



LOJAS RENNER S.A.

 **RENNER** youcom CMICADO

2015 Annual Report

# 2015 Annual Report

LOJAS RENNER S.A.

 RENNER  youcom  CAMIGADO

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## Message from the management

G4-1

For another year, Lojas Renner's strategic direction, executed by a committed team and with close proximity and knowledge of its customers, strengthened the Company's competitive advantages in order to continue growing and generating value for its stakeholders, even in an unstable economic scenario. Throughout 2015, the Company has advanced regarding the engagement of its employees, the logistics operation efficiency, the promotion of quality, agility and adjustments to best practices in the supply chain, in the search for the business' sustainable development.

This year, employee engagement reached its highest measured value in the Company's history, according to the annual survey conducted with all the 17,000 employees, on a voluntary basis: 87%. This level is higher than the Global Fashion Retail Average Index, 71%, and the Brazilian index, 62%, according to Aon Hewitt, an international consultancy firm specialist in the presentation of outlook on the management of people, compared between companies.

Regarding logistics, the distribution center of São José (SC) was inaugurated, with 47,000 m<sup>2</sup>, which, along with the Rio de Janeiro center, have a unique high level of automation in the clothing industry in Brazil. With the two centers in operation, the Company will reach distribution and competitiveness efficiency gains, which will result in the reduction of stock-outs and markdowns, supporting the Company's financial results, and the opportunity to improve its environmental performance, due to the greater efficiency in the consumption of natural resources (energy, fuel, etc.) and reduction of greenhouse gases emissions.

The management of resale suppliers, in turn, has been restructured and strengthened with the creation of the Compliance department and the improvement and intensification of monitoring processes: 100% of the national production supply chain (and its contractors) of clothing, footwear, accessories and beauty (own brand) has been audited. In addition, the Reactivity Project, the Supplier Development Program and the introduction of the Lean Manufacturing concept with the Company's main manufacturers have led to the increase in production efficiency, creating conditions to expand our capacity to respond to the demands of our customers with quality and environmental responsibility, as well as enabling improvements in delivery logistics, product development, lead time and in the costs involved.

**We remain dedicated to capture growth opportunities and market share gains, supported by a strong brand, with robust and clear competitive advantages.**

We also follow increasingly seeking to contribute to the development of the society within our own business and, for that, we have expanded our support to the seven Women's Empowerment Principles, prepared and disseminated by UN Women and the UN Global Compact, with the financial support for the development of a work project aimed at gender equality throughout our value chain. Through our commitment to sustainability, as a value that guides the Company's decision-making process and business strategy, we have been recognized and selected to comprise, for the second consecutive year, the ISE portfolio (Corporate Sustainability Index of BM&FBOVESPA), which evaluates and selects companies with the best management and practice of corporate sustainability in Brazil.

We also continue to maintain a disciplined and prudent cost control management, always seeking simplicity, maximizing the use of resources and bringing quality products to customers with an increasingly better shopping experience.

All these initiatives, as well as the attention to the continuous improvement of Lojas Renner's management and performance over the past few years, have been proven assertive and are reflected in the progress of our results. Even in a challenging and unstable economic context, with low consumer confidence and expensive and restricted credit, we executed our expansion plan as expected and opened 49 stores, in 12 states, including Renner, Camicado and Youcom, strengthening our presence in every state of the country, with a total of 380 stores.

In the year, we had good sales performance, which grew more than 17%, above the reference index of the IBGE Monthly Trade Survey (PMC), which fell 5.2% in the clothing and footwear retail segment, between January and December 2015. In addition, inventory management was efficient and the level decreased 1.7% as of December data. The "Same Store Sales", important productivity indicator, which shows how much sales would have grown even if we had not expanded the number of stores, grew by 10.8%.

Therefore, we have registered Net Revenue of R\$ 6.1 billion and Net Income of R\$ 578.8 million – amounts 17.8% and 22.8% higher than in 2014, respectively – supporting the maintenance of consistent operating margins and the 22% return on invested funds.

We are dedicated to capture growth opportunities and market share gains, supported by a strong brand, with robust competitive advantages and continually improving, overcoming the challenges of the economic scenario and focusing on the execution of our strategic plan for the business' support and sustainability.

We would like to thank all our shareholders, employees, customers and suppliers for one of the main pillars that support us on this path: your trust in this company!



Osvaldo Burgos Schirmer  
Chairman of the Board of Directors



José Galló  
CEO

## About the report

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This annual publication aims to communicate to all of Lojas Renner S.A.'s stakeholders about information relating to the Company's operations, the retail sector environment in Brazil, results achieved in 2015, principles and values that guide the Company and the future paths now being built.

The guidelines adopted to define the information in this report are presented below, in order to provide transparent and relevant content.

The graphic identity was developed in accordance with the proposal of "standing by the modern woman" and reaffirmation, in 2015, of the voluntary commitment to the Women's Empowerment Principles, of UN Women, shown in this Report, as one of the value generation initiatives from the Company to the society. The front and back cover were prepared with the image of 50 Renner's women employees, who are the people that make the company's history happen, holding positions at various levels and performing different functions in their day to day - positions typically occupied by women, or not. Employees in the company for about 5, 10, 15, 20 years and over were chosen. In the chapter openings, some employees were highlighted, narrating their professional history and, at the end of the report, all the others were grouped with their stories also stated.

Throughout the content, the terms "Company", "Lojas Renner S.A." or "Lojas Renner" will be used as reference to consolidated information on Lojas Renner S.A.'s companies. If the information is about a specific business, the terms used will be "Renner" (or "Renner stores"), "Camicado" and "Youcom". This reflects the differences that still exist between subsidiaries in the monitoring and management of their social, environmental and economic performance indicators.



**CLARICE MARTINS COSTA**  
(Human Resources Director)  
24 years working for the company

*I had the opportunity to participate in the great changes that took place in Lojas Renner during these 22 years: I am passionate about the retail industry's velocity and dynamism! One of the things that had touched me throughout this journey is the construction of the enchantment culture, which is part of everything we do: we seek to always exceed the expectations of our workers and customers.*

## Introduction

### Best practices

The content of the following chapters, based on relevance and transparency, were composed oriented by the Global Reporting Initiative (GRI) guidelines, Core option, and, for the first time, it is also beginning to adopt the Integrated Reporting principles as the orientation for this publication. This first exercise seeks to show how the Company's strategy, governance and performance, considering the economic environment, are connected and determine value generation prospects in the short, medium and long term.

These two global guidelines, adopted voluntarily by the companies, help Lojas Renner S.A. define the content to be covered in its annual report in order to meet the interests of its stakeholders in a clear and transparent way, allowing all stakeholders to monitor the evolution of the Company's management and performance for its sustainable development.

To ensure the reliability of the information contained in this report, documents such as the Financial Statements and the Reference Form – both published online on the Investor Relations website – were used as a basis for the disclosure of the Company's consolidated data. Furthermore, the report had its indicators evaluated and assured by KPMG Financial Risk & Actuarial Services LTDA, an independent auditing firm.

It is important to point out that the Reference Form published as at the release time of this report covers the 2014 fiscal year, since the document covering the 2015 fiscal year will be released in May 2016, when it is published annually.

## Relevant content

Every two years, Lojas Renner identifies, through qualitative and quantitative research, the topics relevant to its stakeholders that should guide the monitoring and management for of the Company's best performance and its business sustainability. In 2015, the survey considered the following bases:



**BENCHMARK** of evaluation of sustainability reports to identify the topics relevant to the sector, by:

- National and international players
- EFFAS (European Association of Investors for sustainability, one of the pioneers in the definition of sectoral sustainability indicators standard for investment analysis)



**ONLINE QUANTITATIVE RESEARCH** with more than six thousand representatives from:

- Shareholders
- Customers
- Employees
- Resale suppliers
- Administrative suppliers
- Environmental organizations
- Social organizations
- Press
- Associations



**TELEPHONE QUALITATIVE RESEARCH** with ten representatives of the online public consulted, except for customers who had two representatives.

Research results indicated the most important topics from the stakeholders' point of view, presented in the following matrix, which will be discussed in more depth in this report and will guide the Company's medium-term sustainability strategy.

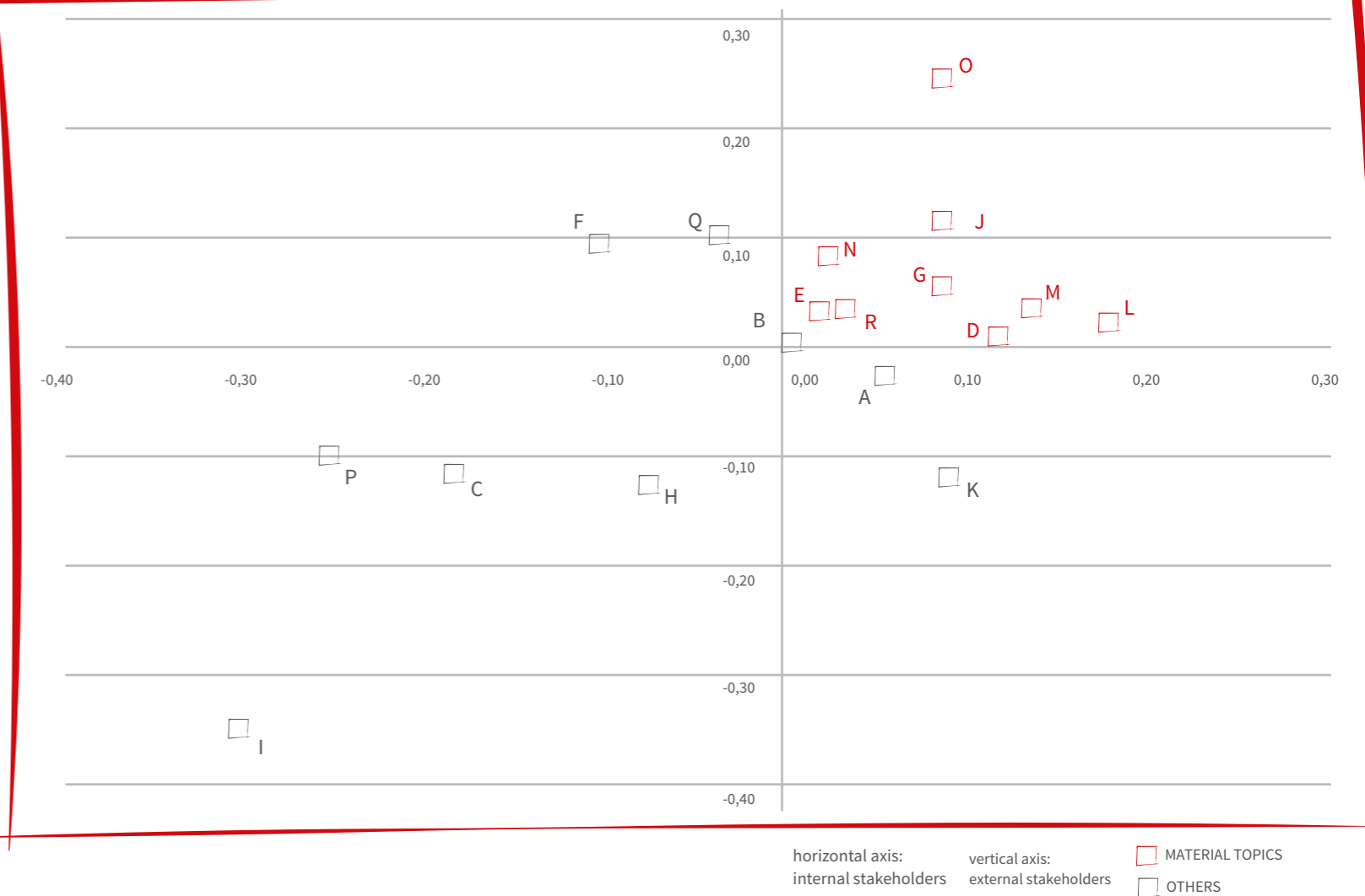
## Relationship of commitments with the aspects of the materiality matrix

MATERIAL TOPICS	Company's guidelines related to the material topics
D) Conscious use of water throughout the process	Environmental responsibility
E) Responsible use of materials and inputs in the manufacture of products (fabric, plastic, water, energy, among others)	Environmental responsibility
G) Safety and quality of the products sold to the end consumer	Respecting and valuing people,  Environmental responsibility
J) Quality in customer relationships and in the promotion of satisfaction	Respecting and valuing people,  Ethical and transparent conduct
L) Development of employees (training, career planning, among others)	Respecting and valuing people
M) Health and safety of employees	Respecting and valuing people
N) Valuing diversity and encouraging to the promotion of equal rights among its employees (between races, ethnicities, genders, religions, sexual orientations, physical abilities, etc.)	Respecting and valuing people,  Environmental responsibility,  Ethical and transparent conduct
O) Promotion of an ethics and anti-corruption culture	Ethical and transparent conduct
R) Encouragement of good practice (social and environmental) within the Supplier chain	Respecting and valuing people,  Environmental responsibility,  Ethical and transparent conduct

**CAPTIONS**

- Ethical and transparent conduct
- Respecting and valuing people
- Environmental responsibility

materiality matrix



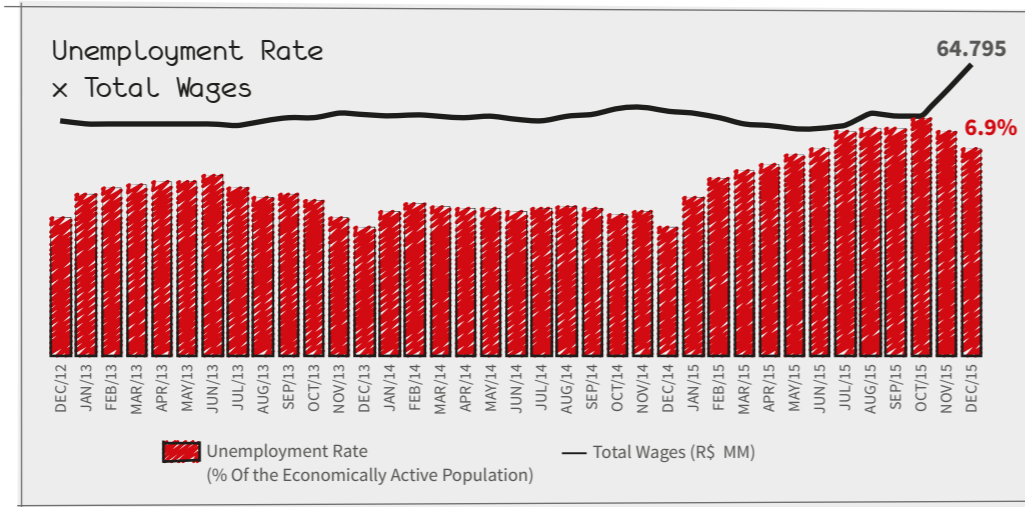
## Questions and comments

Lojas Renner maintains an open channel so that its stakeholders are able to clarify doubts, comment or request further information about its management, sustainability principles and practices. The team dedicated to the topic can be reached through email: [relatorio@lojasrenner.com.br](mailto:relatorio@lojasrenner.com.br)

# Economic scenario and sector outlook

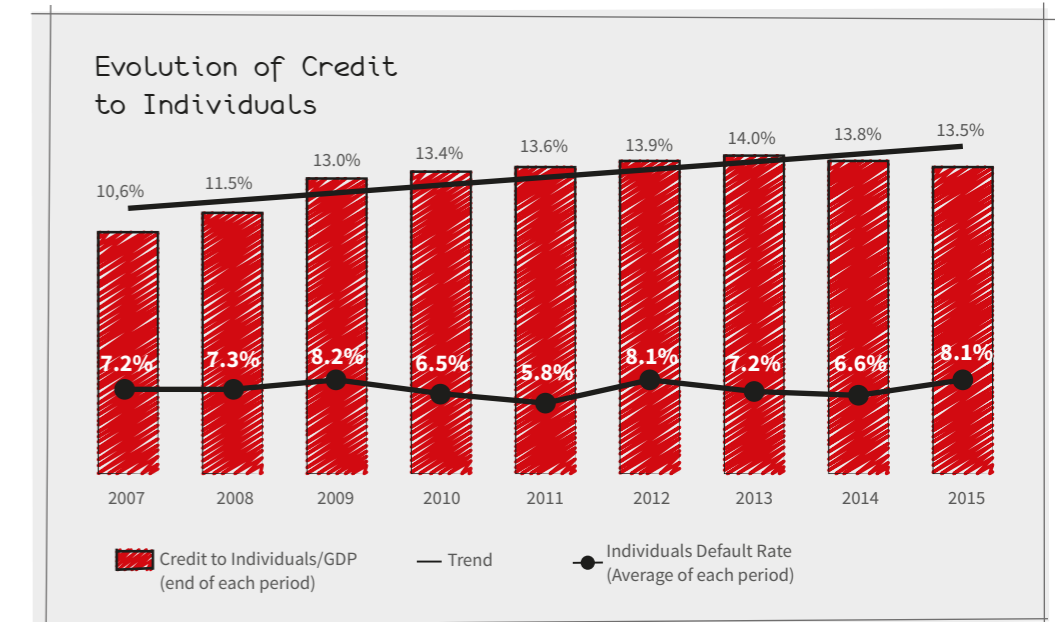
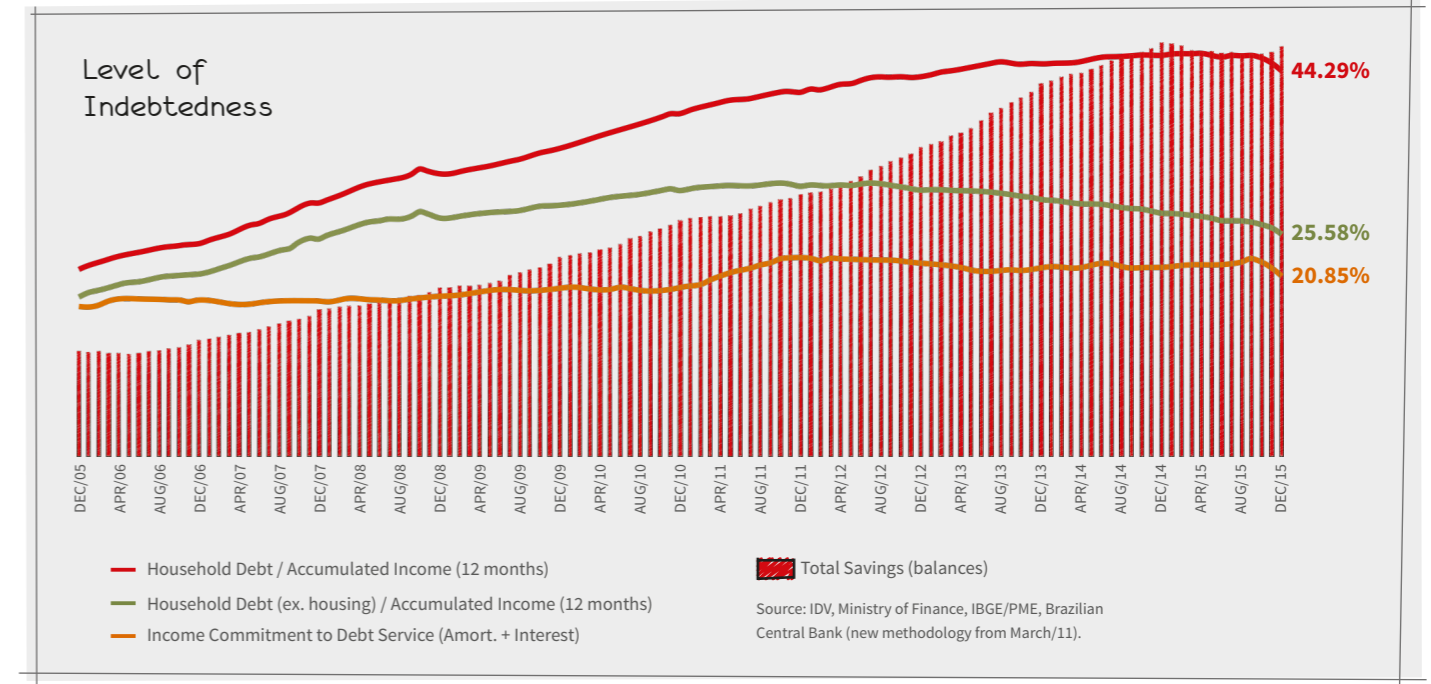
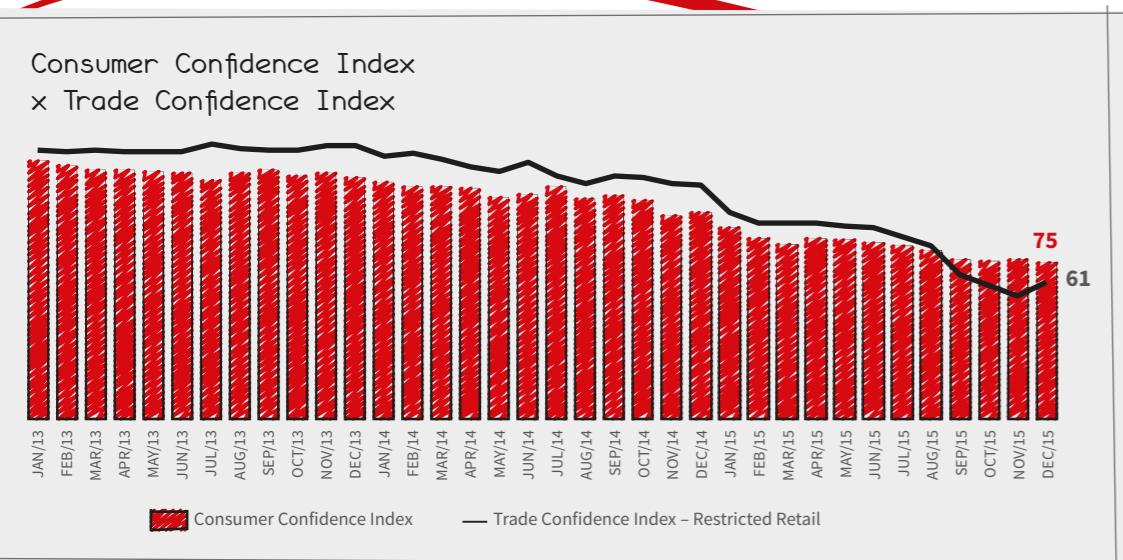
In 2015, the country's economic activity went into recession, with the GDP 3.6% lower in 2015 against a slight annual increase of 0.2% recorded at the end of 2014. The main economic policy indicators came under pressure and reached their worst levels in recent years.

The high inflation, measured by the Broad Consumer Price Index (IPCA) reached 10.7%, the highest in the last 13 years and above the ceiling of the Central Bank's target, which was 6.5%. The basic interest rate, consequently, suffered a series of increases by the Central Bank, closing the year at 14.25%, 2.5 p.p. above the previous year.



During the period, the unemployment rate rose from 4.8% to 6.8%, according to the Monthly Employment Survey in the six main metropolitan regions of the country, conducted by the Brazilian Institute of Geography and Statistics (IBGE).

This deteriorating economic environment had a direct effect on the decline of customer purchasing power, with the reduction of the confidence index, increased indebtedness, reduced credit availability and default rate growth.

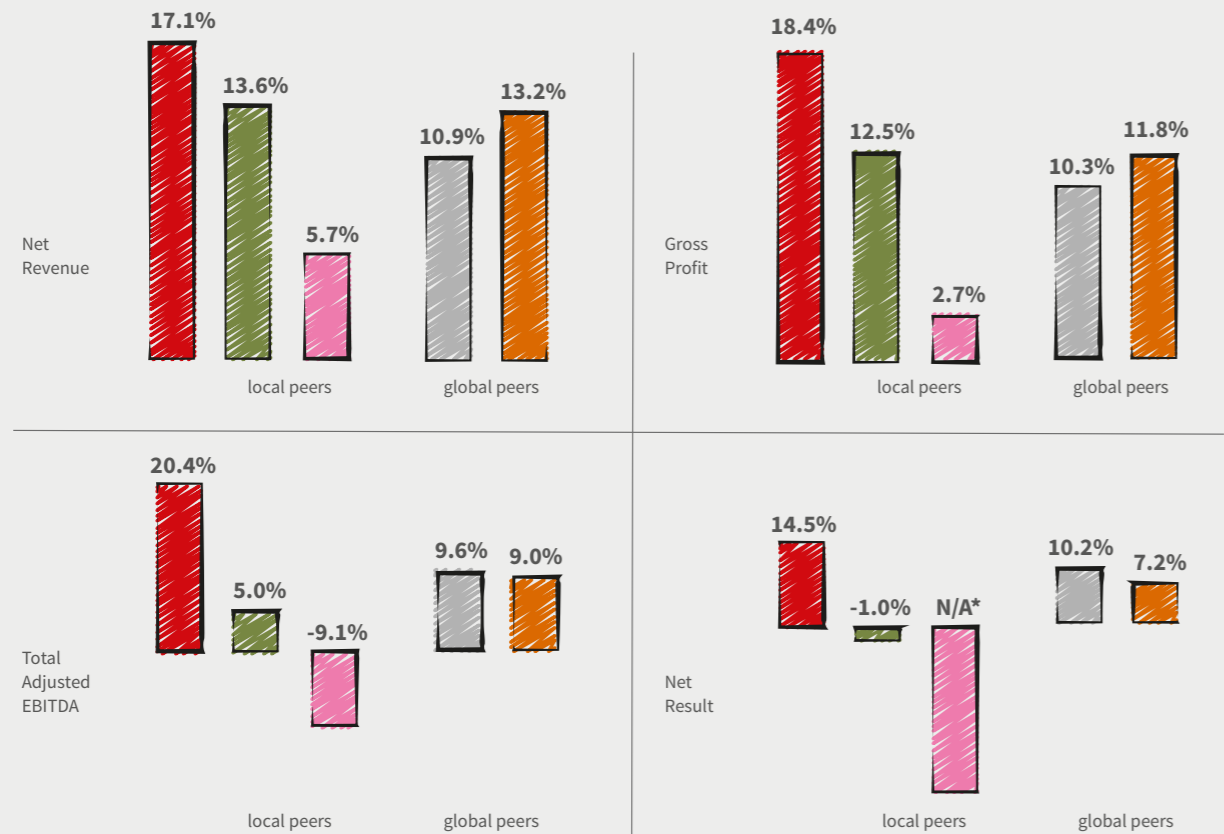


Despite this, Lojas Renner S.A. went in the opposite direction and kept growing in 2015, regarding the size of its operation (number of stores) and its results (read more on pages 47 to 52). This growth has been intense, continuous and, if compared to its local and global peers, above the market average.

### Market Comparison

(CAGR 2011-2015)

RENNER



Source: companies releases  
 \*Non applicable – from R\$ 177 MM in 2011 to -R\$ 336 MM in 2015

The Company believes that this historical path reflects the accuracy of its business strategy, the appreciation for its differentials and the continuous search for the evolution of the pillars that support the business.

In this sense, the Company promotes a careful management of operational, economic, social and environmental aspects that may affect its support and the sector, in order to take preventive and proactive measures, with responsibility for human and labor rights and for the environment, mitigating risk and generating value to its stakeholders.

## Main sectoral impacts

### ENVIRONMENTAL

The life cycle of fashion retail products is extensive, going from the extraction of raw materials to the lifetime duration of the product and its degradation in the environment. The disposal of the pieces is done by end users and usually happens in landfills that, in the big cities, do not absorb the amount of waste generated daily by society in a timely manner.

