

A woman with long dark hair is standing in a lush tropical jungle. She is wearing a sleeveless, one-shoulder dress with a vibrant floral and butterfly pattern. She is leaning against a large, moss-covered tree trunk. The background is filled with dense green foliage and palm fronds. The overall mood is natural and sustainable.

VESTE

SUSTAINABILITY REPORT 2023

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CHAPTER 1

INTRODUCTION

SDG



ABOUT THE REPORT

GRI 2-2 | 2-3 | 2-14

It is with great pleasure that we welcome Veste's third Sustainability Report. In this report, we present to our stakeholders the company's main advances, results and challenges between January 1 and December 31, 2023, taking into account ESG aspects (acronym for Environmental, Social and Governance).

For the methodology, we adopted the criteria of the **Global Reporting Initiative (GRI)**, an internationally recognized reporting standard, and integrated the **Sustainable Development Goals (SDGs) of the United Nations (UN)** into the content, in accordance with the principles of the **Global Compact**.

It is worth noting that the process of preparing this document involved the approval of the Director of Financial Planning, Investor Relations and ESG, as well as the Chief Executive Officer of Veste. Furthermore, it was assessed by the Board of Directors, which recommended its disclosure to the market, being published on 29/05/2024. The structuring of the chapters, in turn, was based on our material topics, identified through a materiality study (learn more on [page 8](#)).

LE LIS



DUDALINA

BO.BÔ

JOHN JOHN



INDIVIDUAL



The indicators are highlighted with the symbol "GRI XXX-X" throughout the chapters and subchapters. The full table of contents can be found on [page 80](#). Learn more at: www.globalreporting.com/



Veste is a signatory to the Universal Principles of the Global Compact. The report is aligned with the 2030 Agenda, which aims to achieve the 17 SDGs proposed by the UN. You can see the complete map that relates our content to the SDGs on [page 93](#). Learn more at: www.odsbrasil.gov.br/

The information reported covers all Veste brands.



Should you have any questions and/or suggestions about the Report, please contact us via email: sustentabilidade@veste.com

A MESSAGE FROM THE CEO

GRI 2-22

The year 2023 was a period of evolution for Veste, preparing us for a new cycle of growth, supported by the strength and solidity of our brands and a robust capital structure. In terms of performance, we achieved revenue of R\$1.4 billion in the year, with growth of 4.6% compared to 2022. **Same Store Sale (SSS), an important indicator for measuring the efficiency of store operations, showed a total increase of 10.4%, with 11 consecutive quarters of growth.**

We maintained our commitment to selling at full price as a strategic business core, achieving a gross margin of 65.7%, +3.0 p.p. compared to the adjusted gross margin of the previous year. Based on this greater profitability, we reached an adjusted EBITDA of R\$224.4 million and an adjusted net profit of R\$55.9 million, with an adjusted net margin of 5.0%, which represents an important milestone after adapting the company's debt level in 2022.

As far as our strategy and innovation efforts are concerned, this year we consolidated the transition to Veste's new corporate identity. We worked on a series of internal initiatives to assimilate and engage employees and leaders, repositioning the brand in the market and ensuring a mutual relationship of trust and transparency with our stakeholders.

Throughout 2023, the **Le Lis** and **BO.BÔ** brands presented excellent results, reflecting the conclusion of the rescue of their essence, which included the collection, purchasing, pricing, display of pieces, communication and team composition. As part of this strategy, we defined the implementation of a new architectural concept, resulting in the refurbishment of 14 **Le Lis** stores and four **BO.BÔ** stores by the end of the year. Dudalina's evolution work was intensified from the end of 2022, adapting the good practices observed in the **Le Lis** and **BO.BÔ** brands. **John John**, on the other hand, had its transformation work carried out more significantly from the second half of 2023. We are confident that the adjustments being implemented will lead to a reversal in the brand's trajectory in the medium term.

Still about **Le Lis**, in 2023, we celebrated the brand's 35th anniversary with the theme "Icons are eternal". Its history is marked by a journey of beauty, adaptability, resilience and uniqueness. A leading brand in creating an integrated lifestyle concept, **Le Lis** has been a significant influence in female transformation over the years, being a milestone in changes in desire and consumption patterns from a more conscientious standpoint.

The company stood out for being a pioneer in creating the 360 concept, which encompasses all aspects of its consumers' lives, including the ambiance of their homes.

Also, regarding these brands, it is worth noting that we have achieved the company's initial plan to implement the new visual concepts in 44 stores by the end of 2023. These are operations that already consistently present higher sales and profitability performance.

Concerning the customer journey, the Multidisciplinary Experience Committee worked to ensure a unique shopping experience and excellent service, with structured responses aimed at guaranteeing feedback to all our consumers.

In this regard, we achieved a **NPS of 82 in 2023**, a demonstration of the daily zeal of each of our brands. Reinforcing our commitment to making each interaction with our customers a special moment, we have also intensified investments in Veste's digital sector.

In light of the pillars of sustainability, we seek to advance our ESG strategy by having medium- and long-term goals, aligned with the Sustainable Development Goals. Furthermore, when it comes to governance, we had the creation of the Digital and Growth Executive Committee, which is responsible for driving the digital transformation of the business, as well as the launch of new institutional policies throughout the year. Among other measures, this resulted in a **higher position in the Fashion Revolution Index**.

In relation to environmental progress, we reinforced Veste's positioning to reduce its emissions by **joining the Net Zero Ambition Movement of the UN Global Compact in Brazil**, which works to engage organizations against climate change. In this regard, we published the second GHG Emission Inventory of our company with the support of specialized external consultancy, which represents a significant

improvement in our data compared to the previous year. Still on this topic, we expanded our "green deliveries", ensuring that 31.3 tons of CO₂ were no longer released into the atmosphere. When we talk about eco-efficiency and better use of natural resources, we highlight Veste's continued partnership with eureciclo and the **migration to a clean and renewable energy matrix for our two factories**, starting operations in June 2024.

In the social sphere, we further consolidated the company's Diversity and Inclusion topics by implementing, for instance, the **Developing Black Talents Program**, which focuses on racial equity on our team. Furthermore, we preserve the business's commitment and pioneering spirit to gender equality, reflecting the essence of Veste when it comes to be an organization with a female soul, which is mostly composed of women and **58% of its senior management positions are held by female leaders**. As an important achievement on this topic, we received the **Women on Board (WOB)** seal in 2023. We also continued to support several social projects in the communities in which we operate and improved the management of our supplies, being awarded the **ABVTEX gold seal for factories**, in order to **ensure value and integrity** to the company's chain and operations.

For the next cycles, we will continue to work on this path of consistency and commitment to profitable and sustainable growth, having as a basis renovated stores and concept, focus on digital, expansion of B2B and improvement of customer service. Thus, we will be able to continually materialize the mission of Veste and its brands.

Finally, we would like to thank all those who worked with us and believed in the purpose of our business during 2023. We are part of a unique construct and we want to move forward day by day in the evolution of this journey.

I hope you enjoy this reading. Best regards,
Alexandre Afrange - CEO.



HIGHLIGHTS IN 2023



Governance and Business

New architectural concept in **44 stores of our chain**

5 new policies launched in 2023

Net Promoter Score (**NPS**) of 82

Higher position in the **Fashion Revolution** Index

Increase in B2C Digital by **24.4%**

Creation of the Digital and **Growth Executive Committee**



Social

WOB – Women on Board seal received

Developing Black Talents program launched

Around 1,225 women impacted by the project's actions in partnership with **Instituto Protea**

Donation of fabrics not used in our processes to 3 NGOs

Total of **733** promotions and internal merits



Environmental

Procurement of **renewable energy** for factory operation

Adhesion to the **Net Zero Ambition Movement**, Sou de Algodão and Sou ABR movements (tracking)

Specialized consultancy hired to **improve our GHG inventory**

Achievement of the **ABVTEX gold standard**

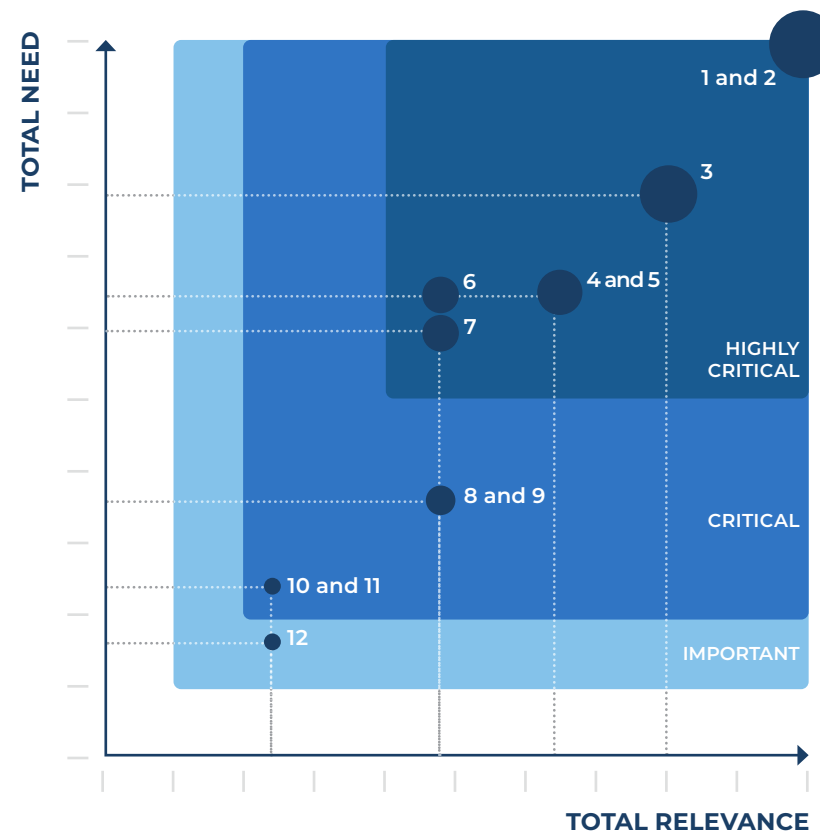
MATERIALITY STUDY

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

In 2022, we conducted a materiality study in order to determine the priority topics, with the greatest positive and negative impact, real or potential, for the company within the sector, considering the short and medium term. The result of the process guarantees the direction of our ESG strategy, supporting the decision-making of senior leadership and addressing the prioritization of our efforts. Carried out by a specialized external consultancy, the study followed three main stages:

1. Assessment of ESG requirements for the capital market through an analysis based on sector benchmarks and international frameworks.
2. Sector analysis examining the material topics for six benchmark companies in the sector, chosen due to their ESG performance and similarity with our business.
3. Consolidation of the priority topics identified in the previous stages.

In the end, we identified 12 material topics for Veste, which compose our materiality matrix and guide our management on sustainability topics:



TOPICS

- 1 Combating climate change
- 2 Commitment to human rights
- 3 Team diversity and leadership
- 4 Good health and well-being promotion
- 5 Supply chain management
- 6 Packaging materials management
- 7 Compliance, ethics and integrity management
- 8 Circular economy
- 9 Risk culture
- 10 Water consumption
- 11 Positive value for society
- 12 Brand and reputation management

Combat climate change	Ensure the reduction of greenhouse gas emissions and raise awareness of the major impacts of climate change on our planet.	 
Commitment to human rights	Guaranteeing dignity, freedom and equality for all people, collaborating with the eradication of forced labor, child labor and the protection of labor rights.	   
Team diversity and leadership	Guarantee participation and equal opportunities for women, including in leadership positions, by promoting equal rights and their empowerment. We consider diversity in all its aspects, focusing on gender equality.	  
Good health and well-being promotion	Protect labor rights by promoting safe work environments and programs aimed at workers' health.	 
Supply chain management	Ensuring sustainable and efficient supplier management, with targets and transparency throughout the production chain.	     
Packaging materials management	Reduce waste generation through prevention, reduction, recycling and reuse, in addition to replacing packaging materials with options that generate less impact.	 
Compliance, ethics and integrity management	Mitigate corruption and bribery, ensure better decision-making, guarantee public access to information and protect fundamental freedoms.	
Circular economy and cleaner production	Reduce waste generation and ensure the efficient use of natural resources through more sustainable management.	  
Risk culture	Maintain and support effective, accountable and transparent institutions at all levels, encouraging the adoption of management practices to reduce risks.	 
Water consumption	Increase the efficiency of water use in the sectors, reducing pollution and waste.	 
Positive value for society	Promoting a reduction in the socio-environmental impacts of operations, generating positive value for stakeholders.	  
Brand and reputation management	Maintaining the DNA of brands, attracting the positive eyes of consumers, the market and stakeholders.	

A POSSIBLE FUTURE

Within Veste's sustainable approach, we understand that fashion and socio-environmental responsibility must go hand in hand. To this end, each individual has the power to be a catalyst for changes for the future. With this in mind, our actions aimed at ESG criteria are based on the pillars of Reduce, Respect and Realize. Based on them, the Company's objective is to enhance its positive impacts on the environment and society, while mitigating the negative impacts resulting from the operation.



+REDUCE

It is through this pillar of **environmental actions** that we evaluate and measure the impacts throughout the production chain of our brands. Our goal is **to act in an increasingly responsible manner** in the manufacturing of products, waste treatment, sales and distribution of clothing and accessories.

We are committed to **being together with partners and suppliers who work with the same objective**, in addition to **raising awareness among our employees** about optimizing the use of energy and water, encouraging selective collection, recycling and preferring renewable resources.



+RESPECT

From the **governance pillar**, we understand that it is essential to **build reliable**, lasting and transparent **relationships** with our partners, employees and other stakeholders.

Ethics and transparency are the starting points for any decision-making at the company, values that we do not compromise on.



+REALIZE

Based on the **social pillar**, we believe that **people will always be the fundamental element that makes up Veste**. To this end, we are **committed to following the Brazilian labor legislation and respecting our employees**, ensuring dignified and safe work in an environment of competence and equality.

We value healthy, respectful and harmonious relationships. **We reflect our values and our culture from the inside out.**

PUBLIC GOALS AND COMMITMENTS

GRI 2-24

Environmental Goals

Related material topics:

1. Combat climate change
6. Packaging materials management

2025

Submit short-term goals for Science Based Targets initiative (SBTi) approval

In progress

Ensure that at least half of plastics are 100% recycled for B2C

0%

Eliminate problematic and unnecessary plastics in B2C packaging

98%

25% of the main materials for sources with a lower climate impact by 2025

0%

2030

Achieve 100% renewable energy in all our own operations

14%

Ensure that at least half of B2C plastics are 100% recycled

0%

Eliminate problematic and unnecessary plastics in B2B packaging

1%

Read more on pages [49](#) and [53](#)

Read more on pages [49](#) and [53](#)

Social Goals

Related material topics:

2. Commitment to human rights
3. Team diversity and leadership
4. Good health and well-being promotion

30% of black, *pardo* and indigenous people in leadership positions

26%

40% of black, *pardo* and indigenous people in leadership positions

26%

Maintain 50% or more of senior leadership positions held by women, in line with the UN's Women Lead Movement

100%

Read more on pages [61](#) to [63](#)

Governance Goals

Related material topics:

7. Compliance, ethics and integrity management

Be part of the B3 ISE portfolio

On time

*Depending on meeting the liquidity requirement for entry into the index.

We are committed to the goal of Net Zero emissions by 2050, in line with The Fashion Pact.

CHAPTER 2

ABOUT VESTE

SDG



CAPITALS



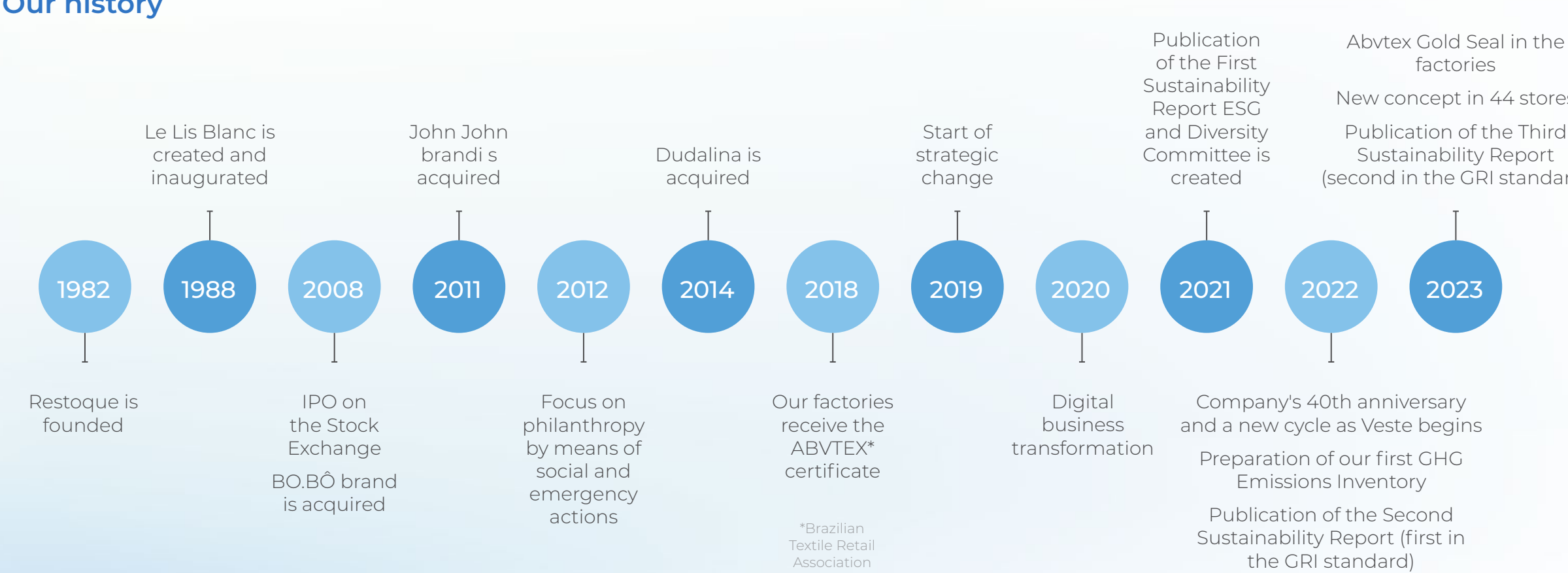
ABOUT US

GRI 2-1 | 2-6 | 3-3

Veste is among the leaders in the Brazilian retail market in high-end fashion and accessories. With over 40 years of continuous work, our business is supported by a selection of exclusive brands, which captivate consumers through a

portfolio full of innovation. We create clothing, accessories, footwear, and decoration items that reflect a modern lifestyle, providing happiness, sophistication, and comfort to our customers.

