

- **Can you confirm whether the facility linked to the allegation(s) is within your supply chain?**

The Anzir Apparels factory is part of the supply chain of our supplier TEX LINE.

- **How are you ensuring that your purchasing practices in relation to Anzir Apparels and the closure of the factory following a lack of order from buyers, meet the standard required to protect workers rights and livelihoods?**

To maintain an efficient, strategic, and wellaligned supplier network, we employ a specialized segmentation approach based on the production chain. This strategy aids us in identifying business opportunities and requirements that support the growth of Lojas Renner S.A. Our supplier management is comprehensive, with dedicated technical teams offering support and supervision to our supply chain. This chain is divided into three groups: Administrative Supplier Management, that provides services across all companies within our ecosystem; Resale Supply Network Management; and Resale Compliance Management, both of which manufacture products sold across all companies within our ecosystem. Before entering into contracts, all suppliers serving Lojas Renner S.A. are subject to a qualification process. This process assesses their mechanisms for promoting integrity and the compliance of their documentation, ensuring consistency and adherence to our standards.

We maintain rigorous monitoring processes for our suppliers to align with Lojas Renner S.A.'s policies and values, ensuring risk mitigation from their induction into our supply cycle, throughout their tenure, and monitoring the socio-environmental performance and growth of our network to guarantee responsible purchasing for our end consumer. Our suppliers undergo audits, the frequency of which is tied to their classification level and compliance risk. Our audits, which can be on-site visits or remote evaluations, apply to suppliers and subcontractors of our resale suppliers. The goal is to ensure compliance with legal requirements and Lojas Renner S.A.'s policies, such as the Partner Code of Conduct, Human Rights Policy, Sustainability Policy, and the Socio-Environmental Checklist. We assess the criteria that suppliers must adhere to ensure compliance, respect for human and labor rights, and alignment with our policy requirements. During Compliance audits, sample interviews are conducted based on the workforce size of each audited company. These interviews are confidential, conducted without the company's third parties present to ensure the worker's freedom of speech. The aim is to investigate compliance with hiring practices (like charging recruitment fees or conducting abusive tests), abuse and harassment, employee union association freedom of movement, adherence to working hours, rest hours, vacation rights, and any other sensitive worker-related issues.

In addition to interviews, the auditor evaluates adherence to each of the items required on the checklist. The scoring in audits generates a classification, which considers five risk factors - Constitutional Rights, Health and Safety at Work, Worker's Rights, Company Formalization, and Environment - and classifies suppliers into four levels,

A: Suppliers with superior management of socio-environmental compliance

B: Suppliers with average management of socio-environmental compliance

C: Suppliers with poor management of socio-environmental compliance

D: Suppliers with insufficient

In the case of the factory in question, it has been part of different programs and certifications such as: Accord, ZDHC, Fair Wear, Better Cotton, BSCI, SMETA, Better Work. The last assessment at this factory took place in July 2023 through the Social and Labor Convergence Program (SLCP). No legal non-compliances regarding payment were found to exist at that time. According to the regularity of the program, in June 2024, we got in touch requesting the updated SLCP assessment and until now we have not received this response.

- **We request more information on the allegation(s), including what your company has done to investigate it and ensure remedy for Workers**

We contacted our partner TEX LINE, who is responsible for managing its factories and the feedback received was that all workers received remuneration for April 2024 and other compensation and benefits will be paid on or before September 2024 as per the last DIFT-labor federation, factory management, and workers' joint meeting decision. The TEX LINE Supplier is committed to monitoring the execution of all payments that must be carried out by September 2024. Lojas Renner will continue to evolve its Supplier Compliance Program so that all human rights are respected in its supply chain.