

RIACHUELO



2021 Sustainability Report

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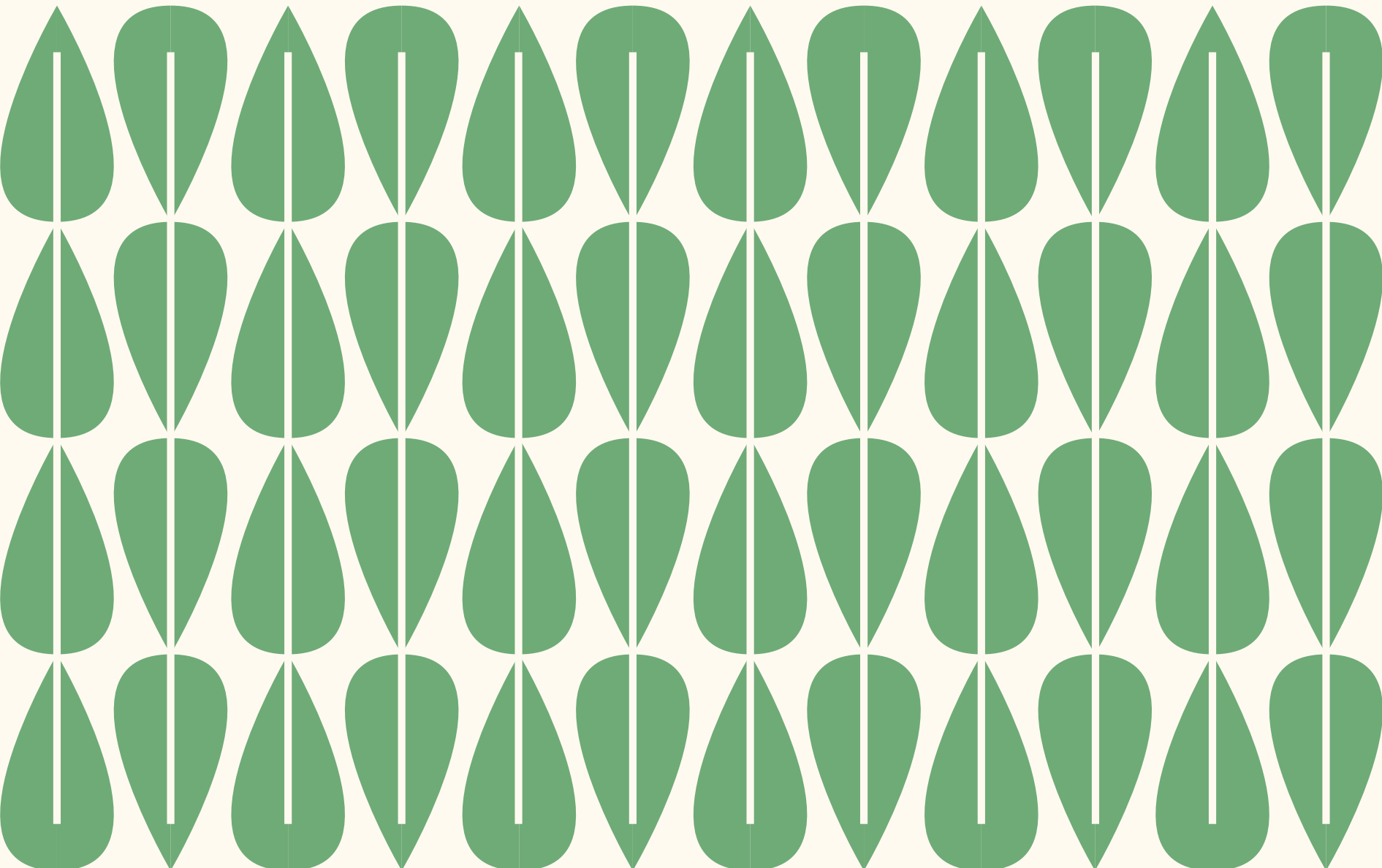
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1.
Presentation

Presentation

Our first report following the GRI (Global Reporting Initiative) guidelines is the result of the evolution and maturity of Grupo Guararapes in sustainability issues.

In this report, we present our history and the profile of our businesses, which today make up the largest fashion, lifestyle and financial products ecosystem in Brazil. We talk about our quest to reduce environmental impacts, from the new technologies implemented in our factories to the use of more sustainable raw materials. We also present the Group's actions in caring for and respecting the human rights of all people involved in our processes, both our employees and workers in the supply chain.

This report complies with the GRI Standards: "Essential" option and has undergone external verification by the EY audit.

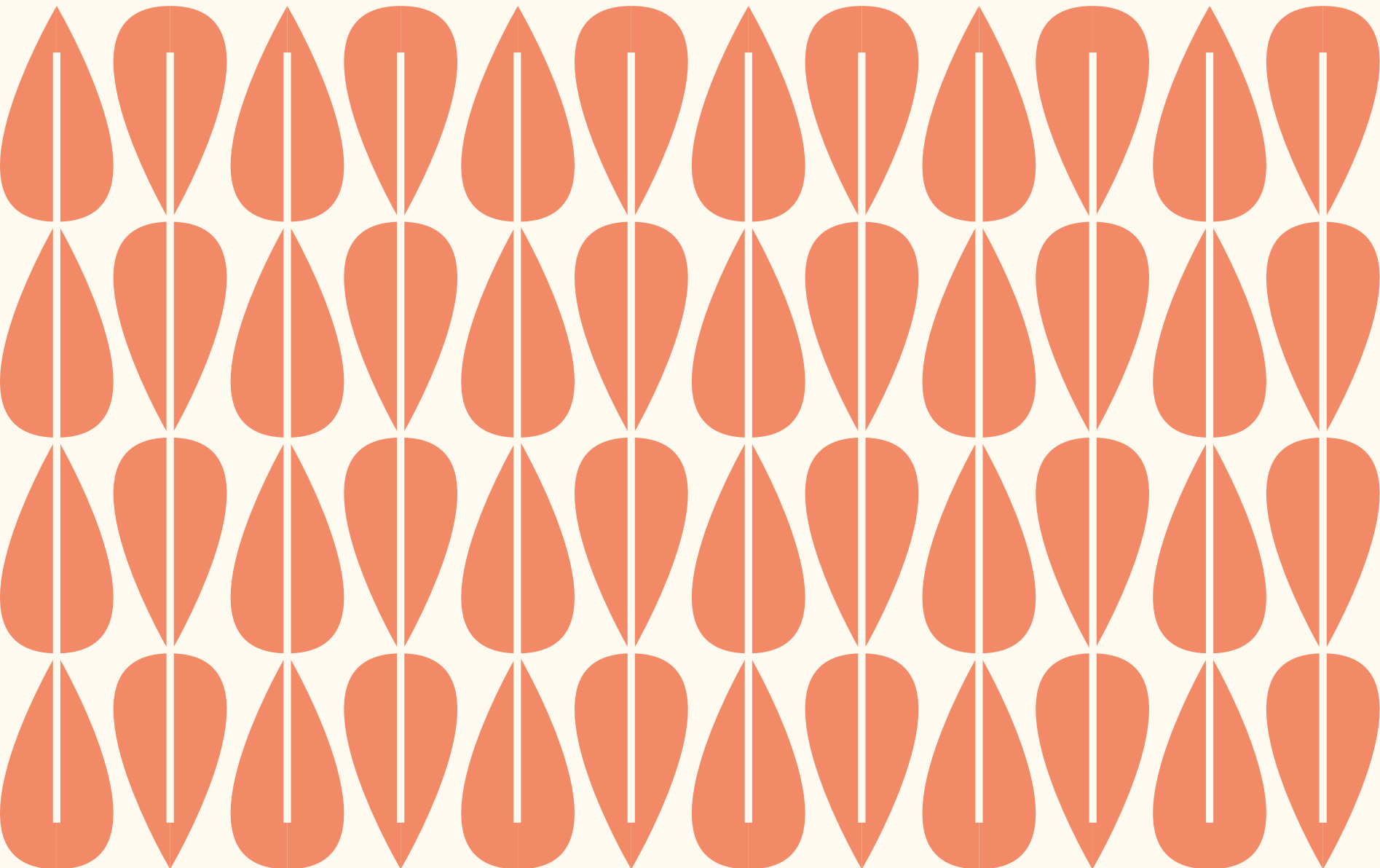
Enjoy your reading!



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2. Message from Leadership

GRI 102-14

Message from Leadership

From this year on, Grupo Guararapes will publish annual reports following the guidelines of the Global Reporting Initiative (GRI), the most adopted standard in the world for companies and organizations to know and communicate the social, environmental and economic impacts of their activities.

From a practical point of view, adopting and reporting GRI indicators means improving our performance monitoring and information management systems, allowing us to integrate the organization's strategies in order to continuously manage risks and opportunities. Far beyond that, however, is the intangible value brought about by the transparency in communication with our stakeholders, from our shareholders and employees to our customers.

A company like Grupo Guararapes, which will turn 75 in 2022 and is the largest ecosystem of fashion, lifestyle and financial products in Brazil, could not be built without solid values. Our concern with good practices has brought us this far. Today, society increasingly wants to know how we manage our business in terms of impacts on the environment and society, diversity and inclusion and respect for all people.

Sustainability has become one of our business' strategic pillars. We have made important advances such as the foundation of CRIA! in 2021, unifying our practices in the search for more sustainable fashion, which encompasses more sustainable raw materials and production processes with less environmental impact, social movement initiatives that transform communities and the monitoring and development of our suppliers.

We are at the forefront of relevant projects in circularity, which aim to extend the life cycle of the resources and raw materials that we use to manufacture our products. Our idea is to use less and less virgin raw materials as we launch ourselves into a closed-loop textile recycling economy, that impacts the environment considerably less.

In the social area, in 2021 we launched the Riachuelo Institute, focused on projects that help transform people's lives by generating work and income. One of the initiatives is the more than 100 sewing workshops, which help to promote the economic and social development of these cities.

In the last year, we had a fundamental evolution in the Information Technology area, with a new e-commerce platform and the marketplace expansion. We unified the Riachuelo and

Riachuelo card APPs, promoting business synergy and offering our customers an omnichannel experience, integrating physical stores and digital platforms. Midway, the financial arm of Grupo Guararapes, launched the digital account, in addition to having several other products in its portfolio, such as credit cards, loans and insurance.

We are building a new Riachuelo, which is digital and connected to the future retail model. Our long-term mission is to create a broader ecosystem of lifestyle and financial products for fashion consumers, allied to our finance company and the Midway digital bank. An important step in this path taken recently was the migration of Grupo Guararapes to Novo Mercado B3, the Brazilian Stock Exchange. Companies with the highest corporate governance standards are in this segment.

We had a year full of challenges, in which we underwent major changes in the Company at the same time that the country and the world resumed economic activities after two years of the Covid-19 pandemic. It was an opportunity for us to put into practice our experience and our ability to work, aimed at the future that we want to build in an increasingly sustainable way.

We will continue to align our sustainability strategy with The Ten Principles of the UN

Global Compact and its commitments, which include ensuring human rights and decent working conditions, promoting diversity and inclusion, protecting the environment and preventing corruption. Thus, we reaffirm the commitment made by becoming a signatory to the United Nations Global Compact in 2020.

More than a company, Grupo Guararapes is transforming itself into an ecosystem of fashion, lifestyle and financial services based on sustainable governance and committed to society, the environment and all its stakeholders. We present our sustainability actions and goals in this report. At the same time, we want to join forces with society and listen to their demands, responding with transparency and creating new ways of making fashion.

Oswaldo Nunes

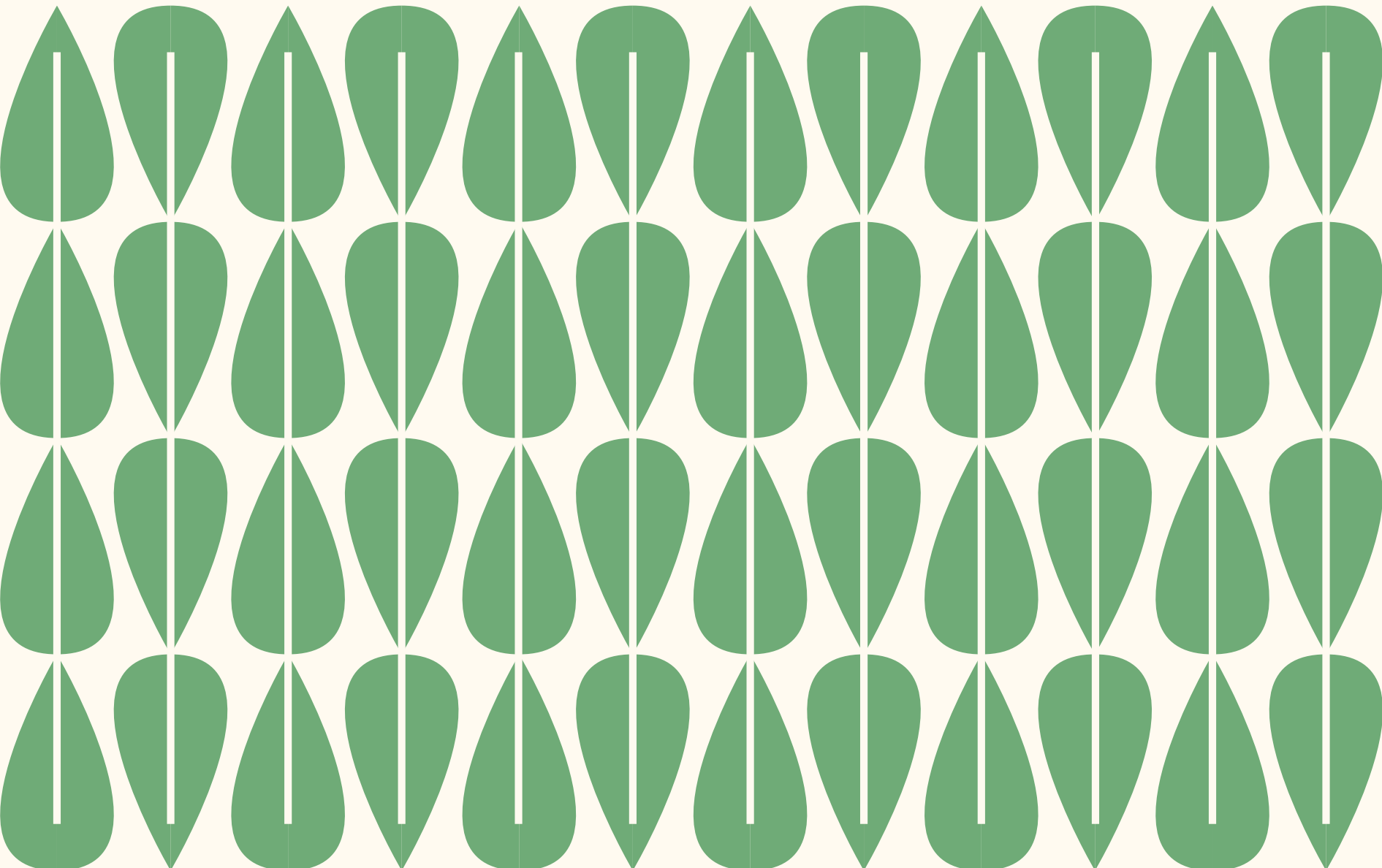
CHIEF EXECUTIVE OFFICER
OF GRUPO GUARARAPES



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3.
Highlights
of 2021

Highlights of 2021



More sustainable raw materials and products

70% of raw materials in our factories are more sustainable, 29% of which are in our chain as a whole.

We purchase and produce over 27 million more sustainable textiles.



Circular Economy

We invested more than BRL 2 million to boost closed-loop recycling in the textile sector, in partnership with the IPT (Instituto de Pesquisas Tecnológicas de São Paulo), to create a fiber from textile waste from factories and clothing donated by customers and collected in stores.

Our Moda que Transforma program has reached 100% of stores in Brazil. The initiative allows customers to donate their clothes and accessories to our collectors, which collected over 1.3 tons.



Social Investment

We launched the Riachuelo Institute, which supports communities and generates employment and income for people who leave in the countryside and semi-arid region of the state of Rio Grande do Norte.



Energy

In 2021, 55% of the Group's total energy consumption came from renewable sources, 69% of the stores consumed this type of energy and the Fortaleza plant operates with energy from renewable sources.

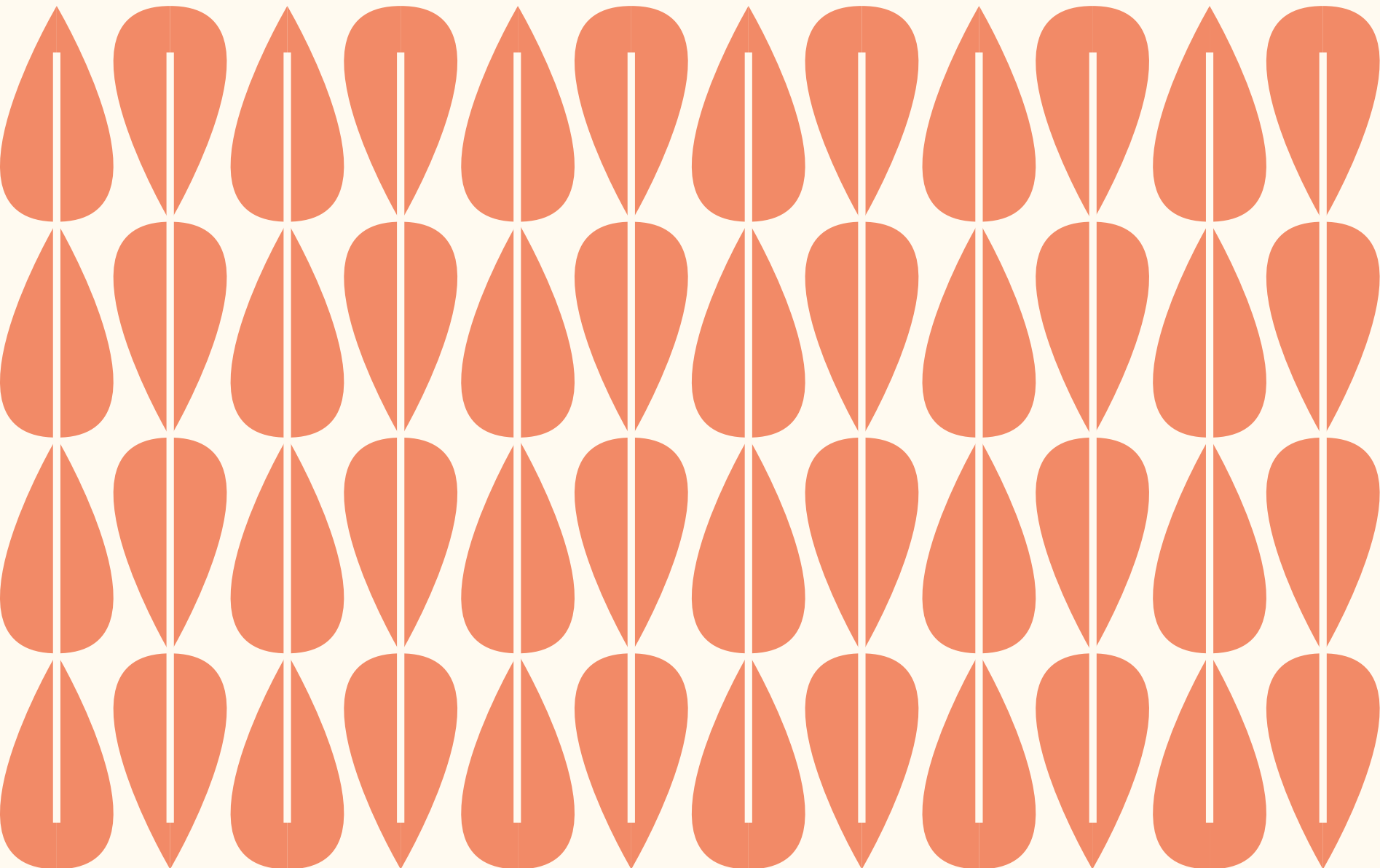


Environment

Grupo Guararapes has set a goal for 2022: to reduce greenhouse gas (GHG) emissions by 30% in its scope 1 and 2 operations, with 2019 as the base year.

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4.
Profile

History

Grupo Guararapes was created in 1947, when Nevaldo Rocha and his brother Newton opened the fabric store “A Capital” in Natal, Rio Grande do Norte. Four years later, the Rocha brothers opened a small clothing factory in Recife (PE) and acquired new points of sale. In October of 1956, the company was renamed to Guararapes. Two years later, the head office returned to Natal, where the first factory was opened. In the 1970s, the group grew with the construction of a new factory in Fortaleza (CE), the expansion of the Natal factory and the acquisition of the Riachuelo and Wolens store chains, in addition to the IPO.

Today, we are one of the largest fashion business groups in Brazil, integrating various businesses such as industry, retail and finance. For more than seven decades, Grupo Guararapes was both a witness and a protagonist of changes in the lives of Brazilians, crossing milestones such as the emergence of stores with ready-to-wear clothes and electronic commerce over the internet.

As part of Grupo Guararapes, Riachuelo is proud to be part of the history of millions of Brazilians. Our purpose is to connect desires and achievements, inspiring our customers on their journey to offer what they need today and guide our future actions.

GRI INDICATORS
102-1, 102-2, 102-3

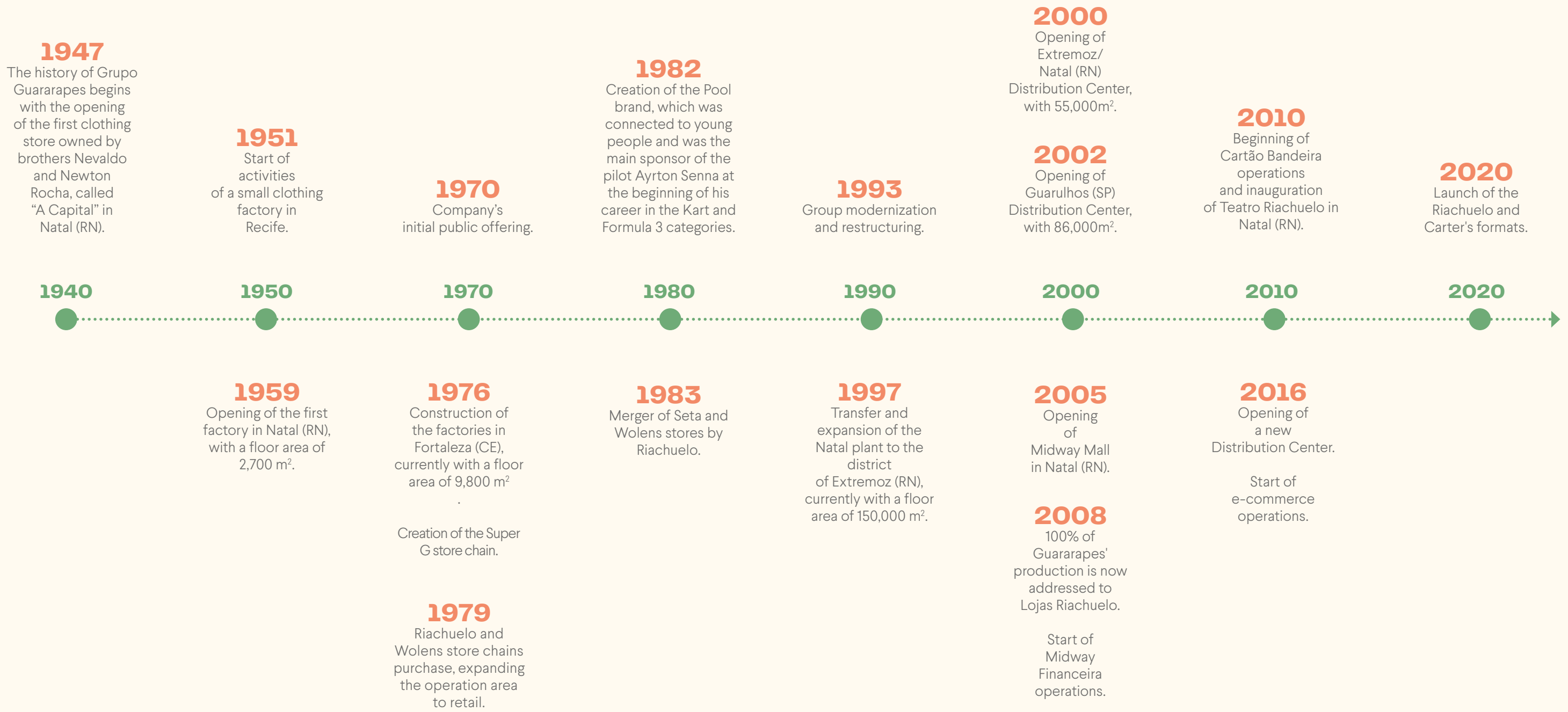
In 1947, Nevaldo and Newton Rocha opened the fabric store A Capital in Natal and started the Grupo Guararapes career



One of the largest fashion business groups in Brazil with stores across the country, Guararapes integrates retail, industry, and finance



Timeline



Corporate Profile

The stores, offices, factories and Distribution Centers of Grupo Guararapes today bring together approximately 35 thousand employees, united by the purpose of democratizing fashion in the country. With 100% of its production focused on Riachuelo's physical and digital sales channels, the Group is committed to constantly renewing itself, modernizing its industrial park and distribution centers, and investing in research, creation, development, innovation and logistics.

In this way, the company maintains integrated management of its operations, making it the only one in the market to bring together the three aspects of its business: retail, industry and finance. This integrated management makes the timing between product development and its arrival at the final consumer optimized, gaining efficiency and competitiveness.

Having two factories in the Northeast and stores in all regions of Brazil, the Group currently operates in five other countries: Paraguay, China, Thailand and India.

GRI INDICATORS
102-4, 102-7

GRI 102-7

Business Units	2020	2021
Retail	332	364
Lojas Riachuelo	324	328
Riachuelo Casa – stand-alone stores	3	10
Riachuelo Casa – store in store	3	11
Carters	5	26
Factories – Guararapes Confecções	2	2
Distribution Center	3	3
Midway Mall	1	1
Teatro Riachuelo	2	2
Transportadora Casa Verde	1	1
Contact Center	1	1
Midway Financeira	1	1
Head Office - São Paulo	1	1
Shangai Office	1	1

GRI 102-7

Grupo Guararapes' gross revenue in 2021 (in BRL billion)

Activity	2021
Goods	7.187
Midway Financeira	1.745
Midway Mall	0.074
Total	9.007

GRI 102-6

Grupo Guararapes

A successful model worldwide, the integration between industry (Guararapes), retail (Riachuelo) and finance (Midway) is the Group's great differential, as it allows the Company to respond quickly to market changes.



Riachuelo Store



Riachuelo Store

RETAIL

Lojas Riachuelo

Founded in 1947, Riachuelo operated small street shops, selling fabrics at low prices. In 1979, the fabric store chain was purchased by Grupo Guararapes, and a restructuring and strategic change process to sell ready-made clothes was started.

From 1993 onwards, Riachuelo's focus became the fashion. Always in tune with national and international trends, Riachuelo offers fashion at attractive prices and superior quality. This strategy involved creating and strengthening its own brands, each with a visual identity and a specific target audience.



Casa Riachuelo

Casa Riachuelo

Launched in 2020, the brand offers complete solutions by offering quality products for various home styles and trends, with options such as bed and bath sets, tableware, decor, pet products and electronics, among others. The elegant environment with differentiated service makes the shopping journey more pleasant.



Carter's Store

Carter's Stores

In 2020, the Group brought Carter's brand, a leader in baby and children's clothing in the United States, to Brazil. Carter's offers products with careful design, quality materials manufacturing and convenient purchase options. With the strength of this brand, the Group reinforces its positioning in the baby and early childhood clothing market, which is currently served by small chains of regional expression.



Factory in Natal (RN)

GUARARAPES CONFECÇÕES

In 2021 more than 40% of our products were made by Guararapes. Such a high percentage of in-house production plays a role in the face of supply chain challenges, both in terms of speed and agility in delivery and in controlling the environmental and social issues involved in textile manufacturing.

Factory in Natal (RN)

With an area of 150,000 m², it is responsible for knitwear and part of the clothing production.

Factory in Fortaleza (CE)

Responsible for making jeans and shirts, it occupies an area of 60,000 m².



Factory in Fortaleza (CE)



Transportadora Casa Verde

TRANSPORTADORA CASA VERDE

Transportadora Casa Verde (TCV) is responsible for the Group's logistics. With the investments made in recent years, mainly in technology, it delivers the products manufactured by the Company to Lojas Riachuelo very efficiently.



Contact Center

CONTACT CENTER

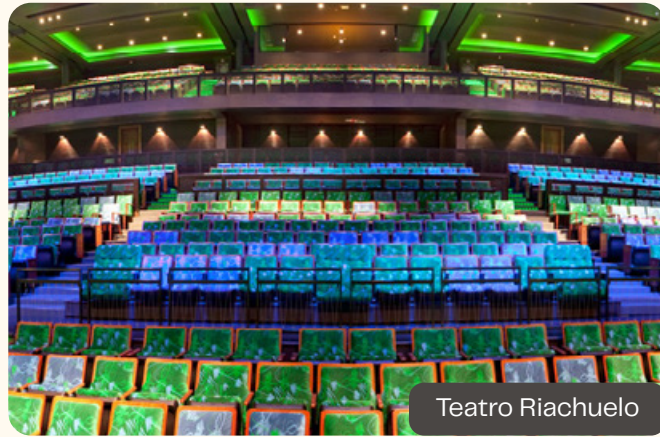
Located in Natal (RN), the center operates in the service of Riachuelo Card customers, sale of financial products, sale of cards and research.



Distribution Center

DISTRIBUTION CENTERS

The Group invests in the distribution process to improve its integrated model for optimizing the timing between product development and store delivery. For this purpose, the Group has three distribution centers: Extremoz (RN), with 58,000 m², Guarulhos (SP), with 100,000 m² and Manaus (AM), with 6,000 m².



Teatro Riachuelo

TEATRO RIACHUELO

Teatro Riachuelo is the most modern and complete theater in Natal. Opened in December 2010, the space can hold up to 3,500 spectators, depending on its configuration.

Teatro Riachuelo Rio, located in the center of Rio de Janeiro, occupies the former Cine Palácio, a heritage-listed building restored in 2016.



Midway Mall

MIDWAY MALL

Opened on April 27, 2005 in Natal (RN), the mall has 231,000 m² consisting of three floors in operation for satellite stores, thirteen anchor stores, a food court and various services. The third floor, expanded in 2010, houses seven movie theaters (Cinemark), five new anchors, satellite stores, and a complete gourmet space made up of renowned restaurants in the city.



Midway App and Card

MIDWAY FINANCEIRA

The financial company of Grupo Guararapes, Midway is the largest issuer of Private Label cards (the “store cards”) in Brazil. It began operations in 2008 and currently has 31 million customers.

Products

- Riachuelo, Visa and Mastercard cards: Midway offers a credit card from the Riachuelo store or Visa and Mastercard brands
- Digital account: opened through the app, it is free and offers several services, such as loans, transfers and withdrawals
- Insurance: various types of insurance, such as home, cell phone and personal accident insurance

- 24-hour assistance: for cars, motorcycles, and residences
- Loans: personal loan service hired through the app, through the Call Center, or at Riachuelo stores
- Health services: health care plans for appointments and exams
- Dental plan: assistance plans for dental appointments, exams and treatments
- Negotiate your debt: possibility of negotiating credit card debt or personal loan under easy conditions, through an app or call center

OUR ECOSYSTEM

The Riachuelo ecosystem mandala shows all the company's initiatives within the various platforms. We are and have grown as the largest ecosystem of fashion, lifestyle and financial products in Brazil, including retail, technology, innovation, finance, transport, logistics and industry.