Our history



Bearing in mind our objective of converting challenges into possibilities for growth, in 2023, we carried out several actions to consolidate the new "**VESTE S.A. ESTILO**" identity. The change reflects our commitment to and expertise in delivering value to consumers, employees, and all stakeholders, prioritizing an innovative business, looking to the future, caring for people and being environmentally responsible.

Being present throughout the country, considering our own stores, multi-brand stores, franchises, and digital operations, we work daily to continue delighting our customers through an ethical, responsible, and careful conduct.

In this new phase, Veste opens the doors to increasingly transparent communication, involving all participants in its journey and putting people at the center of everything.

Even facing countless challenges posed by the dynamism of the market, we are committed to meeting and exceeding expectations in every detail.

Our purpose is to make dreams come true, predict desires, exceed expectations, bring happiness, and make our customers know that they are unique and special.



+ 571.2k* customers across all regions of Brazil

(Active Customer Base of the B2C channel on 12/31/2023)



179 own stores*

(figures of each state are shown on the map)

10 Franchises

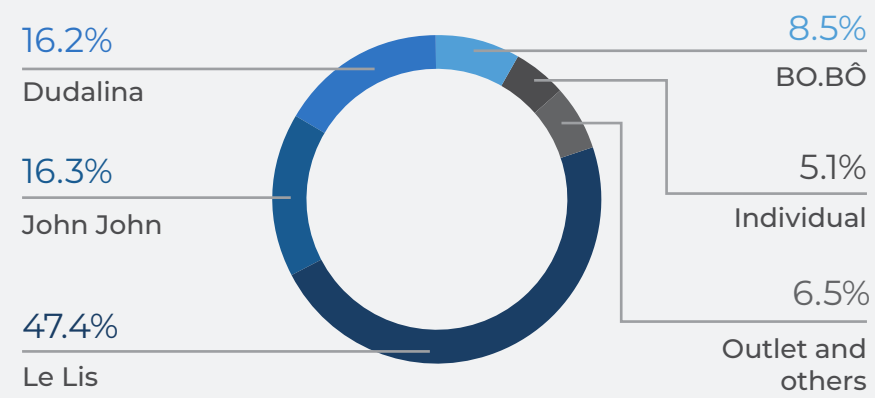


*Number of stores at the end of 2023

OUR BRANDS

We exalt in our brands the contemporary style that characterizes Brazilian fashion. Veste's actions honor the unique DNA of each one of the brands, highlighting their characteristics, journeys, and strengths. Based on the work of the Brand Verticals, we offer unique products, which are perfectly in tune with the latest global trends, including the search for responsible and growing socio-environmental actions. The Corporate Departments provide support to brands by disseminating good practices and seeking synergy and efficiency.

Revenue in 2023 (%)



Upon completing 35 years of history in October 2023, **Le Lis** established itself as an icon of Brazilian fashion, achieving gross revenue of R\$653.2 million in the same year. It represents growth of 12.8% compared to the previous year. The brand has conquered its space by offering a broad portfolio of products that dress women in every moment of their lives. Recognized as synonymous with a lifestyle full of happiness, desire, elegance and versatility, Le Lis is aligned with global trends and is part of the affective memory of different generations of Brazilian women, offering clothes for all occasions — from the workplace, with quality tailoring, to party outfits. Furthermore, the brand also presents its Petit line, which is aimed at girls aged 4 to 12, and Le Lis Casa, which offers table setting items, decoration, and fragrances.

BO.BÔ is a brand that remains in tune with the world and ahead of its time. Its main pillars include exclusive raw materials, precious embroidery, impeccable tailoring, and meticulous work with leather. Through these elements, the brand interprets fashion and consumer trends for the cosmopolitan woman, connecting its customers to a universal perspective. Recognized for creating pieces that arouse desire, BO.BÔ recorded gross revenue of R\$117.7 million in 2023, marking an increase of +24.4% compared to 2022.



John John stands out on the Brazilian scenario for its innovative jeans, being present at major events and festivals since its founding in 2011. With a varied line of women's and men's products, and strong digital engagement through the country's main influencers, the brand is defined by an urban, rocker and cool essence. In 2023, it recorded gross revenue of R\$224.8 million.

Dudalina is recognized as the largest shirtmaker in Latin America, being a benchmark in workwear and standing out in the market for the incomparable quality of its diverse product mix. The brand serves both female and male audiences, offering sophisticated items for the most demanding consumers.

With a team of experts dedicated to surprising customers and expanding its physical and digital presence, the brand achieved gross revenue of R\$223.8 million in 2023.

Individual, focused on the male audience, with high-quality casual and social style pieces, is present in the main multibrand stores in Brazil and has attracted new customers through its e-commerce. As a result, the brand achieved gross revenue of R\$70.8 million in 2023.

BUSINESS MODEL AND STRATEGY GRI 2-6 | 2-29

RESOURCES/ASSETS

OUR WORK

VALUE GENERATED



Intellectual Capital

Investments in innovation;
Frequent training and feedback, encouraging employees to grow.



Human Capital

Almost 4,000 employees;
Promotion of diversity and inclusion;
Corporate University.

Pact for the future of fashion.

People as a fundamental element of the strategy.

Female soul and recognition of the importance of making fashion, not just selling clothes.

Responsible evolution.



Intellectual Capital

High number of merits and promotions in a welcoming environment, which seeks innovation and the best results.



Human Capital

Women are the majority: 75% of employees and 58% of leaders;
Achievement of the Women on Board (WOB) seal.



Manufactured Capital

Presence in 21 states + Federal District;
Better use of digital tools and logistics development.



Natural Capital

Conscientious and responsible use of natural resources, aiming for eco-efficiency;
Partnership with the company eureciclo.



Manufactured Capital

179 Own stores;
2 Factories;
2 Distribution centers;
1 Office.



Natural Capital

Resources such as water, energy and other raw materials in factories;
Waste generation.



Financial Capital

Balanced Capital Structure;
Capital increase of R\$100 million for investment in business growth, especially in new store concepts.



Social Capital and Relationship

Relationship with communities, suppliers, investors and customers;
National suppliers are the majority.



Financial Capital

Total gross revenue of R\$1.4 billion;
Adjusted EBITDA growth of 12% and Adjusted Net Income of 56 million.



Social Capital and Relationship

Socio-environmental actions and campaigns carried out;
R\$297,048 donated to the Protea Institute.

BUSINESS STRATEGY

Our corporate activities are based on promoting profitable and sustainable growth for the company. This foundation guides senior leadership in the search for innovation and process improvements, capable of leveraging business performance, always in line with our values and objectives, guaranteeing Veste a prominent position in the high-end fashion market.

We see as the main growth avenues the development of the B2B channel, the increase in revenue and profitability of the retail channel resulting from the implementation of new architectural concepts in physical stores, the continuous expansion of our customers active base and investment in technology to evolve the digital channel. With ethics and transparency, we provide a unique customer experience and generate value for shareholders.

All of these processes form the basis of our business strategy and guarantee mutual and trusting engagement with all of the company's stakeholders.

Strategic pillars of Veste's profitable and sustainable growth



Focus on full-price sales with high sell-through rate



Reduction of expenses as a % of revenue and continuous improvement in the operating cash conversion cycle



Exceptional customer experience across all channels and touchpoints



Act as a group by sharing best practices while respecting the essence of each brand



Evolution of digital platforms



Simplification and digitalization of processes



Remodeling wholesale and franchises to generate growth



Culture: our team is what generates our success



Growth of the active customer base



ESG integrated into the business with results

The main guidelines of our strategy include:

1°

EXCEPTIONAL CUSTOMER EXPERIENCE

We are dedicated to delivering a superior shopping experience across all touchpoints and channels. Customer satisfaction is regularly assessed through Net Promoter Score (NPS) across our B2C and B2B channels.

2°

PRODUCTIVE GROWTH IN RETAIL

We see significant potential to increase productivity in retail, focusing on full-price sales and maximizing the sell-through rate of our collections and yield per square meter. We started a store revitalization plan in 2022 in order to improve the shopping experience, attract new customers and increase sales.

3°

EXPANSION IN THE WHOLESALE CHANNEL

We see opportunities to expand our wholesale sales in the coming years. Our strategies include accelerating the growth of the Le Lis and BO.BÔ brands throughout Brazil, recovering Dudalina's historical levels of sales and customers served, and expanding the brand's franchise channel.

4°

STRENGTHEN ONLINE SALES

Our online sales are growing quickly and profitably. The Digital and Growth Executive Committee assists in formulating strategies for this channel. In 2023, our e-commerce gross revenue increased 24.4% compared to the previous year, reflecting the efficiency of our omnichannel approach.

5°

OPERATIONAL EFFICIENCY THROUGH SIMPLIFICATION AND DIGITALIZATION

Our goal is to achieve greater operational efficiency using current administrative infrastructure to drive growth and reduce costs. With the support of the Digital and Growth Executive Committee, we are simplifying and digitalizing our processes to increase efficiency.

6°

CREATION OF SOCIAL AND ENVIRONMENTAL VALUE

Our ESG initiatives are anchored in these three pillars: Reduce, Respect and Realize. Thus, they seek to maximize positive impacts on the environment and society and minimize the negative impacts of our operations.

Dudalina franchises

Dudalina plans to open 30 new franchises within two years, expanding its presence in Brazil, where there are already 39 own stores, 6 franchises and more than 1,100 multi-brand stores. With 66 years of history, the company recognized as the largest shirtmaker in Latin America adopts a customer-focused strategy, from research to the sale of products. The new franchises will adopt the brand's new architectural concept to strengthen their identity at all touchpoints with the customer. In the last quarter of 2023, our own stores revitalized with the new design, registered a growth of 19.5% compared to the same period in 2022, demonstrating their success after the architectural changes. In addition, all retail expertise will be transmitted to franchisees, including special training for their teams, ensuring a consistent extension of the experience in their own stores.

Stakeholder engagement

We seek to maintain a mutual relationship of trust and transparency with all our stakeholders, valuing and implementing the feedback provided by customers through our satisfaction surveys (learn more on [page 24](#)), as well as giving an active voice to the company's team through *Escuta Veste* (see more details on [page 40](#)) and other initiatives mentioned throughout this report.

Regarding communication with shareholders, market agents and investors, we use the institutional [Investor Relations](#) website as one of the main tools, aiming to make available to all the documents and information necessary to analyze our scenario, including financial performance and main advances in ESG practices.

Available 24 hours a day, the [Talk to IR](#) page allows agents to contact us. In addition, Veste keeps its [mailing list](#) active, with periodic relevant updates on results, conferences and other topics that may be of interest to our audiences.

In 2023, Veste celebrated its 15th anniversary since its initial public offering (IPO), with a ceremony attended by shareholders and directors at the B3* headquarters, in São Paulo, SP. As pioneers in this segment, we stand out as the first high-end fashion company to go public in Brazil, preserving the tradition of the business and maintaining a solid relationship with the capital market.

*Brazilian Stock Exchange





Relationship with the media

Currently, Veste has a close relationship with the press, a result of the strategic implementation of Public Relations agencies.

Each of our brands is supported by its own advisory team, ensuring the preservation and maximization of authenticity and media visibility. Additionally, the company's corporate communication is reinforced by the support of an agency specialized in business communications. This arrangement promotes the consistency of our narrative, aligning it with our business objectives, while solidifying ties and keeping the financial market informed.

As a result of this strategy, we guarantee a constant presence in the main media through clipping that highlights the company and its brand products in various forms of journalistic coverage, including brief notes, reports, and fashion editorials. This visibility is increased during the launch of new collections or specific marketing campaigns, significantly increasing our impact on the market.

Check out some of Veste's main highlights in the media in 2023:

[Protea Institute Event](#)

[Exame Article: Profitability](#)

[InfoMoney Article](#)

[Dudalina — Valor Econômico](#)

[Portal Show Business: Interview with our CEO Alexandre Afrange](#)

New Veste identity

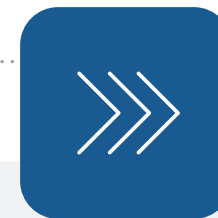
In 2023, we celebrated a cycle marked by the restructuring of our brand. The process ranged from changing the company's name to a new visual identity, reinforcing our values, and presenting to the market a more innovative, careful,

and responsible way of operating in the production of high-end fashion. **As Veste, we want to reflect the engagement, versatility, and resilience of our team,** which works together to delight the customer, provide unique experiences, and achieve business success, even in the face of challenges.



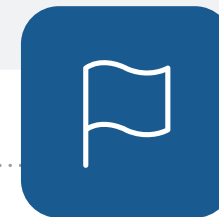
The change process included the involvement of the company's leadership, strategic support from specialized consultancy, and the participation of speaker Rogério Cher, aiming to positively inspire our entire team.

In March 2023, we officially activated this new stage in all units, with celebration events, updating integration materials, decorating headquarters and giving gifts, in addition to renewing the work environment and team engagement.



We have repositioned our digital presence with the new brand, introducing channels such as the internal Instagram @pordentrodaveste and LinkedIn VESTE S/A, while also focusing on attracting investors through the account [@veste_sa](#).

With the hashtag #TimeQueVESTE (#VESTETeam), we symbolized the spirit of unity and commitment of our employees, inviting everyone to participate in this new and exciting chapter of the company.



In 2023, digital sales reps were responsible for **6.7% of total e-commerce revenue.**

Social Commerce

+ de 500 influencers registered in 2023, who generated 56,000 visits to our brands' websites. We recorded around 820 orders at an acquisition cost 40% lower than the average e-commerce.

Digital journey

With the formation of the new **Digital and Growth Executive Committee in 2023** (learn more on [page 35](#)), several actions and initiatives were set in motion, resulting in significant advances for the company. Among the main achievements, we highlight the impact of digital projects, including:

- Implementation of the Experience and NPS Committee.
- Integration of digital sales representatives..
- Development of Social Commerce.
- Collaboration with B2B partners to bring greater flow to e-commerce, generating 8.6 million additional sales.
- Growing presence in marketplaces to reach new customers.
- Launch of the John John application.

Furthermore, pre-sales and projects focused on operational efficiency were promoted, as well as the FTA Project, focused on Financial, Tax and Accounting aspects. Such advances reinforce Veste's commitment to innovation and sustainable growth in the digital environment.



R\$24 MM

raised with the new digital initiatives in 2023

Customer journey

In our ongoing commitment to excellence and customer satisfaction, Veste takes a proactive approach to monitoring and responding to feedback given by our customers. Therefore, they all receive a purchase evaluation survey, in which the Net Promoter Score (NPS) methodology is used. Considering e-commerce and stores, **we closed 2023 with a score of 82.**

Based on weekly reviews, we are pleased to share that the responses have been overwhelmingly positive, reflecting the high standard of our products and service. More than just collecting reviews, we are dedicated to ensuring that no customer goes unanswered.

Regarding 2023, we highlight:

- We created the Customer Experience Committee and implemented management actions focused on dealing with negative feedback to strengthen our commitment to excellence in service and improving the consumer experience.

- Through regular cross-functional meetings, involving various teams such as Logistics, E-commerce, Store Operations, Marketing and Customer Service, we promoted integration and collaboration. On these occasions, negative feedback is shared so that the areas involved are informed and engaged in quickly resolving the issues.
- We carried out surveys with our customers to deepen our understanding of their perceptions, identify opportunities and see points that require attention. This allows us to define future strategies aligned with consumer expectations.
- We conducted surveys via email and had focus groups for the John John and Dudalina brands, the results of which have already been taken into consideration to define the brands' future directions.
- We focused on the First Contact Resolution (FCR) indicator with the aim of improving the customer experience, ensuring an immediate solution in the first interactions with the company's Call Center.

