brazil.

### Values



**More Customer:**  
customer is everything



**More Inclusion:**  
respect, ethics and diversity are non-negotiable



**More Product:**  
we love fashion and product



**More People:**  
we have fun and are proud to belong



**More Team:**  
dynamism and teamwork

# Our business



Fashion  
Fashiontronics  
Beauty  
Financial services



**+16 thousand**  
employees



**332 physical stores**  
13 on model double door ACE



**+70 thousand**  
registered consultants  
Minha C&A

**C&A & VC**

**+24 million**  
member clients



**4 distribution**  
centers

**C&A pay**

**+2.5 million**  
digital cards issued



**C&A Marketplace**  
with complementary products to our portfolio

# National presence

GRI 2-1

We are in all Brazilian states, with 332 stores distributed in 156 cities and four distribution centers in the states of São Paulo, Rio de Janeiro, and Santa Catarina.

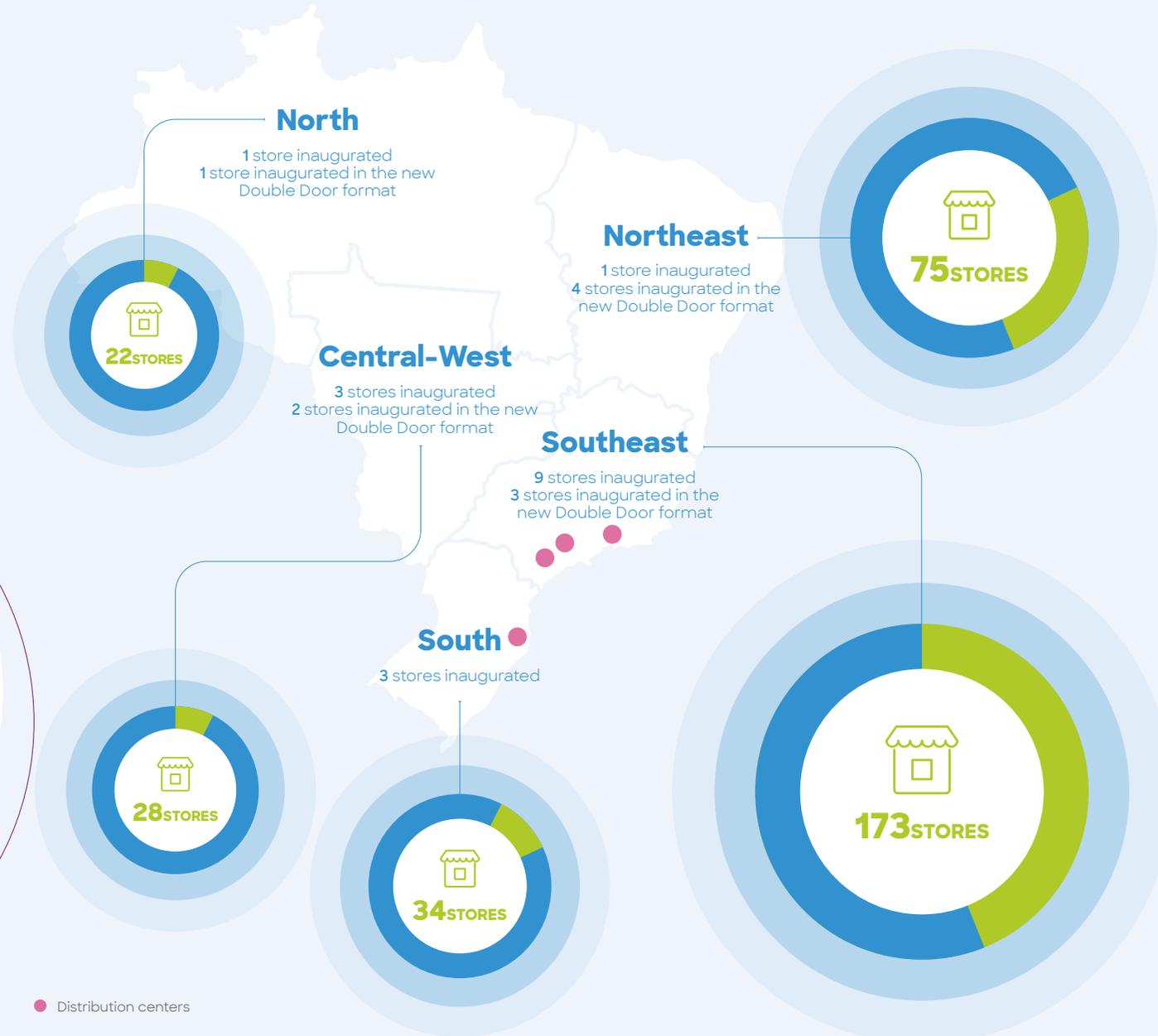
In 2022 we opened 17 new stores, including omnichannel initiatives, and expanded 17 stores in the double door format. We shut down 4 stores and 4 ministores.

- 

**332 stores**  
**17 stores inaugurated,**  
**10 stores expanded** in  
 Double Door format  
**4 stores shut down**
- 

**4 distribution centers** (SP, RJ and SC)
- 

**Headquarters**  
 Alphaville (SP)



## Input



### HUMAN

**16+ thousand** employees  
**5+ thousand** men and  
**10+ thousand** women  
**9+ thousand** black people and  
**500** people with disabilities



### INTELLECTUAL

**+120,000 hours** of training, for employees, driving development towards C&A Fashion Tech



### MANUFACTURED

**17** new **stores** inaugurated  
**10** double door **ACE expansions**  
**1** commercial **office**  
**4** distribution centers  
**373 million** in CAPEX



### SOCIAL AND RELATIONSHIP

**R\$ 7 million** in social **investment** via the C&A Institute  
**+13,000** volunteer **hours** from our employees  
**100%** of production units monitored



### FINANCIAL

**+R\$ 6 billion** in Net Revenues  
**+R\$ 1 billion** in Gross Online Revenue  
**0.9x** leverage



### NATURAL

**+96%** cotton + **sustainable**  
**+65%** of collections + **sustainable** (cotton, viscose and polyester)  
**206 stores** with Recycle Movement  
**+35 electric** or **hybrid vehicles** in the Green Fleet Verde

## More C&A Culture

### Values

**More customer:**  
customer is everything

**More product:**  
we love fashion and product

**More team:**  
dynamism and teamwork

**More inclusion:**  
respect, ethics and diversity are non-negotiable

**More people:**  
we have fun and are proud to belong

## Business model

**Our Dream:**  
to be the best and most beloved fashion company in Brazil



### Products and services

We are a digital fashion company with physical stores and human warmth. C&A specializes in fashion retail, fashiontonics, beauty and financial services.

## #VistaAMudança

It is C&A's movement that promotes fashion with positive impact.

» Products made with more sustainable raw materials and production processes

» Approach to circular economy

» Promoting a supply network with fair and safe working conditions

» Engaging customers and associates

## Outcomes



### HUMAN

**68%** women in leadership positions.  
**8.8** (grade) in **employee engagement**.



### INTELLECTUAL

**Innovation and agility** in product conception  
**Innovation in**  
Direct Sales **service**



### MANUFACTURED

**332 C&A Stores**,  
13 of which in double door format  
**+50%** of deliveries in Brazil in D+2



### SOCIAL AND RELATIONSHIP

**+24 million customers** in the C&A&VC relationship program  
**+21,000 people impacted** by the actions of the **C&A** Institute **Leader** in the Fashion Transparency Index – highest score for the 5<sup>th</sup> consecutive year



### FINANCIAL

**+R\$ 750 million** EBITDA  
**+50%** Gross margin  
**+2.5 million** C&APay cards issued



### NATURAL

**64%** of stores use **energy from renewable** sources (Free Market).  
**10 stores** supplied by solar plants

# Capitals



## Human

Relationship and development of people. Through investment, training and skills development, we encourage a healthy work environment, strengthening the quality of customer service, as well as transparency and integrity in the relationship with stakeholders.



## Manufactured

Infrastructure that enables our distribution operations, physical stores and e-commerce. The structure and modernization enable a better experience for customers, raising the level of services offered.



## Natural

Responsible use of natural resources, which is always focused on expanding the use of more sustainable raw materials and reinforcing our commitment to circular fashion, developing and producing products considering their next life cycle. In addition, we encourage our suppliers to adopt good practices and environmental management in their business.



## Intellectual

Diversity of management skills and efficient technologies in our business. This capital is continuously expanded through the interaction with consultancies and innovation centers that generate knowledge and the evaluation of studies, research and other sources of know-how production related to the company's sector.



## Financial

Resources available with the commercialization of products in our various online and offline channels, in addition to the resources of third parties through financial operations for investments in innovation, technology, expansion and new services.



## Social and Relationship

Solid and transparent relationships with our stakeholders, contributing to the generation of shared value and strengthening our brand and reputation. We aim at the continuous improvement of working conditions and environmental issues in the supply chain. We strengthen local communities through Instituto C&A by means of several types of action.

# Collaborations and recognitions

GRI 2-28

We are part of different sector and sustainability organizations in order to expand and share our knowledge for the construction of a more sustainable future in the fashion industry.

## Sustainability

- Signatory to the **United Nations (UN) Global Compact**.
- Signatory of the **Zero Discharge of Hazardous Chemicals (ZDHC)** program.
- Associated with the **National Pact Institute for the Eradication of Slave Labor (InPacto)**.
- Affiliated to the **Social & Labor Convergence (SLCP)** of the **Sustainable Apparel Coalition (SAC)**, an initiative on improving working conditions in global supply chains.
- Supporter of the Na **Mão Certa Program**, by Childhood Brazil.
- Founding Member of the **Brazilian Textile Retail Association (ABVTEX)**.
- Associated with the **Ethos Institute**, an organization for the promotion of socially responsible business.
- Signatory to the **Science Based Targets initiative (SBTi)** climate action, taking on science-based greenhouse gas

emissions reduction targets to combat climate change.

- Supporters of **Colabora Moda Sustentável**, through the Instituto C&A.

## Sectoral

- Member of the **Better Cotton Initiative (BCI)**, a global initiative for more sustainable cotton cultivation.
- Member of **Fashion for Good**, a global platform for innovation in sustainable fashion.
- Member of the **Textile Exchange**, a global organization focused on the development of less impactful textile products.
- Member (through the Instituto C&A) of the **Group of Institutes and Business Foundations (GIFE)**, an association of social investors of Brazil.
- Partners of **Cradle to Cradle Products Innovation Institute's Certification Standards**.

- Supporter of the **CanopyStyle Initiative**, which brings together the major players in fashion and industry for the planet.
- Supporter of the **Ellen MacArthur Foundation Circular Economy**, the world's leading circular economy network.
- Member of the **Brazilian Association of the Textile Industry (ABIT)**, one of the most important entities among the economic sectors of Brazil.
- Member of the **American Chamber of Commerce for Brazil (AMCHAM)**, an American chamber of commerce integrating Brazilian and international companies.
- Member of the **Brazilian Association of Business Communication (ABERJE)**, an organization that aims to strengthen the role of communication in companies and institutions.
- Member of the **Brazilian Association of Publicly Held Companies (ABRASCA)**, an institution that contributes to the

improvement of the capital market and the development of Brazilian publicly held companies.

- Member of the **Institute for the Development of Retail (IDV)**, an initiative promoted by entrepreneurs and CEOs of some of the largest companies in the sector in Brazil to strengthen the representation of retail companies.
- Member of the **Brazilian Association of Lawtechs and Legaltechs (AB2L)**, an organization that connects the legal universe to the new 4.0 reality.
- Partners of the **National Service of Industrial Learning (SENAI)**, a private institution of public interest, which aims to stimulate industrial innovation through education, consulting, research, and technical and technological services.

## Recognitions in 2022

We were recognized by the main organizations and assessment institutes in relation to performance in various spheres of our business, with emphasis on our sustainable initiatives.



### Innovative Workplaces Award – MIT

We were recognized as one of the 20 most innovative companies in Brazil by the Innovative Workplaces award of MIT Technology Review Brazil, being the only fashion retailer to be part of the list.

### Zero Discharge of Hazardous Chemicals

We were recognized as one of the five brands that achieved the highest level of performance in Brand to Zero by committing to sustainable chemical management, embracing the implementation of sustainability across all of our corporate cultures.

### Fashion Transparency Index Brazil (ITMB) – Fashion Revolution

For the 5<sup>th</sup> consecutive year we obtained the highest score in the Fashion Transparency Index Brazil. Among the brands evaluated we scored 73%, an increase of 3% in comparison with 2021. We have held that position since the evaluation started.

### 39<sup>th</sup> edition of the eco award 2022 by AMCHAM brasil

We were winners of the award for the Jeans Circular project, with pieces of clothing made from the collection of the Movimento ReCiclo and production surplus (C&A and Cotton Move).



We have also been recognized as follows:

- **100 Companies with Best Corporate Reputation in Brazil Award**, we were recognized by the MERCO ESG Responsibility Ranking as one of the most responsible companies in Brazil, occupying the 2<sup>nd</sup> place in the Retail Fashion Category and the 42<sup>nd</sup> place in the overall ranking.
- **Great Place to Work (GPTW)**, we were listed in the GPTW once again. We occupied the 7<sup>th</sup> place in the National Retail category, and the 10<sup>th</sup> place in the Regional Retail category (Barueri and Region).
- **2022 Disney Best of the Year Award**, awarded as the best licensed company in the Diversity and Inclusion category.
- **2022 Smart Customer Award**, awarded with bronze seal in the Customer Experience category for the "Ação mundo BITA" case
- **Top 3 Award**, in the Fashion and Accessories category by ESHOPPER.
- **ABT Award**, awarded as one of the companies with the best practices in customer relationship in Brazil.
- **29<sup>th</sup> edition of the 2022 ABEMD Award**, recognized with bronze seal in the Call Center | Contact Center category.



# governance



# Governance structure

We are committed to the principles that privilege transparency, fairness in the treatment of shareholders, accountability, and corporate responsibility.

We are a publicly traded company, listed in the New Market segment of B3 – Brazil, Stock Market, Over-the-counter Market, adopting the highest standards of corporate governance.

Aiming at best practices, our governance structure has, in addition to the Shareholders' Meeting, an independent Board of Directors, statutory and non-statutory committees, the Fiscal Council, the Executive Board and Advisory Bodies (Committees and Secretariat of Governance).

These principles give the company maturity in relation to its way of doing business, as well as align its growth strategy with value creation in the short, medium, and long term. And this is only possible by strategically leveraging the sustainability theme in all business stages.





### Best governance practices adopted

- New Market of B3 – Brazil, Stock Market, Over-the-counter Market.
- 34.0% free float.
- 80% of independent members on the Board of Directors (4 out of 5).
- 20% of women on the Board of Directors (1 out of 5).
- Different executives occupying the positions of President of the Board of Directors and Chief Executive Officer.
- Advisory Committees to the Board of Directors.
- Internal Regulations for the Board of Directors, Advisory Committees and Executive Board.
- Mechanisms for formal assessment of the Board of Directors, the Advisory Committees, and the Executive Board.
- Secretariat of Governance (Governance Officer).
- Governance Portal.
- Corporate Policies.
- Outsourced and independent reporting channel.
- Internal audit and compliance structure.
- Stock Purchase Option Plan.
- Internal Committees composed of executives from our company to deal, periodically and on demand, with relevant matters such as ESG and Ethics.

## Stock performance and shareholding composition

### GRI 2-1

Our CEAB3 shares, traded on B3, closed the year quoted at BRL 2.29, with an appreciation/devaluation of 30.2% in the 4th quarter. In all, there were 2,000,320 trades throughout the year, with average daily trading volume of BRL 15.3 million and devaluation of the shares of 62.8%.

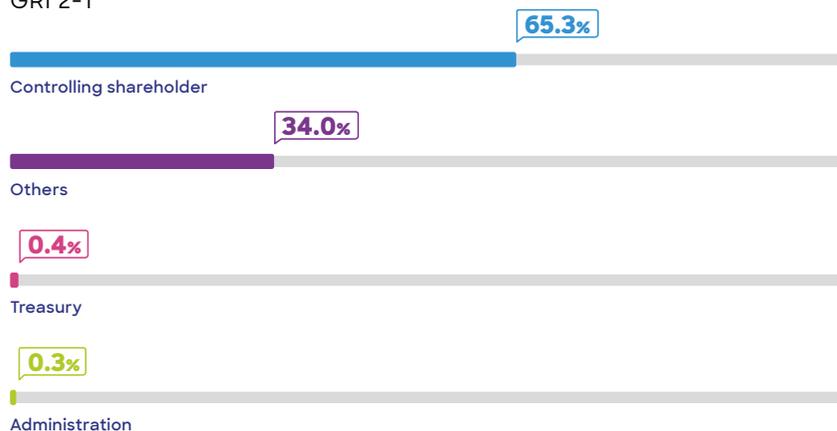
The company's capital totals 308,245,068 common shares and the free float is 34.0%. Our major shareholders are described in the following chart.

### CEAB3

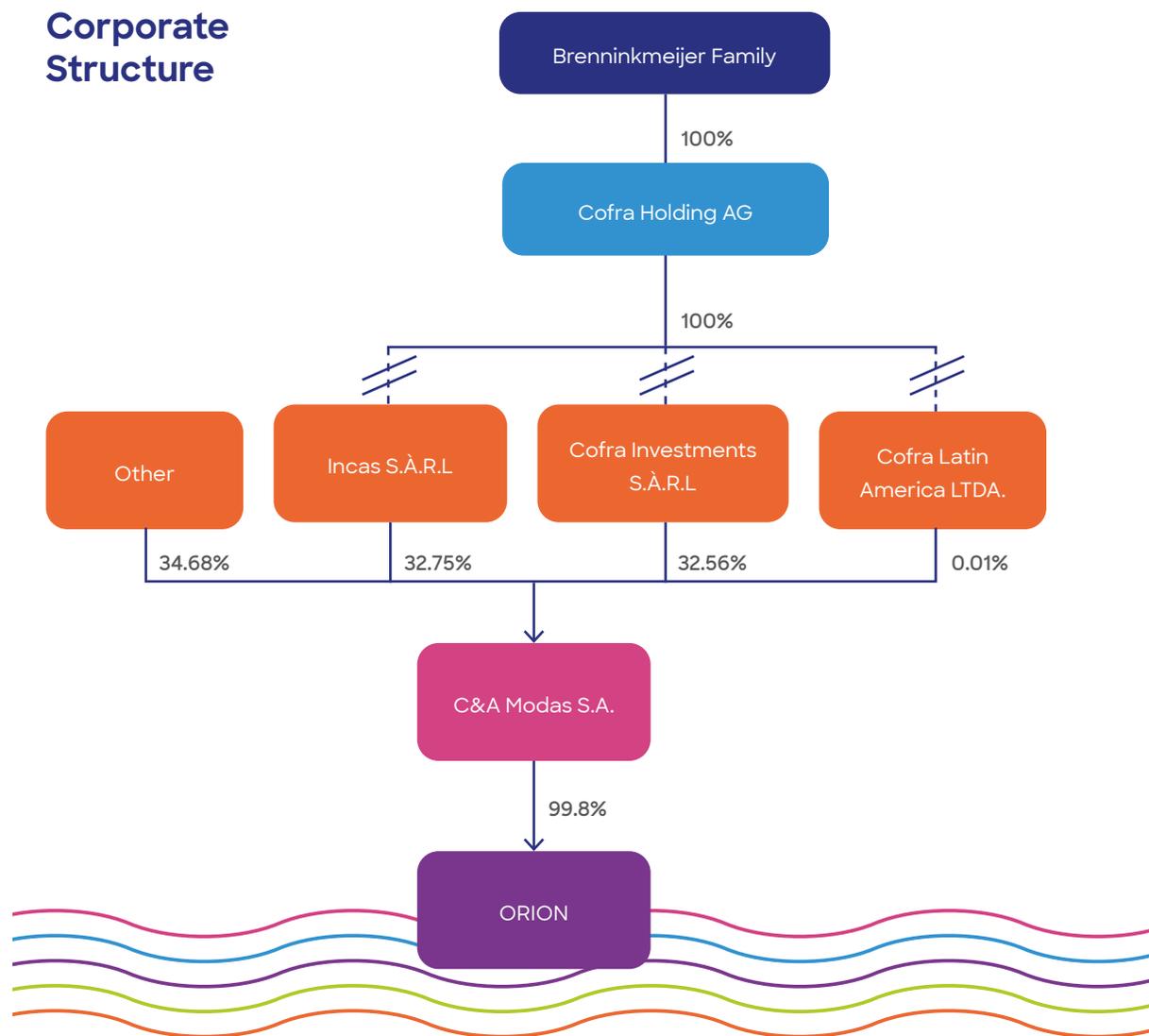
Final price (09/30/2022)	BRL2.29
Highest price in 2022	BRL6.58
Lowest price in 2022	BRL1.95
Appreciation/Depreciation in 2022	-62.8%
Total number of shares	308.245.068
Market Cap (09/30/2022)	BRL706 million
Daily average liquidity in 4Q22	BRL13,1 million

### Shareholding composition

#### GRI 2-1



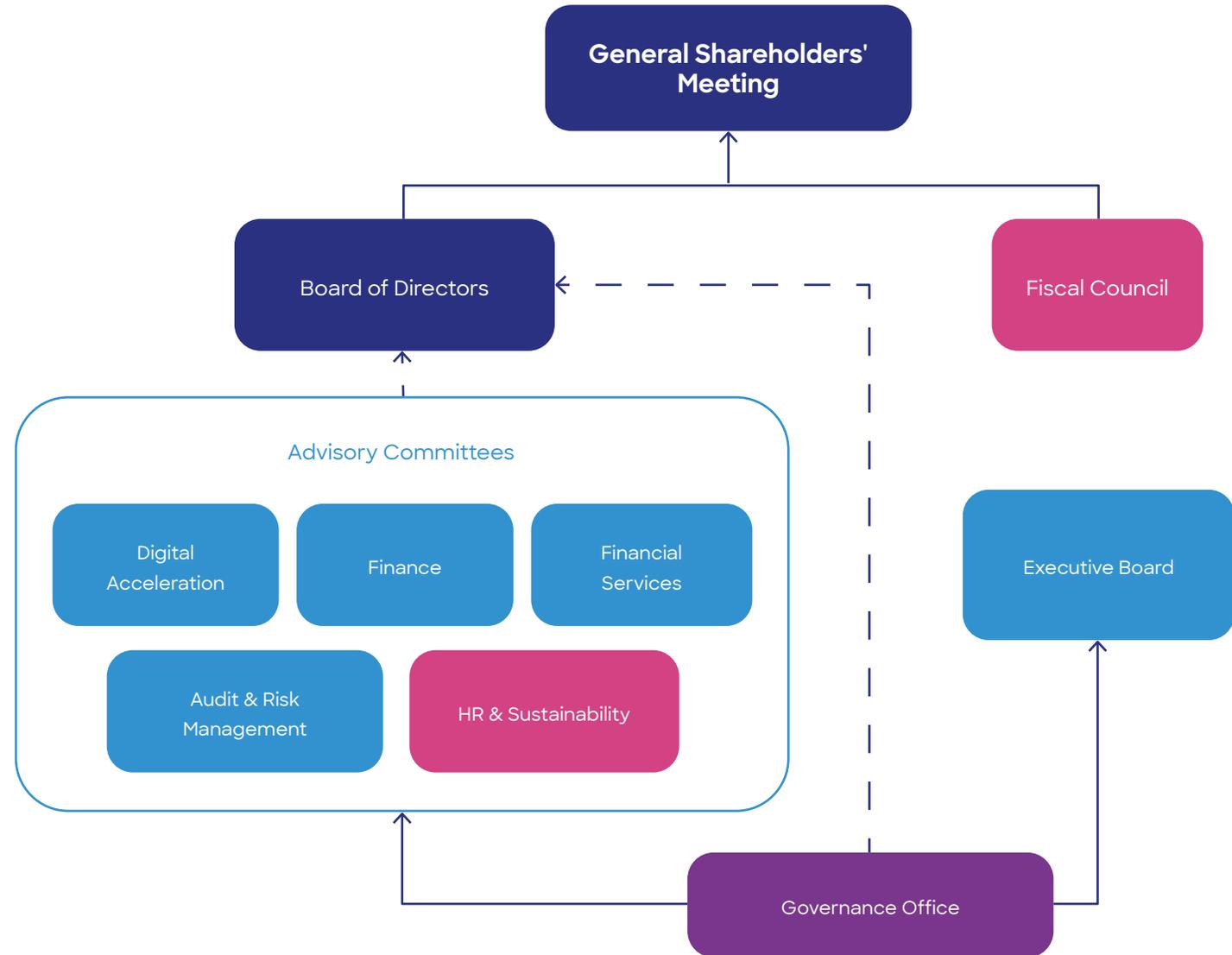
## Corporate Structure



## Corporate Governance Structure

GRI 2-9

The functioning, responsibility and attributions of the governance bodies mentioned in the structure on the side are provided for in the company's articles of incorporation and in its own internal regulations, available on C&A's IR [here](#).