VISION

To be the Lifestyle, Financial Products and Services Ecosystems in Brazil



GRI 102-12

Purpose, values and culture

Our purpose is to connect desires to accomplishments. We inspire our customers in their journey and expand and facilitate access to channels, products and financial services because we believe that nothing is more empowering than having the right to choose and, first of all, having the real chance to achieve what they want.

We base our performance on the following strategic pillars:

- People
- Technology and Innovation
- Simplicity
- Sustainability
- Governance

RCHLOVER Culture

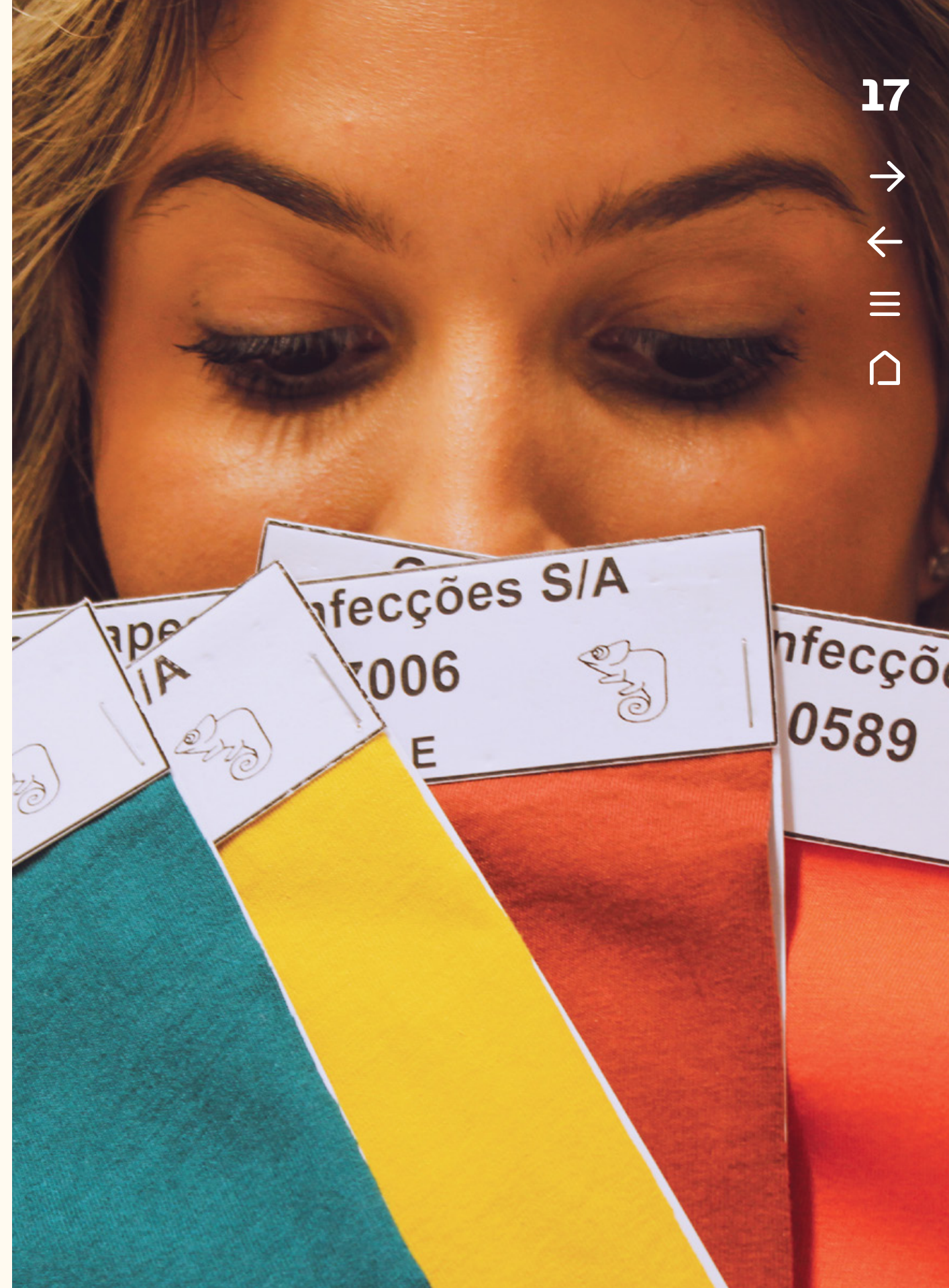
Some scenarios, such as digital transformation, new technologies, and the

pandemic brought new challenges to Riachuelo's corporate culture. As we invest in technology and the integration of our physical and digital platforms, we reflect on our culture and sow the seeds of the new behaviors necessary to implement our strategy.

In building the “Culture Project”, we formed a diverse, self-organized team that acted less hierarchically and more collaboratively. Inviting people to be part of the project was the best way to obtain commitment, understanding that every perspective was valid to enrich the process. After defining the new parameters of the “RCHLOVER Culture” we started a program of communication and internal

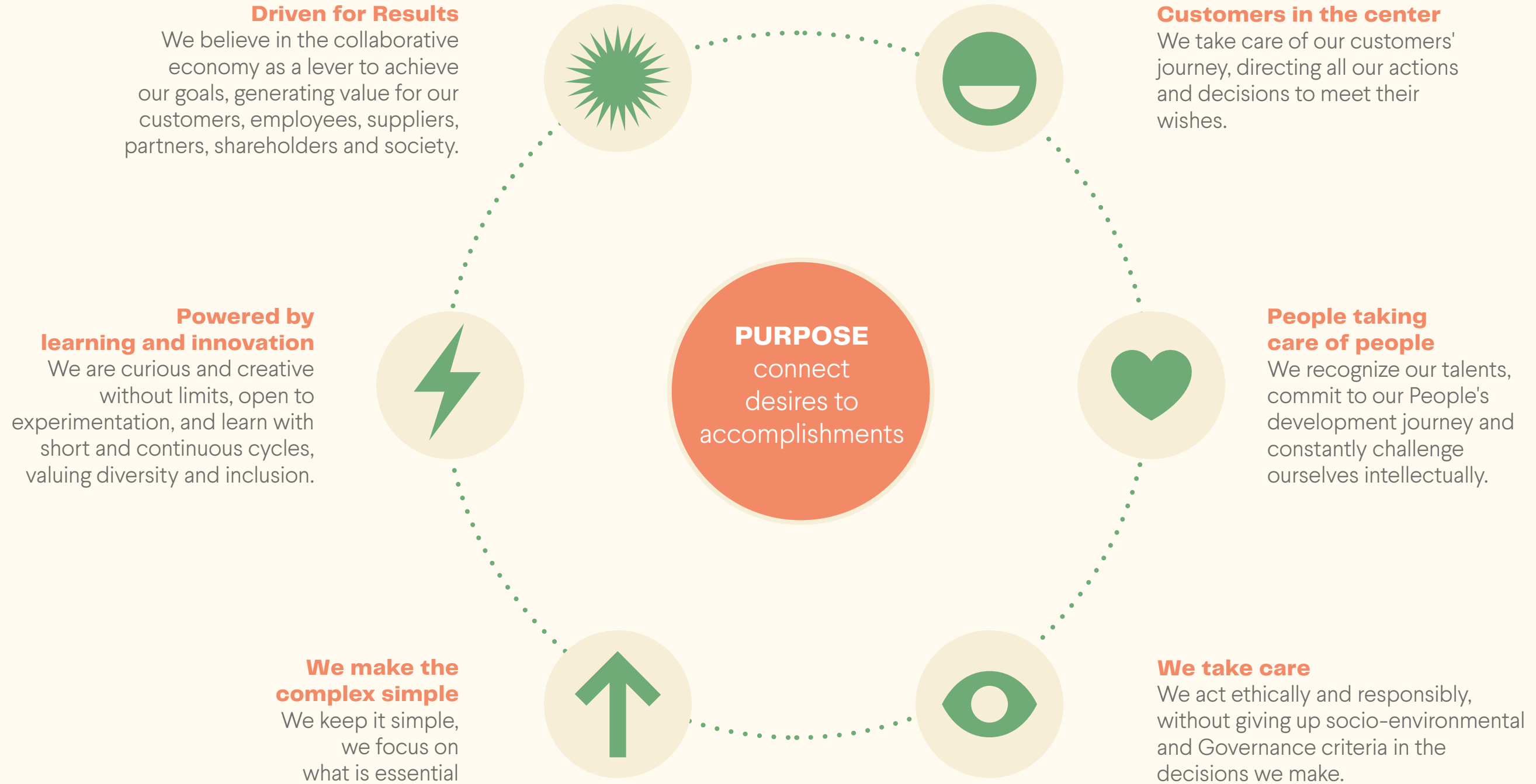
engagement in this cultural transformation journey, using various resources such as ambassadors for the cause, key messages reinforced by leaders, and lives in our internal networks and face-to-face meetings with employees.

In a context where everything changes very quickly, we want to act with less bureaucracy and more agility, delegating autonomy and responsibility to our teams. That way, we can learn from mistakes and quickly correct them.



Purpose, values and culture

RCHLOVER Culture



BRAND
MANIFESTO

**We follow our
essence, but we
look ahead.**

**We want to
connect desires to
accomplishments.**

**This is
Riachuelo**



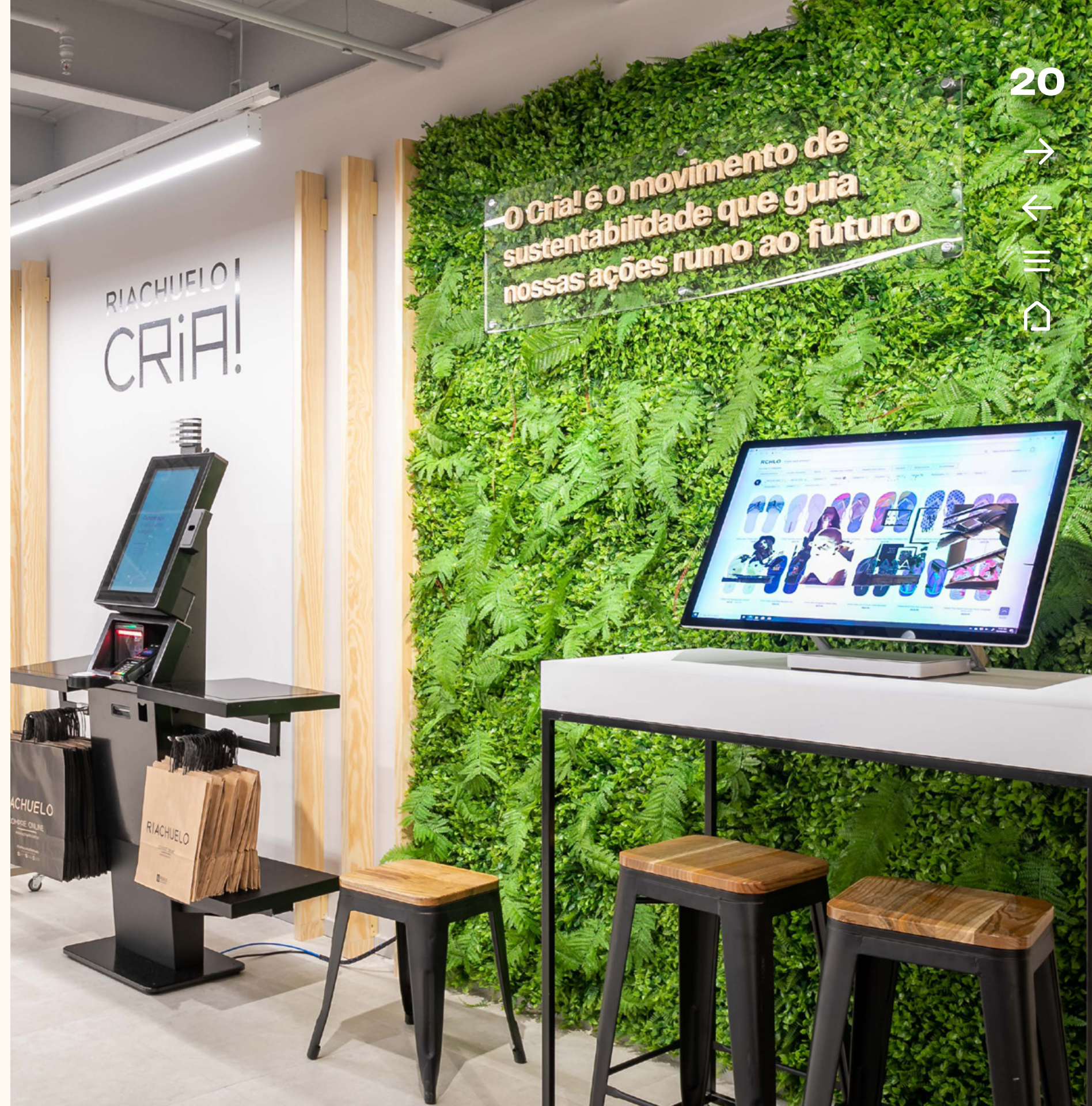
Digital Transformation

We are building a new Riachuelo: A digital Riachuelo more connected with the future retail model. This will be the backbone of our long-term growth. Our mission is to create a broader ecosystem of lifestyle and financial products for fashion consumers, allied to our finance company and the Midway digital bank.

Within this strategy, in 2021 we had fundamental advances in the area of Information Technology (IT). We launched a new e-commerce platform in our marketplace, which we consider a key factor in our strategy. We also invest in the most qualified workforce and customer data protection.

In order to promote business synergy and improve the customer experience, we have unified the Riachuelo and Riachuelo card APPs. Our goal is to provide an omnichannel experience to our customers, integrating physical stores and digital platforms.

Riachuelo.com will be the major traffic player in our ecosystem. With our digital channels becoming increasingly mature, we have a team dedicated to structuring the digitization processes in stores, increasing the integration between our channels. In this digital transformation process, we have invested more than R\$500 million.



Highlights of our 2021 Digital Strategy

I

Sales through digital channels accounted for **10.7% of the total;**

II

The number of e-commerce users with the app installed **increased 2.5 times over the previous year.** The number of app downloads reached 15.2 million;

III

About 40% of online sales are currently originated in the app;

IV

Advances in the marketplace: launched in May, at the end of the year, the platform had **more than 300,000 new offers and more than 170 sellers;**

V

The total number of customers with e-commerce purchases reached almost 4 million, with **60% growth over the previous year;**

VI

Phygital customers (physical store + digital) account for 7% of the total customer base and already represent about 18% of Riachuelo's revenue. **The average expense of this customer is more than 2 times higher than that of customers who only visit physical stores.**

VII

Carter's: **Carter's e-commerce in Brazil** has come strengthening the brand together with the expansion of physical stores;

VIII

Integration into the ecosystem: approximately **25% of app users visit the Riachuelo cards tab**, with access to Midway digital services.



Profile

RIACHUELO

GRI 102-14

CRIA! Movement

Sustainability permeates all of our Group's strategies and decision-making. In 2021, we founded the CRIA! movement, which translates our business model and how we conduct our activities, taking responsibility for our commitments to society and the environment.

For us, choices and attitudes transform, revolutionize and create. CRIA! unifies our Sustainability practices for an increasingly sustainable fashion path, from the search for raw materials and operations with less environmental impact, through social initiatives that boost and transform communities to our suppliers monitoring and development. We present all our sustainability actions and goals transparently and completely in this movement. Thus, we also allow each person to have the power to make choices according to their values.

With the CRIA! movement, we want to join forces with society and listen to their demands, responding with transparency and creating new ways of making fashion.

To define the priority topics, we held a workshop with the participation of the following areas: Human Resources, Marketing, Sustainability, Internal Communication, Sales, Product and Licensees. CRIA!'s four main topics were then established: environment; circularity; people and society; human rights promotion in the supply chain.

RIACHUELO CRiA!

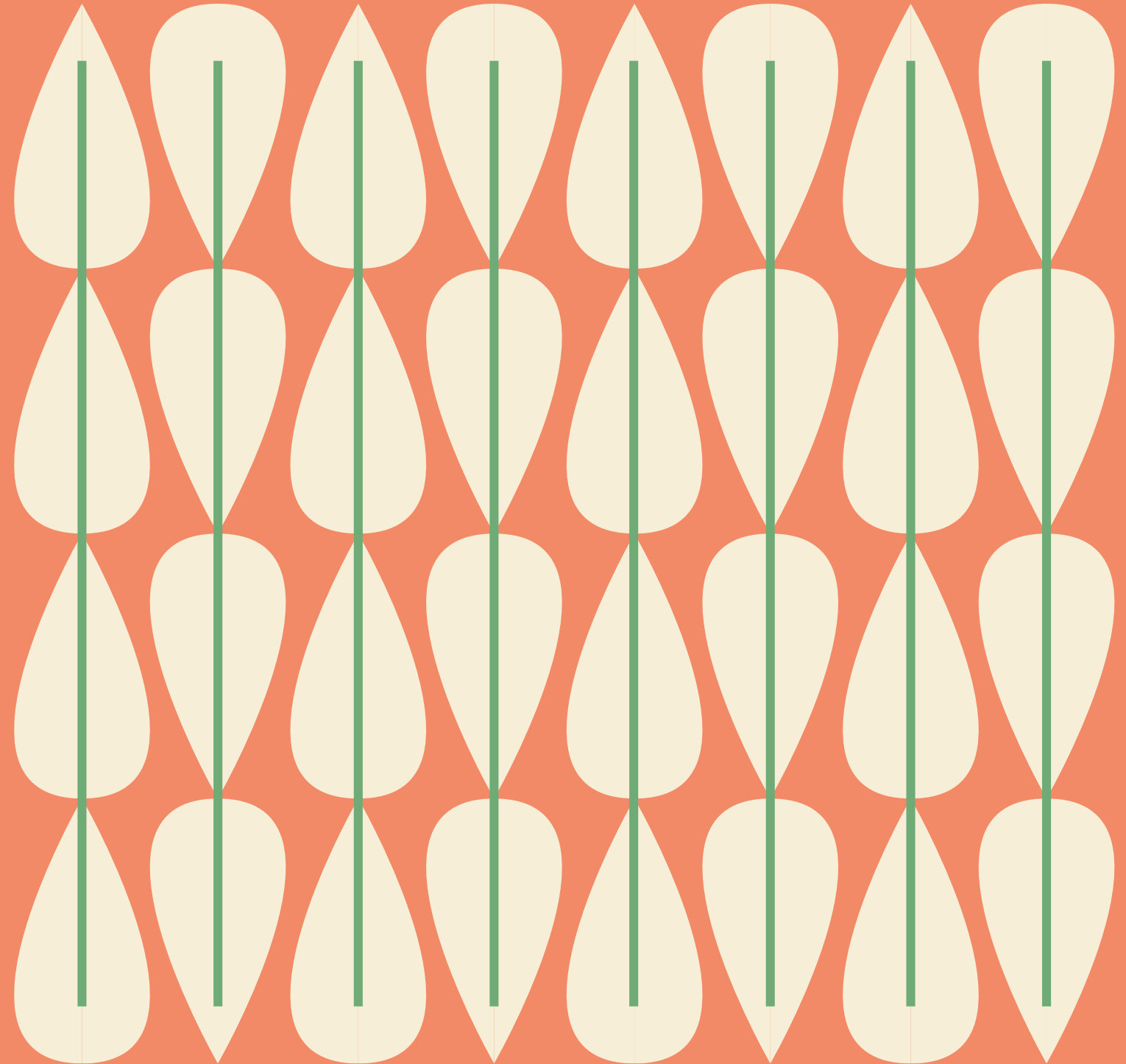
CRiA! MANIFESTO

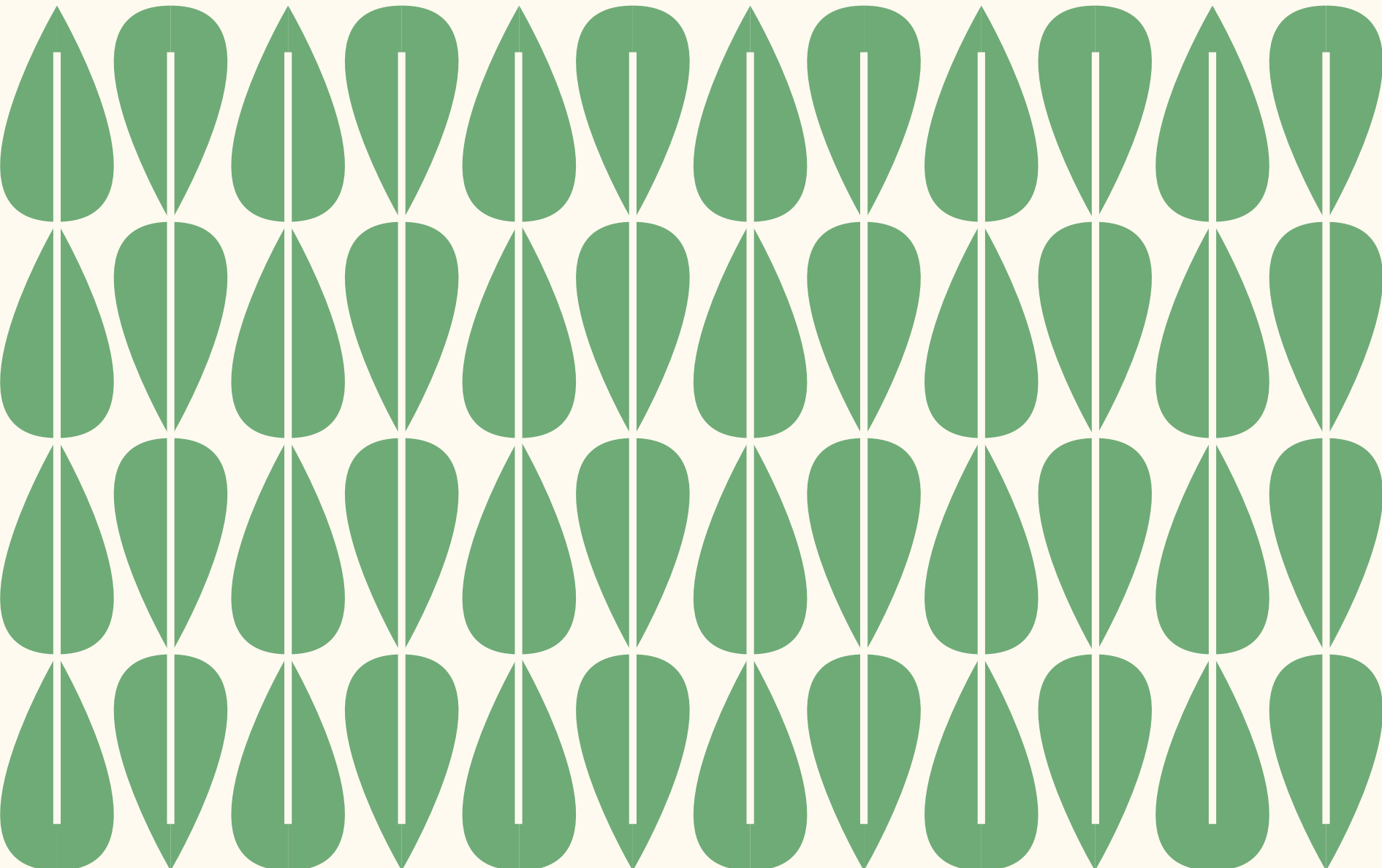
For us, choices and attitudes transform, revolutionize and create.

Towards new solutions and a new way of making fashion, we founded our CRiA! movement, materializing our responsibility to society and the environment, encompassing all our initiatives on the way to a more sustainable fashion.

CRiA! movement reinforces the Group's commitment to reducing the socio-environmental impact in the production chain and offering increasingly sustainable products, from the point of view of raw materials and using processes that reduce CO₂ emissions, use energy from renewable sources and generate less waste.

**More than an idea, a movement.
More than just being sustainable,
democratize sustainability.**





5.
Governance

GRI 102-18

Governance structure

A publicly traded company since 1970, Grupo Guararapes develops a corporate governance model through entrepreneurial and results-oriented management, adopting the best corporate governance practices.

In the last few years, this challenge has been even more important given the growth in the Group's operating results and its entire business structure. In addition to following the Brazilian Code of Corporate Governance (CBGC), we have adopted several policies and good practices recommended by the Brazilian Institute of Corporate Governance (IBGC), based on ethics and integrity.

The balance between economic, environmental, and social aspects is crucial for us to achieve the expected results and, thus, guarantee the continuity of the Company.

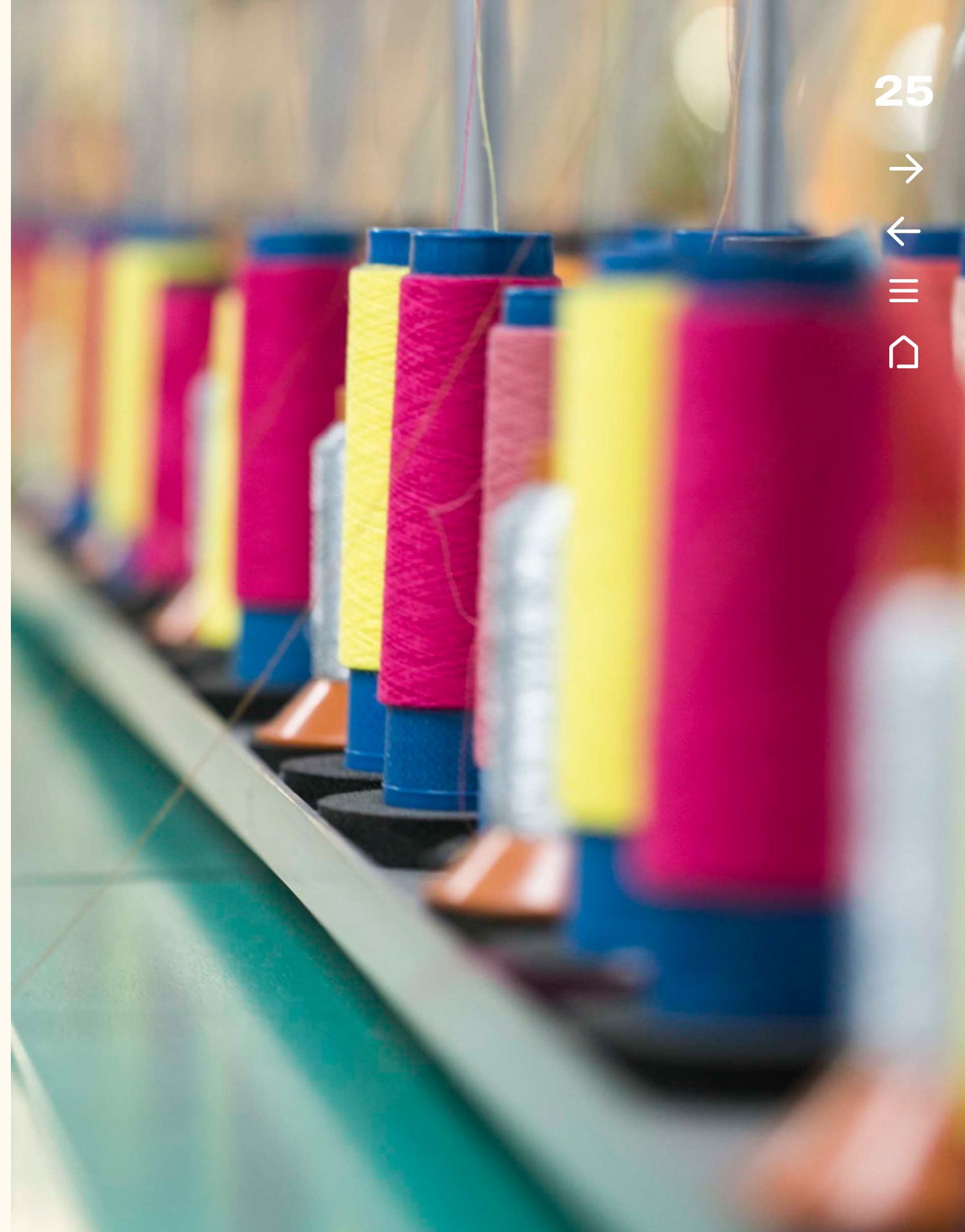
In our governance practices, we establish a relationship of trust and transparency with our stakeholders, from employees and customers to our shareholders. Learn more [here](#).

GRI 102-10

NEW MARKET

In April 2022, we migrated Guararapes S.A to B3's special listing segment, called Novo Mercado, with the consequent amendment of the Bylaws.

Companies in this segment are usually seen as the most transparent by the market, increasing access to investors who focus on these companies with a high level of corporate governance.



GRI 102-26

Administrative Structure

Our administrative structure consists of the following:

- **Board of Directors:** five members elected by the General Shareholders' Meeting, and by it they can be removed from their positions at any time. They are responsible for managing the Company together with the Board of Executive Officers. They define business strategies aimed at creating long-term value and the Company's perpetuity, taking into account the impacts of its activities on society and the environment;
- **Executive Board:** The parent company's executive board is made up of up to five statutory directors chosen by the Board of Directors, and manages and represents the company by executing the resolutions of the General Meeting and the decisions of the Board of Directors.
- **Supervisory Board:** the Bylaws of the Supervisory Board were approved in 2019. It operates on a non-permanent basis, being installed at the request of shareholders and composed of at least three and at most five members. The charter can be consulted on the Company's **Investor Relations** website and on the **Securities Commission** website.
- To ensure and comply with the sustainability guidelines adopted by the Company, the **Executive Officer for People and Sustainability** is a member of the Governance and Sustainability committee, which advises the Board, being responsible for issues related to the environment and human rights in the business

Learn more about the responsibilities of each body in our structure in the **Reference Form**.

Advisory committees to the Board of Directors

PEOPLE AND MANAGEMENT COMMITTEE

The committee: 4 members

Frequency: Monthly

Purpose: Ensure that the company has the best organizational structure, people and incentives to achieve its strategic goals.

STRATEGY AND DIGITAL TRANSFORMATION COMMITTEE

The committee: 2 members, in addition to all the Group's Executive Officers

Frequency: Monthly

Purpose: Ensure that the company is in line with and anticipating the main innovation trends in the market, helping to advance the strategic agenda, and always focusing on the medium term (3 years).

SUSTAINABILITY AND GOVERNANCE COMMITTEE

The committee: 5 members

Frequency: Monthly

Purpose: Ensure the best corporate governance and sustainability practices in the company and advance the agenda for generating value for all stakeholders.

