



# Annual **Report**

2021  
summary  
version



# A C&A Muito Eu, Muito On



We are C&A Brasil. We have been building our history in Brazil for 45 years and confirm our certainty that our business plays a key role in society. We believe in fashion that frees, includes and enhances the expression of what is most special in each person. It is more than just “dressing” – it connects us to ourselves and to the world around us, which is why we offer products and experiences that are capable of expressing the essence of each individual. C&A seeks to continually evolve to accompany social transformation and provide the best experience for customers. In 2021, we opened 26 new stores, totaling 319 stores across Brazil and 4 distribution centers in the South and Southeast regions.

**North**  
23 stores  
(2 openings)

**Midwest**  
23 stores  
(4 openings)

**South**  
31 stores  
(5 openings)

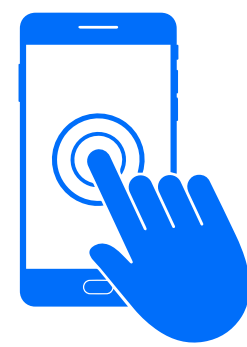
**Northeast**  
76 stores  
(5 openings)

**Southeast**  
166 stores  
(10 openings)

 Distribution center

# C&A in 2021

 **26**  
new stores



Launch of C&A Pay, **reaching  
+400 thousand digital cards**



**+ 290**  
**thousand hours** of training and  
capacity building of the staff

 **+ R\$ 680** million  
in investment during the year



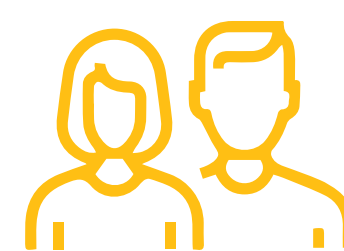
**+ 3.9** million active  
**users** on the C&A App



**36.8%**  
**growth in online  
gross revenue**

(omnichannel operation  
and Galeria C&A -  
marketplace), compared  
to 2020

 **+ R\$ 5** billion  
in net revenue



**C&A&VC: + 19**  
**million customers** registered in the  
loyalty program

 **+ 17** thousand  
**associates**, 21% more  
compared to 2020



**Distribution Center  
automation**



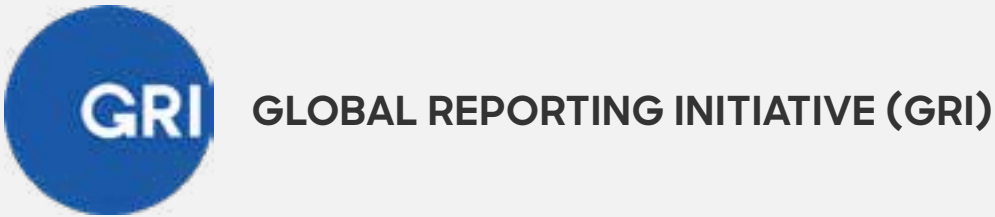
Leadership (for the 4th  
consecutive year) in the **2021  
Brazil Fashion Transparency  
Index**



Faced with a challenging scenario, we have presented great deliveries in our Fashion Tech strategy. In 2021, we highlight the implementation of C&A Pay, our payment and credit services ecosystem. We continued with the opening of new stores in new regions of Brazil. With the automation of distribution centers, we have optimized the shipment of our products, with 50% of deliveries within two days. We made progress in sales via WhatsApp and in our marketplace, Galeria C&A, and focused more efforts on our customers through the implementation of the performance indicator, listening methodology, and progress in the C&A&VC loyalty program.

# Our Report

This Annual Report has been prepared in accordance with the following internationally recognized guidelines and foundations for C&A’s environmental, social and corporate governance (ESG) responsibility strategy:



To access the full version of our Report, please visit our [Investor Relations website](#).

# Our Business Model

Value creation in C&A’s business takes place in six types of interdependent capitals and aims to create value in the short, medium and long term, reflecting the strategic performance of business and sector.