- Technical body
- Decision-making body
- Governance Office
- Supervisory Body



## Board of Directors

GRI 2-9 · 2-10 · 2-11 · 2-13 · 2-17 · TCFD Governance

The company's Board of Directors ("Board of Directors") has the mission of acting strategically to protect and enhance the company's assets and to establish the general guidelines for the company's corporate business with a view to its perpetuity, as well as to analyze and deliberate on the objectives, policies and other normative documents, in addition to ensuring their performance.

The Board of Directors is currently composed of 5 (five) members, appointed in accordance with the Policy of Appointment of Members of the Board of Directors, Committees and Statutory Board ("Appointment Policy") and elected at the Shareholders' General Meeting, with a

unified term of office of 2 (two) years, and re-election is permitted. The elected members do not exercise executive functions at C&A, and in its current composition, four (4) of them, who are independent, and the articles of incorporation prohibit the exercise of the position of Chairman of the Board cumulated with that of Chief Executive Officer of the company.

Regarding the appointment, we have the Corporate Policy of Appointment of the company's Management, which considers the diversity of knowledge, experiences, behaviors, cultural aspects, age group and gender, as well as the independence of at least 2 (two) or 20% (twenty percent) of the directors, whichever is greater.

## Advisory committees

GRI 2-9 · 2-12 · 2-17 · TCFD Governance

The Board of Directors currently has five (5) advisory committees ("Committees"), which act with independently in relation to the company's Statutory Executive Board ("Executive Board") and are responsible for analyzing and opining on specific matters with technical and/or strategic content.

The Committees have at least 3 (three) members, who were appointed according to the criteria established in the Appointment Policy and in the respective internal regulations and elected by the Board of Directors, with a unified term of office of one (1) year). Get to know each of them below:



### Audit and risk management committee - ARMC

It is a statutory body and one of its main responsibilities the supervision of: (i) quality and integrity of financial reports; adherence to legal, statutory and regulatory standards, the adequacy of processes related to risk management, internal controls, compliance and internal audit; (ii) the activities of independent (external) auditors and (iii) compliance with the code of conduct and monitoring of the reporting channel.

The company's internal audit is linked and directly subordinated to the ARMC and its attributions are to evaluate the risks of the main processes and controls used to mitigate these risks, as well as to verify compliance with the policies and procedures determined by the Executive Board, including those aimed at preparing the financial statements.

The external (independent) audit is not linked to any organ of the company. However, its work is periodically supervised by the ARMC, including the financial statements.



### Digital acceleration committee - DAC

One of DAC's main responsibilities is the assistance of planning and managing the company's digital strategies that involve innovation, online sales, integration of different channels, marketing, and logistics.



### Financial services committee - FSC

One of FSC's main responsibilities is the assistance in the development of financial services activities, considering the main strategies related to the business models; product portfolio; funding; partnerships; adherence to legal, statutory and regulatory standards; and declaration of risk appetite.



### Human resources and sustainability committee - HRSC

One of the HRSC's main responsibilities is the assistance in the recruitment, compensation analysis, evaluation and succession planning of the members of the Board of Directors of the Committees, the Chief Executive Officer, and the other members of the Executive Board, as well as the support in the definition of actions aimed at sustainability; seeking alignment with the best ESG practices; mitigating environmental impacts; and promoting diversity, equity and an inclusive environment. The body has the help of the Internal ESG Committee (IESGC).



### Finance committee

The body assists the Board in defining policies and monitoring the company's financial management, considering its main strategies and business model.

## Fiscal Council

GRI 2-9

The Fiscal Council is a statutory body of a collegiate nature and non-permanent functioning, which acts independently of the other management bodies and the independent auditors of the company.

Its objective is to supervise the management of the administrators during each period of operation, exercising all the powers, functions, attributions and prerogatives provided for in the applicable legislation and regulations.

The Fiscal Council is installed at the Shareholders' General Meeting, at the request of the shareholders, in the cases provided for in the applicable legislation and regulations, or at the proposal of the Board of Directors.

Each period of operation begins with its installation and ends at the first Ordinary General Assembly after its installation. The term of office of the members of the Fiscal Council shall coincide with the period of operation of the body.

In 2022 the Fiscal Council was installed, and it was composed of 3 (three) permanent members and an equal number of substitutes, elected at the Shareholders' General Meeting, with a unified term of office that ends at the 2023 Shareholders' General Meeting.

## Executive Board

GRI 2-9 · TCFD Governance

The Executive Board is a collegiate body and of an executive administration nature, and one of its main responsibilities is the administration and conduct of the company's business within the respective competencies provided for in the articles of incorporation, the Brazilian Corporation Law, and its own internal regulations.

The Executive Board is currently composed of 4 (four) members elected by the Board of Directors, with a unified term of office of 2 (two) years. The composition of the Executive Board and the detailed experience of each director are available on the C&A IR [here](#).

### Internal ESG Committee - IESGC

The IESGC is an internal body subordinate to and linked to the Executive Board and it is responsible for assisting the Executive Board, the HRSC and the ARMC in their activities, responsibilities and commitments related to ESG (environmental, social and governance practices).

### Internal Ethics Committee

The Internal Ethics Committee is an internal body subordinate to and linked to the Executive Board and it is responsible for assisting the Executive Board and ARMC in its activities, responsibilities and commitments related to the company's reporting channel.

### Secretariat of Governance

It is an advisory body to the Board of Directors and the Advisory Committees, currently linked to the Executive Board, and one of its main responsibilities is to assist the bodies in C&A's corporate governance processes, in the operation of C&A's activities, and in the improvement of best practices.



## Remuneration

GRI 2-19 · 2-20

The guidelines and rules for the establishment of the remuneration and benefits granted to the members of the Board of Directors, the Executive Board, and the Fiscal Council, when installed, and the committees instituted by the company are provided for in the Executive Remuneration Policy ("Remuneration Policy").

The remuneration of the Executive Board includes fixed remuneration (which includes a benefits package), variable remuneration (by means of a profit-sharing program, based on economic targets pre-established by the company), and share-based remuneration (with a long-term incentive plan).

To define the remuneration of the leaders, the remuneration area **conducts research on market trends and presents** the proposals, together with the Human Resources and Sustainability Committee, which approve new projects and monitor the indicators on the subject.

When any question is raised about the practice of remuneration, either for an audience or level, the internal remuneration team evaluates the demand together with the partner consultancy and draws up an action plan or an adaptation proposal.

## Performance evaluation of the governance bodies

GRI 2-18

Following good corporate governance practices and seeking to continuously improve the effectiveness of the company's management bodies, we annually carry out the formal performance evaluation of the governance bodies (Board of Directors, Executive Board, Advisory Committees and

Secretariat of Governance) and the individual evaluation of the members of the Board of Directors and the Executive Board. The results of the evaluations are discussed and approved by the Human Resources and Sustainability Committee and, subsequently, by the Board of Directors.

# Ethics and integrity

GRI 2-12 · 3-3

**We have a solid commitment to integrity in the business environment and our performance is guided by transparency, fairness, honesty, diligence, and social responsibility.**

To comply with our statement, we work daily to promote a culture of ethics and compliance, through the application of the code of ethics and policies that guide ethical behavior in the performance of the company's activities.

We have a senior leadership committed to this subject, with competencies assigned and monitored periodically by the Board of Directors to the Audit and Risk

Management Committee on the subject, according to the internal regulations available on the IR website, and with the installation by the Executive Board of an internal ethics committee to ensure the treatment of the subject with the necessary seriousness and commitment and the good performance of the Corporate Compliance and Ethics area.

In addition, analyses of business partners are carried out by the

Risks, Supplier registration and SSC (Sustainable Supply Chain) areas, and such analyses are considered in business decisions depending on the result and risks pointed out. The company's Code of Conduct is applicable to business partners and provides that "C&A seeks to build a long relationship with suppliers who are genuinely committed to working together for better working conditions and environmental performance, helping suppliers overcome the difficulties they may face." For this, we have specific guidelines for the supply of goods, available on the suppliers' page, whose acceptance is mandatory worldwide.



## C&A Code of Ethics

GRI 2-23 · 2-24 · 205-2

The Code of Ethics is a strategic document that describes the principles and standards of conduct that must be followed by all who work at C&A, its affiliates or subsidiaries, to protect the integrity of the brand and the business, in addition to ensuring respect for the laws, our employees, customers, third parties, government and society in general.

The Code of Ethics encompasses the following themes:

- excellence in our products and services, in addition to the satisfaction of our customers.
- healthy and safe working conditions, ensuring the physical and moral integrity of our employees.
- integrity, honesty, and transparency in the conduct of our business.
- prohibition and zero tolerance when it comes to acts of corruption and other unlawful acts.

- good corporate governance practices and establishment of accurate records and reliable accounting practices.
- clear, objective and timely communication.
- respect for people regardless of their hierarchical position, origin, color, ethnicity, culture, age, social level, physical capacity, religion and sexual orientation, and any practice of discrimination is rejected.
- respect for human rights and labor relations.
- sustainability and social responsibility.

All C&A employees adhere to the Code, and through strategies outlined by the Compliance, Communication and Corporate Education areas combines, training and educational actions are carried out to reinforce the commitment to responsible business conduct.

The Compliance area conducts training in various formats according to the relevant audience and theme, including mandatory training for all members on our knowledge platform – the Fashion Academy (Academia da Moda) – to disseminate the principles and standards set forth in the document.

**At the end of 2022, 72% of the employees completed their journey on the platform. All of them received various sorts of communication on topics addressed in the Code of Conduct and specific audiences were trained on pertinent topics, including the company's leadership.**

Also, due to the revision of the document, communications and refresher training were held this year. A total of 10,184 employees participated in the training, which represents 63% of the company.

In addition to absolute respect for the laws, the company's Code of Ethics addresses the following human rights provided for in the Universal Declaration of Human Rights (UDHR):

- Combating and prohibiting discrimination.
- Healthy and safe working conditions.
- Child, forced, slave, involuntary, prison or irregular labor.
- Data privacy.
- Freedom of thought and expression.
- Respect for good labor practices and standards, as well as the right of everyone to participate, form or join a union (or association).

**The Code of Ethics, revised in 2022, is available on [here](#).**



## Conflict of interest

GRI 2-15

The members of the Board of Directors must respect the rules regarding conflict of interest established in the Brazilian Corporation Law and in the Policy for Transactions with Related Parties and Other Situations Involving Conflicts of Interest of the Company.

In the event of the conflict, the person involved shall declare himself disqualified, explaining his involvement in the transaction and, if requested, providing details of the transaction and the parties involved.

The disqualification shall be included in the minutes of the meeting of the body that deliberates on the transaction, and this person shall withdraw from the discussions and deliberations.

If any person in a potential situation of conflict of interest does not express such issue, any other member of the body to which he belongs who is aware of the situation may do so.



The Related Party Transactions Policy can be accessed [here](#).

## C&A Ethics Channel

GRI 2-16 · 2-25 · 2-26 · 205-3

C&A's exclusive Ethics Channel is available 24/7 in three languages and it is accessible to our employees, third parties and society in general to receive reports on conduct that violates our commitment to ethics, integrity and transparency.

The channel is a secure and, if desired, anonymous communication resource managed by an independent and specialized company, which ensures the confidentiality of information and the appropriate treatment of each situation, without conflicts of interest.

All complaints received via website or call undergo initial screening and are then directed to investigation. Applicable measures are applied whenever necessary, and the penalties adopted by C&A are proportional to the nature and severity of the violation.

In 2022, 864 reports were received by Canal Aberto, among which 77 are under investigation and 787 have been closed. The most recurrent concerns were related to behavior in the workplace

(such as moral harassment, abuse of power, and disrespect for workers).

The company encourages the submission of reports in case of misconducts, ensures protection against retaliation and provides training and other initiatives that reinforce its commitment to responsible business conduct.

### #YouAreInCharge

The channel is available every day of the week to employees, suppliers, customers, users, third parties or other persons who have contact with and/or any relationship with C&A Modas.



0800 591 8819



[www.canaldeetica.com.br/cea](http://www.canaldeetica.com.br/cea)  
(in Portuguese, English and Spanish)



[faleconosco@e.cea.com.br](mailto:faleconosco@e.cea.com.br)



## Fight against corruption

GRI 2-23 · 205-1

We rely on the **Corporate Anti-Corruption Policy**, which establishes guidelines to prevent, detect and respond to occurrences of corruption, in all its forms, reinforcing the company's commitment to cooperation with national and international initiatives on the subject.

The policy must be observed by all of the C&A team, including third parties representing the company. The Compliance area is responsible for the implementation of the policy and compliance with it is monitored by the Audit and Risk Management Committee.

The document can be read in full on our [Investor Relations website](#)



The fight against corruption is considered a compliance risk and included in the company's risk management practices and processes. The Risk Management area is responsible for monitoring the risk environment.

**We carry out online communication campaigns and use posters and pamphlets to reach all employees.**

We also conduct internal training, both online and in-person.

# Risk management

GRI 2-12 · 2-13 · TCFD Risk Management

C&A monitors the risks to which it is exposed and seeks to prevent, mitigate and treat any and all types of risk that may negatively impact its activities and operations, the achievement of its objectives and the standards of value generation established in its strategic plan. To this end, it relies on the **Corporate Risk Management Policy** that establishes the principles, guidelines and responsibilities to be observed for the risk management process of the company.

The Audit and Risk Management Committee is responsible for evaluating and monitoring compliance and effectiveness of the risk management policy and it supervises the activities, making recommendations for the improvement of internal risk management processes for the analysis, evaluation and decision-making by the company's Board of Directors.

The committee meets regularly, at least bimonthly, or, extraordinarily, whenever convened by the coordinator or by written request by any other member.

The corporate risk management process follows the following steps:

## 1. Understanding strategic objectives

It aims to capture and understand the strategies and objectives of the business that will focus on identifying the company's risk.

## 2. Identification and documentation

It seeks to identify risks based on the perception of the company's executives, considering external and internal factors and emerging risks that may divert the company from the achievement of its main strategic objectives. At the end of the analysis, the company has a list of risks that are categorized according to the Risk Dictionary. It is up to the Executive Board to ensure the updating of the Risk Dictionary.

## 3. Treatment

At the end of the stage of evaluation of the degree of exposure of the company, the decision-making process regarding the treatment of risks is carried out, according to the risk appetite guidelines determined by the company's senior management. It is up to the Business areas to implement the action plans to ensure treatment.

## 4. Monitoring

The Risk Management area regularly monitors risks to reassess the level of management applied to each risk scenario and agree on other response actions. In addition, it is up to this area to encourage the culture of risk management with the leaders and seek continuous improvements in the risk management process.



## Our risk management process considers in its scope the following types of risks:



### Regulatory

group of risks related to compliance with labor, civil, tax, or fiscal legislation, or risks involving procedures related to regulatory bodies, such as: accounting, CVM/B3, among others.



### Strategic

group of risks that affect the strategic objectives, business model, competitive intelligence and governance of the company, as well as external factors independent of internal actions.



### Operational

group of risks related to our infrastructure (processes and people), which affects operational efficiency and effective and efficient use of resources.



### Technological

group of risks associated with systems applications, tools, technologies and information/data.



### Financial

group of risks related to the reliability of the balance sheet and the exposure of financial transactions.

## Main risks identified and monitored from the materiality matrix:



### Climate change

Extreme climate change and natural disasters can affect our ability to offer suitable collections.



### Operational Shutdown

They can stem from pandemics or social movements, hampering production, marketing or delivery.



### Natural resources and waste generation

Inefficient water consumption in the processes of manufacturing and planting raw materials and generation of waste (discarded products) can affect regenerative capacity and future availability.



### Economic and financial loss

It damages the value generation for our shareholders.

## Main opportunities identified



### Circular economy

Development of processes and products according to their reuse and efficiency.



### Expansion

Investments made in technology modernization and digitalization for the transformation of C&A into a Fashion Tech.



### Well-spoken-of brand

Focusing on opportunities strengthens the brand and our reputation.



### Use of technology in favor of the environment

Adoption of blockchain technology to monitor environmental prevention preservation actions and ESG practices, in addition to lower-impact production processes.

# Data security

**Data protection is essential for the company's business as it is part of the fundamental commitments of the Code of Ethics and, therefore, C&A dedicates its management to the subject, accompanying and investing continuously in the improvement of its processes and tools.**

Data protection management is carried out by the Privacy and Information Security Governance areas, reporting directly to the Executive Board.

The Audit and Risk Management Committee monitors the evolution of initiatives and management of related risks.

During the year, we carried out several actions aimed at best practices for data management and security:



Definition of information security, privacy and data protection guideline.



Mapping and mitigation of threats, risk assessment and measurement.



Protection and monitoring of technology assets.



Structure that responds to security and fraud incidents.



Evolution in the culture of governance through training and awareness raising.

Our main policies:

- **Privacy Notice for Customers and Users of C&A Channels**, which governs the general guidelines and conditions for collecting, using, storing, processing, sharing, transferring, and protecting data on websites, platforms and internet applications, from participants in relationship, loyalty and rewards programs, in compliance with the legislation.



Please access [Privacy Policy](#)

- **Privacy Notice for Users of the Orion Platform (C&A Pay)**, which governs the general guidelines and conditions for the collection, use, storage, treatment and protection of data of the Orion website and application, in particular C&A Pay, in compliance with legislation.



Please access [Privacy Policy \(C&A Pay\)](#)



# strategy



CV CROPPED HALTENECK EM RIBANA



## The customer is everything

In recent years, the world has undergone many transformations that have directly impacted all Brazilians, their relationship with fashion and the sector as a whole. In this new context, looking carefully and reflecting on what the customer needs, wants and expects from brands is our great starting point.

We want to impact more and more people, encouraging them to express their personality and individuality through fashion. We see our customer as unique, diverse and full of nuances, so we try to embrace this uniqueness and diversity in a way that only C&A knows how to do: by being cheerful, fun and full of energy. They are values present and recognized in the DNA of our brand.

More than bringing solutions to all customers in a generalized way, C&A is committed to understanding the reality of our customer, proposing product and service solutions in a more personalized and, therefore, more efficient way.

We are inspired by their wants, pains and needs and put them at the center of our decisions because the customer is everything for us. It gives meaning to what we do, legitimizes our reason for being and, thus, we can fulfill our purpose of being the best, largest, and most beloved fashion brand in Brazil.

## Omni Journey

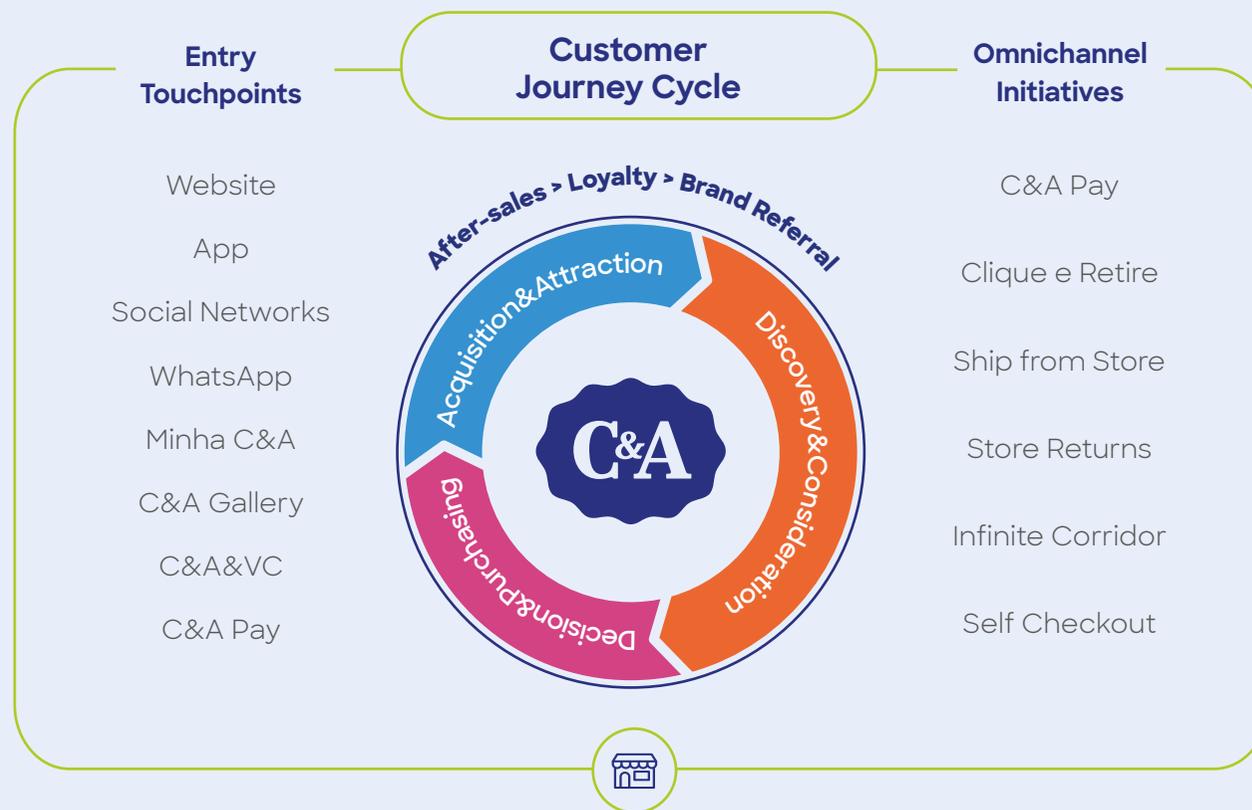
GRI 2-6

Just as society is transformed, so are the customers, and one of the main changes is in their behavioral patterns. Today, the customer presents himself to the market in a more assertive way in relation to his purchase desires, expecting to be served in an agile and fast way.

To offer our customers the best shopping experience – which includes delivering what the customer wants, when he wants it and how he wants it – we are investing in a dedicated way in building a complete, integrated and humanized journey: the **omni journey**.

For us, being omni means being present everywhere we can help our customers fulfill their wishes. For this, we try to be closer and closer to them either through our different online and offline channels or through proximity initiatives.

Our online ecosystem includes options to buy through the website, direct sale through WhatsApp, application (C&A App) and "Galeria C&A" Marketplace (learn more in the Digital Transformation subchapter on page 44). Our offline ecosystem consists of more than 332 physical stores with omnichannel initiatives that offer new experiences and more proximity.



The store's mission is to break the online barrier by offering **our omnichannel solutions** more frequently and in a more integrated way.

In 2022 we were also present in 6 editions of awards related to Customer Experience in service:

- 2022 Respeito Consumidor Award Winner.
- 2022 ABT Award Winner (Silver).
- 2022 ABEMD Award Winner (Bronze)
- 2022 Smart Customer Award Winner (Bronze).
- 2022 Conarec Award Finalist.
- 2022 Época Reclame Aqui Award Finalist, 3<sup>rd</sup> place in the category Fashion and Clothing – Retail (the results are still to be established).



#### C&A&VC

To maintain a close relationship with our customers and be attentive to their habits and consumption preferences, we rely on the C&A&VC program. This omnichannel initiative is free, and through interactive tools, such as gamification, it allows customers to interact with C&A by performing missions that can be converted into exclusive benefits, such as: special prices, pre-sale in advance, express queue at the checkout, surprise on their birthday, exclusive fashion curation and more.

In 2022 we reached the mark of 2.4 million registered customers, which represented more than 72% of sales revenues. Regarding our customer base, considering the last 12 months, we had a 7% increase in e-commerce (considering omnichannel initiatives).



## More product

Digitalization has also changed the context of product development, which needs to be delivered faster and faster to meet customer demands in a complex, multi-channel environment.

**We are always looking for innovation and solutions that improve the customer experience and, therefore, our focus is based on data-driven decision-making and the development of an agile culture that focuses on needs and communication with the customer.**

## Evolution of ELA

In 2022 we began an agile transformation journey in the commercial area of the ELA division (womenswear) with the aim of adapting more quickly to market changes and increasing our operational efficiency.