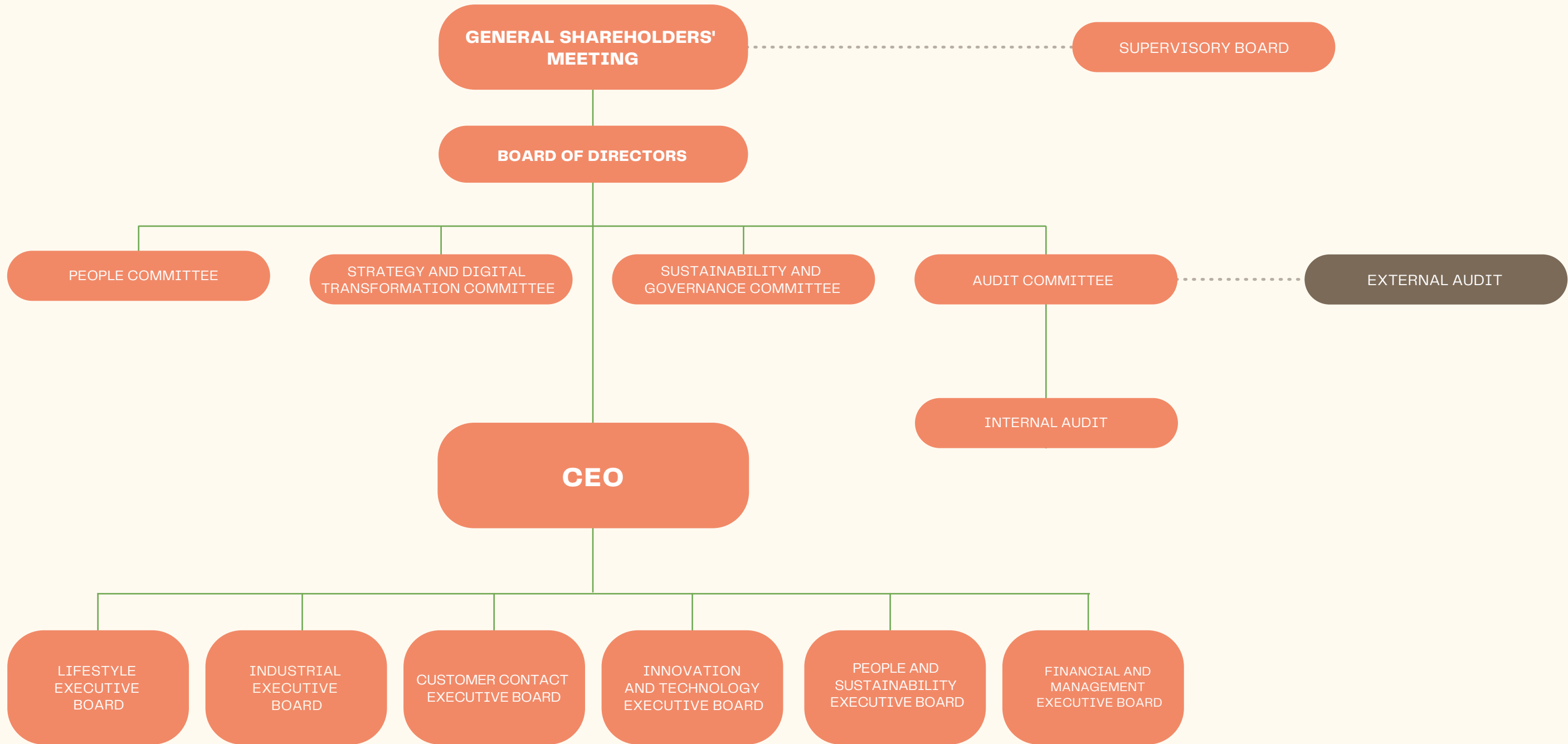
AUDIT COMMITTEE

The committee: 2 members

Frequency: Monthly

Purpose: Oversee the work of the internal audit, review the work of the independent audit, including financial statements, internal controls and corporate risk management.

Governance Structure of Grupo Guararapes



GRI 102-22
Board of Directors

The Board of Directors, the highest corporate governance body, has five members, two of whom are independent, according to the voting of April 28, 2021.

GRI 102-25
Conflicts of interest

According to the internal regulations of the Board of Directors, the Executive Board, the Committees and the Advisory Board, such member may not have access to information or take part in meetings related to matters on which he/she has or represents a conflict of interest with those of the Company.

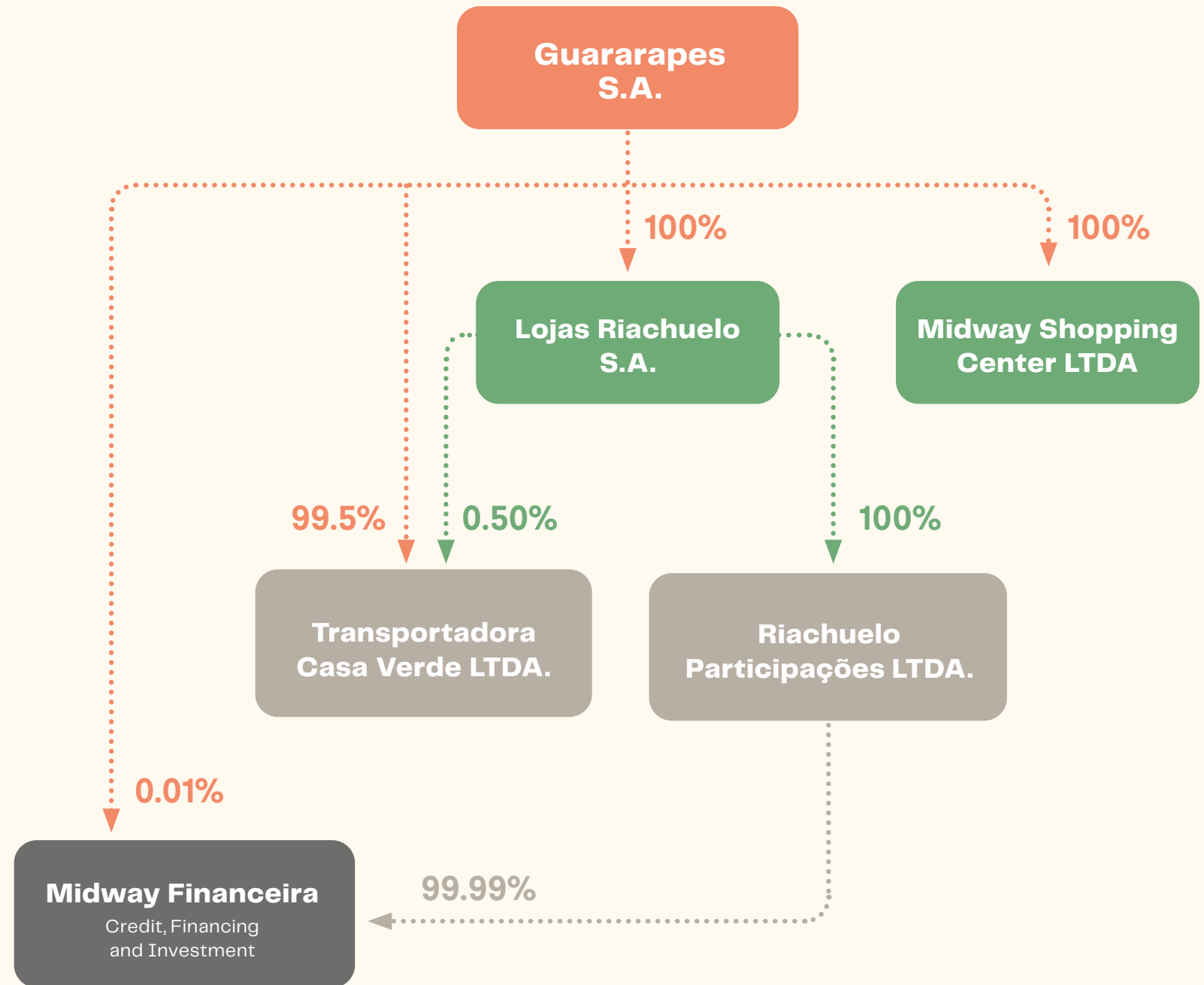
The member who has any conflict of interest related to any matter under discussion or resolution at a meeting must immediately communicate

his/her conflict of interest or private interest to the other members.

If not, another member must point out the conflict, if aware of it. As soon as the conflict of interest about a specific topic is identified, the member involved must abstain from meetings and be removed, including physically, from all discussions and decisions on the topic, and his/her temporary absence must be recorded in the meeting minutes.

The specific rules for identifying and managing conflicts of interest, in addition to those described in the Corporations Law, are in the Board of Directors' internal regulations, which can be consulted on Riachuelo's Investor Relations website at Corporate Governance / Bylaws and Policies, and on the CVM website.

Corporate Structure of Grupo Guararapes



GRI 102-28, 102-30

Board Responsibilities

The Board of Directors is responsible for ensuring compliance with external and internal regulations about legislation, rules imposed by regulatory bodies, code of conduct, corporate values, and business guidelines, among others. According to the Risk Management Policy, self-assessment cycles of the Company and its subsidiaries must be performed every six months, the results of which must be evaluated by Compliance and brought to the attention of the Board of Directors, the Statutory Board, and the Audit and Risk Management Committee, according to the following steps: risk identification; risk assessment; risk control; and risk monitoring.

Currently, the Group does not have a Board of Directors evaluation mechanism. The Board's evaluation process will be implemented in 2022.

The Board of Directors is aware of due diligence and social audits of the value chain, as well as other topics related to environmental, social, and governance issues that are critical for the company or the industry.

GRI 102-12, 102-13

Public commitments and efforts assumed

See the projects related to social and environmental issues in which Grupo Guararapes take part, with the respective dates of adhesion:



LGBTI+ Business and Rights Forum
June/2019



ABVTEX (Brazilian Association of Textile Retail)
July/2007



BC (Better Cotton Initiative)
March/2020



Global Compact
September/2020



CDP (Carbon Disclosure Project):
November/2021



GHG Protocol
September/2021



InPACTO (National Pact for the Eradication of Slave Labor in Brazil)
since 2017

GRI 102-37

Compensation Policies

To ensure internal equity and competitiveness in the market, we carry out different salary surveys. Based on the data from these surveys, we carried out a meticulous review of the compensation policy through comparative analyzes aimed at adapting to market trends and practices, always in line with the Group's Human Resources strategy. In the engagement survey carried out in 2021, 77% of Grupo Guararapes employees declared themselves satisfied with the compensation and benefits offered by the Company.

Learn more in Reference Form.

Awards

BEST COMPANIES TO WORK FOR – RETAIL

#2 in the ranking prepared by Great Place to Work Brazil/2021

RECLAME AQUI 2021 AWARD

For the fifth consecutive year, Riachuelo won the Reclame Aqui Award. In 2021, it ranked first in the Fashion and Apparel/E-commerce category and second in the Fashion and Apparel/Retail category. For competing, the company must earn the “Great” seal on the Reclame Aqui platform in the previous 12 months. There is also a weighting between the evaluation made by customers on the Reclame Aqui (higher weight) platform and a popular vote.

VALOR CARREIRA 2021 SURVEY THE BEST COMPANIES IN PEOPLE MANAGEMENT

Riachuelo was ranked among the top five companies in People Management, according to the survey

TRANSPARENCY PRIZE ANEFAC/ FIPECAFI AWARD

Considered the “Academy Award for Accounting”, this award is an initiative of the National Association of Executives (ANEFAC) with technical analysis by the Institute of Accounting, Actuarial and Financial Research Foundation (FIPECAFI). It is awarded annually to companies that have the best transparency practices in accounting information, published to the market through their financial statements

GOLD SEAL OF THE GHG PROTOCOL

For the first time, Grupo Guararapes won the Gold Seal of the Brazilian GHG Protocol Program, the methodology used internationally to calculate carbon emissions. The Gold Seal is awarded to companies that meet all the criteria for transparency in the publication of their emissions data and submit their inventories to third-party verification.

WOMEN ON BOARD SEAL

This seal recognizes companies that have at least two women on their Boards of Directors

GRI 102-22, 102-24, 102-29

Sustainability Policy

Launched in September 2021, Grupo Guararapes Sustainability Policy establishes the Group's operating guidelines in its relationship with its stakeholders: employees, customers, shareholders, suppliers, non-governmental organizations, and local communities.

The Group also has an Ethics Committee, whose main task is to ensure compliance with the principles of action and standards of conduct defined both in the Code of Ethics and the Code of Conduct for Suppliers.

To ensure compliance with the Sustainability Policy, the Board of Directors requires the Compliance department

to supervise the risks arising from the Group's actions in its relationship with its stakeholders.

The Company's Board of Directors approved a Policy for the Appointment of Managers that aims at diversity (knowledge, cultural aspects, age group, gender, availability of time, among others) for its composition and complementarity of experiences, intending to promote a debate of ideas that serve as a basis for technical, reasoned and bias-free decision-making, describing the nomination process.

The Company annually discloses in its Reference Form the qualifications of its directors.

GRI 102-16**Values, principles and behavior codes**

Documents regulate the conduct expected to ensure transparency, governance, and integrity, described in the policies below:

- Anti-Corruption Policy;
- Policy on Corporate Governance;
- Whistleblower Channel Operation and Policy;
- Corporate Compliance Activities Policy;
- Code of Ethics and Conduct;
- Information Security Policy

GRI 102-17**Whistleblower Channel**

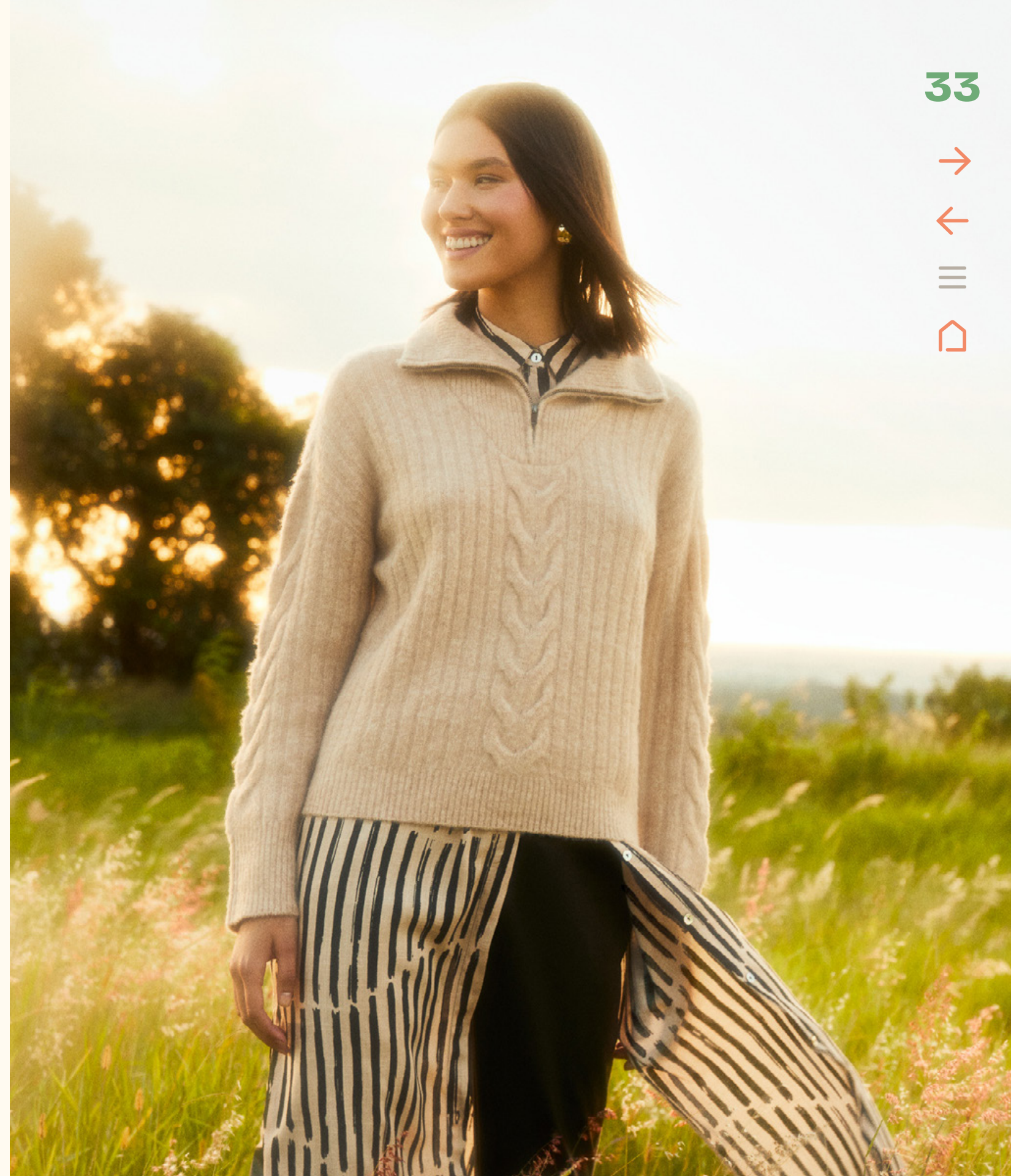
All employees have access to a confidential hotline to report any case of discrimination, harassment, abuse, violence, suspicion, or violations of the Code of Ethics and Conduct. The Whistleblower Channel has three different platforms for sending reports: telephone, email and hotsite. The

Channel service is carried out by Deloitte and all whistleblowers who report violations or contribute to appropriate investigations will have their identity protected. Occurrences and investigations are handled internally by the Corporate Compliance area, which works with the Internal Audit, Human Resources, and Legal departments.

In 2021, 1,115 occurrences were recorded in the Whistleblower Channel. From this total, 25% of the cases investigated were considered valid. Among the measures taken for valid cases are verbal warning, written warning, communication in general, dismissal without just cause, dismissal for cause, and guidance on the expected behavior within the Group.

Third Party Due Diligence

We carry out prior audits on your suppliers according to each supplier's risk profile. For further information, see the chapter **Suppliers**.



Code of Ethics Training

We emphasize to our employees the importance of having formalized internal conduct so that each one understands their role in the organization, building an ethical organizational culture in the daily exercise of our activities. All Group employees declare by written notice their knowledge of the Code of Ethics and Conduct, by signing the “Term of Acknowledgement and Commitment”.

Follow-up and monitoring compliance with the Code of Ethics and Conduct is the responsibility of the Compliance area, which works with the Human Resources, Legal and Ethics Committee departments.

We have an intranet portal called “Universidade Riachuelo”, through which training is provided to all employees and managers. Among them are specific face-to-face and remote training on the Company's Code of Ethics and Conduct, fraud

prevention, and the fight against money laundering.

GRI 205-2, 205-3

Corruption Prevention

We adopt practices and procedures aimed at the prevention, detection and remediation of fraud and illicit practices against the public administration, which make up our integrity program. According to our Code of Ethics and Conduct, performing, facilitating or colluding with any act related to money laundering, terrorist financing and corrupt practices is strictly prohibited.

We also have an anti-corruption policy, approved by the Board of Directors, which aims to conduct business with honesty and integrity. Compliance with this Policy is vital to maintaining our reputation in our business and activities, which is why there is no tolerance for bribes and other acts of corruption.

Concerning corruption, the delivery, promise or offer of any payment, commission, gifts or compensation to any authorities, public servants, employees or officers from companies or public bodies is prohibited. In addition to the policy, we include anti-corruption sections in agreements signed with suppliers and service providers.

All employees are responsible for knowing the policies and practices expressed in the Code of Ethics and Conduct, and violations of the Code are subject to analysis and appropriate disciplinary measures. Failure to become aware of possible violations by third parties will also be considered unethical behavior. Therefore, any case of bribery or corruption must be reported to Disque Ética.

By 2022, the goal is to train 70% of employees on anti-corruption procedures in each company's operating region.

The members of the Board of Directors and business partners were not subjected to training on the anti-corruption procedures of Grupo Guararapes.

In 2021, we did not record any case of corruption committed by any of its employees, nor did it terminate or fail to renew any of the contracts signed with its business partners because it identified the practice of acts of corruption committed by them under the terms of Anti-Corruption Law No. 12,846/2013.



GRI 102-11

Risk Management Policy

The risks to which the Group is exposed are mapped and identified by the Internal Controls and Risks area, through processes of self-assessment of the business areas, testing and action plan for continuous improvement of controls, and subsequently audited by the Company's Internal Audit. There is no formal adherence to the precautionary principle.

Our assessment, approved by the Board of Directors and reviewed in 2021, adopts five classes of risk, as described below.

Financial Risk

Financial risks, by definition, are all the possibilities (variants) that can lead the company to lose money, whether through financial transactions, process execution errors or investments, among others.

Strategic Risk

Possibility of loss due to bad results of strategic decisions or lack of responsiveness to the internal and/or external environment.

Reputational Risk

Possibility of damage of credibility with the external and internal public caused by misinterpretation or failure to communicate; dissemination of incorrect, incomplete, or inaccurate information by unauthorized persons or by inappropriate means of communication, and the dissemination of negative news.

Regulatory/ Legal/Tax Risk

These risks are those related to non-compliance or inability to comply with applicable laws or regulations.

Operational Risk

Possibility of damage arising from inadequacy in the specification or the execution of processes, systems or projects, as well as from external events that damage regular activities performance or physical assets.

GRI 103-2, 103-3

Responsible Communication

Within our sustainability strategy, our mission is to raise awareness and invite society (internal and external audiences) to adopt simple and more sustainable practices in their daily lives. Our CRIA! movement plays this role through a series of communication actions and campaigns, generating the necessary strength to make new choices and to inspire people to create with us.

In 2021, we published our first Communication on Progress report, stating our actions towards the commitments made in joining the United Nations Global Compact. Also, for the first time, in 2021, the Group was invited to participate in the selection

process of the ISE (Corporate Sustainability Index), showing its commitment to being one of the 100 most sustainable companies in the country on B3, rating #56.

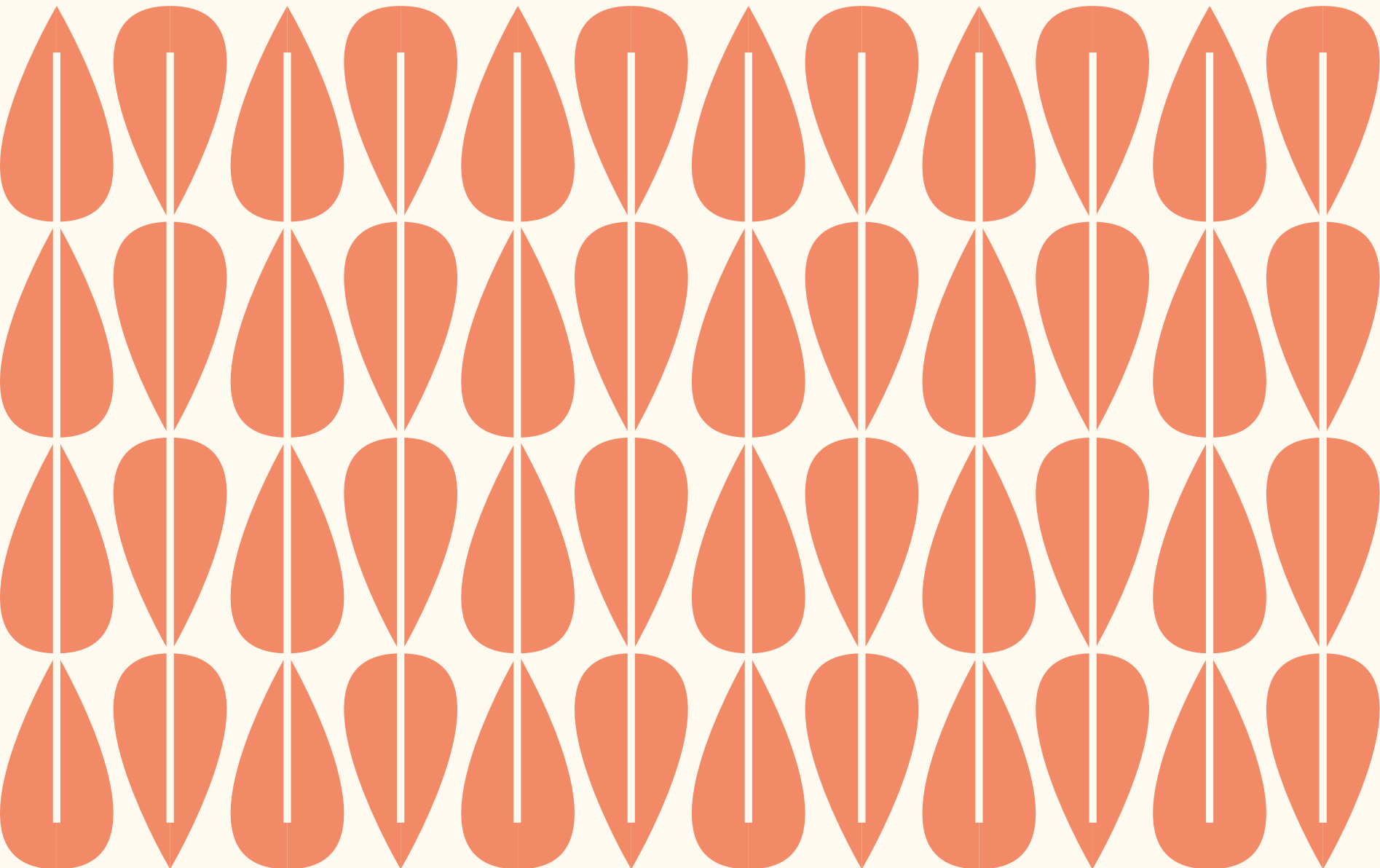
In the fourth edition of the Fashion Transparency Index in Brazil, released at the end of 2021, Riachuelo had a 43% jump in its transparency levels compared to the previous year. Conducted by Fashion Revolution, the Index assesses whether local companies are reporting the way they manage their businesses and the impacts of their processes and social and environmental practices throughout their value chain.



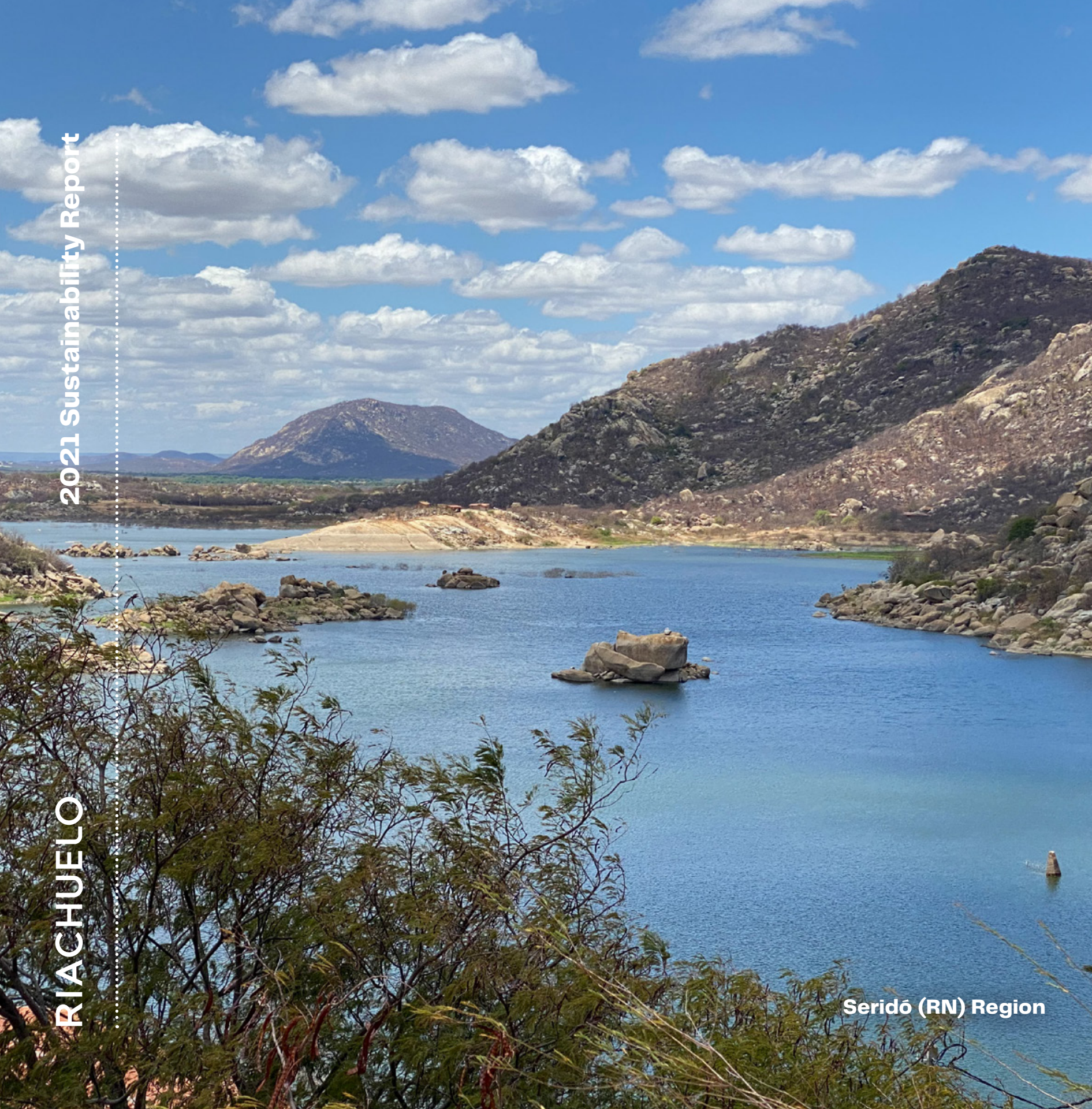
RIACHUELO

Sustainability
Report
2021

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6.
Sustainability



Seridó (RN) Region

Sustainability

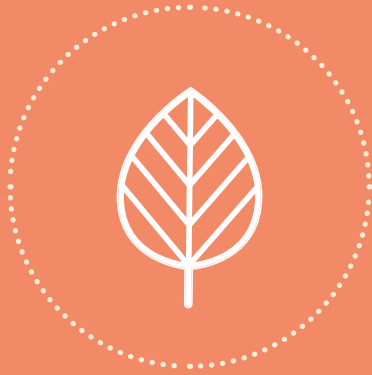
Sustainability is one of the pillars of our business model. With integrated management, we seek to gain efficiency and competitiveness by prioritizing the development and manufacture of our products through processes and raw materials that have a lower impact on the environment, as well as ensuring the defense of human rights throughout our supply chain. We believe in diversity, caring for people, and respect for the environment as fundamental values in our work.

SUSTAINABILITY STRATEGY

In the textile retail sector, sustainability translates into broad challenges that are common to many others, such as reducing greenhouse gas (GHG) emissions, reducing the water footprint (amount of water used in the manufacture of a product), and eco-efficiency in all waste and chemical operations and management. Within these themes, there is an opportunity for major improvements in specific aspects of the production and sale of textiles, such as using more sustainable raw materials and products with less environmental impact, as well as promoting closed-loop recycling.

See our sustainability strategy commitments in the following highlights.

Our commitments



Product

protocols that ensure that all products we sell are healthy and safe



People

a corporate culture that pursues ethics at work, respect for others and diversity, honesty in all acts, transparency, and professionalism



Environment

a strategy that cares for respect for the environment in all our operations



Chain

audit methodology that ensures that our products comply with our Supplier Code



Society

social investment actions with which the Group strengthens relations with the communities in which it is present

Sustainability Policies

GRI 103-2

Grupo Guararapes' Sustainability Policies

Our policy presents our commitment to sustainable development, guiding the positioning of the Company and all its employees concerning each of the strategic guidelines in sustainability. The Sustainability Policy seeks to define the principles that the Group assumes in relations with all of society's interest groups: employees, customers, shareholders, suppliers, non-governmental organizations and local communities.

We also understand that sustainability is the democratization of fashion through an offer of products that respect Human and Social Rights in the supply chain, as well as the responsible purchase

of raw materials according to standards that respect the health and safety of our customers, in addition to ensuring production processes with less impact on the environment.

Policies related to sustainability issues cover:

- Sustainability Policy
- Environmental Policy
- Diversity and Inclusion Policy
- Social Investment Policy
- Corporate Volunteer Policy
- Donation Policy
- Materials Decharacterization Policy
- Compliance Policies (Internal Controls, Information Security, Risk Management)
- Code of Conduct for Suppliers and Third Parties

SDGs in Grupo Guararapes' strategy

After joining the Global Compact, we aligned our sustainability strategy with the Compact's Principles and the United Nations' Sustainable Development Goals (SDGs). Among the 17 SDGs, we defined the ten we prioritize in our strategy.



Material Topics

In 2021, we reviewed our materiality, namely, the definition of our priority topics in strategic sustainability management. In this first phase, we performed an internal survey, including sampling and interviews with some stakeholders. We also evaluated the critical issues in the textile and fashion retail sectors. Based on all these elements, we established the material topics of Grupo Guararapes' sustainability strategy, which we describe below.

RESPONSIBLE ETHICS AND TRANSPARENCY IN BUSINESSES

Sustainability Policy in critical issues in the industry

With attitude, innovation and clear goals, we believe that it is possible to increasingly reduce the impact of our production chain, providing positive socio-environmental effects. Together with the United Nations Global Compact, we are committed to optimizing our sustainability strategies, in addition to investing in more efficient alternatives.