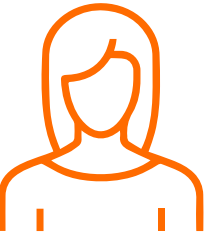
**Financial Capital**  
Marketing of products through our sales channels, purchase of products, payment of taxes and duties, remuneration to members and financial operations, for investment in innovation, technology, expansion and new services.



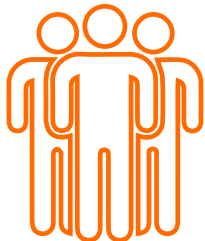
**Manufactured Capital**  
Constant improvements in our distribution operations, physical stores, and e-commerce platform.



**Intellectual Capital**  
Diversity of management skills and efficient technologies used in the business, interaction with consulting firms and innovation centers that generate knowledge, and evaluation of studies and research.



**Human Capital**  
Investments in training, leadership development programs, talent attraction and retention, offering competitive salaries and benefits, and systems that ensure the health and safety of the entire operation and of our associates.



**Social and Relationship Capital**  
Investments in the Brazilian supply chain and communities through business partners and Instituto C&A.

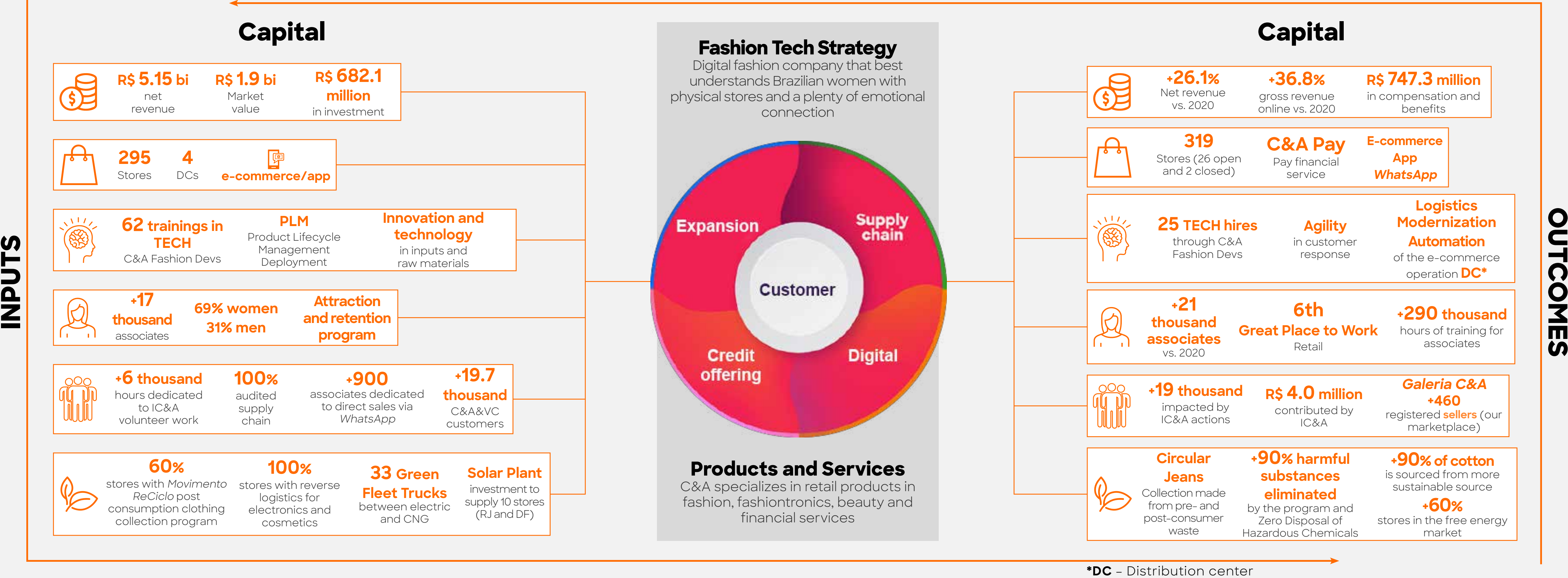


**Natural Capital**  
Investment in innovation and initiatives that promote the rational use of natural resources and mitigate negative impacts on the environment.