In order to do this, the area underwent a reorganization and an agile methodology was implemented. Nowadays, the area has seven tribes and 22 squads who are responsible for specific women's product categories and has come to work guided by the four pillars of C&A's agility: adaptability, focus on people, customer at the center and value delivery.

As a result, we were able to reinforce active listening toward our customers by using channels such as C&A&VC as support tools (learn more on page 36), and we further integrated the customer in the decision-making of our products through experiments, tests, and the use of data in a structured way.

## Fashion Analytics

To fully understand our customers' desires, we increased the sources of trend research and consumer buying behavior through analytics. Analytics tools provide precise, real-time information that helps us understand exactly what the customer is looking for and needs.

With a group of designers responsible for mapping all fashion trends and a team of data analysts who map the most searched trends on our websites, we qualify decision-making for product development based on the information obtained through these analyzes and, thus, we can offer products more assertively to our customers.

We have made changes in the development processes in order to reduce the lead time:

- New supply matrix
- Fabric base
- Virtual and 3D approval
- Processes and inspection
- IT Enablers and Flag Speed
- Sample Process



### Product Lifecycle Management (PLM)

C&A's creative team works tirelessly. Every year thousands of products are developed, and these items go through many steps until they get to the hands of our customers. With the digital transformation brought by the Fashion Tech journey, we have been investing more and more in tools that facilitate processes and allow a more agile and efficient collaborative construction.

An example is PLM (Product Life Cycle Management), a platform through which we manage the entire process of the life cycle of apparel products and which consolidates all the stages related to the development of a collection until its commercialization in a single place – all in a digitalized way.

Thus, we can have greater visibility of the workflow of our creative team, bringing gains related to efficiency and speed when it comes to product development, which directly impacts our ability to respond more quickly to the demands of our customers.

### Shared decision

In order to bring the customer closer to the product development process, we created the decision-making platforms Match de Looks and Missões C&A&VC last year.

Match de Looks is a digital platform to contact our employees, and it allows each one of them to express their opinion about the sales potential of each C&A outfit that should be part of the next collection.

We also count on Missões C&A&VC, interactive games that are available on C&A&VC app, so that our customers evaluate our products through likes indicating which pieces and styles they would like to see at C&A.

### Pricing

We have a business intelligence team that operates, in a centralized way, with a cross-functional team to deliver an optimized pricing structure of the business.

Within the pricing area we have developed our own proprietary tool, which supports us in the dynamic pricing of products. Technology, based on artificial intelligence and machine learning, analyzes performance and availability of products available at our stores and online, adjusting prices to optimize sales results. The ability to react daily to price presents a new way to capture value, bringing gains when it comes to the digital and physical environments in less time.



## 2022 Events and Collabs

In 2022 we made several partnerships with designers, artists, brands and influencers to deliver our customers more fashion content with collections full of inspiration, concept, beauty and a lot of positive impact. Learn more about each of them below.



### Pantone

The first Collab of the year focused on sportswear and created in partnership with the benchmark brand in color: Pantone. This collection brought the vibrancy and joy of C&A to every moment of our customers' life.



### Colorful Travel

Thinking of a Children's Day full of art, inspiration, and color, we launched with MOOUI an unprecedented proposal that values authorial creations and far from everything that "is fashionable". The collaboration with the pioneering brand in the children's decoration market helped us to build completely exclusive pieces, from clothes to decoration items, bringing life to the creations that highlight the playful universe that awakens our imagination and values authenticity in childhood. The project is the result of sharing the values of MOOUI and C&A, and among them is the desire to teach authenticity from an early age, valuing the freedom that begins with the way you dress as a child.

### ▲ Rock In Rio

A major milestone for C&A in 2022 was its debut as a sponsor of Latin America's largest festival: Rock in Rio. We set up two stores in the City of Rock where we offered our circular jeans, choice Mindse7 items, Rock in Rio licensed products, other products licensed by bands, and our collab with Duda Beat.

### Nosso Encontro: Orgulho na C&A

Just before the month of gay pride, Instituto C&A launched a rich collab with the aim of spreading the work developed by LGBTQIAP+ entrepreneurs. The project promoted the acceleration of business ventures in relation to their branding and products for four months. These brands also received support for the creation of new visual identities and investment in the initiatives. In addition to their varied creations aimed at freedom and diversity, one of the main purposes of the collection was to create pieces of clothing for all bodies.

## O Poder é Nosso

**It was a gigantic social impact collection, made in partnership with Disney and Marvel, released in September 2022.**

O Poder é Nosso is a collab created with the objective of spreading the work of black people in the artistic market, aiming at the empowerment of black professionals of design, creation and product development areas in this fashion market. The partnership featured five black artists from different regions of Brazil, who were invited to create reinterpretations of the black heroes of the Marvel franchises. The artists were curated by a Disney team, as well as one of our C&A teams, who also participated in the development of the pieces.

## Identities

**C&A and Instituto C&A have come together to bring 4 brands created by black and indigenous entrepreneurs Dendezeiro, Isaac Silva, KF and Nalimo.**

The project aims to democratize access to authorial brands led by people who contribute to the development of their communities and, in addition, offer them the visibility of new possibilities. The partnership between C&A, Instituto C&A and four national designers – and their brands Dendezeiro, Isaac Silva Brand, Nalimo and KF Branding – brought visibility to important issues such as sustainability, regionalism, ancestry, experiences and diversity of body shapes.

## Enchanted Sertão

It is a collab with the artist Julia Nogueira, born in the Brazilian state of Alagoas, which portrays the colorful and vibrant culture of the Sertão in its prints, representing the Northeast region of Brazil.

## C&A Tees

C&A Tees is a project that seeks to give visibility to Brazilian art and all its plurality through the creation of exclusive T-shirt collections. In 2022 Tees expanded its territory of licensing partnerships by bringing artists to sign T-shirt prints, an essential part of our customers wardrobes.



## Surreal

A collab with an independent brand created in São Paulo whose main feature is its streetwear style. This collab brought fashion and authenticity information to customers at the beginning of the winter season.

## ◀ Jeans Week

Talking about our jeans has become an established tradition or ours. In this edition, we had pieces produced within the circularity models and with reduced use of water.



### Duda Beat + C&A

We launched our first collab with artist Duda Beat a few days before her debut at 2022 Rock in Rio Brazil. With a romantic and daring touch, rhinestones and bright hearts, the clothes, shoes, and accessories produced were inspired by the singer's legacy in music. This co-creation with the artist born in the Brazilian state of Pernambuco involves exclusive prints and other special details that are the main trends in current fashion.

### C&A + OFF Channel

**A more sustainable collection for those who have the adventurous, passionate DNA of an explorer who loves the outdoor life featured by OFF Channel**

This summer, we teamed up with OFF Channel to launch an exclusive collection of men's products with sustainable attributes that tap into the channel's adventurous spirit. This collab has brought our essences and more sustainability to products, such as the more sustainable dyeing of cotton pieces through processes that considerably reduce the use of water and energy in production, employing resources more efficiently. Polyester products have 50% of recycled material in the composition of their fabrics, tips and cords as well.



### ◀ Cosmo

Cosmo is a beachwear brand from the city of Rio de Janeiro that offers a collection full of attitude and personality.

### La Pomponera

La Pomponera is a brand by the Argentine artist Ana Catalina, who brings her vision about Brazil in a joyful and creative way, connected with the essence and positioning of C&A.

### C&A + Larissa Souza

Valuing the rescue of black ancestry, Mindse7, C&A's fashionista line, launched a capsule collection in partnership with the plastic artist Larissa de Souza. The pieces present delicate and poetic traces of the painter, whose main agenda is the black female ancestry.

### Bel&za C&A ▶

In an unprecedented way, we launched our own brand called "Bel&za C&A" in July 2022, bringing in its initial portfolio 12 SKUs dedicated to body and bath, which were divided between 3 fragrances for daily use.

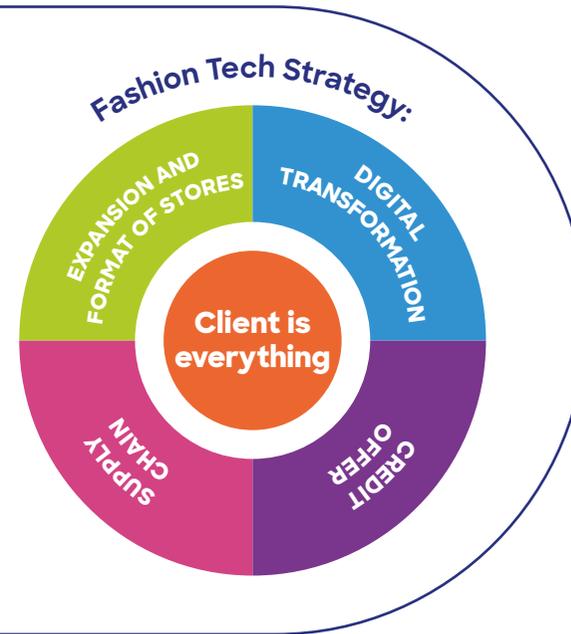
The portfolio includes vegan products, besides those not tested on animals. In addition, the body and bath line had no secondary packaging to reduce environmental impact.



# Fashion Tech

To keep up with the new digitalization scenario in society, we continue to undergo changes in the way we do business. These changes are reflected in our business strategy, which places the customer at the center of everything we do, and aims to make us the best and largest Fashion Tech in the country.

Our Fashion Tech strategy is based on four levers - Digital transformation, Expansion and store format, Supply chain modernization, and Credit offer - which are the focus of our operations and the basis for everything we deliver to our clients. In the following sub-chapters we detail the main actions and the results obtained in each of the levers this year.



## Expansion and format of stores

In 2022 we continued our strategy of expanding stores, focusing on cities with up to 500,000 inhabitants, which allowed us to increase the capacity of our operation, reaching more customers and transforming C&A into an important means for connection with fashion in these regions.

We seek to innovate in the formats of stores, in order to offer an attractive environment, with positive and beautiful exposure, at more affordable costs, which enabled our entry into the less populous cities, and we did all this without leaving aside the quality and value that we deliver in the exhibition of our products.

In all, we opened 17 stores in 9 states in 2022, and 8 of them were opened in cities where we were not yet present.

Here are the main innovations in the format of stores:

- **Speed & Connectivity:** Technology solutions to streamline the buying process.
- **Clarity & Communication:** Clear communication aligned with strategy.
- **Standardization & Organization:** Clear and easy proposal for the customer.
- **Fashion & Curation:** High perception of fashion in each and every visit.
- **Services & Experience:** Services and experiences that add value to the journey.



### Double door

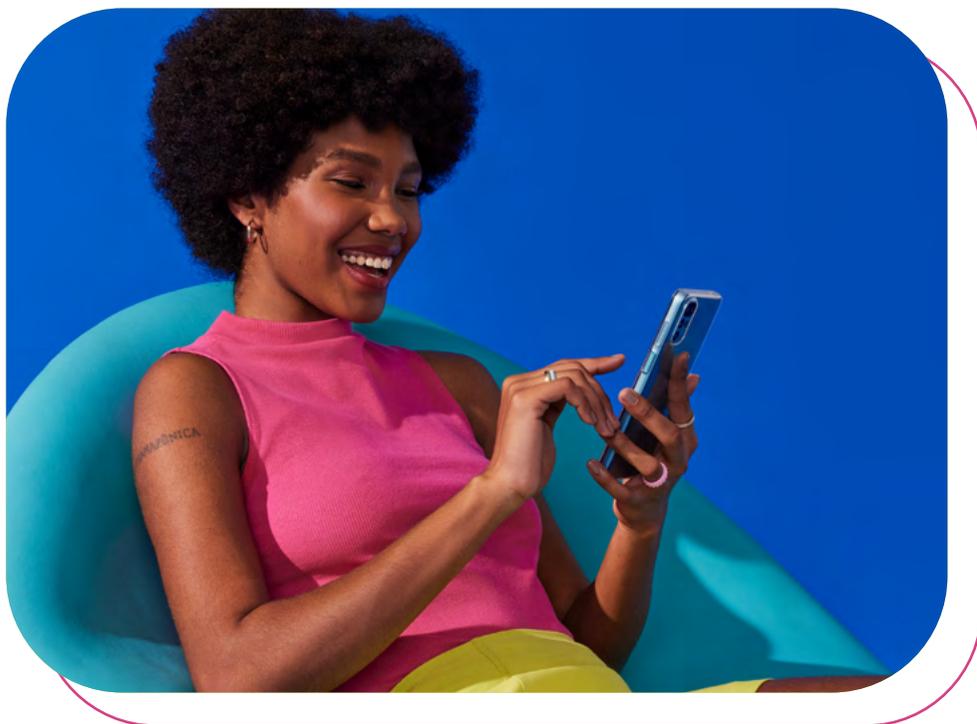
Also in 2021, we inaugurated a new store format: the double door, a proposal in which our traditional store connects to a "second store" of ours, in this case to ACE, our sports brand. Each unit, although connected, has its own entrance and identity, but provides customers with a diverse experience in the purchase journey.

In double door stores the omnichannelity is a differential, because within the ACE space there are no traditional checkouts and customers finalize their purchases through the mobile point of sale or self-checkout. The implementation of this architectural proposal brought very positive results in the sales of the ACE brand which led us to launch 10 more stores in this format by December 2022, totaling 13 stores, which continue to present solid sales growth results for the category: on average, ACE sales in these stores increase 2 times after the transformation. ACE annual sales increased 23%.

## Digital transformation

The need for a digital presence has increased substantially with the pandemic, and in the last two years, we have been looking for alternatives to be more present in this scenario and generate results. Today, our digital ecosystem includes options such as online purchase through the website, direct sales through WhatsApp, app (C&A App), and Marketplace (Galeria C&A).

In 2022 we improved the experience of C&A's app, website and C&A&VC, making these channels more personalized with the help of analytics technology. Direct selling via WhatsApp has consolidated itself as the main omni sales channel, building customer loyalty and increasing their propensity to buy.



### Direct sales via WhatsApp

WhatsApp is our direct sales channel, but also our customer relationship platform. Due to its differential in service, it has presented surprising results, both in terms of customer experience and sales result, consolidating itself as the main online sales channel.

In 2022 sales accounted for more than 60% of all online sales. This result clearly illustrates the assertiveness of our omnichannel strategy: purchases made via WhatsApp have a more diversified journey, and in most orders the stock sold is that from the store and the freight expense is not significant, because the customer prefers to pick up the items at the store, contributing to the increase in the profitability of the digital tools.

And by virtue of the good performance of the channel since its creation, we developed Espaço Muito On, an area dedicated to customer service for those who started their journey online and chose to end it at a store to continue their service in the most fluid way possible. In 2022 three of our stores had this area: Shopping Aricanduva in São Paulo (SP), Shopping Recife in Shopping Recife (PE) and Norte Shopping in Rio de Janeiro (RJ).

### C&A APP

C&A app is an exclusive application of our brand and another important link in our omni journey. Through this tool, it is possible to make purchases quickly and safely, consult the availability of products in our stocks through the barcode reader that immediately locates the item in our online store, and monitor the benefits of C&A&VC.



**Clique e retire:** Available in +300 stores, with pickup in up to 2 hours, it allows the customer to select on the website/ APP and WhatsApp (direct sales), when finishing the purchase, to pick up the product in one of our stores. Some stores have automatic lockers, where customers can pick up their orders themselves.

**Ship from store:** is our integrated inventory that identifies the nearest store that has the desired item. This allows the customer to buy online and receive it at home - with the order leaving from a closer location with reduced delivery time and following part of the processing and shipping operation of products purchased online through our Ship From Store space.

In 2022, we made a change in the ship from store initiative, optimizing the capacity of the robotic distribution center and the availability of stocks in the Ship from Store Hubs.

As a result, we centralized the activity in 61 stores (including hubs), which increased the efficiency of the operation while not compromising the service to our customers, since we

continue to serve 100% of the regions, but concentrating more volumes from the places of origin.

**Endless Corridor:** is our endless stock, it ensures that the customer does not leave the store unless he or she has what he or she is looking for, even if the product is not physically available at that moment.

Through a quick consultation tool of the entire stock of all stores and e-commerce, the located product is placed in the customer's online cart, with immediate payment, and he or she can even choose how to receive it.

**Minha C&A:** +Over 30 thousand registered consultants, Minha C&A is our social selling program, where we enable income generation through digital marketing for our fashion consultants. Each consultant, who is also a customer, builds a personalized online store of C&A products and shares it on their social networks generating sales that turn into extra income.

The Minha C&A consultants are not only salespeople, they are fashion

influencers, since they offer free and personalized curation to the publics with whom they relate, democratizing access to fashion in the regions where they are located.

This year, the major highlight of the initiative was the implementation of our own consultants management platform for the program. Through this platform, we were able to get more information about the base, as well as expand our support, offering content and training to make safe sales.

**Galeria C&A - Marketplace:** A ready-made and accessible platform, Galeria C&A is getting better every year. Today there are over 250 sellers available in our marketplace divided into various categories, such as: apparel, footwear, toys, home fashion, beauty, appliances, pet line, accessories and telephony. The current focus continues to improve the relationship with the sellers, maintaining the identification with our customer through the elaborated campaigns and boosting sales in managing the assortment of products offered.

## Supply chain modernization

To continue evolving in our services and deliver the best customer experience, we work to ensure that inventory, product distribution and delivery happen seamlessly, and we do this by modernizing our supply chain.

### Distribution to Store

In 2022, we advanced the deliveries of this lever by:

- Installation of 3 sorters for distribution by SKU.
- Implementation of Manhattan WMS (Warehouse Management System)- distribution center management system and SAI of End to End - allocation intelligence system.
- Push-Pull: ~25% of apparel sales in distribution model.
- RFID: 270 stores covering 100% of apparel.

### Push-pull SKU

The push-pull SKU is our on-demand distribution model that has reshaped our way of restocking stores. With the use of artificial intelligence, we analyze the sales data and this information guides the supply decision-making.

In this way, each distribution center begins to function as a buffer of mediating storage between supply and demand and no longer as just a stopover for the commodity.

The model brought several improvements in logistics, among them are the reduction of markdown, which results in the improvement of gross margin, in addition to the rupture of inventory in stores and greater efficiency in the exchange of collections, providing a better experience to customers, ensuring that they find what they are looking for in our stores. Approximately 25% of our apparel sales were covered by push-pull in 2022.



## Radio Frequency Identification (RFID)

Since 2021, we have implemented radio frequency identification technology in our inventory management. With RFID it is possible to identify and count the items available in stock accurately and quickly through a specific tag that is read by means of radio waves, without the need to take them out of the packaging or boxes. The technology communicates directly with the inventory management system, adding layers of intelligence and agility to the business.

In 2022, we continued the execution of the project by implementing it in all local suppliers and in 270 stores.

## Distribution to the customer

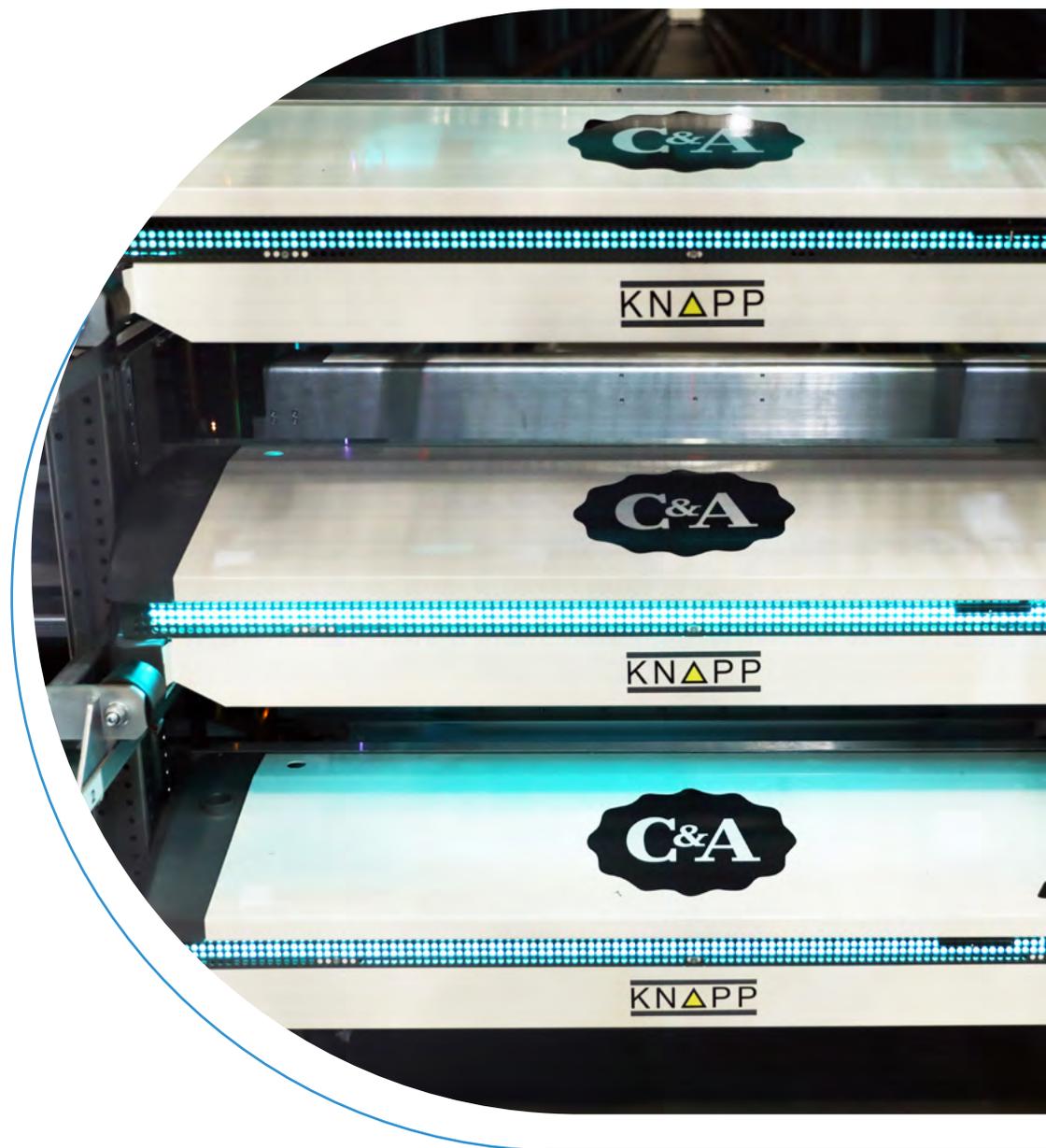
- Automation (OSR Shuttle - from supplier KNAPP) integrated with the new WMS in the e-commerce DC.
- D+2 Brazil delivery: +50% of orders.
- Same/Next Day delivery (SP and RJ): +30% of orders.

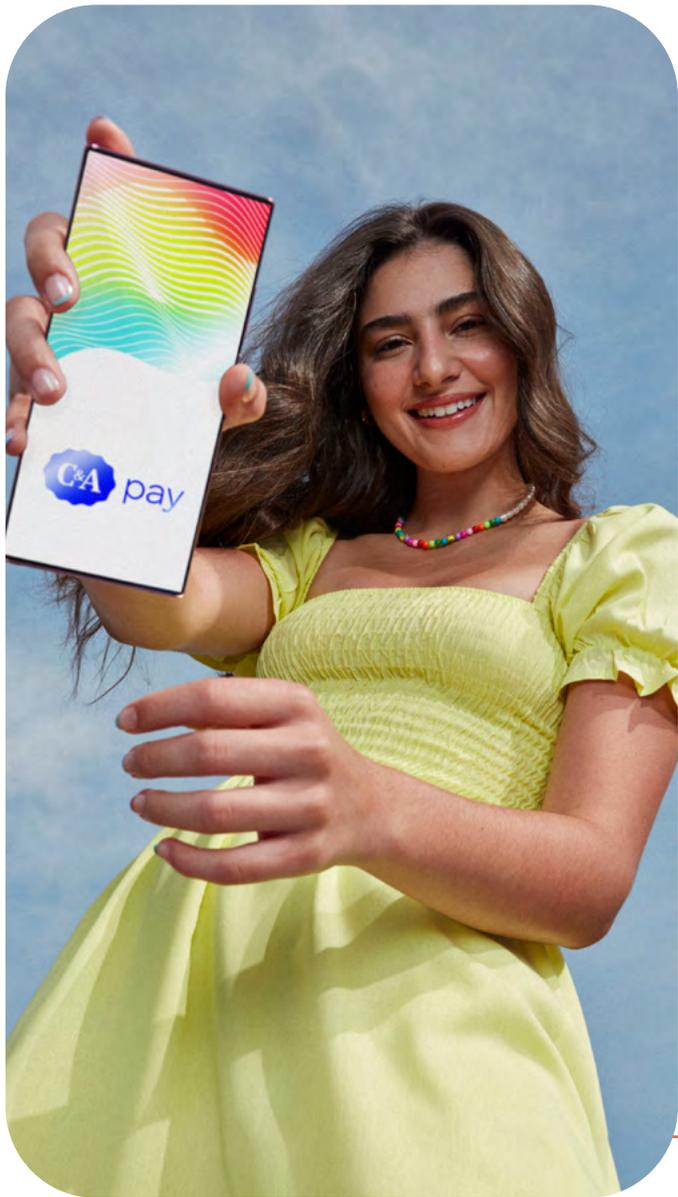
## E-commerce Distribution Center Robotization

To increase the efficiency of our e-commerce distribution centers, reducing errors in orders and optimizing product delivery times, we implemented the robotic operation in the distribution center located in the city of São Paulo in 2021.

