SUSTAINABILITY RELATED FINANCIAL DISCLOSURES REPORT

2025



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MESSAGE FROM **THE BOARD**

The year 2025 marked a new step in the evolution of C&A Modas S.A. (C&A) towards increasingly integrated and transparent management. We present our first Sustainability Financial Report, prepared voluntarily in accordance with pronouncements CBPS 01 and 02 approved by the Brazilian Securities and Exchange Commission (CVM), equivalent to the IFRS S1 and S2 standards issued by the International Sustainability Standards Board (ISSB). The decision reflects the same commitment that guides our strategy: integrate the discipline of management, governance, and climate into the sustainable value generation for all our shareholders and other stakeholders.

As one of the leading fashion retailers in Brazil, we interact daily with millions of consumers, employees, suppliers, and communities. We operate in a sector of complex chains and high socio-environmental sensitivity, which makes the integrated management of climate risks and opportunities a central strategic dimension — not a topic parallel to the business activity. In 2025, we advanced in updating our financial materiality and our corporate risk matrix, deepening the understanding of transitional and physical climate factors with the potential to impact our operations, textile supply chain, and supply models. At the same time, we identified and strengthened opportunities associated with operational efficiency, the integration of digital and logistical solutions, the expansion of renewable energy use, and the scalability of more sustainable products. All these topics are incorporated into our strategy and reflect our short, medium, and long-term priorities.

We recognize that the climate agenda is dynamic and requires continuous evolution. Therefore, we continue to improve our practices for collecting, analyzing, and disclosing information, strengthening internal governance, data, and control systems that support decision-making. This report represents an additional step in this journey and reinforces our commitment to providing our stakeholders with a clear, robust, and responsible view of C&A's performance. We appreciate the dedication of our associates, partners, and suppliers, as well as the trust of our customers and shareholders. We will remain committed to building a more sustainable, competitive, and inclusive future.

The Management
C&A Modas S.A.



Marcos Guimarães Grasso
Chairman of the
Board of Directors



Paulo Correa Junior
President

IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

1. EXECUTIVE SUMMARY
FOR INVESTORS

C&A presents below an executive summary of the main identified risks and opportunities, as well as their respective financial impacts and potential future impacts.

Climate Risks and Factors	Financial impact in 2025	Future Impacts
Changes in climate patterns expose to the risk of collection assertiveness	(13,865)	(63,763)
Extreme weather events that may expose to the risk of poor performance of sales channels	(1,230)	(20,876)
Extreme weather events that may expose to model and logistics distribution capacity risk	Qualitative	Qualitative
Extreme weather events and changes and/or non-compliance with climate legislation that may impact third-party dependency	Qualitative	Qualitative

Opportunities	Financial impact in 2025	Future Impacts
Scalability of sustainable products	Qualitative	Qualitative
Operational Optimization	3,979	127,914
Renovation and expansion projects with less impact	41,725	327,684



2. **BASIS** OF PREPARATION



2.1. ABOUT THIS REPORT

This Sustainability Financial Report ("Report"), prepared on a voluntary basis, presents the disclosures of C&A Modas S.A. ("Company" or "C&A") and its subsidiaries regarding climate-related risks and opportunities (CBPS 02/IFRS S2) that may influence the Company's value creation and financial performance in the short, medium, and long term.

In compliance with the provisions of CVM Resolution 193/2023, as amended by CVM Resolution 244/2026, the Company informs that the release of the Sustainability Financial Report was carried out voluntarily and previously communicated to the market through a Market Announcement published on December 23, 2025.

This report must be analyzed together with consolidated financial statements of C&A for the year ended December 31, 2025 were prepared in accordance with accounting practices adopted in Brazil, which comprise accounting pronouncements, guidelines, and interpretations issued by the Accounting Pronouncements Committee ("CPC"), approved by the Federal Accounting Council ("CFC") and the Brazilian Securities and Exchange Commission ("CVM"), which are in accordance with international standards ("IFRS") issued by the International Accounting Standards Board – IASB. The functional and presentation currency of the Company and its subsidiaries is in thousands of reais (R$).

This report is also aligned with the 2025 Annual Integrated Report, referring to the same fiscal year as the financial statements.