# Our Business Model

The following is the exchange between C&A’s capitals and fashion tech strategy:



# Our Governance

C&A is committed to maintaining high standards of corporate governance. It became a publicly traded company in late 2019, trading its shares on the Brazilian Stock Exchange, and opted to join the highest segment of B3 S.A. – Brasil, Bolsa, Balcão (“B3”) S.A., following the Novo Mercado (“New Market”) regulations. The corporate governance model is one of C&A’s main competitive advantages and one of the foundations that support the generation of shared value.

## Highlights of our corporate governance practices



**80%**  
of independent members  
on the Board of Directors  
(BD)



**20%** of women  
on the Board of Directors

**Internal  
Regulations  
and process  
for evaluating  
the performance of  
the Board of Directors,  
Advisory Committees, and  
Executive Board**

## CEAB3

quoted at **R\$ 6.15**  
as of late 2021

## Market Value

**R\$ 1,9**  
billion as of late 2021

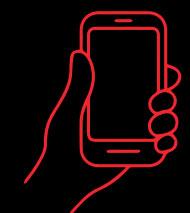
## Value generation

The year 2021 was still directly impacted by the pandemic, as we experienced restrictions in operations and global supply chains. The uncertainties related to the pandemic began to dissipate, especially with the advance of vaccination program, and the macroeconomic scenario became the new challenge. Net revenue from goods was 26.5% higher than in 2020, totaling R\$4.96 billion, while net income was R\$329.0 million, with a margin of 6.4%.

**R\$ 900 million**  
in gross revenue from online sales

**26.1%** growth in total net  
revenue

**R\$ 329 million in  
net income**



For more information on our Corporate Governance practices, please visit the C&A Investor Relations website.



## First issue of debentures

In July, we carried out the first issue of debentures for the amount of R\$500 million. A total of 500,000 debentures, non-convertible into shares, in a single series for public distribution, with restricted distribution efforts, were distributed.

To learn more, please refer to the Material Fact



# Strategy and Operation

## Fashion Tech

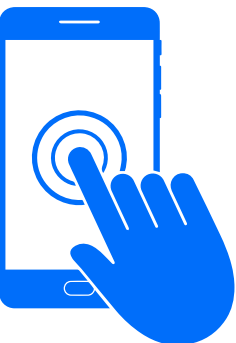
We are undergoing a change of multiple dimensions and strong investment, which is altering processes and paths to accompany the digitization of society, which is expressed through fashion. We are confident that we will achieve our goal of being the best and biggest Fashion Tech in the country.

Our strategy is based on four levers, which together result in the transformation of the way we operate and carry out business, always keeping “HER” (our customer) in focus. On the following pages, we describe our advances in each of the levers in more detail.



## Digital transformation

Considered our method of greatest interaction with the customer, we have a digital ecosystem that includes options for making purchases via the website, direct sales via WhatsApp, app (C&A), Minha C&A, and our marketplace (Galeria C&A). In 2021, we made progress in restructuring and launching new channels. Online gross revenue grew by 36.8% compared to 2020.



WhatsApp sales: Over **50% of sales online and 900 dedicated associates**



**C&A&VC**

**+ 19.7 million**

customers registered in the relationship program



**APP C&A**

**+ 17 million**

downloads on app platforms



**Minha C&A**

**+ 34**

**thousand** registered consultants, boosting income generation



**Galeria C&A**

**of 460**

**sellers** and **400 brands** available in 2021

**All stores with omnichannel Click & Collect, Ship from Store, C&A App and Endless Aisle initiatives**



# Strategy and Operation

## Stores expansion and format

Stores have become spaces for trends, expressiveness of one’s own style, and sharing moments with friends and followers on social media. We opened 26 new stores in Brazil in 2021, under the CVP model (Customer Value Proposition) and omnichannel, which have enabled C&A to become a major fashion anchor in these cities, subsequently attracting more customers. For customers, the advantages range from lower shipping costs to shorter delivery times, providing a complete shopping experience.