The OSR Shuttle™ automation system allows us to efficiently organize logistics processes, facilitating the storage, separation and sequencing of goods, orders, and raw materials with space savings. Robotization allows for an average assembly time per order of about 5 minutes, while the current process took one to two hours.

As a result, in 2022, we reduced the delivery time of orders (with 50% of deliveries being made in up to 2 days throughout Brazil) and implemented the express delivery modality in the city of São Paulo (deliveries made up to 2 hours).





## Credit Offer

C&A Pay is our payments ecosystem that includes the credit concession service, launched at the end of 2021, with the goal of offering a better customer experience with the brand.

To do so, we have reshaped our financial services offering, connecting it to our omnichannel strategy, to deliver a 100% digital service - from application to approval, to invoice payment - making it more streamlined to better serve our customers.

Since it was launched, C&A Pay has accumulated more than 2.5 million digital cards issued, enabling fashion consumption to thousands of customers and representing 13% of sales.

# A new experience with C&A



Fast to get



No annual fee



100% digital experience



Integration with C&A&VC program



Installment plan

# Operational performance

## GRI 2-2

Our net revenue totaled BRL 6.18 billion in 2022, 20% higher than in 2021. Net merchandise revenue was 19% higher than 2021, totaling BRL 5.90 billion. The growth observed was mainly due to the good performance of apparel during the year (mainly in 2Q22), and C&A Pay in 4Q22.

Apparel revenue represented a 19.4% increase in total net revenue. The performance of the apparel category was driven by a good demand from the launch of collections such as collabs with brands and celebrities.

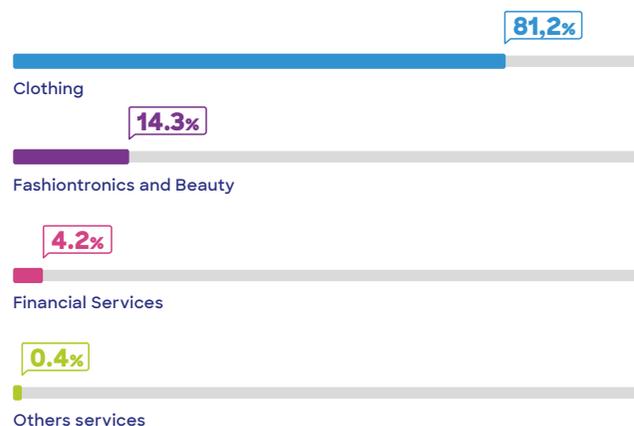
The revenue performance of the category Other – Fashiontronics increased by 16.8% in 2022. This category consists of mobile phones and smartphones, for the most part, and beauty items and watches. Although beauty products were introduced at C&A only at the end of 2019, they currently represent just over 15% of the category and are present in 274 stores in addition to our digital channel.

Despite a challenging environment, in 2022, the Financial Services revenue stood at R\$257.4 million, an increase of 47.1%. Other revenues increased 61.5% in 4Q22, reaching R\$6.3 million. In the year, the revenue was R\$21.7 million, an increase of 23.3%. Brazil's environment in 2023 remains uncertain and, against this background, our priorities continue to be focusing on results, protecting our cash and prioritizing our investments.

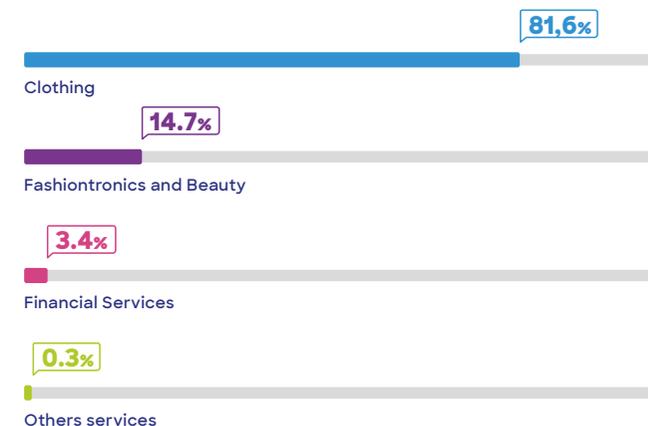
## Economic value (BRL in thousands and %)\* \*\*

	2021	2022	Variation
Economic value generated (BRL)	6,962,207	8,173,543	17.4%
Employee wages and benefits, payments to providers of capital	747,048	937,891	25.5%
Remuneration of third-party capital	434,342	829,641	91.0%
Return on Equity	329,010	827	-97.8%
Taxes, fees, and contributions	1,354,595	1,950,370	44.0%
Total distributed economic value	2,864,995	3,718,729	29.8%
Economic value retained	4,097,212	4,454,814	8.7%

## Net revenue per business - 2022



## Net revenue per business - 2021



Net income was BRL 0.8 million in 2022, a decrease of -97.8%.

## Net profit (loss) for the year

BRL in million (except margin)	2021	2022	Variation
Accounting	329.0	0.8	-97.8

\* Following the issuance of the financial statements for the year ended on December 31, 2021, Management identified a disclosure error in the statement of amounts added and it is, therefore, being resubmitted. This error had no impact on the balances of the balance sheet and the statements of income for the year. More information about performance in the Earnings Release [here](#).

\*\* The individual and consolidated statements of value added (DVA), prepared under the responsibility of the Company's Management and presented as supplementary information for IFRS purposes, are submitted to audit procedures carried out in conjunction with the audit of the Company's financial statements. The statements of the Accounting Pronouncements Committee (CPC) are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC Technical Pronouncement 09.



# people





## Employees

GRI 2-7

**The year 2022 was marked by the post-crisis recovery from covid-19 pandemic. Our good results were only possible due to the motivation and strengthening of our teams, essential factors to face this challenge, which made it possible to end the year with an even stronger C&A, leveraging our value generation.**

One of the fundamental pillars of the company's ESG agenda is people management. We have a humanized model in which we adapt our processes to the needs of our employees, focusing on close relationships.

For us, it is important that our teams are aligned with the values of C&A, our structure and operating model, contributing to the generation of value to our customers. For this, our People and Culture team is structured in order to focus on the development of our employees and the company as a whole. In 2022, we had an 8% reduction in employees compared to 2021, due to business turnover.



## Strategic pillars of people management

In 2022, our people management was guided by four fundamental strategic pillars for a comprehensive and transversal management. Our pillars are:

### Employee Experience

Provide all employees with a journey in an intuitive, agile and uncomplicated way.

### Human Development

Have an ecosystem that promotes the development of people connected to the needs of the business by ensuring transparency in the evolution of our employees.

### Culture, Communication and Transformation

Implement a unique culture that is clearly communicated and contributes to the objectives of the business strategy.

### ESG

Define and execute C&A's ESG positioning that impacts employees, customers and society in a condensed way with Senior Leadership and stakeholders.

## More C&A Culture

In our 46 years of history, since the arrival of C&A in Brazil, the company has undergone several transformations, followed technological evolutions, often seeking to keep up with the market and changes in society. Driven by these transformations, in 2022 we decided to take a bigger step on this **journey, by focusing on the evolution of our culture.**

We work to activate the C&A culture, focusing on customers and products, team engagement, passion for fashion, customer experience, always being guided by ethics, integrity, diversity, and sustainability. We do so to ensure the support of the business by improving what we already are and seeking for what we want to be (learn more about our purpose, mission and dream on page 10).

## Engagement

2-29

To disseminate the C&A culture we foster connection, collaboration, digitalization for integration, prepared leadership, new people management practices, engagement of the entire C&A and transformation of an increasingly technological and digital HR.

To this end, we use our efforts in mentoring, training and qualification processes for leaders and employees, enhancing the engagement of all our people to reinforce our values, purpose and keep our culture alive.

Through the activation of More C&A Culture, we have improved the experience of our employees and strengthened the company as an employer brand and engaged internal and external audiences with our digital influence, in addition to strengthening our ESG management, actions that directly impact the business result.

In addition, to understand the perceptions and experience of C&A's employees on relevant topics such as climate, management and culture, development, and ESG performance, we conducted a quarterly Satisfaction

and Internal Engagement Survey, which is composed of 14 questions.

The results of the survey were monitored according to the strategic objectives and key results, (OKR) of Human Resources and other areas of the business. In 2022 we obtained an annual average of 8.8. With this model, we are able to impact all the important agents for our value generation with a broad management that is being improvement constantly.

### Team engagement in Cultura Mais C&A

**100%**

Leadership  
trained

**+ 124,000**

hours of training for  
employees

#### SKILLS

- creativity.
- analytical capacity.
- strategic vision.
- focus on customers.

## Diversity and equity

GRI 3-3 • 405-2

The promotion of diversity and equity are priority themes for C&A's ESG strategy. We consider ourselves as a diverse company, we have an area dedicated to the management of the theme throughout the company and we work strategically to evolve more and more in this sense.

**We value a plural environment, and our team is composed of more than 16,000 people throughout Brazil, among them 68% are women. Our management is composed of 65% women and our Senior Leadership is made up of 38% women\*.**

Since 2018, we have been global signatories to the United Nations (UN) Women's Empowerment Principles, which sets gender equity goals to be implemented in all countries where C&A is present.

**Our strategic plan to move forward on the issue is guided by three pillars:**



### Commitment & inclusion

stipulate and monitor indicators, calibrating DE&I promotion actions.

Based on these guiding pillars, in 2022, we implemented actions to raise awareness, engage and sensitize our teams in relation to Diversity, Equity and Inclusion. We reiterated our internal and external positioning in relation to these themes, created strategic actions, and established commitments both internally and with the market, as follows:

- Monitoring of diversity indicators in a monthly basis.



### Education & engagement

orientation actions for leadership and employees in DE&I.

- Attraction, recruitment, and selection actions (promotion of employability and entrepreneurship for diverse groups).
- Self-declared population census for color, ethnicity, sexual orientation and gender identity.
- Implementation of goals for the pillars of gender, race and ethnicity and people with disabilities (PWD).



### Communication

internal and external employer branding activities that will reinforce our positioning in DE&I.

- Training on Diversity, Inclusion and ESG in the onboarding of new members.
- Creation of the internal ESG Committee to address the subject in a broad and transversal manner.
- We have become signatories to the UN Program for Migrant and Refugee Women.

\* Senior leadership is considered to be positions starting at senior manager.

## DIVERSITY GOALS CREATED IN 2022

To increase the representativeness of C&A's strategic pillars of Diversity (gender, race, ethnicity and PWD), we have established the following goals to be met by 2030:

**60% of women**

in management positions or higher offices

**30% of black, brown, and indigenous people**

in management positions or higher offices

In addition, Instituto C&A works in the front line of several actions that promote the diversity and inclusion of people, mainly outside the company, with inclusive collabs, employability actions sponsored by the institute and other fronts (learn more on page 59).

### Combating discrimination

To ensure an inclusive and non-discriminatory culture in our company, we have a **Code of Ethics** (learn more on page 27) that provides for non-tolerance of any type of discrimination, including, but not limited to, gender, age, religion, marital status, race, social class, social background, illness, disability, pregnancy, ethnic and national origin, place of birth, union integration, political affiliation and sexual orientation.

In addition, we have the **Ethics Channel** to investigate and monitor complaints and occurrences in this regard (learn more on page 28).





## Talent attraction

GRI 401-1

In 2022 we launched a new intuitive and easy-to-use C&A careers online portal to recruit new employees to the company. With its slogan **#muitoeu (very much me)**, the page has an attractive interface for people looking for job openings.

In addition, we weekly post on C&A's LinkedIn, featuring specific job openings linked to testimonials from newly hired employees attracted by this type of information. We have implemented the Gupy platform, which uses artificial intelligence in the screening process and regularly monitors new hires by recruitment source.

In 2023 we plan to implement a strategy to direct people to our job openings on our shopping website (with more than 15 million hits a month) by creating a "Work with Us" tab to attract more and more talents.

## Development

GRI 404-1 • 404-2 • 404-3

To ensure the development of the skills of our employees, we have a competency model, through which we annually evaluate all teams, focusing on their constant progress and preparation for challenges to influence good business results.

In this regard, our main initiatives in 2022 were:

- **Academy of Leaders.**
- **Supervisors Development Plan (SDP).**
- **Leaders of the Future Project (leadership succession preparation program).**
- **Fashion Tech Leadership Program.**
- **Culture Rocks Platform.**

In addition, other training, learning and people development programs were implemented.

Thus, we work to enhance the experience of our employees, strengthening their journey within C&A, improving our employer brand, focusing on the entire cycle of people management and development to improve the performance and productivity of our teams.

To support the development of the store teams, we promote several trainings monitored via the Fashion Academy Training platform (LMS), which provides online training.



## TECHNOLOGY AND PEOPLE MANAGEMENT

To optimize our people management, we use the **People Analytics tool**, a technology that supports the management and monitoring of our teams. Through this database, managers access a series of information in a practical way using devices such as smartphones. The tool supports leaders in the management of their teams, presenting indicators related to diversity, performance, turnover, performance evaluation, among others.

Aiming at the development of C&A's leadership, we have journeys connected with the company's strategy, including soft and hard skills, in a blended learning format (synchronous and asynchronous) in order to ensure the best learning methodology.

Throughout the courses, we promote discussion and interactions that allow us to identify and map how much the employee understood/absorbed about the theme.

**124, 643.05 hours of training were made available to our employees in 2022, corresponding to an average of 7.8 hours per employee.**

For new employees, the learning map aimed at onboarding is directed by the back office, manager, and training leader. The office audience performs the online onboarding along with a development plan delivered on the first day of work. They also do mandatory courses (Ethics, LGPD, Diversity and Ergonomics) on the Fashion Academy (LMS) and study complementary contents according to the competencies necessary for their position and function.

## Management Cycle

GRI 404-3

We annually conduct the performance evaluation of our employees in two cycles – one in the period from January to March for the central and administrative offices of the distribution centers, and another for the operation teams of the distribution centers and store teams, from August to the end of September.

All positions go through this evaluation process, except apprentices and interns. In addition, all employees who have worked at least three months during the year and been on leave for less than 151 days are eligible.



The cycle consists of four stages: Evaluation/Self-evaluation, Calibration, Feedback, and Individual Development Plan (IDP). The results are calibrated and the final data supports decisions regarding positions, salaries, promotions, layoffs, rehires, among others. We use the Culture Rocks tool for the evaluation and preparation of the IDP, which is based on the company's values.

# Safety, health and well-being

GRI 3-3 • 403-1 • 403-2 • 403-3 • 403-4 • 403-5 • 403-6 • 403-7 • 403-8

Care and well-being directly influence the way the employees view their work and how the company values their well-being. For this reason, we have programs that support our employees.

To evaluate and identify health and safety risks to which our employees are exposed, the Occupational Health Medical Control Program (OHMCP) and the Risk Management Program (RMP) contribute to the identification of the hazards and risks to the health of the employees. Through these programs, we aim to protect employees from health risks that may be associated with their occupation or the work environment, and we also promote health for all.

When it comes to prevention, our units have the Commission for the Prevention of Accidents (CIPA), that meets monthly to evaluate risks and work- and commuting-related accidents.

We engage our employees through our training platform, where we provide 2 trainings related to health and safety at work: CIPA and Ergonomics, in addition to guidance, suggestions for improvements and Safety Dialogues.

In order to take care of the health and well-being of the employees, the Dr. C&A Platform, a 24/7 Clinical Center that monitors pregnant women and offers nutritional coaching, sports coaching and telemedicine.

The Amigo Program provides legal, financial and psychological guidance to support them in daily issues, in addition to the teletherapy platform, which provides nutritional and sports coaching, besides videos in the Fashion Academy featuring ergonomic guidelines aiming at quality of life.

## Instituto C&A

GRI 3-3 • 413-1

Making history for more than 30 years, C&A Institute is the social pillar of C&A Brazil and works to strengthen communities through fashion by developing voluntary actions, projects to foster entrepreneurship and employability in the sector, and humanitarian actions.

Since 2021, the purpose of the institute has been further connected with C&A's sustainability strategy (learn more on page 65), in order to expand the social impact in all regions where the company operates.

The institute has a Board of Directors for strategic guidance and validation of investments, and works on the planning, execution and monitoring of fashion actions throughout Brazil, mobilizing partners in all Brazilian states.



## IC&A in numbers

In 2022, Instituto C&A had at its disposal BRL 7 million coming from COFRA Foundation and from tax incentives that were invested in the four pillars of action, as well as in the administrative expenses of the organization.

### INVESTMENT BY PILLAR



**BRL 7 million**  
invested



**+ 21,000**  
people benefited

### VOLUNTARY WORK

We articulate a solid network of volunteer employees who give of their time and talent to fashion social initiatives throughout Brazil, around our stores, distribution centers and in the headquarters.

### ENTREPRENEURSHIP

We make national partnerships to help the promotion and development of micro and small fashion entrepreneurs who fight to assert their rights (those belonging to the groups in greater social vulnerability).

### EMPLOYABILITY

We mobilize brands and other agents in the fashion sector to promote decent work, providing the development of people and making the connection of professionals to job opportunities.

### HUMANITARIAN AID

Through financial contributions and/or specific materials, we are committed to responding to the emergencies and catastrophes that happen in our country, whether they are social, economic or environmental.

## Pillars of action

The C&A Institute also curates the social organizations that receive damaged pieces from C&A's stores and distribution centers. These NGOs hold community bazaars with the support of the volunteers.

The community bazaar sales generated over BRL 370,000 for the organizations in 2022, money that was used to pay for institutional costs including staff salaries and facility maintenance.

## HIGHLIGHTS

- In 2022, we held the **#ModaParaOBem** Movement, which mobilized our volunteers in 24 cities in Brazil to promote actions on various topics, such as: upcycling, customization of clothes and styling, bazaars, workshops on entrepreneurship, as well as mentoring on employability, online sales and career.
- We held the 2<sup>nd</sup> edition of **MuitoMaisOn**, a series of online fashion and entrepreneurship workshops conducted by C&A volunteers.

## Volunteering

Since 1991, we have had the Volunteering Program, which connects C&A employees to initiatives developed by social organizations, collectives, cooperatives, networks, and entrepreneurs that turn fashion into a tool to transform in their communities.

The initiatives are articulated in two ways:

- **At stores and distribution centers:** volunteers articulate to form partnerships with social initiatives in their region and, based on a diagnosis, draw up an annual plan of activities, whereas they receive support and resources from the institute, in addition to being monitored by it.
- **In the office:** we form partnerships with fashion initiatives or businesses and create an annual action schedule, which is made available for employee registration. In this case, Instituto C&A structures, guides and accompanies all voluntary actions.

In 2022 we achieved a volunteering engagement above 27% in relation to our workforce from the headquarters, stores and distribution centers, which engaged in at least one voluntary action on behalf of communities through more than 333 actions carried out in all states of Brazil. Thus, we helped more than 95 social organizations throughout the country, impacting more than 21,000 people.

**In addition, most of the actions were carried out in an in-person format and by means of online and/or hybrid actions, amounting to 13,152 hours of voluntary work.**



To learn more about the **voluntary program**, please visit: [here](#).

## HIGHLIGHTS

- We launched Collab Identidades with four black and indigenous designers with the support of PretaHub and 4 other brands of jewelry, semi-fine jewelry, and costume jewelry (learn more on page 39).
- We held the 2nd edition of Nosso Encontro: Orgulho na C&A, a project for the inclusion of brands in C&A Brazil's marketplace, with 10 brands led by LGBTQIAP+ people joining Galeria C&A.
- We held the 2<sup>nd</sup> edition of the Afrolab Moda by Instituto C&A program, with the participation of 12 brands, led by black and indigenous people, that were accelerated in partnerships with PretaHub. Four of these brands participated in the collab.
- We launched the notice A Moda é o Norte for mentoring and investment in six designer fashion brands from the North region of Brazil.

## Entrepreneurship

Having committed to sharing with fashion entrepreneurs the resources, experiences and knowledge built in recent decades, C&A maintains an entrepreneurship program dedicated to supporting minority social groups in greater social vulnerability to assert their rights.

The program is based on two focuses:

- **Business boosting:** investment in initiatives aimed at developing and

strengthening micro and small fashion businesses, whether run by us or by other partner social organizations.

- **Connection with C&A:** articulates the connection of the supported fashion business with the C&A value chain through various platforms created for the exchange between entrepreneurs and the company, either occasionally or continuously.

**In 2022 the program run 10 projects that impacted 794 small and microentrepreneurs in the fashion industry.**



To learn more about the **entrepreneurship program**, please visit: [here](#).

## Employability

The Employability Program of the C&A Institute starts from the challenge of looking at the extensive fashion chain in order to promote pragmatic actions of productive inclusion of populations that struggle to assert their rights (social, political, economic, cultural, ecological) in the formal job market.

The program has two focuses:

- **Networking:** supports and operates jointly with organizations that work to ensure that fashion professionals are trained and aware of their rights, especially 40+ year old women and migrants, and that clothing and weaving factories offer fair wages and decent work environment.
- **Development:** through the Minha Carreira na Moda platform, we prepare and connect contractors to young talents (16 to 29 years old), taking into account, mainly, stratifications from the perspective of diversity.

**In 2022 we impacted about 60 people, with an investment of BRL 276,000.**



To learn more about the **employability program**, please visit: [here](#).

## Fashion futures

Fashion Futures is a biannual award promoted by Instituto C&A, which aims to recognize, strengthen and give visibility to people, projects and organizations that are working for a fairer, more diverse, sustainable and regenerative future of fashion. In connection with the award, Instituto C&A sponsors and provides consulting services for each awardee.

In 2021 five categories were awarded and throughout 2022, we made BRL 214,300 in investments to the finalists.

**Innovation and Technology:** Business modeling and construction of financial scenarios, aiming at making the upcycling technique scalable while providing services.

**Sustainable Design:** Business modeling and construction of strategic brand pillars.

**Business with Social Impact:** Business modeling and construction of strategic brand pillars.

**Social Projects:** The accompaniment of the production of the fashion show.

**Fashion Personality:** Business canvas construction.

## Humanitarian support

We made emergency financial contributions in situations involving state of emergency in Brazil - such as environmental, social and health crises. The donations are intended for institutions that are working to support the affected communities, offering access to basic sanitation, food, housing, health, among others.

In 2022 we carried out 9 disaster relief actions, among them is the donation of food, mattresses, and basic necessities to families in the Brazilian states of Alagoas and Pernambuco affected by the rains in June. We also assisted communities affected by the floods that occurred at end of the year in the state of Santa Catarina.



To learn more about **humanitarian support**, please visit: [here](#).





# sustainability



# Sustainability strategy

GRI 2-13 • 2-14 • 2-29 • TCFD Strategy



#VistaAMudança

## 2021 - 2030 Commitment Platform

### Innovate & Lead

Accelerate innovation in circularity and sustainable business models

### Renew & Restore

Do good for the present and for the future

### Unite & Inspire

Join forces with customers, employees and the community to bring about authentic and lasting change

**Act with transparency, integrity, diligence and responsibility**

We are committed to contributing to the transformation of the fashion industry and we work to offer our customers more sustainable products so they can make better choices. We understand that our activities generate impacts and, therefore, we want to encourage, promote and engage in initiatives that guarantee the sustainable development of our business: we seek every day to make a fashion with positive impact.

Our sustainability strategy is based on three pillars: Unite&Inspire our stakeholders, Renew&Restore natural resources, and Innovate&Lead the ESG agenda in the sector. It is the result of the alignment between the Global Sustainability Strategy – which guides, in an integrated way, the actions and commitments related to sustainability management in all countries where the C&A brand is present – with the ambitions and positioning of C&A Brazil on the matter (learn more in the **Annexes Book**, in the chapter about Materiality).