17

Responsible Communication

Within our sustainability strategy, our mission is to raise awareness and invite society (internal and external audiences) to adopt simple and more sustainable practices in their daily lives. Our CRIA! movement plays this role through a series of communication actions and campaigns, with which we generate the strength needed to take on new choices and to inspire people to create with us.

12

17

WORKING CONDITIONS AND QUALITY OF LIFE

Textile and retail sectors are very labor intensive. We are committed to promoting decent work and upholding the rights of people involved in our supply chain. We are a company that generates many jobs – and quality jobs, in addition to promoting the development of these workers, especially in the Northeast region.

8

DIVERSITY AND INCLUSION

We defend the right to work, respect and celebrate diversity and inclusion, creating an environment of professional opportunities for people regardless of their gender, race, sexual orientation, ethnicity, religion or disability. We work so that our employees are engaged and aligned with the commitments of diversity and inclusion, building a daily culture of valuing these concepts at all decision-making levels of the company.

5



CIRCULAR FASHION

We believe circularity can play a transformative role. In addition to promoting and enabling the collection of used clothes and shoes at Riachuelo stores, we established a partnership with the Technological Research Institute to research and develop new technologies for textile recycling in a closed circuit.

9

12

HUMAN RIGHTS PROTECTION AND PROMOTION IN THE SUPPLY CHAIN

Responsible Supplier Management

We do not condone any exploitation and act in defense of Human Rights in their supply chains. We contribute to the fight against slavery-like work, precarious work, discrimination and child labor. We have a Chain Management area, in charge of monitoring our suppliers so that they strictly comply with our Code of Conduct.

8

10

Chain Traceability

We contribute to the fight against slavery-like work, precarious work, discrimination and child labor. We implement due diligence policies in audits with social and environmental aspects in the supply chain of first and second-line products and our Marketplace sellers. We disclose the results of supplier assessments and actions taken.

8

Supplier Audits

We monitor our suppliers to avoid these practices throughout the chain and ensure that the product that reaches our customers results from ethical and fair production, from end to end. We carry out social audits on our suppliers annually in our chain, where health and safety conditions in the work environment and other labor obligations are analyzed.

8

WATER EFFICIENCY AND CHEMICALS MANAGEMENT

We invest in new technologies to lessen the impact caused by chemicals in our factories, especially in the production of jeans. Our Water Management Program implemented in all operational units allows us to identify savings opportunities and more efficient water use in our processes.

6

WASTE MANAGEMENT

Our nationwide integrated Waste Management System makes our process more efficient and ensures proper disposal and its traceability. We are constantly looking to increase reuse and recycling rates within our business units and in our production chain.

12

MORE SUSTAINABLE PRODUCTS

They range from the choice of raw material to a production process that impacts less on the environment (less use of water, fewer chemicals, use of renewable energy). The supply chain also plays a key role in more sustainable products, as our suppliers need to act in a way that respects the environment and the rights of their workers.

7 12 15

MORE SUSTAINABLE RAW MATERIALS

We base our business model to increasingly expand the use of sustainable raw materials in our chain. Currently, 70% of the raw materials in our factories are more sustainable, with 29% in our chain as a whole.

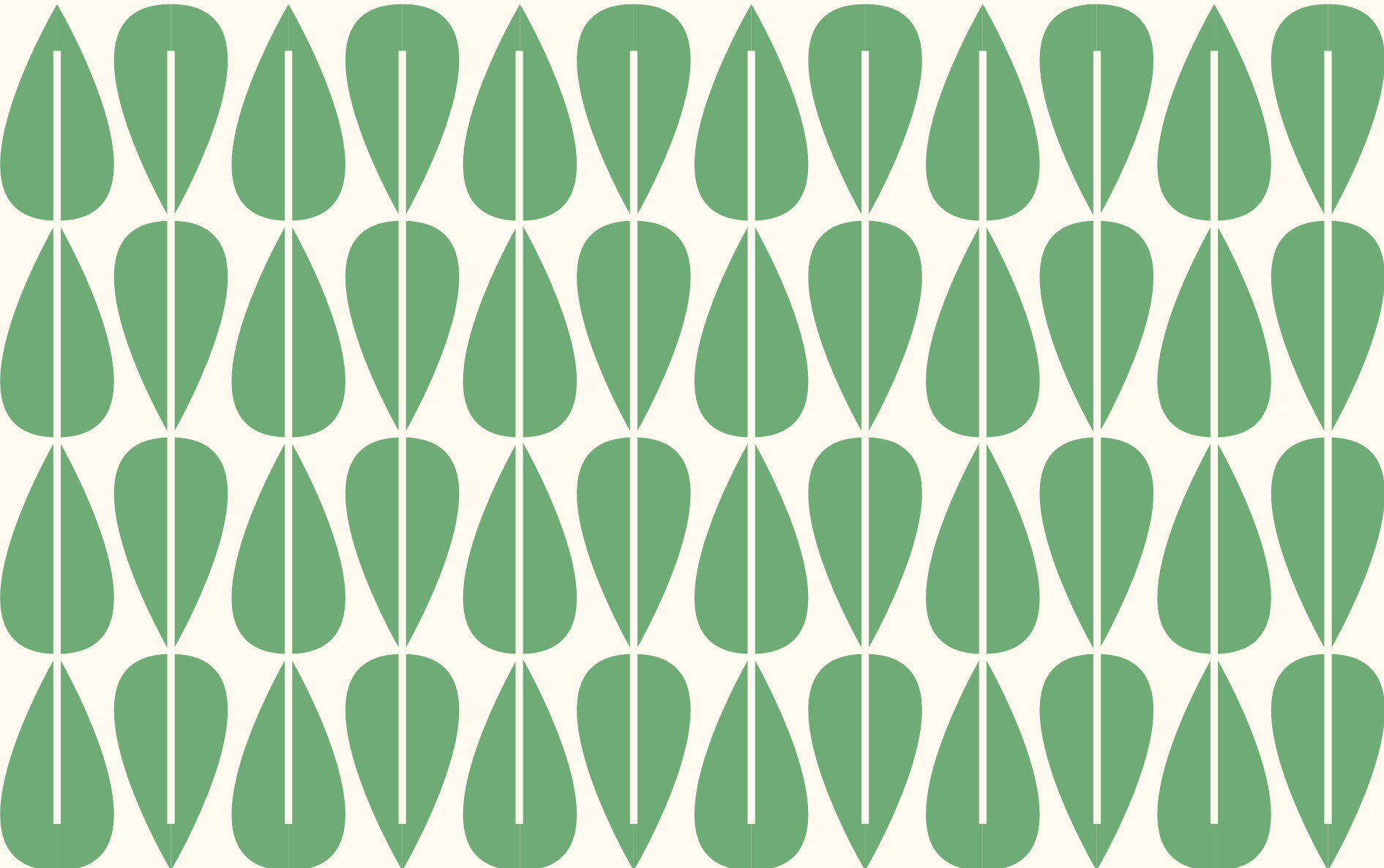
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CLIMATE CHANGE

Climate change is our greatest challenge nowadays, and we must act urgently to fight against its negative effects. With a commitment to not only generate less environmental impacts but also to regenerate ecosystems, we have established a goal for 2022: to reduce GHG (Greenhouse Gases) emissions by 30% in its direct operations, based on 2019.

13





7.
Environment

Environment and Circularity

Climate change is our greatest challenge nowadays, and we must act urgently to fight against its negative effects. As the largest fashion group in Brazil, Grupo Guararapes knows how important it is to be at the forefront of the mission of reducing the environmental impacts from its production chain and regenerating ecosystems.

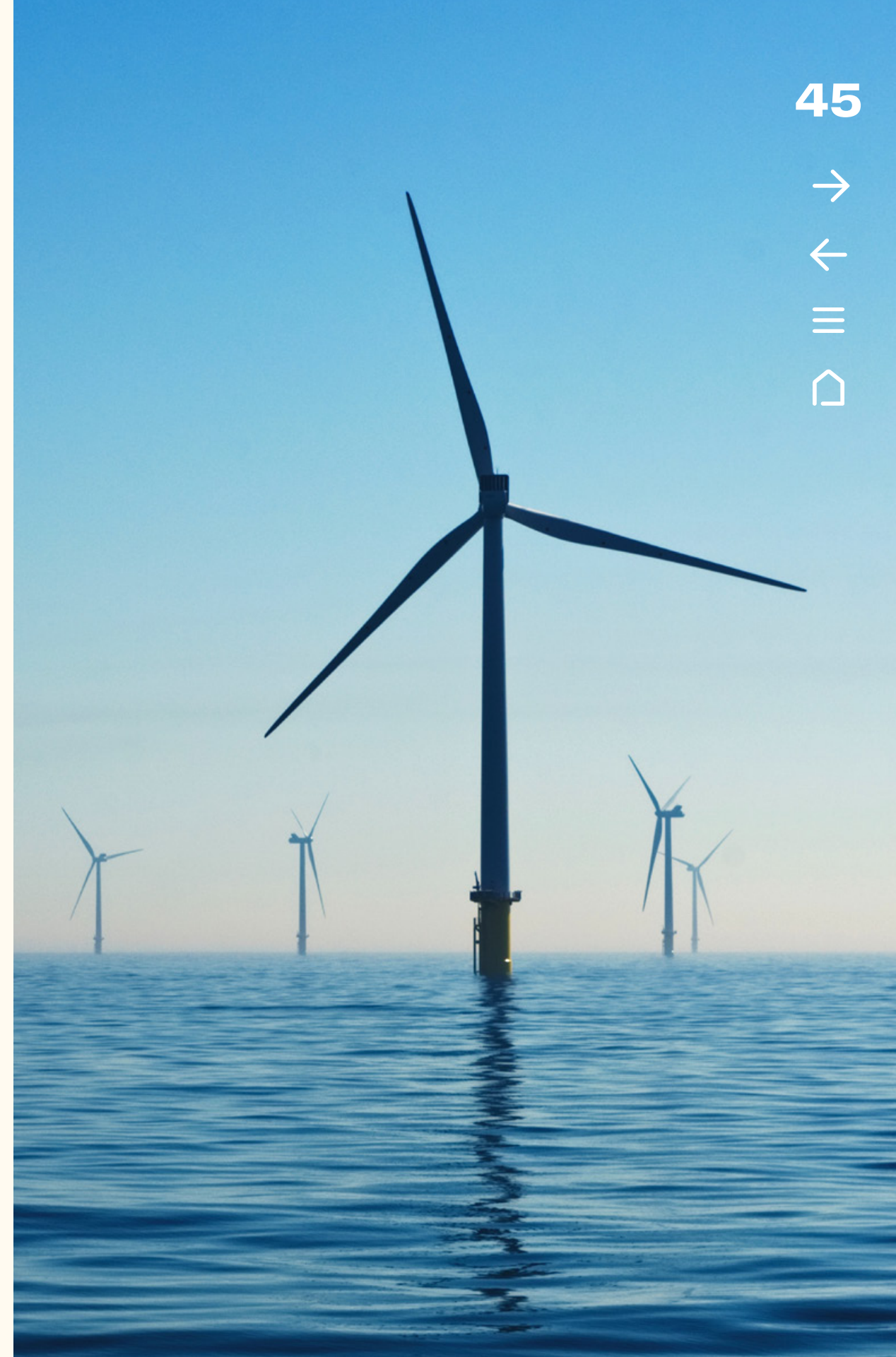
Through our Environmental Policy, we assume the commitment that all our activities will be carried out with respect for the environment, favoring the conservation of biodiversity, the eco-efficient management of our operations, the sustainable management of natural resources and circularity.

Throughout the entire supply chain, we are committed to:

- **Monitor compliance with local environmental legislation** by its suppliers, with special attention to water management, waste management, climate change and biodiversity protection;
- **Reduce the environmental impacts resulting from its operations** through the management of the sustainable use of natural resources, aiming at the preservation of the environment;

- **Promote the eco-efficient management of natural resources necessary for business development**, such as water, energy, raw materials, and chemical products, through the adoption of more efficient processes and technologies and the conscious use of these resources;
- **Continuously improve management**, considering the main indicators of greenhouse gas emission reduction, management of hazardous chemicals and effluent treatment;
- **Environmental risks management throughout the entire value chain**, involving identification, careful analysis, and monitoring to mitigate and prevent them;
- **Promote transparency with all stakeholders**, establishing clear, direct, and continuous communication channels with authorities, local communities, and other interest groups.

We have a Compliance, Internal Controls, and Internal Audit structure to verify compliance with the Environmental Policy, investigate possible non-compliance with the Policy, and establish action plans and deadlines for correcting irregularities.



GRI 103-2, 103-3

Climate Change

We implemented the Greenhouse Gas Emissions Monitoring Program for mapping and quantifying the greenhouse gas (GHG) emissions from our operations, including all factories, logistics centers, and stores. The quantification of these pollutants is the first step towards reducing the emissions of these gases, which cause global warming and consequently climate change.

We carry out this monitoring through the annual preparation of the Corporate Inventory of Greenhouse Gas Emissions (GHG), which makes it possible to identify and quantify the main

emission sources and also assess the impact of the Company's efforts to mitigate emissions. In addition, the inventory provides information for developing more efficient strategies for managing GHG emissions, suggesting opportunities for reduction that we can implement later. At the plants in Fortaleza and Natal, for example, replacing fossil fuel (natural gas) in boilers with biomass, such as agricultural residues or charcoal, can reduce GHG emissions from this source by up to 90%.

Gold Seal

For the first time, Grupo Guararapes won the Gold Seal of the Brazilian GHG Protocol Program, the methodology used internationally to calculate carbon emissions.

The Brazilian Program allows companies to disclose their inventories on its platform – the Public Emissions Registry – classifying them by levels of transparency. The Gold Seal is awarded to companies that meet all the criteria for transparency in the publication of their emissions data and submit their inventories to third-party verification.

Carbon Disclosure Project

In 2021, Grupo Guararapes participated for the first time in the Carbon Disclosure Project (CDP) questionnaires. The financial sector's key initiative for mitigating climate change, CDP is a non-profit organization led by institutional investors to increase transparency on environmental impacts, promoting the dissemination of information on the subject by companies listed on the world's major stock exchanges.

CDP questionnaires are voluntarily completed by companies, and they serve as a database for measuring, disclosing, managing, and sharing such information.



GRI 305-1, 305-2, 305-3

GHG Emissions in 2021

When comparing the years 2019 and 2021, total GHG emissions for 2021 were significantly higher compared to 2019, an increase of around 20%, mainly due to the increase in Scope 2 emissions.

Scope 1 emissions increased particularly at the Natal factory and stores. At the Natal plant, the increase was due to higher consumption of natural gas and fuels. In stores, the main reason was the estimate made in 2019 about air conditioning recharge data, as we did not have the data available. As a result, the estimate may have been a little lower than the actual data we currently have.

The increase in emissions from electricity consumption was the most significant – 9,927 tCO₂eq (tons of CO₂ equivalent, the standard measure of greenhouse gases).

Although the total electricity consumption was lower compared to 2019, emissions from this source increased significantly because the emission factor (EF) used to calculate the emission from the electricity consumption of the grid, defined annually by the GHG Protocol, practically doubled concerning the factor used in 2019. This increase in EF was a consequence of the greater share of thermoelectric plants in the Brazilian energy matrix. Thus, for the same amount of energy consumed in 2021, we have twice as many emissions. This demonstrates the need to focus on renewable energies.

Our goal for 2022 is to reduce the emission of greenhouse gases by 30%, considering scopes 1 and 2, with 2019 as the base year.

GRI 305-1, 305-2, 305-3

Emissions in 2021

Operation Unit	Emissions (tCO ₂ e)*														
	2019					2020					2021				
	Scope 1	Scope 2 (location)	Scope 2 (purchase choice)	Scope 3	Total	Scope 1	Scope 2 (location)	Scope 2 (purchase choice)	Scope 3	Total	Scope 1	Scope 2 (location)	Scope 2 (purchase choice)	Scope 3	Total
Guararapes Plants	16,889	3,063	2,712	3,797	23,749	14,209	1,929	1,626	3,242	19,380	19,327	4,953	3,924	3,512	27,791
Distribution Centers	5,637	784	426	13	6,434	3,534	551	48	15	4,100	3,808	1,015	42	42	4,865
Stores	4,202	13,481	8,876	-	17,683	3,188	8,411	3,316	0	11,599	5,621	20,063	6,238	-	25,684
Midway Mall	1,159	2,170	2,170	-	3,329	2,886	1,200	1,200	0	4,086	758	3,328	3,328	-	4,086
Headquarters	714	345	345	2,568	3,627	297	269	164	746	1,312	700	361	-	915	1,975
Transportadora TCV	2,342	-	-	-	2,342	1,984	-	-	-	1,984	2,602	-	-	-	2,602
Contact Center	3	186	186	-	189	24	135	94	-	159	37	264	-	-	301
Total	30,946	20,029	14,715	6,378	57,353	26,122	12,495	6,448	4,003	42,620	32,853	29,983	13,532	4,469	67,305

*Total emissions are calculated considering scope 2 (location).

GRI 103-2, 103-3, 303-1, 303-5

Water

We develop actions for the increasingly efficient use of water to guarantee the continuity of the business and the availability of this resource for the whole society.

The Operational Units Water Management Program monitors the volumes of water captured, consumed, and discarded in each of the Group's units, in addition to identifying opportunities for improving this resource management. At the beginning of the Program, a water risk assessment was carried out for the operational units to identify the units located in regions with water deficits due to the quantity or quality of the available water.

The assessment was based on the water deficit maps from the National Water Agency (ANA) and the Aqueduct tool from the World Resources Institute (WRI). This

study is the basis for the company's strategic planning, in order to prioritize sustainable water and effluent management actions in units with greater water risk. At our factory in Fortaleza, for example, we operate with more efficient processes and technologies, reusing 70% of the water and reducing consumption by up to twenty times.

In absolute numbers, water consumption in 2021 increased by 28% compared to 2020. The increase in consumption represents the resumption of activities after the critical period of the pandemic. Only the head office showed a reduction compared to 2020 due to the continuity of teleworking.

Our goal is to carry out studies for reusing water in factories by 2025. Water reusing should be implemented by 2030.

GRI 303-5

Water consumption (in m³)

Operating Units*	Water Supply Network	Water Trucks	Wells	Reused/ Reclaimed Water	Total 2021
Factories	3,988	21,679	961,198	181,373	1,168,238
Distribution Centers	8,935	1,770	2,359	7,887	20,951
Transportadora TCV	-	-	-	-	-
Midway Mall	59,550	-	87,851	-	147,401
Headquarters and Contact Center	12,465	-	4,761	-	17,226
Total	84,938	23,449	1,056,169	189,260	1,353,815

Operating Units*	Water Supply Network	Water Trucks	Wells	Reused/ Reclaimed Water	Total 2020
Factories	18,768	2,543	752,440	127,590	901,341
Distribution Centers	6,781	4,690	846	6,199	18,516
Transportadora TCV	-	-	-	-	-
Midway Mall	42,075	-	77,465	-	119,540
Headquarters and Contact Center	11,808	-	7,027	-	18,835
Total	79,432	7,233	837,778	133,789	1,058,232

*We do not measure store consumption

More efficient processes and technologies at the Fortaleza plant reduce water consumption by up to twenty times



Energy

With the Renewable Energy Program, we are constantly striving for energy efficiency and increasing use of electricity from clean and renewable sources. This is the case, for example, of our factory in Fortaleza, fully supplied with renewable energy – wind, solar, biomass and produced by Small Hydroelectric Power Plants (SHP).

In Grupo Guararapes, this index in 2021 was 55% from renewable sources in our energy consumption; in 2019, that percentage was just 37%. Our goal for 2022 is to track all our energy sources by the end of the year, through the purchase of renewable energy certificates I-RECs.

We are also looking to reduce electricity consumption both in stores and factories. Currently, 51% of Riachuelo stores use LED lamps, which are more efficient than conventional lamps. The replacement of more modern and efficient equipment used in production lines in factories also contributes to the drop in power consumption.

In absolute numbers, power consumption in 2021 increased by 16% compared to 2020. The increase in power consumption represents the resumption of activities after the critical period of the pandemic.

GRI 302-1

Electric power consumption

Electricity consumption (MWh)	
2019	266,901
2020	202,415
2021	235,983
Renewable energy %	
2019	37%
2020	48%
2021	55%

GRI 302-1

Electricity consumption by source

Operating Units*	Energy from the Electrical Grid (MWh)	Renewable Electric Energy (MWh)	Renewable Share (%)
Factories	29,622	7,694	21%
Distribution Centers	324	7,635	96%
Stores	49,603	110,364	69%
Others*	25,766	4,974	16%
Group Total 2021	105,315	130,668	55%

*Transportadora Casa Verde, Contact Center, Midway and Headquarters

GRI 103-2, 103-3, 306-2

Waste

Our nationwide integrated Waste Management System makes our process more efficient and ensures the most appropriate disposal and traceability of all waste generated in our operations. Our goal is continuous improvement, with a focus on reducing waste sent to landfills and increasing reuse and recycling rates.

About 58% of solid waste generated in 2021 was sent for recycling, reuse or reuse – an increase of 8% over 2020, when this figure was 53%. Recyclable waste is mostly paper, cardboard and fabric scraps. The rest consists of plastic, glass, metal, wood and rubber.

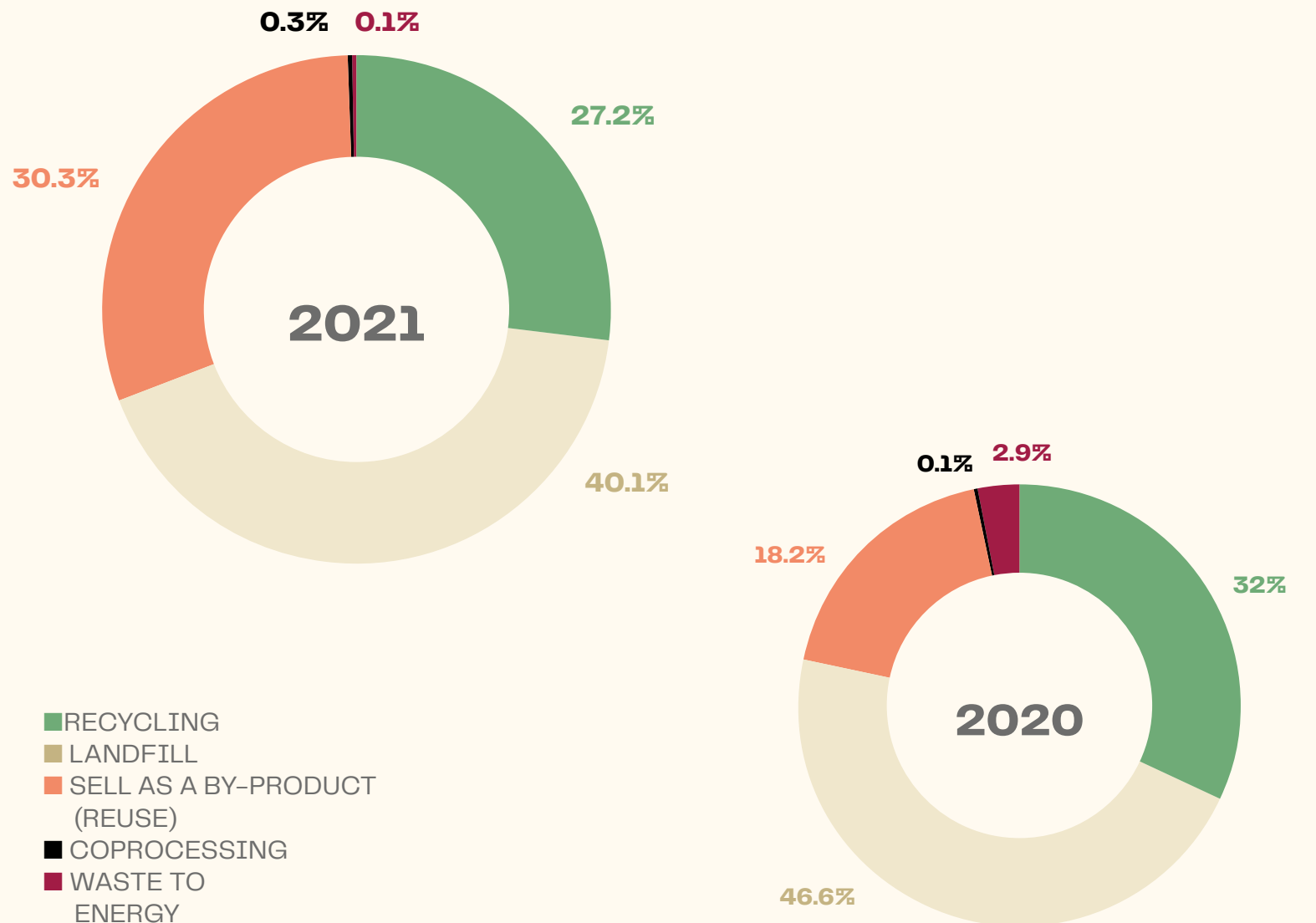
In 2021, we had more than 3,300 tons of recycling. Textile waste, which was about 3,500 tons, is sent to other companies, which use it as raw material in manufacturing items such as hammocks, towels, blankets, and rugs, and also for the automotive industry.

Waste not intended for reuse, recycling or reuse is collected, treated and disposed of correctly, in compliance with the National Solid Waste Policy.

In absolute numbers, solid waste generation in 2021 increased by 39% over 2020.

GRI 306-5

Waste Disposal





GRI 306-5

Waste Generation (in t)

Waste Type	2021	%*	2020	2019
Common Garbage	3,559	29%	2,724	3,868
Fabric Scraps	3,414	28%	1,423	3,742
Cardboard and paper	2,816	23%	2,055	2,746
WWTP Sludge	1,372	11%	1,040	1,491
Organic/Biodegradable waste	336	3%	320	373
Plastic	263	2%	316	257
Metal	138	1%	306	131
Rubble/Building Waste	78	1%	24	38
Wood	62	1%	390	16
Other waste	37	0%	33	5
Glass	16	0%	6	2
Perfumes	11	0%	4	-
Home fashion (breakdown)	9	0%	25	-
Lamps	3	0%	15	1
Medical waste	1	0%	1	2
Total	12,114	100%	8,683	12,672

*The percentage refers to the weight of the type of waste concerning the total.

Chemicals

In 2021, we began the implementation of ZDHC (Zero Discharge of Hazardous Chemicals) protocols for controlling chemicals from wet processes in factories. We train the employees involved and prepare the inventory and identification of the chemical composition according to the ZDHC protocol.

In 2022, the monitoring of chemical products restricted in wet processes will be at our raw material and resale suppliers' premises, thus ensuring less impact on the disposal of effluents into the environment.

To reduce the impact caused by chemical products, the company invests in the following technological fronts that reduce by up to 85% the need for their use at the Fortaleza Plant:

- **Laser washing**, which eliminates the use of chemicals in the jeans dyeing process;
- **Ozone generator** for a desizing, cleaning, and whitening process for jeans without the use of water or chemicals;
- **Nebulizers** that treat parts with minimal water and chemical inputs.

Technological innovations have reduced the need for chemicals by up to 85% at the Fortaleza plant





GRI 103-2, 103-3, 306-2

Circular Economy

We believe that the circular economy can create more sustainable value chains. Therefore, we are committed to developing alternatives for an economy that reuses more and

more waste and reduces the use of virgin raw materials, impacting the environment even less. Our efforts seek to eliminate waste and give new life to what would be discarded.



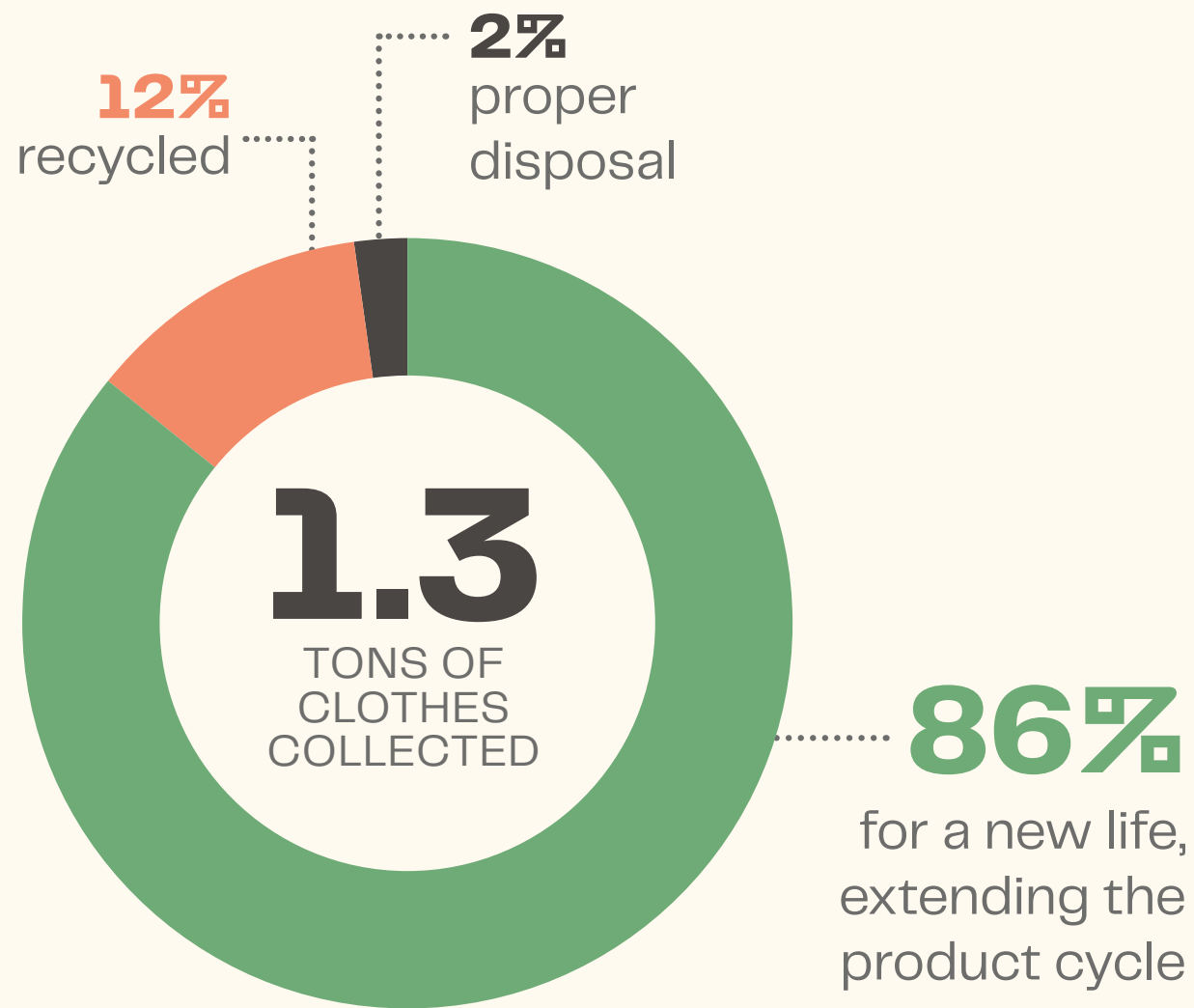
PARTNERSHIP WITH IPT

Riachuelo entered into a partnership with the Institute of Technological Research (IPT) of São Paulo to develop an innovative technology that will make it possible to transform waste from the clothing industry into more sustainable raw materials.

The project aims to create fiber from textile waste from the company's factories and clothing donated by customers. The goal is to have a technology that allows for the reuse of textile waste and the reduction of virgin raw materials, causing less impact on the environment. Our forecast is to reuse more than 3 thousand tons per year.