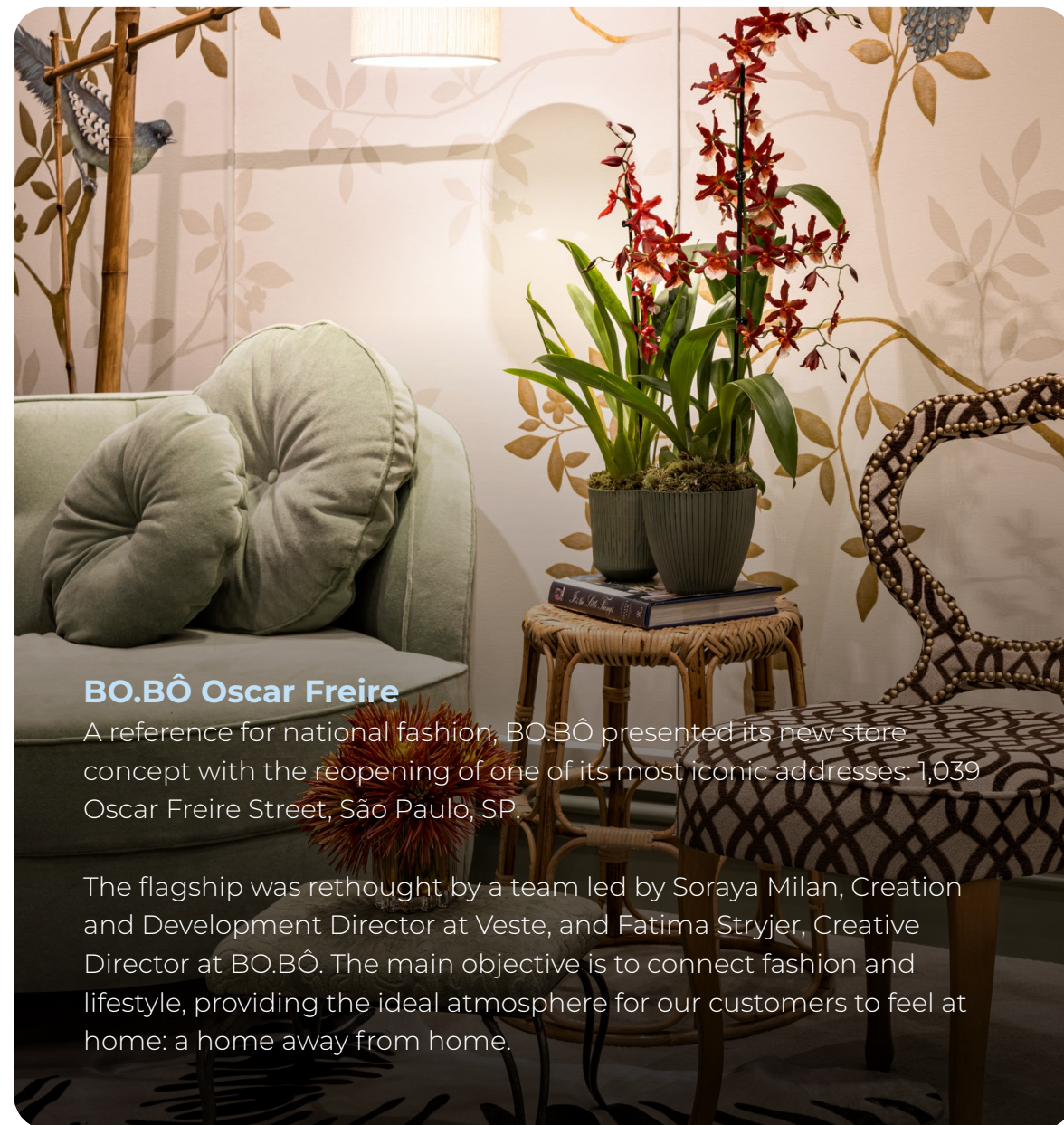
The improvements implemented in the customer journey are already reflected in positive indicators in our Call Center, including a decrease in the contact rate (percentage of contacts in relation to total orders).

The return rate decreased from 9.34% in 2022 to 8.7% in 2023.



Brand concept and investments

We advanced with the plan to reach 44 stores reformulated with new concepts by the end of 2023. After the successful revitalization of the Le Lis and BO.BÔ brands in recent years, we better reflected their essences in physical spaces, renovating 14 Le Lis stores and 4 BO.BÔ stores. This was essential for a 15.0% increase in Same Store Sales for Le Lis and 27.6% for BO.BÔ. Dudalina also achieved a 6.9% increase in Same Store Sales, adapting to the successful strategies of other brands. John John follows the same strategy, and we are confident that the adjustments will result in a positive reversal of its journey by the end of 2024, with positive impacts in the medium term.



BO.BÔ Oscar Freire

A reference for national fashion, BO.BÔ presented its new store concept with the reopening of one of its most iconic addresses: 1,039 Oscar Freire Street, São Paulo, SP.

The flagship was rethought by a team led by Soraya Milan, Creation and Development Director at Veste, and Fatima Stryjer, Creative Director at BO.BÔ. The main objective is to connect fashion and lifestyle, providing the ideal atmosphere for our customers to feel at home: a home away from home.

PERFORMANCE IN 2023

GRI 201-1

The year 2023 stood out as a period of intense dedication and focused work for Veste. We continued the strategies implemented in 2019, which proved to be crucial and transformative for our journey.

By being attentive to the profile and behavior of our customers, we prioritized the rigorous analysis of key performance indicators (KPIs), reinforcing the company's commitment to consumer satisfaction and experience.

When it comes to the financial aspects, 2023 was a year of significant achievements. The capital

structure readjustment measures completed at the end of 2022 resulted in a reduction in debt by around 93.0%. This allowed a subsequent increase in capital for investments and business growth, marking a significant point after adjusting our debt ratio, which is currently at a healthy level, corresponding to 0.8x of EBITDA.¹

¹ Net Debt/Adjusted EBITDA LTM

Financial Results

1.4 billion
Gross revenue

65.7%
Adjusted gross margin

224.4 million
Adjusted EBITDA

55.9 million
Adjusted net profit

B2C Channel

1.0 billion
Gross revenue

+10.4%
Same store sale compared to 2022

5.9 million
Revenue per store achieved

83%
full price sales

Omnichannel and B2B

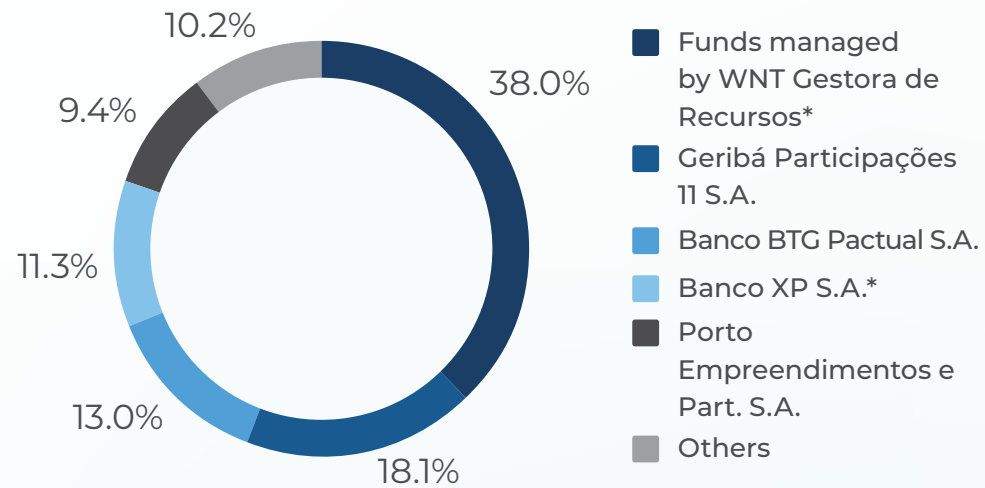
308.2 million
Record gross revenue from omnichannel tools achieved

+24.4%
B2C Digital Growth

260.3 million
B2B revenue

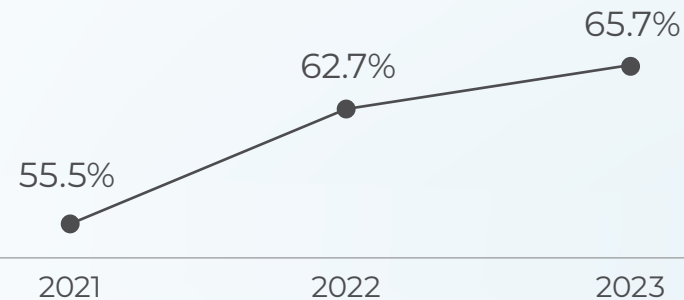
5.5 p.p.
B2B channel gross margin gain in 2023 vs. 2022

SHAREHOLDER COMPOSITION

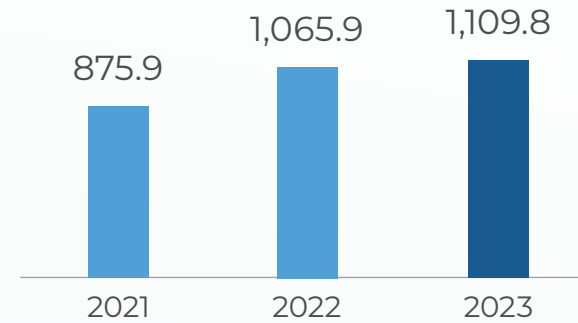


*Banco XP S.A.'s stake in Veste, corresponding to 11.28%, is held through an investment fund managed by WNT Gestora de Recursos Ltda. As a result, the total percentage of shares in Veste held by funds managed by WNT Gestora de Recursos Ltda. is 49.26%. *The figures reflect the position on 12/31/2023.

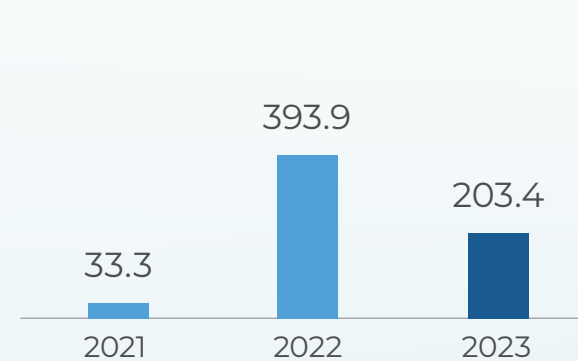
ADJUSTED GROSS MARGIN



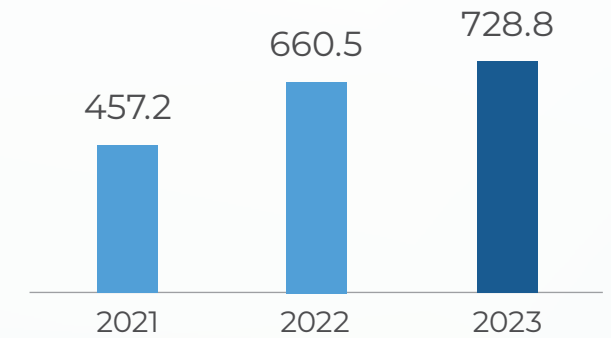
NET REVENUE (R\$ MM)



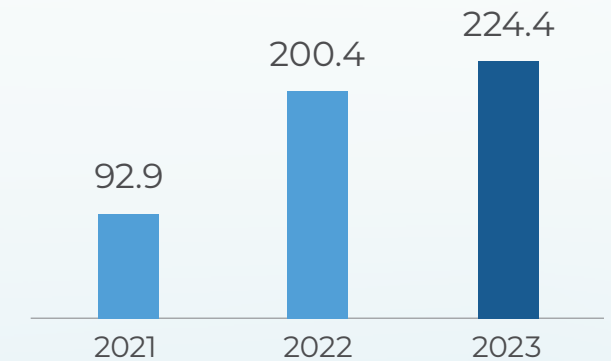
EBITDA (R\$ MM)



GROSS PROFIT (R\$ MM)



ADJUSTED EBITDA (R\$ MM)



Learn more about Veste's financial performance in 2023 by accessing the [Results Center](#) on our IR [website](#).

Awards and Recognition

✦ DUDALINA

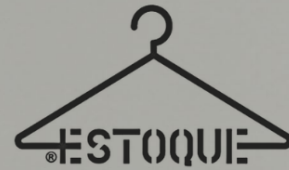
Seal “O Cliente Recomenda”

In the 'Industry' category of the Experience Awards, created by SoluCX

✦ DUDALINA

6th Place Reclame Aqui Award

Category: Fashion and Clothing - Manufacturers



Reclame aqui Award 2nd Place

Category: Fashion and Clothing - Outlet

Best reputation and service operation

JOHN JOHN

7th Place Reclame Aqui Award

Category: Fashion and Clothing - E-commerce - Large Company

VESTE

Achieving certification WOB

Recognizes the role of women in the company's top leadership

LE LIS

Recognition for the partnership with Instituto Protea at the **event celebrating the institution's fifth anniversary**



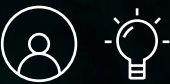
CHAPTER 3

CORPORATE
GOVERNANCE

SDG



CAPITALS



GOVERNANCE STRUCTURE

GRI 2-1 | 2-9 | 2-13 | 2-19 | 2-20 | 2-28

Veste's governance structure is designed to ensure transparency, integrity, responsibility and operational efficiency in all areas of its operations. We follow the best market practices on the subject, meeting all legal requirements implemented for the sector, which guarantees full ethical and responsible alignment of the business.

As a publicly traded company **listed on B3's Novo Mercado**, Veste is committed to the highest standards of corporate governance. We base our daily conduct on the guidelines of the Brazilian Institute of Corporate Governance (IBGC), the Organization for Economic Cooperation and Development (OECD) and Brasil, Bolsa, Balcão (B3). In addition, we are active members of the Institute for Retail Development (IDV), Capitalismo Consciente Brasil and the initiative Uma Concertação pela Amazônia.

Our governance model relies on the Board of Directors, Audit Committee, Supervisory Board, Executive Board and Executive Digital and Growth Committee. These are all committed to the excellence and strategic direction of the company.



Veste is a signatory to the **United Nations Global Compact**, attesting to its commitment to promoting more sustainable initiatives.





CORPORATE GOVERNANCE



Our governance is based on four fundamental principles.

01

Equity



We foster equity and fairness in all our interactions, ensuring respectful treatment and an environment where class, gender or racial discrimination is unacceptable. Our actions and relationships with stakeholders are guided by principles that value equality and mutual respect.

02

Transparency



We share information driven by the transparency pillar, not out of mere obligation, so that our stakeholders can understand our performance and behavior, thus establishing a relationship based on trust and loyalty.

03

Accountability



We present clear and easy-to-understand reports, taking responsibility for the results of our actions and maintaining transparency about our socio-environmental obligations, in order to reflect our continuous improvement.

04

Corporate responsibility



Our company operates in full compliance with current regulations and constantly strives to reduce external negative impacts, taking into account different types of capital in short-, medium- and long-term perspectives.

BOARD OF DIRECTORS

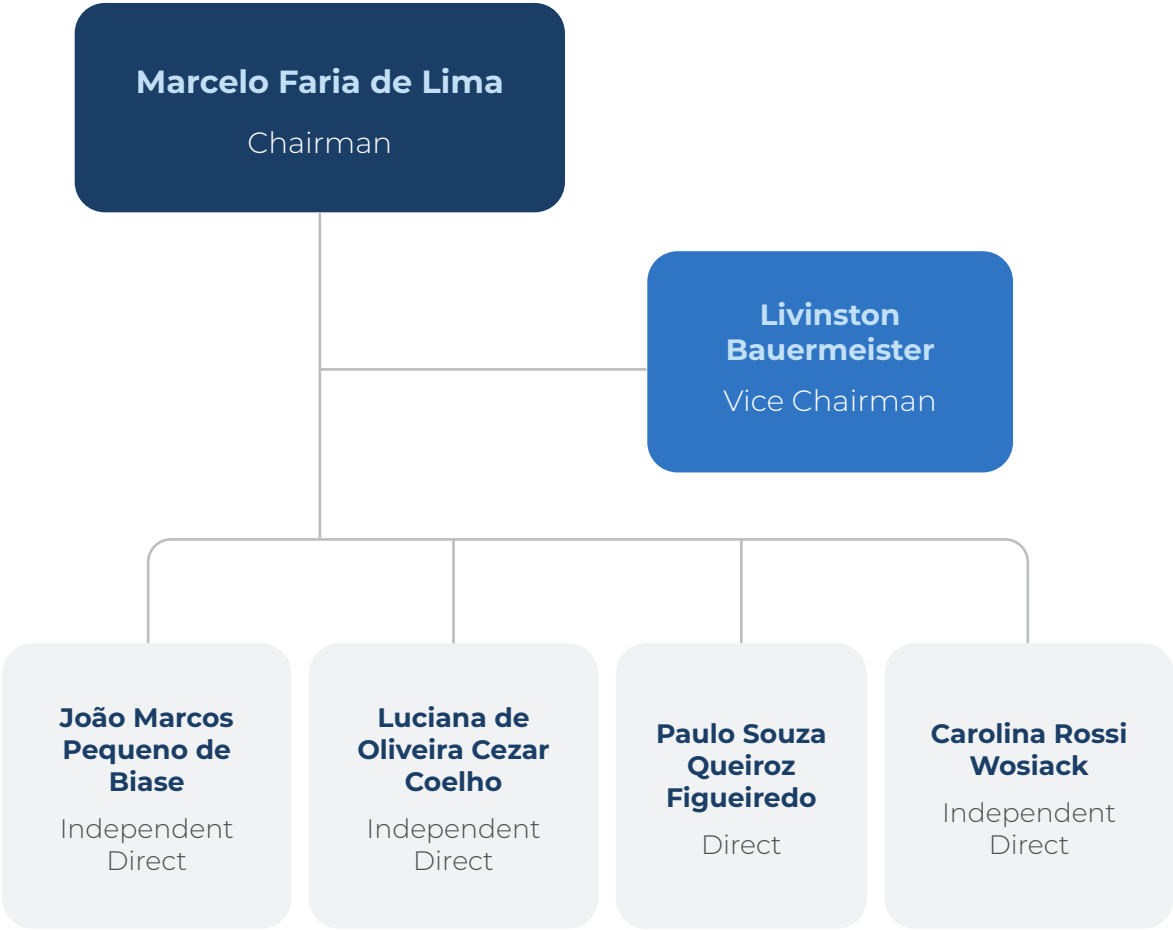
GRI 2-10 | 2-11 | 2-12 | 2-17

Veste's Board of Directors represents the highest authority of its governance structure, with collegiate deliberation, acting collectively in the definition, implementation, and supervision of general guidelines of the business, which includes our long-term strategy. Among other functions, the body must designate and supervise the management of Directors, in addition to approving the hiring of independent auditors, in accordance with the provisions of the Brazilian Business Corporation Act.