## Double Door

An innovative proposal that connects our store in a structure with its own entrance and an exclusive Ace architectural project. Customers are able to complete their purchases through a mobile point of sale or via self-checkout, while fitting rooms, in the studio version, feature a vestibule that can be used for photos or content creation. In 2021, we opened model units in Campinas and Fortaleza.



### Pilot initiatives to promote a better experience

Tools and resources are helping improve customer experience at some of the new stores. The initiatives include an architectural upgrade, ranging from changes in the floor and lighting to the readjustment of the layout and open storefront. The new fitting rooms stand out for their versatile choice of night and day lighting and the product consultation system. The studio version has a shared vestibule, which can be opened for a photo, content creation, or simply to show the outfit to someone else. The heat map helps understand how consumers move in the facilities, identifying improvements in allocation, layout, and commercial proposals, as well as products that complement the shopping basket. The member’s app, in turn, allows the team to monitor sales in updated reports and make the appropriate replacement of parts.





# Strategy and Operation

## Supply Chain Modernization

In order to ensure that customers can enjoy the best level of service, through our omnichannel and its advantages, we must ensure that inventory, product distribution and delivery occur without friction. For that reason, our rise in other growth levers is dependent on the evolution of our supply chain.



Deployment of the **Warehouse Management System (WMS)**.

**The Push-Pull SKU** is based on artificial intelligence, capable of making the best decision for store replenishment.

**Robotization of the e-commerce Distribution Center**, allowing an average assembly time per order of about 5 minutes.

**Radio Frequency Identification – RFID**, a technology focusing on precision inventory management.

Implementation of the **blockchain** digital technology.

## Credit offer – C&A Pay

In 2021, we took a turn in our credit offer to customers. We were able to implement C&A Pay, a payment ecosystem that includes the credit granting service. With C&A Pay, the operation is completely digital, from request to approval to invoice payment.

Available in

**100%** of our stores

**+ 400** thousand

open accounts

## Our pillars – Organization and culture & technology and data

Our pillars of support focus on data-driven decision making and an agile, customer-focused change culture.

We invest in OKRs (Objectives and Key Results) to engage our teams in relation to the company's culture and strategy. After product launches, we manage the entire lifecycle process of apparel products through PLM (Product Lifecycle Management) and use the MVP (Minimum Viable Product) strategy, which optimizes resources and maximizes return, to test and evaluate the performance of products. Monitoring experience is essential to assess satisfaction levels among promoters, which helps draw up action plans we use the NPS (Net Promoter Score) system. We also recognize and retain customers who make the most purchases on our channels through our C&A&VC loyalty program.

# Our look at sustainability

C&A is committed to promoting fashion with a positive impact. We want customers to feel good about purchasing a product at C&A and our members to feel proud of our contributions to society and the planet. Our performance results from the alignment between the Global Sustainability Strategy – which guides in an integrated way the Group’s actions and commitments related to the theme in all countries where the C&A brand is present – considering the ambitions and the local context of C&A Brasil. We will continue our journey, promoting transformations and innovation in the industry and in the production chain, seeking to protect natural resources, increase circularity, reduce plastic pollution, and promote diversity and equity.

## Commitment Platform 2021-2030



## Our main objectives by 2030:



\*in relation to 2020 data.



## Unite & Inspire

Our people management policy is an integral part of our business strategy, as we wish to have the best people in the right places. We carry out an annual competency assessment of all teams, striving to develop skills and constantly challenge performance, in order to influence how we do in business.

In 2021, diversity and inclusion actions and campaigns were supported by the affinity groups C&A Pride, C&A Antirracismo (“C&A Anti-Racism”) and C&A Mulheres em Tech (“C&A Women in Tech”) at the Leadership level. In order to attract talent, we have entered into partnerships with Transempregos, Indique uma Preta and EmpregueAfro. We were recognized as one of the Best

Companies in the Barueri Area and rank 6th among the Best National Companies (Retail Category) in the GPTW (Great Place to Work) rankings. For the 4th consecutive time, we are among the best in retail in Brazil, being for the first time in the top 10.