MODA QUE TRANSFORMA PROGRAM

Through this program, customers can donate their used clothes, shoes, and accessories, depositing them in collectors spread across all our stores in Brazil. These clothes are donated to Liga Solidária and Cáritas Brasileira. Some clothes are sold in bazaars, and the amount collected is destined to social projects. Part of them are donated to people in socially vulnerable situations. Clothes that are not in conditions of use are sent for textile recycling.





How the program works

Who can participate in the program?

Used piece of clothing

It will be deposited in the collector

Collector

Forwarded in reverse logistics to our DCs

Liga Solidária



C RITAS BRASILEIRA

Partner

Collects
Classifies
Prepares
Uses

Social Benefits

Employment and income generation

Environmental Benefits

Responsible Recycling

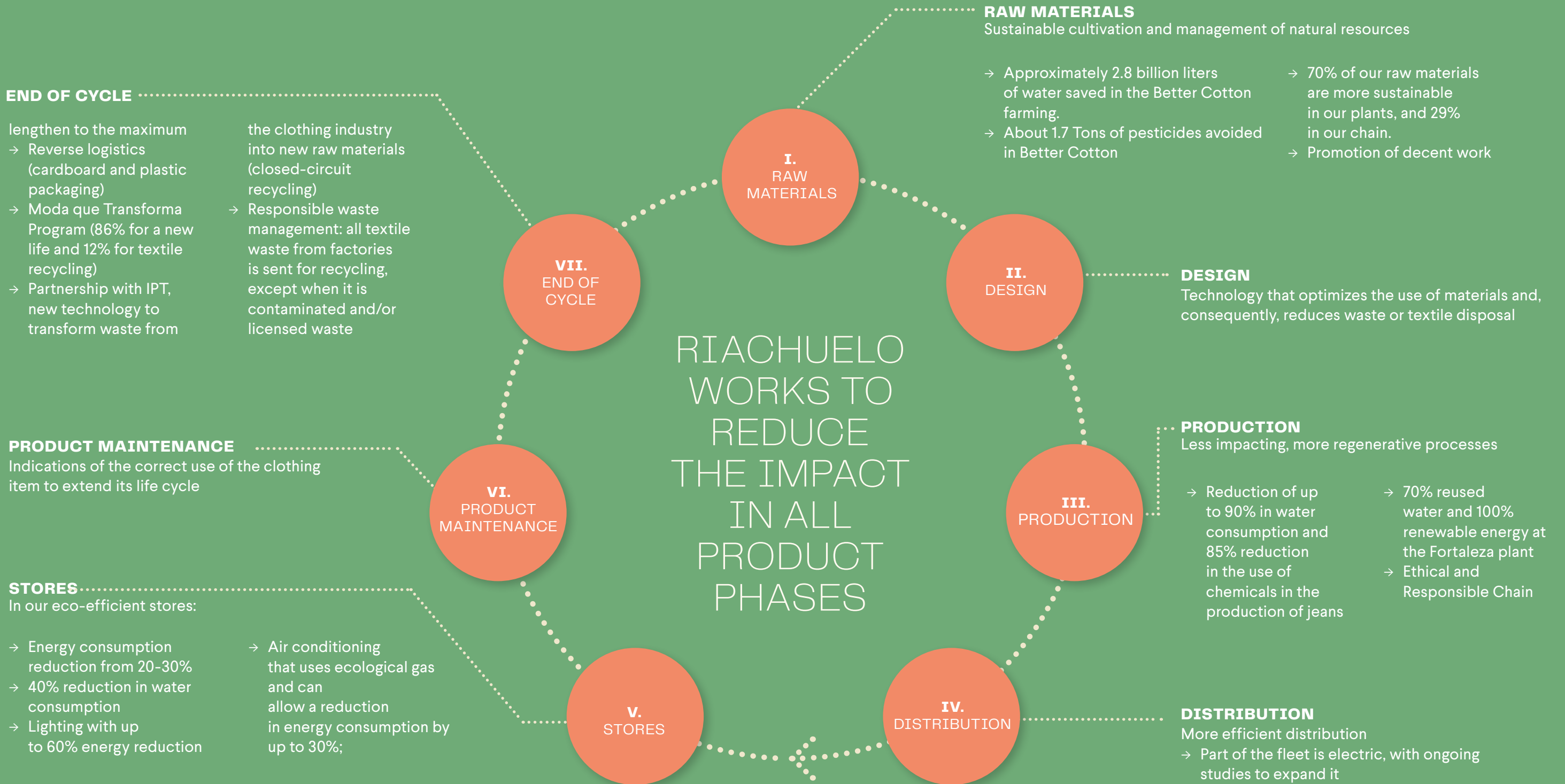
Product lifecycle lengthening (donated clothes get a second life)

Anyone

who wants to donate some clothing, accessory, home textile product or shoes, whether employee, customer, store visitor etc.



A more sustainable life cycle





GRI 103-2, 103-3

More sustainable products and raw material

The path to a more responsible fashion involves less impacting products and production processes. For this reason, the Group assumes an active role in this construction. Our goal is to increasingly expand the use of sustainable raw materials in our chain. In 2021 alone, our plants increased their use of more sustainable raw materials by 408% compared to 2020.

Currently, 70% of the raw materials in our factories are more sustainable, a figure that reaches 29% in our chain as a whole (including third parties). We managed to surpass our goal for 2021, which was to have 25% more sustainable raw materials in the chain.

The materials most used in the production from Guararapes factories are yarns and fabrics made of cotton, viscose, polyester, elastane, linen, lyocell, polyamide, and polyurethane, among others. This is a challenge for the industry to search for new alternatives for more sustainable raw materials, with cotton and viscose being considered the most impacting raw materials.

In 2021, we purchased and produced more than 27 million more sustainable textiles. In the previous year, that number was just 1 million. By 2022, the goal is to offer 30% more sustainable textile products in store.

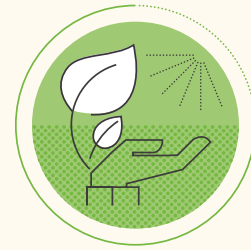
COTTON AND VISCOSE

Cotton is our most important raw material. One of the important milestones in sourcing more sustainable raw materials was when we partnered with Better Cotton in 2020. Better Cotton is a global, non-profit organization that licenses cotton farmers. With this organization, farmers around the world are guided to grow cotton, prioritizing practices that reduce the environmental impact of their activities and increase their productivity, in addition to guaranteeing the safety and well-being of their workers.

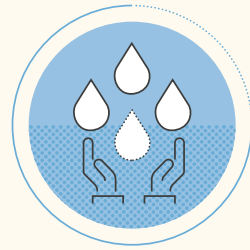
Cotton growers licensed by Better Cotton adhere to its seven production principles and criteria (see highlight). These principles guide our quest to obtain 100% of our most sustainable cotton a mark that currently reaches 89% in Guararapes factories.

Another relevant raw material is viscose, a fiber produced from cellulose extracted from wood through chemical processes. In the case of certified viscose, in addition to the wood being sourced from responsible forest management, the production process has stricter standards to cause less environmental impact. In 2020, we use 38% certified viscose in our production. In 2021, our goal was to reach at least 40%, but we managed to exceed it and reached 50%.

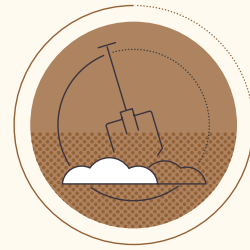
BETTER COTTON PRINCIPLES AND CRITERIA



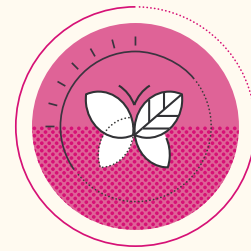
CROP PROTECTION



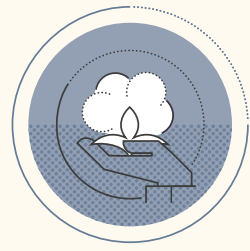
WATER TREATMENT



SOIL HEALTH



BIODIVERSITY



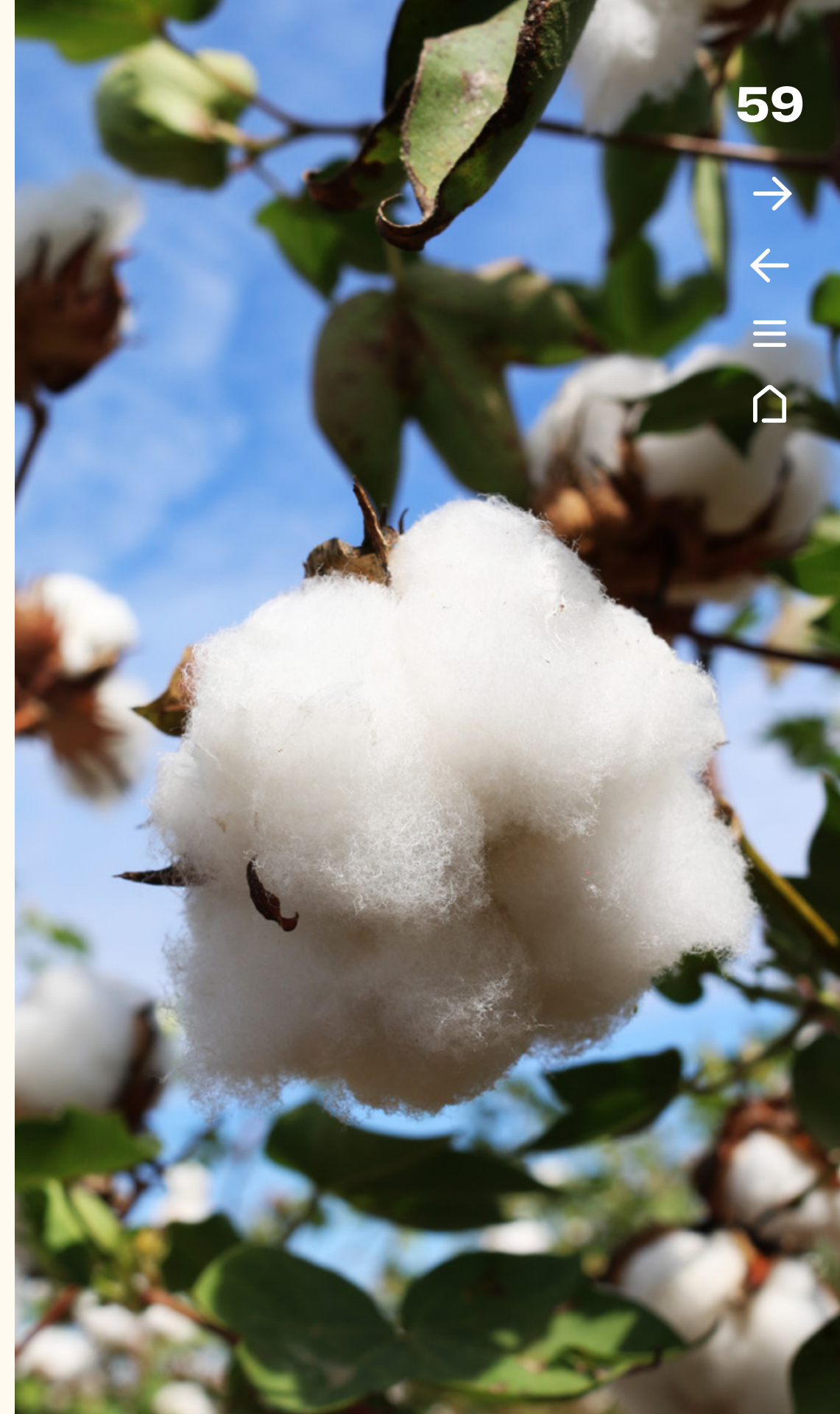
FIBER QUALITY



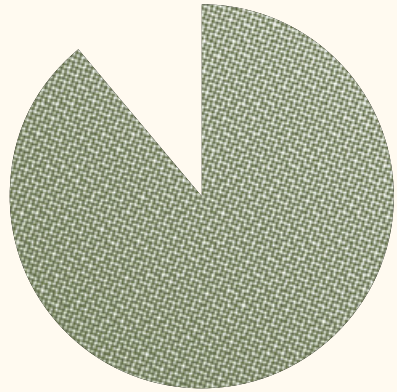
DECENT WORK



MANAGEMENT SYSTEM

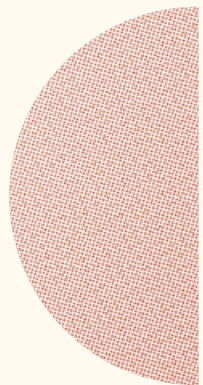


**RAW MATERIAL
IN OUR FACTORIES**



89%

from our cotton is more sustainable



50%

from our viscose is more sustainable

Learn more about our most sustainable raw materials

BC CERTIFIED COTTON

Better Cotton is a global non-profit organization that licenses cotton producers, guiding them to use practices that reduce the environmental impact of the crop based on criteria such as decent work, conscious use of water, chemicals, pesticides, etc.

ABR CERTIFIED COTTON

ABR Cotton (responsible Brazilian cotton) is an initiative of Abrapa (Brazilian Association of Cotton Producers) that, through a series of criteria, certifies the most sustainable cotton at the national level.

ORGANIC COTTON

Organic cotton production does not use chemicals, fertilizers or pesticides, significantly reducing the impact on the environment, preserving the health of the soil and providing greater safety to workers.

SHREDDED COTTON

The shredded cotton comes from leftover fabrics and textile waste from industrial processes. This material goes through a defibration process, starting to compose new threads and fabrics. It replaces the use of new raw materials and

reduces the volume of discarded textile waste, reintroducing fibers into the process.

CERTIFIED VISCOSE

Viscose is produced from cellulose extracted from wood, where the material “breaks down” through chemical processes until the fiber is obtained. Viscose with Lenzing or Birla certifications comes from wood originating from responsible forest management, in addition to the production process having strict environmental standards related to water resources and emissions.

BIODEGRADABLE POLYAMIDE

Amni Soul Eco biodegradable polyamide allows garments made of this fabric to decompose in three years when properly disposed of in landfills, much faster when compared to normal polyamide, which degrades in 50 years. In addition to being a solution for post-consumer waste from the textile industry, it prevents non-biodegradable plastic waste from persisting in the environment.



More sustainable products

Less impacting products range from the choice of raw material to a production process that interferes less with the environment, such as less water and chemical use and the use of renewable energy. The supply chain also plays a key role in more sustainable products, as our suppliers need to act in a way that respects the environment and the rights of their workers.

In 2021, we purchased and produced **more than 27 million more sustainable textiles.**

GRI 301-1

PRODUCTS	2021	2020	Variation over 2020
Total textiles in store *	101.8 million clothing items	104.3 million clothing items	-2%
More sustainable textiles %	27%	1%	+ 26 percentage points
Weight in the domestic textile production (factories)	42%	-	-

*Textile products considered: clothing, LPGA (underwear, beachwear, gymnastics and accessories) and homewear

More sustainable jeans

In the textile industry, the manufacturing of jeans is the process with the greatest environmental impact, as it consumes the most water and chemicals in the treatment of the fabric. At the Fortaleza plant, new technologies allow for water savings and a reduction in the use of chemical products. See in the highlights why the jeans produced by Riachuelo are more sustainable.

PRODUCED WITH RENEWABLE ENERGY

The Fortaleza plant is supplied with electricity from renewable sources, such as wind, solar, biomass and produced by Small Hydroelectric Power Plants (SHP). Riachuelo buys this energy from the Free Energy Market.



UP TO 90% WATER SAVINGS

With foggers and ozone generators, we completely eliminate the need for several processing steps, as well as the use of chemicals. Foggers treat garments with minimal water and inputs to achieve the desired look in jeans. Ozone generates a reaction that completely eliminates the use of both. Thanks to the combination of these technologies, we reduce the water consumption in our production every day.

70% REUSED WATER

We reuse 70% of the water in different areas of the factory: 5% goes to toilets, 10% to gardens and 55%, again to industrial laundry. The remaining 30% of treated water is redirected to the municipal effluent network.

UP TO 85% LESS CHEMICALS

In the production process, using state-of-the-art lasers reduces the need for jeans to undergo processes that generate chemical residues harmful to the environment.

More sustainable collections

Our most sustainable collections are made from certified fabrics – yarn dyed with recycled fibers, viscose with linen, sustainable certified viscose and sustainable cotton.

The items in the Tons da Natureza collection favor environmentally and socially responsible materials and finishes. Dyeing is with natural dyes extracted from crops such as turmeric, annatto, alfalfa, and indigo. They produce long-lasting color without major chemical additions, which significantly lessens their environmental impact.

Riachuelo's fitness brand, Body Work launched a more sustainable collection, in partnership with important suppliers. The products are made with fabrics by Berlan weaving, from Rhodia's Amni Soul Eco® biodegradable polyamide yarn, recycled Lycra® EcoMade elastane and printed using the EcoPrint process, with less environmental impact.

The main attribute of products developed in biodegradable polyamide is that they decompose in less time when discarded in sanitary landfills compared to those produced with common fibers.





Eco-efficient stores

Our first eco-efficient store won the LEED certificate in 2015, in Ipanema (RJ). Our latest unit opened in November 2021 also in Rio de Janeiro, in Jacarepaguá. Named Loja do Amanhã da Riachuelo, this store combine attributes such as reduced CO₂ emission, resource savings, and the use of energy from renewable sources. From 2022 onwards, this sustainable store model will be implemented in all new Riachuelo stores.

ENERGY FROM RENEWABLE SOURCES

The store is powered by incentivized energy, purchased from the Free Energy Market.

LED LIGHTING

60% reduction in energy consumption compared to conventional lamps.

VRF IN AIR CONDITIONING

Variable Refrigerant Volume system uses eco-friendly gas and reduces energy consumption by up to 30% compared to conventional systems.

HYDRAULIC TECHNOLOGY

Savings of up to 40% in water consumption.

MORE SUSTAINABLE ARCHITECTURE

Technical lining/ceiling, which reduces acoustic reverberation, and water-based paints.

CIRCULAR ECONOMY

Used clothes collectors in 100% of Riachuelo's stores.

DIVERSITY AND INCLUSION

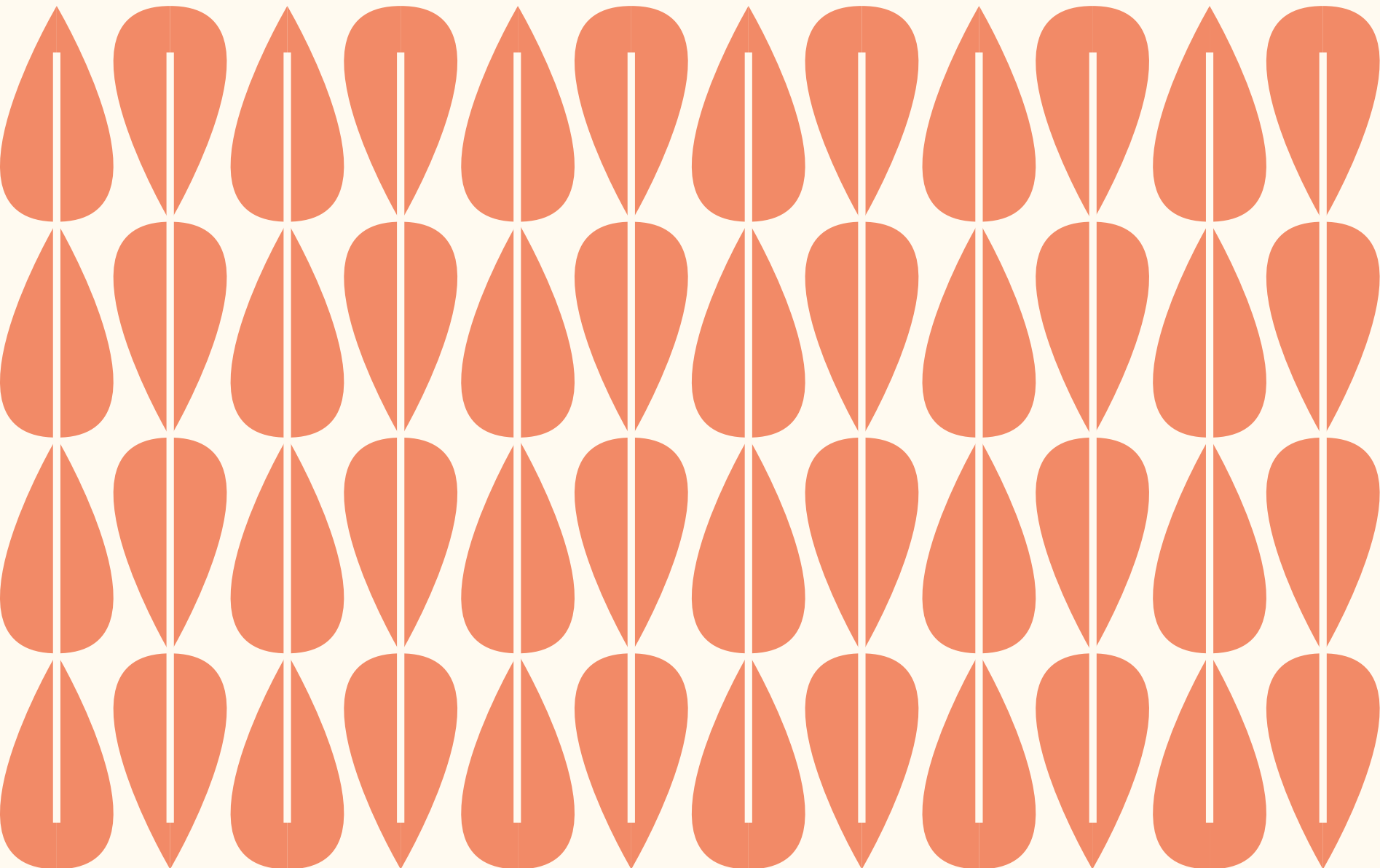
Gender neutral fitting rooms.



RIACHUELO

Sustainability
Report
2021

65



8.
People

People management, Human Rights and Labor

People are our greatest asset. We assume responsibility and commitment to defending and promoting human rights in all businesses. We choose actively contribute to creating a

more equitable society. For this reason, together with the UN and civil society organizations, it is committed to promoting decent work, the well-being of the people involved and the economic and social

development of the communities in which it operates. We practice and create solutions throughout our chain to ensure that people have their rights fulfilled and their lives improved through our work.

GRI 103-2

People Management

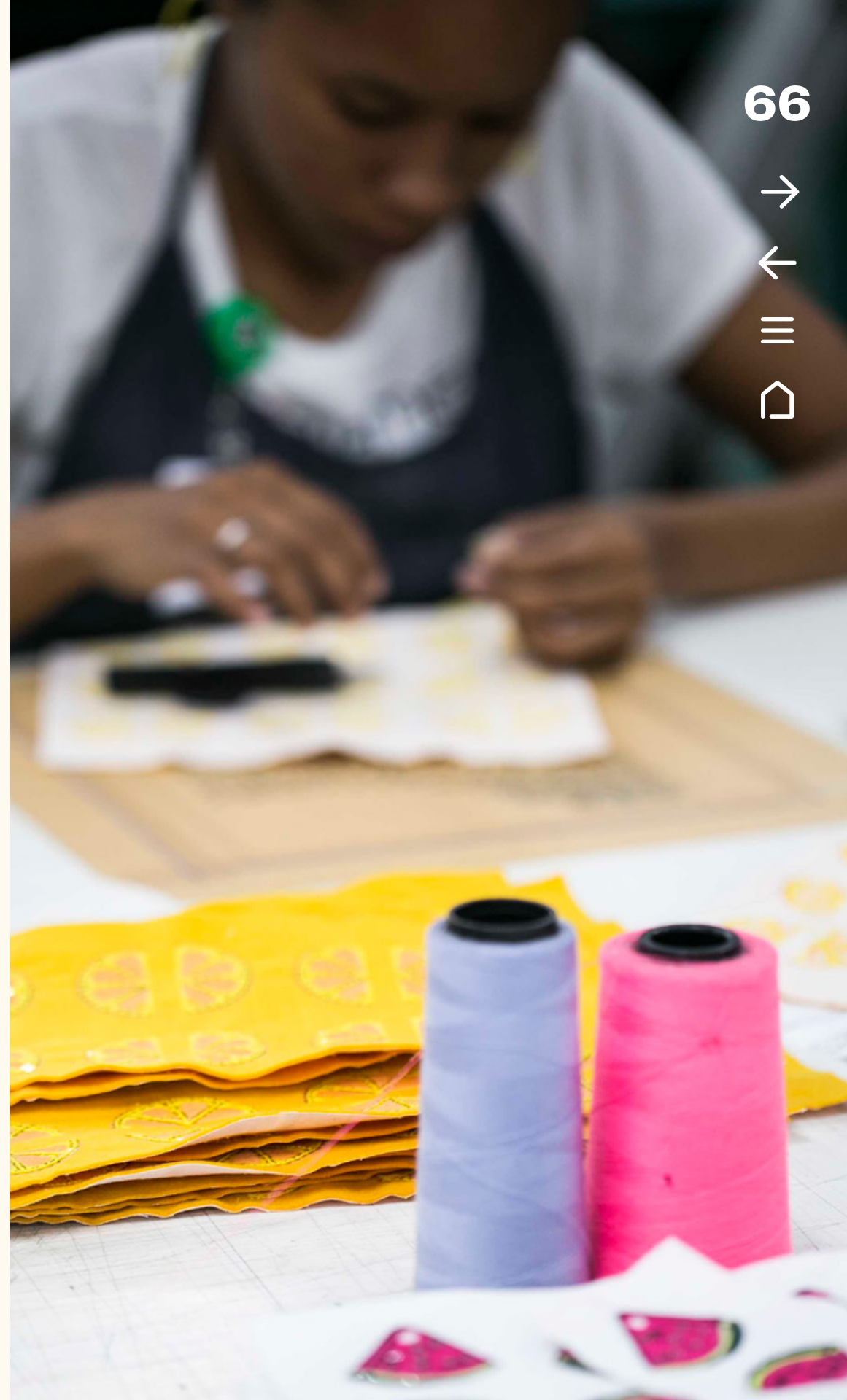
Throughout our more than seventy years of history, we are proud to be a company that generates many quality jobs, offering an environment that motivates and values its talents.

We believe that our growth begins with the professional development of each of our employees and that, to promote innovation and competitiveness in business, we need to value the diversity and inclusion of our professionals.

We encourage a suitable, comfortable, and egalitarian environment for all employees, favoring a natural and healthy relationship between people. Our goals are to have diverse and creative professionals and make our employees feel part of a dynamic team with talent and passion for creating more sustainable fashion.

The most important topics related to people management are:

- 1. Employment and income generation**
- 2. Health, well-being and quality of life**
- 3. Defense of human rights in supply chains: combating slave labor, child labor, and all forms of precarious work (see more in chapter Suppliers)**



PEOPLE MANAGEMENT COMMITMENTS

- Supporting and respecting the protection of internationally recognized human rights
- Ensuring that there is no violation of individual rights in our premises
- Supporting freedom of union membership and the effective recognition of the right to collective bargaining
- Ensuring that there continues to be no form of forced or compulsory labor, child labor and/or employment discrimination in the company
- Developing initiatives that promote environmental responsibility and encourage the development and diffusion of environmentally friendly technologies
- Standing up against corruption in all its forms



GRI 103-3

Best Companies to Work For

Riachuelo was part of the Top 3 Ranking of the Best Companies to Work For - Retail, according to the GPTW Brasil Survey. In the survey conducted by Great Places to Work, from the employee's point of view, Credibility, Respect, Impartiality, Pride, and Comradeship are evaluated. At Riachuelo, 87% of employees say the company is a great place to work. For companies in the Latin American market, this figure is 70%.

Riachuelo was also a winner of the Valor Carreira Award – The Best in People Management 2021, ranking among the top five in the “over 17,000 employees” category. According to the organizers, the award is “a recognition of companies that adopt the best practices in people management, in which the employee experience is perceived as prosperous, generating better engagement rates”.

GRI 102-7

Number of employees of Grupo Guararapes*

Operation	2020	2021
Factories	10,350	10,886
Midway Financeira	518	551
Midway Mall	103	102
Riachuelo Call Center	2,009	2,132
Riachuelo Stores	17,543	16,712
Riachuelo Headquarters	1,778	1,971
Riachuelo Distribution Centers	3,164	2,912
Transportadora Casa Verde	45	59
Total	35,510	35,325

*The number of employees criterion is based on FTE (Full Time Equivalent)

GRI 103-2, 103-3

Diversity and Inclusion

Our Diversity and Inclusion Policy defends the right to work, respects and values diversity, creating an environment of professional opportunities for people regardless of their gender, sexual orientation, ethnicity, religion or disability. We work so that our employees are engaged and aligned with the commitments of diversity and inclusion, building a daily culture of valuing these concepts at all decision-making levels of the company.

With more than 35,000 employees in all states of Brazil, 66% of which are women, we promote an environment of acceptance and understanding in which each employee can develop and achieve their goals. We are committed to creating work environments in which everyone is responsible for dealing with their colleagues, suppliers, third parties, and customers with the utmost respect.

We believe that a diverse team drives us to creative and innovative achievements. We encourage a proper, comfortable, and egalitarian environment for employees, customers, and society, preserving identities and favoring a natural and healthy relationship between people.

Although we consider ourselves a diverse company, we are constantly evolving in the journey of effective inclusion, such as the major presence of women in top management and black people in leadership positions. Therefore, we structured working groups (with the collectives of Gender, Ethnicity, PCD, and LGBTI+), and the main purpose of this affirmative action is to train “ambassadors” for the agenda. The working groups are responsible for monitoring indicators and preparing action plans when necessary.



Women's empowerment

The commitment to female empowerment translates into the promotion of gender equity, in the various types of social activities, democratically and responsibly within the Company. In practice, we adopt the following principles:

1. **Treat every men and women fairly** at work – respect and support human rights and repudiate any type of gender discrimination;
2. **Pay equity**, based on the company's meritocracy policy;
3. **Ensure the health, safety and well-being** of all employees;
4. **Implement business development** and practices that empower women;
5. **Mediate and publish progress** towards achieving gender equality.

GRI 405-1

Leadership diversity: gender

We have 66% of women in the company, and 65% of them are women in leadership positions.

Leadership level	2021		
	Men	Women	Total
Board	82%	18%	100%
Board of Directors	60%	40%	100%
Executive Board/Superintendents/President	75%	25%	100%
Management	39%	61%	100%
Coordination/Supervision	35%	65%	100%
Administrative	50%	50%	100%
Production	32%	68%	100%
Apprentices	31%	69%	100%
Trainees	24%	76%	100%
Interns	57%	43%	100%



Race

In 2020, the first Working Group was created focusing on the racial collective, coordinated by the Sustainability area. The main objective is to engage employees in various Brazilian regions (headquarters, factories, distribution centers, stores, and Midway Financeira) in corporate issues relevant to the topic. This diversity is essential in the construction of inclusive practices and projects.

The dynamics of the WG's activities are composed of three stages: Instruction (literacy), Research and Project Construction In addition to this development trail that takes place over

12 months, the current agendas and different situations for specific projects in the areas are also topics of debate in the group.

Although black people are the majority among employees, representing 64% of the total, they are only 48% in leadership positions. Black women represent 42% of the Group's employees, but the proportion of them in leadership positions is only 32%.

Following the IBGE guidelines, we categorized as "black people" the sum of "brown" and "black" people.

GRI 405-1

Leadership diversity: race

Leadership level	Percentage of black people in 2021		
	Men	Women	Total
Board	-	-	-
Executive Board/Superintendents/President	-	-	-
Management	29%	71%	100%
Coordination/Supervision	42%	58%	100%
Administrative	51%	49%	100%
Production	362%	648%	100%
Apprentices	31%	69%	100%
Trainees	0%	100%	100%
Interns	50%	50%	100%

LGBTQI+

In June 2019, we signed the adhesion to the LGBTI+ Business and Rights Forum. Thus, we publicly assume ten commitments by Grupo Guararapes with the engagement and respect for the rights of lesbians, bisexuals, gays, transvestites, transsexuals, and intersex people (LGBTQI+).