## Public commitments to be accomplished by 2030



### Act as an industry leader in the use of SUSTAINABLE RAW MATERIALS

**80%** of the main raw materials must come from sustainable sources (cotton, viscose and polyester).



### Promote DIVERSITY AND EQUITY

Maintain at least **60%** women and increase by **30%** the number of indigenous, black and brown people in managerial positions to form a diverse team and train them to occupy Executive Leadership positions.



### Promote CIRCULARITY

Include circularity principles in **50%** of products in the way they are designed, produced or reused.



### Reduce PLASTIC pollution

Replace **50%** of single-use plastic with more sustainable alternatives.

To offer a more sustainable fashion, and in line with the great commitments made, it is necessary to consider several fronts that make up this great ecosystem. By connecting them, we can deliver more sustainable products with less socio-environmental impact and with circular economy principles. These pillars are:

- More sustainable raw materials.
- Cleaner production environmentally compliant.
- Traceability and certifications.



C&A has been building and evolving in its performance on these fronts, since we understand it is a collaborative process. If we want to be sustainable, this process must include everyone: customers, society, partners, players, associations, and others impacted parties. C&A understands its role as an inducer of these good practices, making connections between the company's external and internal agent.



## Main highlights

**9.8 thousand tons**

of recycled raw material used in the Circular Jeans collection.

We used **6.3 tons** of raw material certified with socio-environmental standards.

**96%**

of total cotton used in production is sourced as **Better Cotton**.

**100%**

of products **domestic and imported children's** undergo Mechanical Safety evaluations.

**17 stores**

were enabled to **receive clean energy**, totaling 212, which represents **64%** of our stores.

**100%**

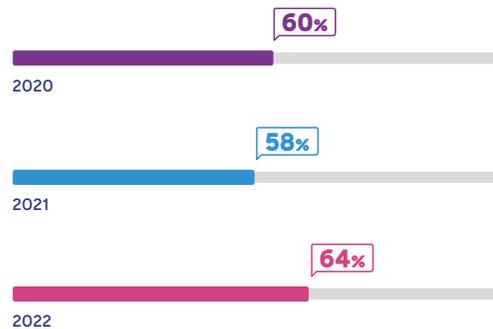
C&A **product suppliers** are selected based on socio-environmental criteria.

# More sustainable raw materials

GRI 301-1 • SASB CG-AA 440A.3

Within our Global Sustainability Platform, a fundamental theme of our search for a fashion with a positive impact is the pillar of Sustainable Products. In this regard, we observe what our clothes are made of and encourage the use of better raw materials for our products, for people and for the environment.

## More sustainable raw material



Currently, we use 12.5 tons of raw material in our products, and the most used ones are cotton (56%), polyester (20%) and viscose (9%). In this sense, in order to reduce our impact in this regard, we have made a public commitment to ensure that **80% of the main raw materials are of sustainable origin by 2030**.

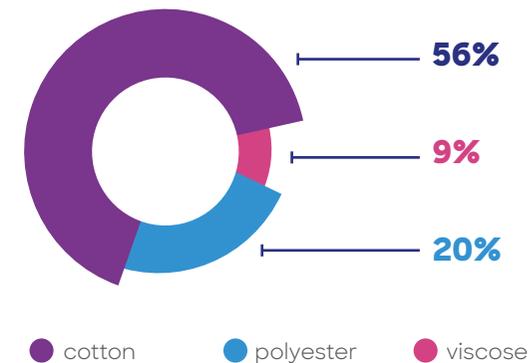
Our interest in **more sustainable raw materials** focuses on the main fibers whose volume of use at C&A is the largest, such as cotton, polyester, viscose, and others. The preservation of biodiversity is linked to the maintenance of environmental conditions, which is related to the ability of various industries to obtain natural raw materials, such as cotton and viscose, for example. Likewise, plantation and production processes promoted without responsibility can impact flora and fauna, harming the various biomes. To prevent and mitigate these impacts appropriately, we seek to offer products with more sustainable raw materials.

With regard to these materials, we are at various levels of development: raw material developed and inserted in the

products, raw material developed and in the process of introduction into the products, and raw materials under development with market partners.

**In 2022 we had a total of 6.31 tons of raw material certified by socio-environmental standards, which represents about 51% of the total used.**

## Raw material used





## Cotton

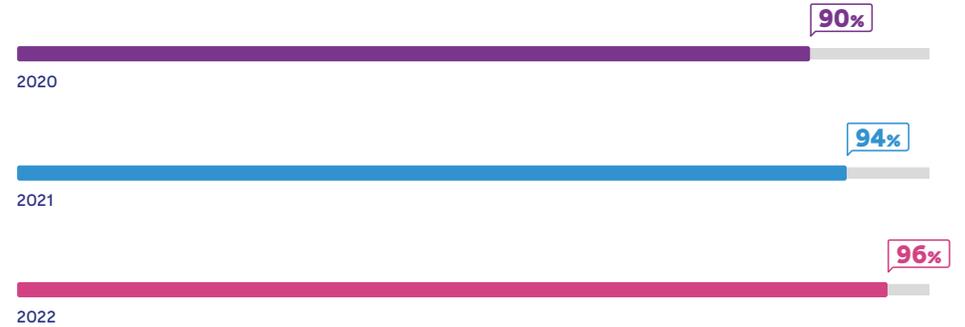
C&A considers as more sustainable Better Cotton, by the BCP system (Better Cotton Platform of the Better Cotton Initiative), recycled cotton <sup>1</sup>certified GRS/RCS, certified organic cotton OCS<sup>2</sup> or GOTS<sup>3</sup>, and, Regenagri certified regenerative cotton.

### More sustainable cotton

In most of our products, we source cotton as Better Cotton produced according to the guidelines of the Better Cotton Initiative, an initiative that promotes better standards in cotton cultivation and practices. Cotton is grown with efficient use of water, lower carbon emission, minimal application of the use of conventional pesticides and guarantee of fair working conditions.

The incentive to use more sustainable cotton began in 2015 and since then we have been a member of BCI. By the end of 2022, 96% of the total cotton used in production is sourced was Better Cotton. This high percentage is due to the engagement of a multidisciplinary team with suppliers and what we have achieved along the way through the use of more sustainable raw materials.

### Cotton purchased as Better Cotton



In 2017 the study and use of pre-consumer recycled cotton (shredded cotton) began, and we identified several improvements to be implemented in the supply chain to make it viable for an upcycling process. In the following years, pilot projects were launched with a reduced number of pieces, and each year we implemented improvements related to the process, technology, and quality. In 2020, investments were made and other areas helped in the development. Then, in 2022, the consolidation of the collection proved viable.

The success story began in 2021, with jeans using pre-consumer and post-consumer shredded cotton, connecting to the ReCiclo Movement and the supplier. In the first production, the RCS certification was generated, which guarantees the content and volume of recycled material in the product.

Learn more [here](#).

<sup>1</sup> Recycled Claim Standard (RCS) e Global Recycled Standard (GRS), [here](#).

<sup>2</sup> Organic Content Standard (OCS), [here](#).

<sup>3</sup> Global Organic Textile Standard (GOTS), [here](#).

## Regenerative cotton

In 2019 the **regenerative agriculture cotton** project was started in partnership with cotton producer Scheffer. With this, we understand the need for a certification with immediate potential scalability and that reverses environmental damage, supporting sustainable agriculture, taking care of biodiversity, water, and soil quality, as well as being carbon positive. It also dialogues with conscious consumption, adding value to the production network. Fazenda Scheffer was the first company in Brazil to have a farm certified by the regenagri® program, which follows international certification criteria. At the time, C&A made the acquisition of the first batch produced and certified in Brazil (equivalent to 30 tons). Last year, 50 tons of cotton were acquired to be used in various C&A collections to continue the project.

Learn more [here](#).

## Viscose

Viscose, modal and lyocell are obtained from cellulose made from the dissolved pulp of trees. C&A considers Viscose and its related fabrics to be more sustainable, since they guarantee the origin of pulp and production processes through SVCoC (Sustainable Viscose Chain of Custody, Control Union) certification and special viscose fabrics with physical traceability: Ecovero®, Livaeco®, Lenzing modal® and Lenzing Lyocell®.

We evaluate the purchase of cellulose fibers in order to eliminate the purchase of fabrics made with cellulose from native and endangered forests, giving preference to fiber from suppliers that are better evaluated by the **Canopy Style Initiative**, which works to preserve threatened forests or that use methods certified by the Forest Stewardship Council (FSC).

C&A participates in discussions on the subject through the Textile Exchange and Sustainable Apparel Coalition, which brings together the entire global network involved in the theme in the search for the best solutions in a sectorized and joint way.

## Polyester

Polyester is a fiber derived from petroleum, a non-renewable and finite resource. C&A considers as the most sustainable polyester that sort of recycled polyester with GRS/RCS certification. For small volumes we can use physical testing to determine the percentage of recycled material in the final product. This is done in an accredited laboratory following the method of IPA detection test in plastics.

We seek viable short-, medium- and long-term solutions for the gradual reduction of dependence on fossil source raw material. This year, through a partnership with industry sectors, C&A encouraged the development of a 100% recycled and high-quality national polyester (multi-cable filaments), which was used in the Eco ACE™ sports collection. In the medium term, we are working on the development of renewable-based polyester from sugarcane.

Since it is a raw material used in our products, we seek to increase globally the use of certified recyclable sources to reduce the impact of the extraction and processing of non-renewable resources.

## MORE SUSTAINABLE RAW MATERIALS FAIR

In October 2022, we held the first more sustainable raw materials fair, organized by the ESG, Chemical Safety, Sourcing, Fashion and Commercial teams. There were several presentations on our commitments in this regard, with initiatives developed, the products launched that use these materials and their benefits for the environment.

## Less impactful processes and transparency

GRI 3-3 • 416-1 • 417-1

The **cleanest environmentally compliant production**, is a management program and improvement of the supply network, which aims to ensure the legal requirements related to health and safety of employees and the environment, as well as the process of continuous improvement using the methodology of the best global practices:

- Sustainable Apparel Coalition's (SAC) Higg FEM.
- ADEC Clean Chain (risk analysis of the monthly inventory of chemicals used by production units based on ZDHC MRSL).
- Zero Discharge of Hazardous Chemicals (ZDHC) program.

**Traceability and certifications**, by accredited third parties, are the basis for all C&A sustainability communication and an important point for circularity. These have been built as raw materials evolve in their uses and availability.

C&A is currently in the process of GRS and RCS<sup>4</sup> certification, a necessary element for the brand, as well as developing the SVCoC process for traceability in viscose's supply chain.

To provide information to our customers with full transparency, we comply with the legislation and work with suppliers to comply with the Internal Labels Manual and the standards of the Brazilian Association of Technical Standards for labeling, including the country of origin. We provide supplier companies with a system for the generation of labels, which suggests regulatory information for each product according to the informed composition.

The data is checked when the order is inspected, and the labeling item is liable to disapproval of the batch. We are committed to verifying the labels affixed to products, and 100% of samples and orders are checked by the inspection service provider or our quality control.

**In addition, during the year, we voluntarily maintained the Mechanical Safety in Children's Products (MSCP) program. In 2015 the first version of the Brazilian Standard ABNT NBR 16365 Safety of Children's Clothing was launched, but there is no mandatory legislation. All the effort C&A Brazil makes to follow the internal rules of mechanical safety not only in clothing, but also in footwear and accessories is voluntary.**

To direct our process, we rely on the Mechanical Safety Manual for Children's Products, where the entire process is described, from the development of the product to its arrival at the point of sale.

The manual is widely disseminated among our employees involved in the development, negotiation and quality control of children's products. It is also available to all our suppliers through in-person and online training.

The process takes place in two phases:

- Visual analysis and laboratory testing on the control sample by the Quality Control area.
- Visual analysis and laboratory testing on orders before shipment to the store by the Quality Control area.

As for the monitoring of chemical safety, it happens through laboratory testing regarding the products that are in the risk classifications. All our suppliers are committed not to use raw materials that may contain perfluorocarbons (PFC). Last year, 100% of domestic and imported children's products underwent Mechanical Safety evaluation, which corresponds to about 24 millions children's products received.

<sup>4</sup> The Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS) define the criteria for third-party certification of recycled materials and chain of custody. The GRS includes a higher minimum percentage of recycled content (50%) and additional social and environmental requirements related to the processing and use of chemicals. Access [here](#).



# Circular Economy

GRI 3-3

In our global sustainability strategy, we are challenged to think about how circular economy is connected to our business. We want to transform ourselves into a garment industry that uses and reuses safe materials, protects ecosystems and provides decent work to people. This means to produce products considering their next cycle of use – we no longer talk about "end of life cycle", but about "end of use". That is the philosophy of circular fashion.

At C&A, we know that the transition to a fully circular economy is a challenge and an immense opportunity – and one that will take many years. We are publicly committed to including circularity principles in **50% of our products in the way they are designed, produced or reused by 2030**. To create the path to circular fashion, we must reimagine much of what we do. We are committed to extending the life cycle of our products by consciously influencing the way they are designed, procured, produced, used and reused.

As we progress, we will have pilot projects and test different ways to achieve this goal, including opportunities to resell, repair and recycle our products. These are all important steps towards a restorative circular economy, where nothing is wasted, from the creation to disposal of our clothes.

Our approach is based on three circularity principles:

- **Made from safe, recycled, or renewable inputs:** We seek to expand the use of raw materials of cleaner origin in order to offer our customers more sustainable products. We work closely with our suppliers to identify safer chemicals and eliminate the use of hazardous chemicals and reduce the impact on production.
- **Made to be made again:** Products and their materials are designed and manufactured so that they can be reused, remade and recycled.
- **Use more:** In addition, we are working to extend the life cycle of our products through circular initiatives such as recycling and reuse, avoiding waste and waste generation.

Learn more about the main initiatives developed throughout the year in the following subchapters:

### Made from safe, recycled or renewable inputs

We are committed to developing clear actions to make circular economy a reality. Our pioneering work to date includes a wide range of Cradle to Cradle Certified® products and recycling innovations and partnerships, combined with the ReCiclo Movement, our in-store return program.

An important way to move towards this goal is to obtain safe and recycled input materials. To accelerate the transition to a circular fashion industry, we aim to increase the volume of recycled materials in our products, while collaborating with the industry to scale textile recycling. Our goal is to increase recycled materials in key raw materials by 2030, but completing the material loop will require systemic industry change. Read more about our approach to raw materials under Sustainable Materials.

Limits on the availability of high-quality recycled materials from textile waste remains an industry-wide challenge. We are committed to working in partnership with the supply chain to establish circular textile flows, advance textile collection and sorting systems, and continue our work of engaging consumers in recycling and investing in fiber recycling innovation.

### Made to be made again

One of the recurring challenges in today's linear model is that products are often not designed to be easily reused or reinvented. We believe that products can be designed and manufactured so that they can be dismantled to be reused, remade or recycled. We are committed to designing for circularity, and an important way in which we are working towards this is by adopting the Cradle to Cradle Certified® standards.

### Use more

A central concept of the circular economy is to keep products in use as long as possible. We work to extend the life cycle of existing clothes, integrating new circular business models, such as reuse and upcycling.

We continue to evolve in the circular business model approach through testing and piloting in the coming years. In the meantime, we will continue to work on expanding the collection program in our stores.

#### CICLOS – Cradle to Cradle Certified Gold Level Products®

The Cradle to Cradle® Gold level certification was a major milestone for understanding circular products and their possible cycles, as it is the most advanced science-based measure for materials and products that are safe, circular and responsibly made. In 2017 we launched certified imported basic T-shirts and in 2018 we were able to certify pieces in jeans, which add complexity to the process.

In 2020 we went through the process of nationalizing of production, developing suppliers so that they were able to produce according to the strict criteria of certification, reformulated the communication and named the line of Ciclos. In 2022 we kept the entries of Ciclos and planned to continue with the releases in the following years. Learn more [here](#).





## RECICLO MOVEMENT

In 2022 we completed five years of the **ReCiclo Movement**, a reverse logistics program for clothing, through which we collect second-hand pieces, of any brand, for reuse. The ReCiclo boxes are present in 206 C&A stores across the country and, we collected more than 75,000 pieces in 2022. More than 37,000 of these pieces, which were in good condition, were donated to partner institutions, and almost 25,000 were sent for recycling to be transformed into new materials, and more than 10,000 went for upcycling. Since the program started, more than 212,000 garments have been collected, representing more than 51 tons of fabric that we avoided sending to landfills.

## CIRCULAR FASHION

With the aim of encouraging conscious consumption, extending the life cycle of the pieces and democratizing access to fashion, we launched the pilot initiative "Os seus desapegos valem créditos" in partnership with the thrift store Daz Roupaz in 2022. Our customers can exchange their clothes, in good condition and of any brands, for credits to acquire new C&A pieces of clothin.

## More sustainable products

GRI 301-2

To offer our customers positive impact fashion, we understand that it is necessary to expand our offer of products with sustainability attributes. Therefore, the development, production, and marketing of products with sustainable attributes is at the heart of our sustainability strategy.

We are publicly committed to including circularity principles in **50% of products in the way they are designed, produced or reused by 2030**. Learn more about our main product lines and their benefits below:



**Jeans circular:** This is our line of jeans produced from the recycling of pieces collected by the ReCiclo Movement and production surplus, in partnership with Cotton Move. The pieces are produced from the upcycling of used items, through the recovery of the fabric fibers that give rise to a new product. The new products are industrialized with raw materials and audited and certified socio-environmental processes, receiving Recycled Claim Standard (RCS) certification. The circular jeans collection used **9,800 tons** of recycled raw material in 2022, 16,120 pieces and being recognized by the ECO 2022 Award by Amcham Brazil as a highlight of the edition.

**Ciclos:** Having the circular economy as one of the commitments of the Global Sustainability Platform, C&A understands that launching products with the Cradle to Cradle® Certification in Brazil and producing them nationally is also a way to foster best practices in the national industry. The certification takes a holistic approach and certifies all aspects of product manufacturing, from the source of the raw materials, chemicals, water and energy used in manufacturing, as well as how product development enables the reuse of materials, to the social conditions in the value chain and the surrounding communities.



**Baby Club:** We launched a collection of more sustainable children's shoes through our Baby Club brand in 2022. The slide shoes were made from plastic with at least 40% of its raw material of renewable origin. The collection consists of seven models that follow the basic, fun and sustainable line, and four of them have the BioPreferred® certification granted by the USDA (United States Department of Agriculture), certifying that the footwear contains at least 63% of raw material from a plant-based source.



**Eco ACE™:** this year, we also launched the Eco ACE™ collection, through our sports brand, with all the pieces produced with fabrics coming from 100% of the recyclable PET bottle thread. The recycled polyester is known for bringing a number of advantages. Due to its raw material, the fabric is more resistant, which provides greater durability to the pieces, without leaving comfort aside. In addition, the fabric ensures greater breathability and fast drying, which is essential for the practice of exercises.



**Jeans Week:** the 2022 Jeans Week again featured pieces with four sustainability attributes. There were pieces with more sustainable cotton and whose production used less water, that is, 65% less water in the laundry stage. The novelty was the inclusion of circular jeans (mentioned above) and jeans made of fabric that contains hemp, a natural and very durable fiber that contributes to a more conscious consumption.

## More sustainable store

**In September 2022, we opened a store with sustainable elements in Santo Amaro, a neighborhood in the city of São Paulo. The project aims to bring more sustainable elements to the store's exhibition.**

One of the elements is the recycled mannikin made with 100% polyethylene that were produced from the recycling of Ambev plastic scraps. In addition, the store has decorative items, such as vases made from recycled jeans fibers. The store's shopping bags also follow the circularity principles, as they were made from recycled plastic.

The store also makes use of reverse logistics initiatives consolidated in C&A, such as boxes for the disposal of empty bottles and packaging of cosmetics and electronics and for the collection of used clothes through the Recycle Movement.



Plastic has become omnipresent in our modern life and industry. C&A is committed to finding better ways to reduce the plastic pollution generated by our business and to contribute to society. **Our goal is to reduce single-use plastic by 50% until 2030.**

## Plastic pollution

To achieve this goal, we must take practical steps, including following a hierarchy of disposal to avoid, reuse and reduce plastics. This includes implementing initiatives to avoid the use of plastics, working to increase our supply of recycled plastics when we cannot avoid using it. When we cannot do it, we replace this material with recycled plastic, alternative bio-based plastic, or another durable, reusable option. As our business grows, we will continue to evaluate our total plastic footprint, including the volume used in our online stores and businesses, as well as in our suppliers' packaging.

### Calculating our Plastic Footprint

We are committed to creating transparency around the plastics we use in the packaging and distribution of products as part of our Environmental Management Program. We are measuring the use of plastic in the operations at C&A's distribution centers and stores to develop a baseline that can be used to measure improvements to be made.

## Reuse and recycling

### Waste management

306-1 • 306-2

We are aware that we contribute to the environmental impacts related to the linear consumption model. We fulfill, on the one hand, the social mission of democratizing access to fashion, but, on the other hand, we produce a large volume of textile waste, which is proportional to the raw material and disposal generation.

We guarantee good management practices and proper disposal in our distribution centers and office. We manage the processes involved through documents received from the companies responsible for the final destination and the performance of audits at the production units.

We had an advance in the compilation of waste data due to the advancement of waste management systems of state and federal environmental agencies, which brings more reliable information since there is no need for data treatment.

## Reverse logistics and recycling

In addition to the ReCiclo Movement, we provide our customers with the reverse logistics service through the Electronic Waste and the Disposal of Cosmetics programs.



### HANGER RECYCLING

Since 2013, we have been carrying out the reverse logistics of hangers in our distribution centers. In this process, those hangers that are in good conditions to be used are separated and sent back to stores in cardboard boxes reused from imported products, which were previously discarded. Broken or scrapped hangers are sent for recycling or recovery. In 2022 we shipped 24 tons of broken plastic hangers for recycling and 44 tons of metal were recovered through the refurbishment of the metal hangers.

### TROCAFONE

Striving to renew and restore our planet through circular economy, **Fashiontronics**, our electronics segment, has launched, in partnership with Trocafone, a service that enables our customers to exchange their used mobiles for credit that can be used to purchase a new device in our stores. Launched this year, the project has already been implemented in a pilot format in three stores in the city of São Paulo and, in all, there have been more than 340 devices exchanged that can be donated or resold (as second-hand items) by means of this partnership with the authorization of customers.

### E-WASTE PROGRAM

Since 2010, we have had a program to collect electronic waste (such as batteries and mobiles) in all our stores, distribution centers and office. In 2022 we collected more than 45,000 items, totaling nearly 3 tons of waste that was disposed of in an environmentally proper manner. Since the program was created, almost 42 tons have been collected.

### COSMETICS DISPOSAL

Since 2019, we have been collecting empty cosmetics packaging of any brand from our customers in the beauty department of our stores. The collected items are disposed of by a partner company, which ensures environmentally appropriate disposal.

# Combating climate change

GRI 3-3 • 305-1 • 305-2 • 305-3 • TCFD Metrics and goals

## Commitment

We have been working to combat climate change since 2015, the year in which Global C&A began to calculate the carbon footprint (index that relates the activities of industries or people to the emissions generated by these activities) with the support of specialized consulting, whose methodology covers the analysis of the life cycle of the product.

Since 2019, we have compiled an emissions inventory in Brazil and, since 2021, we have answered the questionnaire of the Carbon Disclosure Project (CDP), an organization that supports investors and analysts dedicated to this theme. We scored C this year.

In 2020 C&A Global submitted its target of emission reduction referring to scope 1, 2 and 3 to **reduce absolute GHG emissions by 30% by 2030** to the Science Based Targets Initiative (SBTi). The target was approved and is part of our global commitment to combating climate change.