The Board of Directors (BoD) is made up of five members, in addition to the Chairman. Of these, three are independent members and two are women. All members serve a unified mandate of two years, with the possibility of re-election.

The Chairman and Vice-Chairman of the Board of Directors are appointed by the Shareholders Meeting, which is also responsible for electing and dismissing the Board, as well as defining its global annual remuneration based on best market practices.

Board meetings, in turn, are held every three months and, extraordinarily, when called by the Chairman or the majority of members. All deliberative decisions are taken by a majority vote of the members present. Additionally, the Board of Directors may establish committees or working groups with specific objectives and regulations, reinforcing the Company's commitment to profitable and sustainable development, guided by our ESG strategy.

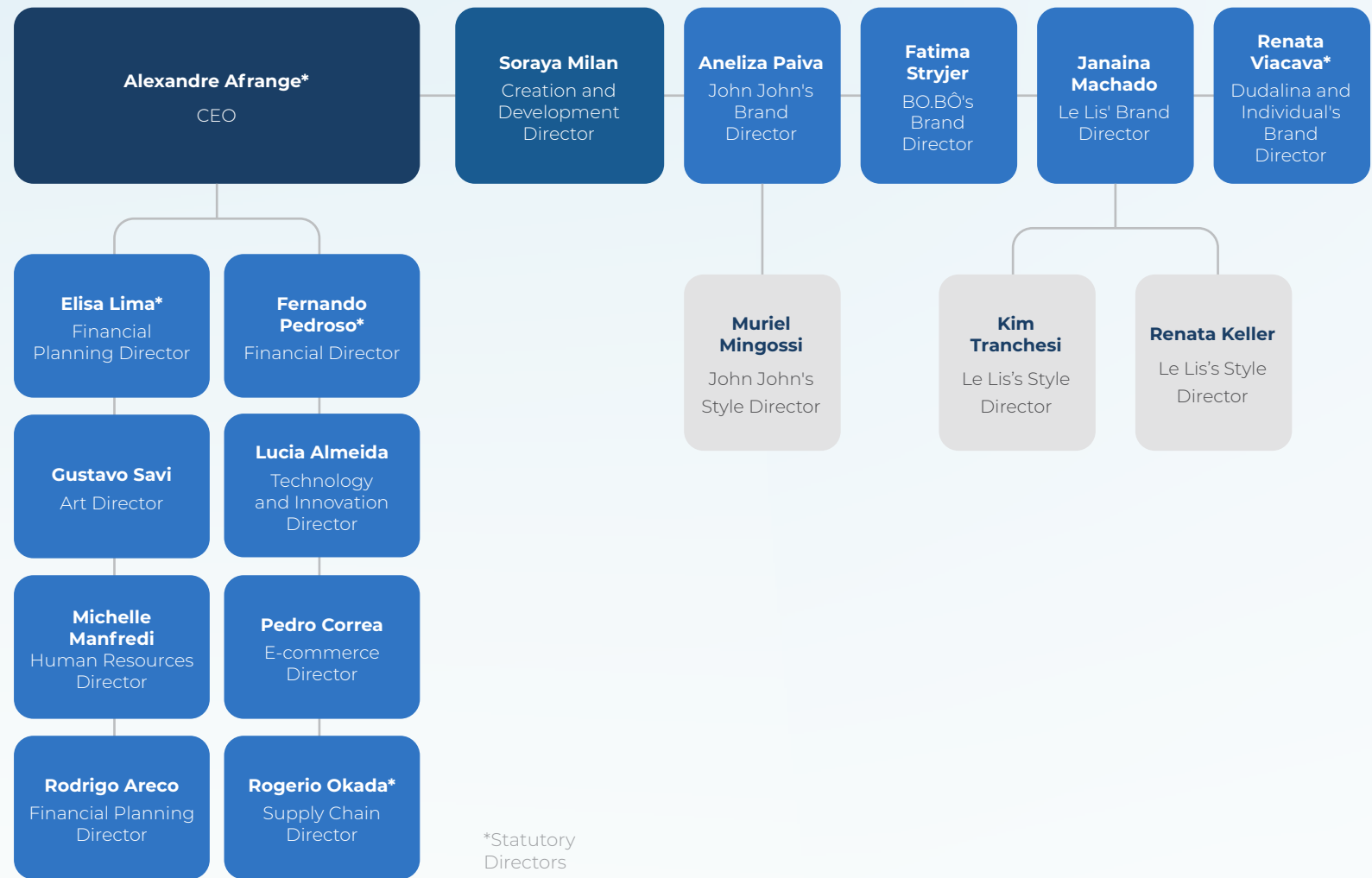


STATUTORY BOARD AND EXECUTIVE BOARD

Veste's Statutory Board is the legal representative of the company. It is responsible for managing daily operations, as well as implementing the policies and guidelines established by the Board of Directors. The body actively participates in the development and dissemination of our strategic planning, considering the short, medium, and long term.

The Statutory Directors, elected by the Board of Directors for unified three-year terms, with possibility of re-election, form a group of five members, two of whom are women.

Based on a solid foundation of academic training, professional experience and unblemished reputation, the entire Executive Board applies its intellectual capital to create innovative strategies, prioritizing the responsible growth of the business.



COMMITTEES

Audit Committee

The Audit Committee acts as an auxiliary branch of the Board of Directors, consisting of three members appointed by the Board of Directors for a two-year term, with the possibility of re-election. The Board of Directors is responsible for appointing the coordinator of this body.

Among its main responsibilities are: offering consultancy to the Board of Directors on audit functions, quarterly analysis of financial statements, supervision of independent auditors, risk assessment and monitoring, adherence to the Corporate Governance Code and compliance with the internal policies established by Veste.



Fiscal Council

Veste's Fiscal Council, installed for the 2023 fiscal year, has three independent members. This body aims to verify compliance with legal and statutory duties, ensuring greater security, solidity, and transparency to controls. Find out more by seeing our [Internal Regulations of Fiscal Council](#).



Management Committees

The performance of the Management Committees is multidisciplinary and not linked to the Board of Directors. It deals with priority topics for Veste, its value chain and its stakeholders. The management operationalization includes employees from different areas, ensuring the expertise needed to implement our strategy.

In 2023, we renamed the ESG Committee, created in 2020. It is now called the **ESG Design Committee**, as we understood the need to focus on sustainability aspects with our brands, prioritizing the development of increasingly sustainable products. To this end, at least one style manager from each Veste brand participates in the deliberations of this body. Under the coordination of the Investor Relations, ESG and Financial Planning Department, its objective is to ensure the coherence, evaluation, and monitoring of current and future sustainable actions.

Also in 2020, Veste established the **Diversity Committee**, a multidisciplinary body made up of 36 members from different areas of the business, under the leadership of the Human Resources department.

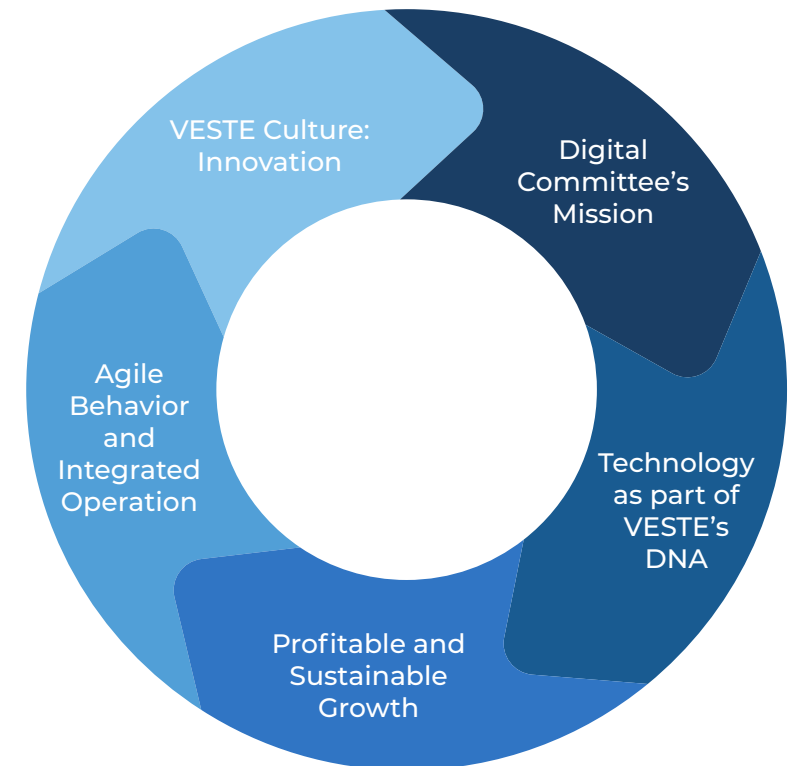
The group is dedicated to debating topics that aim to strengthen the brand and promote racial equity, in addition to ethnic, socioeconomic, cultural, religious and gender diversity. The discussions encompass the implementation of internal and external actions, projects, and initiatives, aiming for an inspiring, engaged, and innovative organizational environment.

As a new feature for 2023, we created the **Digital and Growth Committee**, including a Board Director and selected members of the company, dedicated to driving digital transformation and sustainable growth. This group is dedicated to identifying and implementing significant improvements in the platforms used by the business, with special attention to the digitalization of critical processes. Check out more information about the initiatives implemented on [page 23](#). The three purposes of Veste's Digital and Growth Committee are:

1. Develop a clear and shared vision of what we want when it comes to digital aspects at Veste and implement such vision as daily behavior by different areas.
2. Offer a fluid experience for customers across different channels, comparable to competitors.

3. Clarity in digital investments and their return for Veste in the short and long term, always in response to the business strategy.

See below the virtuous cycle of the Digital and Growth Committee with Veste's key concepts, which will guide all our projects and processes on the topic during the next cycles.



GOOD PRACTICES

GRI 2-18 | 2-19 | 405-1

Veste's compensation policy clearly defines the guidelines and criteria for the compensation and benefits of the members of the Board of Directors, Executive Board and Audit Committee.

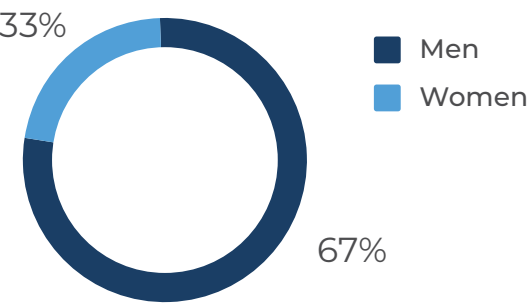
The Board of Directors receives fixed monthly compensation, which may be supplemented by share purchase options. There is no variable compensation, except for members who are part of committees, whose additional remuneration is decided by the Board of Directors. The Statutory Board receives a fixed part and a variable part, the latter depending on achievement of annual targets, which can also be complemented

by share purchase options. The remuneration of the members of the Fiscal Council is established by the General Shareholders' Meeting, in accordance with current legislation. Committee members, in turn, receive a fixed monthly remuneration, determined and approved by the Board of Directors, reaffirming our commitment to responsible governance and in line with the interests of all stakeholders.

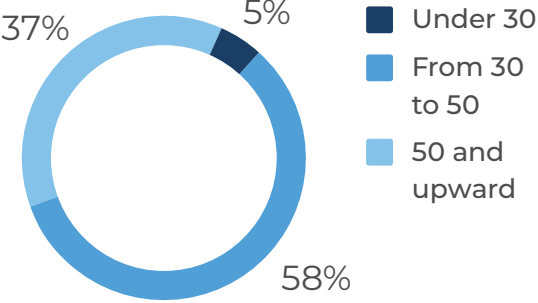
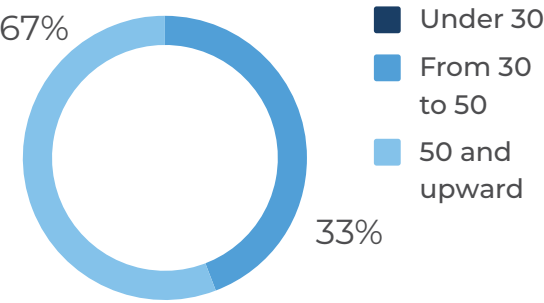
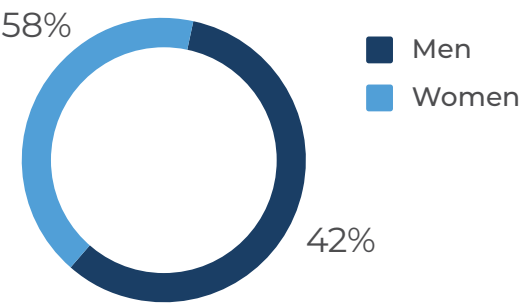
See the details of our corporate governance guidelines, as well as the members of the Board of Directors and other boards, including their education history and curriculum, [here](#).

Diversity in governance bodies

BOARDS OF DIRECTORS



STATUTORY AND EXECUTIVE BOARD



Performance assessment of governance bodies

The Board of Directors carries out formal assessments of its performance and that of its members, as well as of the performance of the committees, the Chairman of the Board, and the boards, at least once during each member's term of office. The Audit Committee also carries out self-assessments, aiming to improve processes, procedures, and agendas. To date, no external services have been used for these assessments. Assessments involve interviews and self-assessments by members, with no individual assessment between them, and the positive areas are maintained or improved according to suggestions from the Board of Directors itself.



Code of Ethics and Conduct

Veste has a Code of Ethics and Conduct* that sets out the main instructions on ethical principles and the way the company conducts its business, seeking relationships that are guided by respect for human beings, the environment, our values and guidelines.

The document is public and disseminated to all those who work with us, including employees, partners, suppliers, and other stakeholders, regardless of their hierarchical level. The code is approved by the Board and reviewed annually by the Human Resources and Legal departments and approved by the Board of Directors.

ETHICS, INTEGRITY AND TRANSPARENCY

GRI 2-23 | 2-24 | 2-25 | 3-3

We remain committed to transparency in the disclosure of information regarding Veste's processes and products, covering socio-environmental practices and the impacts of our operations.

* A new version of Veste's Code of Ethics and Conduct was published in April 2024.

The company's actions and conduct are guided by high standards of ethics and transparency, ensuring compliance with legislation and regulations applicable to our segment.

We also seek to cultivate a responsible, trusting, and transparent relationship with all business stakeholders, fostering a safe environment that prioritizes the well-being of our people and environmental preservation, while ensuring a focus on reducing risks associated with the brand.

In this context, Veste has a Social Responsibility Audit area, which works with our suppliers to implement measures identified in annual audits. This process is detailed in the Internal Procedure, and all partners sign an agreement that establishes their responsibilities, thus contributing to the implementation of action plans throughout our supply chain.