To the extent possible, considering differences in nature, scope, and time horizon of the information, the data, assumptions, and estimates used in the preparation of the climate-related disclosures in this Report are consistent with those used in the preparation of the Company's consolidated financial statements.

When different assumptions or estimates are used, especially in long-term projections, climate scenario modeling, or information based on third-party data, such differences arise from the specific characteristics of this information and do not compromise the overall consistency between the Sustainability Financial Report and the consolidated financial statements.

Certain estimates and projections included in this Report consider, when applicable, the tax legislation in force at the time of its preparation and are aligned with the assumptions adopted in the preparation of the Company's financial statements.

In the context of the Tax Reform on consumption, established by Constitutional Amendment 132/2023 and regulated, in the first phase, by Complementary Law 214/2025, which establishes the creation of the Contribution on Goods and Services (CBS) to replace PIS and COFINS, some of the adopted premises may not fully reflect the future tax environment.

Considering that the implementation of the CBS occurs gradually and that certain relevant operational aspects, including the definition of effective rates, credit mechanisms, and specific application rules, are still evolving, future financial effects may differ from the estimates currently presented in this Report, especially regarding the utilization of tax credits associated with expenses and investments, including depreciable assets.

Additionally, in the preparation of this Report, the Company adopts the single reference criterion for information common to the applicable requirements.

When the same subject is required in more than one section, the Company presents the complete content only once in the most appropriate section and maintaining the connectivity of the disclosures and facilitating reading.

2.2. SCOPE OF DISCLOSURE

The Report covers the operations of C&A Modas S.A., its wholly owned subsidiaries, and direct and indirect subsidiaries, reflecting the consolidated performance of the Company for the year ended December 31, 2025. The disclosures were prepared in accordance with the technical pronouncements issued by the Brazilian Sustainability Accounting Standards Board ("CBPS"), approved by the Brazilian Securities and Exchange Commission ("CVM"), equivalent to the international sustainability financial reporting standards ("IFRS") issued by the International Sustainability Standards Board ("ISSB"), including:

- CBPS 01/IFRS S1, approved by CVM Resolution 217/2024, which establishes the general requirements for disclosure of sustainability-related financial information;
- CBPS 02/IFRS S2, approved by CVM Resolution 218/2024, which establishes requirements for climate-related disclosures;
- CVM Resolution 193/2023, as amended by CVM Resolutions 219/2024, 227/2025, and 244/2026, which allows the voluntary disclosure of sustainability-related financial information.

During this voluntary adoption cycle, C&A applied the transition reliefs provided in CBPS 01/IFRS S1, which allow temporary exceptions to the full adoption of the standards. Among the main reliefs adopted are the exemption from the simultaneous publication of this report with the consolidated financial statements, the disclosure limited to risks and opportunities related to climate, according to the scope of CBPS 02/IFRS S2, and the waiver of presenting comparative information on these risks and opportunities, allowed in the first reporting cycle. The adoption of these relief measures considered the principle of proportionality, based on data availability, process maturity, and cost-benefit of implementation during the period.

Regarding climate metrics and targets, C&A measures its greenhouse gas (GHG) emissions based on the GHG Protocol methodology, an internationally recognized standard for corporate emissions accounting and aligned with the requirements of CBPS 02/IFRS S2.

The emissions inventory is prepared according to the operational control criterion, covering the operations over which the Company exercises direct control. This approach adequately reflects the Company's internal management and exposure to climate risks and opportunities. The quantification of emissions prioritizes the use of primary data and, complementarily, secondary data and estimates, especially in the case of Scope 3 emissions, due to limitations in the availability of information in the value chain. The issuance factors and assumptions adopted are based on recognized and updated sources.

The methodological premises are reviewed throughout the fiscal year to reflect the evolution of data quality, methodological improvements, and any changes in operational scope, ensuring consistency and reliability of the information over time.

2.3. UNCERTAINTIES, ASSUMPTIONS AND JUDGMENTS

The information presented in the preparation of this Report was developed based on assumptions, estimates, and judgments of the Management. Such estimates are subject to inherent uncertainties, which may affect comparability between periods and result in future revisions or adjustments, and reflect the best available evidence at the reporting date, reviewed prospectively whenever new facts or conditions justify it.