## Emissions inventory

### Greenhouse gas (GHG) inventory - tCO<sub>2</sub>e\*

GRI 305-1 • 305-2 • 305-3 • TCFD Metrics and goals

	2020	2021	2022
Scope 1	2,342.06	1165.57	2,445.07
Stationary combustion	64.31	94.91	59.77
Fugitive	2,277.75	1070.66	2,385.30
Scope 2	9,118.64	21,683.75	13,734.48
Electricity (location)	9,118.64	21,682.34	8,231.99
Electricity (market)**	-	-	5,502.49
Scope 3	90,443.28	19,125.29	193,023.52
Fuel and energy related activities not included in Scopes 1 and 2**	-	-	55.74
Goods and services purchased **	-	-	110,160.38
Transportation and Distribution Upstream**	-	-	63,634.84
Employee commuting (home <-> workplace)	83,137.95	10,775.03	15,916.09
Business travel	318.95	251.46	1,086.12
Waste generated in operations	6,986.38	8,098.73	183.95
Transportation and Distribution Downstream**	-	-	1,986.40
Grand total	101,903.98	41,974.48	209,204.08

\* The GHG Protocol Methodology was used. Gases included in the calculation: The GHG Protocol calculation methodology, used in the inventory, calculates emissions of gases CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFC SF<sub>6</sub>, NF<sub>3</sub>. C&A has no emissions from of PFC SF<sub>6</sub> and NF<sub>3</sub>. Biogenic emissions in tonCO<sub>2</sub>e; Scope 1: 6.1590 and Scope 3: 9,180.44. Source of emission factors and global warming potential (GWP) indexes;

Global Warming Potential (GWP): IPCC - AR5; Emission Factors: GHG Protocol Calculation Tool; Volume 5 - Waste - Chapter 6: Wastewater Treatment and Discharge - IPCC 2006; Volume 2 - Energy - Chapter 1: Introduction - IPCC 2006; Volume 5 - Chapter 4 - Biological Treatment of Solid Waste - IPCC 2006; Ecoinvent

The consolidation approach from operational control was used.

\*\* Data not calculated in 2020 and 2021.



## Mitigation

To contribute to achieving the global target of reducing emissions, we continue to develop initiatives and implement local actions that reduce our emissions. Get to know our main initiatives for the mitigation of emissions below.

### In operations

- Between 2011 and 2022, we migrated 218 units, including 214 stores, 2 distribution centers and the headquarters to the Free Energy Market, where it is possible to buy energy from renewable sources. In 2022 alone, we migrated 18 units, 17 stores and 1 distribution center.
- We implemented the green fleet project with electric trucks (see page 81).
- We built 3 solar power plants that will supply 10 stores in the state of Rio de Janeiro and in the Federal District.

### In the supply chain

- We purchase cotton from suppliers certified by BCI, which guides the cultivation following good socio-environmental practices including those related to the preservation of biodiversity (see page 68) and, currently, more than 96% of our cotton pieces are more sustainable.
- We support the development of suppliers on environmental management through the Zero Disposal of Hazardous Chemicals programs (learn more on page 71), which also promotes reduced use of energy in production.
- We produce garments with Cradle to Cradle® Gold level certification in Brazil, which, in addition to having BCI cotton, encourages the use of renewable energy in the production of the clothes and promotes a reduction of GHG emissions estimated at 85%.

### In the after-sales process

- We collect garments, of any brand, in the ReCiclo Movement boxes (see page 78) to dispose them properly or begin of new cycles.
- We collect used mobiles through Trocafone (see page 78), and they are later donated or resold, thus avoiding disposal.

## Free market

To increase the consumption of renewable energy sources in our operations to contribute to the reduction of carbon dioxide emissions, we have started the migration of the energy supply of our stores through the Free Energy Market since 2011. This model provides energy from renewable sources, such as small hydroelectric, solar and wind power plants. In 2022, 17 stores were adapted to receive clean energy, totaling 212, which represents 64% of the stores.



## Green fleet

In an unprecedented way in Brazilian fashion retail, we launched the Green Fleet project with the objective of reducing our greenhouse gas emissions in logistics. The project, carried out in partnership with Solucion Logística, provides for the use of electric vehicles for the distribution of our products.

The vehicles were developed exclusively for the operation of C&A Brazil and are electric and hybrid powered by CNG/diesel. The fleet reduces up to 1,700 tons of CO<sub>2</sub> emissions in the atmosphere per year, equivalent to the planting of more than 15,000 trees.

With the capacity to transport four tons, the trucks make two daily circuits: from the distribution center to the stores corresponding to their route and vice versa. In 2022 we had 14 electric vehicles spread between the Rio de Janeiro-São Paulo route, which corresponds to 1/4 of the fleet that supplies the stores, and we estimate that the complete fleet will remove more than 500 tons of CO<sub>2</sub> from the environment per year, equivalent to the planting of 4,000 native trees of the Atlantic Forest.

In addition to electric vehicles, we also acquired, 19 hybrid trucks this year; some are powered by CNG and others by diesel, in order to increase the green fleet. Compared to conventional trucks, hybrid vehicles emit 8% less CO<sub>2</sub> into the atmosphere, equivalent to planting more than 11,000 trees.

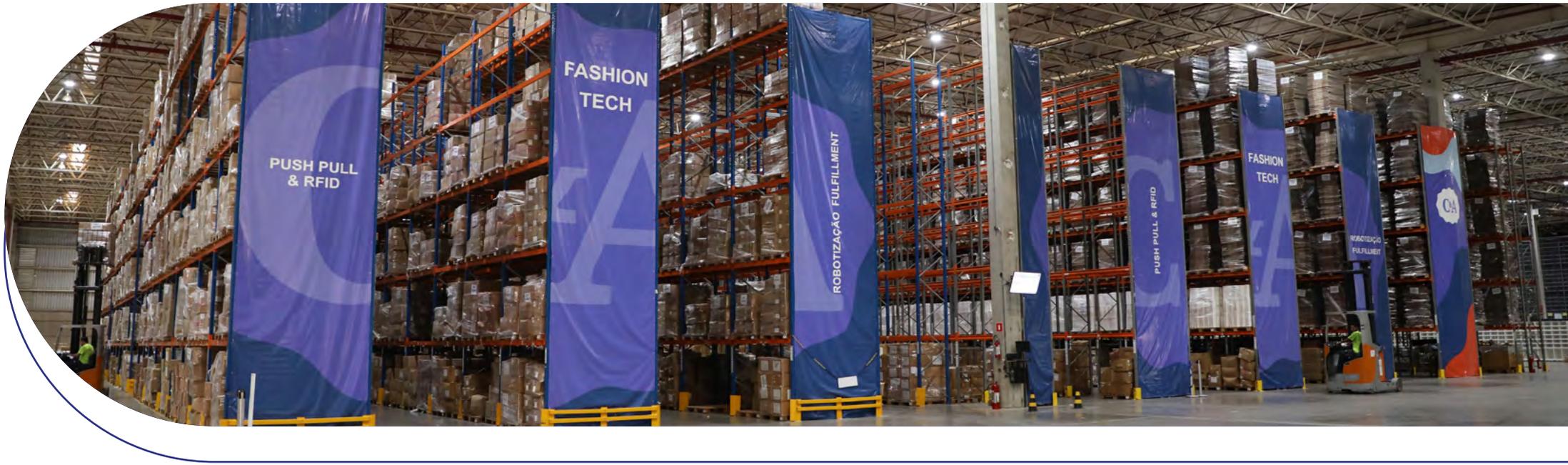
## Solar power plants

In 2021, in partnership with Faro Energy – a BCorp company that invests in solar energy projects in Brazil – we built solar power plants to supply 11 stores located in the Federal District and in the state of Rio de Janeiro for the next ten years.

In 2022 the plant located in the administrative region of Brazlândia, in the Federal District, began its operation. The project has approximately 1,232 photovoltaic modules, which represent an installed power of 500 kW. Each year, the plant will have the capacity to generate approximately 1.2 GWh – enough energy to supply 600 homes in the same period. We estimate that we will avoid the emission of 380 tons of CO<sub>2</sub> per year, equivalent to the planting of 2,000 trees.

At the end of the year, the two plants in the region of the city of Vassouras, in the state of Rio de Janeiro, went into operation. The plants have a rainwater reuse system and approximately 5,544 photovoltaic modules, which represent an installed power of 2,000 kW in total. Each year, the plants will have the capacity to generate 4.8 GWh – enough energy to supply the equivalent of 2,400 homes in the same period.

With the three plants in operation, we estimate that we will avoid the emission of almost 2,000 tons of CO<sub>2</sub> per year, in addition to the socio-environmental gains and the generation of jobs that construction demanded.



## Suppliers

GRI 2-6 • 3-3 • 414-2 • SASB CG-AA-000.A

As a fashion retailer, the engagement, monitoring and development of the supply chain is a key guideline in our sustainability strategy. Together with other professionals from C&A Mexico and C&A Europe, we work to curb any type of irregular workforce and to seek continuous improvement of working conditions and environmental indicators in our supply chain.

Our supply chain is worldwide. The local network consists of 794 production units, of which 221 are direct suppliers and 573 are subcontractors, responsible

for the manufacture of clothing, footwear, and accessories. These production units correspond to 80% of the volume of products, which are supplied by approximately 400 other suppliers of spinning, weaving and dyeing.

At the international level, we have suppliers from countries such as China, Bangladesh and Peru for imported products.

The national and international suppliers together employ 150,000 workers (57% women, 43% men and 0.26% foreigners). In 2022 we added 119 new production units, most of which are located in the South (53%) and Southeast (45%) regions.

Our suppliers are classified into tiers 1, 2 and 3, and tier 1 corresponds to production units classified as direct suppliers and their subcontractors:

- **Textile input Suppliers:** provide raw material with weaving, spinning, and dyeing of fabrics and yarns processes.
- **Non-textile input Suppliers:** provide inputs such as composition labels, hangers, boxes, tags, bags, among others.
- **Product suppliers:** provide finished products such as apparel, footwear, accessories, backpacks, belts, glasses, among others.

## Policies and Mechanisms

### C&A Code of Ethics

#### Code of Conduct for Goods Supply and Support Guidelines

It describes what C&A expects from its suppliers with regard to legal compliance, labor practices, environmental performance, and anti-corruption issues. The requirements are applied to all suppliers who produce goods and accepting them by means of a contract is mandatory and valid for the whole world.

#### C&A Ethics Channel

We provide our suppliers with a channel for complaints and denunciations about cases that contravene C&A's policies and principles. This channel is operated by an independent, confidential company that guarantees anonymity.

## Unacceptable practices

CG-AA-430B.3

Issues such as slave labor and child labor are considered unacceptable infractions, leading to immediate suspension of the supplier.



**Sandblasting:** we prohibit blasting pieces where abrasive sand is forced into the fabric jeans using compressed air to achieve a pre-distressed appearance. The technique is harmful to the health of workers, due to inhalation of particles that increases the risk of lung cancer, which can lead to death.

**No to the use of child labor:** we do not collaborate with suppliers who use child labor. Child labor deprives children of their childhood, their potential and their dignity, in addition to being detrimental to their physical development.

**No to Sumangali:** we do not buy from suppliers who practice sumangali, a form of forced labor found in spinning mills in Tamil Nadu, India, where young women have to work to cover the expenses of marriage, often in precarious working conditions, and are unable to return home.

**License (structural, operation, and fire and environmental safety):** effluent treatment and waste disposal are relevant topics for C&A to continue to mitigate environmental, health and safety risks. Since 2015, the updated version of the Code of Conduct establishes that all licenses are mandatory for factories in the C&A supply chain. Environmental risks are also monitored, because, in addition to legal requirements, the factories with the highest potential risk are involved in continuous improvement programs and good practices. C&A is a signatory to the Zero Discharge of Hazardous Chemicals and works in conjunction with its supply chain to mitigate environmental risks.

## Selection and monitoring

GRI 414-1 • GC-AA-430A.1 • CG-AA-430B.1 • GC-AA-430B.2

We have a structured selection and monitoring process of our suppliers in order to inhibit any type of irregular labor and seek continuous improvement of working conditions and environmental issues in the supply chain.

All new C&A products suppliers are selected based on the socio-environmental criteria presented in our Code of Conduct, in addition to undergoing verification of commercial, tax and quality aspects, which are evaluated by the responsible areas.

**100% of C&A product suppliers are selected based on socio-environmental criteria.**

**In 2022, 119 national production units integrated into the supply base went through the approval process.**

Through the Sustainable Supply Chain team, we run our monitoring program and the management of the supplier network, in which we carry out audits in 100% of the factories that produce C&A products. The auditors go to the field and periodically evaluate our suppliers and their subcontractors on topics such as: freedom of association, general health and safety conditions, fire safety, child labor, regular labor, wages and benefits, workload, discrimination and humanitarian treatment, and good environmental practices.

Within this context, in 2022 we launched a digital platform called Capacitação Fashion Tech, which was developed to offer our suppliers training in socio-environmental requirements, an initiative that allows us to increase the scope, reach and speed of training and thus strengthen our program of continuous improvement of working conditions and environmental issues in the supply network. The trainings are mandatory and there are tests where the learner has to get a minimum grade to pass.

The types and frequency of audits throughout our relationship with suppliers depend on the results of the evaluations (or ratings), as shown below. Since 2006, we have conducted more than 21,000 audits.

### Types of audits

#### Initial

- Announced Audit.
- Occurs in 100% of new companies (Suppliers and Subcontractors) before they integrate our supply network.

#### Full

- Announced or unannounced audit.
- Tracking of active companies in the base when given a date window that the audit may take place.

#### Follow Up

- Unannounced visits.
- Verification of the action plan.
- Audits take place within 120 days for companies with a D/E score and 180 days for companies with a C score.

#### Desktop

- Validation of corrections remotely (for specific cases according to global determination).

- Of our 794 monitored Tier 1 production units, 25 (3%) had a total of 46 non-conformities of significant negative social impacts (actual or potential), according to our Code of Conduct, including aspects related to occupational health and safety, labor rights, among others; improvement actions and deadlines for implementation were stipulated for 17 of the 25 production units (68%), while the other 8 units (32%) had their commercial relationship ended with C&A; no significant risks or indications of child labor, forced labor or slave labor were identified in our supply chain during the year.

### FASHION TRANSPARENCY INDEX BRAZIL

The Brazil Fashion Transparency Index validates our commitment to building a responsible and sustainable supply chain. For the 5<sup>th</sup> consecutive year, we obtained the highest score in the index, which evaluates more than 200 indicators related to supply chain traceability, purchasing practices, fair wages, gender and racial equality, circularity, climate and biodiversity.



- We mapped and audited 17% of the production units beyond Tier 1 (production units of yarn, fabrics and dyeing – Tier 2 and labels, hangers – Tier 3).
- We reviewed the process of registering sellers of our marketplace platform, with the implementation of an automated document and risk analysis tool: labor and administrative issues, child and slave labor, those blacklisted by the Ministry of Labor, among others.

To know in detail the audit process of our suppliers, click [here](#).

In addition to the monitoring program, we have a robust control of audits, verifications, chemical tests, management of indicators, and support in the development and technical consulting in the supply chain. We have also prepared for the future, thinking of a supply network capable of making products with circularity principles and reducing the emission of greenhouse gases from its operations.

### Negative social impacts on the supply chain and measures taken

GRI 414-2

	<b>2022</b>
Number of suppliers evaluated in social impacts	794
Number of suppliers identified as having significant actual and potential negative social impacts	25
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed as a result of the evaluation	68%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of the evaluation	32%



## Development

### Manual of Good Work Practices

This booklet was created to guide the production units that directly or indirectly manufacture our products to have a safer work environment, with decent conditions, respecting the current legislation and the rules of the C&A Code of Conduct for the Supply of Goods.

### Qualification and Training Platform

In 2022 we created an online platform for qualification and training of our suppliers. Through it, we offer content on topics such as Social and Environmental Responsibility, Quality, Chemical Safety and Sustainable Materials. The trainings are mandatory and free, and learners must get a minimum grade to pass the tests. At the end of the year, 100% of the suppliers were enrolled.

# Assurance Letter

GRI 2-5



KPMG Auditores Independentes Ltda.

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## Limited assurance report issued by independent auditors

To the Board of Directors and Shareholders of  
**C&A Modas S.A.**  
São Paulo - SP

### Introduction

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

### Responsibilities of C&A's Management

The Management of C&A is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), with the Task Force on Climate-Related Financial Disclosures (TCFD), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### Responsibility of independent auditors

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

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

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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

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

- a. engagement planning: considering the material aspects for C&A's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the C&A's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), and with the Task Force on Climate-Related Financial Disclosures (TCFD);
- d. evaluation of non-financial indicators;
  - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
  - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
  - analysis of evidence supporting the disclosed information;
- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators with the financial statements and/or accounting records.

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

#### Scope and limitations

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

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

#### Basis for conclusion with reservation

C&A declares that its Annual Report was prepared in accordance with the recommendations of the TCFD - Task Force on Climate-Related Financial Disclosures. However, the Company didn't fully comply with the TCFD requirements regarding the following topics: (i) Governance (the board's role in the supervision and assessment of risks and opportunities related to climate change); (ii) Strategy (risks and opportunities related to climate change that the organization has identified in the short, medium and long term, impacts of risks and opportunities related to climate change on the business, the organization's strategy and financial planning, resilience of the company's strategy organization, considering different climate change scenarios, including a scenario of 2°C or less); and (iii) Risk Management (processes used by the organization to identify, assess and manage risks related to climate change and how the processes used by the organization to identify, assess and manage risks related to climate change are integrated into general risk management of the organization).

#### Conclusion with reservation

Based on the procedures performed, described in this report, except for the effects of the matter described in the Basis paragraph for conclusion with reservation, we have not identified any relevant information that leads us to believe that the information in the Annual Report 2021 C&A is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), and with the Task Force on Climate-Related Financial Disclosures (TCFD), and with the records and files that served as the basis for its preparation.

São Paulo, March 31<sup>st</sup>, 2022

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

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



## Credits

### General Coordination

ESG Team

### Photos

Rodrigo Paiva and Acervo C&A

### Consulting, content, translations and layout

Ricca Sustentabilidade

<https://www.linkedin.com/company/riccasustentabilidade>

### To learn further:

Results detailed and commented by the management:

[Financial Statements](#)

Overview of relevant business aspects:

[Reference Form](#)

If you are looking for additional information on our commitment to sustainability, please write to our sustainability team:

[sustentabilidade@cea.com.br](mailto:sustentabilidade@cea.com.br)





Annual Integrated Report 2022

# annexes



# Materiality

GRI 2-14 · 3-1 · 3-2

Every 2 years we assess and prioritize material sustainability topics to ensure we remain focused on the most critical issues and impacts of our company, value chain and industry.

Our 2022 evaluation considered the stages of desk review, benchmarking, stakeholder consultation and leadership workshop. This assessment considered the impact of the important issues and their significance for the business.

The materiality review process was based on an analysis of C&A's internal and external contexts and implemented through the following stages:

## Desk review

Analysis of internal and external documents, as well as sectoral and market guidelines.

- 2020 C&A Materiality
- Global C&A Sustainability Strategy
- RobecoSAM Yearbook
- Sustainability Accounting Standards Board (SASB) Materiality Finder
- Morgan Stanley Capital International (MSCI) Industry Materiality Map
- World Economic Forum (WEF) Risks

## Benchmarking

Identification of material themes of national and international companies in the sector that are a benchmark in sustainability.

## Consultation with internal and external stakeholders

Conduct surveys with stakeholders to obtain information on the level of importance given to a particular topic, making sure to identify any blind spots or risks that we had not otherwise identified:

- Employee
- Customer
- Industry company
- Sectoral entity
- Supplier
- Press
- Capital market
- Community (NGOs, fashion entrepreneurs, others)

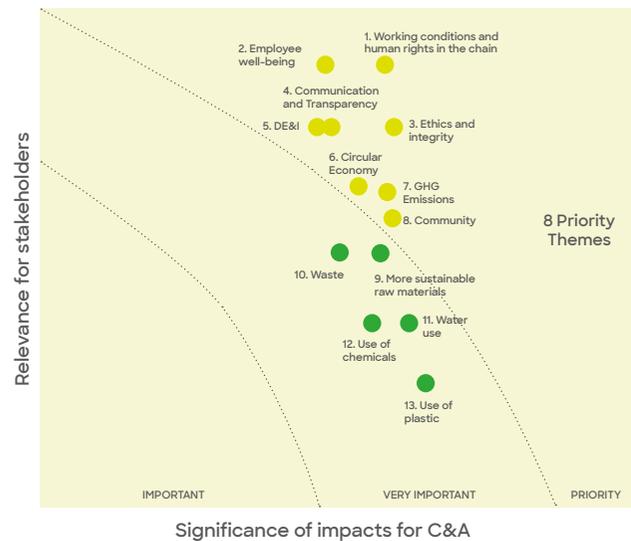


## Workshop with C&A leadership

Approval of the matrix and definition of priority themes in the Internal ESG Committee, which were later reported to the Human Resources and Sustainability Committee, Audit and Risk Management Committee and the Board of Directors.

By placing the evaluated topics in a material that compares the strategic scenario and the vision of the stakeholders, we listed 8 priority themes:

### Theme Prioritization



Regarding the C&A 2020 Materiality process, some themes were not prioritized in the new 2022 matrix. They are:

- digital transformation, new sales channels, infrastructure.
- economic performance.
- more sustainable raw materials and animal welfare.
- sustainable management of chemicals in the supply chain.
- waste.
- reduced water footprint (supply chain).
- sector collaboration.
- plastic pollution.
- biodiversity.

## Priority themes:



Working conditions and human rights in the supply chain



C&A employee wellness: physical and mental health



Diversity, equity and inclusion



Greenhouse Gas emissions



Circular economy



Ethics and integrity



Communication and transparency



Relationship with communities

# Annexes – Indicators

## Economic indicators

### Communication and training in anti-corruption policies and procedures<sup>1</sup>

GRI 205-2

	Training	%	Releases	%
Board of Directors	0	0%	5	29%
Directors	3	27%	19	100%
Managers	325	57%	544	95%
Consultant/Coordinator/Supervisor	470	58%	571	71%
Operational	9,008	65%	13,556	98%
Interns	2	25%	8	100%
Apprentices	232	29%	742	94%

<sup>1</sup> It is not possible to compare among the years because the methodology for analyzing this data was changed in this period.



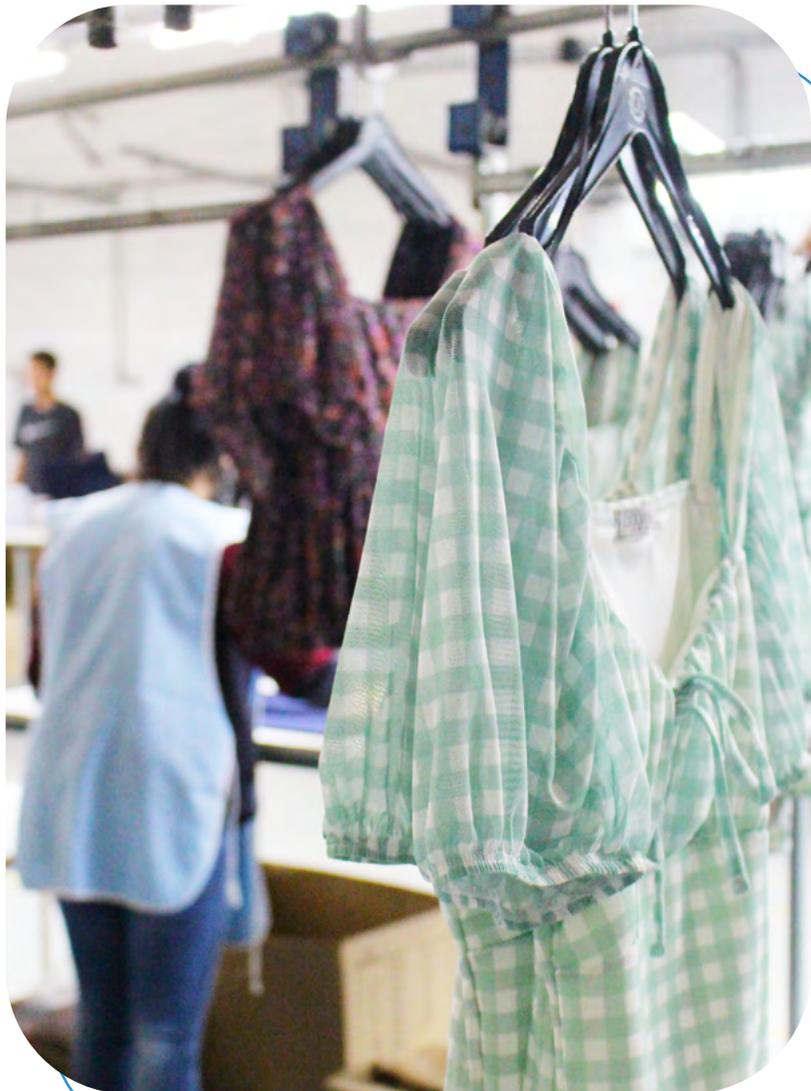
## Mathematical ratio of base salary for women to men by functional<sup>1</sup>

GRI 405-2

	2020 <sup>2</sup>		2021 <sup>2</sup>		2022 <sup>2</sup>	
	Ratio of the basic salary of women to men	Ratio of women's to men's pay	Ratio of the basic salary of women to men	Ratio of women's to men's pay	Ratio of the basic salary of women to men	Ratio of women's to men's pay
<b>Corporate Office</b>						
Director	0.66	-	0.64	-	0.87	0.9
Manager	0.83	-	0.82	-	0.83	0.85
Supervisor/Consultant/Coordinator	-	-	-	-	0.9	0.91
Operational	-	-	-	-	0.86	0.87
Trainee	-	-	-	-	1	1
<b>Distribution Center</b>						
Director	-	-	-	-	-	-
Manager	-	-	-	-	1.02	0.85
Supervisor/Consultant/Coordinator	-	1.02	-	1.01	1.05	1.05
Operational	-	1.03	-	0.98	0.96	0.97
Trainee	-	-	-	-	-	-
<b>Stores</b>						
Director	-	-	-	-	-	-
Manager	-	-	-	-	-	-
Supervisor/Consultant/Coordinator	-	1.05	-	1.05	1.05	1.05
Operational	-	0.98	-	0.97	0.97	0.98
Trainee	-	-	-	-	-	-

<sup>1</sup> Only employee data from the Central Office was considered for strategic reasons.