CONFIDENTIAL CHANNEL

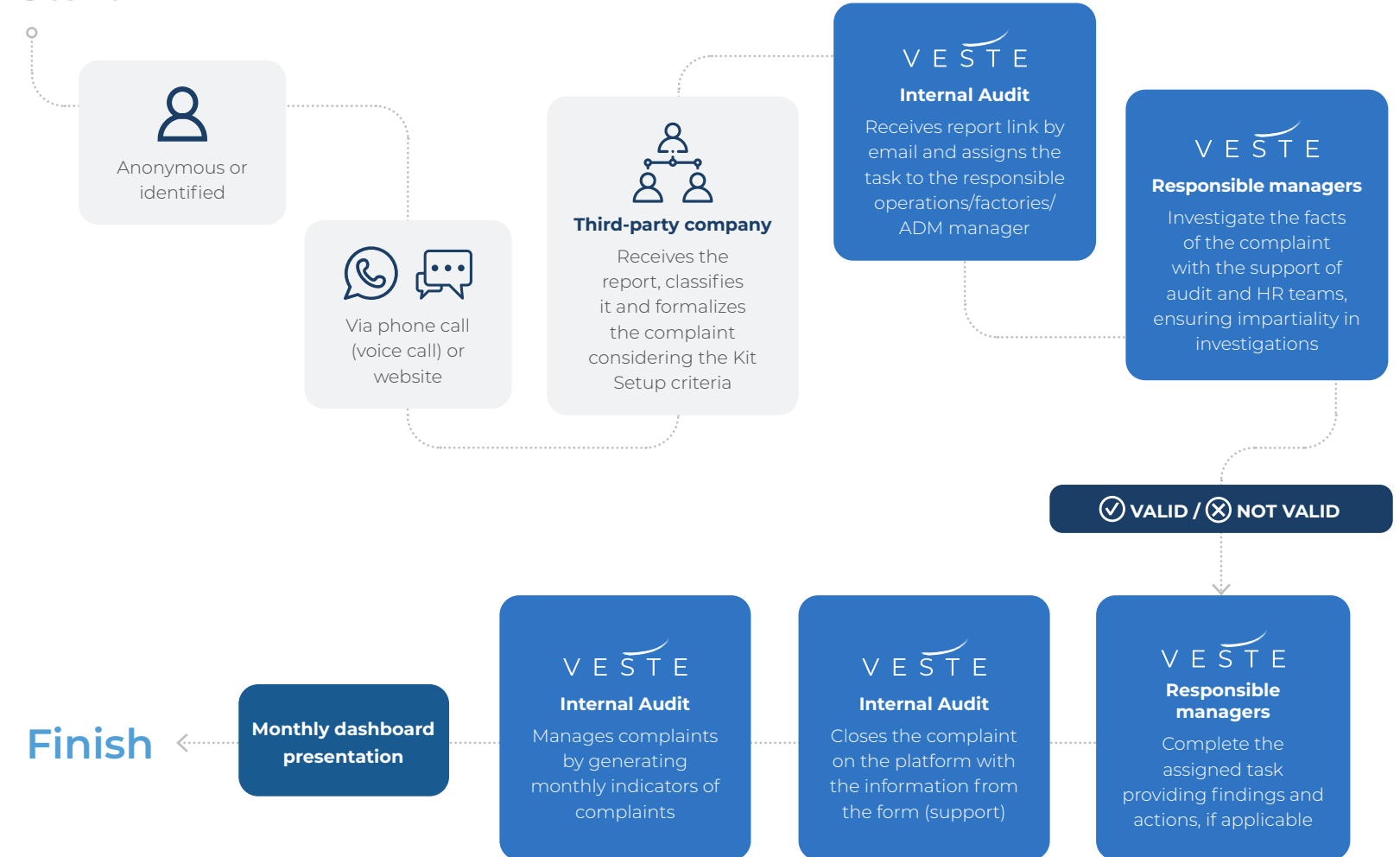
GRI 2-16 | 2-26

Aiming to ensure that all our stakeholders can report any situations of violation of our Code of Ethics and Conduct, policies, or official laws, standards, and regulations, Veste has the Confidential Channel. Complaints must be carried out via the website or telephone call, and the procedure is managed by an independent third-party company, which is responsible for analyzing each case, requesting additional information whenever necessary and ensuring the progress of the investigation.

The responsibility for investigations, as well as evidence collection, in turn, lies with Internal Audit, which ensures total confidentiality for the whistle-blower and the accused individual. Furthermore, it is the responsibility of Internal Audit to recommend appropriate corrective actions, reporting them to the managers of the involved areas, Human Resources, and the Legal department, as necessary.

To talk to us via our **Confidential Channel**, call **0800 721 0749** or contact us via our [website](#).

Start



Escuta Veste

For the second year in a row, we conducted the *Escuta Veste* initiative, a survey designed to capture employees' perceptions of the company's work environment. The 2023 edition adopted the Winx methodology, which consists of a digital and anonymous platform, containing 23 questions based on the MAGIC method (acronyms for Meaning, Autonomy, Growth, Impact and Connection). The action was divided into two stages. In the first stage, we exceeded our expectations and reached 93% of respondents. In the second one, our complementary survey was completed by 58%. The research, aligned with best market practices, is carried out in partnership with the Conscious Capitalism Institute and the HR Tech Winx platform.

Based on the insights obtained, we identified key indicators for the advancement of our areas of activity, highlighting opportunities for future initiatives focused on Veste's development and performance.

The objective of *Escuta Veste* is to reinforce a strong and healthy culture, maintaining our transparency and commitment to our #VesteTeam!

As a result of the processing flow of our Confidential Channel, in 2023, we handled 225 complaints between low, medium and high impact levels. Of this total, seven complaints were classified as high impact and resulted in dismissal, reflecting Veste's commitment to not tolerating

actions that disrespect its corporate values and human beings. We also highlight that all high impact cases are duly reported to the company's CFO, CEO and Board of Directors, aiming to communicate this topic in a clear and assertive manner to our governance bodies.



RISK MANAGEMENT

GRI 2-25 | 3-3

Main risks monitored by Veste

Market Risk, Credit Risk, Regulatory Risk, Reputational Risk, Cyber Risk and Business Risk.

VESTE RISK MANAGEMENT METHODOLOGY



Risk identification

Analysis of data, indicators and processes within the organization and meetings with the participation of professionals from different areas.



Risk treatment

Establishment of treatment measures for each type of risk, based on their potential impact and probability of occurrence.



Risk analysis

Analysis of the origins and causes of identified risks, their impacts and probability of occurrence.



Risk assessment

Identification of risks that need treatment, as well as their implementation priority.

The definition of Veste's Risk Appetite, as well as the approval of related policies, are the responsibility of the Board of Directors. In addition, areas such as the Audit Committee, Financial Management, Compliance, Internal Controls, Risk Management, and Internal Audit, offer vital support for the Board of Directors' decisions and periodically supervise threats and risks within their respective competencies.

In this sense, in 2023, we continued our efforts to ensure effective risk management, as these are factors considered intrinsic to the business. The process includes the identification, assessment, monitoring and mitigation of risks that could compromise the company's reputation, including financial, operational, regulatory, image aspects, among others.

For each risk identified, analyzed, and prioritized, we apply, through the use of an advanced tool, a strategy treatment, according to the impact and probability of occurrence in question. This methodology is supported by our [Risk Management Policy](#), which establishes clear guidelines and protection practices, strengthening our corporate governance, the efficiency of Veste's internal controls and its alignment with the Brazilian Code of Corporate Governance.

DATA PROTECTION

GRI 418-1

Committed to the security of data and personal information of its customers, employees, suppliers, partners, and other stakeholders, Veste operates in line with the Brazilian General Data Protection Law (LGPD), No. 13,709/2018. We manage this topic

in order to adjust our operations and business model according to the criteria established by current legislation.

Below, we present some of the main actions implemented in the company on this topic:

We revisited our policies, internal processes, and commercial practices from time to time to ensure the effectiveness and protection of our operations.



INSTITUTIONAL POLICIES

GRI 2-23 | 2-24 | 2-29

At Veste, we recognize the importance of solid and well-defined policies* for the success and sustainability of the business, as these are the foundation on which we disseminate our corporate culture, guiding strategic decision-making and ensuring ethical and responsible conduct for all spheres and stakeholders of the company.

For this reason, we implemented a series of new policies in 2023. Such updates reflect our commitment to constantly advancing corporate governance, which prioritizes operational excellence and socio-environmental responsibility. Among these updates are the following policies: **Profit and Dividend Allocation Policy, Anti-Corruption Policy, Corporate Social Environmental Policy, Corporate Governance Policy, and Integrity Policy.**

To see these and all other Veste documents, [click here](#).

* In April 2024, some of our policies were updated. Among them are: Disclosure Policy, Risk Management Policy, Referral Policy, Negotiation Policy, and Management Assessment Policy.



Combating moral harassment

Veste works continuously to ensure a safe work environment, showing respect for human dignity. For this reason, we emphasize that we do not tolerate any acts of moral harassment against our employees, as well as other embarrassing treatments. To this end, the company ensures that appropriate disciplinary measures be applied to any individual who fails to comply with these principles, reinforcing our commitment to the topic.

CHAPTER 4

A PACT FOR THE FUTURE OF FASHION

SDG



CAPITALS



ATMOSPHERIC EMISSIONS

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

Greenhouse gas (GHG) emissions are largely responsible for the worsening of climate change in recent years, which highlights the need for mitigating actions on the part of organizations and governments in order to ensure a sustainable future for this and future generations. The fashion industry has a significant role to play in this context, and we are fully committed to the cause at Veste.

For this reason, in 2023, we continued to evaluate our impacts and outline strategies to reduce emissions in the company's operations and throughout its value chain.

It is worth mentioning that mapping the sources of GHG emissions allows senior leadership to develop action plans in line with the best market practices established on the topic.

In 2023, we continued the partnership with WayCarbon and we prepared Veste's second Greenhouse Gas Emissions Inventory. The document marks a significant advance in our methodology, considering an extensive review of the value chain's emission factors and presenting greater accuracy in relation to the reality of the company, due to the review of internal reporting processes (more details in the [GRI index](#)). Therefore, during 2024, we will use this inventory as a basis for submitting our short-term goals to Science Based Targets (SBTi), to which we will soon be committed.

GHG emission sources	2022	2023
Scope 1 Emissions (tCO ₂ e)		
Stationary combustion	629.50	680.00
Mobile combustion	0.67	0.66
Fugitive emissions	692.00	1,940.00
Total Scope 1	1,322.17	2,620.66
Scope 2 Emissions (tCO ₂ e)		
Electricity purchased and consumed (location)	554.90	732.08
Electricity purchased and consumed (purchase choice)	518.31	678.59
Total Scope 2 (location)	554.9	732.08
Total Scope 2 (purchase choice)	518.31	678.59
Scope 3 Emissions (tCO ₂ e)		
Activities related to fuel and energy not included in Scopes 1 and 2	62.24	79.03
Purchased goods and services	22,794.78	19,967.57
Employee commuting (home-work)	3,210.66	3,710.62
Waste generated in operations	798.18	461.08
Transport and distribution (upstream)	338.84	216.00
Business trips	243.43	312.53
Total Scope 3	27,448.05	24,746.83

NET ZERO MOVEMENT

In 2023, in line with the commitments already made in The Fashion Pact, Veste joined the Net Zero Ambition Movement, an initiative of the UN Global Compact in Brazil. Its objective is to engage and support members in achieving the target of reducing two gigatons of CO₂ in accumulated emissions by 2030, based on what is proposed by Sustainable Development Goal 13 (Climate Action) and by science.

This adherence reaffirms the company's commitment to increasingly responsible practices in its environmental chain, aiming for sustainable growth and a positive impact on society and the environment.

Furthermore, during the year, with the collaboration of *Transportadora Rodonaves*, we adopted fully electric vehicles to make deliveries to 60% of our stores in São Paulo. Between January and December, we transported 279 tons and traveled 55,525 km. These actions prevented the emission of 31.3 tons of CO₂ into the atmosphere, making our deliveries "greener".



NET ZERO AMBITION
MOVEMENT

COMMITMENTS

1

Publish a GHG emissions inventory annually, within 12 months, ideally validated by a third party.

2

Reduce GHG emissions in line with the Science Based Targets initiative (SBTi) criteria or formalize the commitment to SBTi (short- and/or long-term goals) within 24 months from the signing of the commitment to the movement.



THE FASHION PACT

The Fashion Pact stands out as the leading CEO-led initiative to drive sustainability in the fashion industry, representing a global commitment by companies in the sector towards a more sustainable future.

By becoming a signatory, Veste is committed to adopting practices that not only reduce its environmental impact, but also promote responsible production and consumption. Therefore, the medium- and long-term goals proposed by the pact act on the following areas: Climate, Biodiversity and Oceans.



WE ARE PROUD OF BEING THE ONLY BRAZILIAN COMPANY TO BE PART OF THE FASHION PACT, ALONG WITH THE BIGGEST FASHION PLAYERS IN THE WORLD.



Climate

Achieve 100% renewable energy in all our operations by 2030;

Ensure that 25% of key raw materials have a lower climate impact in 2025;

Members are required to set targets in scopes 1, 2 and 3 (validated by the SBTi or alternatives approved by the UNFCCC*).

*United Nations Framework Convention on Climate Change



Biodiversity

Develop individual biodiversity, research, and training models; Support zero deforestation and sustainable forest management by 2025.



Oceans

Eliminate problematic and unnecessary plastic in B2C packaging by 2025 and B2B by 2030;

Ensure that at least half of all plastic packaging used in B2C is 100% recycled by 2025 and that used in B2B by 2030.

* The Fashion Pact has updated the texts related to the goals.

We believe that fashion can be a positive force, combining style, innovation and respect for the planet and its people.

REDUCING ENVIRONMENTAL IMPACT

GRI 2-29 | 3-3

At Veste, we are dedicated to promoting the conscious and responsible use of natural resources, aiming to minimize the environmental impacts of our operations and generate socio-environmental benefits throughout the chain. With a holistic approach, we constantly innovate our processes and products, encouraging a more sustainable fashion ecosystem.

FASHION REVOLUTION

Through the adoption of robust ESG practices, such as risk management, anti-corruption, integrity, corporate governance and socio-environmental responsibility, we **advanced 10 points in our position in the Fashion Revolution Index** in 2023. The project is dedicated to promoting a transparent textile industry, with focus on environmental conservation and regeneration, as well as valuing human beings above profits. To this end, Veste remains greatly committed to the topic throughout its value chain, ensuring more ethical and sustainable fashion.

WASTE MANAGEMENT

GRI 301-1 | 301-3 i 306-1 | 306-2 | 306-3

In the fashion sector, careful waste management is essential to avoid adverse effects on soil, water, air and the health of humans and animals. Based on this premise, Veste seeks to develop increasingly robust processes related to this topic, in order to mitigate its environmental impact by reducing waste generation, in addition to prioritizing the reuse and recycling of materials. If recycling is not possible due to any circumstances, we seek to ensure appropriate final disposal for each type of waste.

This care ensures that the company is in full compliance with the standards and current environmental laws, reinforcing the generation of value in its environmental chain.



The paper packaging of all our brands has the FSC®, certification seal, which guarantees the sustainable origin of the raw materials used in bags and various packaging. Furthermore, products for transport are packaged in cardboard boxes also certified by FSC*.



In 2023, we will continue our partnership with eureciclo, the largest reverse logistics certifier in the country. Based on this solution, we guarantee that the same volume of packaging delivered to customers is recycled, considering physical stores and e-commerce. In addition to reducing circular waste, the initiative is capable of generating employment and income for categories of collectors and cooperatives, enabling the expansion of the recycling chain in the country.

*Forest Stewardship Council

Throughout 2023, 17,236 tons of plastic and 454,449 tons of paper were compensated due to our partnership with eureciclo.

WASTE GENERATION*

Type	Quantity	
	2022	2023
NON-HAZARDOUS WASTE		
Textile waste	150,000 kg	83,431 kg
Recycled waste (paper and plastic)	36,510 kg	29,545 kg
Boiler ashes	3m³	3m³
Cardboard	71,518 kg	147,494 kg
Common waste	12,850 kg	28,460 kg
Organic waste	7,170 kg	7,340 kg
HAZARDOUS WASTE		
Button dyeing	7.94 m³	5.81m³
Chemical packaging	79 kg	78 kg
Bulbs (units)	433	2334

*The indicators reported in 2023 also include the stores in the survey.



Veste is looking for sustainable options to replace plastics used in individual clothing packaging. Since 2021, at **Le Lis Casa**, we have replaced bubble wrap with craft paper, a biodegradable and 100% recyclable material.

At the outlet, the bags used are biodegradable.

DRESS & GO

Dress & Go operates in the sustainable fashion movement in Brazil, standing out as the main clothing rental platform with an emphasis on responsible consumption, which significantly extends the life cycle of the pieces. **Le Lis, BO.BÔ, Dudalina and John John** brands are available both on the website and in physical Dress & Go stores, ensuring a variety of options for different styles and bodies. In 2023, 108 Veste products were available on the website, resulting in 446 rentals during the year.

Healing Caps

In our corporate office, the partnership with the socio-environmental project Healing Caps (*Tampinhas que Curam*) is already active, which collects plastic caps and can seals for recycling. Funds raised from the sale of these materials are used to cover the costs of treating children with cancer.

Blue boxes

To reduce the use of cardboard, Veste's logistics team expanded the use of returnable plastic boxes (blue boxes) during 2023, an initiative started in 2022. So far, more than 37 stores have already adopted this material, totaling 45 establishments in São Paulo that have implemented the practice. As a result, we saw savings of approximately 6,000 boxes per month.

Composting in the office

In our corporate office in São Paulo, we introduced a natural composting process to convert food waste from the restaurant's pantries and kitchen into organic fertilizer. The proposal is to replace the use of chemical products in our gardens and vegetable gardens, and also contribute to reducing GHG emissions resulting from transportation and disposal in landfills.