To contribute to the reduction of this impact, Lojas Renner S.A. seeks to promote attentive and strict environmental management, especially regarding its waste management and mapping of its greenhouse gas emissions, stimulating a more sustainable chain and reducing the consumption of natural resources in its stores. Find out more about the environmental management of the Company and initiatives such as the Sustainability in the Jeans Chain Project, on page 87, and the construction of sustainable stores in Manufactured Capital, on pages 65 to 68.

### SOCIAL

With the growing demand for agility, efficiency and cost control, in a chain with various levels of outsourcing and involvement of many suppliers throughout the cycle, controlling compliance with labor rights has been a challenge for the large retailers in the sector. In Brazil and throughout the world, the large fashion retail industry seeks to forcefully act in monitoring their chains to promote, throughout its supply network, fair and regular conditions.

Lojas Renner S.A. is radically contrary to irregular work, represented by child labor, slave labor or similar conditions, and the informal management of human resources. This theme is of vital importance to the sustainability of the Company's operations, since such violations cause profound social and economic damage to society and damage the business reputation. Therefore, since 2013, Lojas Renner is a signatory of the Pact for the Eradication of Slave Labor, doing a strict inspection of all its productive chain. In this context, since 2013, Company is also signatory of the UN Global Compact, which aims to mobilize the business community to adopt good business practices related to Human Rights, Labor Relations, Environmental Preservation and Combating Corruption in all its forms.

### ECONOMIC

The Brazilian retail sector, in general, is impacted by a high employee turnover rate, which means human resource management teams have to handle a high volume of terminations and new hires every year, which consequently brings economic impacts with the increase in personnel expenses. This factor happens as the sector is the entry door for many professionals to the labor market who, through time and the evolution of their training, eventually end up leaving for other careers.

The turnover rate in the retail sector in 2015, according to the Brazilian Institute of Retail Business and Consumer Market (Ibevar) reached 30%, and, if looked specifically at the stores – excluding distribution centers and administrative areas – it reached 46%. At Renner, the turnover rate in 2015 was 42.90%, showing a significant decrease compared to 2014, which was 50.80%.

Renner seeks to mitigate this impact by keeping its employees engaged with the business. The engagement index of 87% in 2015, the highest since the annual research started, reflects an employee framework committed to improving the results achieved by the Company, directly influencing Renner's growth rate. Learn more about the Engagement Management on page 54, in Human Capital.

In 2015, the Brazilian retail sector was also impacted by tax changes on the payroll and by the devaluation of the Brazilian Real against other currencies, especially the dollar. Both factors have initiated in 2015, however the main effects to products costs and to the Company's operating expenses will occur in 2016. In such a context, Lojas Renner works in a consistent manner to train its employees in order to increase productivity and develop its supply chain to minimize these impacts on the Company's results.



2

Profile

**PAULA PICININI**  
*(Investor Relations Senior Manager)*  
10 years working for the company

*When I joined Renner, I had the challenge of structuring the Investor Relations Department: there were 60 shops and many plans to tell [to the capital market]. After 10 years, we have built all the dreams we had and went far beyond. Today, we have almost 400 stores, two new chains - Camicado and Youcom - and a lot is yet to come. This is amazing!*

## Lojas Renner S.A.

G4-4 • G4-5 • G4-6 • G4-8 • G4-9

Lojas Renner S.A., based in Porto Alegre (RS) and established on June 10, 1965, is the largest fashion retailer in Brazil. It has been publicly traded since 1967 and, since 1972, trades on the BM&FBovespa.

The Company's operations are divided across five business units, which have a structure of stores and distribution centers present in all Brazilian states, with 17,869 employees and about 1,429 direct suppliers (administrative and resale) to serve thousands of customers.

Know more about the Company's history from its foundation until today at:  
<http://goo.gl/Lkp0ZL>



RE





# RENNER

Renner's value proposal is "to stand by the modern woman, offering diverse fashion styles, with quality, competitive prices, while providing excellence in customer service. Enchanting and innovating.", and it is the country's largest fashion retailer in sales revenue, offering clothing, accessories, shoes and cosmetics for the whole family, both in in physical and online stores.

# 275

stores in every state of Brazil

# 19

own brands and licensed products for sale, with 16 being for clothing, one for cosmetics, one for accessories, one for footwear and licensed products

## 13 brands

for different products



accessories ALCHEMIA



FUZARKA



lov

maternity collection

mactn



SATINATO



You have your style, Renner has them all  
**6 brands**

cortelle

MARFINNO



just be

REQUEST

PRESTON FIELD

in 5 lifestyles

Lifestyles are made up of different styles that follow global fashion trends, respecting diversity and the unique ways of being, in different regions of Brazil. Distributed in the stores at separate spaces, they make easier the selection of pieces and promote time saving to customers. Learn more on page 58.

Find your nearest store at:  
<http://www.lojasrenner.com.br/nossas-lojas>

# CAMICADO



## CAMICADO

# 68

stores in 14 states in the South, Southeast, Midwest and Northeast regions of Brazil and the Federal District

Camicado is leader in the Brazilian homeware and decor retail segment. It has been offering a wide range of household, decor, bedding and bath products for over 25 years, both in physical and online stores.

*It is experienced and is a leader in online wedding and gifts lists*



Find your nearest store at:  
[www.camicado.com.br/nossas-lojas/content/2](http://www.camicado.com.br/nossas-lojas/content/2)

### On the growth path

Youcom, which has a high potential in smaller markets, may also have a wholesale business through multi-brand retail and, possibly, operations on a franchise basis.



# YOUCOM

# 37

stores in Rio Grande do Sul, Santa Catarina, São Paulo and Minas Gerais

It's a fashion brand connected with the young public, meeting the needs of a client connected with the main Brazilian and global trends. Youcom seeks trends in the worlds of fashion, music, technology and urban culture, offering, in fair prices, clothes, shoes and accessories for women and men in its physical and online stores.



Attitude, humor and style: a close relationship with young people

Find your nearest store at:  
[www.youcom.com.br/institucional/lojas](http://www.youcom.com.br/institucional/lojas)

## E-commerce

Renner launched its online store in 2010, delivering fashion throughout Brazil. Currently, Renner, Camicado and Youcom have their own e-commerce channels, which bring a delightful online shopping experience and a number of benefits: easiness, convenience and information for customers, and, to the Company, a great showcase of products, improving brand recognition and value, and increasing sales in the online and the physical stores.

**RENNER**

Lojasrenner.com.br

It has the same mix of products of the physical stores and some exclusive to the e-commerce, as fashion content, tips, content segmentation by region, integration with social networks and online services (delivery across the country and the possibility of exchanging products in-store and through the website).

The mobile website was launched in 2015, allowing customers to buy using a computer, a smartphone and a tablet, with a good browsing experience tailored for each device.

**CAMICADO**

camicado.com.br

Delivers to all the states of the South, Southeast, Midwest and Northeast of Brazil. Discover the full list of cities in "Delivery Locations" by clicking on the following link: [www.camicado.com.br/faq/content/12](http://www.camicado.com.br/faq/content/12).

**YOUCOM**

youcom.com.br

Launched in 2015, it provides greater convenience and content to young customer, always attentive to the brand's new releases. It offers the same mix of product of the physical stores, it is available on mobile and tablet devices, delivers throughout Brazil and offers the possibility of exchanging products in-store.



Investments in the expansion of access and the e-commerce results are strategic for the Company's growth, since this channel delivers its products to customers in all regions of the country, even in places where Renner, Camicado and Youcom stores are not physically present. In addition, it increases the purchase facility, tending to enhance customer relationship frequency. Renner's e-commerce operations have been following the fast growth of this segment in Brazil and, in recent years, the Company has constantly invested in this channel with the launch of the mobile version resulting in more convenience to the customer.

Renner website is adapted to ensure accessibility to customers with visual or physical disabilities. By clicking on a specific icon at the homepage, the user can download the ESSENTIAL ACCESSIBILITY™ browser, which replaces the mouse and the keyboard through features such as hands-free movement tracking system, auto clicker and auto scan of links.

## Financial products

Lojas Renner's Financial Products are convenience tools - it improves sales by offering best financing and installment conditions to customers - , and loyalty tools, generating data about public behavior.



RENNER CARD (Private Label), free, accepted at Renner and Camicado stores, rewards the customer with the Advantage Club (find out more about the benefits at: <http://www.clubedevantagensrenner.com.br/vantagens>)  
[www.lojasrenner.com.br/pagamento-cartao-renner](http://www.lojasrenner.com.br/pagamento-cartao-renner)

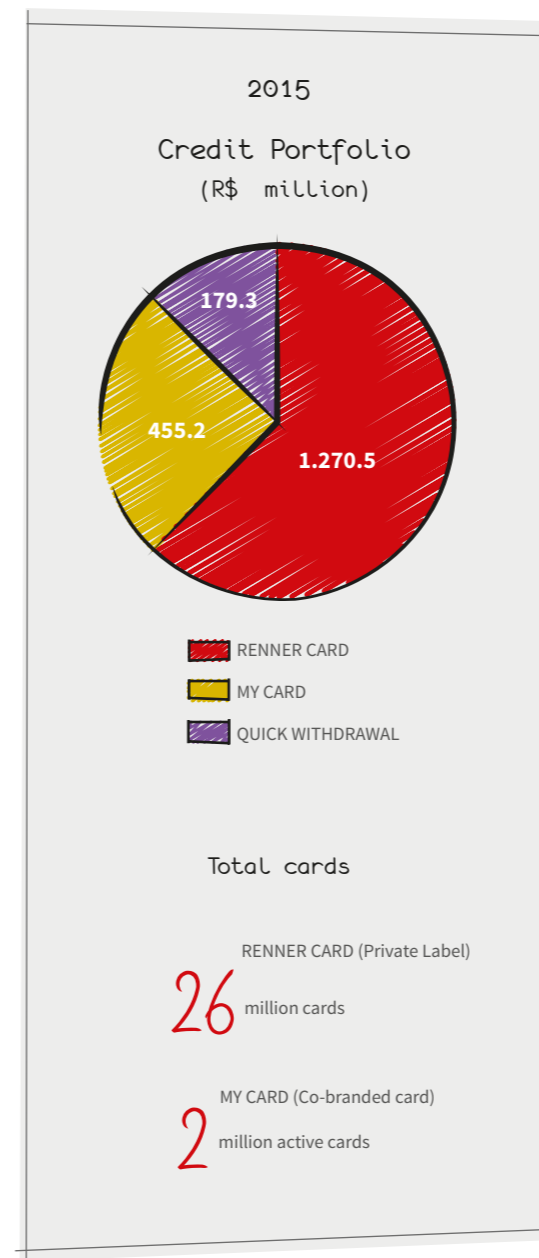
Co-branded Card MY CARD, works as the Renner card and a credit card in partnership with Visa and MasterCard, also rewards customers with the Advantage Club My Card (find out more about the benefits at: [www.clubedevantagensmeucartao.com.br/](http://www.clubedevantagensmeucartao.com.br/))  
[www.realizesolucoesfinanceiras.com.br/site/meu-cartao.php](http://www.realizesolucoesfinanceiras.com.br/site/meu-cartao.php)



Personal line of credit (QUICK WITHDRAWAL), type of personal loan, offered in partnership with financial institutions, to cover specific needs of each customer. The product is not linked to sales.  
[www.realizesolucoesfinanceiras.com.br/site/saque-rapido.php](http://www.realizesolucoesfinanceiras.com.br/site/saque-rapido.php)



INSURANCE AND ASSISTANCE products are offered in partnership with insurance and assistance companies, and are used to ensure the purchase amount, the balance of withdrawal, loss and card theft and protection against involuntary unemployment or loss of income due to temporary disability. The Lojas Renner also has SOS Home Assistance, which provides a series of services to residences, such as electrician, locksmith, plumber, glazier, among others.  
<http://www.realizesolucoesfinanceiras.com.br/site/sos-casa.php>



Renner - Realize Area

## Mission

G4-56

Our mission is to be America's major and best fashion retailer for the middle/upper-class segment of customers with diverse fashion styles, offering fashion, quality, competitive prices, and services of excellence, with the purpose of enchanting people and innovating business constantly.

## Vision

Enchanting everyone is our fulfillment.

## Values

### To enchant

This is our fulfillment: we put ourselves in our customers' shoes, treating them the way we would like to be treated. We must understand their desires and needs and exceed their expectations, so that we can enchant them. We do not act as mere employees; we enchant our customers. We do not have a Customer Service Center because each of us is a Customer Service Desk: in case of any problem, in case of any problem, one must solve it immediately.

### Our way

We are a cheerful, innovative, ethical, austere, open doors company, where communication is easy and transparent. We do things in a simple and responsive way, with much enthusiasm and passion. Our business is driven by persistence, creativity, and optimism, always very close to the market: we adopt a get up and go attitude.

### People

We hire, develop and retain the best staff – staff that like people, who have passion for what they do and a shine in their eyes. We work as a team and our staff have the authority and responsibility to take decisions. We provide the same ladder to all our employees so they can rise in the Company at a pace equal to their talents, efforts and results.

We love challenges: not knowing that it is impossible, we go there and do it!



Clarice Martins Costa, Human Resources Director, validating strategic indicators with the team.

### Business owners

We think and act as owners of our business units, being rewarded as such. We have a sense of urgency, attitude and aggressiveness in the pursuit of best practices, grasping all market opportunities. We take decisions, running risks with responsibility; we accept the errors that become lessons learned, not seeking to blame anyone but to identify causes that must be corrected. We are responsible for the long-term future of Renner, mainly through attitudes and examples: an example worth more than a thousand words.

### Obstinacy for outstanding results

We are responsible for achieving results, not just good ideas. Results are what guarantee our investments, provide return to our shareholders, pay our salaries and enable our long-term growth and longevity.

### Quality





We develop and implement standards of excellence in all that we do, since there is room for improvement in all that we do. Our products and services have the highest quality levels: this is embodied in our DNA.

### Sustainability

Our businesses and attitudes are based on sustainable principles. Beyond financial results, we aim to achieve social development and reduced environmental impacts, always following the best practices of corporate governance.



# 50 years of history

## Family business

 <b>1965</b>	 <b>1967</b>	 <b>1973</b>	 <b>1987</b>
<ul style="list-style-type: none"> <li>• Family business</li> <li>• Department store</li> <li>5 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• It becomes a publicly traded company</li> <li>7 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of the Renner Card</li> <li>9 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• End of commercialization of the hard/heavy line</li> <li>11 Renner stores</li> </ul>







## Professional Management

 <b>1991</b>	 <b>1992</b>	 <b>1996</b>	 <b>1997</b>
<ul style="list-style-type: none"> <li>• Management professionalization</li> <li>• Specialized fashion store concept</li> <li>• Business repositioning</li> <li>7 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on Women</li> <li>11 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• “Encantômetro” - tool to monitor customer satisfaction</li> <li>12 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion to São Paulo</li> <li>15 Renner stores</li> </ul>



## Subsidiary of a US company

 <b>1998</b>	 <b>1999</b>	 <b>2002</b>	 <b>2003</b>
<ul style="list-style-type: none"> <li>• JCPENNEY – Company's shareholding control</li> <li>• 2% Free Float</li> <li>21 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion to Southeast and entry in the Midwest (Mappin/Mesbla)</li> <li>34 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction of the Lifestyle Concept</li> <li>53 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• End of the commercialization of general merchandise and decoration products</li> <li>58 Renner stores</li> </ul>





In December 1998, J.C. Penney acquired the controlling stake in Renner, at the time with 21 stores, generating a series of operational benefits such as access to international suppliers, expert consulting and adoption of differentiated procedures and internal controls.



2002



## Pulverized Capital Company

 <b>2005</b>	 <b>2006</b>	 <b>2010</b>	 <b>2011</b>
<ul style="list-style-type: none"> <li>• JC Penney sold its shares</li> <li>• Lojas Renner becomes the first Brazilian Corporation</li> <li>• Entry in the Novo Mercado segment</li> <li>66 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion to the Northeast</li> <li>• Implementation of Financial Products</li> <li>• Lojas Renner is the first company to launch the Manual for Shareholder Participation in Annual Meetings</li> <li>81 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• E-commerce introduction</li> <li>• Launch of the Co-branded Card</li> <li>134 Renner stores</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition of Camicado, a company in the homeware and decoration segment</li> <li>167 Lojas Renner</li> <li>30 Camicado stores</li> </ul>



## New Retail

 <b>2012</b>	 <b>2013</b>	 <b>2014</b>	 <b>2015</b>
<ul style="list-style-type: none"> <li>• Inauguration of the DC in Rio de Janeiro</li> <li>• Shared Services Center implementation</li> <li>• Reactivity of the Chain</li> <li>188 Renner stores</li> <li>40 Camicado stores</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of Youcom</li> <li>• Renner store new model</li> <li>217 Renner stores</li> <li>46 Camicado stores</li> <li>15 Youcom stores</li> </ul>	<ul style="list-style-type: none"> <li>• Lojas Renner present in all Brazilian states and the Federal District</li> <li>• Opening of the first Sustainable store</li> <li>• Constitution of Lojas Renner Shanghai Trading Co. Ltd. - (LRS) in Shanghai, China</li> <li>248 Renner stores</li> <li>59 Camicado stores</li> <li>25 Youcom stores</li> </ul>	<ul style="list-style-type: none"> <li>• 50 YEARS OF LOJAS RENNER S.A.</li> <li>• 10 YEARS OF BRAZILIAN CORPORATION</li> <li>• Composes the ISE Portfolio</li> <li>275 Renner stores</li> <li>68 Camicado stores</li> <li>37 Youcom stores</li> </ul>

## Conduct and ethical principles

### Management model

The Company has always prioritized compliance with laws, transparency in its negotiations and the accessibility and equity of access to information for its shareholders, without intentionally benefiting or harming any of its stakeholders for any privileges.

Lojas Renner S.A.'s culture is supported by these commitments and the conduction of the business is also based on the principles of the Brazilian Institute of Corporate Governance (IBGC), on the best practices established by the Novo Mercado segment of BM&FBOVESPA and the Corporate Sustainability Index (ISE) of BM&FBOVESPA.

### Corporate governance

G4-15

Publicly traded for almost half a century, Lojas Renner completed 10 years in 2015 as the first corporation in Brazil – that is, the first company to have pulverized control in the market, owned by thousands of shareholders. Lojas Renner's commitment to ethics and transparency has always been an essential and invariable condition when conducting business and when relating with all stakeholders.



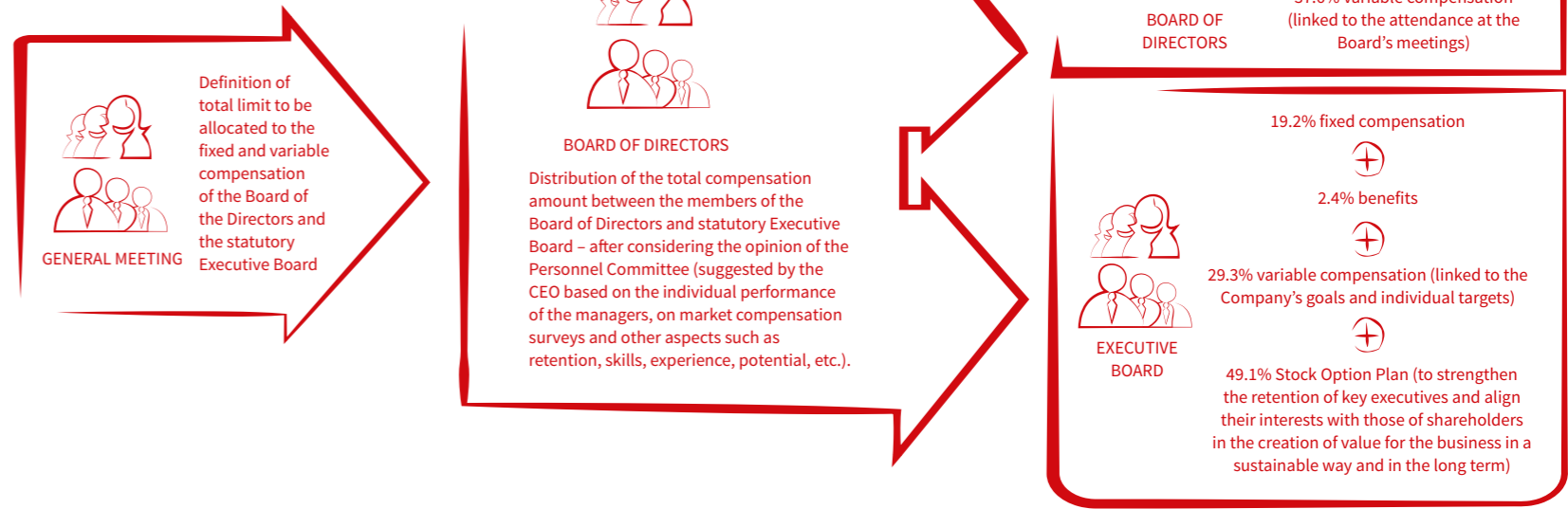
Celebrating 10 years of Lojas Renner Corporation at BM&FBOVESPA (José Galló, CEO; Clarice Martins Costa, Human Resources Director; Paula Picinini, Investor Relations Senior Manager; José Carlos Hruby, Board Member; Osvaldo Burgos Schirmer, Chairman of the Board of Directors; Laurence Beltrão Gomes, CFO and IRO)



Having integrity and transparency as business routine has positioned the company as a benchmark in corporate governance by adopting ethical protection practices, as some highlighted below:

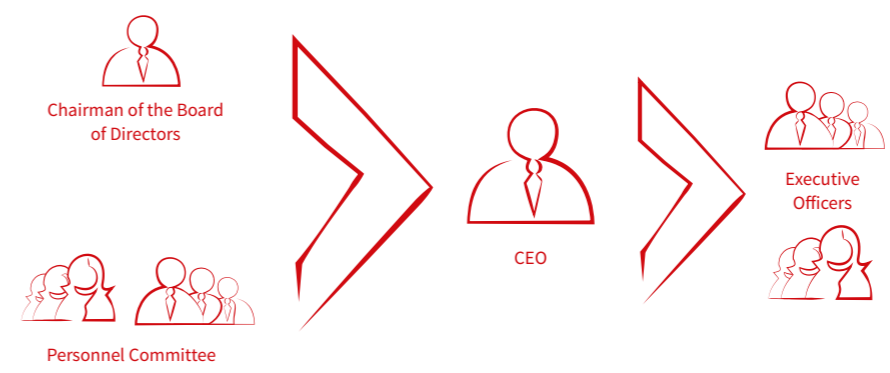
- Adherence to Novo Mercado segment of BM&FBOVESPA, with ordinary shares only.
- Protection against conflicts of interest through good practice in the composition of its leadership bodies – Board of Directors consisting of a majority of independent members (86%), alternation of executives occupying the positions of Chairman of the Board of Directors and the Executive Board, and the existence of a Permanent Fiscal Council – and the adoption of the Novo Mercado arbitration mechanism.
- Manual for the shareholder participation in Annual Meetings, providing them the opportunity to inform themselves and better understand the issues to be resolved.
- Protection of minority shareholders, ensuring them the same price and sale conditions of their shares as those offered to the controlling shareholders in the case of the Company's control alienation.
- First Brazilian company with 100% free float.
- Attention to the fulfillment of the Company's interests with the formal Evaluation of the Board of Directors and Executive Board and the existence of internal regulations for the Board of Directors, the Fiscal Council and the Committees, establishing clear responsibilities, seeking to ensure the alignment of its activities to the business objectives.
- Management compensation practices that encourages a balanced way to promote sustainable business growth in the medium and long term and the achievement of short term goals, always with the final goal of promoting the business continuity. Find out more in the following infographic.
- Adherence to the Brazilian Association of Publicly-Held Companies (ABRASCA) Self-Regulation Code in 2015.

### Definition of compensation



Find out more about the compensation policy by accessing item 13 of the Reference Form and the amounts allocated to the fixed and variable compensation of the executives in 2015 in item 13.2, available at: <http://goo.gl/r1tEoT>

### Variable compensation - performance evaluation of the Executive Board



Process followed by the Evaluation and Calibration of the Board Committee (members of the Personnel Committee and of the Board of Directors) as the basis of the variable compensation and the definition of improvement plans for the executives

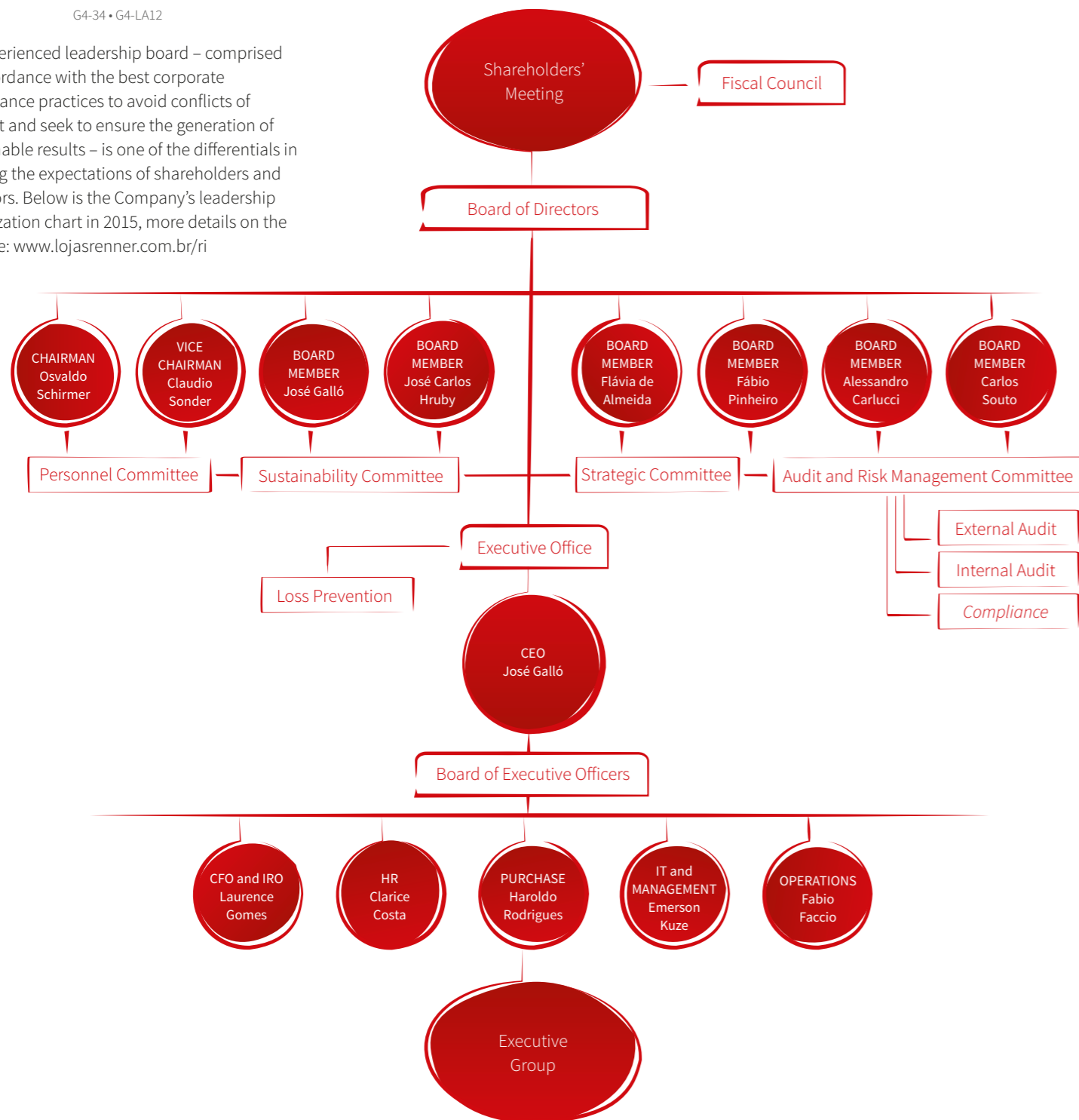


The Company's governance and relationship with capital market policies are available in the Corporate Governance section, in the Bylaws and Policies tab, on the Company's IR website - [www.lojasrenner.com.br/ri](http://www.lojasrenner.com.br/ri) For more information about Investor Relations department, send an email to [ri\\_lojasrenner@lojasrenner.com.br](mailto:ri_lojasrenner@lojasrenner.com.br)

## Governance structure in 2015

G4-34 • G4-LA12

An experienced leadership board – comprised in accordance with the best corporate governance practices to avoid conflicts of interest and seek to ensure the generation of sustainable results – is one of the differentials in fulfilling the expectations of shareholders and investors. Below is the Company's leadership organization chart in 2015, more details on the website: [www.lojasrenner.com.br/ri](http://www.lojasrenner.com.br/ri)



## Ethical conduct

G4-56 • G4-57 • G4-58 • G4-SO4 • G4-AF4

Ethics are part of Lojas Renner's relationships throughout the business value chain, and the Code of Ethics and Conduct is the instrument that clarifies and formalizes the path to be followed regarding relations with the stakeholders who interact in the Company's day to day operations. In 1995, Renner published a document then called Employees' Code of Conduct, expressing the expected behavior of its employees in professional and non-professional relationships, benefits and personal presentation, data confidentiality and attitude regarding suppliers. In 2009, following the development of the business, the Company prepared its Code of Ethics and Conduct, revised in 2013, which guides the conduct of employees until today.