<sup>2</sup> Historical data changed from % to rate to allow for comparison.



## Environmental indicators

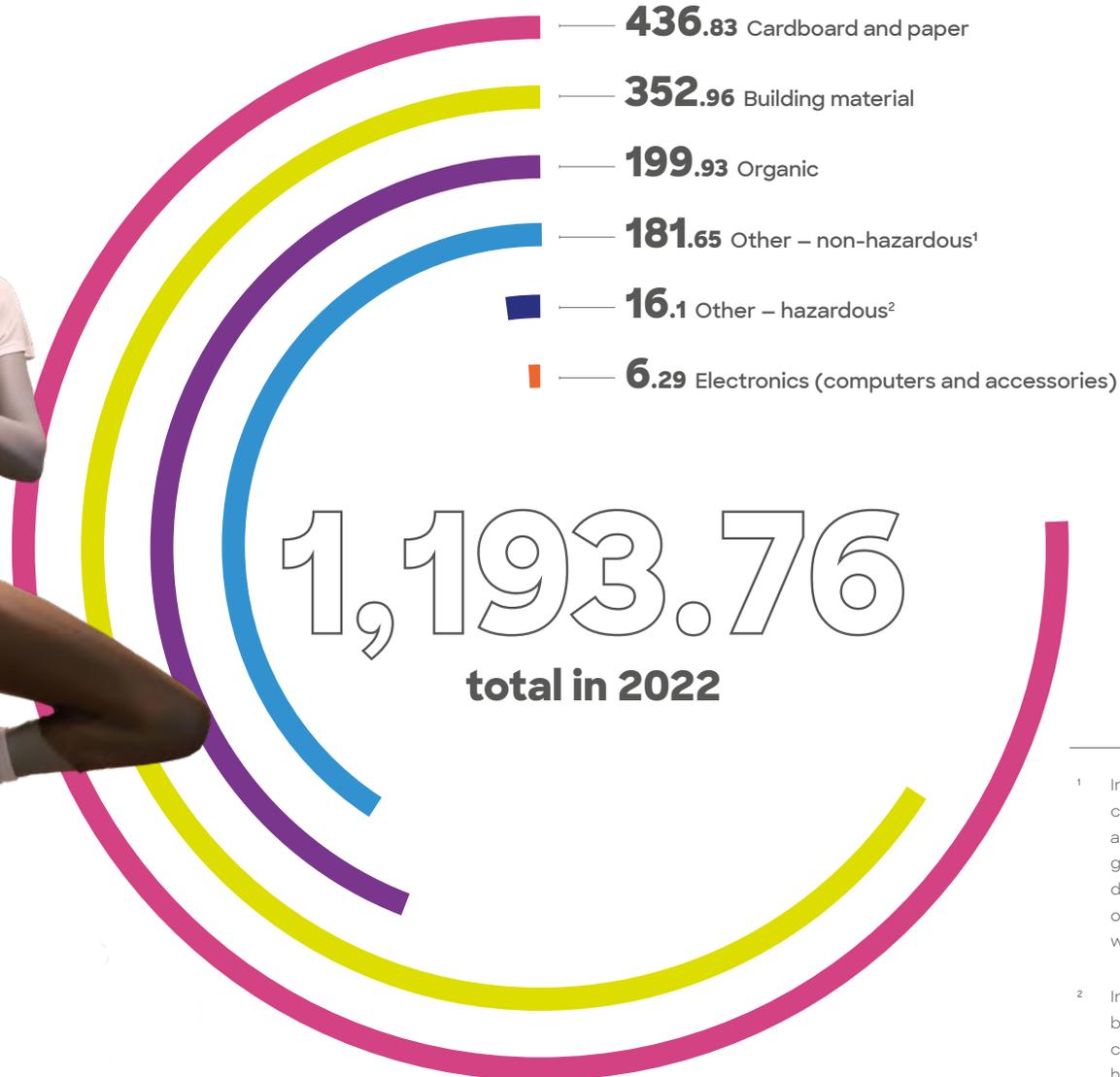
GRI 301-1

### Materials used, classified by weight (Kg)

	Non-renewable materials	Renewable materials
Cotton	0	6,991,116.83
Polyester	2,481,378.82	0
Viscose	0	1,171,253.14
Polyurethane	882,686.21	0
Polyamide	519,888.73	0
Spandex	156,423.28	0
Acrylic	124,067.61	0
Polyvinyl chloride	0	41,230.78
Linen	0	30,110.65
Paper	0	11,315.41
Lyocell	0	11,262.64
Metal	10,718.09	0
Plastic	6,676.00	0
Polypropylene	2,491.88	0
Other	23,172.17	3,075.09
<b>TOTAL</b>	<b>4,207,502.79</b>	<b>8,259,364.54</b>

## Waste by composition, in tons

GRI 306-3



<sup>1</sup> In “Other – non-hazardous”, the following were considered: general plastics, plastic hangers, aluminum and other metals, metal hangers, glass, uniforms of store employees items that are deposited in the ReCiclo urn, but are considered out of conditions of use and non-segregated waste (lighting fixtures and waste mix).

<sup>2</sup> In “Others – hazardous” were considered: batteries, light bulbs, reactors, batteries, cell phones, vegetable oil, non-segregated hazardous, chemical products, ambulatory, other contaminated. Office and distribution center waste.

## Waste by composition, in tons

GRI 306-3

	2020	2021	2022
<b>Non-hazardous waste</b>			
Organic	5,572.74	5,541.76	199.93
Cardboard and paper	407.83	471.05	436.83
Building material	377.06	592.13	352.96
Other – non-hazardous <sup>1</sup>	127.94	190.13	181.65
<b>Hazardous waste</b>			
Electronics (computers and accessories)	17.63	18.46	6.29
Other – hazardous <sup>1</sup>	11.86	9.18	16.1
<b>Total</b>	<b>6,515.11</b>	<b>6,929.97</b>	<b>1,193.76</b>

## Waste directed, in tons

GRI 306-4 · 306-5

	2020			2021			2022		
	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total	Non-hazardous waste	Hazardous waste	Total
Recycling	793.12	29.53	822.65	1,200.89	24.96	1,225.86	766.86	22.36	763.86
Incineration (with energy recovery)	1.16	0	1.46	1.12	0	1.12	0	0	0
Incineration (without energy recovery)	0	0.01	0.01	0	0.18	0.18	0	0.03	0
Landfill	5,674.99	0	5,674.99	5,661.60	0	5,661.60	265.27	0	265.27
Other disposal operations	16	0	16	38.72	2.50	41.22	85.64	0	85.64
<b>Total</b>	<b>6,485.57</b>	<b>29.54</b>	<b>6,515.11</b>	<b>6,902.33</b>	<b>27.64</b>	<b>6,929.97</b>	<b>1,117.77</b>	<b>22.39</b>	<b>1,193.76</b>

<sup>1</sup> In the category Other – non-hazardous, we considered general plastics; hanger plastics; aluminum and other metals; hanger metal; glass; uniform of store employees; items deposited in the ReCiclo box and do not have conditions of use and non-segregated waste (lightning and waste mix). In the category "Other – hazardous", we considered batteries, lamp bulbs, reactors, batteries, cell phones, vegetable oil, non-segregated hazardous materials, chemicals, hospital waste, other contaminated materials, and waste from offices and distribution centers.



## Social indicators

### GRI 403-9

Occupational diseases		
	EMPLOYEES	THIRD PARTIES
Number of deaths resulting from accidents at work	0	0
Number of occupational accidents with serious consequences (except deaths)	0	0
Number of occupational accidents with mandatory reporting*	143	0

### GRI 403-10

Occupational diseases		
	EMPLOYEES	THIRD PARTIES
Deaths resulting from occupational diseases	0	0
Rate of deaths resulting from occupational diseases	0	0
Cases of occupational diseases of mandatory reporting*	1	0

\* The main type of work-related health problem was psychosocial diseases.

Note 1: C&A does not have a system to control accidents at work for third parties.

Note 2: The hazards and risks were mapped through the Risk Management Program - PGR.

Note 3: C&A does not have systematic action plans for mitigating measures to eliminate hazards and risks.

### GRI 405-1

#### 2022

##### Council members, by gender<sup>1</sup>

	MEN	%	WOMEN	%
Board of Directors	4	80	1	20
Acceleration Committee	3	100	0	0
Human Resources and Sustainability Committee	1	33.33	2	66.67
Financial Services Committee	3	100	0	0
Audit Committee	2	66.67	1	33

#### 2022

##### Board members, by age group<sup>1</sup>

	UNDER 30	%	BETWEEN 30 AND 50	%	50 YEARS OLD AND UPWARDS	%
Board of Directors	0	0	1	20	4	80
Acceleration Committee	0	0	1	33.33	2	66.67
Human Resources and Sustainability Committee	0	0	0	0	3	100
Financial Services Committee	0	0	0	0	3	100
Audit Committee	0	0	1	33.33	2	66.67

#### 2022

##### Board members, by race<sup>1</sup>

	YELLOW	%	WHITE	%	INDIGENOUS	%	BLACK AND BROWN	%
Board of Directors	0	0	5	100	0	0	0	0
Acceleration Committee	0	0	3	100	0	0	0	0
Human Resources and Sustainability Committee	0	0	3	100	0	0	0	0
Financial Services Committee	0	0	3	100	0	0	0	0
Audit Committee	0	0	3	100	0	0	0	0

<sup>1</sup> It is not possible to compare between the years because the methodology for analyzing this data was changed in this period.

### Council members, by vulnerable group<sup>1</sup>

	WOMEN	%	BLACK	%	DISABLED PEOPLE	%	LGBTQIA+	%	INDIGENOUS	%	+50	%
Board of Directors	1	25	0	0	0	0	0	0	0	0	4	100
Acceleration Committee	0	0	0	0	0	0	0	0	0	0	2	100
Human Resources and Sustainability Committee	2	66.67	0	0	0	0	0	0	0	0	3	100
Financial Services Committee	0	0	0	0	0	0	0	0	0	0	3	100
Audit Committee	1	33.33	0	0	0	0	0	0	0	0	2	66.67

### Employees by functional category and gender

	2020				2021				2022			
	MEN	%	WOMEN	%	MEN	%	WOMEN	%	MEN	%	WOMEN	%
Director	5	88.89	1	11.11	10	83	2	17	10	90.91	1	9.09
Manager	177	36.42	309	63.58	207	36	366	64	195	33.97	379	66.03
Supervisor	252	37.17	426	62.83	348	40	515	60	323	40.02	484	59.98
Operational	4,044	32.29	8,481	67.71	4,608	30	10,570	70	4,407	31.70	9,496	68.30
Trainee	4	36.36	7	63.64	8	50	8	50	3	37.50	5	62.50
Apprentice	163	25.43	478	74.57	216	28	545	72	226	28.57	565	71.43

### Employees by functional category and age group

	2020						2021						2022					
	UNDER 30	%	BETWEEN 30 AND 50	%	50 YEARS OLD AND UPWARDS	%	UNDER 30	%	BETWEEN 30 AND 50	%	50 YEARS OLD AND UPWARDS	%	UNDER 30	%	BETWEEN 30 AND 50	%	50 YEARS OLD AND UPWARDS	%
Director	0	-	6	-	0	-	0	-	9	-	3	-	0	0	8	72.73	3	27.27
Manager	47	-	435	-	4	-	36	-	530	-	7	-	30	5.23	535	93.21	9	1.57
Supervisor	234	-	427	-	17	-	211	-	627	-	25	-	206	25.53	580	71.87	21	2.6
Operational	9,324	-	3,028	-	173	-	10,739	-	4,096	-	343	-	9,459	68.04	4,118	29.62	326	29.62
Trainee	11	-	0	-	0	-	15	-	1	-	0	-	8	100	0	0	0	0
Apprentice	641	-	0	-	0	-	761	-	0	-	0	-	791	100	0	0	0	0

## Employees by race

	YELLOW	%	WHITE	%	INDIGENOUS	%	BLACK AND BROWN	%
<b>2020</b>								
Director	-	0.00	-	100	-	0.00	-	0.00
Manager	-	1.44	-	80.25	-	0.21	-	0.41
Supervisor	-	1.77	-	65.04	-	0.88	-	31.87
Operational	-	1.71	-	38.44	-	0.68	-	58.94
Trainee	-	0.00	-	81.82	-	0.00	-	18.18
Apprentice	-	1.87	-	34.95	-	0.31	-	62.56
<b>2021</b>								
Director	-	0.00	-	100	-	0.00	-	0.00
Manager	-	1.90	-	77.50	-	0.20	-	20.40
Supervisor	-	2.80	-	64.80	-	0.20	-	31.50
Operational	-	2.10	-	37.70	-	0.40	-	59.60
Trainee	-	0.00	-	62.50	-	0.00	-	37.50
Apprentice	-	2.10	-	39.60	-	0.00	-	58.30
<b>2022</b>								
Director	0	0	11	100	0	0	0	0
Manager	14	2.44	432	75.26	1	0.17	127	22.13
Supervisor	20	2.48	502	62.21	2	0.25	283	35.07
Operational	293	2.11	5,149	37.04	53	0.38	8,408	60.48
Trainee	0	0	5	62.50	0	0	3	37.5
Apprentice	14	1.77	288	36.41	2	0.25	487	61.57

<sup>1</sup> It is not possible to compare between the years because the methodology for analyzing this data was changed in this period

## Employees by vulnerable group<sup>1</sup>

	WOMEN	%	BLACK	%	DISABLED PEOPLE	%	LGBTQIA+	%	INDIGENOUS	%	+50	%
Director	1	100	0	0	0	0	0	0	0	0	0	0
Manager	379	94.04	14	3.47	0	0.17	0	0	1	0.25	9	2.23
Supervisor	484	86.74	47	8.42	4	0.72	0	0	2	0.36	21	3.76
Operational	9,496	75.96	2,033	16.26	593	4.74	0	0	53	0.42	326	2.61
Apprentice	5	62.5	3	37.5	0	0	0	0	0	0	0	0

## Profile of employees

GRI 2-7

Profile of employees by region			
	2020	2021	2022
North	952	1,264	1,100
Northeast	3,241	4,065	3,639
Central-west	696	986	916
Southeast	7,924	9,933	9,206
South	864	1,155	1,144
<b>Total</b>	<b>14,350</b>	<b>17,403</b>	<b>16,005</b>

Profile of employees by gender			
	2020	2021	2022
Men	4,648	5,397	5,140
Women	9,702	12,006	10,865
<b>Total</b>	<b>14,350</b>	<b>17,403</b>	<b>16,005</b>

Profile of employees by employment contract and gender						
	2020		2021		2022	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Men	4,466	182	5,152	245	4,899	241
Women	9,142	560	11,348	658	10,226	639
<b>Total</b>	<b>13,608</b>	<b>742</b>	<b>16,500</b>	<b>903</b>	<b>15,125</b>	<b>880</b>

Profile of employees by employment contract and region						
	2020		2021 <sup>1</sup>		2022	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
North	952	56	-	-	1,040	60
Northeast	3,241	173	-	-	3,438	201
Central-west	696	31	-	-	855	61
Southeast	7,921	371	-	-	8,716	490
South	864	45	-	-	1,076	68
<b>Total</b>	<b>13,674</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>15,125</b>	<b>880</b>

<sup>1</sup> It is not possible to compare with the year 2021, because the analysis methodology of this data was changed in this period.

## Turnover

GRI 401-1

### By gender<sup>1</sup>

	2021				2022			
	New hires	Employees dismissed	Employees dismissed	Turnover rate	New hires	Employees dismissed	Employees dismissed	Turnover rate
Men	3,748	69%	3,151	64%	4,021	32%	4,245	31%
Women	8,387	70%	6,472	62%	8,444	68%	9,500	69%
Total	12,135	70%	9,623	55%	12,465	100%	13,745	100%

### By age group<sup>1</sup>

	2021				2022			
	New hires	Employees dismissed	Employees dismissed	Turnover rate	New hires	Employees dismissed	Employees dismissed	Turnover rate
Abaixo de 30 anos	10,392	84%	7,961	74%	10,587	85%	11,295	82%
Entre 31 e 50 anos	1,717	37%	1,614	35%	1,828	15%	2,381	17%
Acima de 51 anos	26	1%	48	10%	52	0%	69	1%

### By region<sup>1</sup>

	2021				2022			
	New hires	Employees dismissed	Employees dismissed	Turnover rate	New hires	Employees dismissed	Employees dismissed	Turnover rate
Central-west	851	86%	633	75%	1,063	9%	1,132	8%
Northeast	2,436	60%	2,008	55%	2,094	17%	2,489	18%
North	949	75%	271	66%	996	8%	1,140	8%
Southeast	6,796	68%	5,376	61%	6,943	56%	7,619	55%
South	1,103	95%	885	86%	1,371	11%	1,365	10%

<sup>1</sup> Turnover data started to be reported as of 2021.

## Training hours offered to employees

### By gender

GRI 404-1<sup>1</sup>

2022		
	Average	Total
Men	7,5	38.685,78
Women	7,9	85.957,26
Total	7,8	124.643,05

### Por cargo

GRI 404-1<sup>1</sup>

2022		
	Average	Total
Board of Directors	0,95	23,00
Manager	0,2	127,55
Supervisor	8,7	6,990,10
Operational	7,65	111,718,51
Trainee	722,9	5,783,88

## Maternity/paternity leave

GRI 401-3

	2020		2021		2022		Total
	Male	Female	Male	Female	Male	Female	
Total number of employees entitled to maternity/paternity leave	4,648	9,702	4,648	12,006	5,164	10,930	16,094
Total number of employees who took maternity/ paternity leave in the year	0	554	0	501	0	697	697
Total number of employees who took maternity/ paternity leave	0	544	0	501	0	524	524
Rate of return to work	0	98,19%	0	100%	0%	75,18%	75,18%
Total number of employees who returned to work after the end of their maternity/paternity leave and remained employed after 12 months after their return	0	407	0	411	0	310	310
Employees retention rate	0	73%	0	81%	0%	59,16%	59,16%

## Management cycle

### Number and percentage of employees who had their performance evaluated<sup>1</sup>

GRI 404-3

	Number	%
Men	3,733	72%
Women	7,944	72%
Total	11,677	72%

### Number and percentage of employees who had their performance evaluated, by job category

GRI 404-3

	2020		2021		2022	
	Number	%	Number	%	Number	%
Board of Directors	2	-	9	-	12	100%
Manager	485	-	543	-	10	100%
Supervisor	639	-	672	-	594	99%
Operational	658	-	10,813	-	10,260	74%
Trainee	14	-	-	-	801	100%

<sup>1</sup> It is not possible to compare between the years because the methodology for analyzing this data was changed in this period

# List of priority raw materials - SASB CG-AA-440 a.3

Raw materials list	Environmental and/or social factors most likely to threaten supply	Business risks and/or opportunities associated with environmental and/or social factors	Management strategy to address business risks and opportunities
Cotton	Climate change with production breakdowns/ Labor issues	The share of BCI certified cotton is above 90% of the whole volume, with Brazilian cotton being around 80% of this volume, cotton has in its largest planting area, a low water stress for being supplied by green water (rain). ABRAPA and BCI look to the future strategy, regarding the business continuity.	C&A seeks to develop products with recycled cotton (Circular Jeans for example), covered by RCS certification, to gradually reduce the use of virgin raw materials, where we have a commitment to procure virgin raw materials from certified sources, such as BCI. Also, this year, Regenagri certified agro regenerative cotton was used on a small scale, in partnership with Scheffer, with a positive impact on GHG reduction mitigation and a positive impact on biodiversity.
Viscose	Threat to native forests / pollution from the production process / labor issues	C&A participates in discussions on the subject through the Textile Exchange and Sustainable Apparel Coalition, which brings together the entire global network involved in the topic in the search for the best solutions in a joint sectoral manner.	C&A has a commitment with direct Viscose suppliers from suppliers that use fiber produced by the companies Lenzing and Aditya Birla, which are well evaluated by Canopy Style, Changing Markets Foundation and ZDHC, and also invest to obtain closed loop production. Other Viscose fiber suppliers are striving to improve their indicators to be accepted as well as the companies mentioned, expanding the offer.
Polyester	Non-renewable fossil source	In the same way C&A participates in discussions through Textile Exchange and SAC, to keep up to date in the search for the best solutions.	C&A seeks viable short, medium and long term solutions for the gradual reduction of dependence on raw materials from fossil sources. This year C&A through partnership with sectors of Industry, encouraged the development of a national 100% recycled polyester and high quality (multi-strand filaments), used in the collection Eco ACE™, in the medium term, we maintain contact with another domestic company, which develops a renewable-based polyester, from sugar cane, called MEC, which will soon be available for testing.