In preparing these disclosures, Management made judgments that significantly affect the reported information, notably: the determination of the financial materiality of climate risks and opportunities; the definition of short, medium, and long-term horizons; the definition of organizational boundaries, including the operational control criterion of the emissions inventory and the concentration of climate modeling in the consolidated operations in Brazil; the selection of reference climate scenarios (RCP 4.5/8.5 and SSP2-4.5/SSP5-8.5); the decision on which risks and opportunities were quantified and which remained qualitative; and the assignment of financial effects to climate factors. These judgments are reviewed whenever new information and evidence become available.

The issuance factors and assumptions adopted are based on recognized, public, and up-to-date sources. The methodological premises are reviewed throughout the fiscal year to reflect the evolution of data quality, methodological improvements, and any changes in operational scope, ensuring consistency and reliability of the information over time.

Significant items subject to these estimates, assumptions, and uncertainties include:

1. Financial projections related to long-term climate risks, whose realization indeed depends on external factors, such as technological advances, market changes, and macroeconomic conditions;

2. Regulatory evolution, especially regarding carbon markets, environmental standards, and legal requirements, as well as climate and transition scenario modeling based on assumptions from international organizations, which may be revised in light of new scientific evidence and public policies;

3. Scope 3 Issuances, originating from third parties and the value chain, subject to methodological limitations due to the use of external emission factors and internal data (Tier 2 and Tier 3), in the absence of primary data (Tier 1);

4. Projected financial flows related to climate risks and opportunities, brought to present value, when applicable, by the weighted average cost of capital (WACC) estimated at 13.27% p.a., reflecting the economic and financial conditions considered in the corporate analyses of the period.

2.4. ORGANIZATION CONTEXT

C&A has its registered office located at Alameda Araguaia, nº1.222 - Barueri - São Paulo - Brazil. The Company is a publicly-held corporation, holding shares traded on B3 (São Paulo - Brazil) under the ticker "CEAB3" and its Parent Company is COFRA Holding AG, based in Switzerland. C&A and its subsidiaries ("Group") are mainly engaged in the following activities:

Retail trading:

- Sale of goods in brick-and-mortar stores and e-commerce. The portfolio includes apparel, footwear, accessories, watches, cosmetics, among others.

Financial services:

- Intermediation of credit granted to finance purchases.

- Issuance of credit cards (private label) and granting of personal loans.

- Intermediation in brokering and promoting the distribution of insurance, saving bonds, and related products offered by insurers and other third-parties offering such products.

Proprietary payment institution activities, which involves processing financial transactions and related services.

The Group sells its goods in 340 stores, supplied by 3 distribution centers in the states of São Paulo, Rio de Janeiro, and Santa Catarina. The structure is complemented by urban hubs in Porto Alegre (RS) and Aparecida de Goiânia (GO) strengthening the expansion and efficiency of the distribution network. The Group also sells its goods through e-commerce services.



2.5. COVERED ENTITIES

The scope covers the operating activities of C&A in Brazil and its subsidiaries, according to the organizational structure below:

Group	**Interest**	
Subsidiaries	**Direct**	**Indirect**
Orion Instituição de Pagamentos S.A.	99.99%	–
C&A Pay Holding Financeira Ltda	99.99%	–
C&A Pay Sociedade de Crédito Direto S.A.	–	99.99%
Investment fund		
C&A Pay FIDC	100%	–

2.6. DETERMINATION OF FINANCIAL MATERIALITY

The definition of the information included in this Sustainability Financial Report follows the principle of materiality, as established in the Conceptual Framework for Financial Reporting (CPC 00) and in the CBPS 01/IFRS S1 and CBPS 02/IFRS S2 standards, issued by the International Sustainability Standards Board (ISSB).

According to CPC 00, information is considered material when its omission, distortion, or obscurity can reasonably influence the decisions of investors, creditors, and other primary users of financial statements and corporate reports.

The assessment of financial materiality aims to identify this information and guide the focus and quality of disclosures, avoiding both the omission of relevant topics and the excess of generic content. The judgment is based on the applicable standards — including IFRS Practice Statement 2, NBC TA 320, OCPC 07 (R1), and CPC 26 (R1) — and combines quantitative and qualitative criteria, applied with professional

judgment by management and formally documented to ensure transparency and consistency.