In this document, among the different topics related to customers, communities, government, society and shareholders, employees and suppliers are guided about the principles and commitments to be observed in order to avoid violations or actions that compromise human rights and the established working relations.

Before starting their relationship with Lojas Renner, suppliers and service providers must sign the Responsible Conduct Commitment Agreement, through which they commit

themselves to act in accordance with the guidelines of Lojas Renner's Code of Ethics – including their behavior with their own contractors. The document, valid for the entire supplying period, until the end of the contract, seeks to ensure alignment of conduct with principles and good practice in relation to child labor; forced labor or slave labor or similar to slave; health and safety; freedom of association; discrimination; disciplinary practices; working hours; compensation; legality; anti-corruption practices. For the continuous compliance with these principles, the Code is constantly promoted and encouraged between suppliers by: sending the complete document, through email or in-person training meetings.

Lojas Renner's Anti-Corruption Policy, established in 2014, reinforces the conduct to be adopted in business and clarifies the general requirements of the Anti-Corruption Law (Law 12,846/13), guiding employees, partners and third parties on how to apply these principles in their activities. In 2015, 191 employees (49 officers and 142 supervisors and managers) from areas most exposed to risk, either in control - loss prevention and auditing - and business areas - marketing, accounting and taxation – were trained in person on the Anti-Corruption Policy.



## Promoting Awareness of Ethics

G4-HR2

In 2015, Lojas Renner held an internal campaign on the Company's Code of Ethics, seeking to reinforce the expected conduct in business and the importance of good practice in working relations.

This year, 8,211 Lojas Renner employees completed the online course on the Code, released in this format also for Youcom and Camicado, which was read by 52% and 57% of the two companies' staff, representing 143 and 705 employees, respectively.

In 2016, the goal is to launch the online training on the Anti-Corruption Policy, expanding the internal public awareness of the Company's guidelines on the topic.

Learn more about the Code of Ethics and Conduct, at [goo.gl/vYvyku](http://goo.gl/vYvyku), and find out more about the principles and commitments that guide the Company and its stakeholders towards the goal of establishing relationships that create value for everyone. The complaints, questions and suggestions channels are also available in this document - presented in the following infographic - so that anyone can contribute to the efforts of promoting ethical relationships.

### NON-FINANCIAL MATTERS:

0800 702 0130 (Renner and Youcom)  
0800 077 0077 (Camicado)



### FINANCIAL MATTERS:

0800 702 0740 | Service done electronically or by the Audit Manager



[denuncia@lojasrenner.com.br](mailto:denuncia@lojasrenner.com.br)  
[denuncia@camicado.com.br](mailto:denuncia@camicado.com.br)  
[denuncia@lojayoucom.com.br](mailto:denuncia@lojayoucom.com.br)

### LOJAS RENNER S.A.

Avenida Joaquim Porto Villanova, 401  
CEP: 91410-400 - Jardim Carvalho  
Porto Alegre (RS) - Brazil



For non-financial matters, please mail it to the attention of the Loss Prevention Manager. For financial matters, please mail it to the attention of the Audit Manager.

## Sustainability management

The Company looks towards to the future and outlines the business support strategy seeking to identify the points of value generation that will enable Lojas Renner S.A. to continue operating over the years, with the availability of resources in its capital (human, environmental, financial, etc.) and, therefore, continue growing.

For this, the Company maps and continuously identifies the financial, social and environmental aspects that can generate risks to the business sustainability and promotes its management in order to mitigate its negative impacts and generate new opportunities.

The promotion of this management is done through two main aspects:

- "Sustainability" as a corporate value
- The Sustainability Committee, which aims to advise the Board of Directors in establishing guidelines and principles relating to the Company's sustainable development
- The Sustainability Policy, which guides the conduct expected in relation to nine relevant critical topics for the business sustainability: Management of Greenhouse Gases Emissions (GHGs), Solid Waste Management, Energy, Water, Chemicals, Suppliers, Products and Services, Employees and Communities Development

The principles that direct Lojas Renner's activities to a sustainable performance are guided by the Sustainability Policy. Learn more about these guidelines at <http://goo.gl/36S4Xr>

In 2015, in the review of Company's strategic plan, the construction of its strategic planning for sustainability was defined, expanding the topic intersection within the core business and its penetration within the senior leadership. Once the planning is completed, the Sustainability Policy and its guidelines will undergo a revision and will be aligned to the Company's commitments and goals.



# 3

## Businesses in 2015

G4-13

**NILMA GONÇALVES PEGORARA**  
(Stores Regional Manager)  
32 years working for the company

*My story at Renner began in 1984 as a sales assistant. I was accepting challenges, developing and growing, until I was the first woman as a Regional Manager! Today I look back and see that my choices were right. I feel accomplished, and the feeling is that the opportunities are for everyone, just depending on ourselves. I have always promoted a participative management, focused on the development of people, and my greatest pride is to see, throughout Brazil, Managers that I helped developing!*

**SOLANGE INÊS PIETRIEKIC**  
(Store Planning and Processes Manager)  
21 years working for the company

*Proud to be part of the inauguration of the first stores in SP and to have experienced several important moments for the Company, as the change of share control from Renner to J.C. Penney, the implementation of collections by Lifestyles and becoming the 1st Brazilian corporation. Since 2007, in the Stores Division, I feel happy and fulfilled with the daily challenges, focusing on the operation, on process improvements and store projects.*

## Performance operation

The Company takes decisions based on a long term view and, therefore, the store expansion continued in the expected pace in 2015 and everything that had been planned was executed. In the last decade, a number of improvements and changes were made in the main pillars of the business, in order to maintain a solid and growing operation:

OPERATING STRUCTURE IN 2015	RENNER	CAMICADO	youCOM
STORES	275	68	37
SALES ÁREA (thousand m <sup>2</sup> )	497,6	30,7	5,4

**PRODUCT:** store clusters were created, the fashion component has been increased and collections development processes were structured. The Company also better understood and adapted to regional differences, increased product quality, improved modeling and developed its chain of domestic and foreign suppliers.

**STORES OPERATION:** new markets were opened, consolidating its presence throughout the national territory, the processes have gone through standardization and the business management was improved, the older units were redesigned and a new store concept was launched. The shopping experience was also improved with more agility in customer service, new dressing rooms and faster queues. As well as the stores, logistics operation also underwent transformation with two new fully automated Distribution Centers, the most modern in the country in the sector.

**CREDIT:** in the financial products division, new forms of payments were launched, the management area was restructured, new processes and technologies were implemented and the credit area was centralized, with sophisticated monitoring credit scores and payment behavior systems. The strategy of simplifying the portfolio of products offered also showed progress, with the launch of the Advantage Club aimed at greater customer loyalty and issued Co-branded Cards with MasterCard and Visa.

These efforts are reflected in the increase of the Company's market share over the years, with improved productivity and profitability.

In 2015, with a higher customer flow, an increase of 4.1% in the number of transactions in Renner's comparable stores was recorded and the Company's average sales ticket was R\$ 134.08, up 5.9% over 2014. The average growth in price was 7.0% in the twelve months, remaining below the country's inflation, measured by the IPCA/IBGE.





Youcom

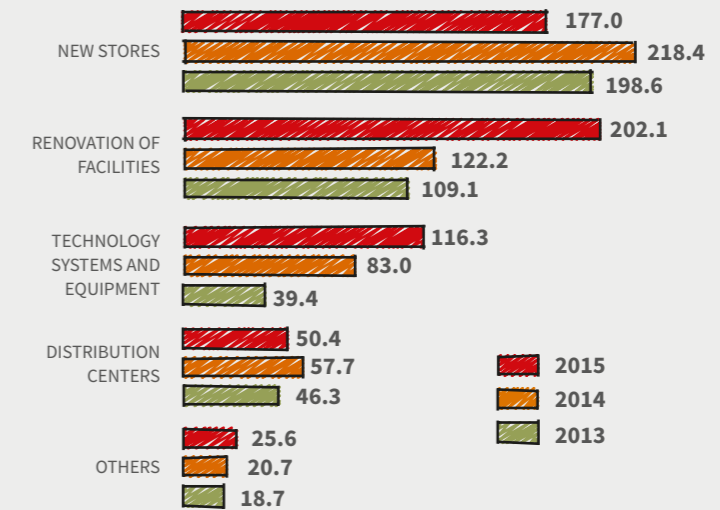
Renner's store productivity was R\$ 10.8 thousand per m<sup>2</sup>, that is, 5.0% more than in 2014; Camicado's productivity was R\$ 10.3 thousand per m<sup>2</sup>, 14.1% above the same period last year and; Youcom's productivity was R\$ 10.7 thousand per m<sup>2</sup>, up 51.6% over 2014.

In the year, 47,100 m<sup>2</sup> was added to the total sales area, an increase of 9.7% over 2014, considering the three stores models – Renner, Camicado and Youcom – which totaled 380 units.

Over the past few years, besides the opening of new stores, Lojas Renner has been investing in improving the shopping experience, with new store models and within its visual merchandising team, as well as several initiatives to reduce queues and consequent customers service agility.

All of this was only possible with an investment of R\$ 571.4 million in 2015, an increase of 3.9% compared to the investments made last year. This amount was allocated to key projects, including the opening of 49 new stores – 27 Renner stores, 10 Camicado stores and 12 Youcom stores – renovations and upgrades, as well as the new Central Administration Building, which received investments of R\$ 47.3 million this year, the energy efficiency process and the updating of the Company's ERPs (commercial, credit and back office).

Investment Breakdown (R\$ MM)



# Value generation model

G4-9

Lojas Renner seeks, in every detail of its operations, to encourage healthy relationships and to monitor the sustainability and availability of inputs it depends on, promoting, to society and stakeholders, social development, preservation of natural resources and wealth generation.

## INPUTS necessary



### NATURAL RESOURCES FOR THE MANUFACTURE OF PRODUCTS AND OPERATION OF STORES

Water, energy, cotton, and other resources used to take our products and services to consumers



### RESOURCES FOR THE OPERATIONS

**973** administrative suppliers providing resources and materials (hardware, software, consulting, furniture, construction, transport, etc.)

**R\$ 571.4 million** invested in systems, facilities, stores, logistics efficiency, etc.



### RELATIONSHIPS WITH NATIONAL REACH TO OUR STAKEHOLDERS

**380** stores – including Renner, Camicado and Youcom – in all regions of the country

7.3 million likes on Renner's Facebook page, 557,000 likes on Youcom's Facebook page and 577,000 likes on Camicado's Facebook page



### TRAINED PEOPLE WORKING

**17,869** people working directly in the operation of our business

**456** suppliers companies working in the manufacture of the products sold in our stores



### FINANCIAL RESOURCES

**640** million shares and capital stock of R\$ **1.1** billion

Net Debt of R\$ **319.6** million

Net income of R\$ **578.8** million in 2015

## for our OPERATIONS



### COMPLEMENTARY BUSINESS

Renner selling clothes, accessories, cosmetics and footwear. Lifestyles strategy, covering many different styles. Camicado with decor, houseware products, household appliances, bedding and bath items. Youcom selling clothes, accessories and footwear, focusing on young customers.

**OFFER OF FINANCIAL PRODUCTS IN REALIZE CRÉDITO**  
Renner Card, My Card, Personal Credit, Insurance and Personal Assistance



### VOLUNTARY COMMITMENTS

Lojas Renner is a signatory to the UN Global Compact, of the Women's Empowerment Principles, of UN Women, and the Pact for the Eradication of Slave Labor, directly related to its supply chain.

**EMPOWERING WOMEN AND PROMOTING SOCIAL DEVELOPMENT THROUGH THE LOJAS RENNER INSTITUTE**

Employment and Income Generation Projects aimed at Women, Training of Young People and Community Development. Key partner of one of the seven Women's Empowerment Principles, UN Women.



### DEVELOPMENT OF THE TEXTILE SECTOR IN BRAZIL

Foundation and participation in the ABVTEX and structuring of the Supplier Management area in pursuit of certification, monitoring and development of the domestic textile chain, to ensure respect for the environment and human rights.

Sustainability Project in the jeans supply chain to develop solutions to minimize the impact of this production.

Financing for innovation in the sector's supply chain through support from the National Development Bank (BNDES) and the Financier of Studies and Projects (Finep).

## and their RESULTS

**R\$ 8,1 billion** IN GROSS REVENUE

**R\$ 804.3** million distributed to employees as compensation

**R\$ 532.6** million in compensation to third party capital (financial institutions)

**R\$ 231.5** million in dividends to shareholders

**R\$ 1.9** billion paid in taxes (Federal, State and Municipal) for the benefit of society

**R\$ 3.9** billion paid to suppliers

**RECEIVABLES** **R\$ 2,119.8** million in cards and other accounts



**4,293** **WOMEN EMPOWERED** through the investment of 3.6 million in training projects promoted by Lojas Renner Institute

**35,422** **BRAZILIANS BENEFITED BY SOCIAL PROJECTS SUPPORTED BY THE INSTITUTE**

**291** **YOUNG PEOPLE TRAINED FOR THE JOB MARKET BY THE RETAIL SCHOOL**

**17,869** **DIRECT JOBS** and estimated thousands of indirect jobs in the 1st and 2nd degree supply chain



**ENVIRONMENTAL** Recycling of over **96%** of the waste generated

Monthly reduction in energy consumption of **665,688kwh** Neutralization of **9,568tCO<sub>2e</sub>**



## Vision of the future

The Company believes that strong brands with competitive advantages will always have opportunities to gain market share. Therefore, regardless of the adverse macroeconomic scenario expected in 2016, it will continue to consistently invest in improving its operations and becoming increasingly competitive and resilient.

Facing the challenging environment, the Company will continue to seek opportunities to increase its share in a market still in the process of consolidation and with high levels of informality. In 2016, R\$ 550.0 million will be invested, as proposal to be presented to shareholders, and allocated to the opening of 25 Renner stores, 15 Camicado stores and 20 Youcom stores, as well as the remodeling of some units and investments in IT and Systems, highlighting the update of the Company's ERPs, to be completed in the third quarter of 2016.



## Store expansion plan

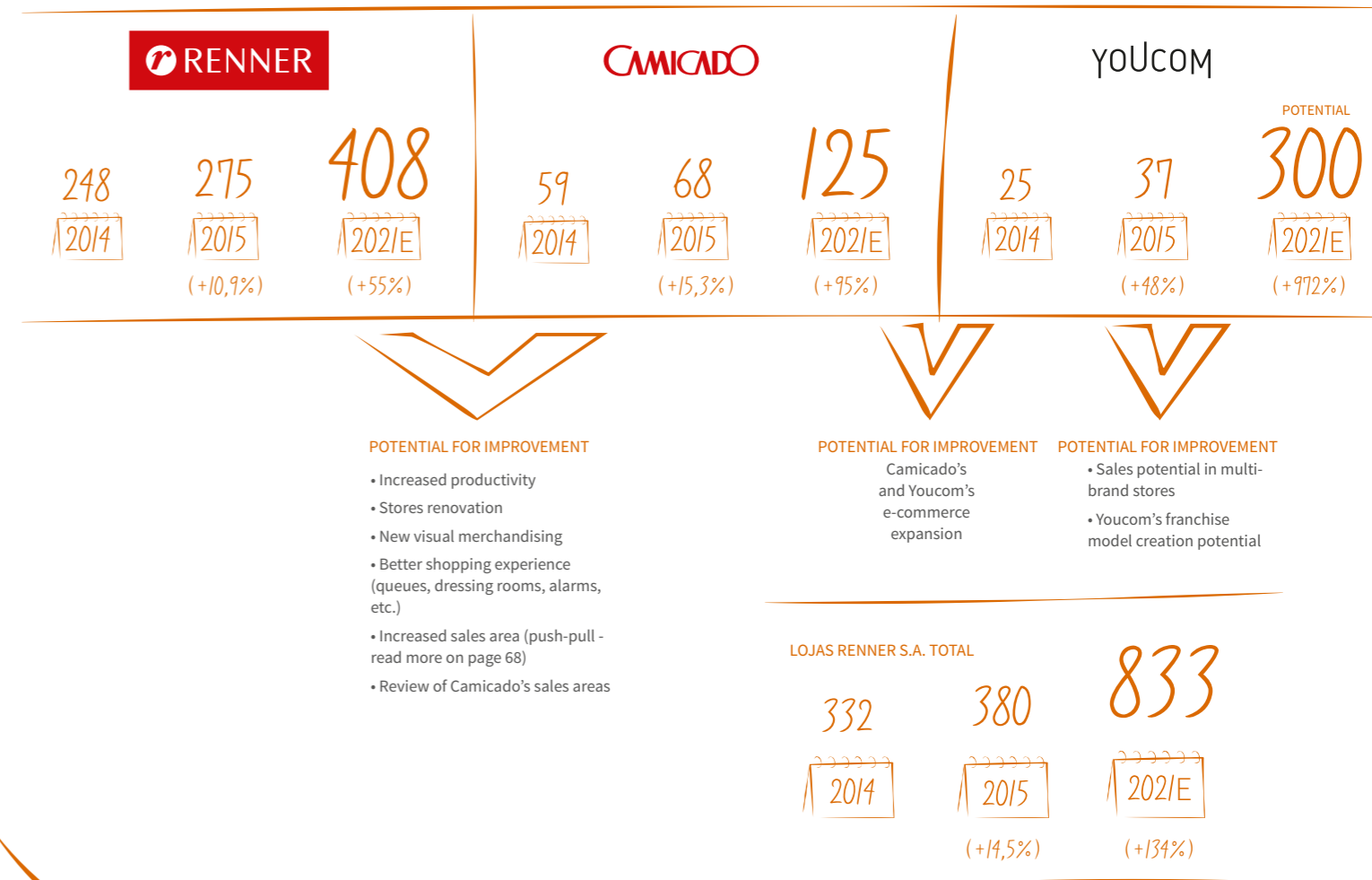
The Company's short and medium term planning provides for a phase of expansion of its operation and, consequently, of its manufactured capital: the stores and the logistics structure that feed the operation.

### STRATEGIC IMPORTANCE:

Expand the markets in which it operates and therefore, continue growing in profitability and sales volume.

### INITIATIVES AND PRACTICES:

Market researches to support expansion plans aimed at consolidating Renner's presence in locations where it already operates or in new markets are conducted continuously. For each new planned store an economic and financial feasibility study is made, assessing the market potential in the area of influence, and then it is submitted for approval by the Board of Directors.





**CARMEN SOFIA PADILHA NEGREIRA**  
 (Personnel Admissions Coordinator - CSC)  
 23 years working for the company

I started working at the Company as Personnel Analyst in the Human Resources (HR) department to deploy the first HR system acquired in the market. Twenty three years later, and with another system already implemented, I coordinate the newest unit of the Company: the Shared Service Centers (SSC). It may seem strange a professional working for so long in the same Company, but it is impossible not to want to stay when it changes cyclically, maintaining a solid growth, with a prominent position and a very special care for its PEOPLE!

**LUCIANE FRANCISCONE**  
 (General Manager of Corporate Marketing)  
 8 years working for the company

Lojas Renner is in my life since my first internship in an advertising agency, making the photographic production for the brand's catalogs. Over the years, I became Service Director at a big agency, in Porto Alegre, where I was responsible for Renner's brand communication. I started working at Lojas Renner nearly a decade ago, as General Manager of Corporate Marketing and what motivates me more is to work close to the team and to always have new challenges in my daily activities.

**PAULA ROSANGELA ABREU MELO**  
 (Financial Manager)  
 8 years working for the company

I joined the Company as Financial Coordinator and now I work as Financial Manager. My career has been an inspiring adventure: I was encouraged to go beyond the numbers, learning about fashion, behavior and the retail dynamism. I consider it a joy to be in an environment with many challenges and opportunities for my professional development.

# Capital

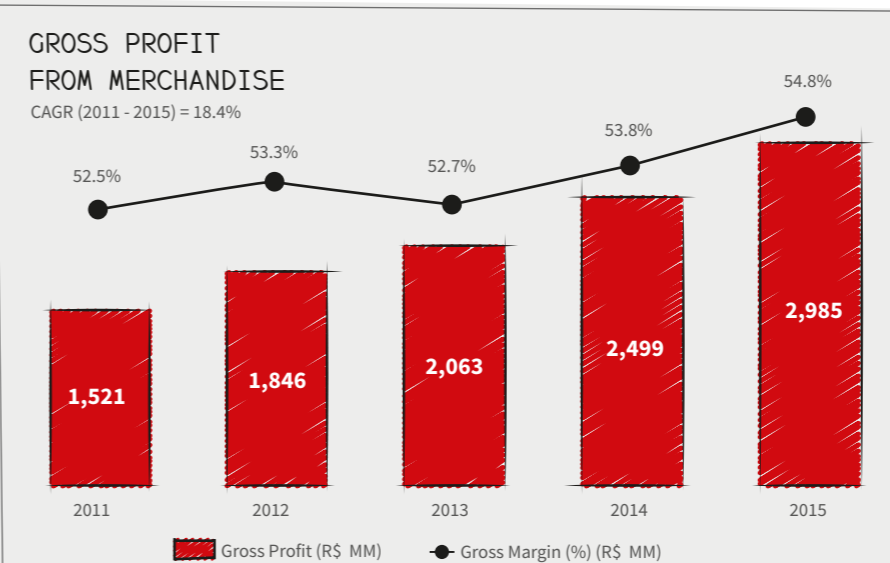
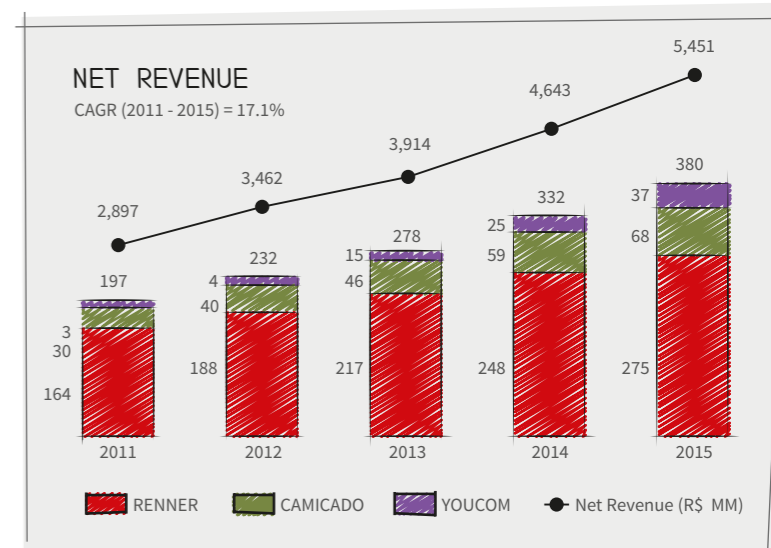
Lojas Renner has accelerated the investments in sustainability management, working to ensure that issues related to economic, social and environmental performances are part of its business management in a balanced way. At this great expansion moment, the Company aims to ensure that the investment in new units are in line with efforts to guarantee the best practices in all aspects of sustainability, in order to maintain a solid business with good prospects for medium and long term. Learn more about the main highlights of the year in each of the capitals that make up the Company below.

## Financial capital

### Net revenue from merchandise sales

In 2015, Net Revenue from Merchandise Sales reported a 17.4% growth, with Same Stores Sales reaching 10.8%, reflecting the effects of constant market share gains throughout the year.

The improvements implemented in the product, in terms of the quality and fashion components and the new visual merchandising of items in-store, combined with the initiatives implemented for a better shopping experience, enabled the Company, even in the current economic scenario, to record growth higher than the market, as the indices of the Monthly Trade Survey (PMC), by the Brazilian Institute of Geography and Statistics (IBGE), measured until November/15, which was -5.2%.

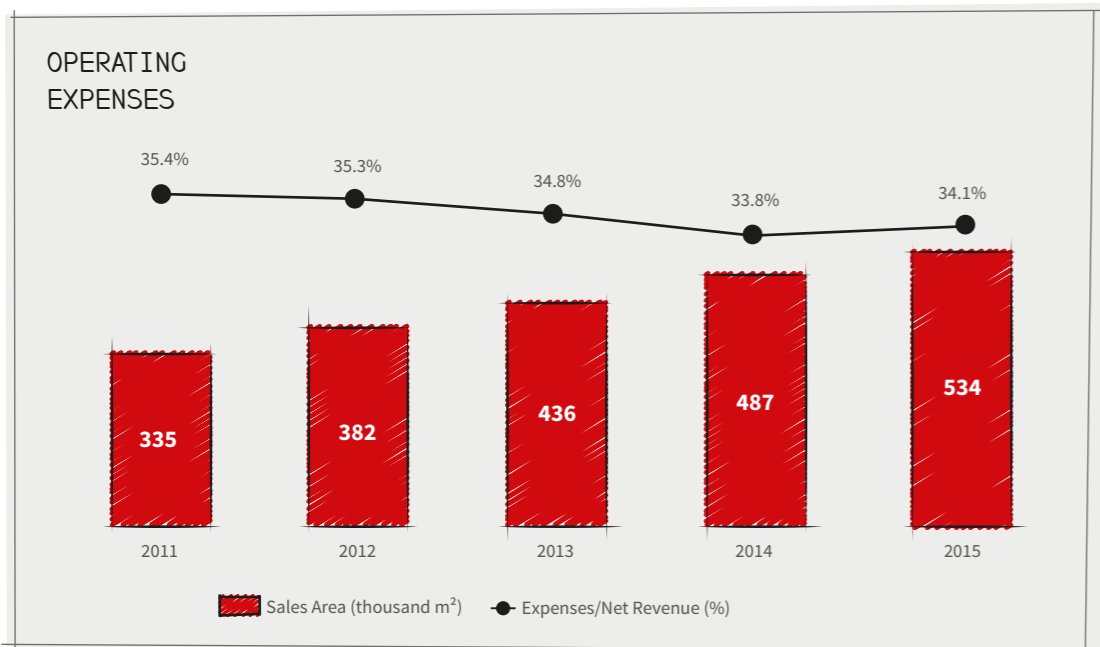


### Gross profit from merchandise sales

The Retail Operation Gross Profit grew 19.4% over 2014. As a result, the Retail Operation's Gross Margin increased by 1.0 p.p. This increase is related to the efficient management of inventories, mainly due to the adaptation of collections to the different regions of the country, generating a lower level of markdowns, as well as to the best margins in Camicado and Youcom.