### Our pillars of diversity



**Education and engagement:** training and affinity groups

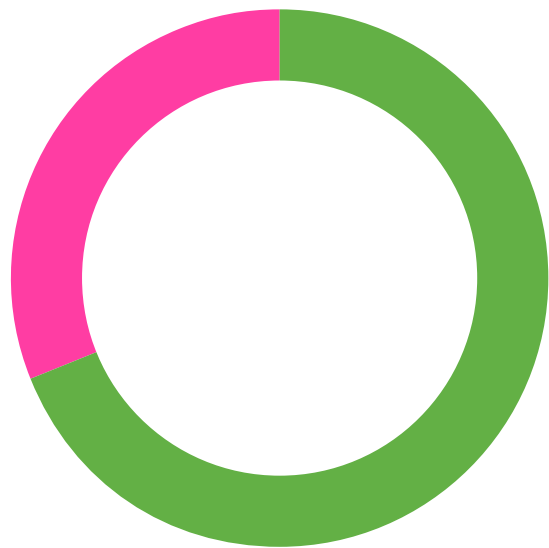


**Communication:** employer branding, events and media positioning



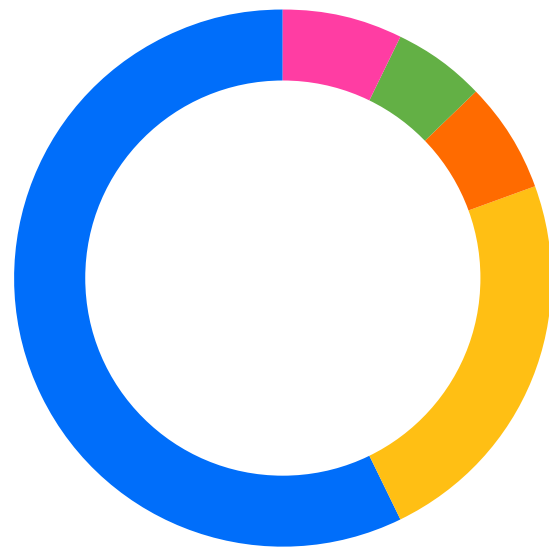
**Commitment to inclusion:** hiring, retention and promotion indicators

### Members by type of work and gender



69% Mulheres  
31% Homens

### Members by region



1,264 North  
986 Center-West  
1,155 South  
4,065 Northeast  
9,933 Southeast

+ 290  
thousand  
hours of  
training



Communities

Instituto C&A has been the social arm of C&A Brasil for 30 years and its purpose is to strengthen Brazilian communities through fashion, positioning itself regionally to promote a social impact in the communities surrounding the stores, distribution centers and headquarters across Brazil. through fashion and corporate volunteering. Another front of action consists of humanitarian aid in situations of public calamity and emergency crises in the country.

 For more information about our social initiatives, please visit the Instituto C&A website.\*

\* Only in portuguese.

Investments by Instituto C&A in 2021 (in Brazilian reais)



Volunteer work  
R\$3.9 million

With almost 1,300 participants, the program was aimed at social organizations that have fashion as a core element, with an entrepreneurship front being created to work with social groups fighting to assert their rights. In total, 234 voluntary actions were held.



Entrepreneurship  
R\$600 thousand

Projects developed for black people, LGBTQIAP+, immigrants and residents of the periphery, directly impacting about 300 micro and small entrepreneurs and entrepreneurs.



Humanitarian aid  
+ R\$1 million

Instituto C&A carried out 88 actions in the fight against the COVID-19 pandemic. A total of 100 organizations, spread across over 65 municipalities, were involved in the initiatives provided by the entities Unidos por Vacina, União Amazônia Viva, Florescer Brasil, and Gerando Falcões. It also contributed to mitigating the damage caused by rainfall in southern Bahia.