The process starts with defining a reference base appropriate to the sector. Since it is a fashion retail business activity, characterized by high volume and low average selling price, the Company adopted Net Revenues, as it more consistently reflects the scale of the business activity than profit, which is subject to greater volatility. The range applied to this base is then calibrated by qualitative factors, such as business activity complexity, regulatory and reputational risk, stakeholder expectations, and adjustment history, in line with the Company's conservative risk management profile. Regardless of the quantitative level determined, an item is treated as material when it affects covenants or financial indicators, changes the trend of income (loss), or presents a relevant regulatory or reputational impact.

Thus, the climate-related risks and opportunities presented here reflect those that management believes to have the potential to significantly affect the Company's financial position, performance, or cash flows in the short, medium, and long term. The detailed process of identifying and prioritizing material topics is presented in the Strategy chapter of this Report.



3. GOVERNANCE

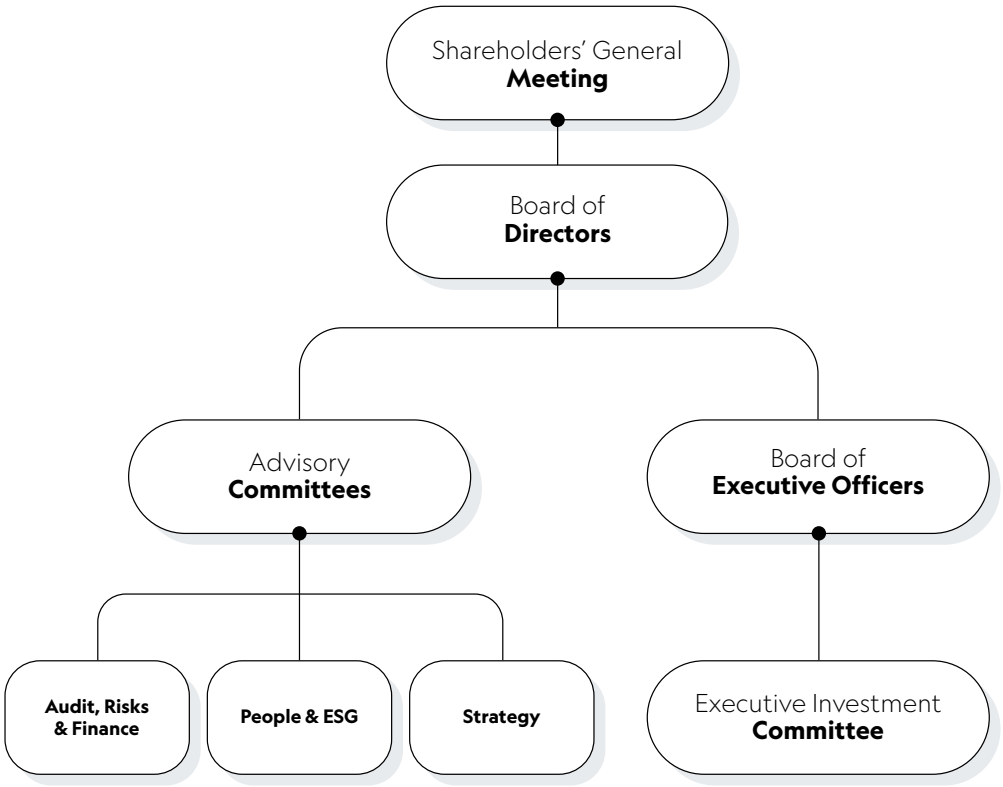
C&A's corporate governance is structured to integrate the oversight of risks and opportunities, including climate-related factors relevant to the Company, considering their impacts over short, medium, and long-term horizons. This structure follows good corporate governance practices and is aligned with international recommendations, including the Task Force on Climate-Related Financial Disclosures (TCFD) and the CBPS 01/IFRS S1 and CBPS 02/IFRS S2 pronouncements, promoting integration between sustainability, strategy, financial planning, and risk management. The governance architecture is composed of the Board of Directors and the Advisory Committees, which are the People & ESG Committee (CGASG), the Strategy Committee (CE), and the Audit, Risk, and Finance Committee (CARF), in addition to the Board of Executive Officers and the Board of Auditors, all operating with competencies defined in their respective internal regulations.