## Operating expenses



Operating Expenses grew by 18.4% in 2015, slightly higher than sales growth, representing 34.1% of Net Revenue. As a percentage of Net Revenue, the Operating Expenses represented 34.1%, an increase of 0.3 p.p. over the previous year.

Selling expenses accounted for 25.5% of Net Revenue, an increase of 0.3 p.p. compared to the 25.2% in the previous year. General and Administrative Expenses represented 8.6% of Net Revenue, remaining in line with 2014. These variations are mainly due to the rising cost of electricity and to the largest number of new stores. The increase in payroll taxes, from December 2015, also impacted the operating leverage, to a lesser extent.

During the year, expenses with the Profit Sharing Program (PPR) totaled R\$ 64.3 million and Statutory Participations totaled R\$ 9.9 million due to the achievement of the proposed goals. These expenses are recorded in the "Other operating income" line. These results were positively impacted by the amount of R\$ 27.3 million, mainly from tax credits reviews throughout 2015.



## Adjusted EBITDA from retail operations

The combination of revenue growth, higher gross margins and strict control of expenses reflected on the Adjusted EBITDA from Retail Operations increase of 24.3%, with adjusted EBITDA margin of 19.1%, or 1.1 p.p. higher than last year.

## Result from financial products

Financial Products reported a result 4.2% lower when compared to 2014, mainly due to the impact of new tax legislation and a higher level of default in the period.

Revenues, Net of Funding and Taxes, increased 17.7% compared to 2014. Even having shown good growth, they reflected higher funding costs and the new PIS and COFINS taxation on financial revenues, which mainly affected the Private Label Card. Revenues from the Co-branded Card contributed positively to this result.

Credit Losses, Net of Recoveries, grew by 49.2%, a result of the higher volume of provisions made during the year due to the good sales pace, as well as the greater struggle from customers in general with overdue payments, a consequence of the macroeconomic environment with increased default.

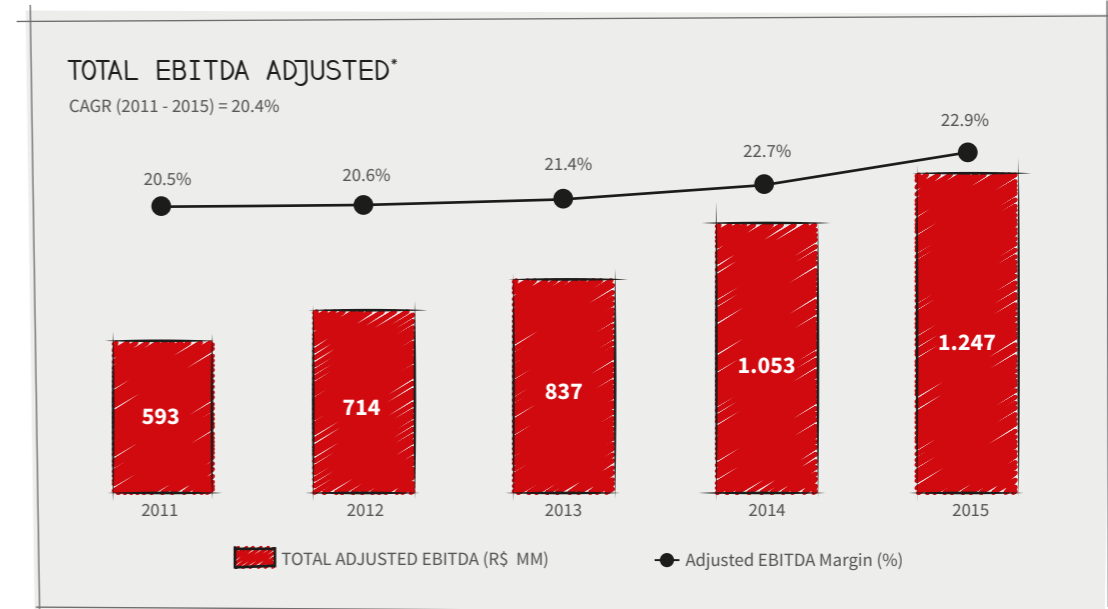
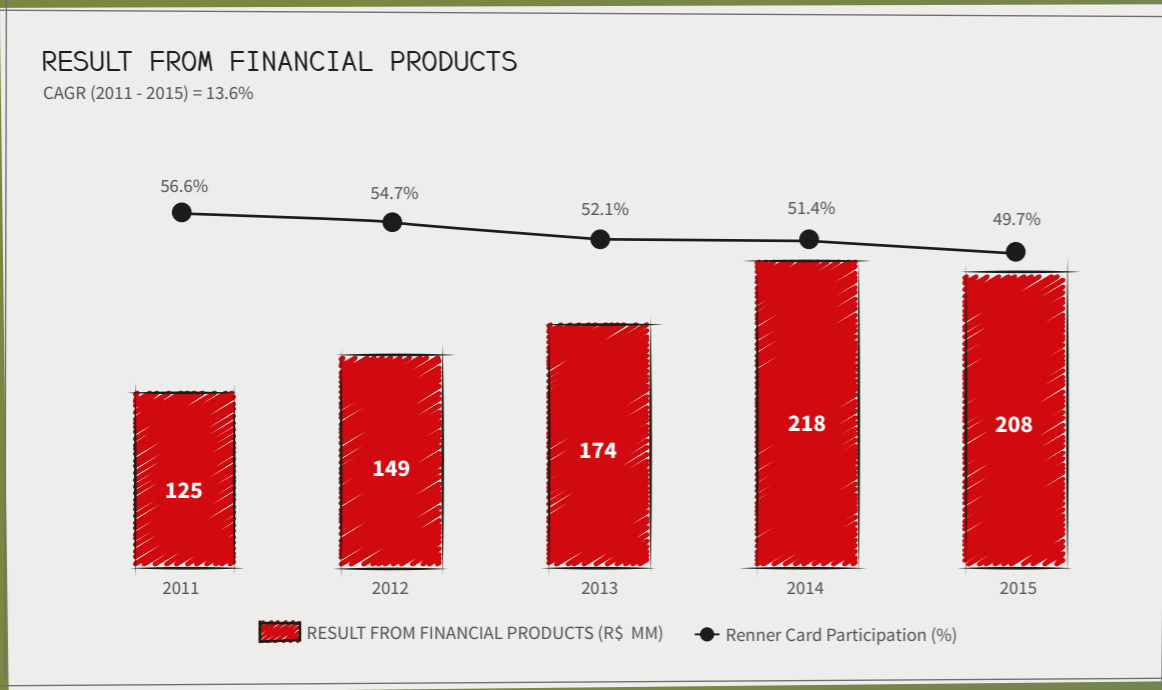
All products presented greater default percentages on the portfolios and credit losses increased compared to 2014, however, the Company believes that these results reflect the current environment and that the measures adopted throughout the year should bring greater stability to 2016, which will still remain very much in line with the Company's historical default levels.

Financial Products Operating Expenses were again diluted in 2015, with an increase of 9.8%, and reflected the Company's various initiatives to increase productivity and operating leverage after the initial maturity period of the Co-branded Card.

Renner Card amounted to 26 million units by the end of 2015 and represented 48.8% of all merchandising sales. In the year, the interest-free credit plan accounted for 39.1% of total sales, while interest-bearing 0+8 installment plan reached 9.7%.

In 2015, the Renner Card's average sales ticket was R\$ 184.48 and the Company's average sales ticket was R\$ 134.08 versus R\$ 176.28 and R\$ 126.56 in 2014, respectively.

For information related to cards default, please access the Company's Financial Statements at <http://goo.gl/MeeeyS>.



## Total EBITDA adjusted: retail + financial products

Total Adjusted EBITDA rose by 18.4%, in line with the sales increase recorded in the year. Total Adjusted EBITDA Margin reached 22.9%, 0.2 p.p. higher than the previous year.

The good performance throughout the year, especially in the first half, combined with strict expense control contributed positively to this result.

\*Pursuant to Article 4 of CVM Instruction 527, the Company has chosen to show its Adjusted EBITDA, as in the above table, in order to provide the information that best reflects the gross operational cash generation from its activities. These adjustments are based on: a) the Stock Option Plan – corresponding to the fair value of the respective financial instruments recorded “pro rata temporis”, during the period services are rendered and offset by the Equity Capital Reserve and therefore not representing a cash outflow; b) Statutory Participations are of a contingent nature and are related to the generation of profits pursuant to Article 187 of Law 6,404/76; and c) the Write-off of Fixed Assets relates to the results recorded from the divestment or write-off of fixed assets, largely without a cash impact.

### Net financial result

In 2015, the Company reported a negative Net Financial Result of R\$ 104.6 million against the negative R\$ 93.9 million in 2014. This represented an increase of 11.4%, and reflected the higher financial expenses incurred over of the year, mainly due to higher funding costs.

### Net profit

The Company posted a Net Income of R\$ 578.8 million in 2015, a growth of 22.8% compared to 2014, due to the factors mentioned above. Net Margin was 10.6% against 10.2% in 2014.

### Net debt/cash

On December 31, Cash and Cash Equivalents totaled R\$ 737.5 million and were largely impacted by investments in the expansion plan, dividend payments and amortization of R\$ 144.3 million of the 2011 4th issuance of debentures. Loans and Financing totaled R\$ 1,057.1 million and resulted from capital management decisions, consisting of R\$ 945.3 million related to the debentures, R\$ 24.8 million from funding with Banco do Nordeste, R\$ 63.8 million from the ProDesign Program with BNDES and R\$ 23.2 million of working capital and Camicado's expansion. This way, the Company's Net Debt totaled R\$ 319.6 million at the end of December 2015, compared to R\$ 304.4 million at the end of 2014.

Debt expenses are recorded in the "Financial Result, Net" line. Operational Financing is linked to Financial Products and has its costs reflected in the Operating Result.

### Dividends

In 2015, R\$ 113.0 million was credited to shareholders in the form of Interest on Equity, which will be further complemented by the proposed annual dividend of R\$ 118.5 million. If approved by the General Meeting of 2016, the total compensation for 2015 will reach R\$ 231.5 million, equivalent to a dividend yield of 2.1% (considered the share price on December 30, 2015) and a payout of 40%.

The Company's market capitalization, according to the closing price on the BM&FBOVESPA, on December 30, 2015, was R\$ 10.9 billion (considering the share price of R\$ 17.10 on the same day).

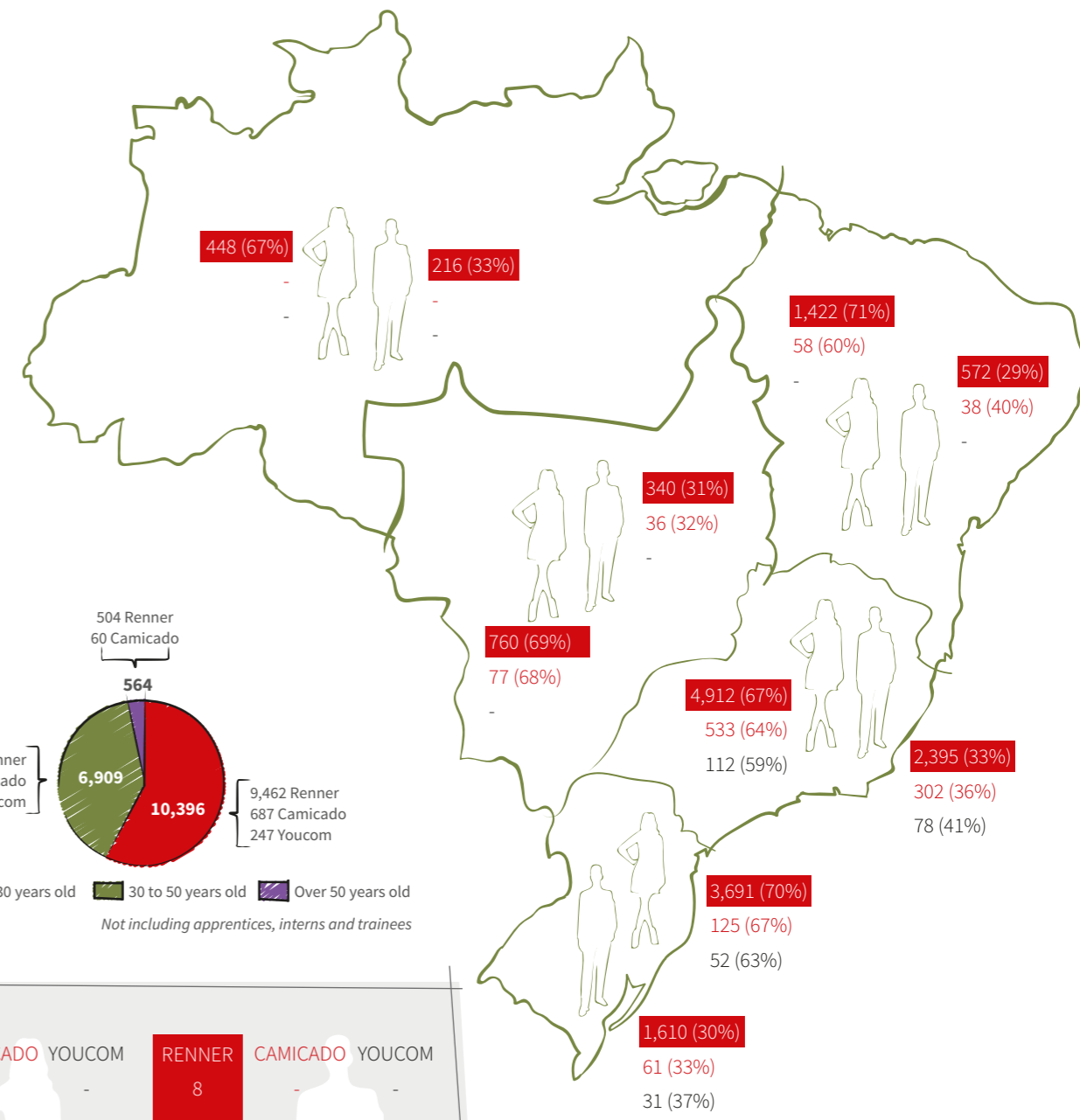
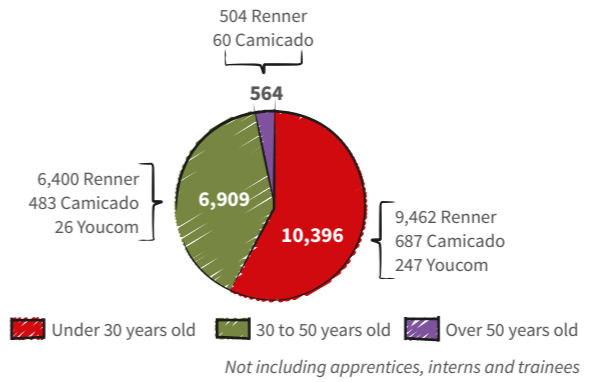


## Human capital

G4-10 • G4-LA12

A group of trained and committed professionals, aligned to Lojas Renner's culture, is one of the main strengths of the Company's business. They include, in total, 17,869 employees throughout the country who take Lojas Renner S.A.'s enchantment to all its stakeholders.

**17,869**  
EMPLOYEES  
all over Brazil\*



	RENNER	CAMICADO	YOUCOM	RENNER	CAMICADO	YOUCOM
Board of Directors and Fiscal Council	2	-	-	8	-	-
Executive officers	1	-	-	5	-	-
Leadership	781	107	25	532	42	21
Administrative services	323	19	3	241	11	1
Operations services	9,646	645	119	4,067	359	77
Other (apprenticeship, traineeship and internship)	482	22	17	288	25	10
<b>TOTAL**</b> (permanent employees)	<b>11,233</b>	<b>793</b>	<b>164</b>	<b>5,133</b>	<b>437</b>	<b>109</b>

\*The numbers presented in the Company's employees profile include all permanent employees (active, on leave, interns, apprentices and trainees).

\*\*The total amount does not include the Board of Directors

Lojas Renner S.A.'s main fulfillment is to enchant everyone. Therefore, the goal of exceeding customer expectations is materialized by the Enchantment Philosophy: enchanted employees enchant customers.

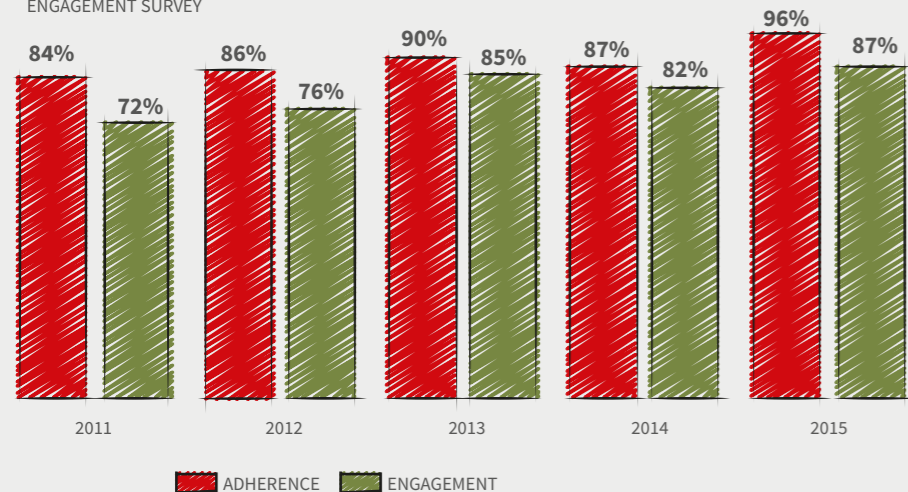
The Company maintains a close relationship with its employees, encouraging them to achieve their full potential in an environment with conditions for all to find ways for their career development and continuous growth. With a favorable climate in the workplace where people feel valued and recognized, Lojas Renner aims to attract and retain the best talent.

## Engagement management

For 20 years, Renner has been conducting an engagement survey covering all employees who want to participate voluntarily and anonymously, through an online platform.

In 2015, the engagement index of the Company's leadership reached 95%, reflecting the investment in the training of leaders, emotional and intellectual commitment of leaders, custodians of culture and responsible for the construction of an organizational environment favorable to the development of people. In addition, 187 stores (75% of the total) had a rate higher than or equal to 87%, of which 39 reached an engagement index of 100%.

ENGAGEMENT SURVEY



In 2015, 96% of employees participated in the survey, which reached 87% of engagement index: the best result in 11 years and above the fashion retail average in Brazil, 62%, and worldwide, 71%, according to Aon Hewitt consulting firm.

## Training of employees

G4-LA9

Renner's corporate education is guided by skills management through continuous learning and linked to business objectives. With a focus on simplification, the Company encourages the on the job practice and works on the improvement of the Internal Communication and corporate learning in order to make the theoretical programs less complex and more accessible and attractive.

Programs, policies and development practices for all employees are created at Renner's People & Development corporate center. The monitoring and guiding for the implementation of these programs in stores and in DCs are done by the People & Development Regional centers.

The corporate education model is the guide of all training and development actions, preparing employees for current and future challenges, having business strategies as drivers. The activities are based on the following pillars: Inspiring Leadership; Enchantment Culture; Business Management; Fashion and Product and Sustainability.

### 2015 TRAININGS

In 2015, 1,802,662 hours of training were offered to 15,457 Renner's employees, an average of

*117 hours per professional,* maintaining the parameter of more than 100 hours of training for professional in recent years.

TRAINING BY FUNCTIONAL CATEGORY, IN RENNER	HOURS OF TRAINING	PEOPLE TRAINED	AVERAGE HOURS OF TRAINING
Executive officers	236	6	39
Leadership	208,326	1,200	174
Employees	1,594,100	14,251	112
<b>TOTAL</b>	<b>1,802,662</b>	<b>15,457</b>	<b>117</b>



Training of Renner's employees

## Recognition and career

G4-LA11

Lojas Renner aims to guide, develop, identify and retain talent. For this, it provides opportunities for all employees to be in control of their careers and their development, valuing and recognizing those who demonstrate excellent performance. Therefore, it offers the same path and opportunities for all, according to meritocracy and without discrimination or favoritism.



Training of Youcom's employees in outside environment

### MAIN PROGRAMS OFFERED

- **WELCOMING** (Lojas Renner S.A.) receives new employees and disseminates corporate foundations, strategic guidelines, institutional policies and people management practices in order to promote their acculturation.
- **LEADERSHIP** training focused on leadership development - Renner and Camicado - covering technical and behavioral issues, strengthening the practices of people management and corporate culture.
- **CHANGE MANAGEMENT PROGRAM** set of actions aimed at raising awareness and preparing leaders and developers for large projects that bring significant changes to the Company.
- **TRAINEE PROGRAM** seeks to develop skills in professionals with a leadership profile in a management level and a middle leadership level within Renner. In 2015, 227 trainees were trained, 93% vacancies filled by internal talent.
- **RENNER'S MAGIC PROGRAM** in its 24th edition, it is offered to all of Renner's employees in order to disseminate the culture and business strategy. In Camicado, the Magic Program is also held annually, in line with its business strategy.
- **SELF-DEVELOPMENT ONLINE COURSES** in a modern virtual learning environment, Renner offers a portfolio of online courses with tailored content to ensure the development of employees regarding processes, systems and self-development courses.



### LEADERSHIP SUCCESSION PLAN

Created in 2007, the Succession Plan ensures the preparation of leaders to follow the Company's expansion plan. Performance evaluations based on leadership competencies with behavioral focus, consistent results and specific criteria, identify high potential executives.

Through this program, Lojas Renner has mapped the possible successors for each executive position and the time and action plan needed for these professionals to take on new positions. The development activities are planned with the executives and their managers who rely on the support of a professional from the People & Development department for the structuring and monitoring of a IDP (Individual Development Plan).

In 2013 and 2014, the improvements implemented contemplated new criteria for the potential identification and evaluation of the level of readiness for the succession and the identification of key positions, that is, positions with strategic impact or that require a high level of expertise.

The identification of the key positions allows the focus on accelerating the readiness of these successors, as well as working on the development, performance and retention of professionals who occupy such positions. Key positions are: Directors, General Managers, Senior Managers (Purchasing and Stores). In 2015, the mapping methodology of high potential employees and successors was deployed to all levels of leadership, and all results pertaining to succession results are shown annually in the Succession Committee of the Board.

For 2016, improvements will be implemented throughout the Career Cycle, such as the use of a questionnaire with criterias to evaluate professionals potential. The combination results between performance and potential of each professional will be seen in a matrix called Nine Box, highly used tool for career management and development. This tool will facilitate the recognition, development and movement decisions regarding the professional's career.

### CAREER RECOGNITION

Employees are encouraged to plan their careers, identifying their areas of professional interest, with the guidance and direction of their managers. The skills assessment is an important tool to periodically monitor this development, and all Renner's employees participate in this process.



Career development cycle

# Intellectual capital

## Advantages and intangible assets

Over the years, Renner stood out for its competitive advantages and intangible assets that were its intellectual capital and have been crucial to business continuity and to achieve good results. Therefore, the Company always seeks to identify and value these characteristics, remaining aware of the changes and scenarios to identify and capture new opportunities.

### COMPETITIVE ADVANTAGES

#### FOCUS ON WOMEN

“To stand by the modern woman, offering diverse fashion styles, with quality, competitive prices and excellence in service. Enchanting and innovating”. The Company’s business – Renner, Camicado, Youcom, Financial Products and the E-commerce – complement each other, offering its target audience specialized products and services that meet their demands and needs in different aspects of their lives.



Renner

This target public, which represents 83% of clothing purchasing decisions and 80% of Lojas Renner’s customers, had its purchasing power increased by 82% in the last decade. Therefore, the Company’s complicity with women allows it to understand their expectations, desires and needs, and to have a successful products and services strategy, essential to the continuous improvement of results.

#### ENCHANTMENT

Inside every Renner store, there is a counter called “Enchantmeter”, where customers are asked to evaluate their shopping experience, so that the Company is able to monitor the customer enchantment level.

Through a solid enchanting culture that permeates the entire business, the Company can best understand the direct opinions of customers and, therefore, promote a continuous improvement process. Find out more about customer enchanting results on page 72.

#### RENNER’S LIFESTYLE CONCEPT







In line with the slogan “You have your style, Renner has them all”, there are 5 different styles – Fashion, Neo-traditional, Casual, Contemporary and Young – in 6 brands. The lifestyles are not related to social class or age, but with lifestyles, attitudes, personal interests, values, personalities and customers’ habits.

##### FOR CUSTOMERS:

- Easy selection of pieces
- Purchasing time saving
- Products for the entire family
- Offer of footwear and accessories to complement each style

##### FOR THE COMPANY:

- Increased cross-selling opportunities
- Higher inventory turnover, with no accumulation of merchandise
- Less need for price markdowns
- Opportunities for margin increases

					
<b>just be</b>	<b>cortelle</b>	<b>MARFINNO</b>	<b>REQUEST</b>	<b>BLUESTEEL</b>	<b>PRESTON FIELD</b>
FASHION young • sexy fashionable • sociable	NEO-TRADITIONAL sophisticated • modern cosmopolitan • traditional	CASUAL casual • practical informal • laid-back	CONTEMPORARY tuned in • modern contemporary • urban	YOUNG hip • young attitude • connected	NEO-TRADITIONAL tailoring • tradition classic • smart



Capturing Fashion Trends and Designing Collections



IT Management with indicators monitoring panels

### INTANGIBLE ASSETS

#### BRAND VALUE

The Renner brand translates the Company’s enchantment and complicity with the modern woman, connected to a diversity of styles, desires and fashion trends. In 2015, Renner was recognized as the 13th most valuable brand in Brazil, according to Interbrand’s award. The Company leads the ranking of companies in the retail fashion industry to appear in this list.

#### REPUTATION

The Company’s reputation is built on the way the business operation generates value. Therefore, its performance is consistently aligned with its values, foundations that ensure that Lojas Renner’s presence brings benefits to all its stakeholders: good results to shareholders, excellence to customers, development of suppliers, women’s empowerment and promotion of well being to society.

#### INTELLECTUAL PROPERTY

Lojas Renner’s ability to offer products with excellence in quality and service is directly linked to the experience and expertise of its employees. Therefore, the Company invests in training, attracting and retaining talent, and creating a favorable environment for career development. Learn more on page 55, in Employees Training.

#### TECHNOLOGY AND INOVATION

The Company must always be connected to the best technologies and systems, seeking to innovate on solid technological bases and, therefore, ensure data reliability and business operations: commercial, financial, logistics, communication and inventory control.

#### INFORMATION SECURITY

Lojas Renner is concerned with the security of the information it holds within the business, especially customer data. In this sense, it adopts the best market practices and has a formal Information Security Policy and an Information Security Corporate Committee. In addition, Renner and Camicado, since 2012 and 2014, respectively, hold a PCI DSS (Payment Card Industry Data Security Standard) certification, standard for the Visa and Mastercard brands, for credit and debit card customer data protection.