In September 2023, we joined Abrapa's (Brazilian Association of Cotton Producers) Sou de Algodão Movement, reinforcing the business's commitment to responsible production practices, such as the use of natural fibers. Learn more: [Sou de Algodão](#).



Still in 2023, we joined the Sou ABR with the aim of guaranteeing the full traceability of our cotton pieces, ensuring the socio-environmental certification of the origin of the fiber of Veste's products. Furthermore, we are mobilizing our suppliers and partners to invest in this program from 2024 onwards.

RAW MATERIAL

In 2023, we carried out a survey of the materials used in all Veste products in order to identify those most relevant to the business. In this way, over the next few years, we will be able to invest in replacing them with more sustainable raw materials, strengthening our supply chain and acting based on the company's environmental responsibility.

This survey is also essential to achieve the goal of ensuring that 25% of our main materials come from sources with less environmental impact. Nevertheless, it is worth mentioning that even now Veste maintains strict control over the choice of raw material suppliers, prioritizing those committed to the sale of certified cotton, clean energy, waste management and responsible social practices (learn more on [page 74](#)).

COMPOSITION OF MATERIALS USED IN PRODUCTS SOLD IN 2023

Composition	Total
Cotton	62%
Polyester	15%
Viscose	9%
Leather	4%
Polyamide	3%
Linen	2%
Polyurethane	1%
Elastane	1%
Silk	1%
Others	2%

Cotton Trip 2023

In July 2023, Veste participated in the Cotton Trip: an immersive experience on a responsible cotton production farm in the state of Goiás. The event was held with the support and partnership of ABVTEX (Brazilian Textile Retail Association) and Abrapa's *Sou de Algodão* Movement. In total, more than 30 retailers were present.



ENERGY EFFICIENCY


GRI 302-1 | 302-3

Over the last few years, Veste has carried out actions that aim to maximize efficiency in the use of energy and, consequently, minimize the environmental impacts associated with the generation and use of this resource. The measures involve the adoption of technologies and processes that allow the same activities to be carried out while consuming less energy, as well as the preference for renewable

and less polluting energy sources. For instance, in 2023, we carried out a significant update to our factory lighting system, replacing the majority of the old bulbs with new LED bulbs. This change aims to promote not only greater energy savings, but also ensure greater efficiency in our lighting infrastructure. **It is worth highlighting that the renovated stores use exclusively LED lighting.**

Clean and renewable energy

In 2023, we signed a contract to supply renewable energy to our factories in Terra Boa, PR and Aparecida de Goiânia, GO. Due to contractual issues, the start of operations is scheduled for June 2024. This project represents a significant step for the company in its commitment to sustainability and reducing environmental impact, aligning operations with more energy-efficient practices.



Energy intensity*

0.0282 GJ/piece produced.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

	2022	2023
Diesel	1,836.40	2,129.04
Gas	1,329.52	1,510.54
Gasoline	14.53	19.38
Eletricity	10,719.59	38,403.92
Office and DC (free market energy)	5,961.60	4,104.00
Terra Boa Factory	3,640.83	3,965.82
Aparecida de Goiânia Factory	1,115.36	1,084.44
Office and DC	1.80	1.80
Stores	-	30,332.30
Total energy consumption	14,205.61	43,403.94

*The indicators reported in 2023 also include the stores in the survey.

**To calculate electricity consumption in our stores, we use invoices from energy distributors as the main source of data. In units without a dedicated invoice, we extrapolate consumption.

***There has been a reduction in electricity consumption at the Aparecida de Goiânia plant due to the internal unification of teams. Previously, the unit had two teams operating on different shifts. As of August 2023, the teams started operating on a single shift, reducing the period of activity at the plant.

WATER WITHDRAWAL AND CONSUMPTION

GRI 303-1 | 303-3 | 303-4 | 303-5

At Veste, we are constantly striving to improve water use management, aiming to prevent waste and ensure that our operations comply with current regulations and standards.

At our plant in Terra Boa, we direct effluents for treatment in the public system, while in Aparecida de Goiânia , these are treated through a septic tank and sink system, with primary treatment carried out. Additionally, in order to meet environmental standards, we implemented a storage system for industrial effluents in a special waterproof reservoir.

*Brazilian Textile Retail Association

Such effluents, originating from testing on pieces and the button dyeing process, are collected by a specialized company, ensuring appropriate disposal and contributing to local environmental protection.

It is worth noting that all water used by the company is disposed of in the sewage system and that we invest in monitoring data relating to the withdrawal and use of water in our processes.

Our laundry service suppliers are certified by ABVTEX* and treat the water used in their industrial processes.



WATER WITHDRAWAL¹

Source	Quantity (liters)	
	2022	2023
Artesian well	3,393,648	2,457,000
Utility provider/ Water truck	4,800,000	6,000,000
Total	8,193,648	8,547,000

¹ In the stores, water is obtained by third-party companies, without direct abstraction from natural sources. We do not carry out studies to identify regions with water stress.

WATER CONSUMPTION¹

Unit	Quantity (liters)	
	2022	2023
Office and DC	4,800,000	6,000,000
Terra Boa Factory	700,648	537,000
Aparecida de Goiânia Factory	2,693,000	1,920,000
Stores	-	3,104,000
Total	8,193,648	11,561,000

¹ The consumption calculations for stores are based only on those with individual water bills, excluding those located in condominiums or shopping centers with independent management.

CHAPTER 5

VESTE TEAM

SDG



CAPITALS



OUR PEOPLE

GRI 2-7 | 405-1

People are the essence of our strategy, reflecting the company's commitment to excellence and the quality of the products we offer throughout the entire chain. For this reason, we seek to maintain a work environment that values trust and cooperation, in which the motivation, determination and professional development of our employees are priorities for the business.

Our team is made up of dedicated professionals, who relentlessly seek the best results. In keeping with our core values and goals, we cultivate a high-performance culture by emphasizing the importance of transparency and critical thinking to foster innovation in an ever-changing scenario.

DEMOGRAPHIC DISTRIBUTION:



2,818
women
(74.7%)

29.1%
Under 30 years of age

40.2%
From 30 to 50 years of age

5.4%
50 years of age and upward



952
men
(25.3%)

13.0%
Under 30 years of age

11.1%
From 30 to 50 years of age

1.2%
50 years of age and upward

EMPLOYEES BY REGION:





WOMEN LEAD

During 2023, we received the Women on Board seal, an initiative that highlights companies with women on their Boards of Directors or Advisory Boards. The project is directly linked to SDG 5 (Gender equality) of the UN 2030 Agenda, which aims to promote gender equality and female empowerment in organizations. This certification reaffirms Veste's commitment to adopting practices that promote gender equity, representing yet another important achievement in our ESG journey.



Women are the majority at Veste: they represent 75% of the workforce and make up 58% of senior leadership*

*We consider senior leadership to be the level below the CEO's.



Functional categories by age group*	Under 30 years of age		From 30 to 50 years of age		Over 50 years old	
	2022	2023	2022	2023	2022	2023
Board of Directors	0.0%	0.0%	0.0%	33.3%	100.0%	66.7%
Fiscal Council	-	0.0%	-	66.7%	-	33.3%
Directors	5.6%	5.3%	72.2%	57.9%	22.2%	36.8%
Managers	6.6%	3.3%	86.8%	90.2%	6.6%	6.6%
Supervision	9.7%	21.9%	88.9%	75.0%	1.4%	3.1%
Administrative	49.5%	44.4%	46.7%	50.9%	3.8%	4.7%
Operational	45.3%	42.5%	49.2%	51.4%	5.5%	6.1%
Retail	44.4%	43.5%	49.8%	49.6%	5.8%	7.0%

* The figures reflect the position on 12/31/2023

Functional categories by gender*	% Men		% Women	
	2022	2023	2022	2023
Board of Directors	77.8%	66.7%	22.2%	33.3%
Fiscal Council	-	100.0%	-	0.0%
Directors	44.4%	42.1%	55.6%	57.9%
Managers	34.4%	24.6%	65.6%	75.4%
Supervision	41.7%	31.3%	58.3%	68.8%
Administrative	29.7%	31.6%	70.3%	68.4%
Operational	34.6%	33.9%	65.4%	66.1%
Retail	17.8%	18.8%	82.2%	81.2%

* The figures reflect the position on 12/31/2023

Inspiring women

Throughout 2023, we launched a special series with the aim of inspiring our employees, delving into the stories of incredible women who make up Veste Team. Through the project, we tried to learn more about their life story, exploring the paths they took and the challenges they overcame. Each of their statements showed how resilience, determination and feminine strength have the power to boost dreams and careers.



Stefany Veri

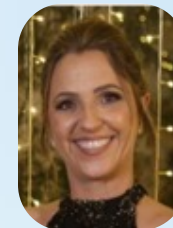
Quality Coordinator — Terra Boa and Aparecida De Goiânia

Professional journey: In 2008, she got her first job and started as an apprentice at Dudalina. She was hired as a packaging supervisor and later grew within the company, having various roles in the industry. She has a degree in Fashion Design, a graduate degree in Fashion Production and has started a graduate course in Production Management. She has been working at Veste for the past 14 years!

To balance professional and personal life, she

recommends: "I've been married for nine years and I love being with my family. I don't have children yet, but I have nephews who I'm in love with! I have a hobby that motivates me a lot: a photography studio where I work as a baby photographer in my spare time. It's my passion"

Inspiring tips: I did Enneagram and DISC courses to discover my behavioral profile. "Nothing can stop me, nothing can interrupt my purpose; I am an unstoppable person."



Carla Rocha

Outlet Premium Rio de Janeiro

Professional journey: She graduated in Commercial Management. In 2014, she participated in the selection process carried out to open the Estoque store at Outlet Premium in the state of Rio de Janeiro. She also received a new challenge when she had to manage Outlet Jardim Botânico at the same time. In 2018, she inaugurated the Dudalina store at Outlet Premium Rio de Janeiro and was in charge of the three Outlet operations in the state of Rio de Janeiro.

To balance professional and personal life, she

recommends: "I plan everything I do with well-defined objectives, in addition to defining priorities without forgetting the time factor. Furthermore, I take care of my health and leisure time."

An inspiring quote: "Your life and your world change when you change!"

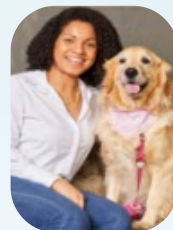


Clarice Alves dos Santos
Logistics Manager in São Paulo

Professional journey: “I have worked in two companies in these 55 years of life: I started in a cosmetics company and then came to Veste, where I have been working for 29 years. In the first company I worked for, I became a supervisor after a time and then I started to take care of a whole sector. At Veste, I had the same experience, and today I am in charge of Logistics in São Paulo. I believe it happened due to my dedication and because I have always tried to give my best. When I started, I worked at the old store called O Brechó, located in the neighborhood of Itaim Bibi in São Paulo. I was a store assistant and, before completing a year in the company, I was transferred to Galpão in Fiandeiras Street. There were only six stores. I worked in different areas, such as Distribution, Licenses, Return from Store, Imported Goods and now I have been at Ironing for a year.”

“When we asked about the balance between professional and personal life, she commented: “Sometimes, my professional attitudes mix with my personal ones, as I spend most of my time within the company. I take it as if I were at home.”

Inspiring tips: Books: "The Subtle Art of Not Giving a F*ck" and "365 Dias com Deus" (published in Portuguese). **An inspiring quote:** "For women today: Do you have dreams? Press forward, you can do it!"



Erika França
Lawyer (and her Julie)

Professional journey: “I started my professional life when I was 16 as a young citizen, working in a hospital pharmacy. Then, I migrated to retail, first working in a store as a salesperson and, later, in a telemarketing company. Afterwards, I worked at an air conditioning company, also on a sales team, but later I moved to the administrative area. Since I was a child, when people asked me what I would like to be, I said I wanted to be a lawyer and, while I was at this air conditioning company, I had the opportunity to start studying Law. I started an internship during the first year at college. I have been a lawyer since 2012. Along the way I took graduate courses and I joined the Veste team in 2021. Working in the Legal Department of our company goes far beyond what I imagined: here, I have the opportunity to look into the eyes of the business and think beyond the books.”

To balance professional and personal life, she recommends: "I learned to separate urgent matters from the important ones and not make another person's disorganization or despair my urgency. Furthermore, not procrastinating, neither at work nor in life, is essential."

Inspiring tips: "I suggest you watch "Oprah + Viola: A Netflix Special Event" and read "Becoming", which is about the release of Michelle Obama's autobiography.

An inspiring quote: "What is your talent? Stick to it, try to improve yourself every day, don't procrastinate and, when an opportunity arises, be ready for it!"

DIVERSITY, INCLUSION AND HUMAN RIGHTS

GRI 2-29 | 3-3 | 405-1

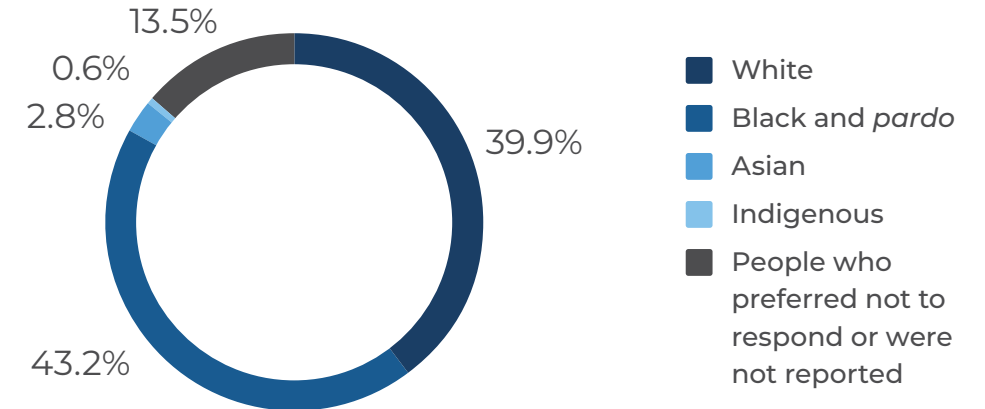
Diversity and inclusion are fundamental pillars in order to create an enriching work environment at Veste. We are dedicated to ensuring equal opportunities, making each person, regardless of their origin or identity, feel welcomed and valued. We are especially proud of the female representation

in leadership positions, demonstrating our commitment to promoting gender equity. We believe that varied perspectives strengthen innovation and creativity, and we are fully committed to offering a fair, inclusive, and safe environment for all of the company's professionals.

Developing Black Talents Program

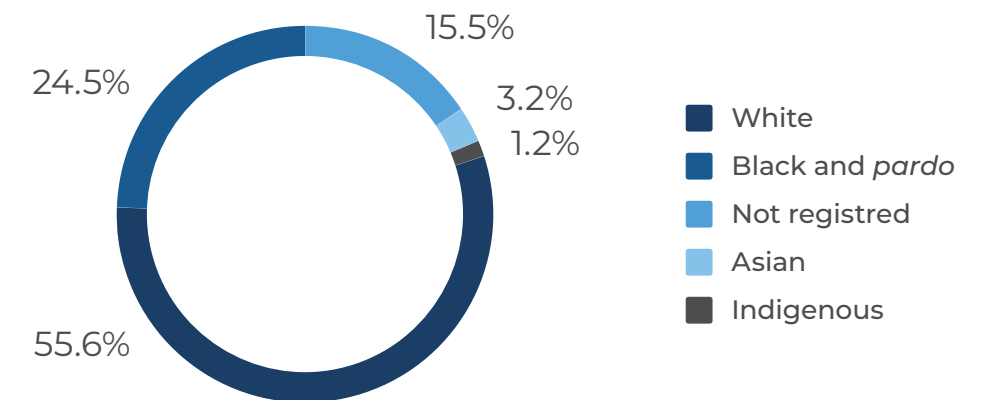
In 2023, we introduced an affirmative action program to support the development and professional evolution of 15 black employees in entry-level operational or administrative positions. This 1-year-long program will select at least six participants for strategic positions in areas such as Market Intelligence, Technology, Data Science and Omnichannel. The others will be part of a talent pool and will be considered for future opportunities at Veste.

SELF-DECLARED IDENTITY OF COLOR OR RACE*



*Census carried out in June 2023.

MINORITY GROUPS* IN LEADERSHIP POSITIONS **



*Ne Black, indigenous, quilombola or other individuals belonging to another socially vulnerable ethnic group. Census carried out in June 2023. ** Leadership positions are considered based on coordination.



IMPACT INITIATIVES

In the interest of valuing and developing our team, we maintain a firm commitment to integrity, diversity and mutual respect, and do not tolerate any form of prejudice or discrimination in the Company's operations. We have a Diversity Program in place, which aims at raising awareness and training and empowering all employees on a variety of themes related to this topic. We present below the main projects and initiatives carried out in 2023.

Recommend a PWD Program

In 2023, we launched the Recommend a PWD (*Indique um PcD*) Program, focused on inclusion and diversity, with the aim of attracting and retaining people with disabilities. This program encourages our employees to recommend candidates for affirmative vacancies aimed at this audience. Furthermore, there is the possibility of awards for employees who make successful recommendations, after the hired person completes 90 days at Veste.

+Apprentice Program for black people

In partnership with SENAC (*National Commercial Learning Service*), our program aims to support young black people aged 14 to 24 in their professional training and facilitate their entry into the job market. In 2023, we hired 21 young black apprentices at Veste.