In exercising these duties, governance bodies consider trade-offs associated with climate risks and opportunities, including financial, operational, regulatory, and reputational impacts, as well as their effects over different time horizons, in order to support strategic decisions aligned with sustainable value creation.

The climate governance disclosures in this Report have been structured in a way that integrates them with C&A's corporate governance and risk management disclosures. To avoid unnecessary duplication of information, the Company has adopted a cross-referencing approach, centralizing the description of the duties, responsibilities, and operations of the governance bodies (Board of Directors, Advisory Committees, and Board of Executive Officers) in the Corporate Governance and Risk Management sections. This structure reflects how climate governance is integrated into the Company's overall governance and Enterprise Risk Management (ERM) model, ensuring consistency, clarity, and connectivity of the information presented throughout the Report.



GOVERNANCE STRUCTURE



Additionally, the Company recognizes the importance of continuously evolving the way information related to climate governance is structured and presented in its reports, in order to enhance clarity, connectivity, and understanding of the disclosures. Although sustainability and climate governance are integrated into the Company's decision-making structure and oversight forums, the process of organizing climate disclosures is still being improved, focusing on ensuring proper coordination between sections, avoiding unnecessary overlaps, and strengthening cross-references. This improvement aims to make the connection between governance, strategy, risk management, and climate metrics more explicit, contributing to greater consistency and transparency of the information presented..

3.1. SUPERVISION STRUCTURE

The supervision structure for sustainability topics, focusing on C&A's climate aspects, includes bodies responsible for analyzing, consolidating, and reporting information according to the competencies defined in their internal regulations. This structure organizes the flow of information between the Board of Executive Officers, the Advisory Committees, and the Board of Directors, enabling periodic monitoring and decision-making at the appropriate levels.

Board of Directors (CAD)

It is the highest instance of deliberation and supervision, responsible for the following:

- Approve strategic guidelines, corporate targets, and public commitments related to socio-environmental and climate topics;
- Supervise strategic risks, including social, environmental, and climate-related risks;
- Approve the ESG and Risk Management Policies;
- Periodically supervise the Company's exposure to risks, including climate, environmental, social, regulatory, and reputational risks, as well as evaluate the effectiveness of the risk management systems, internal controls, and the integrity and compliance program;
- Periodically review the Company's values, ethical principles, and conduct guidelines, ensuring transparency, integrity, and proper relationships with all stakeholders;
- Monitor and periodically review the Company's corporate governance structure and practices, aiming for their continuous improvement and alignment with best market and sustainability practices;
- Approve and keep updated the succession plan for the CEO, considering aspects of business activity continuity, organizational sustainability, and long-term strategic alignment;
- Ensure that the Board of Executive Officers maintains adequate mechanisms, processes, and internal controls to identify, assess, monitor, and manage risks and opportunities related to the Company's strategy and sustainability, including climate, social-environmental, operational, and corporate integrity aspects.
- The Board of Directors meets monthly.

The Board of Directors
is responsible for overseeing strategic risks, including socio-environmental and climate risks.



From left to right: Cristina Presz Palmaka de Luca, Jamil Saud Marques, Marcos Guimarães Grasso, Isabella de Oliveira V. Cavalcanti Wanderley and Peter Takaharu Furukawa

People & ESG Committee (CGASG)

It is the advisory body to the CAD acting as the guardian of C&A's ESG agenda, as well as being responsible for the following:

- Advise the Board of Directors and the Board of Executive Officers in defining, implementing, and monitoring the Company's ESG strategy;
- Support the integration of ESG topics into the Company's corporate strategy, risk management, and long-term planning;
- Monitor the implementation of ESG policies, guidelines, and initiatives approved by the Board of Directors;
- Supervise the progress of the Company's ESG strategic agenda, including environmental, social, climate, and governance topics;
- Monitor targets, indicators, public commitments, and action plans related to the ESG strategy, proposing adjustments and prioritizations when applicable;
- Monitor topics related to climate change, diversity and inclusion, human capital, ethics, integrity, and sustainable development;



The People & ESG Committee is responsible for supporting the integration of ESG topics into the corporate strategy, risk management, and the Company's long-term planning.