Our supply network

Worker well-being and environmental compliance are key topics in our supply chain. We act to avoid degrading conditions or unsafe work environments, protect the sustainability values associated with our brand, and subsequently, minimize social and environmental risks. Our supply network is structured in two ways: domestic and imported. Domestic supply is responsible for the purchase of clothing, footwear, complements, and accessories. We were the first fashion retail company in Brazil to disclose our complete list of suppliers – a key step towards transparency.



For more information about our supply chain monitoring practices, please visit our C&A sustainability website. Only in portuguese.

\* Only in portuguese.

69  
imported  
production  
units – 56%  
from China (by  
volume) and  
24% from Peru  
(by volume)

150  
thousand  
workers  
in the C&A  
supply chain.  
58% women,  
42% men,  
and 0.11%  
foreigners

100%  
audited C&A supply  
chain – 80% local and  
20% imported

198  
units under  
expansion in 2021,  
53% in the Southeast  
and 40% in the South

832  
Production units, of  
which 231 are direct  
suppliers and 601 are  
subcontractors



## Renew & Restore

### Sustainable management of chemicals

The Sustainable Management of Chemicals Program aims to eliminate the disposal of hazardous chemicals. The foundations of the program are aligned with the Zero Hazardous Chemicals Disposal initiative and a public commitment made by us to the environmental activist organization Greenpeace.

### Good practices in waste management

Since 2020, we have mapped all types of waste generated in our operations in Brazil and prepared a Solid Waste Management Plan (PGRS).



We promote engagement, training and continuous improvement alongside suppliers, considered **Wet Processes Facilities**.

We use technological resources such as the **Chemical Inventory List** and the **Higg FEM (Facilities Environmental Module)**, from **Sustainable Apparel Coalition (SAC)**.



Donation of computer equipment to social organizations – Reduction of 37.7 thousand kilograms of GHG and 235 kilograms of toxic metals, derived from the disposal of this waste.

44 metric tons of recycled hangers and 38 metric tons of salvaged metal.

Around 4 metric tons of cell phones and batteries collected from all C&A operations, through the Electronic Waste Program.



### Solar plants

In 2021, we built two solar plants in Brazil in partnership with Faro Energy. Initially, the units will supply 11 stores in Rio de Janeiro and Brasília for ten years, with the prospect of extending the contract for another decade and expanding the number of stores to receive clean energy.



### Carbon Disclosure Project (CDP)

We responded for the first time to the CDP questionnaire – promoted by Carbon Disclosure Project, a global organization that supports investors and analysts dedicated to this topic – in which we provide information on climate change management and obtained a grade of C.



### Electric truck

A pioneer in Brazilian fashion retail, we use an electric truck to distribute products in order to reduce GHG emissions. In 2021, we signed the action with logistics partnerships and are operating another 16 vehicles in the State of São Paulo (SP), 10 of which are fully electric and the others are NGVs, plus 16 vehicles in Rio de Janeiro (RJ), 4 of which are fully electric and the others are NGVs, which are scheduled to be delivered by the first quarter of 2022. Moreover, we will have 3 electric motorcycles in the e-commerce sector.



### GHG inventory

In Brazil, we carried out the first 2019 base year GHG inventory. The 2021 base year inventory is the first to be audited by a third party.



Plastic pollution

It is one of the most important pillars of our 2030 sustainability strategy. Our goal is to replace 50% of single-use plastics in stores, online stores and in the logistics chain with sustainable alternatives by 2030.



We have migrated 71 units to the Free Energy Market, started the pilot project of green logistics with an electric truck, and adopted the hybrid regime at the headquarters after the pandemic, with alternation between days at the office and at home.

In our own operations



Collection of garments, of any brand, at the Movimento ReCiclo boxes, for appropriate disposal or the beginning of new cycles

With customers

Climate change

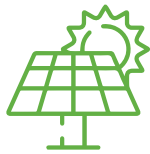
On the environmental front, our company actively participates in platforms that help connect businesses and companies to the demand for combating global warming.