"VESTE Talks for All"

Every quarter, we hold "**VESTE Talks for All**", an online event available to all employees and presented by the CEO and the Executive Board. At this meeting, the company's financial results are presented and the most relevant topics of that period are discussed. Additionally, the event is subsequently broadcast to the factory and logistics units, accompanied by a video version with translation into the Brazilian Sign Language, which ensures inclusion and accessible information.

Diversity Playbook

Produced by the Corporate Training team, the Diversity Playbook is a practical guide that aims to promote diversity and inclusion in the workplace, making it more respectful, fair, open, and safe. To this end, on May 17th (International Day Against Homophobia, Transphobia and Biphobia) and June 28th (International LGBTQIAPN+ Pride Day), we disseminated the document to all our employees, further stimulating discussions about the topic, welcoming and celebrating differences.

Deconstructing Gender Stereotypes Booklet

Through accessible and informative content, the booklet seeks to dispel prejudices and demystify erroneous concepts about gender, promoting a more inclusive environment and a welcoming workplace. This resource is an essential part of our efforts to create a corporate culture that values and celebrates differences, encouraging open dialogue and empathy among all employees.

Colorism Booklet

In 2023, with the support of Carreira Preta, a mentorship company that joined Veste in the development of the Developing Black Talents Program, we had the opportunity to share with our employees the "Colorism Booklet: the tone of my skin and my identity". This booklet is an enlightening resource, which spells out the concepts and historical contexts related to colorism, with the aim of encouraging anti-racist practice and promoting plurality in our daily lives.

Creation of "VESTE Diversity" in the VESTE News Bulletin

Dedicated to exploring and celebrating diversity within the company, this initiative aims to not only inform, but also educate and inspire our employees about the importance of inclusion and representativeness in the workplace.

VESTE Census

In June 2023, we carried out the Veste Census to collect information about the race, age, gender, and other aspects of our internal employees. This helps us identify strengths and areas that require more attention in the company. Participation is voluntary, but we had many respondents due to the enthusiastic support from the Human Resources team.

May Against Homophobia

We carried out several internal communication actions to celebrate the International Day Against Homophobia on May 17th. With the aim of promoting awareness on the topic, guidance was provided on how to contribute to the fight against homophobia, transphobia, and biphobia, including the use of #Dial100 to report violence, the importance of active and empathetic listening, in addition to support for personalities and artists engaged in cause.

ENGAGING THE TEAM

GRI 401-1 | 401-3 | 404-2 | 404-3

In our culture, we believe that joint development and mutual support are essential for the individual and collective success of our employees. In this sense, we promote an ecosystem with innovative initiatives and projects, ensuring an environment that not only stimulates professional growth, but also values when people overcome challenges and achieve goals.

In 2023, we reached 230 hours of training applied to our employees.

VESTE News Bulletin

We seek to expand our communication through internal channels, such as emails and the VESTE News Bulletin: a platform through which we publicize the company's main events throughout the year. We issue communications and launch thematic bulletins, such as *+Positivo*, focused on mental and physical health, and *+R*, which is dedicated exclusively to Veste's ESG initiatives, ensuring clear and centralized communication.

You Are Part of Our History Program

In 2023, the **You Are Part of Our History Program** continued to recognize employees who completed 10, 15, 20, 25 or 30 years of dedication to the company. We gave gifts and celebrated more than 130 people across all business units.

Discounts on colleges, MBAs and short courses

We continue to seek to build new actions and experiences to encourage engagement and our passionate team. Therefore, we guarantee special **discounts on colleges, MBAs and short courses**, encouraging the continuous development of our areas.

Corporate University

We invested in continuous training for our team, with 2,028 active employees enrolled in Veste's **Corporate University** in 2023, marking a significant advance in the development of the business. Furthermore, we offer career plans and independent projects, contributing to the training and preparation of professionals for the job market.



FIT Project (Feedback Inspires Talents)

We carried out the FIT (Feedback Inspires Talents) Project for the third consecutive year, involving our entire team. This project encourages managers to provide feedback to their direct reports, promoting professional and personal development, and contributing to a work environment characterized by transparency, trust, and continuous growth. We use the Qulture Rocks platform, through which leaders record assessments and employees prepare their Individual Development Plans. It is worth mentioning that the Training team held meetings and provided brief content to clarify doubts and ensure the uniformity of information among managers.

We achieved a 96% feedback rate during the 2023 FIT campaign.

We Are All Retail

We continued with the **We Are All Retail** (*Somos Todos Varejo*) campaign in 2023 with the **Mother's Day** campaign. We promoted the exchange of experiences and empathy through initiatives that involve the collaboration between the employees who work at our offices and our store teams during periods of increased sales.

- In 2023, we conducted the **Leadership Development Program** (*Desenvolvimento de Líderes*) in our industrial and logistics divisions, with a special focus on promoting self-knowledge and strengthening teamwork skills. This initiative was designed to improve leadership skills within the company, encouraging leaders to explore their personal capabilities while improving synergy and collaboration between teams.
- In 2023, we kept the Veste Showcase of **Opportunities initiative active**, a platform dedicated to advertising vacancies for internal talent looking for new challenges. This action strengthens trust and closeness with our employees. At the end of the period, we had 13 internal vacancies filled by internal candidates.
- Based on our commitment to promoting the growth and improvement of young people in the job market, we have the **Jovem Aprendiz (Young Apprentice) Program**. In this program, we promote training that stands out for its individualized guidance, in addition to organizing monthly workshops focused on professional and personal enrichment. In our meetings, we explore different relevant topics, ranging from financial management to the implementation of personal marketing strategies, with the aim of preparing young people for the challenges of the corporate environment and everyday life.





Throughout 2023, we continued to carry out salary analyses with the aim of standardizing indicators in all areas and promoting formal feedback to reduce subjectivity in remuneration investment decisions.

We demonstrated our appreciation for employees in all areas through merits and promotions. **In 2023, we had a total of 733 people benefiting from these actions.**

Merits and promotions	Women		Men		Total	
	2022	2023	2022	2023	2022	2023
Merit	206	168	98	97	304	265
Promotion	256	330	116	138	372	468
Total	462	498	214	235	676	733

Percentage of employees who received feedback

Functional category	Percentage	
	2022	2023
Directors*	100%	100%
Managers and Coordinators	100%	98%
Administrative	78%	76%
Operational*	78%	100%
Sales	17%	16%

*The total number of employees eligible for the Management and Operational levels was considered.

Gender	Percentage	
	2022	2023*
Male	42%	32%
Female	50%	68%

*The total number of eligible employees was considered.



Maternity and paternity leave	Women		Men	
	2022	2023	2022	2023
Employees entitled to go on leave	2,835	2,856	959	948
Employees to who took on leave	127	110	13	24
Employees who should return to work after the end of the leave	127	110	13	24
Employees who returned to work after the end of their leave	127	110	13	24
Employees who would complete 12 months after returning from leave	90	104	20	14
Employees who actually completed 12 months after returning from leave	70	44	14	6
Return rate	100%	100%	100%	100%
Retention rate*	78%	42%	70%	43%

* The difference between the retention rate from one year to the next is linked to the higher turnover in stores during 2023, and it is not related to the maternity/paternity status of employees.

During 2023, we started a new internal program aimed exclusively at pregnant employees: **Materna Veste**. The main focus is to provide support in several areas to future mothers, such as prenatal education, based on quarterly online lectures and chats; emotional and psychological support; risk and complication management; maternity kit for industries and retail; and 30% co-participation exemption for GNDI - Grupo Notredame Intermédica - beneficiaries (in the city of São Paulo).

Hires by age group	Number of hires		Hiring rate*	
	2022	2023	2022	2023
Under 30 years of age	930	1,073	0.56	0.68
Between 30 and 50 years of age	602	629	0.31	0.32
50 years of age and upward	39	58	0.18	0.23

Hires by gender	Number of hires		Hiring rate*	
	2022	2023	2022	2023
Men	397	489	0.41	0.51
Women	1,174	1,271	0.41	0.45

Hires by region	Number of hires		Hiring rate*	
	2022	2023	2022	2023
Central-West	244	250	0.54	0.56
Northeast	106	136	0.35	0.35
North	9	7	0.3	0.24
Southeast	840	927	0.43	0.46
South	372	440	0.36	0.47

* The hiring rate is the ratio between the number of hires and the total number of employees by category.

Employees who left the company by age group	Number of dismissals		Turnover rate*	
	2022	2023	2022	2023
Under 30 years of age	821	1,009	0.48	0.64
Between 30 and 50 years of age	714	712	0.37	0.37
50 years of age and upward	69	63	0.32	0.25

Employees who left the company by gender	Number of dismissals		Turnover rate*	
	2022	2023	2022	2023
Men	412	488	0.43	0.51
Women	1,192	1,296	0.42	0.46

Employees who left the company by region	Number of dismissals		Turnover rate*	
	2022	2023	2022	2023
Central-West	233	266	0.51	0.60
Northeast	172	107	0.56	0.32
North	10	9	0.33	0.31
Southeast	842	890	0.43	0.44
South	347	512	0.33	0.55

*The turnover rate is the ratio between the number of people who have left the Company and the total number of employees, by category.



Compensation

GRI 202-1 | 405-2

Ratio of basic salary and remuneration of women to men

Category	Average salary	Average remuneration**
Executive level***	1.18	1.10
Managment level	1.07	1.03
Non-leadership	1.14	1.15

The ratio shown represents the relationship between the average salary of female employees and the average salary of male employees in the same category. According to this analysis, women receive higher salaries on average than men at all levels.

*Compensation represents, in addition to the salary, the additional earnings that the employee receives during the year, such as bonuses, profit sharing, benefits, among others.

**The CEO was excluded from direct comparison with other executives due to the uniqueness of his responsibilities and functions. His strategic leadership cannot be matched for a more accurate assessment.

PROMOTING HEALTH AND WELL-BEING

GRI 3-3 | 403-1 | 403-2 | 403-6

We prioritize the well-being and health of our team, recognizing their importance for the success of the business and the motivation of employees. We implemented positive practices through educational campaigns and training programs, such as creating a Breastfeeding Support Room for working mothers and labor gymnastics sessions to promote physical well-being. These actions apply to all Veste employees, with the exception of outsourced companies, which must follow the Brazilian Regulatory Standards (NRs) of the Ministry of Labor.

Additionally, with the performance of the SOC system, we ensured occupational health and safety management in our units, conducting periodic checks to prevent and mitigate risks in the work environment. We also encouraged our employees to report any unsafe conditions to members of the Internal Commission of Accident Prevention (CIPA) and the Occupational Safety sector, ensuring that incidents are promptly investigated by RIAT (Work-Related Injury Investigation Report) in order to determine its causes and apply appropriate corrective measures.





We have a **Breastfeeding Support Room** in our office, increasing the comfort of mothers and their babies, and encouraging breastfeeding.



We took advantage of **White January** to present our partnership with **Telavita**, an online psychotherapy platform. Its objective is to support the mental health of the company's professionals at more affordable prices. With 24-hour service, specialist therapists and exclusive content, we encourage the well-being of our employees.



TotalPass benefit. Celebrating **Sportsman's Day**, we highlighted the importance of maintaining an active and healthy lifestyle among our employees, encouraging them to practice physical activities regularly.



We implemented special communication and engagement actions focused on health care and effective forms of prevention during the months marked by awareness-raising campaigns: **Red June, Yellow September, Pink October and Blue November**.



We celebrated the end of the year with four get-togethers in different locations, including our corporate team, the Logistics team in São Paulo (SP), and the units in Terra Boa (PR) and Aparecida de Goiânia (GO). These events focused on thanking and recognizing the commitment and dedication of our teams throughout 2023, in addition to strengthening bonds and sharing our achievements.



We also carried out actions for **Mother's Day, Father's Day, June Festival, Children's Day** and much more, aiming at integrating our team and having a relaxing time with them.



Labor gymnastics for 15 minutes at each workstation, in the corporate and logistics sectors on some days of the year, aiming to reinforce the importance of breaks for our bodies.



Massage and manicure services twice a week in the office. Employees can schedule sessions through the company's app at affordable prices. Thus, we promote self-care and relaxation in the work environment.

SUCCESSFUL PARTNERSHIPS

GRI 2-6 | 2-28 | 2-29 | 3-3 | 204-1 | 308-1 | 414-1 | 414-2


Our company adopts a hybrid production model, which includes internal production, outsourcing of certain stages of production, and outsourcing. This multifaceted strategy ensures the business greater flexibility and agility in responding to market fluctuations, allowing rapid adaptation to consumer demands and efficient use of available resources.

Veste recognizes that it is essential to ensure sustainable and ethical practices throughout the supply chain, that is, from manufacturing to delivery to the end customer. In this context, we defined the challenge of adopting raw materials that are ecologically and socio-environmentally responsible. To this end, a key initiative of the company is to ensure that its national clothing, footwear, and accessories suppliers, whether new or active, are certified by ABVTEX*, which is recognized for its strict socio-environmental standards.

These are our two types of suppliers:

- 1. Raw material suppliers, through which we acquire fabrics, jeans, leather, and other materials to create our pieces, or ready-made products.
- 2. Sourcing suppliers, that is, those who offer products ready for sale, such as accessories, footwear, aromatics products and decoration items.

In 2023, the total spent with national suppliers was R\$ **315,667,101.37**, representing 71% of purchases.



INTERNAL AUDIT

We conduct unannounced internal audits of our apparel suppliers, in which we demand evidence of compliance with labor laws, in addition to interviewing workers and preparing photographic reports. This process ensures the compliance of both our suppliers and their subcontractors. In the event of any irregularity, we implement corrective action plans and maintain continuous monitoring until all the aspects are readjusted by the supplier, reinforcing our commitment to ethics and responsibility in the production chain.

*Brazilian Textile Retail Association



In 2023, Veste achieved the **gold standard** at ABVTEX.



ABVTEX PROGRAM

The program is promoted by the Brazilian Textile Retail Association (ABVTEX) in order to consolidate best practices in the supply chain of textile organizations, ensuring a sustainable environment and decent labor conditions. Adherence requires a thorough assessment and audit to verify adherence to defined labor, social and environmental standards. This includes commitment to guidelines such as prohibiting child and forced labor, observing workers' rights, maintaining a safe and healthy work environment, and respecting environmental regulations.

If we identify any deviations by a supplier during the purchasing process, we take immediate action to ensure compliance with our standards. We may discontinue the partnership or prepare an adjustment

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national Veste suppliers of clothing, footwear, and accessories in 2023, 100% of which were certified by ABVTEX in 2023.

SOCIAL PROJECTS

GRI 203-1 | 203-2

Throughout 2023, we maintained and intensified our commitment to social responsibility by actively engaging our employees and customers in various social actions. Through these initiatives, we seek not only to positively impact the communities in which we operate, but also to inspire a wave of actions that reflect the values of the business.

Protea Institute

Protea Institute's mission is to provide breast cancer treatment for low-income women. Throughout 2023, Le Lis contributed significantly to the institute, donating part of the sales of themed products, and participating in important events, such as the Protea Tennis Tournament, held at Quinta de Baronesa, in the countryside of the state of São Paulo. The brand also got involved in workshops for patients and supported the dissemination of a book about curing breast cancer, written by Ana Furtado. These actions helped 1,225 women during the year, taking into account the financing of procedures and a reduction in waiting times for treatments.

Also, for the third year in a row, BO.BÔ participated in the Pink October initiative by creating t-shirts. Part of the resulting profit goes to support the Protea Institute and strengthen the fight against breast cancer for low-income women.

Since the partnership between Le Lis and Instituto Protea started, more than 2,990 women have benefited from a total investment of R\$1.5 million by Veste's brands.





Testimonial

"The challenge of breast cancer in Brazil is immense and society still does not have the necessary knowledge, which prevents its involvement with the cause.

A report from the Brazilian newspaper Estadão, on March 25, 2023, reported that the breast cancer mortality rate rose 86% in Brazil in the last 22 years. This means that more than 18,000 Brazilian women die every year from a disease that has a 95% chance of cure if treated early.

The partnership with Le Lis Blanc is impactful in several aspects. Firstly, by raising awareness among thousands of women, as the company promotes the topic among all customers in its stores and on its social media in specific campaigns. Secondly, through the income from products launched in partnership with the Protea Institute, such as candles, crockery, and soaps, it is possible to pay

for appointments with mastologists, biopsies, mammography exams, mammotomy exams, ultrasounds and even surgeries to remove the tumor, as well as chemotherapy and radiotherapy sessions, when necessary.

This type of action is a wonderful example of efficiency and good management when it comes to the social responsibility of a company that recognizes its role in society and does not stop working to achieve its objectives. Detecting it early and having the agility to start treatments are the two decisive factors in changing the scenario of breast cancer in Brazil.

I am deeply grateful for the commitment of the entire Veste team in partnering with the Protea Institute to save the lives of thousands of women every day."

Gabriella Antici,

Founder and President of the Protea Institute.

WE ARE ALL SANTA CLAUS

Through the **We Are All Sant Claus** (*Somos Todos Noel*) initiative, we encouraged the children of our employees in the Industry and Logistics areas to write letters to Santa Claus. We also motivated office professionals to get involved in this project, resulting in 441 children receiving gifts last Christmas.