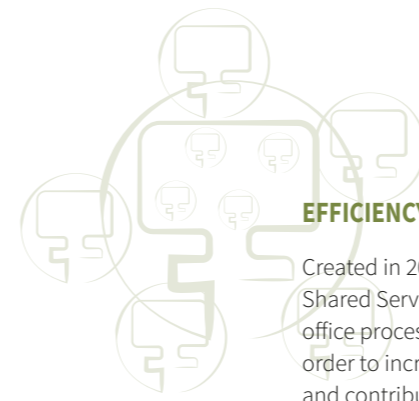
**RISK MANAGEMENT**

G4-2

The efficient management of the business' risks is done through the adoption of best international management practices, as well as the precise definition of responsibilities, the creation of a multidisciplinary governance structure, linked to the Board of Directors, as well as the establishment of institutional policies to consolidate principles, processes and practices to be considered, ensuring a culture of ethics and transparency.

Therefore, the Company promotes the continuous identification of factors that may impact the support of the operations, the definition of plans to reduce negative impacts or also the development of points that can turn risks into opportunities.

In 2015, the Board of Directors approved two important policies: the Related Parties policy, which aims to establish rules to ensure that decisions involving related parties and situations of potential conflict of interest are taken in line with Lojas Renner S.A.'s interests and of its shareholders; and the Governance, Risk and Compliance policy, which aims to improve the performance of the organization by the identification of profit opportunities and reduction of probabilities and/or loss impacts, going beyond compliance with regulatory requirements.



**EFFICIENCY AND AGILITY IN PROCESSES**

Created in 2012 by Lojas Renner's own internal teams, with their knowledge and expertise of the business, the Shared Services Center (SSC) is responsible for standardization and centralization of all administrative and back office processes of the Company's stores and its subsidiaries, and of all Distribution Centers and corporate areas, in order to increase productivity and efficiency, generating saving gains, reduced costs and improved internal controls, and contributing to a better selling, general and administrative expenses (SG&A) result.

**SSC'S PURPOSES AND ADVANTAGES**

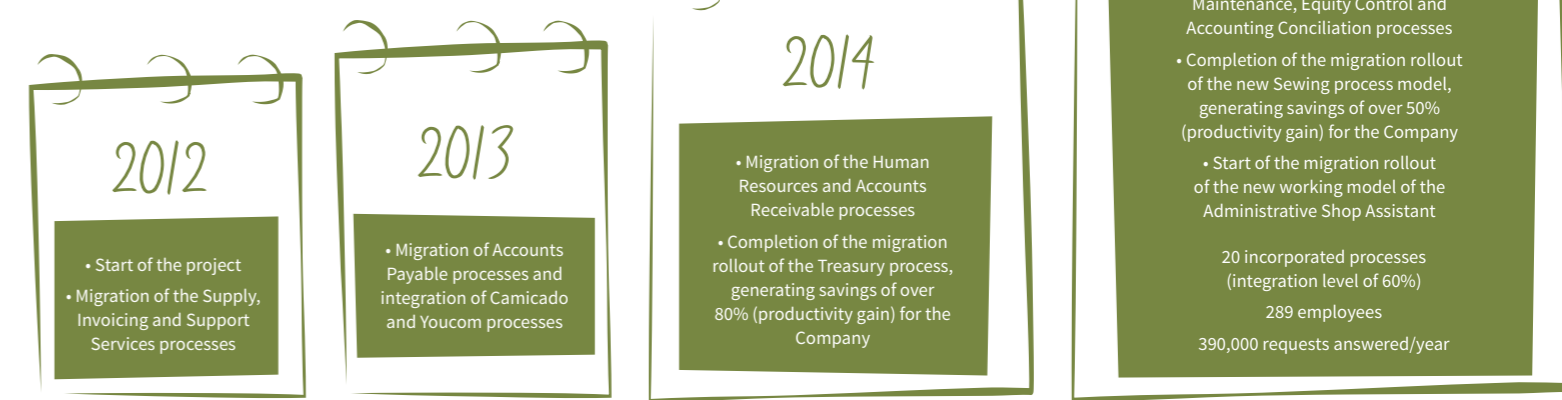
- ✓ To release the store from activities not related to selling products and "Enchanting Customers"
- ✓ To disconnect the Company's organic growth from the need of increasing administrative personnel
- ✓ To speed up the process of integration of new acquisitions
- ✓ To increase the quality of customer services and service provision
- ✓ To allow administrative areas to focus on strategy and tactics
- To reduce costs as a result of process standardization and improvement

**The Company's operations main risks**



Access Reference Form at:  
<http://goo.gl/XCZbTb>

**SSC Evolution**





RECOGNITION

AWARDS AND RECOGNITIONS RECEIVED IN 2015	CONDUCTED BY
LOJAS RENNER S.A.	
1st place in the “companies with a market capitalization between R\$ 5 billion and R\$ 15 billion” category of the “The Best Companies for Shareholders” special	Capital Aberto
José Galló, CEO of Lojas Renner S.A., trade personality according to the Lide Award	LIDE – Business Leaders Group
José Galló, CEO of Lojas Renner S.A., elected as the 4th best executive in Brazil	Época Negócios
Clarice Martins Costa, HR Director of Lojas Renner S.A., elected among the Most Admired HRs in Brazil in 2015 in the last 10 years	Gestão RH & Editora
Company most rewarded by the Latin America Executive Team ranking, elected in the categories: Best IR Program (1st place by the buy side and 3rd place by the sell side), José Galló voted best CEO (1st place by the sell side and the buy side), Laurence Gomes elected best CFO (1st place by the buy side and 2nd place by the sell side) and best IR professional (1st place by the buy side), Paula Picinini elected best IR professional (1st place by the sell side and 3rd place by the buy side)	Institutional Investor Magazine
1st place in the “Best Corporate Governance” category of the IR Magazine Awards – Brazil 2015	IR Magazine
Best Annual Report in the Country in the Publicly-Held Companies with Net Revenue of over R\$ 1 billion category	Abrasca
1st place in the retail category of the Empresas Mais special	Estadão

BUSINESS CONTINUITY MANAGEMENT

In order to guarantee the availability of operational processes and business continuity in emergency situations – such as power failure, bad climatic conditions or even greater proportions disasters – Lojas Renner S.A. has a program focused on Business Continuity Management (BCM). The BCM includes Business Continuity Plans (BCPs), which provide contingency strategies to prevent situations such as the physical access of employees to the Company’s offices or disruptions in technology critical assets.

In 2015, the Business Continuity Management Policy was published, giving formal support to the BCM program, and a Business Continuity Plan was prepared specifically focused on Distribution Centers (DCs).





**AWARDS AND RECOGNITIONS RECEIVED IN 2015**

**CONDUCTED BY**

**RENNER**

Outstanding company in the "fashion retail" category (only company mentioned in the survey)	Consumidor Moderno Magazine
1st brand in people's mind in the "retail chain" and the "women's fashion store" categories of the Marcas de Quem Decide survey	Jornal do Comércio
Voted the 13th most valuable brand in Brazil	Interbrand
Elected among the 100 Best Companies in the IDHO – Organizational Human Development Indicator	Gestão RH & Editora
1st place in the "department stores" category of the Trusted Brands special	Seleções Magazine
1st place in the "retail" category and overall leader of the "best human resources" category of the As Melhores da Dinheiro special	Dinheiro Magazine
2nd place in the "over 17,000 employees" category of the Valor Carreira special	Valor Econômico
Elected among the 150 Best Companies to Work and leader in the Retail segment	Você S/A

**CAMICADO**

Hors Concours Award for leadership for more than three consecutive times as the main player in the Houseware Items category	Brazilian Association of Shopping Center Retailers (ALSHOP)
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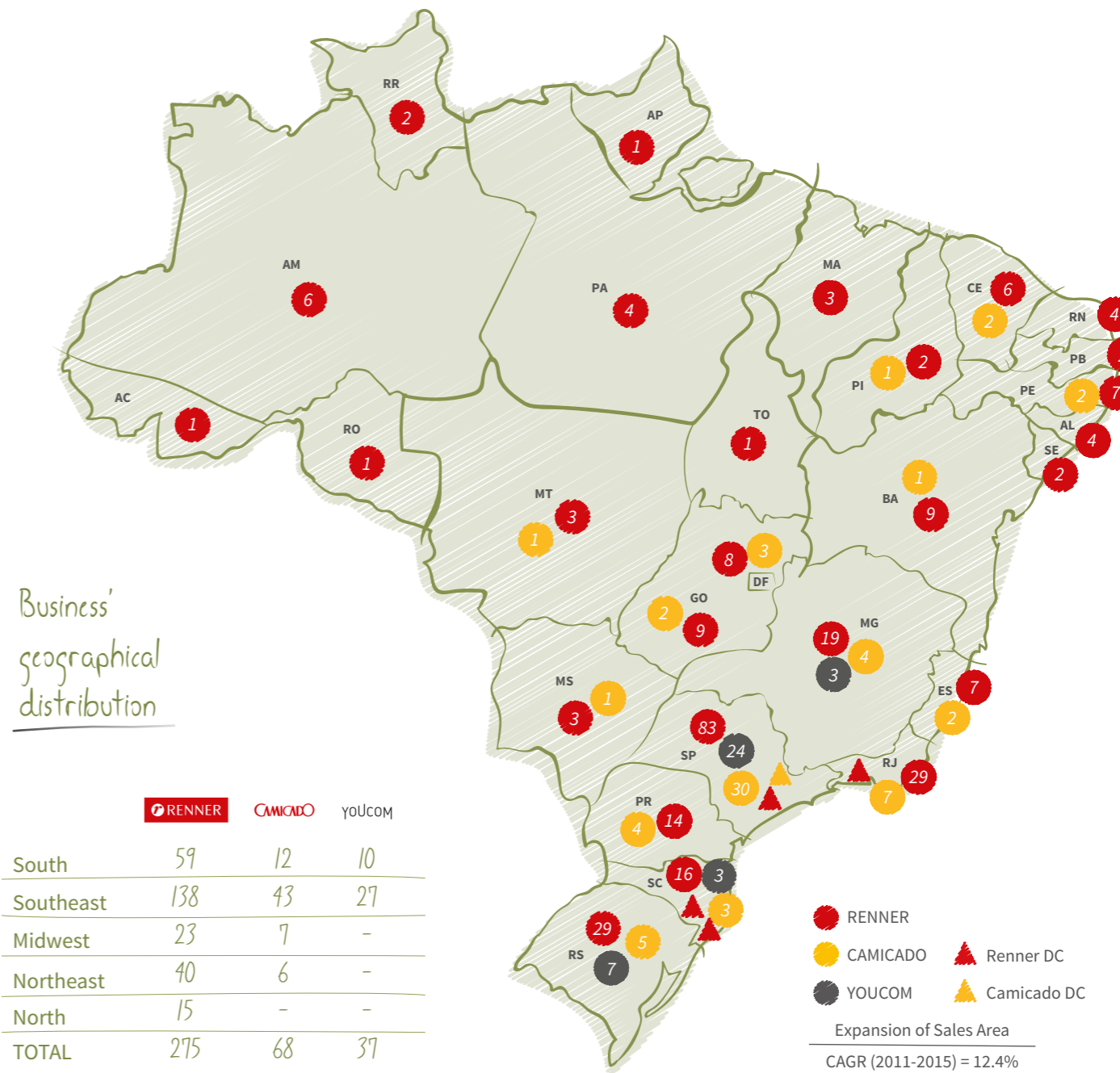
**YOUCOM**

Recognized among 20 international brands (being the only Brazilian) in Oracle's annual Lookbook as a highlight of email marketing actions in creativity and effectiveness.	Oracle
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Renner

# Manufactured capital



### SUSTAINABLE STORES AND NEW ADMINISTRATIVE HEADQUARTERS

Renner seeks to promote infrastructure and processes improvements to follow best practices in sustainability. In 2014, Renner opened its first sustainable store, in RioMar Shopping Fortaleza, which received, in 2015, the LEED Gold level certification. LEED is a global benchmark in sustainable practices that reduce the environmental impact of enterprise's construction works and operations. After the certification of the Riomar Store, best construction practices were compiled in the "technical memorial" to guide the Company's Department of Architecture and Engineering team, which is responsible for new constructions and renovations, the adoption of sustainable practices.



1st sustainable Renner Store, at the RioMar Shopping Fortaleza (CE)

### INCLUSION

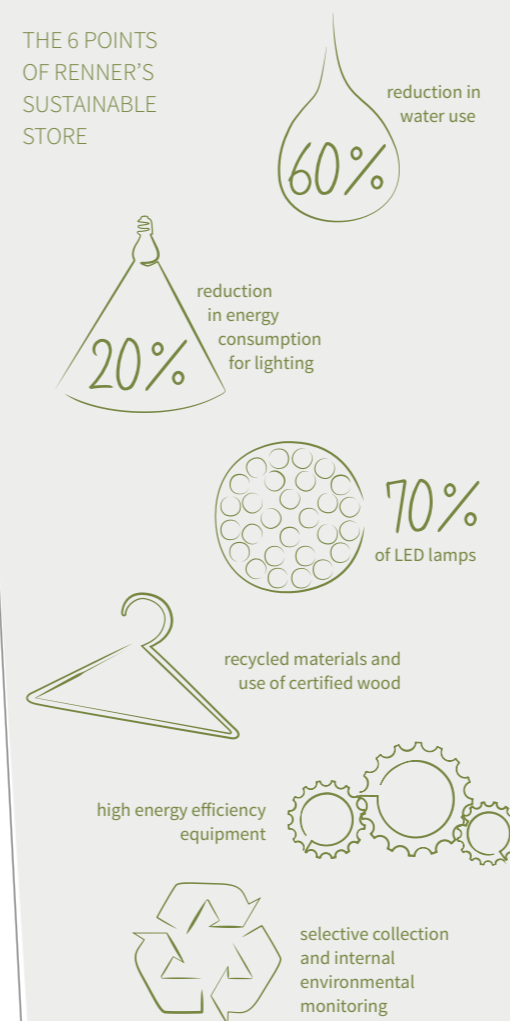
The Company's Architecture and Engineering Department team also created Renner's Inclusion Manual for the Accessibility Project. In 2016, all new stores – located on the street and in shopping malls – will be constructed according to inclusion premises, which certification can be received only after inspection of the municipal bodies that have offices or departments responsible for accessibility.

The Company will request certification for all new buildings, seeking to become a leader in inclusive stores in the Brazilian fashion retail industry.

*In 2015, the Company received, in the city of Porto Alegre, the first Seal of Accessibility - certification that attests the properly adaptation of the store to people with disabilities.*

### Sustainable Attitude

THE 6 POINTS OF RENNER'S SUSTAINABLE STORE



### NEW ADMINISTRATIVE HEADQUARTERS

Lojas Renner S.A.'s new Administrative Office building, with an area of 32,7 thousand m<sup>2</sup>, which will be inaugurated in 2016, was designed to complement the functions of the current headquarters. The building consists of six floors and a terrace with a technical area. The project was developed based on the open space concept for office areas, and the infrastructure and secondary circulation were located on the outskirts of the project, leaving the central space free. The open space concept provides flexibility and integration to the space and the large facade of glass walls connects the inside to the outside. One of the floors will be used exclusively for parking, valuing the open spaces of the project. There will be, at the ground floor, an access hall and noble spaces, as a auditorium and Lojas Renner's memorial.

Sustainability was part of the project from its conception – the building was all constructed in accordance to the LEED<sup>®</sup> (Leadership in Energy and Environmental Design) standards. Several measures have been adopted for the benefit of energy efficiency. The lighting system, the air conditioning equipment, elevators and pumps also complied with high efficiency standards. Strategies for thermal comfort, use of natural light and indoor air quality were also applied. Additionally, rainfall water reuse systems and treatment of gray water from showers and taps have also been implemented. Furthermore, materials with recycled content and/or regionally produced were considered, encouraging the local production chain.

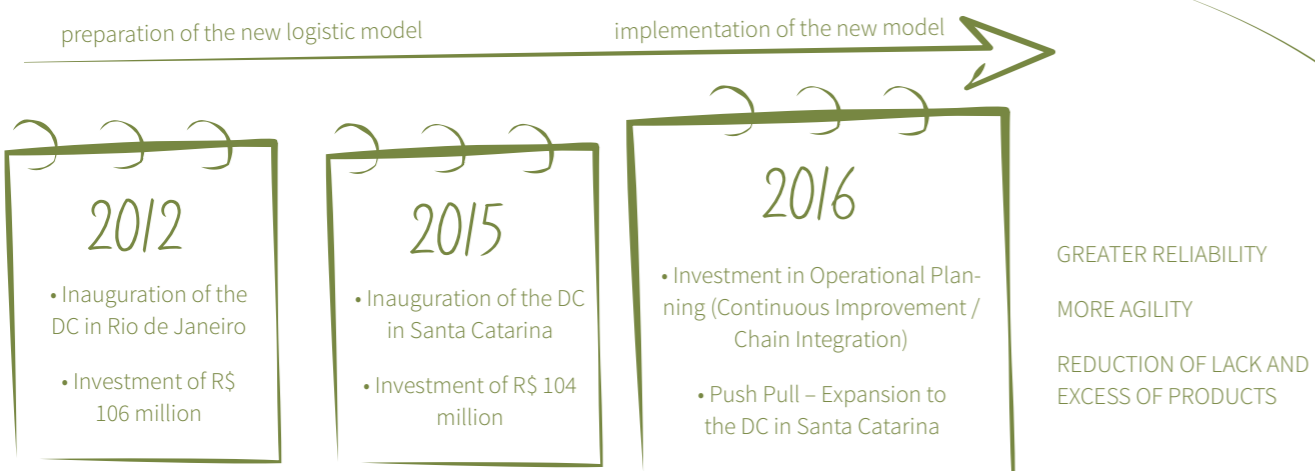
<sup>1</sup>The LEED<sup>®</sup> program for green buildings, from the U.S. Green Building Council (USGBC), is the highlight program for the design, construction, maintenance and operation of high performance green buildings. Learn more at [www.usgbc.org/LEED](http://www.usgbc.org/LEED)

## Logistics efficiency

In 2015 the Distribution Center of São José (SC) was inaugurated. This new unit has 47,000 m2 and will be responsible for most of the goods from domestic suppliers, for the flow of imports and supply to the stores in the southern region of the country. With this, the Company will have 69% of its distribution in automated distribution centers.

With the new operating model, the Logistics Department starts to focus on the operational excellence of its processes, in order to ensure efficiency and competitiveness gains for the Company with a more efficient distribution and reduction of markdowns. In 2016, the Company will invest in operational planning, continuous improvement and integration of the supply chain in order to support these challenges.

Additionally, the operation of the push and pull model in the Distribution Center in Rio de Janeiro started in 2015, and will be expanded to Santa Catarina in 2016.



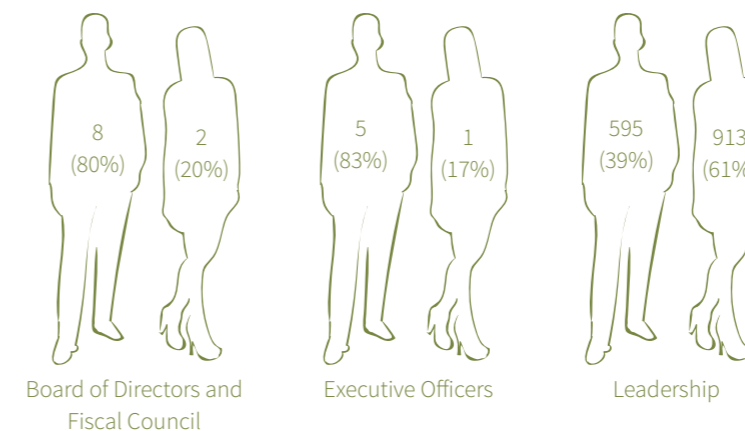
## Social and relationship capital

### Employees

#### GENDER EQUALITY

G4-LA13

Since 2013, Lojas Renner is a signatory of the **Women's Empowerment Principles**, an initiative by UN Women (United Nations Entity for Gender Equality and Women Empowerment) and the UN Nations Global Compact, and, in October 2015, it has expanded its support by signing a term of commitment for the financial investment in gender equality.



The **Women's Empowerment Principles** are a number of considerations that help the corporate community to incorporate values and practices aimed at gender equality and the empowerment of women in the business.



Nadine Gasman (representative of UN Women Office in Brazil) and José Galló (CEO of Lojas Renner) sign a commitment to develop a work project in 2016 to promote gender equality across the entire Lojas Renner's value chain, reinforcing the importance of women's empowerment for the Company.



HR living area

**COMPENSATION**

Lojas Renner S.A., for which the value proposition is its complicity with the modern woman, includes the importance of non-discrimination between men and women in its internal compensation policy:

**RELATION BETWEEN WOMEN'S AVERAGE SALARY AND MEN'S AVERAGE SALARY IN 2015\***

	RENNER	CAMICADO	YOUCOM
Administrative	1.02	1.00	1.40
Leadership	0.98	1.16	1.08
Operational	0.98	1.07	1.02

Compensation equity between men and women within Renner stores – business area where Renner has the largest number of employees\*.

Sales assistants	1.00
Cashiers	0.99
Store managers	0.98
Regional managers	1.08
Store supervisors	0.99

\*Relation between women's average wages and men's average wages in 2015. The research includes all Renner store employees working in those positions.

The research only includes positions where there are at least 5 employees by gender. Administrative: employees of the administrative office and administrative functions of the Distribution Centers (DCs). Operational: store employees and operational functions of the DCs.

**HEALTH AND SAFETY**

G4-LA5 • G4-LA6 • G4-AF31

Lojas Renner is constantly monitoring and acting to maintain the health and safety of its employees, developing continuous programs to mitigate possible risks and engaging employees through committees and commissions that discuss improvements and preventive actions for the Company's daily management.

The Company analyzes the risks to which employees may be exposed and monitor possible deviations throughout the performance of different functions in order to strengthen a prevention culture. Due to the business' nature, one of the health and safety focus of attention are the Repetitive Strain Injury (RSI) and Work-Related Musculoskeletal Disorders (MSDs), for which risks are managed through programs such as:

**OCCUPATIONAL HEALTH CONTROL PROGRAM (PCMSO)**

Conducts occupational health checks (periodic exams, return to work, change of function) in order to identify signs and symptoms of RSI and MSDs and develop action plans to eliminate risks that can stimulate the development of these diseases.

**INTERNAL COMMISSION OF ACCIDENT PREVENTION (CIPA)**

Implementation of CIPAs with members trained to act in identifying the risks of these diseases related to the workstations structures and/or work processes.

**ERGONOMIC ANALYSIS OF THE WORK (AET)**

Identification of ergonomic risk situations and presentation of alternatives the adaptation of workstations.

**PROGRAMS TO MANAGE HEALTH AND SAFETY**

PROGRAMS TO MANAGE HEALTH AND SAFETY	PARTICIPANTS IN 2015	PERCENTAGE IN RELATION TO LOJAS RENNER'S EMPLOYEES
Internal Commission of Accident Prevention (Cipa)	811	4,5%
Sustainability Committee	4	0,02%
Health Committee	6	0,03%

**HEALTH AND SAFETY INDICATORS OF OWN EMPLOYEES\* IN 2015**

REGION	OCCUPATIONAL DISEASES AND INJURIES RATE**		DAYS LOST		ABSENCE RATE**
	Men	Women	Men	Women	General
South	1.2	3.1	626	1,033	0.11
Southeast	0.3	1.9	198	571	0.03
Mideast	0.8	3.2	1	270	0.08
North	0	0	0	0	0
Northeast	0.9	0.9	349	312	0.11

\*There is no control of these indicators related to third parties.

\*\*The most common injuries among the Company's employees, mainly due to the nature of the duties in stores are: neck pain, sprain, contusion, tendonitis, bruises, fractures, trauma and strain.

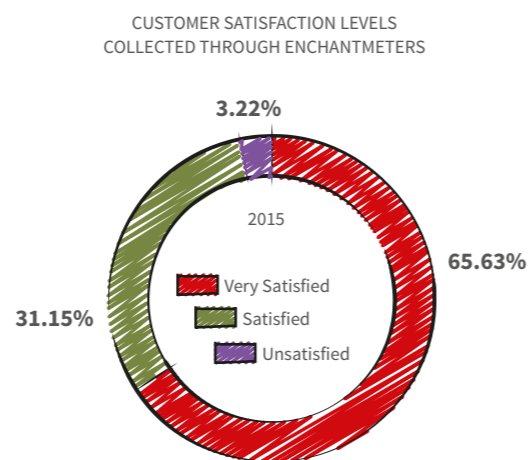
## Customers

G4-PR5

The enchantment permeates the Lojas Renner's culture and is an inseparable value of its performance. In order to measure the customers satisfaction level reached on the daily operations, Renner has, for 20 years, an Enchantmeter available at the doors of its stores – a pioneering initiative in Brazil, now reproduced by companies from different retail sectors. This tool is already part of the customers' shopping routine, who, at the end of their shopping experience, are able to choose between Very Satisfied, Satisfied or Unsatisfied.



In 2015, 20.5 million customers' opinions were collected through Enchantmeters (devices that measure customer satisfaction at the doors of Renner stores), with 97% being very satisfied or satisfied.



The Company is also present and hopes to enchant in several different channels that go beyond the physical stores, reaching customers and potential customers wherever they are. It offers an open space for dialogue and assistance where Renner, Camicado and Youcom deal with questions, suggestions, complaints and dissatisfactions.

### OBJECTIVES OF THE RELATIONSHIP CHANNELS WITH CUSTOMERS

#### INFORM CUSTOMERS ABOUT THE BUSINESS, PRODUCTS AND TRENDS

Through Renner's, Camicado's, Youcom's and Realize's websites, advertising, direct marketing, public relations, relationship with the press, sponsorships and cultural and fashion events and social networks.

#### Presence on social networks

	RENNER	CAMICADO	YOUCOM
Facebook	7.290.480 likes	577.000 likes	557.397 likes
Instagram	1.704.878 followers	58.800 followers	40.424 followers
Pinterest	9.088 followers	1.900 followers	-
Twitter	81.755 followers	8.203 followers	768 followers
BLOG	200.559 hits/month	5.000 hits/month	12.698 hits/month
Snapchat	270.360 views	-	926 views

#### Development of the e-commerce websites

Improving the customer experience and new opportunities for navigation and interaction.

Fashion and style: today, it is possible to show the customer different products for each region, segmented according to the weather, daily routine and customer preferences.

Communication: in addition to social network buttons highlighted on the bottom of the pages, the stores websites also have multi-click banners that quickly re-direct the customers to their product of interest.

Easy exchange: Renner's customers can buy on the website and exchange the product in any physical store.

Mobility: In addition to be able to buy from their computers, Renner's and Youcom's customers can also buy through a useful and practical mobile platform accessible by smartphones and tablets.

### Enchantment Stories Program

An Enchantment Stories Program is done internally in Renner's stores, which recognizes and rewards employees' and teams that have the best enchantment stories. In 2015, 24,975 stories were written by Renner's employees, which awarded the 156 best with R\$ 400.00 each and the best of the year with R\$ 5,000.00. The store with the higher numbers of stories written (in proportion to its number of employees) was also rewarded with a prize of R\$ 2,000.00 for the team's annual get-together, plus a Charming Store trophy. On average, 2,270 stories were sent per month.