Currently, over 90% of our cotton items use the most sustainable version according to the Better Cotton Initiative (BCI). We support supplier development through the Zero Hazardous Chemicals Disposal programs, which also promote a lower energy use in production.



We produce C2C® certified garments in Brazil, which, in addition to having BCI cotton, encourages the use of renewable energy in the production of garments and promotes an estimated 85% reduction in GHG emissions.



We promoted pilot projects for the use of solar energy in three production units, which will result in a 4tCO<sub>2</sub>eq reduction in GHG emissions over five months of operation.

In our suppliers





## Innovate & Lead

For years, C&A has been committed to the use of more sustainable raw materials and the circular economy. C&A's pioneering spirit in circularity includes a wide range of Cradle to Cradle Certified® products and circular products along with a robust in-store returns program.

### Sustainable raw materials and bio-diversity preservation

One of our commitments is that the cotton used in our products comes from an efficient and sustainable use of water, and minimal application or elimination of the use of conventional pesticides, in addition to lower carbon emissions and the promotion of decent working conditions.

#### Better Cotton Initiative (BCI)

We use certified organic or recycled cotton. In 2021, 94.40% of the cotton in C&A's garments came from sustainable sources.

#### Canopy Style Initiative

We give preference to the acquisition of viscose fiber from the most highly rated suppliers, through which we support the conservation of old forests or forests threatened by the production of textile fibers from wood-based cellulose pulp.

#### 100% polyester from recycled PET bottles

We started innovation projects for the use of yarn, incorporating a part of certified regenerative cotton and development in Brazil of 100% polyester filament from recycled PET bottles.





## Circularity

C&A is committed to the circular economy. We are aware that, directly or indirectly, we contribute to environmental impacts related to the linear model of consumption. While, on the one hand, we fulfill the social mission of democratizing access to fashion, on the other hand, we produce a large volume of textiles, with proportional volumes of raw material and generation of waste. For this reason, we seek to implement more and more initiatives aimed at circularity.



### Launch of the Cycles line

The first collection with the world-renowned Cradle to Cradle® Gold level certification, produced 100% in Brazilian soil.

### Movimento ReCiclo

185 stores with urns to collect clothes for reuse throughout Brazil  
About 7 metric tons of clothes collected  
18 thousand garments in good condition referred to reuse  
12 thousand referred to recycling  
3,500 referred to upcycling

### Launch of Circular Jeans

Garments from the reuse of items collected in Movimento ReCiclo boxes and leftovers from production.

## #VistaAMudança

It is the umbrella concept of communication for C&A sustainability. It encompasses our initiatives for fashion with a positive impact. With the movement #VistaAMudança (“WearTheChange”), we work to expand the offer of products made with more sustainable raw materials and following circular economy premises, promote fair and safe working conditions for the supply chain, and engage customers and employees in the search for fashion with a positive impact



Physical and virtual informational tags with the collection’s sustainability attributes, launched at our More **Sustainable Jeans Week** in September 2021

### More Sustainable Dyeing

Garments produced on demand, with fabrics from the reuse of used clothes and manufacturing leftovers, in addition to a 33% reduction in the use of water in the dyeing and laundry process

### Jeans with less water

Laundry process – the most water-intensive in the entire production – carried out with at least 65% and up to 85% less water than the usual process



# Office hours

## COORDINATION

C&A Brasil ESG Team

## PHOTOS

C&A Brasil and Rodrigo Paiva Archive

## WRITING, INDICATOR CONSULTING, ART AND DESIGN DIRECTION

Visão Sustentável

## C&A MODAS S.A.

Alameda Araguaia, 1222/1022, Alphaville Centro Industrial e Empresarial, CEP 06455-000 – Barueri, SP – Brazil (GRI 102-3)

C&A carries out tests on employees and requests them from service providers on a regular basis, as in the case of the disclosure photos of this Report, to prevent the coronavirus from spreading.