These commitments are:

1. Commit - the board of directors and officers - to respecting and promoting LGBTQI+ rights.
2. Promote equal opportunities and fair treatment for LGBTQI+ people.
3. Promote a respectful, safe and healthy environment for LGBTQI+ people.
4. Raise awareness and educate for respect for LGBTQI+ rights.
5. Stimulate and support the creation of LGBTQI+ affinity groups.
6. Promote respect for LGBTQI+ rights in communication and marketing.
7. Promote respect for LGBTQI+ rights in product, service and customer service planning.

8. Promote professional development actions for people from the LGBTQI+ segment.
9. Promote the economic and social development of LGBTQI+ people in the value chain.
10. Promote and support actions for LGBTQI+ rights in the community.

In addition to mapping the official registration data of our employees, to understand how diversity is represented in the company, we promoted a survey with our employees carried out by the Locomotiva Institute from March to May 2021. The survey interviewed 8,875 people, making a weighted sample according to age groups and gender of employees by area. Five dimensions were analyzed: Race, Gender, People with Disabilities, LGBTQIA+ and Generations.

The results from the LGBTQIA+ dimension are particularly important, as the declaration on



sexual orientation is not part of the database related to employees, unlike race and gender. The survey showed that about 20% of respondents declare themselves LGBTQIA+. The Stores have the highest proportion with 25%, and the middle management level, 15%. In top management, none of the respondents declared themselves LGBTQIA+.

About 17% of respondents identify themselves as non-hetero, with the highest proportions in stores (26%) and in the Contact Center (21%). Among those who identify themselves as non-hetero, 66% declare themselves to be homosexuals and 34%, bisexuals. In the general population in Brazil, the proportion of people who identify themselves as non-hetero is 10%.

Among all employees interviewed, 85% recognize Grupo Guararapes' support for diversity in sexual orientation.

Other inclusion programs

YOUNG APPRENTICE PROGRAM: we create opportunities for personal and professional growth for young people aged 16 to 24. We are partners of Senac's Goods and Services Learning Program (SP) and we currently place around 2,500 young people in the job market.

PEOPLE WITH DISABILITIES: We collaborate with the professional development of more than 1,700 employees with disabilities who are part of our team.

GRI 103-2, 401-2

Benefits

Our Compensation Policy is based on compliance with the country's legislation and follows the definitions of regional union agreements. The establishment of salary ranges according to the positions follows good practices and research with other companies, so that we are in accordance with the market.

The company's average salary is above the nationally established minimum wage, even for operational category positions. With this, we seek to guarantee a salary capable of covering the basic living costs of our employees and its entire supply chain. In addition, we annually offer the extra financial benefit, with a payment concerning the company's profits sharing (variable compensation).

BENEFITS TO EMPLOYEES

- Meal vouchers/food tickets
- Transportation allowance
- Life insurance
- Health Insurance
- Disability Coverage
- Maternity/Paternity Leave
- Pension Fund
- Stock purchase plan
- Health Plan
- Dental Insurance
- Meal vouchers
- Meal vouchers/food tickets
- Daycare Allowance
- Culture Voucher
- Home office allowance
- PLR - Profit Sharing
- Private Pension Plan
- Group Life insurance
- Totalpass
- Educational Partnerships
- Discounts at Riachuelo



Programs related to Mental Health, Quality of Life and Well-Being

Our actions to promote Health and Well-being are part of the Abraçamos Você program. Our goal is to make employees feel embraced by the company at all times of their journey, extending activities to achieve a better life for their families as well.

The program has the following activities:

- **Abraço Materno:** In 2021, we had about 700 pregnant women supported by our pregnant women program, which leads to a welcoming of employees, reducing complications in childbirth and puerperium;
- **Sua Saúde:** Program for monitoring chronic patients, implemented in 2021, serves more than 300 subscribers;
- **Gente que Acolhe:** program to support store leaders, with rounds of conversations held by specialized professionals dealing with topics such as grief, losses, emotional balance, purpose, and happiness. We also provide 18 annual online therapy sessions for leaders and managers;
- **Our Employee Support Center** in 2021, called more than 300 phone calls per month, providing psychological support to those who needed it;
- **Flu vaccination campaign** and campaign to encourage vaccination against covid-19;
- **Outubro Rosa:** breast cancer awareness campaign;
- **Novembro Azul:** prostate cancer awareness campaign;
- **Psychology Advice:** help with relationships, family issues, conflicts, anxiety, depression, anguish, death or family accident, among other issues that need support or clarification;
- **Financial Advice:** assistance in financial difficulties, debt negotiation, household budget planning, among others;
- **Legal Advice:** assistance on civil, criminal, real estate, consumer and family protection, and others.

GRI 401-3

Return to work after maternity/ paternity leave

Both maternity leave and paternity leave are regulated by a legal provision, being enjoyed by all employees who are entitled to it.

When we analyze the rate of return after leave, we see that the vast majority of employees decide to return to their activities. However, when analyzing the retention in one year for maternity leave, we see that in 2020 we had a retention of 50%, against 80% in 2021. It is worth considering the effect of uncertainties in the face of the pandemic.



Career training and development

We are a company committed to the transformation and growth of our employees, and we understand that continuous development is the way to do so. We have a learning ecosystem with an internal Corporate University and external strategic partners, which provide paths for all careers. Our performance in development prioritizes the entire employee journey, from performance with structured actions to assessment and managing skills and results, through engagement and climate, to talent and their careers management.

We have a Performance Management process that is constantly evolving and accessible to all employees. We achieved high adherence through close management, constant dialogue and structured communication and engagement actions.

Committed to making the process more and more fluid, we made the process semi-annual and electronic with two relevant partners in the market that have the expertise to deliver even more value to our process: LG - Lugar de Gente and Qulture Rocks.

With well-designed steps and a structured schedule, performance evaluations using various tools, calibration for all leadership positions and administrative areas.

In 2021, we offered more than 3.9 million hours of training, divided between operational, technical, administrative and managerial teams.





GRI 103-2, 103-3, 403-1

Occupational health and safety

We guarantee adequate and safe working conditions to all our employees, continuously carrying out preventive and corrective actions. We train and inform employees so that they know the rules and procedures for carrying out their professional activities, preserving their physical integrity and that of their colleagues, and carrying out actions to promote health and developing a care and well-being culture in the entire Group.

Since 2020, we have faced the additional challenge of making our environments as safe as possible to prevent the transmission of Covid-19, with the main risk in our areas being the transmission and contamination by Sars-CoV2, illness, and absenteeism caused by this virus. Another attention point was the psychological changes the pandemic and social isolation scenario could cause to employees.

In our Internal Policy on Health and Safety, we establish the following basic occupational health and safety principles:

- Take care of the integral health of employees, through integrated actions in the Assistance, as well as in Occupational Health and Safety area;
- Be the main source of information, guidance and employee engagement through actions that allow for a healthier and more productive lifestyle;
- Establish management, operational and behavioral standards, and structures to support the Health and Safety management system and its objectives, building a positive safety culture and a healthy work environment;
- Promote health programs aimed at each type of public and their specific needs, in addition to providing care in our outpatient clinics with a focus on the individual and not on the disease;
- Promote a healthy work environment, identifying occupational hazards and assessing the potential risks inherent to the activities, contributing to their elimination, reduction, or mitigation, ensuring the management of the topic with a focus on the continuous improvement of related processes;

- Continuously make employees aware of the promotion of health and safety at work, inside and outside the institution, both in healthy habits, disease prevention and occupational risks;
- Comply with the legal provisions referring to Occupational Health and Safety, both the Regulatory Standards of the Ministry of Labor and other standards and regulations relevant to occupational health and safety, whether municipal, state or federal;
- Promote a healthy work environment with safe practices in all operations and activities, focusing on continuous process improvement. In addition to evaluating and acting on all known risks inherent to the activities, aiming at their elimination or at least minimizing them;
- Continuously improve the occupational health and safety management system, processes, and activities, promoting continuous training actions, including emergency preparedness;
- Investigate work accidents and incidents and occupational diseases resulting from activities to avoid new occurrences and/or ensure the minimization of their effects.

GRI 403-9

Accidents at work in 2021

Operation	2020			2021		
	Employees		Total 2020*	Employees		Total 2021*
	Men	Women		Men	Women	
Headquarters	1	3	4	4	5	9
Stores	27	52	79	23	58	81
CDG	23	33	56	20	40	60
CDM	0	3	3	3	3	6
Midway Mall	0	0	0	1	0	1
Midway Financeira	0	0	0	0	0	0
Factory in Natal	38	40	78	42	35	77
Factory in Fortaleza	44	88	132	56	106	162
TCV	0	0	0	2	0	2
CCR	3	12	15	9	7	16
Total	136	231	367	160	254	414

*We do not gather data on accidents at work related to third parties.

Process digitization

In 2019 we started our process of digital transformation in the Occupational Health and Safety (OSH) area. Our clinic departments already have a biometric signature and digital certificate, avoiding paper printing, making communication

and document transfer more agile, and allowing the traceability of OSH documents.

In 2021, all of our mandatory Occupational Health and Safety training was digitally offered. We

also completed our OHS system integration with the stock system, allowing personal protective equipment (PPE) control, which is already made through biometrics, to be connected automatically with the shopping area.



Internal communication channels

Our work models are on-site, hybrid and remote in administrative areas. The operational areas remain in the on-site model.

We currently work with five communication channels. The most democratic communication tool used is Workplace From Facebook, with the following metrics:

- employee attendance percentage;
- active users of the tool;
- retained users (measures whether the employee accessed the tool at least 10 times throughout the month).

To keep the Managers informed, we use e-mail, measuring their usability by openings and clicks on the newsletters sent. Microsoft Teams has become an important communication tool, through which we hold strategic meetings and lives. We measure its importance by attendance in meetings and training.

An important communication tool for employees on site is Rádio Guara, present at Fábricas Guararapes as the main source of information. Its metrics are:

- it reaches all areas of the Plants, including cafeteria;
- aligned and timely information;
- updating information weekly and according to the unit's needs.

In some units, such as Contact Center, factory cafeterias and distribution centers, we use Corporate TV to support communication strategies, informing and encouraging employees to participate in our main communication tool, Workplace.

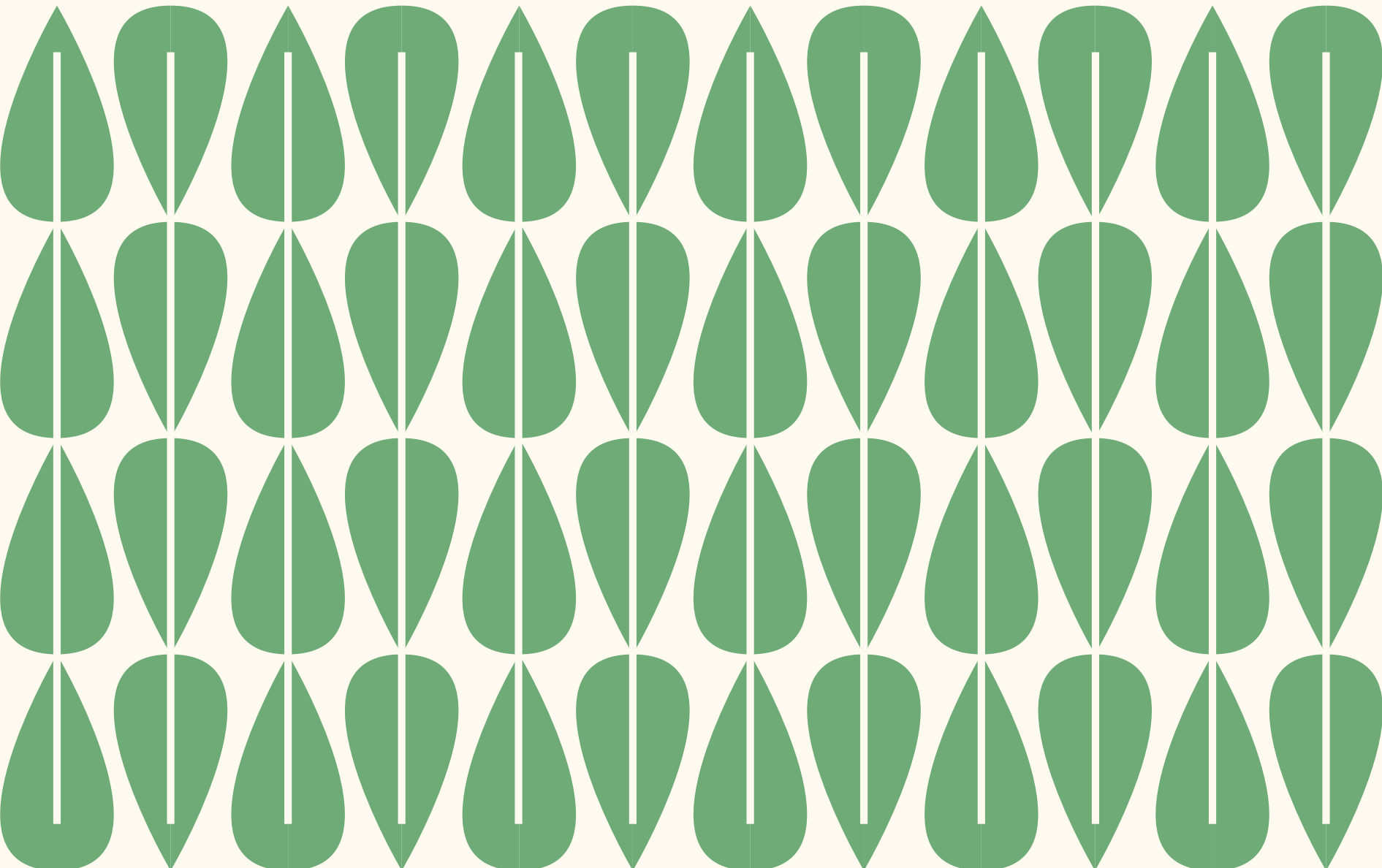
GRI 407-1

Guarantee of freedom of becoming a union member and the right to collective bargaining

We understand and respect the importance of free membership of classes of employees, seeking to maintain mutual respect with entities and unions focused on guaranteeing the interests of professionals in the category and market segments.

The unions have free access to the premises of any unit of Grupo Guararapes to present the benefits and seek membership, individually or collectively, of our employees, not suffering, in any way, any type of resistance. After the membership is effective, the employee's registration is changed and the monthly fees are deducted from the payroll and paid to the union.

Collective bargaining should be guided by the principles of good faith, recognition of the parties and mutual respect. Based on these principles, we actively participate in the negotiation tables in all the territorial bases where we have stores or enterprises.



9.
Suppliers

GRI 102-9, 103-2, 103-3

Suppliers

We are committed to responsible management in our supply chain, which allows us to develop productive, sustainable environments that comply with our strict environmental and social standards.

We have two factories located in Natal and Fortaleza, which together total more than 300 thousand m². In Grupo Guararapes supply chain, we have national and international suppliers.

We are based on a sustainability culture for the development of our business model, which prioritizes not only the defense but also the promotion of human rights throughout our supply chain. Much more than complying with labor legislation, our objective is to create value for these people, favoring their development.

To ensure that responsible practices are being followed throughout our supply chain, we have a Code of Conduct for Suppliers and Third Parties and a Sustainability Policy. All our suppliers and manufacturers must comply with the strict management standards and practices established by the company in these documents.

We also have a department exclusively dedicated to Chain Management, in charge of monitoring our suppliers so that they strictly comply with our Code of Conduct. Our supplier compliance program monitors compliance with local labor and environmental legislation. The same commitments are required for international suppliers, respecting the legislation of the countries in question through globally recognized certificates, such as BSCI, SMETA and ILS.

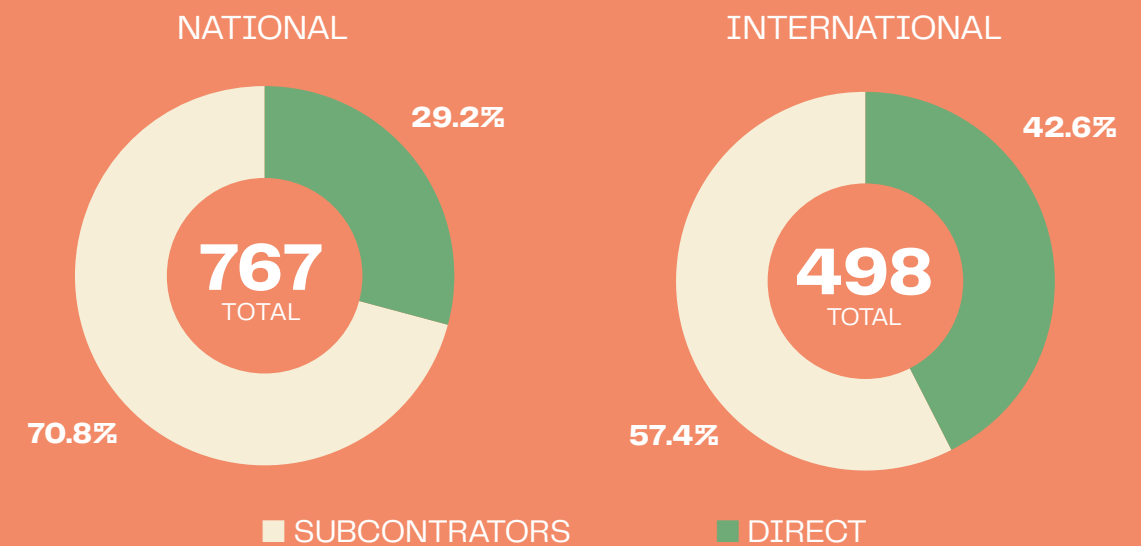
MAIN DATA OF THE CHAIN

In 2021, we produced more than 101 million clothing pieces across the entire chain. Over 43 million pieces were produced at the Guararapes plants.

We mapped the textile supply chain and at the end of 2021 we had more than 1265 national and foreign suppliers and subcontractors.

Among Brazilian suppliers, 224 are direct and 543 are subcontractors. We audit 100% of the national chain annually, having performed 1106 audits in 2021. Among international suppliers, 212 are direct and 286 are subcontractors.

SUPPLIERS ORIGIN





GRI 414-1

Supply chain audits

Annually, we audit 100% of our Tier 1 and Tier 2 supply chain, including social and traceability audits supported by an internal team and specialized companies. We also analyze the productive capacity of our suppliers, thus avoiding unreported subcontracting.

It is up to audits to ensure good practices and legal requirements of the industry; fight child labor, forced labor, and any discrimination; check the workload and worker safety; monitor compliance with labor and environmental legislations. These audits analyze health and safety conditions in the work environment and other labor obligations. Interviews are also carried out with workers from these companies to obtain daily information on the company-employee relationship. The following items ensure compliance with the Code of Conduct for Suppliers and Third Parties and the Sustainability Policy:

1. Labor legislation in the locations in which the Group operates, with emphasis on compliance with Human Rights;
2. The promotion of a productive and sustainable environment in the geographic areas in which the Company operates, following the Guiding Principles on Business and Human Rights;
3. Manage socio-environmental risk in the entire value chain through processes that do not allow relationships with legal entities or individuals disrespecting society and the environment.

Our suppliers are also certified by the Brazilian Association of Textile Retail (ABVTEX) and audited by internal auditors and international certifiers.



The Guararapes factories in Natal and Fortaleza also follow all the requirements of the other suppliers, with ABVTEX certification, approved with 100% compliance. In addition, we achieved 100% compliance in the Disney Audit, with the world's best safety, health and environmental practices.

Currently, 100% of resellers are selected based on social criteria such as:

- Forced Labor Prohibition
- Child Labor Prohibition
- Prohibition of Discrimination
- Prohibition of Abuse or Inhuman Treatment
- Respect for Freedom of becoming a Member in Labor Unions and Collective Bargaining
- Health and Safety at Work
- Workday with no excesses

We consider resale suppliers to be those that pose the greatest risk to the industry. In 2022, the company will implement an action plan to create a methodology for selecting the social criteria dedicated to other suppliers.

Corrective Action Plans

After carrying out the social audit, corrective action plans can be created, as applicable. We guide our suppliers – who also guide their subcontractors – to comply with the corrective action plans within the established deadlines. Thus, we believe in the constant evolution of working conditions in these companies. Supplier companies that do not comply with corrective action plans are disqualified.

RESULTS OF THE AUDITS PERFORMED IN 2021

- 360 corrective action plans implemented (169 direct suppliers and 191 subcontractors)
- Disqualification of 123 companies in our supply chain for non-compliance with the action plan

Our goal is to continue performing social and environmental audits, traceability and production audits. We will continue to audit 100% of our supply chain, in addition to promoting a training program on human rights for our suppliers.

Due diligence

In addition to social audits, we constantly conduct due diligence on our first and second-tier product suppliers, as well as our Marketplace sellers. Our goal is to check for respect for human rights and, above all, compliance with labor obligations. In this follow-up process, there are plans for corrective actions if irregular situations are found.

To carry out this process, the company constantly checks for regularity with its suppliers, during the time between social audits, through the collection of supporting labor and environmental documentation. The checks are performed by professionals dedicated to the topic. Action plans are prepared and discussed with the suppliers within the deadlines established in advance for the repair, as applicable.

As the main risks involved in the supply chain, we identified:

Social risks:

- Failure to pay Social Security
- Failure to pay the Severance Indemnity Fund for Employees (FGTS)
- Failure to pay wages within the legal period
- Registry in the Registry of Employers who use slave-like labor
- No industry certifications: ABVTEX, SMETA and other social certifications
- Excessive overtime
- No employment contracts/ agreements

Related environmental risks:

- No applicable environmental certifications, depending on the company's primary activity
- No wastewater treatment
- No consistent chemical management program

Financial risks:

- Company indebtedness level
- Failure to pay taxes

Fight against slavery-like practices

In addition to complying with labor legislation, our commitment to our supply chain is to uphold and promote human rights and create value for these people, favoring their development. We charge our suppliers and are confident they are always guided by ethical and dignified practices at work, eradicating any exploitation. Thus, we guarantee that the product that reaches people's hands is the result of fair production, from end to end.

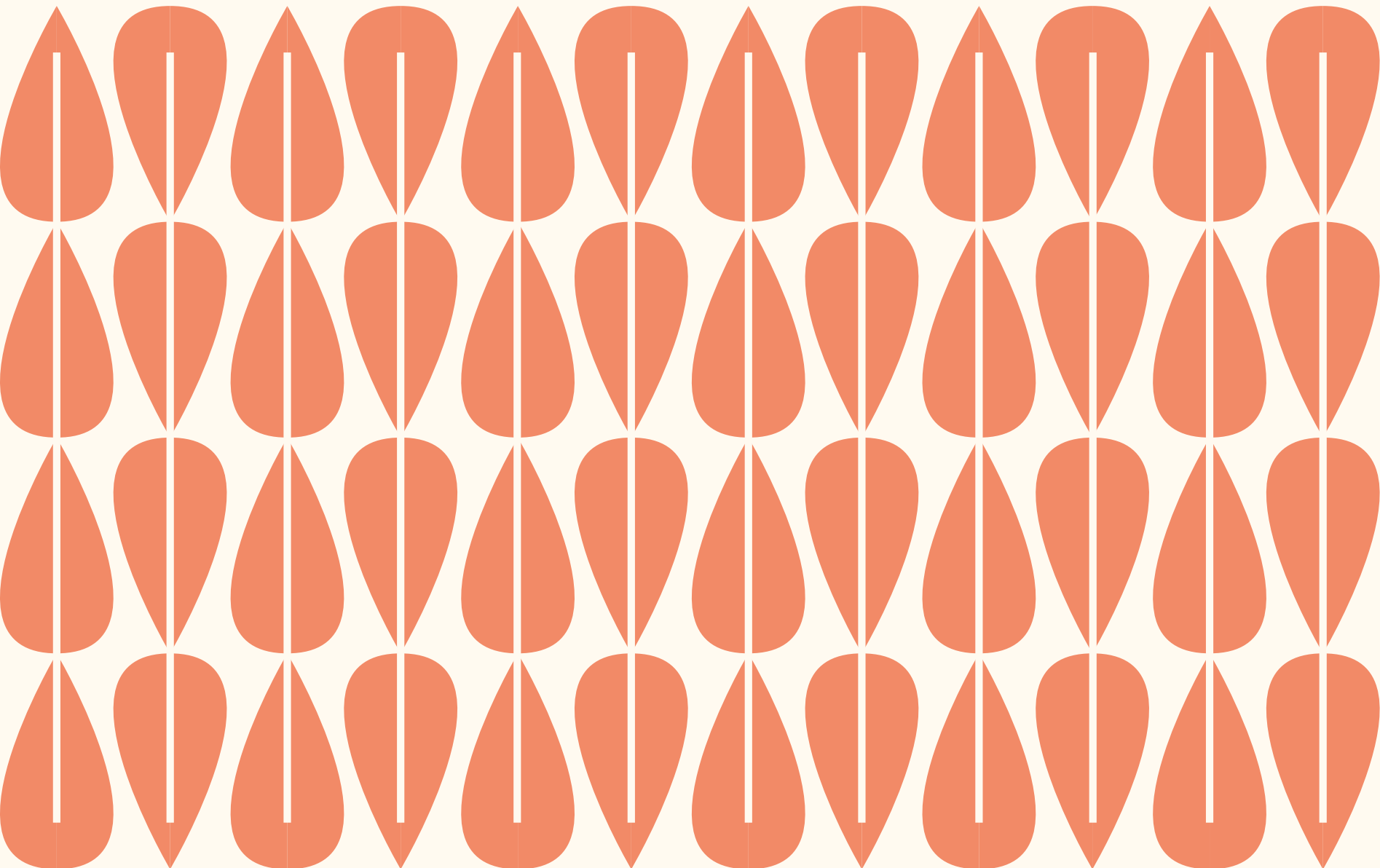
Since 2017, we have been corporate supporters of the National Pact for the Eradication of Slave Labor in Brazil (InPACTO), a non-governmental organization whose mission is to promote the prevention and eradication of slave labor in the production chain.

Supplier Development

For 2022, the Company, in partnership with SEBRAE and other players in the private sector, will promote a business consultancy aimed at 65 microenterprises with annual revenues of up to R\$ 450 thousand.

The action will last for 18 months for periods of eight hours per week on site. The goal is to develop this supply chain in terms of financial health, administrative management, process flows and the promotion of a healthy manufacturing structure.

The actions aim to drive sustainable growth for these micro-entrepreneurs, gain efficiency and increase the profit margin in an environment aligned with dignified and ethical work practices.



10.
Social investments
and Instituto Riachuelo

Social investments

We believe that it is our responsibility to contribute to the development of society through voluntary participation in social initiatives in the communities in which we operate. Under our Social Investment Policy, social investment is part of the Group's commitment to the United Nations (UN) 2030 Agenda. That is why we operate an investment business model that supports and finances social, environmental, cultural, educational and/or sporting initiatives and projects, whether incentivized or our own, that contribute to the Sustainable Development Goals (SDGs), especially the following:

Goal 5: Gender Equality;

Goal 8: Decent work and economic growth;

Goal 12: Responsible consumption and production;

Goal 13: Climate action;

Goal 16: Peace, justice and strong institutions;

Goal 17: Partnerships for the goals.

Goals for 2022

By 2022, actions to promote the economic and social development of groups in extreme vulnerability will come to life.

We are focused on working with projects for the economic empowerment and social inclusion of refugee women, migrants, indigenous communities and community residents.



DONATIONS

In 2021, we made a series of donations of clothing, accessories, and home fashion that benefited more than 35 philanthropic entities. Donations totaled over 40,000 items.

Instituto Riachuelo

Launched in 2021, Instituto Riachuelo focuses our efforts on the socioeconomic level. We started activities with the support and integration of special projects, impacting around 150 small and medium-sized entrepreneurs and more than 50 thousand people in the northeastern hinterland, especially in Rio Grande do Norte, the state where Riachuelo was born. Guided by its purpose of using fashion as a tool to transform lives, in the future, Instituto Riachuelo aims to reach other regions of the country as well, and is currently structured to meet five pillars, described below.

Entrepreneurship and Community Development

→ **Sewing Workshops/Pró-Sertão:** Currently, there are more than 100 sewing workshops that serve Grupo Guararapes and directly employ 4,000 people through Pró-Sertão - a program to encourage

job creation in the semi-arid region of Rio Grande do Norte. The idea is to develop the region and give visibility to these entrepreneurs so that such region becomes a textile hub of national and international reference. With Sebrae's social technology of productive chaining, the initiative allows the systematization of operations from the production process, such as in people management and financial management. Lean more on page 82.

→ **Handicrafts and Hand Embroidery in the Hinterland:** Instituto Riachuelo helps to bring craftspersons closer to potential buyers, assists in the production and dissemination of pieces, facilitates the leveling of product quality, encourages groups to manufacture novelties that meet the demands of the textile market, and supports the business management. 80 entrepreneurs are benefiting from the project.

Mission

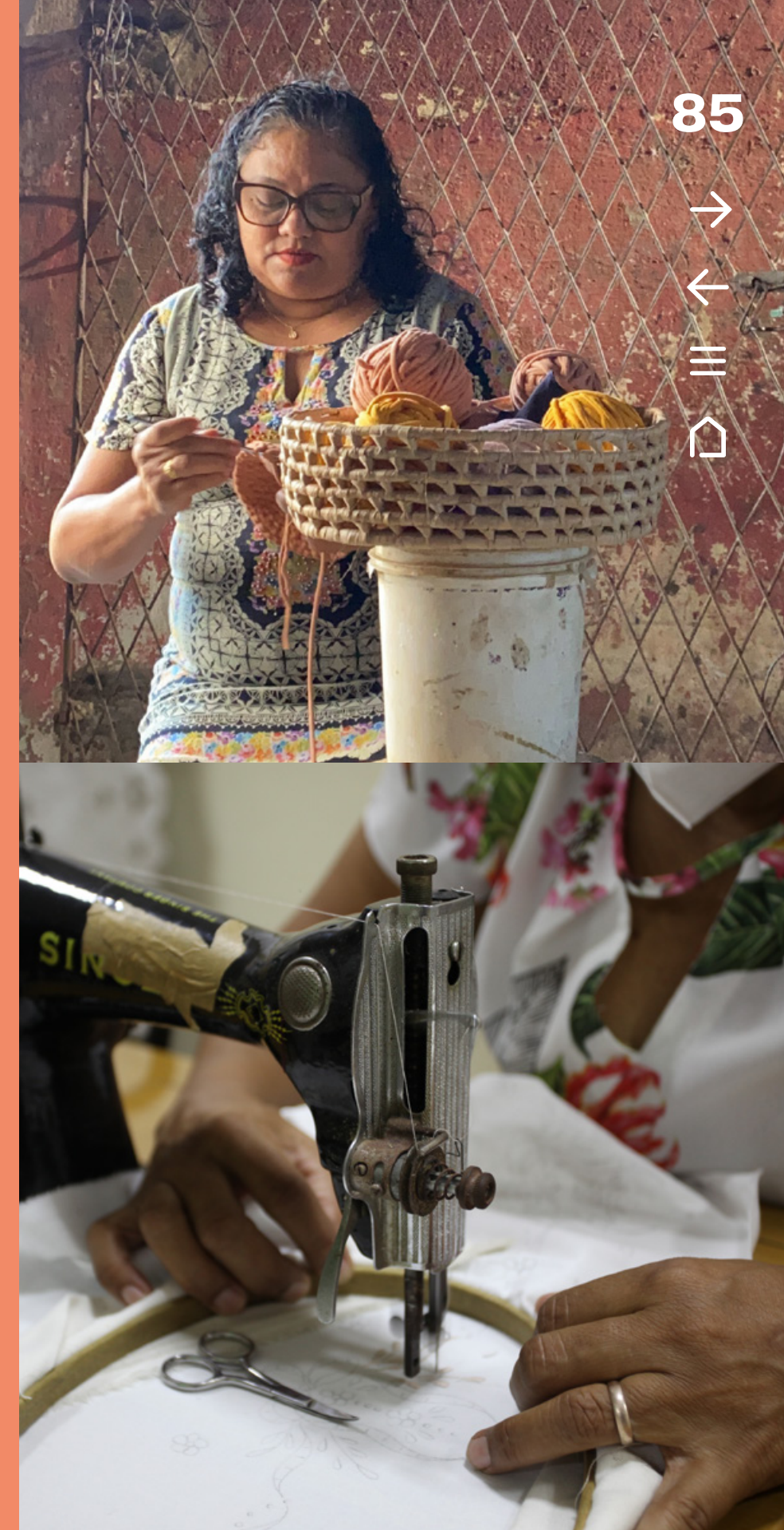
Transforming lives through work and income generation

Vision

Contribute to improving people's quality of life and intensifying economic dynamism, by strengthening the value chain, generating work and income, and developing human capital.