#### LISTEN TO CUSTOMERS AND ESTABLISH A DIALOGUE THAT EXCEEDS THEIR EXPECTATIONS AND ENCHANTS THEM

Through the Enchantmeter and many communication channels offered to customers:



ONLINE CHAT through corporate website



FACEBOOK contact us with response within 72 hours by email



CONTACT US through telephone and corporate website

### RedameAQUI

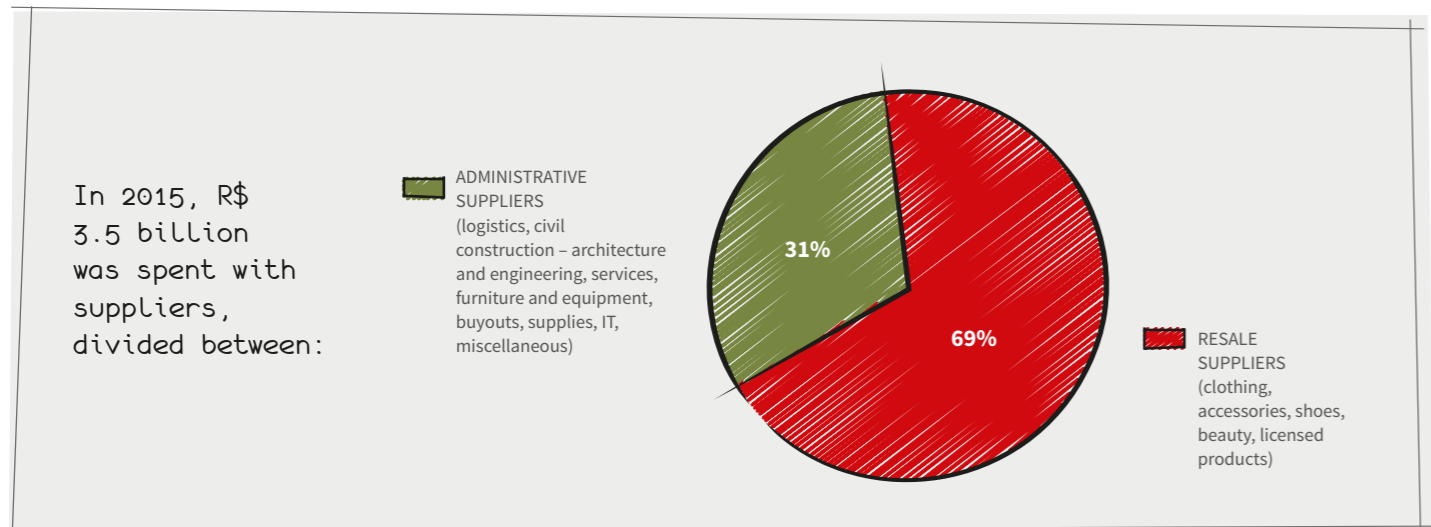
website with an exclusive interface and direct contact to the relevant department

Renner, Camicado and Youcom offer the above tools to their stakeholders in a personalized way

## Suppliers

G4-10 • G4-12 • G4-HR11 • G4-LA14 • G4-LA15 • G4-SO9 • G4-SO10 • G4-AF1 • G4-AF2  
G4-AF3 • G4-AF5 • G4-AF6 • G4-AF7 • G4-AF8 • G4-AF15 • G4-AF16 • G4-AF17

Due to the large size and relevance of Lojas Renner's supply chain, the relationship management with these stakeholders is divided into two areas in order to maintain a high level of assistance and attention to detail regarding the specific characteristics of each group: the Administrative Suppliers Management (GFA) area and Resale Suppliers Management (GFR) area, shown below.



### ADMINISTRATIVE SUPPLIER MANAGEMENT (GFA)

The Administrative Suppliers Management area manages companies that provide products and services that are not for the resale in the Company's stores.

In 2015, Lojas Renner maintained business relationships with approximately 973 active administrative suppliers, totaling an expense of R\$ 1.1 billion in purchase orders. Of this total, 31% is allocated to Civil Construction suppliers who provide remodeling and construction of the Company's new stores services, which have a specific assessment process to mitigate the risks of the chain.



### CIVIL CONSTRUCTION SUPPLIERS

Lojas Renner S.A.'s civil construction suppliers are considered a critical point within the administrative suppliers' chain, which is why the Company developed a specific management process to this public in order to ensure compliance with the guidelines of Lojas Renner in its relationship with suppliers.

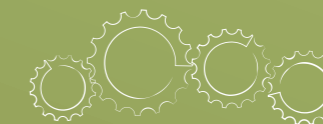
The Civil Construction Suppliers Management process was launched in June 2015 in a workshop involving the chain's main suppliers (Managing Firms, Construction Companies and Architecture Firms), and it runs in line with the Training Program developed by Lojas Renner's Architecture and Engineering Division.

The program provides for the engagement and monitoring of suppliers – based on premises regarding the legislation and best practices in Safety in the Workplace, Environment and Social Responsibility – and has a national scope, covering all civil construction suppliers involved in the expansion plan of Renner, Camicado and YouCom stores. The operationalization of inspections and audits are done by specific and specialized companies contracted for this purpose.

In 2015, a Women's Inclusion Plan in the Civil Construction Industry was developed, which provides for the development of women's empowerment initiatives in the Company's expansion construction works planned from 2016.

In 2015, 100% of the construction and managing firms that have worked for the Company have gone through the initial approval process, in line with Lojas Renner's Relationship with Suppliers Policy and Lojas Renner Code of Ethics and Conduct, committing to observe them and comply with them.

### RELATIONSHIP CYCLE WITH CIVIL CONSTRUCTION SUPPLIERS



#### SELECTION

Auditing actions carried out by specialized contracted firm, through a checklist with criteria established by Lojas Renner, to evaluate the compliance of its suppliers to good corporate practices.

#### ENGAGEMENT AND AWARENESS

In-person workshops with civil construction suppliers are carried out to debate on best industry practices, aligned with the Company's Code of Ethics and Conduct, and for the exchange of experiences, which raise awareness in the search for the chain's development, respect for human rights, labor relations and issues relevant to sustainability.

#### MONITORING AND ASSESSMENT

Lojas Renner assesses the administrative suppliers through the Global Supplier Performance Indicator (IDGF) regarding commercial, technical, social and environmental criterion. The assessment process of the civil construction suppliers, structured in 2015, implemented the criteria of compliance to the activities of architecture and engineering. For these suppliers, the criteria of compliance shall be integrated to the IDGF, from 2016, which replaces the social and environmental criteria, expanding the analysis of items with regard to safety in the workplace, environment and social responsibility.

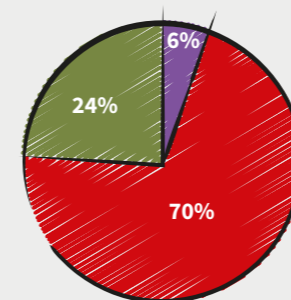
The Compliance monitoring process has 3 main stages of auditing: Homologation, Construction Work Sites and Accommodation, which occur periodically, according to the type of project. On average, 2 visits are performed per site, and the most complex projects receive at least 3 visits, that happen at different stages of execution.

Based on the assessment obtained in each criteria, the supplier is classified by the general analysis, being considered as Qualified, Partially Qualified or Reproved.

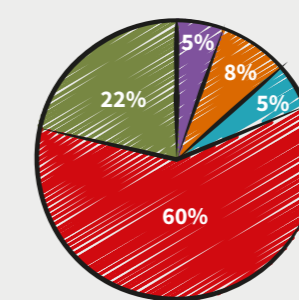
#### DEVELOPMENT AND TRAINING

Based on the indicators generated by the monitoring and assessment phase, the critical points will be identified and, in 2016, the items to be developed with suppliers will be defined.

### DISTRIBUTION OF AUDITS PERFORMED IN 2015



RENNER  
CAMICADO  
YOUCOM



Southeast  
South  
North  
Northeast  
Midwest

The Company aims to, in 2016, monitor 100% of the construction work sites, performed in its different stages.

G4-LA14 • G4-LA15

## SUPPLIER MANAGEMENT RESALE (GFR)

G4-2 • G4-10 • G4-HR5 • G4-HR6 • G4-HR10

Resale suppliers are responsible for the products sold in Renner and Youcom stores and are considered the main critical point of the Company's supply chain.

On November 11, 2014, Lojas Renner S.A. was notified by the Ministry of Labor and Employment (MTE) on non-compliances related to the use of immigrant labor in its supply chain. The situations identified by the MTE indicated that the Leticia Paniágua Verdugues Sewing Factory, contracted by two of Lojas Renner's resale suppliers, have failed to comply with labor laws.

On this occasion, Lojas Renner S.A. stood beside the MTE to ensure compliance with labor laws by its suppliers. The Company, on the same day, November 11, 2014, notified its suppliers for the immediate regularization of their employees' work situation identified by the MTE.

From this initiative, the Leticia Paniágua Verdugues Factory met with the MTE, accompanied by the two mentioned suppliers, terminated all employment contracts, made severance payments and released the FGTS of its employees. Lojas Renner's suppliers terminated the contract with the sewing factory – Leticia Paniágua Verdugues – and signed a Conduct Adjustment Agreement with the Public Ministry of Labor, in order to ensure that the employees will be incorporated into its operations and that they will be indemnified at the amounts determined by the MTE.

In August 2015, the MTE hold Lojas Renner responsible for the situation described above, characterized as working conditions similar to slavery. Faced with this decision, Lojas Renner began a judicial dispute and obtained an injunction with the Superior Labor Court, in November 2015, which determined that its name would not appear in the MTE's list of companies that have used directly or indirectly labor force in such working conditions.

### RESALE SUPPLIER MANAGEMENT STRUCTURE

In order to minimize the risks involved in its supply chain, the Company restructured its resale supplier management (companies with which Renner maintains business relationship of buying/selling products), by dividing the department into two areas: the Resale Supplier Development (GFR) and the Supplier Compliance Management (GCF).

The Supplier Development area is composed of a manager and a technical team consisting of one analyst and one assistant, responsible for generating performance indicators and data analysis, and three analysts, responsible for the suppliers training, awareness campaigns and development programs. The Compliance area is composed of a manager, a team of nine external auditors allocated in SP, SC and RS, responsible for conducting audits in this supply chain, two analysts and two internal assistants. The auditor is responsible for auditing (in-person technical visits) and the analysts and assistants program, monitor and support the work performed by the external auditors. In 2015, 3,129 in-person technical and follow-up visits were conducted, 177% higher than number of visits in 2014.

Learn more about the relationship process with national resale suppliers below, which is conducted by the Supplier Compliance and Development areas and based on the following pillars: selection, monitoring and control and development.



All national suppliers of clothing, accessories and footwear are certified by ABVTEX (Brazilian Association of Textile Retail), which assesses their adherence to good corporate practices regarding social responsibility and the environment.

In 2015, the Company achieved the certification by ABVTEX of

**100%**

of its supply chain of clothing, footwear and accessories, totaling 256 certified suppliers (164 sewing and 92 footwear and accessories) and 1,162 certified subcontractors (1,086 sewing and 76 footwear and accessories).

**92** new national resale suppliers - of clothing, accessories, footwear, beauty (Alchemia) and third brands - were registered in the year, of which 100% has been audited by the Company to assess issues such as respect for human rights, labor practices and other aspects related to sustainability. International suppliers are only audited on demand, in cases of complaints on social issues, and, if non-compliances found, the supplier is de-accredited.

In 2015, Lojas Renner maintained business relations with **456** active resale suppliers - Brazilian and foreign -, totaling an expense of R\$ 2.4 billion.

**63%** of the total contracted resale suppliers – those that manufacture products sold in stores – are national suppliers, and 37% are international suppliers, the same level as the previous year.

Conduction of **3,129** in-person technical and follow-up visits.

## RELATIONSHIP PROCESS WITH NATIONAL RESALE SUPPLIERS :

### SELECTION

#### 1 SUPPLIERS APPROVAL

In 2015, the Supplier Compliance area was made responsible for the Supplier Approval process, making the selection of new partners even more rigid. This change has brought the full implementation of the approval process, which is the preliminary assessment of suppliers and their contractors. To this end, interviews, documentary assessment and technical visits are held prior to the start of a business relationship with a new supplier or its new contractor for the production of Renner's pieces. In this new context, the Approval, which had the average term time of 150 days, was reduced to 80 days.

#### 2 WELCOME

The Resale Supplier Development area is responsible for the communication process with the resale suppliers, either through holding events, training and/or corporate communications, seeking to answer questions and guide the suppliers towards Renner's requirements.

In this regard, the area has implemented the "Welcome" program in 2015, focusing on the integration of new suppliers to Renner's processes. This program seeks to educate new suppliers about Renner's way of being and acting, contemplating integration with all interface areas during the supply of products.

### MONITORING AND CONTROL

#### 1 TECHNICAL VISITS

The Audit Management process of the Resale Supplier Management was restructured to intensify the monitoring and control of risks regarding social responsibility in the supply chain of resale products, and became the Supplier Compliance Management area.

As a way of monitoring the chain, in 2015, the Compliance area elaborated a system of technical visits for the compliance and traceability of orders, which allows a quicker and more effective control of results.

These are assessed by the internal team and, if non-compliances are identified, the supplier is required to perform an action plan with pre-established resolution terms.

Production license: the License process was managed by the Purchasing Department and is now controlled simultaneously by the Suppliers Compliance Management and the Operations, Planning and Projects (OPP) area, focusing on activities such as communication, training and orientation between Renner and the supplier, concerning the sending, receiving and authorization of Production Licenses. They are also responsible for the verification of certificates regularization during compliance audits, intensifying Renner's production license control.

Currently, audits of international suppliers are performed on demand, in cases of allegations of social issues, which are investigated and, if the non-compliances are identified, the supplier is de-accredited.

#### 2 IDGF INDICATOR

In 2015, the Resale Supplier Development area restructured the IDGF (Global Development Index Supplier) and began the analyzes segmentation process by production chains. This restructuring involved the areas of interface with the supplier within the Company, seeking greater adherence of the index to its reality.

The restructuring of the IDGF indicator included the revision of the social index – in accordance with the evaluation of the Compliance area's technical visits within the chain of each supplier – as well as the addition of the financial index (financial health) as an IDGF's evaluation item. In addition to these changes, the indicator's Logistic and Commercial indexes were also reviewed.

All of these changes on the indicator were conducted in 2015, but are now implemented and measured in 2016.

### DEVELOPMENT

#### 1 RISK MONITORING PROGRAM

The Supplier Risk Monitoring Program was developed in 2015, and 30 strategic suppliers were selected to receive training, guided technical visits and awareness meetings with the goal of making their internal compliances processes similar to Renner's processes, reducing the frequency of non-compliances found in each supplier's chain.

Respect for the legislation: the Supplier Compliance area also strongly acts on training and awareness of resale suppliers of clothing, footwear and accessories in relation to compliance with labor legislation and health and safety at work through guiding events at the Company's administrative headquarters for all resale suppliers and sending of periodic communication materials on the issues.

#### 2 CONTINUOUS IMPROVEMENT PROGRAM (PMC)

Lean manufacturing: the Resale Supplier Development area started the Lean Manufacturing intervention process, an initiative for the development of resale suppliers which seeks to raise awareness of front suppliers to issues such as: waste disposal, increasing productivity and reducing lead time in their operations, always focusing on the development of the supplier.

In 2015, 35 strategic suppliers participated in this process, with theoretical and practical activities, as well as being assisted in the application of lean tools within their production processes.

In the same year, in order to share best practices, successful case studies of these interventions were presented in a workshop with Renner's Key suppliers, and realized a training about the "lean" concept.

## Shareholders and investors

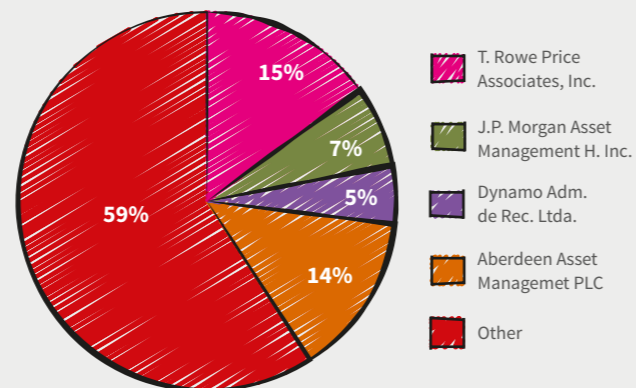
G4-9

### OWNERSHIP PROFILE

Lojas Renner S.A. was the first Brazilian corporation and has 100% of its shares traded on the Stock Exchange, and has a dialogue channel – the Investor Relations Department (IR) – in order to reach investors and provide information on the Company's business, giving transparency to its decision-making process.

The Company's Capital Stock consists of 640,041,325 common shares traded for ten years on the BM&FBOVESPA's Novo Mercado segment under the LREN3 code.

Shareholding structure at the end of 2015



### RELATIONSHIP

In order to ensure access and transparency of relations, the agenda and routine of this area is intense.

The IR website is dedicated to investors and shareholders and is always updated with information disclosed to the market. In-person-presentations to the market are held by the Company's leaders – such as the quarterly results conference calls, roadshows, the public meeting in partnership with the Brazilian Capital Markets Association of Investment Analysts and Professionals (Apimec). The Renner Day is a meeting with market analysts, investors, Lojas Renner's IR team and the Board of Executive Officers: the event is annual and, in Brazil, the Company's Annual Report is presented.

### SHARE PERFORMANCE

At the end of 2015, the Company's shares were priced at R\$ 17.10 – reaching a market capitalization of R\$ 10.9 billion – and had an annual appreciation of 13.8%, versus Ibovespa's theoretical portfolio, which depreciated 13.3% in the same period. In the last 10 years, since July 2005, the Company's shares have appreciated 1,386.9% (adjusted by corporate events).

In the year, 1.4 million trades were recorded, with 990.9 million shares traded and average daily trading volume of R\$ 75.6 million. The increasing volumes also reflected the effects of the stock split, held in September 2015, in the proportion of five new shares for each existing share, which allowed greater access to individual investors and significant increase in the liquidity of the shares, making the Company go from the 36th position in December 2014 to the 23rd position at the end of 2015, in the Exchange's negotiability ranking.



### 2015 INVESTOR RELATIONSHIP PROGRAM

NUMBER OF ASSISTANCES:  
Phone: 933 consultations  
E-mail: 989 consultations  
Total: 1,922 assistances

MEETINGS AND PARTICIPATION IN EVENTS:  
NDRS and Conferences: 16 events  
Presentations: 15  
Total meetings: 230 meetings  
Public reached: 1,302 people

HOLDING OF THE FIRST RENNER DAY ABROAD:  
(NY and London): 80 investors  
120 people attended in Brazil

MAILING LIST:  
Users registered: 3,562 names  
E-mails sent: 223,797 messages

CONFERENCE CALLS  
(in Portuguese with English translation):  
Results calls: 4  
934 participants  
(average of 238 per event)

COVERAGE LEVEL:  
26 institutions

TOTAL REACH: **4,178** PEOPLE



## Society

G4-15

Lojas Renner believes that, as a large Company, reaching millions of people, it has great potential, responsibility and opportunity to generate development and well-being to society. Therefore, the Lojas Renner Institute was founded in 2008, with the mission of managing the Company's social investment.

The Institute's focus of activity, which initially followed the Goal number 3 of the UN Millennium Development Goals (MDGs), is to promote gender equality and women's empowerment, in line with the fifth goal of the Sustainable Development Goals (SDGs): "achieve gender equality and empower all women and girls".

The funds that finance Institute's projects come from tax incentives, Renner's own budget, and, mostly, from the Mais Eu Campaign, that annually allocates 5% of Renner's tax-exempt net sales obtained during the four days after the Father's Day to the Institute for investment in professional training projects and generation of employment and income for women.

### LOJAS RENNER'S INSTITUTIONAL COMMITMENT

Lojas Renner, a signatory to UN's Women's Empowerment Principles, reaffirmed, in 2015, the voluntary commitment to incorporating the values and practices to promote gender equality in business, through financial investment in the women's cause. The projects will be aimed at employees, resale suppliers and the society in general, and will be developed from 2016.

The Company has the Institute as an executor partner of Principle 6: Community leadership and engagement, which aims to "promote equality through community initiatives and advocacy".



From left to right: Clarice Martins Costa (HR Director of Lojas Renner); José Galló (CEO of Lojas Renner); Nadine Gasman (representative of UN Women Office in Brazil); Vinicius Malfatti (Sustainability Manager of Lojas Renner); Luciane Franciscone (Marketing General Manager of Lojas Renner and Marketing Director of the Institute); Lucia Félix (People and Development Senior Manager of Lojas Renner and Executive Director of the Institute) and Adriana Carvalho (advisor of the Women's Empowerment Principles in Brazil).



Manatee and Art Workshop - Project supported by Lojas Renner Institute and developed by Yande Education, Culture and Environment Institute (AL)



Flyer for the "Mais Eu" Campaign from 2015. Featuring Maria José dos Santos, team coordinator of Manatee and Art Project (pictured above, last on the right).

PERFORMANCE OF LOJAS RENNER INSTITUTE IN 2015	INVESTMENT (R\$)	BENEFICIARIES	PROJECTS
WOMEN'S EMPOWERMENT	3,532,670.35	4,293	72
YOUTH FORMATION	683,340.72	291	9
COMMUNITY DEVELOPMENT	6,904,091.56	35,422	63
<b>TOTAL</b>	<b>11,120,102.63</b>	<b>40,006</b>	<b>144</b>

# Natural capital

G4-2 • G4-EN6 • G4-EN27 • G4-EN31 • G4-EN33

## Environmental management

Lojas Renner S.A. is aware of the importance of minimizing negative impacts to the environment as an important way to ensure the sustainability of its operation in the long term.

In 2015, the focus of efforts was in energy efficiency, waste management and management of greenhouse gases emissions.

Even in a year of crisis, investments in the environment have remained the same as 2014 levels, showing that environmental management is an important issue for the Company.

Investment of *R\$ 652.3 thousand* in environmental management in 2015, same level as the previous year, divided between:

	2013	2014	2015
Waste management – Renner <sup>1</sup>	R\$ 357,727	R\$ 448,015	R\$ 455,742
Greenhouse Gas Emissions Management <sup>2</sup>	R\$ 14,064	R\$ 83,487	R\$ 146,596
Consultancy in Environmental Management – Renner	R\$ 19,100	R\$ 96,162	R\$ 50,000
<b>TOTAL</b>	<b>R\$ 390,891</b>	<b>R\$ 647,664</b>	<b>R\$ 652,338</b>

<sup>1</sup> Includes the environmentally friendly transport and disposal of waste generated by Lojas Renner.

<sup>2</sup> Neutralization of GHG emissions and inventory verification.

## Energy efficiency

With the challenges faced by the country in 2015, resulting from the low occurrences of rainfall that caused the considerable reduction of water in the reservoirs that supply cities and generate power through hydroelectric dams – responsible for generating more than 65% of the electricity in the country – Lojas Renner S.A. started an Energy and Asset management project, which uses intelligence technology to capture improvement opportunities in a simple and innovative way.

The implementation of the Project allows the full energy and functional monitoring of the Lojas Renner's units, with maximum efficiency and standardization of the following systems: lighting, air conditioning, nobreaks, substation, escalators and elevators, security systems (intruder and fire alarms) and generators. Another important gain of the implementation is the continuous evaluation of equipment performance, providing subsidies for decision-making processes on major consumption and performance indicators and, therefore, create solutions to increase efficiency.

In 2015, the project included 50 stores and was divided into two phases:

• **PHASE 1:** implementation of the monitoring and standardization system of the operation, which had the store pilot project completed in April, replicated in 8 stores in June and other 41 stores completed in August

• **PHASE 2:** retrofit of equipment (LED lamps and more efficient machines) and full automation of equipment in 16 stores

REPLACEMENT OF FLUORESCENT LAMPS TO LED LAMPS, with higher efficiency, in 159 LOJAS RENNER

- Replacement of 209,957 bulbs
- Average reduction of 17.3% in energy consumption
- Total monthly consumption reduction of 665,688 kwh

### PROJECT BENEFITS

#### VELOCITY

Acting in solving problems before the impact is seen in the store, eliminating the time spent waiting for assistance of other areas of the business, allowing store's employees to remain in store.

Gain in security through online monitoring of fire and intrusion systems, allowing reduction of insurance policies.

#### COSTS REDUCTION

Reduction of installation and purchase of materials costs and reduction in the number of interventions in the store's daily operations with the replacement of lamps/ballasts to LED bulbs, which can last up to 10 times more.

17.3% reduction in the energy consumption of the project's 50 stores, increasing the Company's operating result.

#### GREATER RELIABILITY

Reducing human dependence on obtaining the status and interventions of equipment;

Remote monitoring of equipment.

## Waste management

G4-EN28

Lojas Renner's Solid Waste Management Program is based on the principles of non-generation, minimization of generation and environmentally appropriate disposal of waste generated in the operation. The program complies with the requirements of the National Solid Waste Policy and its main objectives are to minimize waste generation at source, the adequate segregation at the origin, control and reduce risks to the environment, ensure the correct handling, packaging and disposal of waste, encourage recycling and carry out the integrated management of solid waste.

Recycle of **96%** of the total **1,769.38** tons of waste generated by Renner all over Brazil in 2015.



### ECOSTYLE

Launched in October 2011, it is part of Lojas Renner's Solid Waste Management Program. Through collectors located in the stores' perfume sector, customers, consumers and employees can deposit empty packaging and bottles already used for perfume and beauty products, purchased or not at Lojas Renner. This material is properly disposed without harming the environment.

Environmentally correct disposal of more than 73 tons of beauty and perfume waste since 2011, when the EcoEstilo Project started.

In 2015, 23.5 tons were collected through the EcoEstilo Project: 13.4% more than in 2014.

Within the continuous search for the efficient management of disposal of furniture and mannequins from the Company's stores being refurbished, the conduction of a pilot project that aims to increase the reuse and recycling of these materials is scheduled for 2016, reducing the final disposal in landfills. The pilot project will also provide a reduction in the cost for final disposal from January 2016.

## Management of greenhouse gas emissions

G4-EN15 • G4-EN16 • G4-EN17 • G4-EN18 • G4-EN19 • G4-EN30

In line with the global debates on the impact of climate change on the planet and aware of the Company's role on mitigating its emissions in order to reduce this impact, Lojas Renner conducted the neutralization of 20% of its total emissions related to the inventory of 2014. In addition to that, it has continued with the emissions management plan, with the definition of the reduction target for the year and the construction of a plan of action to reach the reduction. The action plan includes, among other things, the energy efficiency project, replacement of fluorescent lamps with LED lamps and acquisition of renewable energy in the free market.

For the third year, the inventory of greenhouse gas (GHG) has been verified by a third party, ensuring the accuracy of the information and receiving the GHG Protocol's Gold Seal. The 2015 inventory will also be available in the public registry in the Brazilian GHG Protocol platform from August 2016. The inventory results are presented below.

In 2015, Lojas Renner continued to be listed in the Carbon Efficient Index (ICO<sub>2</sub>) of BM&FBOVESPA, showing that it adopts transparent practices with regard to the climate change issue.