# GRI Index

Standard	Disclosures	Reference/Direct Response	
<b>GRI 2: General Disclosures 2021</b>			
General Disclosures			
GRI 2: General Contents - 2021	2-1	Organizational details	Page 7, 10, 12, and 20 of the main booklet
	2-2	Entities included in the organization's sustainability reporting	Page 7 and 49 of the main booklet
	2-3	Reporting period, frequency and contact point	Page 7 of the main booklet
	2-4	Restatements of information	There is no restatement of information required. The biggest update of the previous year's report in relation to this was the materiality review. The process needed to be reviewed considering the context of the textile retail sector, the current Brazilian scenario, and the global and local sustainability strategy.
	2-5	External assurance	Page 29
	2-6	Activities, value chain and other business relationships	Page 9, 35 and 82 of the main booklet
	2-7	Employees	OK
	2-8	Workers who are not employees	Omission: We do not report data related to workers who are not employees due to strategic reasons.
	2-9	Governance structure and composition	Page 21, 22, 23 and 24 of the main booklet
	2-10	Nomination and selection of the highest governance body	Page 22 of the main booklet
	2-11	Chair of the highest governance body	The company's Bylaws prohibit the exercise of the positions of Chair of the Board of Directors and Chief Executive Officer or principal executive of the company cumulatively by the same person.
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 23, 26 and 30 of the main booklet
	2-13	Delegation of responsibility for managing impacts	Page 22, 30 and 65 of the main booklet
	2-14	Role of the highest governance body in sustainability reporting	Page 65 of the main booklet

Standard	Disclosures		Reference/Direct Response	
GRI 2: General Contents - 2021	2-15	Conflicts of interest	Page 28 of the main booklet	
	2-16	Communication of critical concerns	Page 28 of the main booklet	
	2-17	Collective knowledge of the highest governance body	Omission: We do not conduct training in the reference year, but the need is mapped.	
	2-18	Evaluation of the performance of the highest governance body	Page 25 of the main booklet	
	2-19	Remuneration policies	Page 28 of the main booklet	
	2-20	Process to determine remuneration	OK	
	2-21	Annual total compensation ratio	Omission: We do not report the compensation ratio data due to strategic reasons.	
	2-22	Statement on sustainable development strategy	Page 5 of the main booklet	
	2-23	Policy commitments	Page 27 and 29 of the main booklet	
	2-24	Embedding policy commitments	Page 27 of the main booklet	
	2-25	Processes to remediate negative impacts	Page 28 of the main booklet	
	2-26	Mechanisms for seeking advice and raising concerns	Page 28 of the main booklet	
	2-27	Compliance with laws and regulations	The company has no significant cases to be reported during the period.	
	2-28	Membership associations	Page 15 of the main booklet	
	2-29	Approach to stakeholder engagement	Page 53 and 65 of the main booklet	
	2-30	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.	
	<b>Material topics</b>			
	3-1	Process to determine material topics	Page 2	
	3-2	List of material topics	Page 3	

Standard		Disclosures	Reference/Direct Response
<b>MATERIAL THEME: ETHICS AND INTEGRITY</b>			
GRI 3: Material Topics 2021	<b>3-3</b>	Management of material topics	Page 26 of the main booklet
GRI 205: Anti-corruption 2016	<b>205-1</b>	Operations assessed for risks related to corruption	Page 29 and 83 of the main booklet
	<b>205-2</b>	Communication and training about anti-corruption policies and procedures	Page 4 Page 29 and 83 of the main booklet
		Confirmed incidents of corruption and actions taken	In 2022, we have no history of corruption cases in our Ethics Channel or lawsuits.
<b>GRI MATERIAL THEME: CIRCULAR ECONOMY</b>			
GRI Material topics	<b>3-3</b>	Management of material topics	Page 71 of the main booklet
GRI 306: Waste 2020	<b>301-1</b>	Materials used by weight or volume	Page 6
	<b>301-2</b>	Recycled input materials used	Page 74 of the main booklet
	<b>306-1</b>	Waste generation and significant waste-related impacts	Page 77 of the main booklet
	<b>306-2</b>	Management of significant waste-related impacts	Page 77 of the main booklet
	<b>306-3</b>	Waste generated	Pages 7 and 8
	<b>306-4</b>	Waste diverted from disposal	Page 8
	<b>306-5</b>	Waste directed to disposal	Page 8
<b>MATERIAL THEME: GHG EMISSIONS</b>			
GRI Material topics	<b>3-3</b>	Management of material topics	Page 79 of the main booklet
GRI 305: Emissions 2016	<b>305-1</b>	Direct (Scope 1) GHG emissions	Page 79 of the main booklet
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Page 79 of the main booklet
	<b>305-3</b>	Other indirect (Scope 3) GHG emissions	Page 79 of the main booklet

Standard	Disclosures	Reference/Direct Response	
<b>MATERIAL THEME: C&amp;A EMPLOYEE WELLNESS: PHYSICAL AND MENTAL HEALTH</b>			
<b>Employment</b>			
	<b>401-1</b>	New employee hires and employee turnover	Page 13
GRI 401: Employment 2016	<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	According to our Benefits Policy, we support the well-being of all our employees and dependents, which includes life insurance, health insurance, parental leave, in addition to meal allowance, transport voucher, daycare benefit, funeral benefit, pharmacy benefit, personal support program, discount on purchases, payroll loan, SESC, telemedicine, dental insurance (headquarters and distribution centers). Dental insurance for stores forecast by the CCT, the other stores will soon have the insurance by adhesion. *Telemedicine is granted to the eligible active members of the health insurance.
	<b>401-3</b>	Parental leave	Page 14
<b>Occupational Health and Safety</b>			
GRI 403: Occupational Health and Safety 2018	<b>403-1</b>	Occupational health and safety management system	Page 59 of the main booklet
	<b>403-2</b>	Hazard identification, risk assessment and incident investigation	Page 59 of the main booklet
	<b>403-3</b>	Occupational health services	Page 59 of the main booklet
	<b>403-4</b>	Worker participation, consultation, and communication to workers regarding occupational health and safety	Page 59 of the main booklet
	<b>403-5</b>	Worker training on occupational health and safety	Page 59 of the main booklet
	<b>403-6</b>	Promotion of worker health	Page 59 of the main booklet
	<b>403-7</b>	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 59 of the main booklet
	<b>403-8</b>	Workers covered by an occupational health and safety management system	Page 59 of the main booklet
	<b>403-9</b>	Work-related injuries	Page 9
	<b>403-10</b>	Work-related ill health	Page 9

Standard	Disclosures	Reference/Direct Response	
<b>Training and Education</b>			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 14
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 57 of the main booklet
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 14
<b>MATERIAL THEME: DIVERSITY, EQUITY AND INCLUSION</b>			
GRI Topics materials	3-3	Management of material topics	Page 54 of the main booklet
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 9, 10 and 11
	405-2	Ratio of basic salary and remuneration of women to men	Page 54 of the main booklet
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	<p>The nine reported incidents refer to situations in which the Legal department was involved or became aware of.</p> <p>All nine incidents reported by the Legal department were treated in the extrajudicial sphere (Reclame Aqui or directly by the physical store) and were discussed in a working group composed of Legal, Customer Service and Communication departments.</p> <p>After internal analysis, all incidents were treated and closed.</p>
<b>MATERIAL THEME: EMPLOYEE WELLNESS (working conditions and human rights in suppliers)</b>			
GRI Material topics	3-3	Management of material topics	Page 82 of the main booklet
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>The Code of Conduct for the supply of C&amp;A goods provides that suppliers must adopt an open and collaborative stance so that workers can exercise their freedom of association and collective bargaining. Even in countries where there is no provision by law, suppliers must make it easier for workers to establish alternative forms of representation and negotiation.</p>

Standard	Disclosures		Reference/Direct Response
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Frequent audits are carried out at the production units to validate the working conditions and minimum age of the workers. The activities performed by children under 18 years of age are also evaluated, so that they do not perform dangerous activities or work during the night. In addition, the suppliers sign our term of acceptance to the conditions of the Code of Conduct at the time of approval. C&A prohibits the hiring of child labor in its supply chain. The Global Code of Conduct for the Supply of Goods provides for the minimum working age of 16 years, as well as the Brazilian legislation, which also provides for the age of 14 years of age for a minor apprentice. In addition, suppliers must maintain strict procedures for verifying age at the time of hiring and also ensure that workers who perform night or hazardous work are at least 18 years old.
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Global Code of Conduct for Commodity Supply highlights the expected actions of suppliers to inhibit any form of compulsory labor in their operations. Failure to comply with this requirement is considered "zero tolerance" and provides for interruption of the commercial relationship, as well as remediation actions.
	410-1	Security personnel trained in human rights policies or procedures	We do not report this data for strategic reasons.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Page 84 of the main booklet
	414-2	Negative social impacts in the supply chain and actions taken	Page 85 of the main booklet

#### MATERIAL THEME: RELATIONSHIP WITH THE COMMUNITY

GRI: Topics Materials - 2021	3-3	Management of material topics	Page 59 of the main booklet
	203-1	Infrastructure investments and service supported	In 2022 there were no investments in infrastructure.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 59 of the main booklet
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	C&A has identified a single lawsuit regarding misuse of data.

#### MATERIAL THEME: COMMUNICATION FOR CLIENTS AND TRANSPARENCY

GRI: Material Topics 2021	3-3	Management of material topics	Page 70 of the main booklet
	416-1	Assessment of the health and safety impacts of product and service categories	Page 70 of the main booklet
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	We have not identified any notice of violation or complaint related to impact on consumer health or safety in the use of our products.

Standard	Disclosures		Reference/Direct Response
	417-1	Requirements for product and service information and labeling	<p>During 2022, there were 2 cases of non-compliance with laws that resulted in fine or penalty, 16 cases of non-compliance with laws that resulted in warning, and we had no cases of non-compliance with voluntary codes.</p> <p>C&amp;A was fined in 2 cases relating to nonconformities related to tags and labels. In addition, in 16 cases the company has only been notified, of which it is still awaiting final decisions.</p>
	417-2	Incidents of non-compliance concerning product and service information and labeling	<p>C&amp;A was fined in 2 cases relating to nonconformities related to tags and labels. In addition, in 16 cases the company has only been notified, of which it is still awaiting final decisions.</p>
	417-3	Incidents of non-compliance concerning marketing communications	<p>C&amp;A was fined in 13 cases due to the understanding that there was the practice of misleading advertising. In addition, in 10 cases the company has only been notified, and we await a final decision by the competent body.</p>
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>&amp;A has identified a single lawsuit regarding misuse of data.</p>

# SASB Index

Code	Accounting metrics	Category	Unit of measurement	Reference/ Direct response
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations.			We have no legislation on the subject in Brazil.
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement.			Page 83 of the main booklet. 100% of Tier 1 suppliers and 66% of Tier 3, are in compliance with wastewater discharge permits. In addition, 17 Tier 1 facilities (2%), 13 Tier 2 facilities (2%), and 30 Tier 3 facilities (3%), are in compliance with wastewater standards.
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment.			Page 83 of the main booklet. 100% of Tier 1 suppliers and 66% of Tier 3, are in compliance with wastewater discharge permits. In addition, 17 Tier 1 facilities (2%), 13 Tier 2 facilities (2%), and 30 Tier 3 facilities (3%), have completed the Higg FEM or equivalent assessment.
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities.			Page 15
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard.			9,865.14 of raw material certified by the Textile Exchange's Recycle Claim Standard (RCS) and 6,303,877.56 certified by the Better Cotton Initiative.
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor.			Page 84 of the main booklet. 794 Tier 1 facilities (100%), 75 Tier 2 facilities (17%) and 869 Tier 3 facilities (70%) were audited by a labor code of conduct. In addition, 375 Tier 1 facilities (47%) and 375 Tier 2 facilities (30%), were audited for labor code of conduct by an external auditor.
CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits			In 2022, the priority non-compliance rate associated with supplier labor code of conduct audits was 3.5% and the corrective action rate for non-compliance with internally developed audit standards was 100%.
CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain			Page 83 of main booklet
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1			Page 82 of main booklet

# TCFD Index

Themes	TCFD Recommendation	Report page or direct response
Governance	Describe how the Board of Directors oversees risks and opportunities related to climate change.	The Board of Directors approves policies related to impacts, risks, and opportunities, in addition to having delegated competencies to the Advisory Committees. The identification and management are the responsibility of the Audit and Risk Management Committee. The opportunities may be under the scope of the Executive Board, Committees or Board of Directors, depending on the theme. The Risk Management Policy guide this action.
	Describe the role of the Board of Directors in evaluation and management.	The Board of Directors approves policies related to impacts, risks and opportunities, in addition to having delegated powers to the Advisory Committees. The identification and management are the responsibility of the Audit and Risk Management Committee. The opportunities may be under the scope of the Executive Board, Committees or Board of Directors, depending on the theme. This action is guided by the Risk Management Policy. The ESG area is responsible for supporting the company in the climate change risk response plan, monitored by the Risk Management team.

**Themes** TCFD Recommendation Report page or direct response

<p><b>Strategy</b></p>	<p>Risks and opportunities related to climate change that the organization identified in the short, medium, and long term.</p>	<p>We define the short, medium and long term time horizons as follows:</p> <table border="1" data-bbox="517 408 875 571"> <thead> <tr> <th></th> <th>From (years)</th> <th>To (years)</th> </tr> </thead> <tbody> <tr> <td>Short term</td> <td>0</td> <td>1</td> </tr> <tr> <td>Medium term</td> <td>2</td> <td>5</td> </tr> <tr> <td>Long term</td> <td>5</td> <td>10</td> </tr> </tbody> </table> <p>Within the strategic risk management program, the following climate change risk factors were observed:</p> <p>a) Short-term: Our growth schedule is subject to inventory management risks such as weather variations, seasonality, changes in consumer preferences and fashion trends: Prolonged periods of higher temperatures during the winter or cooler during the summer may leave a portion of our inventory incompatible with the expected weather conditions. In this way, periods of altered weather can lead us to sell excess inventories at discounted prices, reducing our margins, which can have a negative material effect. This may be more significant in the cases of winter collections, which have higher average prices.</p> <p>b) Medium-term: We depend on the public and private system of logistics infrastructure to ship our products to our facilities and consumers: The occurrence of any adverse event such as strikes, logistical problems, increase in fuel prices, border closures, local travel restrictions, external weather events, fires, floods, theft, among others, leading to significant interruptions or reduction in infrastructure activities or transport operations or any failure to transport products between our facilities, suppliers or consumers, for any reason, may delay or affect our ability to distribute our products, impair product demand and prices, prevent or delay deliveries, impose additional costs on our products and reduce foot traffic, which may reduce our sales and adversely affect our business, results of operations and financial conditions.</p> <p>c) Long-term: We may be affected by extreme climate change, natural disasters and natural resource crisis: Our supply chain of clothing products can be adversely affected by natural disasters or extreme climate changes, such as storms or floods, and mainly by a crisis of natural resources (such as water shortage), significantly impacting the chain from cotton plantation to clothing production. The occurrence of any of the above factors could adversely affect our inventory management, operations and financial results.</p> <p>In addition, our operation of stores and distribution centers may be adversely affected by natural disasters or extreme weather changes, such as storms or floods, among others, leading to significant interruptions or reduction in activities, and may delay or affect our ability to distribute our products, prevent or delay deliveries, impose additional costs on our products and reduce foot traffic, which could reduce our sales and adversely affect our business, results of operations and financial condition.</p> <p>Regarding the opportunities identified by the company, we have:</p> <ul style="list-style-type: none"> <li>- Automation of processes in distribution centers;</li> <li>- More sustainable supply chain since the cultivation of raw materials, which gives C&amp;A a broad advantage over the competition, which still pays little attention to these issues;</li> <li>- Use of gas emission inventory data as a business opportunity, considering the climate issue as a strategic factor.</li> </ul> <p>For more details on the evaluation processes, see our <a href="#">Risk Management Policy</a>.</p>		From (years)	To (years)	Short term	0	1	Medium term	2	5	Long term	5	10
	From (years)	To (years)												
Short term	0	1												
Medium term	2	5												
Long term	5	10												
	<p>Impacts of risks and opportunities related to climate change on business, strategy and financial planning of the organization.</p>	<p>Questionnaire answered by C&amp;A to CDP available on <a href="#">here</a>, item 2.</p>												
	<p>Resilience of the organization's strategy, considering different climate change scenarios, including a scenario of 2°C or less.</p>	<p>Global C&amp;A, in committing to the Science Based Targets Initiative's reduction target, conducted a scenario analysis and our absolute emissions reduction targets are aligned with climate scenarios that keep global warming below 2°C. See the full disclosure of our commitment <a href="#">here</a>.</p> <p>Moreover, our Sustainability strategy in search of fashion with a positive impact confers resilience to the business in the face of climate change: we prioritize the use of more sustainable raw materials with over 96% of our cotton being sourced more sustainably, we develop products to be used again, thinking about their entire life cycle, 64% of stores are supplied by the free energy market, we implemented the green fleet project with electric trucks, we built 3 solar plants that will supply 10 stores, among other initiatives (see page 65 of the main booklet).</p>												

**Themes** TCFD Recommendation Report page or direct response

<p><b>Risk Management</b></p>	<p>Processes used by the organization to identify and assess risks related to climate change</p>	<p>With risk management practices, C&amp;A seeks to prevent, mitigate, and treat any and all types of risk that may impact the execution of the company's strategy, ensuring that risks and their impacts are considered in the decision-making process.</p> <p>The methodology follows these steps:</p> <ol style="list-style-type: none"> <li>1. Understanding of strategic objectives</li> </ol> <p>The understanding of the strategic objectives is the first stage of the risk management process, since it includes the deep understanding of the strategies and objectives of the business that will be the focus during the identification of the company's risks.</p> <ol style="list-style-type: none"> <li>2. Identification and documentation of risks</li> </ol> <p>The identification of corporate risks considers the main factors (external, internal, and emerging risks) that can affect strategic initiatives. The objective of this step is to identify the risks based on the perception of the company's executives. The product of this stage is a relationship of risks based on factors that may divert the company from the achievement of its main strategic objectives, which are categorized according to the Risk Dictionary.</p> <p>Within the scope of the company, risks of a strategic, financial, operational, technological and regulatory nature are considered.</p> <p>The risk "Climate Change" is considered in our Risk Dictionary as the risk "39. Climate Change and Natural Disasters", under the category "Strategic Risks" and the subcategory "External Factors".</p> <p>In 2020, based on the identification stage, the company analyzed the degree of each risk, considering its potential impact on the business and the probability of each risk materializing. After that, the main risks were listed in which the company's Executive Board, with the support of the Audit and Risk Management Committee and the Board of Directors, defined the Heat Map prioritizing the risks with the greatest impact on the company's strategy.</p> <p>Heat Map with Prioritized Risks</p> <p>The company's Risk Management governance, where all risks inherent to the business are monitored, is carried out continuously by the Risk Management and Internal Controls area.</p>
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**Heat Map - Risks prioritized by the Executive Board**

**2021**

Top 20 Risks	Risks
24	Strategy planning and execution
58	Technology Architecture and Systems
21	Digital
62	Security, Cyber and Privacy
64	LGPD
55	Talent Attraction and Retention
22	Partnerships and Strategic Alliances
51	Logistics Distribution
13	Organizational Culture
9	Social Responsibility and Sustainability

**2022**

Top 20 Risks	Risks
38	Social Media
53	Process effectiveness and efficiency
19	Supplier Dependency
28	Customer Journey
29	Consumer behavior
20	Store Operation (Off-line)
35	Innovation
40	Societal
37	Competition or New Participants
4	Internal Communication



Themes	TCFD Recommendation	Report page or direct response
Risk Management	Processes used by the organization to identify and assess risks related to climate change.	<p>At the end of the stage of evaluation of the degree of exposure of the company, the decision-making process regarding the treatment of risks is carried out, according to the risk appetite guidelines determined by the company's senior management.</p> <p>This phase involves identifying, training and supporting the owners of the risks in the development and formalization of the "response plan" that includes possible alternatives to address the risks:</p> <ul style="list-style-type: none"> <li>a. Avoid: eliminate risks, redefine business objectives and/or strategies.</li> <li>b. Reduce: diversify, intensify the level of management and/or improve controls.</li> <li>c. Accept: no further action, keep monitoring.</li> <li>d. Share: Share or transfer, in part or in whole, the risks.</li> </ul> <p>According to the risk appetite guidelines determined by the company's senior management, the risk of "Climate Change" ("39. Climate Change and Natural Disasters"), has not been prioritized, but is being monitored by the company within the Risk Management governance. It is worth mentioning that the risk related to the socio-environmental theme ("9. Social Responsibility and Sustainability") was prioritized by the company and a "response plan" was created and is being monitored by the Executive Board, the Audit and Risk Management Committee and the Board of Directors.</p>
	How the processes used by the organization to identify, assess, and manage risks related to climate change are integrated into the overall management of organization risks.	<p>The company conducted a Risk Assessment in 2020, which is updated whenever necessary or every three years, with the objective of reviewing the current model of corporate risk management, considering the documentation of the main business risks that may impact the execution of its strategy and defines the risks that will be prioritized in the risk dictionary.</p> <p>At the moment, the risk "39. Climate Change and Natural Disasters" is being monitored, but when the company prioritizes it, a "response plan" will be structured with the support of Risk Management and Internal Controls, according to the current methodology.</p>

Themes	TCFD Recommendation	Report page or direct response
Metrics and Goals	<p>Metrics used by the organization to evaluate the risks and opportunities related to climate change according to the risk management strategy and process.</p>	<p>We aim to create fashion with positive impact, and this begins when we offer our customers products with less environmental impact and/or with circularity attributes in their development. In the current context in which we experience clear man-made climate change, our growth agenda is subject to inventory management risks due to climate variations, seasonality, changes in consumer preferences and fashion trends.</p> <p>Climate risks and opportunities influence financial planning, such as indirect costs and acquisitions and divestments. Actions to respond to risks and opportunities may incur indirect expenses or investments, and must be provided for in a plan approved by the Board of Directors and competent governance bodies.</p> <p>Our supply chain of clothing products can be adversely affected by natural disasters or extreme climate change, and especially by a crisis of natural resources (such as water shortage), significantly impacting the chain from cotton plantation to clothing production. The occurrence of any of the above factors could adversely affect our inventory management, operations and financial results. We may then be subject to a drop in revenues due to a reduction in demand for products and services and the inability or delay in identifying changes in customers' consumption habits and behavior. (<a href="https://ri.cea.com.br/servicos-aos-investidores/principais-fatores-de-risco/">https://ri.cea.com.br/servicos-aos-investidores/principais-fatores-de-risco/</a>).</p> <p>During the year, we made continuous investments in the modernization of the supply chain and the processes of construction of the collections to meet the demands of consumers quickly, considering: (i) mesh network and distribution, (ii) omnichannel operation, and (iii) technology.</p> <p>We are susceptible to degradation of the company's reputation and image before its customers, employees, suppliers, regulatory bodies and investors if we are unable to adequately demonstrate our initiatives on the subject.</p> <p>We invest in more efficient production processes in the use of resources for our collections with reduced use of water, chemicals and consequently emissions. Also investments in technology for our operations in the form of efficiency initiatives in stores (100% LED lighting, retrofit made in 2022); inverter air conditioning equipment; emergency generator with low diesel consumption; remote energy monitoring in real time; remotely adjusted temperature setpoint; automation to remotely turn on and turn off the air-conditioning equipment, elevators and escalators with inverter and with consumption reduction system when they are out of use and supply by renewable sources with more than 65% of the stores in the free market and construction of solar power plants). We expanded the green logistics project, with replacement of CNG fuel and electric trucks with monitoring of emissions reduction.</p>
	Greenhouse gas emissions of Scope 1, Scope 2 and, if applicable, Scope 3, and the risks related to them.	Climate Change Chapter. GHG Inventory, page 79.
	Goals used to manage risk and opportunities related to climate change and the performance against goals.	C&A, as a fashion retail company in line with the industry agreement, is committed to reducing greenhouse gas emissions of scopes 1, 2 and 3 by 30% by 2030, compared to the base year 2018. This commitment has been established globally for all regions and business units, with the Science Based Targets Initiative (SBTi). The targets that cover greenhouse gas emissions from the company's operations (scopes 1 and 2) are consistent with the reductions needed to keep global warming below 2°C. Locally, C&A Brazil considers its base year 2019, after the IPO that same year, which provided greater autonomy for local management. Thus, and for greater adherence to the national context, the company is reviewing the methodology to be adopted regionally. (See <a href="#">commitment</a> )

# Assurance Letter

GRI 2-5



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## Limited assurance report issued by independent auditors

To the Board of Directors and Shareholders of  
**C&A Modas S.A.**  
São Paulo - SP

### Introduction

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

### Responsibilities of C&A's Management

The Management of C&A is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), with the Task Force on Climate-Related Financial Disclosures (TCFD), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### Responsibility of independent auditors

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

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

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

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

- a. engagement planning: considering the material aspects for C&A's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the C&A's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), and with the Task Force on Climate-Related Financial Disclosures (TCFD);
- d. evaluation of non-financial indicators;
  - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
  - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
  - analysis of evidence supporting the disclosed information;
- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators with the financial statements and/or accounting records.

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

#### Scope and limitations

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

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

#### Basis for conclusion with reservation

C&A declares that its Annual Report was prepared in accordance with the recommendations of the TCFD - Task Force on Climate-Related Financial Disclosures. However, the Company didn't fully comply with the TCFD requirements regarding the following topics: (i) Governance (the board's role in the supervision and assessment of risks and opportunities related to climate change); (ii) Strategy (risks and opportunities related to climate change that the organization has identified in the short, medium and long term, impacts of risks and opportunities related to climate change on the business, the organization's strategy and financial planning, resilience of the company's strategy organization, considering different climate change scenarios, including a scenario of 2°C or less); and (iii) Risk Management (processes used by the organization to identify, assess and manage risks related to climate change and how the processes used by the organization to identify, assess and manage risks related to climate change are integrated into general risk management of the organization).

#### Conclusion with reservation

Based on the procedures performed, described in this report, except for the effects of the matter described in the Basis paragraph for conclusion with reservation, we have not identified any relevant information that leads us to believe that the information in the Annual Report 2021 C&A is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Orientation CPC (Brazilian Accounting Pronouncements Committee) 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC), with the Sustainability Accounting Standard – Apparel, Accessories & Footwear of the Sustainability Accounting Standards Board (SASB), and with the Task Force on Climate-Related Financial Disclosures (TCFD), and with the records and files that served as the basis for its preparation.

São Paulo, March 31<sup>st</sup>, 2022

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

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



## Credits

### General Coordination

ESG Team

### Photos

Rodrigo Paiva and C&A Collection

### Consulting, content, translations and layout

Ricca Sustentabilidade

<https://www.linkedin.com/company/riccasustentabilidade>

### To learn further:

Results detailed and commented by the management:

[Financial Statements](#)

Overview of relevant business aspects:

[Reference Form](#)

If you are looking for additional information on our commitment to sustainability, please write to our sustainability team:

[sustentabilidade@cea.com.br](mailto:sustentabilidade@cea.com.br)