Values

- * Honesty
- * Individual Responsibility
- * Commitment
- * Equal Opportunities
- * Valuing every human being equally





→ **Agro Sertão:** to promote agroecological cotton production in the Seridó region, Instituto Riachuelo joined forces with Embrapa, a company specializing in agricultural technology. With the initiative, agroecological cotton is planted in agri-food consortia, without the use of agrochemicals, and its sustainable management involves practices for a lower environmental impact. In addition, the project encourages family farming and social and economic gains, as farmers intersperse other crops on the same land, such as corn, sesame, beans, and palm (a typical cactus from the region, which has good protein for cattle). With this dynamic, part of their families' food is guaranteed and the surplus of the products is sold to local markets.

Education and Professional Training

In partnership with Junior Achievement, Instituto Riachuelo promotes entrepreneurial training for young people in the countryside of Rio Grande do

Norte. The initiative offers training on entrepreneurship and financial education in the municipalities where there are sewing workshops, most located in Seridó, totaling 30 cities.

Focused on bringing training and opportunities to the children of employees of Grupo Guararapes, Instituto Riachuelo – in partnership with the FIERN System – made 100 scholarships available to these young people at SESI Escola de São Gonçalo do Amarante, with the payment of only a symbolic fee of BRL 50. With places distributed in the four grades of elementary school and two grades from high school, SESI Escola de São Gonçalo do Amarante has innovative resources, such as interactive digital whiteboards, 3D printers, and a modern robotics arena.

Circular economy

To mitigate environmental impacts, thus contributing to a more sustainable creative economy, the Institute supports Riachuelo in closed-loop textile recycling and actions for prolonging the life of products.

The institute also supports Riachuelo in its partnership with the Technological Research Institute (see page 52) and with the Moda que Transforma Program, a partnership with Cáritas Brasileiras and Liga Solidária (see page 53).

Donations

To drive transformation in the society, Instituto Riachuelo joined several institutions to donate clothing pieces that, with their sales, generate income and maintenance to NGOs, impacting communities throughout the country.

Health and Well-being

In partnership with the Reviver group, Instituto Riachuelo took a mobile health unit to Natal (RN) that provides access to mammography, ultrasound, biopsies and information on the importance of self-examination and early diagnosis of breast cancer.

To prevent breast cancer, the action performs mammograms in women aged 30 and 69 included in the Ministry of Health's registry. The diagnosis is made from a national platform with easy access.



Pró-Sertão Program

Pró-Sertão is a program to encourage job creation in the semi-arid region of Rio Grande do Norte. Created in 2013 by the State Secretariat for Economic Development, in partnership with the Federation of Industries (FIERN) and SEBRAE/RN, it aims to internalize the textile industry and contribute to the employment and income generation in municipalities located in regions of low economic development. More than 100 outsourced sewing workshops meet the demand of Grupo Guararapes today.

We adhere to the program thanks to the guarantee of safe working conditions for employees, with periodic audits to verify compliance with labor laws. All contracts signed with the sewing workshops comply with Pró-Sertão rules and current legislation.

Pró-Sertão has already generated about 5,000 jobs in several cities in the interior of Potiguar, especially in the Seridó region, where most of the small clothing stores are concentrated. Indirectly, approximately 50 thousand people have already benefited.

Impacts of the pandemic

In another very challenging year in the face of the Covid-19 pandemic, the strength of the contribution of each actor in society proved to be essential. We believe that union, empathy and solidarity are transforming agents that drive us in delicate moments. And with this genuine commitment to integrating this movement to fight the coronavirus, we continued our policy of support and donations during the pandemic.

In 2021, the company donated more than R\$2,600,000 in medical equipment to several entities on the front lines of the fight against Covid-19. One of the benefited entities, among others, was the Health Department of Manaus, a city severely affected by the pandemic in this period.

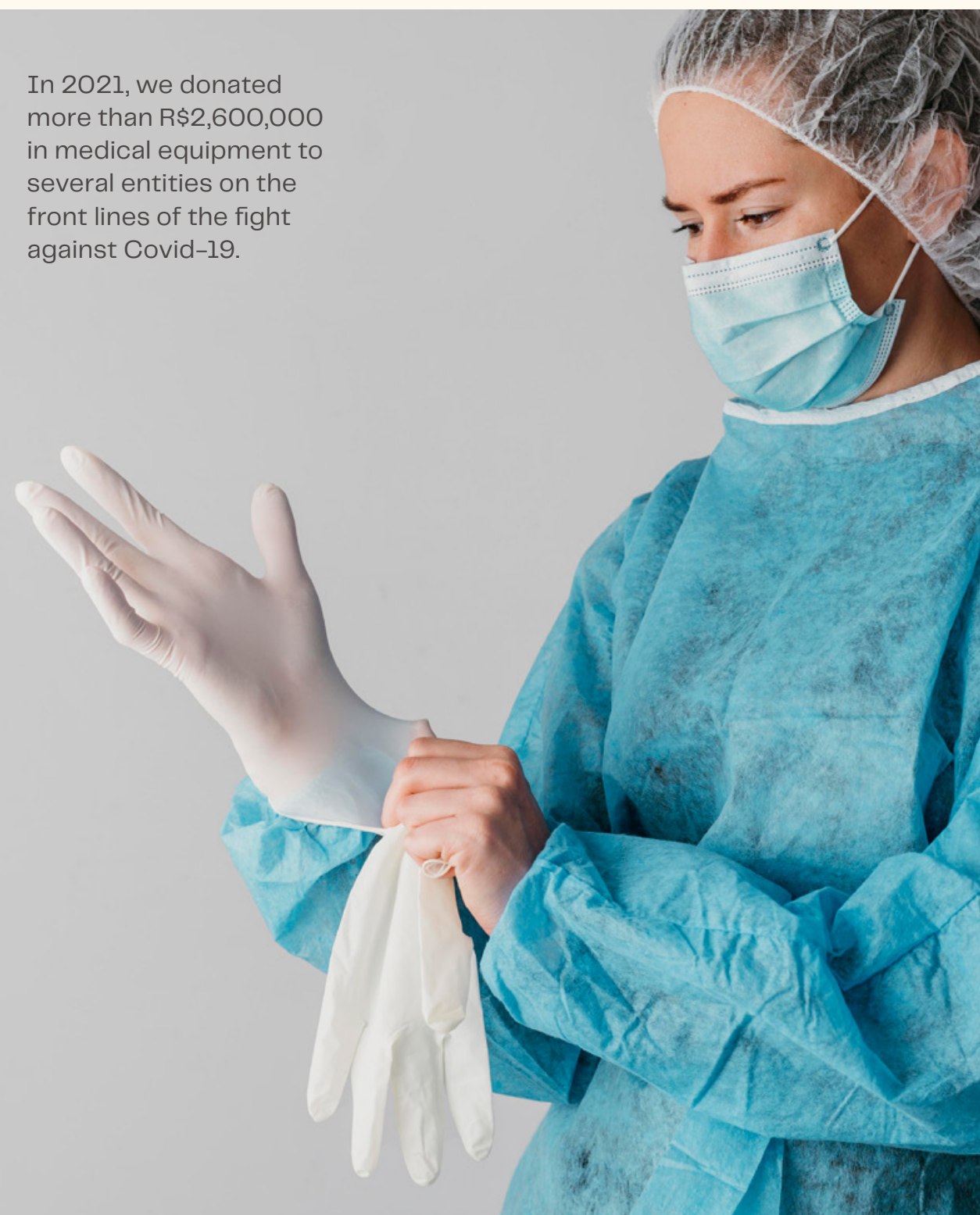
The support was also extended to our internal public with the “Programa Abraçamos Você”, which includes reception and psychological support

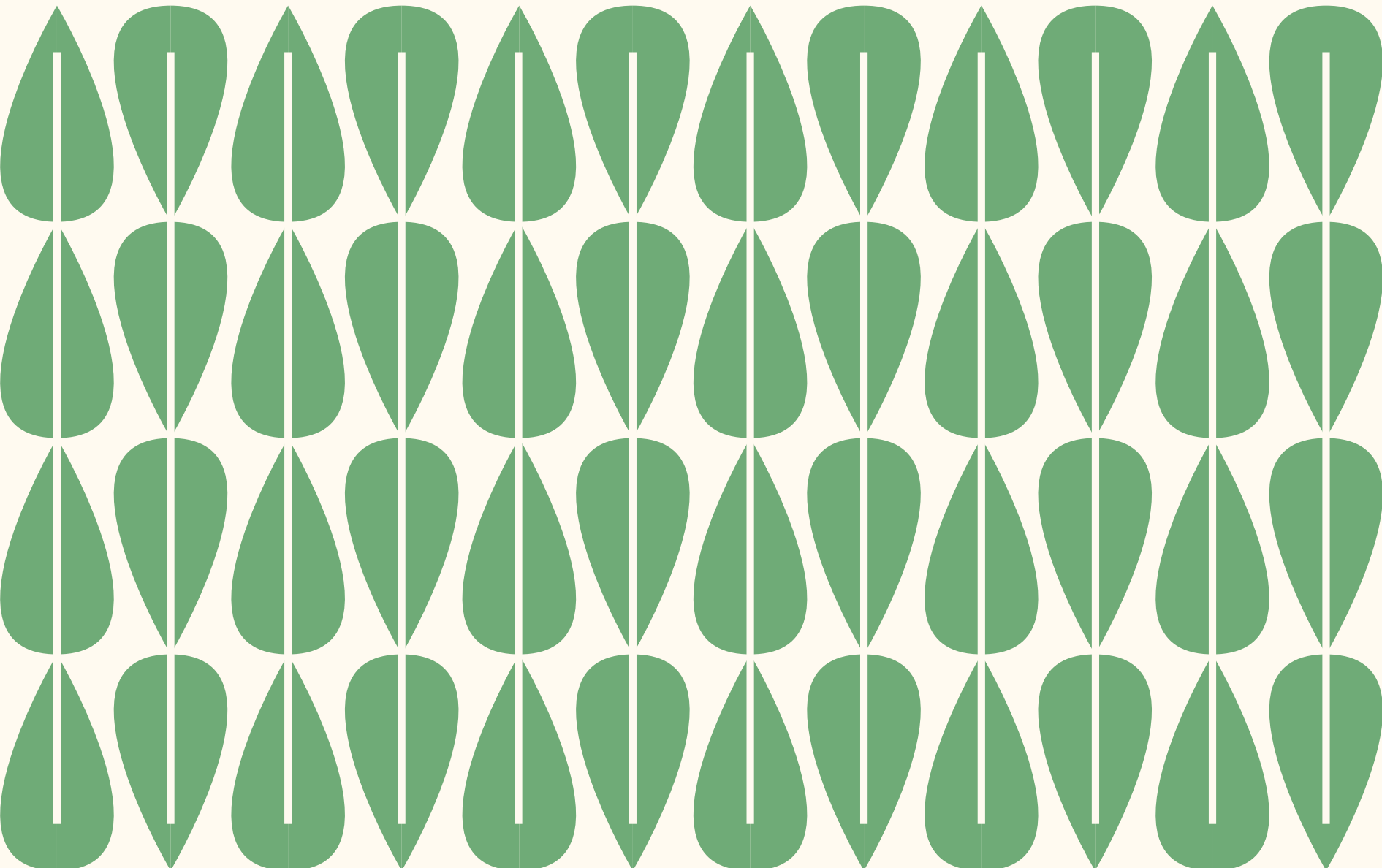
for employees and their families. With a focus on mental health, we also promoted lectures, lives, and videos with tips and information about the pandemic, the benefits of practicing physical activities at home, healthy eating, and meditation.

Considering the entire pandemic period (2020 and 2021), we donated to more than 100 health institutions and social organizations all over Brazil. R\$ 40,600,000 were invested in actions to fight against Covid-19.

In addition to these initiatives, our Riachuelo stores and headquarters were also covered by the COVID protocol from HBC (Healthy Building Certificate), the major Brazilian entity focused on Healthy Construction. Thus, we have developed procedures that promote the protection, health, and well-being of our employees and users by means of the correct operation in our sites.

In 2021, we donated more than R\$2,600,000 in medical equipment to several entities on the front lines of the fight against Covid-19.





11.

Financial
Performance

Income Statement 2021

GRI 102-7

Consolidated net income (MM BRL)	2020	2021
Total	6,245	7,221
Consolidated net income from goods (MM BRL)	2020	2021
Total	4,332	5,506
Net Revenue for the Period (BRL thousand)	2020	2021
Total	-27,154	453,128

GRI 102-7

Number of Items Produced	2020	2021
Natal	31,45,402	37,170,580
Fortaleza	47,484,30	6,046,408
Total	36,199,832	43,216,988

GRI 102-7

Percentage of budget spent on sustainability	2020	2021
Total	0.16%	0.09%

GRI 102-7

Grupo Guararapes' gross revenue in 2021 (in BRL billion)	
Goods	7.187
Midway Financeira	1.745
Midway Mall	0.074
Total	9.007

GRI 201-3

Private Pension Plan

Grupo Guararapes offers its employees a private pension plan (open entity). The company contributes 100% of the share chosen by the employee.

The contribution is voluntary and the employee can participate by allocating a percentage of their salary according to the ranges of values in the table.

Salary range	% contribution
BRL 6,101.06 to BRL 13,221.02	1% to 4%
BRL 13,221.03 to BRL 24,789.41	1% to 6%
From BRL 24,789.42	1% to 8%

Income Statement 2021

GRI 202-2

Local Contracts

We do not have any kind of formal policy that gives preference to local suppliers. However, we seek to hire residents from the same region of the country where our units are operating.

	2020	2021
Percentage of senior management members from local communities	72%	70%
Percentage of employees from local communities	81%	84%

MANAGEMENT

Purchasing practices

The average payment term to resale suppliers is 120 days. For other suppliers, the term varies according to the contract conditions.

GRI 204-1

Expenses ratio with local suppliers

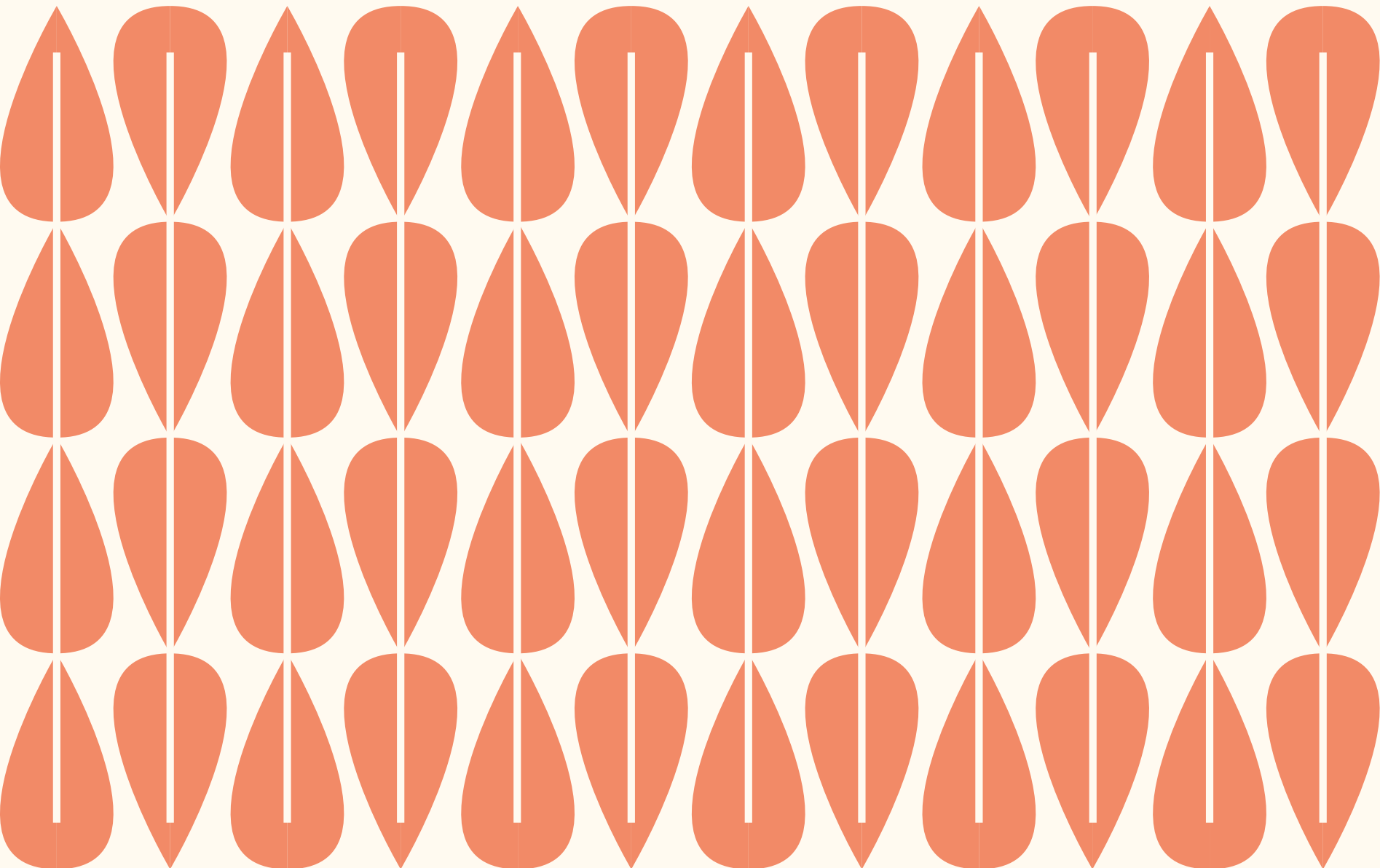
In 2021, expenses with our national suppliers corresponded to 79% of the total, reinforcing Grupo Guararapes' commitment to valuing national fashion and the Brazilian textile market.

Expenses ratio with textile chain	2021
Domestic	79%
Imported	21%

RIACHUELO

Sustainability
Report
2021

92



12.
About the report

About the report

Our first report was prepared in accordance with the GRI Standards: option “Essential”. The GRI guidelines are the main reference for sustainability reports in the world, as well as the Sustainable Development Goals (SDGs), an initiative of the United Nations (UN), under the 2030 Agenda.

In this report, we present our history and the profile of our businesses, which today make up the largest fashion, lifestyle and financial products ecosystem in Brazil, our most recent key initiatives and achievements, emphasizing those that took place in 2021 (January 1st to December 31st). We show the evolution of the goals we are committed to, established in the Strategic Planning and our Strategic Sustainability Agenda.

There are references to the profile and performance indicators (GRI Standards) as numbers, in the excerpts of the respective subjects and aspects addressed, and the content summary can be found on page 93. The report consolidates quantitative and

qualitative results from our three business divisions: manufacturing (Guararapes), retail (Riachuelo) and finance (Midway).

The publication also follows our Sustainability Policy, and this is a result of the collective work of teams of employees from different areas, whom we thank for their contributions.

The report has undergone external verification by the EY audit. In addition, the report is also based on our Annual Inventories of Greenhouse Gas Emissions, verified by a third party (Totum Institute), having being awarded the Gold Seal of the Brazilian GHG Protocol Program since 2020.

The Water Management Study was carried out by H2O Company.

We will receive questions, suggestions or eventual criticisms and other comments about this report by email:

sustentabilidade@riachuelo.com.br

GRI INDICATORS

102-45, 102-50, 102-51, 102-53, 102-54, 102-55, 102-56, 305-1, 305-2, 305-3



Materiality

The composition of Grupo Guararapes' 2021 materiality was defined based on the following axes:

IMPACT

- Sustainability Strategy Analysis
- Interviews with the Group's top executives
- Online survey with representatives of strategic audiences, such as employees and suppliers – pilot version

RELEVANCE

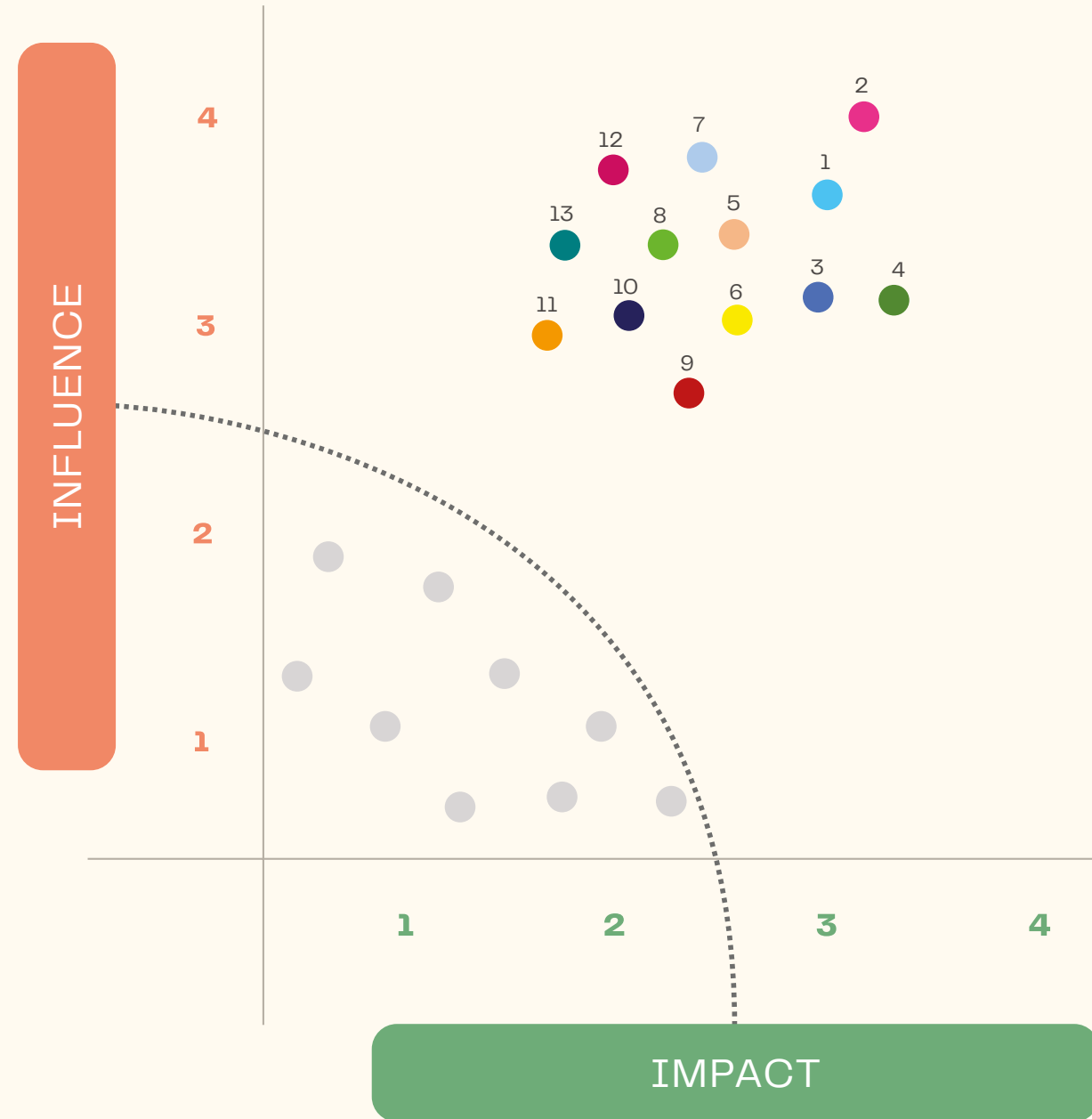
- Analysis of international and national studies and indices considered a reference in sustainability in the fashion industry.
- Analysis of sustainability issues for companies in the industry (global benchmark).
- Analysis of critical industry issues already mapped by Sustainability Accounting Standards Board on SASB Materiality Map

Thirteen material topics were identified.

GRI INDICATORS

102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1

Materiality Matrix Result



Material Topics

- 1. Responsible Supplier Management*
- 2. Sustainability Policy in critical issues in the industry*
- 3. More sustainable products
- 4. More sustainable raw materials
- 5. Working conditions and quality of life
- 6. Waste management and reverse logistics
- 7. Water and pollution
- 8. Chain Traceability*
- 9. Supplier audits
- 10. Natural resources
- 11. Diversity and Inclusion
- 12. Responsible Communication*
- 13. Circular fashion

*For management purposes, topics Human Rights Protection and Promotion in the Supply Chain, and Suppliers audit were grouped under the topic Protection and promotion of human rights in the supply chain. The topics Sustainability Policy in critical issues in the industry and Responsible Communication were grouped under the topic Responsible Ethics and Transparency in Business.



Material Topics				
Material Topic	Subtopics / Aspects	Topic Description	Grupo Guararapes Position	SDGs related
Responsible ethics and transparency in businesses	Sustainability Policy in critical issues in the industry	Publicly undertaken human rights and environmental policies and commitments, including critical issues in the fashion industry, such as human rights and environmental issues.	As one of the biggest fashion groups in Brazil, we know our responsibility. There are many challenges, but with attitude, innovation, and clear goals, we believe that it is possible to increasingly reduce the impact of our production chain on the planet, providing it with positive socio-environmental effects. That is why we are committed to, together with the United Nations Global Compact, optimizing our sustainability strategies and the transparency in our communication, and investing in more efficient alternatives.	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #806492; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">12</div> <div style="background-color: #003366; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;">17</div> </div>
	Responsible Communication	Responsible marketing and communication practices. They include good practices in the availability of information in stores and in the clothing pieces on environmental and social aspects.		
Working conditions and quality of life	It includes employees, suppliers, and subcontractors (outsourcing and personnel working in sewing and finishing units in homes)	Health and safety, quality of life, and fair and compatible wages in the industry.	We choose actively contribute to creating a more equitable society. That is why we are committed to promoting decent work and defending the rights of people involved in our supply chain, together with the UN and civil society organizations. Textile and retail sectors are very labor intensive. Throughout our more than 70 years of history, we are proud to be a company that generates many jobs – and quality jobs, especially in the Northeast region.	<div style="background-color: #800040; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;">8</div>
Diversity and Inclusion	Gender, race, ethnicity, and sexual orientation, among other factors, such as foreign and migrant labor	Programs to prevent, mitigate or remedy discrimination and promote diversity and inclusion in the workforce, bringing greater representation.	In the movement for sustainability of Grupo Guararapes, diversity, inclusion and representativeness play a leading role. After all, feeling seen and valued for being who you are can indeed make a difference in everyone's lives. The Company upholds the right to work, respects and values diversity, creating an environment of professional opportunities for people regardless of their gender, sexual orientation, ethnicity, religion or disability. We work so that our employees are engaged and aligned with the commitments of diversity and inclusion, building a daily culture of valuing these concepts at all decision-making levels of the company.	<div style="background-color: #e67e22; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center;">5</div>



Material Topics				
Material Topic	Subtopics / Aspects	Topic Description	Grupo Guararapes Position	SDGs related
Human rights protection and promotion in the supply chain	Responsible Supplier Management	Criteria for hiring and managing suppliers, considering labor and human rights aspects (examples: prevention of child labor, forced/slave labor and all precarious work). Fair payment conditions, considering the size of the supplier.	We do not condone any exploitation and act in defense of Human Rights in their supply chains. We fight against slavery-like work, precarious work, discrimination and child labor.	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #c0392b; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center; margin-bottom: 5px;">9</div> <div style="background-color: #8e6c39; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">12</div> </div>
	Chain Traceability	Detailed information on all supplier's tiers, information on production units, processing facilities, and raw materials production. The aim is to prevent cases of precarious working conditions, as well as the exploitation of migrant workers/slavery/child labor, etc.	We have a Chain Management area, in charge of monitoring our suppliers. We implement policies (due diligence) in audits with social and environmental aspects in the supply chain, including subcontractors (quarterization), and we disclose the results of the assessments and the measures taken.	
	Supplier audits	How the company assesses its policies implementation (due diligence) in audits with social and environmental aspects in the supply chain, including subcontractors (quarterization). Disclosure of supplier assessment results and actions taken. Due diligence is the process by which companies assess their impacts on human rights and the environment and take steps to reduce negative impacts.	We perform social audits in 100% of our chain.	
Circular fashion	Circular processes and product design	Investment and promotion of initiatives, solutions and actions to increase active life of clothing.	Circular economy is here. There is no way to imagine that business will not be 100% circular in the future. We believe circularity can play a transformative role. With that in mind, we launched the Moda que Transforma Program, with a collection of used clothes, footwear and fittings. We believe that with partnerships we can create new technologies capable of promoting closed-loop textile recycling.	
Water and chemicals	Water efficiency and chemicals management	Initiatives or procedures implemented to reduce/minimize the use of water in business activities at our facilities or at suppliers facilities. Initiatives to eliminate the use of hazardous chemicals, prevention of river pollution by chemicals used in textile production.	To reduce the impact caused by chemicals, we invested in laser technology, which uses up to 85% fewer chemicals than regular processes, and in ozone generator technology for desizing, cleaning, and whitening jeans without using water or chemicals.	<div style="background-color: #3498db; color: white; border-radius: 50%; width: 20px; height: 20px; display: flex; align-items: center; justify-content: center;">6</div>



Material Topics				
Material Topic	Subtopics / Aspects	Topic Description	Grupo Guararapes Position	SDGs related
Waste management	Proper waste disposal, waste legislation, recycling, reverse logistics, reuse of garments.	Initiatives or practices aimed at reducing/reusing/resignifying textile waste.	Our initiatives are aimed at giving a new purpose to what would be discarded, re-signifying and reusing the garment. Our commitment goes further than waste management. It is to create alternatives to eliminate waste, garbage, and give new life to what would be discarded.	12
More sustainable products	Criteria for using textile fibers.	Encouragement and promotion of materials such as recycled/repurposed, agroecological cotton, certified/fairtrade/BCI, recycled and sustainable wool, recycled polyester, chrome-free/recycled leather, fabrics from sustainable forestry, etc.	Less impacting products range from the choice of raw material to a production process that impacts less on the environment (less use of water, fewer chemicals, use of renewable energy) The supply chain also plays a key role in more sustainable products, as our suppliers need to act in a way that respects the environment and the rights of their workers. This year, we made a more challenging commitment to achieve 35% more sustainable cotton. We are also betting on certified viscose, which is much less impacting to the environment. Today, 21% of the viscose we use is certified.	7 12 15
More sustainable raw materials	Cotton, polyester and viscose.	Action to reduce the socio-environmental impacts of the production of the three most used fibers in the fashion industry. Engage players in the use of best practices and technologies for production and consumption)	Since 2020, we have been using more sustainable raw materials to make our products. We became a member of Better Cotton, which was our kick-off to increasingly work with our raw materials in a more sustainable way, starting with cotton, our flagship.	9 12 15
Climate Change	Greenhouse gas emissions, global warming.	Monitor, reduce and mitigate greenhouse gas emissions to reduce carbon footprint. Study the effects of global warming to adapt to climate changes predicted for the next few years.	Climate change is our greatest challenge nowadays, and we must act urgently to fight against its negative effects. And we are committed to not only generate less environmental impacts but also to regenerate ecosystems, and we have established a goal for 2022: to reduce GHG (Greenhouse Gases) emissions by 30% in direct operations.	13



crea

we are creating a new way of making fashion, making a difference for people and the planet.