CAPACITA-ME

We donate fabrics from our production leftovers to three NGOs with different focus areas. **Capacita-me Institute**, located in the city of São Paulo, uses the fabrics in cutting and sewing courses for unemployed people and people in situations of socioeconomic vulnerability. The pieces created are sold and used to finance the project itself. Learn more by clicking [here](#).

AMIGOS DO BEM

Part of the fabrics mentioned above were also donated to the **NGO Amigos do Bem**, a non-profit organization, which has been operating in the countryside of the Northeast region since 1993 with projects for education, income and work generation, water, health, housing, and social inclusion for populations in a situation of extreme poverty. The materials are used to make towels and curtains, delivered to homes, schools and project's education facilities. In addition, patchwork bags are produced, later purchased by Veste, and delivered to our employees during their onboarding stage.

AFESU

Finally, **AFESU (Women's Association for Social and University Studies)**, which is focused on the education and training of women to reduce gender inequality and promote social inclusion, also benefited from the fabrics donated to support their educational and professional initiatives. They produce various products, such as pajamas, table sets, gift bags, among others. These products are sold at the NGO's own bazaar and the profit from sales goes 100% to the project.

Hospital de Amor

In October 2023, Dudalina started a significant partnership with Hospital de Amor, demonstrating a shared commitment to health and well-being. By purchasing one of our shirts, customers directly contributed to a greater cause, as 100% of the profit obtained from sales went to the project, supporting the fight against breast cancer.

We donated R\$78,758.00 to the initiative. With the purpose of spreading love, support and awareness, this initiative not only reinforced our social commitment, but also allowed our customers to actively engage in the fight against a disease that affects thousands of people every year.



DROP YOUR JEANS

Another edition of the Drop Your Jeans project has been concluded: an action created by the John John brand to collect jeans in good condition for social purposes. Donations were collected in stores and delivered to the

Soul Guetto Group (a group of dancers from the low-income peripheral neighborhoods of Belo Horizonte, MG). As a way to encourage fundraising, customers who donated a pair of jeans would receive a 30% discount on the purchase of a new pair of jeans.

LE LIS AND ECOARTS AMAZÔNIA

Since 2022, due to our commitment to promoting a positive impact on the conservation of the Amazon forest, we have maintained a partnership with **Ecoarts Amazônia**, through the Amazônia collection.

This collection captures the unique beauty of the region in apparel, accessories, and home items, adopting sustainable practices and using natural raw materials such as local seeds and fibers. The production is artisanal and carried out by artisans

from the communities of the states of Mato Grosso, Pará and Goiás, boosting their economy in addition to valuing the culture and social well-being of these areas.

In 2022, Le Lis launched an innovative collection, which marked the beginning of its environmental commitment through planting trees. The second collection was developed throughout 2023 and launched at the beginning of 2024 and the planting of trees has already taken place, totaling 10,000 trees for both collections. [Click here to learn more.](#)

CHAPTER 6

ANNEXES



CONTENT MAP

UNIVERSAL STANDARDS		REFERENCE/DIRECT RESPONSE
General Content		
The organization and its reporting practices		
2-1	Organizational details	Pages 13 and 30
2-2	Entities included in the organization's sustainability reporting	Page 4
2-3	Reporting period, frequency and contact point	Page 4
2-4	Restatements of information	There were no restatements of information in relation to the previous report.
2-5	External assurance	This report did not undergo external assurance. However, it considered the thorough evaluation of everyone involved in its production, as well as the assessment of the Board of Directors, in order to guarantee the veracity and assertiveness of the information.
Activities and workers		
2-6	Activities, value chain and other business relationships	Pages 13, 17 and 73
2-7	Employees	Page 56
2-8	Workers who are not employees	There were 173 outsourced workers in cleaning, security, maintenance, firefighters, restaurant and other positions at the end of 2023.
Governance		
2-9	Governance structure and composition	Page 30

UNIVERSAL STANDARDS		REFERENCE/DIRECT RESPONSE
2-10	Nomination and selection of the highest governance body	Page 32
2-11	Chair of the highest governance body	Page 32
2-12	Role of the highest governance body in overseeing the management of impacts	Page 32
2-13	Delegation of responsibility for managing impacts	Page 30
2-14	Role of the highest governance body in sustainability reporting	Page 4
2-15	Conflicts of interest	In cases of conflicts of interest, Veste's Related Party Transactions Policy (page 3) presents the procedures, ensuring that all decisions are taken in the best interests of the company and its shareholders, with impartiality, transparency, equity and commutativity.
2-16	Communication of critical concerns	Page 39
2-17	Collective knowledge of the highest governance body	Page 32
2-18	Evaluation of the performance of the highest governance body	Page 36
2-19	Remuneration policies	Pages 30 and 36
2-20	Process to determine remuneration	Page 30
2-21	Annual total compensation ratio	The ratio between the highest remuneration and the average received by employees is 31 times.
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Page 5
2-23	Policy commitments	Pages 38 and 43

UNIVERSAL STANDARDS		REFERENCE/DIRECT RESPONSE
2-24	Embedding policy commitments	Page 11. The commitments are integrated into the strategies by setting targets, developing policies, creating operating procedures, internal communication, training, impact assessment and feedback, and are also reported in the annual reports. The Board of Directors monitors the implementation of the Group's commitments at various levels of the organization. The company adopts commitments for business partners, through onboarding practices, careful selection, inclusion of contractual clauses, monitoring, open and transparent communication, problem solving and continuous improvement processes.
2-25	Processes to remediate negative impacts	Pages 38 and 41
2-26	Mechanisms for seeking advice and raising concerns	Page 39
2-27	Compliance with laws and regulations	In 2023, no significant cases of non-compliance with laws and regulations, considering fines and non-monetary sanctions, were identified. Veste takes into account as significant cases those situations with fines above R\$50,000.00.
2-28	Membership associations	Pages 30 and 73
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Pages 8, 17, 43, 48, 61 and 73
2-30	Collective bargaining agreements	98% of Veste's employees are covered by collective bargaining agreements. The 2% not covered are those who earn above two social security ceilings, that is, the so-called hypersufficient. In these cases, negotiations are carried out directly with the company.
Material topics		
3-1	Process to determine material topics	Page 8
3-2	List of material topics	Page 8
3-3	Management of material topics	Pages 13, 38, 41, 45, 48, 61, 71 and 73

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Economic Content		
Economic Performance		
201-1	Direct economic value generated and distributed	Page 26
Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 70. Veste is committed to respecting the minimum wage stipulated for each region, without distinction by gender. We are structuring ourselves to report data with greater assertiveness over the next few years.
Indirect Economic Impact		
203-1	Infrastructure investments and services supported	Page 75
203-2	Significant indirect economic impacts	Page 75
Procurement Practices		
204-1	Proportion of spending on local suppliers	Page 73
Combate a Corrupção		
205-1	Operations assessed for risks related to corruption	We have a Code of Conduct that follows Brazilian and American anti-corruption laws. The company does not assess the risks related to corruption in its operations as it considers that they do not have a significant impact/materiality.
205-2	Communication and training about anti-corruption policies and procedures	We communicate with employees through internal communication channels and during the onboarding process of new employees. Training related to the topic is included in the Code of Ethical Conduct, as detailed on page 38. The topic is also addressed during the signing of the code by the employee and during the approval of partners and suppliers.

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
205-3	Confirmed incidents of corruption and actions taken	In 2023, the company recorded no confirmed cases of corruption, whether internally or through the Ethics Channel.
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2023, the company did not register cases of lawsuits due to anti-competitive behavior, trust, and monopoly practices.
Environmental Content		
Materials		
301-1	Materials used by weight or volume	Pages 49 and 51. In 2023, Veste carried out a detailed survey of the composition and weight of each piece of clothing commercialized, considering all its brands. The analysis consisted of determining the proportion of each material by weight for each item. For example, in a 100-gram garment made up of 90% cotton and 10% elastane, 90 grams of cotton and 10 grams of elastane were recorded. This method was uniformly applied to all pieces to ensure an accurate assessment of the materials used.
Energy		
302-1	Energy consumption within the organization	Page 53. Although we do not have formal energy reduction targets established, current consumption in the factory is already quite low, basically referring to the limited use of sewing machines and fans. Additionally, in 2023, we entered into an agreement to implement renewable energy at our facilities, which will come into effect in July 2024. Additionally, we chose to reduce the operations of the factory in Aparecida de Goiânia to just one shift, which will significantly contribute to reducing energy consumption. The data indicated in 2022 has been improved.
302-3	Energy intensity	Page 53.

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Water and Effluents		
303-1	Interactions with water as a shared resource	Page 54. The water withdrawn is used for various purposes, including human consumption, personal hygiene, cleaning in the factory, use in toilets, air conditioning and in the production process. Drinking fountain filters are replaced every six months to ensure water quality. The water from the well undergoes chlorine treatment and laboratory analysis, with reports confirming the effectiveness of the process.
303-3	Water withdrawal	Page 54. The data indicated in 2022 has been improved.
303-4	Water discharge	<p>The water used in operations is directed to the sewage system after consumption, while water from the artesian well is disposed of in the septic tank.</p> <p>We currently do not have a monitoring system for this data, but we are committed to implementing it. The disposal of laundry effluents is carried out by an outsourced company, which is responsible for the appropriate treatment before final disposal.</p>
303-5	Water consumption	Page 54
Emissions		
305-1	Direct (Scope 1) GHG emissions	Page 45. With the improvement of the internal process of mapping our emission sources, this year we improved: Fugitive emissions: in 2023 we started to consider emissions from shopping mall stores.
305-2	Energy indirect (Scope 2) GHG emissions	Page 45

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
305-3	Other indirect (Scope 3) GHG emissions	<p>Page 45. With the improvement of the internal process of mapping our emission sources, this year we improved:</p> <p>Employee commuting: in 2023 we increased the number of days the corporate team worked in person from 2 to 3 and started calculating emissions related to teleworking (home office).</p> <p>Purchased goods and services: To calculate this category, we took into account the detailed survey of raw materials as indicated in item 301-1. Fabrics representing more than 0.5% of the total volume were taken into account, resulting in an inventory of 98.8% of the total volume of fabrics sold by Veste throughout 2023. A thorough review was carried out of the emission factors for raw materials, which have been updated in this report ref 2023 and 2022.</p>
Waste		
306-1	Waste generation and significant waste-related impacts	<p>Pages 49 and 50. The cardboard boxes used to transport and package clothing and accessories in our processes generate large volumes of waste which, if not recycled or reused properly, contribute significantly to the accumulation of solid waste in landfills. We are committed to ensuring that these materials are sent for recycling after use, highlighting initiatives such as the Blue Boxes project, detailed on page 53. In addition, the cardboard boxes we use are FSC certified.</p> <p>The use of fossil fuel boilers and the demand for electricity in our facilities also increase greenhouse gas emissions. From 2024, we will start operating with clean, renewable energy in our factories. The production of plastics, used in both packaging and clothing components, contributes to global plastic pollution. We are committed to adopting more sustainable practices through the actions and initiatives highlighted in this report on the pages already mentioned. Processes involving chemicals, such as in laundries, require careful treatment to avoid environmental damage. Chemical products and effluents from laundries are sent to a company that specializes in treatment and proper disposal.</p>

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
306-2	Management of significant waste-related impacts	Pages 49 and 50. One of the main strategies is the correct segregation of waste, directing each material to recycling or appropriate disposal, combined with raising employee awareness through dialogues and educational campaigns about the importance of reducing waste and sustainable practices. Recyclable waste is directed to recycling. Other materials such as light bulbs, textile waste, boiler ashes, chemical product bottles and laundry effluents are sent to a company specialized in appropriate treatment and disposal. Sanitary and organic waste is collected by the local government.
306-3	Waste generated	Page 49. The data indicated in 2022 has been improved.
306-4	Waste diverted from disposal	Page 49. During the period, no hazardous waste was sent for reuse, recycling or other forms of recovery inside or outside the company. For non-hazardous waste, the following materials were sent for recycling in 2023: Recycled waste (paper and plastic): 29,545 kg; Cardboard: 147,494kg
306-5	Waste directed to disposal	Page 49
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	All new Veste suppliers must undergo ABVTEX certification, in order to guarantee their socio-environmental compliance and ensure the value and integrity of our supply chain. Find out more on pages 73 and 74
Social Content		
Employment		
401-1	New employee hires and employee turnover	Pages 64 and 69

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All the benefits mentioned in the report are offered exclusively to Veste's CLT and PJ employees. We do not include outsourced companies (cleaning, firefighters, security, reception), whose actions related to benefits must also comply with the Ministry of Labor's occupational safety rules, in accordance with the Regulatory Norms (NR's).
401-3	Parental leave	Pages 64 and 68. The data collection indicated in 2022 has been revised and improved.
Occupational Health and Safety		
403-1	Occupational health and safety management system	Pages 71 and 72
403-2	Hazard identification, risk assessment, and incident investigation	Pages 71 and 72
403-6	Promotion of worker health	Pages 71 and 72
403-8	Workers covered by an occupational health and safety management system	In our company, we offer medical and dental insurance benefits exclusively to employees who are based in São Paulo. Such benefits are Workers covered by an occupational health and safety management system not extended to third parties. However, in other places such as Terra Boa and Aparecida de Goiânia, we count on the support of a nurse who provides care to everyone without distinction, whether they are employees or outsourced workers, thus ensuring healthcare for a broader spectrum of people associated with our organization.
403-9	Work-related injuries	In 2023, we did not observe any types of work-related injuries in Veste's operations.
403-10	Work-related ill health	There were no reported deaths resulting from occupational diseases or cases of occupational diseases that must be reported in connection with Veste's employees and its outsourced workers in 2023.

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Training and Education		
404-1	Average hours of training per year per employee	<p>Veste's average number of training hours in 2023 is segmented below by category. The data by gender is being structured so that we can publish them over the next cycles.</p> <p>Leadership — Directors: 12 hours</p> <p>Leadership — Corporate: 17 hours</p> <p>Leadership — Retail (online and in-person): 54 hours</p> <p>Leadership — Operational: 19 hours</p> <p>Team — Corporate: 15 hours</p> <p>Team — Retail (online and in-person): 104 hours</p> <p>Team — Operational: 6 hours</p>
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 64 and 66
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 64 and 65
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pages 36, 56 and 61
405-2	Ratio of basic salary and remuneration of women to men	Page. 70

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	In 2023, three cases of discrimination were found within the company. In two of them, we terminated the contract of the employees involved in the situations. Regarding the third case, after a thorough investigation, we proceeded with a reparation plan that included training and literacy on and racial topics.
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	No operations and suppliers were found to be at significant risk of cases involving child labor in 2023.
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No operations and suppliers were found to be at significant risk of cases of forced or compulsory labor in 2023.
Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	There were no cases of violation of the rights of indigenous peoples in 2023.
Local Communities		
Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	All new Veste suppliers must undergo ABVTEX certification, in order to guarantee their socio-environmental compliance and ensure the value and integrity of our supply chain. Find out more on page 73.
414-2	Negative social impacts in the supply chain and actions taken	In 2023, we carried out 279 audits with our suppliers. As a result of this process, 36 contracted and subcontracted suppliers were excluded from our partner portfolio, as they were not suited to the company's socio-environmental requirements. Find out more on page 74.

SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Public Policy		
415-1	Political contributions	A Veste does not contribute, directly or indirectly, to political campaigns, political parties, candidates for public offices or any other type of organization that carries out political activity. Find out more in our Anti-corruption Policy (page 2).
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No cases of non-compliance were found in relation to the impacts on health and safety caused by products and services in 2023.
Marketing and Labeling		
417-1	Requirements for product and service information and labeling	<p>Veste's labeling process seeks to ensure the sharing of data and information about the origin of the materials and components of our products. Furthermore, we provide guidance on how these products can be used safely, including guidelines on washing and storage, according to each type of material.</p> <p>100% of our products are covered by this procedure.</p>
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>In 2023, payment was made for a case of non-compliance, determined in 2022, in relation to the labeling of one of Dudalina's products. At the time, it was found that there was no information on the textile composition of the differentiated part, which is classified as a lining.</p> <p>To this end, Veste reinforced the management of its processes on the subject, with no new cases.</p>
417-3	Incidents of non-compliance concerning marketing communications	No cases of non-compliance in relation to marketing communications were found in 2023.

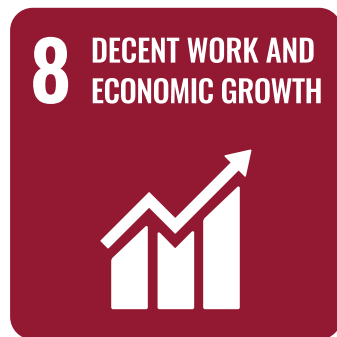
SPECIFIC STANDARDS		REFERENCE/DIRECT RESPONSE
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, Veste did not received any customer complaints related to privacy violations and/or data loss. At the beginning of the year, the company identified suspicious activity on one of the brands' websites, acted immediately to correct the situation and, after internal investigations, it was confirmed that there had been no misuse of customer data by third parties.

SDG MAP



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V E S T E