### GHG EMISSIONS INVENTORY RESULTS IN tCO<sub>2</sub>e:

		2013	2014	2015
SCOPE 1	Stationary combustion	94	138	146
	Mobile combustion	9	7	5
	Leakage emissions	2,497	2,855	3,300
	Total	2,600	3,000	3,451
SCOPE 2	Electric power purchase	14,450	23,242	23,532
	Total	14,450	23,242	23,532
SCOPE 3	Solid waste generated in the operation	118	141	294
	Business trips	2,941	2,494	2,492
	Transport and distribution (upstream)	12,441	18,961	7,080
	Total	15,500	21,596	9,866
<b>TOTAL (Scope 1+2+3)</b>	-	<b>32,550</b>	<b>47,838</b>	<b>36,849</b>
		2013	2014	2015
Performance indicator (kgCO <sub>2</sub> e/m <sup>2</sup> )	Stationary combustion	75	98	69

The results show that, in 2015, Lojas Renner surpassed the GHG emission reduction target, reaching a total reduction of more than 22% over the previous year. This reduction was boosted by energy efficiency projects implemented in the stores, as well as logistics improvement and optimization processes. Analyzing only the performance indicator, which considers emissions per square meter of sales area, the emissions reduction was even greater, 30%, if compared to the previous year's performance indicator. The target set for 2015 was to reduce by 5% total emissions by 2020 – a conservative target as last year's inventory results were impacted by very high Brazilian electricity emission factors due to the activation of the thermal power.

The target for 2016 is to reduce by 2% the emissions of the performance indicator, based on the inventory of 2015. The target remains conservative due to the Brazilian reservoir levels, which are not yet at safe levels to discard the risk of a new water crisis.

This year, Lojas Renner completed again, voluntarily, the Carbon Disclosure Project (CDP) questionnaire – formulated by institutional investors and addressed to the companies listed on the main stock exchanges of the world, for the disclosure of information about climate changes policies. Currently, the CDP represents investors who, together, move US\$87 trillion. Since 2011, when it began participating in the program, Lojas Renner's performance has evolved significantly.

	DISCLOSURE SCORE	PERFORMANCE SCORE
2011	69	E
2012	55	E
2013	68	D
2014	90	C
2015	92	C

## Sustainability and products

The development and reach of initiatives to minimize direct and indirect environmental impacts of the production and use of its products is an effort that is increasingly part of the Company's environmental management in special projects.

### CARBON FOOTPRINT OF THE JEANS

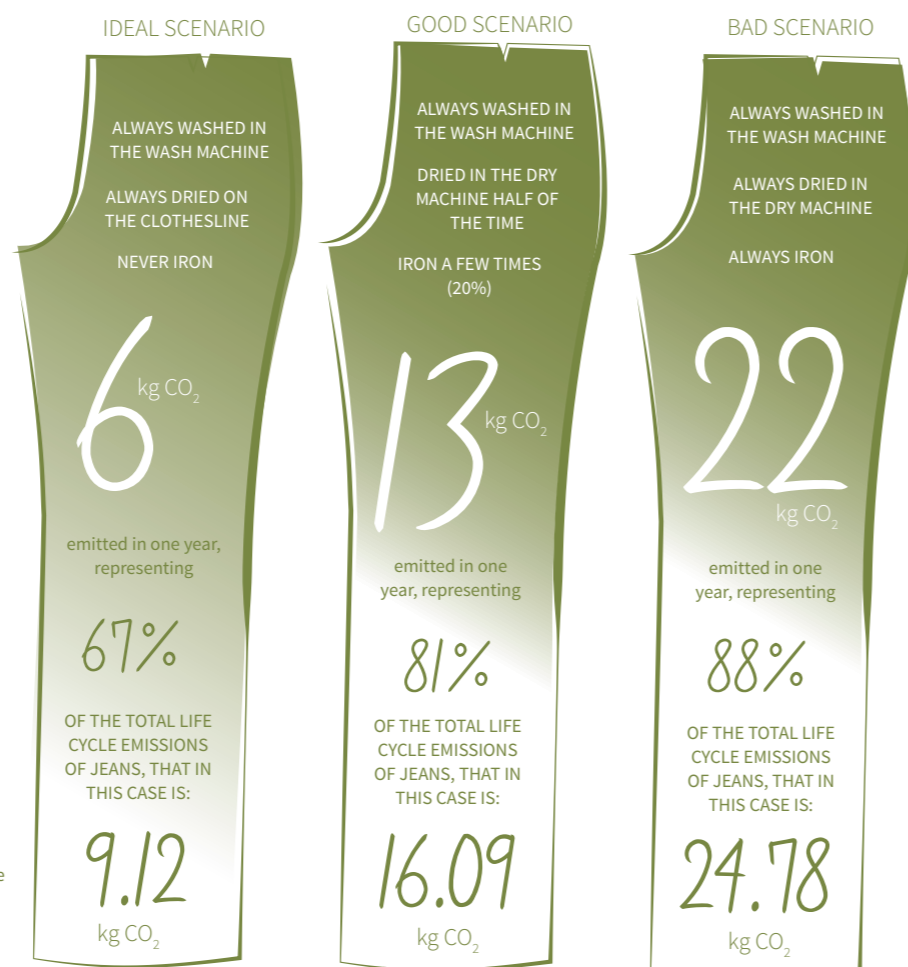
The Life Cycle Analysis (LCA) of a product is the measurement of its "environmental footprint" through a comprehensive study of the impacts from the extraction of the raw material to its final destination, going through the stages of production, distribution, consumption and disposal. In 2015, Lojas Renner held a pilot project in partnership with the GVces (Sustainability Studies Center of the Getúlio Vargas Foundation's Business Administration School), which calculated the carbon footprint, from the "cradle to the grave" of a basic women's jeans sold in its stores.

For usage stage, 3 different scenarios were calculated taking into consideration the user behavior.

We can conclude that, regarding the jeans' carbon footprint, the usage stage is the one that generates more environmental impacts, and that a small change in the end consumer behavior can significantly reduce this impact.

In order to further study the LCA, the water footprint of the same jeans is scheduled to be conducted in 2016, complementing the carbon footprint information.

The analysis considers the stages of obtaining materials and pre-processing, production, distribution and storage, and usage and end of life, as well as the transport in each of the stages. The functional unit of the jeans considered a woman wearing it twice a week and washing it once a week for one year.



### SUSTAINABILITY IN THE JEANS CHAIN

The project aims to develop the jeans chain within the sustainability pillars, as it is the chain that generates more negative impacts to the environment through heavy water consumption, use of chemicals, waste generation and energy consumption. The project has an average duration of six months and covers topics such as effluent treatment, water consumption, energy efficiency and chemical consumption.

Lojas Renner seeks, through this project, to mitigate impacts and eliminate risks, training and directing suppliers to the adoption of best practices, mainly regarding important aspects for the availability of natural resources and the sustainability of the Company's operations, such as conscious and efficient water consumption in the production process. Since its implementation, in 2013, 13 jeans suppliers already took part in it, which together account for over 60% of the Company's sales volume. Among the benefits achieved with the project, are: adequacy of effluent treatment plants, proper waste management, reduction of energy consumption and waste disposal.



G4-EN28

Youcom's Jeans for Change Project, started in 2014 as a pilot, is aimed at reusing jeans to turn them into a new product, increasing its life cycle. The pilot project had the partnership of a social enterprise, which sought to promote the work of artisans from communities in vulnerable situations in Porto Alegre.

First, the jeans were donated by customers and collected in the physical stores, and each donated piece was exchanged for a 20% discount on the purchase of a new pair of Youcom's jeans. The donations were transformed into raw material, then transformed into eco-bags by the artisans, and distributed to customers through a buy and win deal.

The project, a success among Youcom's customers, was remodeled in 2015 and, from the creation of the Youcom Lab platform, sought greater integration of young people in building brand identity, encouraging new talent and giving visibility to their work. The first initiative was the 2015 Jeans for Change contest: fashion, design and advertising students were mobilized to create bag designs that would be fabricated by the artisans from the communities in vulnerable situations.

Four bag designs were chosen by a jury formed by employees of Youcom's Marketing and the Style departments and representatives of the social enterprise responsible for the operationalization of the project with the artisans involved in the production of the pieces. The bags were fabricated and returned to 10 stores to be distributed to customers through a buy and win deal: on purchases above a certain value, the client could choose one bag as a gift.

The initiative was communicated on social networks and the Company's official website.

*In 2015, around 200 pairs of jeans were collected, which turned into 150 bags made by artisans - used as promotional items.*



### CONSUMERLAB

In line with young people questioning, Youcom aims to develop all its projects in a participatory way, in collaboration with its stakeholders.

And as an approach, in order to understand the needs of their customers - the fashion understanding, attitudes and preferences - the ConsumerLab was created: a laboratory studies to Youcom customers. At ConsumerLab, Youcom looks to understand, through the vision of the young participants, what they think about worlds transformations, their concerns and desires, to then translate these issues to the brand itself.



# Goals monitoring



**VIVIANE FURTADO VELLOSO**  
(Service Management Senior Manager - CSC)  
5 years working for the company

*I joined Renner as the person responsible for Compliance of Financial Products. Soon after I began to be part of the Shared Service Centers (SSC) Project and, in 2014, I joined this business unit! Renner is a Company that believes in its employees and provides them great career opportunities!*



**FABIANA TACCOLLA**  
(Financial Products Director)  
4 Financial Products Director

*Since my first day of work at Renner, I could relate to the values and the fast pace of the job. I realized that here I would be driven to want to do more and better. I felt that I would be a happier person.*

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
To consolidate Youcom brand and broaden its marketing campaigns aimed at young people.	Customers	<b>ACHIEVED</b>   The number of likes on the Facebook page increased 105%, a significant growth in Youcom's target audience - young people aged between 20 and 28 years old.	Concluded.
Approve and publish the Governance, Risk and Compliance Policy in April 2015.	Shareholders and investors	<b>PARTIALLY ACHIEVED</b>   The GRC Policy was approved by the Board of Directors on 10/22/15 and was published on 11/25/15.	Concluded.
To spend the following amounts in stores, per square meter: Stores > 1,700 square meters = R\$ 349.18/m2 Stores < 1,700 square meters = R\$ 396.10/m2	Shareholders and investors	<b>ACHIEVED</b>   For 2015 stores with sales area >= 1,700m2, including renovations with new furniture and openings, the Company saved 15% of the budgeted amount, exceeding the stipulated value. For 2015 stores with sales area < 1,700 m2, including renovations with new furniture and openings, the Company saved 24% of the budgeted amount, exceeding the stipulated value.	Concluded.
To keep satisfied and very satisfied customers ratio above 96% in 2015.	Customers	<b>ACHIEVED</b>   Satisfied and very satisfied customers ratio came to 96.8% in 2015.	To keep the ratio of satisfied and very satisfied customers over 96% in 2016.
For 2015, Renner will seek to increasingly enchant its customers by improving its Fale Conosco (Talk to Us) service and maintaining the commitment to answer tickets within 72 hours.	Customers	<b>ACHIEVED</b>   193,487 tickets were received, being 28,328 warning tickets, and 85% were answered within 72 hours.	For 2016, Renner will seek to increasingly enchant its customers, answering 90% of "Talk to Us" tickets within the SLA's in 72 hours.

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
To develop a virtual training module about diversity, achieving 100% of employees.	Employees	<b>ACHIEVED</b>   Throughout 2015, the focus of activity of the SOMAR project (Diversity) was the inclusion of people with disabilities. For it to be successful, awareness of leaders and monitor of the integration process with work teams were conducted. Given the on the job training methodology, only employees that actually received these new colleagues in their work units were trained.	Concluded.
To implement the fourth phase of the project for greater absorption of the store processes and consolidation of administrative processes. Through evaluation of opportunities, we believe in a fifth phase to be implemented in 2016, which should be planned during this year.	Employees	<b>ACHIEVED</b>   The fourth phase of the CSC Project was implemented with the consolidation of stores processes and administrative processes.	To implement the fifth phase of the CSC Project for greater absorption of the store processes and consolidation of administrative processes. Through evaluation of opportunities, we believe in a sixth phase to be implemented in 2017, which should be planned during this year.
To conduct 16 Sewing (Escola de Costura) classes.	Community and social organizations	<b>PARTIALLY ACHIEVED</b>   15 Sewing classes were held in the year 2015.	To conduct 10 Sewing classes.
To help 100% of Projeto Pescar students to enter the job market, mainly through Lojas Renner, or stimulate them to start studying in a university.	Community and social organizations	<b>PARTIALLY ACHIEVED</b>   13 young people concluded the Professional Initiation in Sales and Customer Service training course on 01/13/2016. They are currently participating in the selection processes of Lojas Renner and other companies in the sector.	Hold Projeto Pescar classes at Lojas Renner's headquarters, continuing to be a maintainer partner of the Projeto Pescar Foundation.
To approve 15 projects through the 2015 request for proposal.	Community and social organizations	<b>ACHIEVED</b>   21 projects approved by the 2015 request for proposal.	To launch a request for proposal in partnership with UN Women, expected to support 20 projects.

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
To support, through the Rede Parceria Social, the 29 projects selected in 2014, expected to begin in January 2015. To launch a request for proposal focused on the Bom Jesus Community.	Community and social organizations	<b>ACHIEVED</b>   29 projects were supported, which ended with the rendering of accounts to the State Government in December 2015. The request for proposal was launched in the second half of 2015, giving preference to projects developed in the Bom Jesus Community.	To execute, in partnership with the State Government Program – Rede Parceria Social – the new social and economic project, through funding and monitoring of 10 social organizations located in Porto Alegre and Greater Porto Alegre, preferably in the Bom Jesus neighborhood, to encourage women's entrepreneurship and income generation development.
To ensure that 90% of suppliers classified as Strategic Suppliers and under the A Curve Risk have at least one approved competitor.	Administrative suppliers	<b>ACHIEVED</b>   99% of suppliers with revenues above R\$ 500 thousand in the last 12 months, with at least one approved competitor.	Completed. This control will continue to be done by the Administrative Supplier Management's Governance cell, but not as an official Goal.
To conduct a new evaluation of suppliers, according to the A Curve for 2014 and critical suppliers.	Administrative suppliers	<b>ACHIEVED</b>   65 suppliers evaluated.	To ensure that 90% of suppliers in the A Curve are evaluated according to the IDGF standards and have action plans drawn up and monitored.
To reduce 5% of costs with acquisition of materials, equipment and services negotiated by the Administrative Supplier Management (GFA).	Administrative suppliers	<b>ACHIEVED</b>   Reduction of 15.1%.	To reduce 5% of costs with acquisition of materials, equipment and services negotiated by the Administrative Supplier Management (GFA).

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
<p>1. To monitor the action plan launched in 2014.</p> <p>2. To select 35 critical suppliers to be submitted to the Social Responsibility evaluation, requiring them to provide evidence. Among these 35 suppliers, some will be selected for an audit in their facilities.</p> <p>3. To prepare and monitor an action plan for suppliers classified as “Regular” and “Inadequate” based on the 2015 IDGF.</p>	Administrative suppliers	<p>1. <b>ACHIEVED</b>   The monitoring of action plans drawn up in 2014 was done.</p> <p>2. <b>ACHIEVED</b>   Social Responsibility audit, expanded with topics on environmental liability completion and submission of evidence to Renner). From the analysis of the results, the following actions have been defined: a) Conduction of informal audit on site of the main supplier of furniture b) In relation to other critical suppliers, it was decided that awareness actions will be defined in relation to sustainability in 2016. In addition, in 2015, the process of on site approval and the audit of construction works by a subcontractor, which management is undertaken by the Architecture and Engineering Department, of the civil construction contractors, construction work management and architecture firms have begun.</p> <p>3. <b>ACHIEVED</b>   These action plans are conducted in all Annual Evaluations.</p>	<p>1. Monthly monitoring of action plans drawn up by the 2015 Supplier Evaluation. These action plans are conducted in all Annual Reviews. The target will no longer be disclosed as it is a continuous process – the actions will be monitored on a monthly basis through follow up meetings with the area’s manager and the team.</p> <p>2. Concluded. In 2016, actions taken to mitigate risks related to sustainability within administrative suppliers will be defined together with the Sustainability Area.</p> <p>3. These action plans are conducted in all Annual Reviews. The target will no longer be disclosed as it is a continuous process – the actions will be monitored on a monthly basis through follow up meetings with the area’s manager and the team.</p>
Expand the monitoring of the IDGF to 100% of the national supply chain and 100% of international suppliers, by automating the index.	Resale suppliers	<b>PARTIALLY ACHIEVED</b>   In 2015, a system for the automation of the IDGF calculation for national suppliers was developed, expanding its monitoring to 100% of the chain. However, for international suppliers, the manual monitoring of 15 suppliers was maintained.	Restructuring of the IDGF and review of its evaluation methodology and indexes to the plan’s chains, fabric and jeans of the national suppliers. The realization of biannual workshop with Renner’s multifunctional team for the critical analysis of performance and operations in the IDGF.
To include 35 Brazilian suppliers in Continuous Improvement Programs focused on productivity.	Resale suppliers	<b>ACHIEVED</b>   In 2015, 35 national suppliers participated in the Continuous Improvement Program, focusing on eliminating waste, seeking to increase productivity and reduce lead time.	To conduct the Continuous Improvement Program, seeking the Lean Manufacturing transformation on three strategic national suppliers for each of the monitored chains, totaling operations in nine suppliers.

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
To structure a Compliance team, composed of managers and engaged employees, to monitor social responsibility in Renner’s supply chain.	Resale suppliers	<b>ACHIEVED</b>   The Supplier Compliance Management sector, composed of a team dedicated to monitor social responsibility in the Resale supply chain, was structured.	To expand the activities of the technical team through the implementation of a Traceability Audits process, performing at least 3 of these audits in 85% of clothing suppliers active on 05/01/2016 with 6 or more Purchase Orders issued in the year.
To keep 100% of Brazilian clothing suppliers and subcontractors certified by ABVTEX and qualify 100% of Brazilian footwear and accessory suppliers and subcontractors for ABVTEX certification.	Resale suppliers	<b>ACHIEVED</b>   In 2015, the ABVTEX certification of 100% of clothing suppliers and subcontractors was maintained and the target of 100% certified footwear and accessories suppliers and subcontractors was reached. This target was achieved in July 2015, anticipating the deadline, which was December. It totals 256 Certified Suppliers (164 Clothing and 92 Footwear and Accessories suppliers) and 1,162 Certified Subcontractors (1,086 Clothing and 76 Footwear and Accessories suppliers).	To maintain the ABVTEX certification for 100% of Brazilian suppliers and subcontractors of clothing, footwear and accessories.
To make technical visits* to 100% of clothing subcontractors, decreasing intervals between visits to critical subcontractors, considering the subcontractor chain on 05/01/15. <i>*Include technical visits whose access was denied.</i>	Resale suppliers	<b>ACHIEVED</b>   In 2015, technical visits were conducted in 100% of the clothing suppliers and subcontractors chain and companies considered critical according the suppliers list on 05/01/2015 were revisited. Totaling 2,297 visits from January to December 2015.	To make technical visits* to 100% of national resale suppliers and subcontractors of clothing, shoes and accessories, considering the suppliers list on 05/01/2016.



GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
<p>To make technical visits* before including a new subcontractor in Renner's clothing production chain.</p> <p><i>*Include technical visits whose access was denied as they are considered "high risk".</i></p>	Resale suppliers	<p><b>ACHIEVED</b>   In 2015, the approval process was implemented, establishing prerequisites for the start of Renner's production with subcontractors. They are: - Companies with 11 or more registered employees. - Companies visited by Renner within 6 months or in the current year. - Companies with Approved status after Renner's visit.</p>	Concluded.
To conduct an Awareness Raising Program for all clothing suppliers aimed at issues related to sustainability management.	Resale suppliers and Environment	<p><b>PARTIALLY ACHIEVED</b>   In 2015, the Resale Supplier Manual was reviewed, with greater details on issues such as energy efficiency and waste management, in the Sustainability chapter.</p>	To maintain awareness of the monitored clothing suppliers chains on issues related to sustainability management.
To reduce emissions by 5% until 2020, having the 2014 inventory as base.	Environment	<p><b>ACHIEVED</b>   Lojas Renner's total emissions in 2015 were reduced to a total of 22.97%, boosted by energy efficiency projects, the improvement in logistics processes and optimization of products transportation.</p>	The goal for 2016 is to reduce by 2% the emissions of the performance indicator, having the 2015 inventory as base.
To conclude the plan, improving inventory, reducing emissions and defining goals for a predefined period.	Environment	<b>ACHIEVED</b>	Concluded.
The 2015 goal is to maintain the percentage of recycled/reused waste at 90%, avoiding disposal at landfills.	Environment	<p><b>ACHIEVED</b>   The year closed with a recycling percentage of over 96%. This was the result of working closer to the distribution centers and suppliers</p>	The 2016 goal is to maintain the percentage of recycled/reused waste at 90%.

GOAL	STAKEHOLDER	2015 PERFORMANCE	2016 COMMITMENT
The Sustainability in the Jeans Chain project, which engaged three suppliers in 2014, will be expanded to all active jeans suppliers.	Resale Suppliers	<p><b>PARTIALLY ACHIEVED</b>   In 2015, the Sustainability in the Jeans Chain project has expanded to over 9 suppliers, totaling 12 suppliers. The project has not expanded to 100% of the Jeans chain, as the work should be done with a focus on strategic suppliers for the business. Furthermore, the interest of the supplier to enter the project, whose membership is voluntary, was also considered.</p>	To conduct the Continuous Improvement Program, seeking the Lean Manufacturing transformation on three national strategic suppliers for each of the monitored chains, totaling operations with nine suppliers, where one of the pilots will address the sustainability issue.
To keep initiatives and programs aimed at disseminating Lojas Renner S.A.'s sustainability guidelines.	Environment, Shareholders and Investors, Employees, Clients, Community and Social Organizations	<p><b>ACHIEVED</b>   Private social investment, waste management, emissions and consumption of natural resources programs were conducted in 2015.</p>	To develop a new Sustainability Policy aligned with the Company's Strategic Plan.
To develop the Stakeholders Policy.	Shareholders and Investors, Employees, Clients, Suppliers, Community and Social Organizations	<p><b>NOT ACHIEVED</b>   The Stakeholder Policy will be prepared in accordance with the Company's new Sustainability Policy, which will be reviewed in the conduction of Lojas Renner's Strategic Plan in 2016.</p>	To develop the Stakeholder Manual, according to the Company's new Sustainability Policy, which will be reviewed in 2016.
To create an online course about climate changes for employees.	Employees	<p><b>ACHIEVED</b>   The online course for employees was conducted on the Company's courses base..</p>	Concluded.

NEW GOALS FOR 2016			
To strengthen Youcom's brand awareness, particularly in the Southeast.		Clients	
To audit 10% of international resale suppliers declared by PO (Purchase Order).		Resale suppliers	
To develop the Company's Sustainability Strategic Plan.		Environment, Shareholders and Investors, Employees, Clients, Suppliers, Community and Social Organizations	



FIND BELOW THE GRI INDICATORS REPORTED IN THIS PUBLICATION, ALONG WITH ITS CROSS-REFERENCE OR DIRECT ANSWER. THE LAST COLUMN PRESENTS THE UN SUSTAINABLE DEVELOPMENT GOALS (SDG), SHOWING THAT THE REPORTED INDICATOR CONTRIBUTES TO THE ACHIEVE THE SDG.

AT THE END YOU CAN FIND A COMPLETE LIST OF SUSTAINABLE DEVELOPMENT GOALS.

*SIRLENE DE JESUS SANTOS  
(Store Manager Trainee)  
15 years working for the company*

*I joined Renner in 2000 as a Sales Assistant. I worked in various sectors, which gave me knowledge and professional development to be promoted, after two years, to Store Supervisor - position that contributes to people's development and to the spread of the Company's culture, through the regions of Brazil. Today, I am part of the Management Trainee Program, climbing one more step in the Company, where principles and values are strong and are consistent with mine.*


# 6

## GRI Index




G4-32 • G4-33







GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<b>1. STRATEGY AND ANALYSIS</b>		
G4-1	Statement from the most senior decision-maker about sustainability's relevance for the organization	Page 4
G4-2	Description of key impacts, risks, and opportunities	Pages 60, 76 and 82
<b>2. ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	Page 7
G4-4	Primary brands, products, and/or services	Pages 15 to 25
G4-5	Location of organization's headquarters	Page 7
G4-6	Number of countries where the organization operates	Page 7
G4-7	Nature of ownership and legal form	Page 5
G4-8	Markets served	Page 7
G4-9	Scale of the reporting organization	Pages 15, 42 and 78
G4-10 - Global Compact	Workforce profile	Pages 53, 74 and 76











GRI INDICATOR		CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
G4-11 - Global Compact	Percentage of employees covered by collective bargaining agreements	100% of employees covered by collective bargaining agreements	
G4-12	Description of organization's supply chain	Pages 74 to 77	
G4-13	Significant changes in the organization's structure during the reporting period	Pages 38 to 41	
<b>3. IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-14	Explanation of whether and how the precautionary principle is addressed by the organization	The Company did not formally adopt the precautionary principle, but it conducts preventive management of social and environmental risks, as reported in the Enchantment Culture and Environmental Management Chapters.	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses	Pages 30, 31 and 80	
G4-16	Memberships in associations and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding as well as routine membership dues	Trade Union and Labour Relations Technical Committee (Fecomércio/RS); Sustainability and People Committee (IDV - Institute for Retail Development); Sustainability Committee and Board (ABVTEX - Brazilian Association of Textile Retail).	
G4-17	Entities included in the organization's financial statements	Page 7	
G4-18	The process for defining the report content and the aspect boundaries	Pages 7 to 9	
G4-19	List of material aspects identified in the process for defining the report content	Pages 7 to 9	








GRI INDICATOR		CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
G4-20	Each material aspect boundary within the organization	Pages 7 to 9	
G4-21	Each material aspect boundary outside of the organization	Pages 7 to 9	
G4-22	Explanation of the effect of any restatements of information provided in previous reports	The Company did not restate any information provided in previous reports.	
G4-23	Significant changes from previous reports regarding the scope and aspect boundaries	No changes were made in the scope and aspect boundaries from previous reports.	
<b>4. STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization	Pages 7 to 9	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Pages 7 to 9	
G4-26	Organization's approaches to stakeholder engagement and frequency of engagement	Pages 7 to 9	
G4-27	Key topics that have been raised through stakeholder engagement, and measures adopted by the organization to respond to these topics	Pages 7 to 9	
<b>5. REPORT PROFILE</b>			
G4-28	Reporting period for the information provided	Page 7	
G4-29	Date of most recent previous report	Page 7	
G4-30	Reporting cycle	Page 7	
G4-31	Contact point for questions regarding the report	Page 7	
G4-32	Option adopted by the organization to apply the GRI index guidelines (essential or comprehensive) and external assurance	Pages 7, 99 and 118	
G4-33	Description of the policy and practice adopted with regard to external assurance of data	Page 118	




GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<b>6. GOVERNANCE</b>		
<i>GOVERNANCE STRUCTURE AND ITS COMPOSITION</i>		
G4-34	Governance structure, including committees	Page 34
<b>7. ETHICS AND INTEGRITY</b>		
G4-56	Organization's values, principles, standards and norms such as codes of conduct and codes of ethics	Pages 26, 35 and 36 
G4-57	Internal and external mechanisms for advice on ethical and lawful behavior, such as channels of communication (e.g., Ombudsman)	Pages 35 and 36 
G4-58	Internal and external mechanisms for reporting concerns with regard to unethical and unlawful behavior, and issues related to corporate integrity, such as escalating concerns through hierarchical levels, mechanisms for reporting irregularities, or whistleblowing channels	Pages 35 and 36 
<b>ECONOMIC PERFORMANCE</b>		
<i>INFORMATION ON ECONOMIC MANAGEMENT</i>		
<i>Aspect: Economic performance</i>		
G4-EC4	Financial assistance received from the government	Lojas Renner reported an exclusion from the Income Tax and CSLL (social contribution) base of R\$ 6,332,473.41, corresponding to 60% of total expenses on technological research, development and innovation (as according to Law 11,196/2005 – Article 19). This base generated a tax benefit of R\$ 569,922.61 for CSLL and R\$ 1,545,123.51 for Income Tax.





GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<i>Aspect: Market presence</i>		
G4-EC5	Range of ratios of standard entry level wage compared to the local minimum wage at significant operation locations	The difference between the lowest salary paid by the Company (R\$ 843.00) compared to the local minimum wage (R\$ 788.00) is 1.70. 
<i>ENVIRONMENTAL – GLOBAL COMPACT</i>		
<i>Information on environmental management</i>		
<i>Aspect: Energy</i>		
G4-EN6	Reduction of energy consumption	Pages 82 and 83 
<i>Aspect: Emissions</i>		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 85
G4-EN16	Indirect greenhouse gas (GHG) emissions from purchased electricity (Scope 2)	Page 85 
G4-EN17	Indirect greenhouse gas (GHG) emissions (Scope 3)	Page 85 
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 85 
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 85 


GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<i>Aspect: Effluents and waste</i>		
G4-EN22	Total water disposal, breakdown by quality and destination The Company disposed 15,160m3, equivalent to its consumption discounting some losses (about 10%) in the rainwater drainage system or sewer. Lojas Renner's has no water reuse system.	
<i>Aspect: Products and services</i>		
G4-EN27	Extent of mitigation of environmental impacts of products and services Pages 82 to 89	
G4-EN28	Percentage of products and their packaging recovered in relation to the total number of products sold, by product category Pages 84 and 88	
<i>Aspect: Transportation</i>		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting of its employees Page 85	
<i>Aspect: Overall</i>		
G4-EN31	Total environmental protection expenditures and investments by type Page 82	




GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<i>Aspect: Supplier environmental assessment</i>		
G4-EN32	Percentage of new suppliers that were selected using environmental criteria 100% of the resale suppliers are selected based on environmental criteria. The ABVTEX certification demanded by us to them requires, in the block 16 of the checklist, their Company's Environmental Management, as well as in the block 11 – Monitoring and Documentation - that verifies the submission of the Environmental Licenses. In addition, Renner's Compliance area requires the submission of the suppliers' Environmental License on block 29 of its current checklist.	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken Pages 82 to 89	
<b>SOCIAL: LABOR PRACTICES AND DECENT WORK</b>		
<i>INFORMATION ON SOCIAL MANAGEMENT</i>		
<i>Aspect: Employment</i>		
G4-LA3	Bounce rates and retention rates after maternity/ paternity leave, by gender In 2015, 630 Lojas Renner S.A.'s employees took maternity leave, 94% returned to work, of which 53% completed 12 months of work after the end of the license period.	
<i>Aspect: Health and safety at work</i>		
G4-LA5	Percentage of the workforce represented in formal health and safety committees, consisting of employees from different hierarchical levels, which help monitor and guide health and safety at work programs Page 71	
G4-LA6	Types and number of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities, by region and gender Page 71	

GRI INDICATOR		CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
AF-31	Initiatives and programs to identify, reduce and prevent the occurrence of osteomuscular injuries	Page 71	
<i>Aspect: Training and Education</i>			
G4-LA9	Average number of hours of training per year per employee, by gender and functional category	Page 55	
G4-LA11	Percentage of employees receiving regular performance and career development analysis, by gender and functional category	Page 56	
<i>Aspect: Diversity and equal opportunities</i>			
G4-LA12	Composition of governance bodies and breakdown of employees by functional category according to gender, age group, minorities and other diversity indicators	Page 34	
<i>Aspect: Equal remuneration for women and men</i>			
G4-LA13	Ratio of the salary and remuneration of women to men for each employee category, by significant locations of operation	Pages 69 and 70	
<i>Aspect: Supplier labor practices assessment</i>			
G4-LA14 - Global Compact	Percentage of new suppliers selected using labor practices criteria	Pages 74 to 77	
G4-LA15 Global Compact	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Pages 74 to 77	

GRI INDICATOR		CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<b>SOCIAL: HUMAN RIGHTS</b>			
<i>INFORMATION ON SOCIAL MANAGEMENT</i>			
<i>Aspect: Investments</i>			
G4-HR2 Global Compact	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to the operations, including the percentage of employees trained	Page 36	
<i>Aspect: Non-discrimination</i>			
G4-HR3 Global Compact	Total number of incidents of discrimination and corrective actions taken	In 2015, the Company was informed about 13 possible cases of discrimination in the workplace, which, after analysis, only four were considered to have grounds and resulted in three dismissals without just cause and one with just cause.	
<i>Aspect: Freedom of association and collective bargaining</i>			
G4-HR4 Global Compact	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Lojas Renner's operations are 100% covered by collective bargaining and there were no operations in which the right to freedom of association and collective bargaining have been violated or generated risk to the Company.	
<i>Aspect: Child labor</i>			
G4-HR5 Global Compact	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Pages 76 and 77	

GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<i>Aspect: Forced or compulsory labor</i>		
G4-HR6 Global Compact	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor Pages 76 and 77	
<i>Aspect: Supplier human rights assessment</i>		
G4-HR10	Percentage of new suppliers selected using human rights criteria Pages 76 and 77	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken Pages 74 to 77	
<b>SOCIAL: SOCIETY</b>		
<i>INFORMATION ON SOCIAL MANAGEMENT</i>		
<i>Aspect: Anti-corruption</i>		
G4-SO3 Global Compact	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified All of the Company's hires are followed by the signing of a Term of Commitment, which clearly states that Lojas Renner and its subsidiaries do not accept any act of corruption and that this premise should be followed by all its business partners.	
G4-SO4 Global Compact	Communication and training on anti-corruption policies and procedures Page 35	
G4-SO5 Global Compact	Incidents of corruption confirmed and actions taken in response to these incidents No incidents of corruption were identified in the Company's operations in 2015.	

GRI INDICATOR	CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
<i>Aspect: Public policies</i>		
G4-SO6 Global Compact	Total value of political contributions by country and recipient/beneficiary Lojas Renner has not made any contributions to political parties, in 2015.	
<i>Aspect: Supplier society impacts assessment</i>		
G4-SO9	Percentage of new suppliers that selected using impacts on society criteria Pages 74 to 77	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken Pages 74 to 77	
<b>SOCIAL: PRODUCT RESPONSIBILITY</b>		
<i>INFORMATION ON SOCIAL MANAGEMENT</i>		
<i>Aspect: Customer Health and Safety</i>		
G4-PR1	Percentage of categories of significant products and services evaluated for impacts on health and safety, seeking to improve In Renner and Youcom stores, the soft line samples (clothes) are proven and evaluated in the human body, testing the comfort and product usage. From there, it is proposed improvements of any risk of discomfort due to friction, pressure, itching, inadequate seams, trims, and others. The modeling of the pieces is built following Renner's standard body sizes, which, in turn, comply with the ABNT standards (ABNT NBR 16060:2012).	

GRI INDICATOR		CROSS-REFERENCE OR DIRECT RESPONSE	SDG RELATED
G4-PR2	Total number of cases of non-compliance with regulations and voluntary codes related to the impacts caused by products and services on health and safety during their life cycle, by type of result	In 2015, the Company had 9 infringement notices related to out-dated perfumery. All cases are awaiting administrative decision.	
<i>Aspect: Product and Service Labeling</i>			
G4-PR5	Results of customer satisfaction surveys	Page 72	
<i>Aspect: Marketing Communications</i>			
G4-PR6	Sale of banned or contested products	Renner does not sell banned or contested products.	
<i>Aspect: Customer Privacy</i>			
G4-PR8	Total number of complaints and substantiated complaints regarding violation of privacy and loss of customer data	Regarding financial products, there were no complaints on Contact Us or Complain Here areas.	
<i>Aspect: Compliance</i>			
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2015, 68 fines were paid, corresponding to the total amount of R\$ 268,137.66.	

Sustainable Development Goals



Goal 1 - End poverty in all its forms everywhere

Goal 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3 - Ensure healthy lives and promote well-being for all at all ages

Goal 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5 - Achieve gender equality and empower all women and girls

Goal 6 - Ensure availability and sustainable management of water and sanitation for all

Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10 - Reduce inequality within and among countries

Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12 - Ensure sustainable consumption and production patterns

Goal 13 - Take urgent action to combat climate change and its impacts

Goal 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development



SUPPLEMENT SECTOR	CROSS-REFERENCE OR DIRECT RESPONSE	EXTERNAL VERIFICATION
<i>Aspect: Code of Conduct</i>		
AF1	Code of conduct content and coverage	Pages 74 to 77
<i>Aspect: Audit Process</i>		
AF2	Parties and people involved in the compliance code function	Pages 74 to 77
AF3	Compliance audit process	Pages 74 to 77 Suppliers
<i>Aspect: Complaints procedures</i>		
AF4	Policy and procedures to receive, investigate and respond to complaints and claims	Pages 35 e 36
<i>Aspect: Training</i>		
AF5	Strategy and scope of efforts to strengthen the capacity of the management, employees and other parties in improving performance on social and environmental issues	Pages 74 to 77
<i>Aspect: Business Integration</i>		
AF6	Policies for suppliers' selection, management and contract termination	Pages 74 to 77

SUPPLEMENT SECTOR	CROSS-REFERENCE OR DIRECT RESPONSE	EXTERNAL VERIFICATION
<i>Aspect: Code of Conduct</i>		
AF7	Quantity and location of the jobs covered by the Code of Conduct	Pages 74 to 77
<i>Aspect: Audit Process</i>		
AF8	Number of audits conducted and percentage of workplaces audited	Pages 74 to 77
<i>Aspect: Business Integration</i>		
AF15	Data analysis of code compliance audits	Pages 74 to 77
AF16	Remediation practices in response to non-compliance findings	Pages 74 to 77
AF17	Actions to identify and mitigate business practices that affect compliance with the code	Pages 74 to 77



**Andrea Hiromi de Souza Okada**

Store Operations Coordinator  
• 17 years working for the company

I started in the Company working in the store, then I was part of the team of Financial Products and I currently work in the Stores Division. Every day is different from the other, with new challenges and the continuous search for knowledge: that is what fascinates me about Renner.



**Alessandra Scheffer Dahn**

RVM Seller • 12 years working for the company

Renner was and remains like a school to me. When I joined the Company, I was expecting to learn about fashion and I now realize not only the evolution of my professional career but also the Company's development related to it! I feel proud to be part of this team!



**Maria Lúcia Félix**

Human Resources Development Senior Manager • 20 years working for the company

When I joined the company, there was 10 stores and to have contributed to its growth is a source of great pride for me! I have learned a lot in these 20 years, enchanted and with profound identification with the Company's values!



**Fernanda Feijó**

Style Development Senior Manager  
• 21 years working for the company

I started as a trainee at Renner and went through several sectors. The company has always provided me with new challenges that inspire me every day. It is very gratifying to see people who I taught and what we have built in recent years. I totally identify with the company's values, I love fashion, retail and the work I do at Renner. I am very happy to participate in Renner's future!



**Eva Dolores Soares**

Coordinator of the General Secretariat • 24 years working for the company

Renner enchanted me by its principles and values, so similar to my own. Here I found true friends for life. And in this fertile environment, for professional development, I was privileged to follow every stage of the company (as a family business, under JCPenney control and at the Novo Mercado), taking up the challenge to become fluent in English in three months, with the entrance of JCPenney. In 2016, after 24 years, I continue enchanted by this inspiring company!

**Alessandra Shargorodsky**

Architecture and Engineering General Manager  
• 17 years working for the company

I joined Renner in the Trainee Program, in 2001, with the challenge of working in a new city, a new company and in a new field, not knowing that, in the future, I would have the honor of being responsible for the Architecture, Engineering and Maintenance area of Renner, Camicado and Youcom. Here, it is an every day development and I face many challenges: to lead people (the biggest one) and making the work environment always constructive, innovative, for people's development and respect. Renner's success is due to its dedicated team!



**Diva Freire**

Investor Relations Coordinator  
• 21 years working for the company

I have been working at Renner for 21 years and participated in very important moments in the Company. I have started when it was a family business, then with J.C.Penney and, in 2005, I had the honor to witness the change to Corporation (the first in Brazil). It was a time of revolution in the Company and in my life! Here, every day is a learning experience!



**Rafaella Fontinele**

Store Manager Trainee • 10 years working for the company

I started my career at Renner at the time of the Company's expansion for the northeast region of Brazil. I had the Company as a foundation in my professional life, starting as a cashier, and then, when I contributed to the Company's results, I was indicated to the position of treasurer. And when in the position of a "cashier trainer", I have started in the Supervision area: "not knowing that it was impossible" [as in the Company's culture], I continued working and leading teams, making myself an example in the relentless pursuit of good results. Today I am store manager trainee and I feel privileged to be part of this Company, which hires and develops people.



**Karla Hofmann**

Purchasing Senior Manager  
• 21 years working for the company

Wow!!! It's been over 20 years since I stated my career here at Renner and it seems like yesterday: the dynamism, the make it happen attitude, the focus and the enchantment by the Company were true in each of these days!



**Lisiane Souza**

Financial Coordinator • 10 years working for the company

Ten years ago, I was an intern full of dreams, determined to build my career in a big company. I chose Renner and today, as Financial Coordinator, I feel fulfilled, learning much more than just finances every day. Today I live fashion, my passion for work and the people who, together with me, form a team focused on making this Company our great pride!



**Roselane do Nascimento**

Store Manager Trainee • 16 years working for the company

Sixteen years ago, when I entered Renner, I was looking for a job to support my family with dignity, since my marriage had come to an end. Here I found opportunities and development that brought me to the Stores Management. I know I can go much further, cause I write my own story.



**Rosilca Severo**

Store Manager • 22 years working for the company

My story at Renner started in 1994 as a Cashier. I was promoted to sales supervisor and then to Store Manager. I am passionate about my work and am very proud to follow the Company's growth over these 22 years. I believe to be on the right track for a future Renner!



**Ana Paula da Rosa**

Store Manager Trainee • 14 years working for the company

I started at Renner in 2001, working at the checkout, as Christmas temp. In 2002, I reached my dream of being hired, but that accomplishment was only the beginning: I worked in the commercial area, where I learned a lot about the product, fashion and leadership, and eventually became a supervisor. My focus has always been the people, as well as the strive for excellence and exceptional results. Today I complete one more cycle of my accomplishment: I am Lojas Renner S.A.'s Management Trainee.



**Fabiana Londero**

Corporate Communications Specialist  
• 9 years working for the company

At the age of 30, after 12 years working in a corporate agency, I dropped everything to devote myself to the dream of get into the retail sector. I started as Corporate Communications Analyst and since then a lot has happened: I became Coordinator, Specialist and today, about to turn 10 years working for the company, I want to go further. I am passionate about retail: I had the opportunity to see Renner, at several moments, renewing and reinventing itself, but never giving up its principles and values.



**Karen Raizer**

Training and Selection Coordinator  
• 9 years working for the company

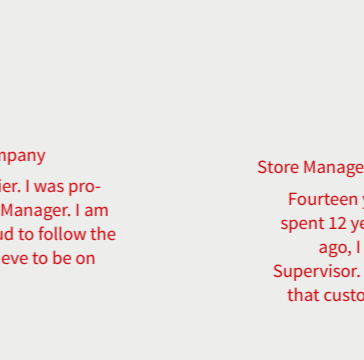
I started working at the Company as a HR Analyst for the financial products area, both in selection and training, and after one year, I was promoted to Recruitment and Selection Coordinator for corporate positions. Five years ago I had the opportunity to become Regional HR Coordinator, working with the stores and having the privilege to be close to our customers. I am a guardian and a multiplier of Renner's Culture.



**Andrea dos Santos**

Store Manager Trainee • 13 years working for the company

I joined the company as a temp to help sales and soon learned to put our core value into practice: "Enchanting the customer is our fulfillment." After 14 years working for the company, I am very happy for the recognition of my work, and want to keep growing and enchanting our customers as store manager trainee!



**Evellyn Vieira**

Store Manager Trainee • 14 years working for the company

Fourteen years ago, I made the best choice of my life. I spent 12 years in the administrative area and two years ago, I was enchanted by Fashion, as a Commercial Supervisor. Even though I work with Menswear, I believe that customers are our treasure and we should always encourage their desire to buy.



**Camila de Vargas**

Accountant Assistant • 2 years working for the company

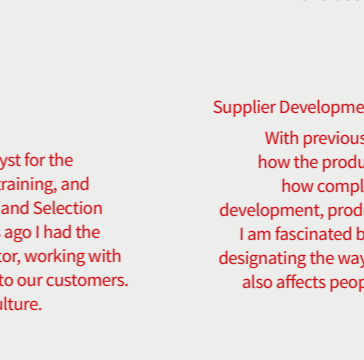
I am an Accountant Assistant and, in the short time I have been working in the company, I learned many things, but it was not only the technical knowledge that the company has provided me: the "Nosso Jeito Renner" was very important for my learning, in order to enchant customers, whether coworkers or clients. This value taught me a different way of dealing with people inside and outside the company. I am very grateful for this!



**Carla Favilla**

Legal Coordinator • 3 years working for the company

Waiting at the HR reception for the job interview, I could immediately relate with all the values written in one of the company's board, but mainly with the "People" value - "people who have passion for what they do and a shine in their eyes." Since then, have had a lot of passion in dedicating the work in my day to day activities in the Legal department to the search for what is best for the Company and, at the same time, I am very delighted by the daily learning that the fashion business and the people here have been giving us. I am grateful for this opportunity.



**Carolina Almeida**

Supplier Development Manager • 4 years working for the company

With previous experience in other sectors, I never imagined how the production chain in the fashion world operates and how complex and dynamic are the processes of creation, development, production and delivery of clothes in stores. Today I am fascinated by this world and believe that Fashion, besides designating the way one must dress, is a social inclusion tool that also affects people's self-esteem, making them more beautiful and feeling good about themselves!





Náçela dos Reis

Product Analyst • 8 years working for the company  
The beginning of my career at Renner was very early, when I was 17 years old: I had just joined college and, to my surprise, in the search for an intership, I was selected at Renner! And this is how I can summarize my journey: from an intern in the Womenswear area, today I am in the position of Product Analyst in the Menswaer area.



Jecica Job

Logistics Analyst • 4 years working for the company  
Renner was my first effective job: I have started as a product distribution assistant to stores, in the Blue Steel brand, and, three years later, I had the opportunity to join the Logistics' team, where I can combine the knowledge gained from the distribution area in another part of the Company's value chain.



Neusa Soares

Quality Technician • 6 years working for the company  
I dressed characters for 17 years. In 2010, I moved on: I started working at Renner, with real people. I started working in the store and, after five months, I went to the administrative sector. My mission was to create the Quality Laboratory, with internal manuals and inspection and training checklists. Today, the Quality area is a reality. I love everything I've done and do in this Company! It was a blessed change!



Lauriane Barbosa

Advertising And Promotions Assistant • 5 years working for the company  
I started working at the company as a temp in the E-commerce area and learned a lot about the digital world. Today I am an Advertising and Promotions Assistant, in the Marketing area, where I met my true passion. My goal is to grow with the company, always enchanting our customers.



Maite Piazza

CRM Relationship Analyst • 3 years working for the company  
I joined Renner as an intern, was promoted to assistant, and 12 months later, to analyst. I've always been encouraged to give my best at Renner and the appreciation of my work has motivated me to go further. I learned so much and still learn every day, and this is what enchants me most in this company.



Eloisa Sassen

Legal Analyst • 5 years working for the company  
I joined Renner seeking a new challenge in a big company, but the path taken so far was way beyond that. I experience values that inspire me, opportunities that motivates me, and the commitment of a team that has a passion for what they do. As part of the Legal department, we have the constant challenge to make the Law and Fashion walk together, which provides me a learning experience every day. All this translates into two words: accomplishment and pride.



Karina Façundes

Accounts Payable Analyst - CSC • 3 years working for the company  
My career at Renner began with many challenges, as an Accounts Payable Assistant. I sought my professional development in a solid and respected Company, and I was promoted to CSC Financial Analyst. I feel happy to be part of Renner's team!



Karol da Silva

Store Manager Trainee • 7 years working for the company  
Nineteen years ago, as a child, I went into a Renner store and was blown away by the atmosphere and the happiness of the employees. I asked my mother if I could work in that store, and she said "yes, when you grow up". At 19, I started working at Renner and today I am part of the Store Manager Trainee team. I am very happy to be part of this company!



Bianca Biancheti

Store Manager Trainer • 9 years working for the company  
I started working at Renner as a temp, I was very young and had many things to learn. Renner brought incredible experiences to my professional life and I love what I do more and more every day, as I get inspired while working here: enchanting and being enchanted.



Liliane Magalhães

E-commerce Marketing Assistant • 5 years working for the company  
My story at Renner began in 2010, in the E-commerce team. It is gratifying to look back and see that I was part of the implementation of the online sales process. I learned the importance of enchantment and the assistance we must give to our customers online and offline.



Maeve Rodrigues

Administrative Supplier Management Director • 6 years working for the company  
I joined the Company as a Buyer, in the supply area, and got the great challenge of centralizing IT negotiations, which were made by the IT area. In 2012, I participated in the creation of the Administrative Supplier Management area (ASM). In 2013, I was promoted to Coordinator of the ASM, and after a year, I took over the Management of the area. It was six years of many challenges, lessons learned and great achievements!



Suelen Jones

Environmental Management Specialist • 4 years working for the company  
When I was called for an interview in the Company, I thought, what an environmental engineer would do in a clothing store? But because I was a fan of the store, I thought: why not? Days later I received the news that the job was mine and I was surprised by the challenges awaiting me, which were not just a few: I needed to structure, within the Social Responsibility Management, the Company's Environmental area. Today I am part of the Sustainability area and I continue my personal and professional fulfillment journey.



Greice Costa

Administrative Assistant • 5 years working for the company  
I joined the company in 2010 and my first professional career experience was in store, where I gained a lot of knowledge. In 2012, I participated in the internal selection process and I am currently in the Financial Products department. My passion is to enchant and there is no obstacle when you have the will!



Raquel Coelho

Commercial Coordinator of Financial Products • 4 years working for the company  
I work with in the Financial Products area for 10 years and, in the last five, I developed more deeply, the commercial leadership profile. I believe that the great differential of the Company is valuing people and customer enchantment. We are driven by challenges and are passionate about what we do. WE ARE RENNER!



Regiane de Andrade

Store Manager Trainee • 6 years working for the company  
My story at Renner began on my birthday, which was the date of my first day of work as Cashier. From the beginning I realized how much people are valued and grow with the Company, which has motivated me to always give my best: today I am in process of promotion to Store Manager. Renner was essential for my professional and personal development.



Sabrina Franco Alice

Visual Merchandising Architect • 6 years working for the company  
I joined the Company to develop the stores layout, designing spaces focusing on the size of departments and brands. Today we have developed the Visual Merchandising Architecture, with layouts designed to add value to the collections - I gained a deeper knowledge of fashion and product to offer the best shopping experience for our customers. I manage to join architecture to fashion.



Simone Silva

Secretary • 6 years working for the company  
Graduated as Executive Secretary and post-graduated in Management and Planning, I always wanted to work in a big company, where I could learn and share knowledge. In 2009, I had the opportunity to be secretary of one of the Company's Directors. Throughout my professional journey at Renner I have learned that building a career not only means having a solid experience in a Company and achieve some success, but it is also necessary to build value, paying attention to details and making a difference in the daily lives of people.



Simone Freire

Financial Planning Specialist • 5 years working for the company  
Here at Renner I learned the importance of focusing on the customer and the true meaning of Enchanting. I am very proud to work in a high-performance Company that shares the same values as mine.



Nabile de Moura

Administrative Assistant • 3 years working for the company  
In 2012, I was hired as a temp and within 20 days in the company, I was indicated to participate in the process for effective positions: I was approved to work for the CSC area where I stayed for two years. I am currently in the Financial Products area, as the company offers internal opportunities for our development and professional growth. This is just the beginning!



Joice Fernandes

Store Manager Trainee • 5 years working for the company  
My story at Renner became an experience of growth and success. I entered as a temp and realized I had the opportunity to develop a career within the company. I encourage myself to always give my best, with a shine in my eyes. Our values have inspired me to get here, as a Store Manager Trainee, and with great pride.



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## Limited assurance report issued by independent auditors

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

### Introduction

We have been engaged by Lojas Renner S.A. (Lojas Renner or "Company") to apply limited assurance procedures on the sustainability information disclosed in Lojas Renner's Annual Report 2015, related to the year ended December 31<sup>st</sup>, 2015.

### Responsibilities of Lojas Renner's Management

The Management of Lojas Renner is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2015 in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G4)*, as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Annual Report 2015 based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Lojas Renner's Annual Report 2015, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Lojas Renner and other professionals of the Company involved in the preparation of the information disclosed in the Annual Report 2015 and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the



information disclosed in the Annual Report 2015 taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Annual Sustainability Report 2015, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for Lojas Renner's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Lojas Renner's Annual Report 2015. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of disclosed information related to material aspects management;
- (c) Analysis of preparation processes of the Annual Report 2015 and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*;
- (d) Evaluation of non financial indicators selected:
  - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
  - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Annual Report 2015;
  - Analysis of evidence supporting the disclosed information;
  - Visits to Lojas Renner's office for application of these procedures, and items (b) and (c);
- (e) Analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;
- (f) Comparison of financial indicators with the financial statements and/or accounting records.

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

### Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Annual Report 2015.



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

**Conclusion**


Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Lojas Renner's Annual Report 2015 is not fairly stated in all material aspects in accordance with the *Global Reporting Initiative - GRI (GRI- G4)*, as well as its source records and files.

São Paulo, April 28<sup>th</sup>, 2016

KPMG Financial Risk & Actuarial Services Ltda.

  
Ricardo Algis Zibas

KPMG Assessores Ltda.  
CRC 2SP034262/O-4 F-SP

  
Eduardo V. Cipullo  
Accountant CRC 1SP135597/O-6

KPMG Financial Risk & Actuarial Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada, é firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Financial Risk & Actuarial Services Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## Company informations

Lojas Renner S.A. maintains an open channel for doubts, comments, or information demands about its sustainability management, principles and practices. Sustainability Team, dedicated to the theme, is available at: [relatorio@lojasrenner.com.br](mailto:relatorio@lojasrenner.com.br)

## Headquarters

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## Suggestions, questions and comments about this report

Lojas Renner S.A.

Gerência de Sustentabilidade

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# Acknowledgments

## Coordination

Human Resources Executive Board – Sustainability Management and  
Administrative, Financial and IR Executive Board – Investor Relations Management

## Editorial design, content writing, GRI and Integrated Reporting consulting and translation

Ricca RI • [www.riccari.com.br](http://www.riccari.com.br)

## Graphic design, illustrations and layout

Canhotórium Arte Aplicada • [www.canhotorium.com.br](http://www.canhotorium.com.br)

## Photos

Estúdio Catafesto • [www.catafesto.com](http://www.catafesto.com)





LOJAS RENNER S.A.

2015 Annual Report

 RENNER youCOM CMICADO