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In this Report, Grupo Guararapes provide a complete, balanced, and in-depth view of its environmental, social, and governance performance in 2021 and its goals for 2022. We publicly reinforce our commitment on all our material fronts, which dialogue with the SDGs of the 2030 Agenda and the principles of the United Nations Global Compact.

.....the future

building.....

We CREATE the future with new choices.

building.....

.....the future

RESPONSIBLE ETHICS AND
TRANSPARENCY IN BUSINESSES

WORKING CONDITIONS AND
QUALITY OF LIFE

DIVERSITY AND INCLUSION

CIRCULAR FASHION

HUMAN RIGHTS PROTECTION AND
PROMOTION IN THE SUPPLY CHAIN

WATER EFFICIENCY AND
CHEMICALS MANAGEMENT

WASTE MANAGEMENT

SUSTAINABLE PRODUCTS

SUSTAINABLE RAW MATERIALS

CLIMATE CHANGE

These guidelines guide us daily in the decision-making that gives life to our increasingly sustainable business model. We understand each topic's challenges and embrace them to deliver innovative solutions and transformative changes to the market. As one of the top fashion, financial, and lifestyle ecosystems, we know our responsibility to our stakeholders and the next generations of this planet. That is why we understand that our value is directly related to our ability to CREATE a more sustainable world.

We will continue on a path whose purpose is:

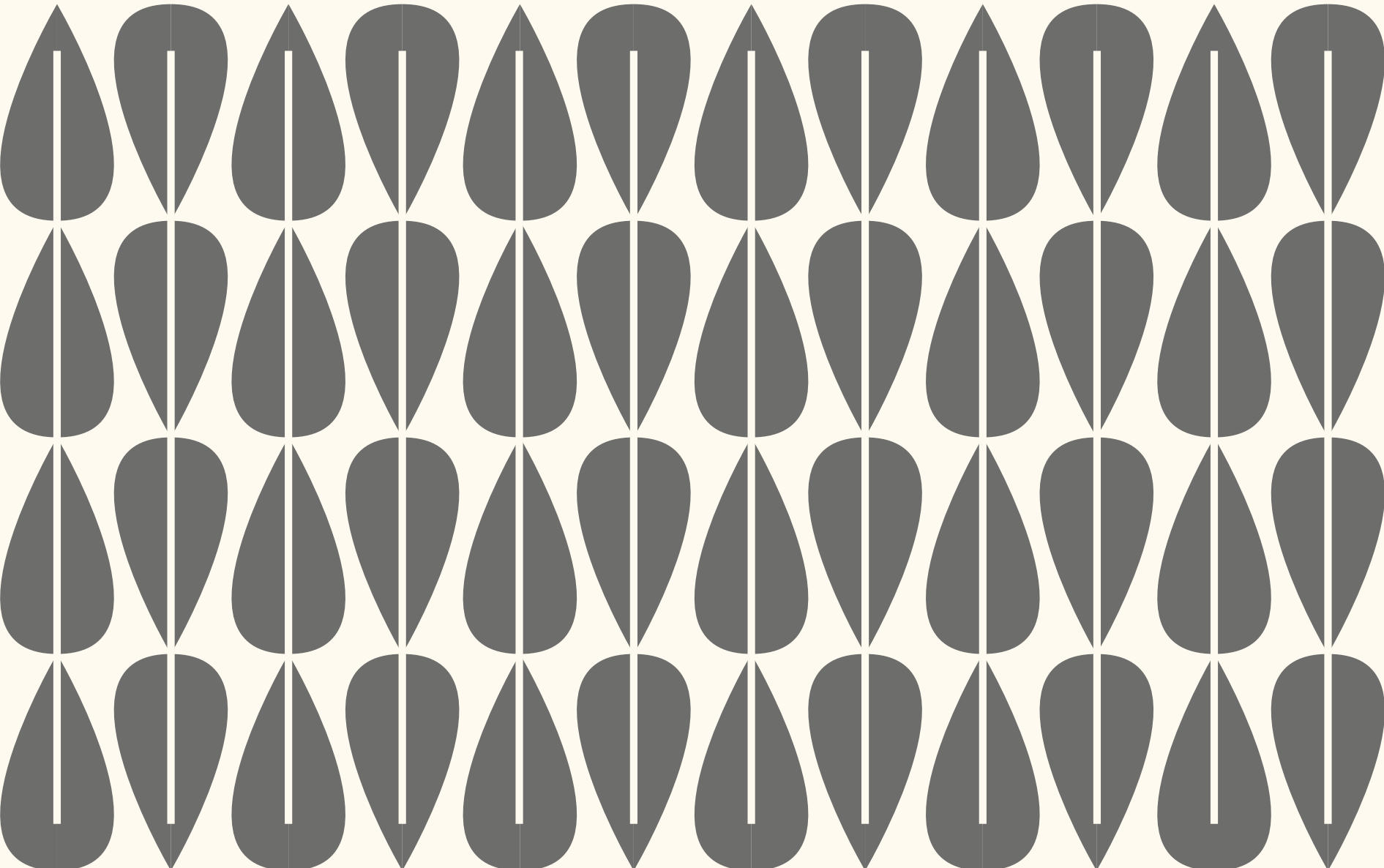
- reduce our socio-environmental impact on the planet, creating innovative, creative actions based on partnerships that make it possible to regenerate ecosystems;
- protect and support human rights in all aspects and universes;
- offer increasingly sustainable products concerning raw materials and production processes.

With the CRIA! movement, we want to join forces with society and listen to their demands, responding with transparency and creating new ways of making fashion so that we can leave a better future for the planet and the next generations Because we CREATE! our future today.

RIACHUELO

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Exhibits

Supplementary Information

Governance

GRI 102-23

Board of Directors Composition

BOARD OF DIRECTORS			
Name	Position	Time in office (position on 02/15/2022)	Term of Office
Flávio Gurgel Rocha	President	57 months	until August 2022
Élvio Gurgel Rocha	Vice-President	153 months	
Lisiane Gurgel Rocha	Board Member	321 months	
Maria Aparecida Fonseca	Independent member	nine months	
Sérgio Alexandre Figueiredo Clemente	Independent member	nine months	

The Board of Directors of Grupo Guararapes is advised by the Audit Committee, composed of the following directors, since May 6, 2021:

AUDIT COMMITTEE		
Name	Position	Time in office (position on 02/15/2022)
Antonio Francisco Azevedo Loureiro Amorim	full member	nine months
Sérgio Alexandre Figueiredo Clemente	Independent member of the Board of Directors - full member	nine months
Marcello Joaquim Pacheco	Committee coordinator and corporate accounting specialist	nine months

The Supervisory Board of Grupo Guararapes is composed of the following full and independent members elected on April 28, 2021:

SUPERVISORY BOARD		
Name	Position	Time in office (position on 02/15/2022)
Murici dos Santos	President (elected by the controller)	nine months
Eduardo Seiji Yamaguchi	Full member (elected by the controller)	nine months
Shakhaf Wine	Full member (elected by minority shareholders)	nine months
Gilberto Sheizo Izumida	Deputy member (elected by the controller)	nine months
Alberto Jorge Alves Oliveira da Costa	Deputy member (elected by the controller)	nine months
Peter Edward Cortes Marsden Wilson	Deputy member (elected by minority shareholders)	nine months

The Statutory Board of Executive Officers of **Grupo Guararapes** is composed of the following members elected on April 28, 2021:

EXECUTIVE OFFICERS - Guararapes Confecções S/A		
Name	Position	Time in office (position on 02/15/2022)
Oswaldo Aparecido Nunes	Chief Executive Officer	nine months
Tulio José Pitol de Queiroz	Chief Investor Relations Officer	16 months

Supplementary Information Governance

The Statutory Board of Executive Officers of the subsidiary **Lojas Riachuelo S/A** is composed as follows:

EXECUTIVE OFFICERS – Lojas Riachuelo S/A		
Name	Position	Time in office (position on 02/15/2022)
Oswaldo Aparecido Nunes	Chief Executive Officer	46 months
Tulio José Pitol de Queiroz	Chief Financial and Management Officer	46 months
Mauro Mariz Gonçalves	Chief People and Sustainability Officer	46 months
Elio George Avelino França e Silva	Chief Customer Contact Officer	nine months
Carlos Eduardo Domingues Alves	Chief Technology and Innovation Officer	nine months

The Statutory Board of Executive Officers of the subsidiary **MIDWAY S.A. – Crédito, Financiamento e Investimento** is composed as follows:

EXECUTIVE OFFICERS – Midway S.A. – Crédito, Financiamento e Investimento		
Name	Position	Time in office (position on 02/15/2022)
Tulio José Pitol de Queiroz	Chief Executive Officer	17 months
Silvana Lavacca Arcuri	Chief Legal and Governance and Risk Officer	14 months
Paulo Alexandre Veiga Mendes	Financial Services Officer	18 months
Carlos Eduardo Domingues Alves	Chief Technology and Innovation Officer	eight months

The subsidiary **Transportadora Casa Verde Ltda.** is managed by:

EXECUTIVE OFFICERS – Transportadora Casa Verde Ltda.		
Name	Position	Time in office (position on 02/15/2022)
Oswaldo Aparecido Nunes	Officer	10 months
Tulio José Pitol de Queiroz	Officer	10 months

The subsidiary **Midway Shopping Center Ltda.** is managed by:

EXECUTIVE OFFICERS – Midway Shopping Center Ltda.		
Name	Position	Time in office (position on 02/15/2022)
Oswaldo Aparecido Nunes	Officer	16 months

The indirectly controlled company **Riachuelo Participações LTDA.** is led by the following officers:

EXECUTIVE OFFICERS – Riachuelo Participações LTDA		
Name	Position	Time in office (position on 02/15/2022)
Flávio Gurgel Rocha	Officer	172 months
Élvio Gurgel Rocha	Officer	172 months



Supplementary Information

Organization Profile

GRI 102-35 e 102-36

Compensation Policies and Processes of Boards and Officers

The Company has a compensation policy, reviewed by the Board of Directors, on August 17, 2021. According to the policy, compensation of the officers who make up the Board of Directors, the Statutory and Executive Boards, and the Supervisory Board is established as follows:

Board of Directors: The compensation practice of the members of the Board of Directors only covers the payment of fixed monthly fees, whose amount established by taking into account the amounts practiced in the market, the responsibility and competence of the officer, aiming to recognize and value the services provided by them, and any reimbursement by the Company of all travel, food and accommodation expenses necessary for the performance of their duties.

Supervisory Board: The compensation practice of the members of the Supervisory Board only covers the payment of fixed monthly fees, respecting the provisions of Law No. 6,404, which establishes that such compensation may not be less, for each member in office, than 10% (ten percent) of that which, on average, is assigned to each Officer of the Company, and any reimbursement by the Company of all travel, food and accommodation expenses necessary for the performance of their duties.

Statutory Board: The total compensation of the Statutory Board comprises four elements:

- **Fixed Amount Compensation:** recognizes and reflects the value of the Officer in the Company, as well as their individual performance, experience, training, and knowledge. It consists of twelve monthly installments, subject to any legal charges;
- **Benefits:** Direct and indirect, according to usual market practices, ensuring conditions for the performance of the position, in particular, but not limited to medical care, supplementary pension, medical check-up, car, mobile phone;
- **Variable Compensation:** rewards the achievement and surpassing of the Company's and individual goals, in line with the budget, strategic planning and market; and,
- **Long-term incentives,** as established by the Board of Directors.

To calculate the individual compensation of the Statutory Board, the Company's income in the previous year, individual performance, market compensation surveys, and other aspects such as retention risks, skills, knowledge, experience, and potential of each officer are analyzed.

The Board of Directors compensation is not linked to social and environmental performance. As of 2022, part of the executive officers will have variable compensation linked to sustainability performance.

Learn more in **Reference Form**.



Supplementary Information

Organization Profile

The compensation of the Statutory Board of Executive Officers and the Board of Directors is proposed by the Board of Directors and approved by the Annual Shareholders' Meeting, following the budget foreseen for the fiscal year.

The individual compensation of the members of the Statutory Board of Executive Officers and the Board of Directors takes into account the role performed by each member, as well as the participation in meetings scheduled for the year. In addition, the Company seeks to align the compensation of its directors with market practices.

Learn more in **Reference Form**.



GRI 205-2

Total number of employees trained in anti-corruption procedures

Leadership level	Southeast		Northeast	
	noticed	trained	noticed	trained
Executive Board	2	2	0	0
Management	275	115	10	6
Leadership/Coordination	159	73	42	19
Technician/Supervision	0	0	0	0
Administrative	0	0	0	0
Operational	109	98	4	3
Trainees	0	0	0	0
Third Parties	0	0	0	0
Apprentices	0	0	0	0
Interns	0	0	0	0
Total by region	545	288	56	28

Note: The training included our employees in the Northeast and Southeast regions, where they are concentrated in greater numbers. In the South, Midwest and North regions, we only have stores and a Distribution Center in Manaus, which did not undergo training. The focus was given to employees in administrative areas and factories – for which training in anti-corruption procedures is considered most required.

Supplementary Information

Environment and Circularity

GRI 301-1

Total consumption of materials* Guararapes (in thousand tons)

Material	2020	2021	Variation (%)
Cotton	10.2 thousand	12 thousand	17%
More sustainable cotton (within total cotton)	1.5 thousand	10.6 thousand	612%
Viscose	1.0 thousand	1.5 thousand	43%
More sustainable viscose (within total viscose)	393	739	88%
Polyester	2.1 thousand	2.5 thousand	14%
Elastane	200	214	7%
Linen	21.4	29.7	39%
Lyocel	42.6	21	-50%
Polyamide	23.8	26.2	10%
Polyurethane	0.7	0.005	-99%
Others	0.7	6.8	844%
Total raw materials in factories	13.7 thousand	16.2 thousand	19%
More sustainable materials %	14%	70%	56%

*Data related to raw material consumption control. Control of packaging consumption will be reported in the next GRI report.



Supplementary Information

People management, Human Rights and Labor

GRI 102-8

Employees by contract type, employment and region (2021)

Employees by contract type	Total	Men	Women
Temporary	2,350	792	1,558
Permanent	38,243	12,665	25,578
Total	40,593	13,457	27,136

Number of employees by contract type	Total	Men	Women
Full-time	39,071	12,981	26,090
Half-time	1,522	476	1,046
Total	40,593	13,457	27,136

Number of employees by region	Total	Men	Women
South Region	2,319	683	1,636
Southeast Region	13,660	4,673	8,987
Center-West Region	1,921	498	1,423
Northeast Region	20,751	7,029	13,722
North Region	1,942	574	1,368
Total	40,593	13,457	27,136

*The total number of employees, including interns, apprentices, temporary and intermittent employees, on 12/31/2021 was considered. The gross count differs from the total amount posted on the balance sheet as the latter is based on the FTE (Full Time Equivalent). The data is collected monthly by HR after the end of the payroll, with the gross base of employees on that date, including those on leave and excluding retirees.



Supplementary Information

People management, Human Rights and Labor

GRI 401-3

Maternity/Paternity Leave

Category	Gender	2020	2021
Employees who were entitled to leave	Men	295	306
	Women	1,488	1,267
Employees who took leave	Men	295	306
	Women	1,488	1,267
Employees who returned to work upon leave expiration	Men	295	306
	Women	1,475	1,255
Employees who returned from leave and were still employed 12 months after their return	Men	203	253
	Women	714	1,070
Retention rate of employees who returned to work after leave expiration (%)	Men	100%	100%
	Women	99%	99%

GRI 403-9

Lost Workdays

Operation	2020	2021
Headquarters	16	44
Stores	138	612
CDG	227	210
CDM	63	22
Midway Mall	0	0
Midway Financeira	0	0
Factory in Natal	437	317
Factory in Fortaleza	631	661
TCV	0	2
CCR	554	436
Total	2066	2,304



Supplementary Information

People management, Human Rights and Labor

GRI 403-9

Employee attendance rate

The attendance rate is calculated by the following formula:

No. of accidents x 1,000,000/Hours worked.

This count considers only employees.

Operation	2020	2021
Headquarters	0.17	1.23
Stores	1.17	0.55
CDG	7.40	8.93
CDM	6.64	13.58
Midway Mall	0.00	0.00
Midway Financeira	0.00	0.00
Factory in Natal	6.28	5.36
Factory in Fortaleza	15.90	20.18
TCV	0.00	13.63
CCR	4.77	4.84
Total	42.33	68.31

GRI 403-9

Severity rate

Severity rate is calculated by the following formula:

No. of lost workdays x 1,000,000/Hours worked.

This count considers only employees.

Operation	2020	2021
Headquarters	2.77	7.76
Stores	3.11	15.36
CDG	40.77	39.08
CDM	209.25	74.68
Midway Mall	0.00	0.00
Midway Financeira	0.00	0.00
Factory in Natal	25.41	18.27
Factory in Fortaleza	76.02	83.32
TCV	0.00	20.44
CCR	114.84	87.98
Total	472.17	346.88



Supplementary Information

People management, Human Rights and Labor

GRI 403-9

Occupational diseases

Operation	2020			2021		
	Men	Women	Total	Men	Women	Total
Headquarters	0	0	0	0	0	0
Stores	0	1	1	0	0	0
CDG	0	0	0	0	2	2
CDM	0	0	0	0	0	0
Midway Mall	0	0	0	0	0	0
Midway Financeira	0	0	0	0	0	0
Factory in Natal	13	17	30	6	10	16
Factory in Fortaleza	0	0	0	0	2	2
TCV	0	0	0	0	0	0
CCR	2	6	8	2	6	8
Total	15	24	39	8	20	28



Supplementary Information

People management, Human Rights and Labor

GRI 405-1

Employees' age range (2021)

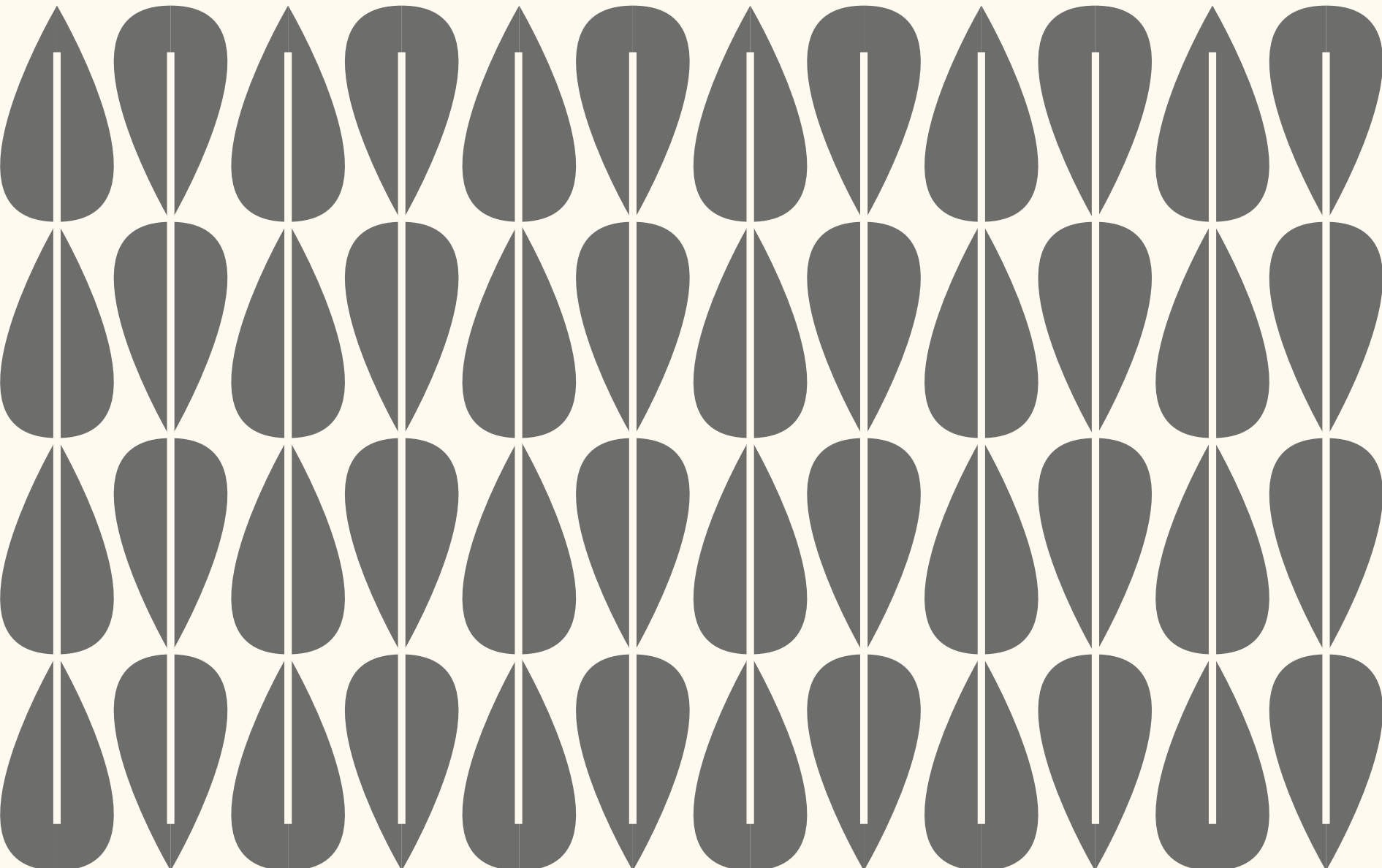
	Under 30 years of age	Between 30-50 years of age	Over 50 years of age
Board			
Men	0%	11%	89%
Women	0%	0%	100%
Executive Board/Superintendents/President			
Men	6%	39%	56%
Women	0%	50%	50%
Management			
Men	10%	80%	10%
Women	14%	82%	4%
Coordination/Supervision			
Men	34%	60%	6%
Women	34%	64%	2%
Administrative			
Men	40%	55%	5%
Women	50%	48%	3%
Production			
Men	60%	35%	5%
Women	59%	36%	5%
Apprentices			
Men	100%	0%	0%
Women	100%	0%	0%
Trainees			
Men	90%	10%	0%
Women	84%	16%	0%
Interns			
Men	89%	11%	0%
Women	85%	15%	0%



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GRI Index

GRI 102-55

Index



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
102 - Organizational Profile				
102-1	Organization's name	Guararapes Confeccões S.A.		
102-2	Activities, brands, products and services	10		
102-3	Location of the organization's headquarters	10		
102-4	Location of operations	12		
102-5	Legal form and Property	Publicly-held corporation, listed on B3 (stock exchange) in Brazil.		
102-6	Markets served	13		
102-7	Organization's size	12, 67, 90		
102-8	Information on employees and other workers	106		8
102-9	Organization's supply chain	79		
102-10	Significant changes in the organization and its supply chain	25		
102-11	Precautionary principle or approach	There is no formal adherence to the precautionary principle. Grupo Guararapes manages its risks through the identification, assessment, control and continuous monitoring of the company's risks and internal controls, aiming at strengthening the corporate governance environment, adherence of internal controls to current regulations and the to Brazilian Code of Corporate Governance.		

GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
102 – Organizational Profile				
102-12	External Initiatives	17, 29		
102-13	Membership in associations	29		
Strategy				
102-14	Statement from the top officer	6, 22		
Ethics and integrity				
102-16	Values, principles, standards, and behavior codes	32, 33		16
102-17	Mechanisms for ethics guidance and concerns	32, 33		16
Corporate governance				
102-18	Organization's governance structure	25		
102-21	Stakeholder consultation on economic, environmental, and social topics	94		
102-22	Composition of the highest governance body and its committees	28, 31		5, 16
102-23	Chairman of the highest governance body	The chairman of the Board of Directors does not hold the office of Chief Executive Officer of the Group (Guararapes Confecções) but is the Chief Executive Officer of the indirectly controlled company Riachuelo Participações LTDA.		16
102-24	Appointment and selection of the highest governance body	31		16
102-25	Conflicts of interest	28		16
102-26	Role played by the highest governance body in defining purpose, values and strategy	26		16



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
102-28	Performance assessment of the highest governance body	29		
102-29	Identification and management of economic, environmental and social impacts	31		16
102-30	Effectiveness of risk management processes	29		
102-32	The highest-level body or position that formally reviews and approves the organization's sustainability report	Executive Board of Officers		
102-33	Communicating critical concerns	Communications regarding critical concerns are forwarded directly to the Board of Directors by the Company's Audit Committee and/or Supervisory Board.		
102-35	Compensation Policies	103		
102-36	Process for establishing compensation	101		
102-37	Stakeholder involvement in compensation	29		16
Stakeholders engagement				
102-40	Submit a list of stakeholder groups engaged by the organization	94		
102-41	Report the percentage of total employees covered by collective bargaining agreements	100%		8
102-42	Basis used for the identification and selection of stakeholders for engagement	94		
102-43	Approach adopted by the organization to engage stakeholders	94		
102-44	Key topics and concerns raised during stakeholder engagement and measures taken by the organization.	94		



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
Reporting practices				
102-45	Entities included in the consolidated financial statements	93		
102-46	Process adopted to establish report content and aspect boundaries	94		
102-47	Material topics identified in the report content definition process	94		
102-48	Effect of any restatements of information provided in previous reports and reasons for such restatements	This is Grupo Guararapes' first report.	Not applicable	
102-49	Significant changes in the periods covered by prior reports concerning material topics and topic boundaries	This is Grupo Guararapes' first report.	Not applicable	
102-50	Period covered by the report.	93		
102-51	Date of most recent previous report (if any)	93		
102-52	Reporting cycle	Yearly		
102-53	Contact for questions about the Report and its content	93		
102-54	Option chosen by the organization according to the GRI Standards options	93		
102-55	GRI Content Summary for the option chosen	93, 110		
102-56	External check	93		
Management Method				
103-1	Explanation of the material topic and its limit	94		
103-2	Management method and its components	36, 40, 46, 49, 51, 54, 58, 66, 68, 71, 75, 79		
103-3	Management method evaluation	36, 46, 49, 51, 54, 58, 67, 68, 75, 79		



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
ECONOMIC AND FINANCIAL PERFORMANCE				
201 – Economic performance				
201-3	Obligations of the established benefit plan and other retirement plans	90		
202 – Market Presence				
202-2	Procedures for local hiring and percentage of senior management recruited from the local community at significant operating locations	91		8
204 – Purchasing practices				
204-1	Policies, practices and spending percentage on local suppliers at key operating sites	91		12
205 – Anticorrupção				
205-1	Operations assessed for corruption-related risks	Currently, Grupo Guararapes does not assess its business units with regard to risks specifically related to corruption. Thus, it is not possible to quantify in number or percentage the assessed.		12, 16
205-2	Total number of employees trained in anti-corruption procedures	34, 104	Percentage N/A	12, 16
205-3	Confirmed corruption events and actions taken	34		12, 16



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
ENVIRONMENTAL PERFORMANCE				
301 - Material				
301-1	Materials used, broken down by weight or volume	61, 105		-
302 - Energy				
302-1	Energy consumption within the organization	50		7, 8, 12, 13
303 - Water				
303-1	Interactions with water as a shared resource	49		7, 8, 12, 13
303-2	Management of impacts related to water disposal		N/A	7, 8, 12, 13
303-5	Water Consumption	49		7, 8, 12, 13
305 - Emissions				
305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	47, 48		3,12,13
305-2	Indirect (Scope 2) greenhouse gas (GHG) emissions from energy acquisition	47, 48		3,12,13
305-3	Other indirect emissions (Scope 3) of greenhouse gas (GHG)	47, 48		3,12,13
306 - Wastewater				
306-1	Waste generation and significant waste-related impacts		N/A	3, 6, 12
306-2	Significant waste-related impacts management	51, 54		3, 6, 12
306-5	Waste for final disposal	51, 52		3,6,12



GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
SOCIAL PERFORMANCE				
401 - Employment				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, broken down by major operating units of the organization	71		8
401-3	Return-to-work and retention rates after maternity/paternity leave, broken down by gender	73, 107		5, 8
403 - Health e safety				
403-1	Occupational Health and Safety Management System	75		8
403-2	Hazard identification, risk assessment and incident investigation		N/A	8
403-3	Occupational Health Services		N/A	8
403-4	Employee participation, consultation and communication with employees regarding occupational health and safety		N/A	8
403-5	Training of workers in occupational health and safety		N/A	8
403-6	Occupational Health Promotion		N/A	8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships		N/A	8
403-9	Accidents at work	76, 107, 108, 109		8
405 - Diversity and equal opportunities				
405-1	Diversity in governance bodies and employees	69, 70, 110		5, 8
407 - Freedom of becoming a Member in Labor Unions and Collective Bargaining				
407-1	Operations and suppliers identified where the right to freedom of becoming a member in labor unions and collective bargaining may be violated or there is a risk	77		8, 16





GRI Standard	Contents	Page/Direct Answer	Omission	Relationship with SDGs
SUPPLY CHAIN				
414-1 – Social assessment of suppliers				
414-1	New suppliers selected based on social criteria	80		12, 17
LIABILITY FOR PRODUCTS AND SERVICES				
418 – Client privacy				
418-1	Proven complaints regarding breach of customer privacy and loss of customer data	Grupo Guararapes has not registered any proven cases of data leaks, theft or loss of customer data.		9, 12, 17
419 – Socioeconomic Compliance				
419-1	Noncompliance with laws and regulations in the socioeconomic area.	<p>In 2021, Grupo Guararapes has undergone administrative and judicial sanctions for non-compliance with consumerist, tax and fiscal laws or regulations at the municipal, state and federal levels. There were 61 notices of infraction without arbitrated fines, drawn up by Inmetro and Procon.</p> <p>Based on the risk matrix, Grupo Guararapes did not record significant fines (from BRL 500 thousand to BRL 2 million). However, in 2021, Grupo Guararapes paid a total of BRL 8.5 million in administrative fines. There were no cases filed by arbitration mechanisms.</p>		4, 5, 8

Independent Auditors' Limited Assurance Report on the Lojas Riachuelo – Guararapes Confeções S.A, Annual Sustainability Report based on GRI – Standards (In accordance – “Core”)*

*A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Sustainability Report) originally prepared in Portuguese and in Brazilian currency (R\$).

To the

Shareholder, Advisers and Directors of Lojas Riachuelo – GUARARAPES CONFECÇÕES S.A – Natal - RN

Introduction

We were engaged Lojas Riachuelo – GUARARAPES CONFECÇÕES S.A. (“Company” or “Lojas Riachuelo S/A”) management to present our limited assurance report on the information contained in the Annual Sustainability Report based on Global Reporting Initiative (“GRI”) – Standards for the twelve-month period ended December 31, 2021 (“Report”).

Management and governance responsibilities for the Report

Lojas Riachuelo S/A’s management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – “Core”), and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion on the Lojas Riachuelo S/A’s Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon nº 07/2012, approved by the Brazil’s National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard

ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from Lojas Riachuelo S/A who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Lojas Riachuelo S/A. The procedures comprised:

- the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;

- the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI applicable in the preparation of the information contained in the Lojas Riachuelo S/A’s Report.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, Lojas Riachuelo S/A ‘s internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations

of materiality, significance and accuracy of data are subject the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the Report, for the twelve-month period ended December 31, 2021, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI’s based on requirements of the Global Reporting Initiative – Standards (In accordance – “Core”).

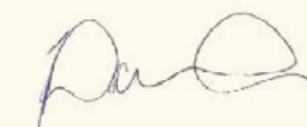
São Paulo (SP), May 13th, 2022.

ERNST & YOUNG

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