- Evaluate regulatory trends, stakeholder demands, and market best practices related to ESG topics;
- Monitor risks and opportunities related to ESG and climate topics, as well as their integration into the Company's risk management processes.
- Periodically report to the Board of Directors, Board of Executive Officers, and CARF on the progress of the annual planning and initiatives related to the Company's ESG agenda;
- Analyze and periodically review the Company's organizational structure, ensuring its compatibility with its strategic, growth, and income objectives.
- Evaluate and monitor the effectiveness of practices related to organizational culture, personnel management, engagement, performance, remuneration, and incentives through relevant indicators and metrics.
- The CGASG holds meetings every two months.

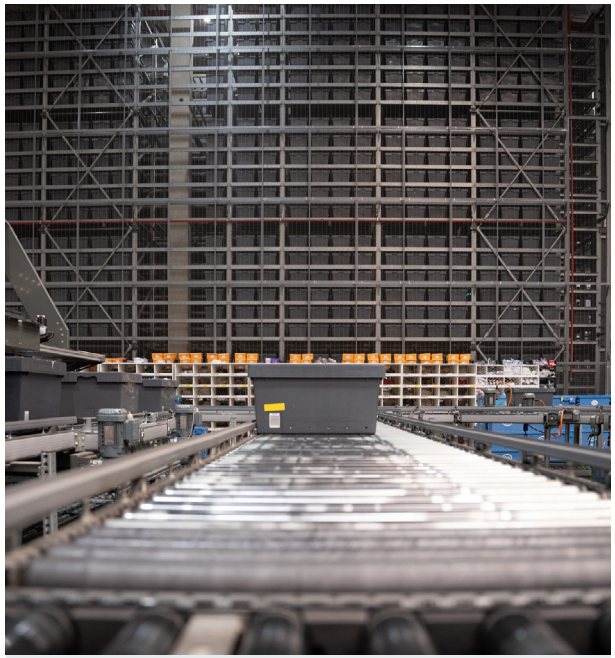
Audit, Risks and Finance Committee (CARF)

It is the advisory body to the CAD responsible for the following:

- Supervise the management of the Company's corporate risks, including operational, financial, regulatory, social and environmental, and climate risks, as well as monitor the periodic review of the corporate risk matrix;
- Monitor and supervise the Company's financial reports, ensuring their compliance with regulatory standards, accounting principles, and best practices in corporate governance and transparency.
- Monitor the strategic sustainability and climate agenda, as well as approve reports related to sustainability.
- The CARF shall hold meetings at least every two months and extraordinary meetings whenever deemed necessary.

Strategy Committee (CE)

- Advise the Board of Directors in defining, evaluating, and monitoring the corporate strategy, integrating economic, financial, socio-environmental, and climate aspects;
- Evaluate and monitor strategic initiatives, significant investments, and projects related to operational efficiency, innovation, business activity transformation, sustainability, and corporate resilience;
- Monitor the execution of the Company's corporate strategy and long-term planning, promoting alignment between value creation, sustainability, risk management, and operational and financial performance;
- Monitor market trends, regulatory changes, emerging risks, and strategic opportunities that may impact the competitiveness, longevity, and sustainability of the Company's business activities;
- Evaluate initiatives and guidelines related to climate transition, resource efficiency, innovation, and sustainable development, when applicable to the Company's strategy and operations.
- The CE meets every two months.



The Strategy Committee is responsible for projects related to operational efficiency, innovation, business activity transformation, sustainability, and corporate resilience.

Board of Executive Officers

The Board of Executive Officers is responsible for managing the Company, leading the implementation of strategies defined by the Board of Directors, including those of a climate nature, and coordinating the business activity areas. It is composed of 3 to 9 members, currently five statutory members with two-year terms and the possibility of re-election, and two non-statutory members. It has executive committees that support strategic discussions and execution aligned with corporate objectives. One of these executive committees is the Investment committee.

Investment Committee

- It is the forum responsible for the evaluation, deliberation, and approval of the company's investment proposals, covering initiatives from different business areas, such as store expansion and renovation, logistics, technology, e-commerce, and other.

- The submitted proposals include the investment justification, financial indicators, and the expected returns of the project, previously validated by the Financial Planning department. Based on the analyses conducted, the committee deliberates on the approval or rejection of the projects, and may authorize the investment either in full or in stages (gates), conditioning subsequent releases on the proof of the results obtained.

In 2025, it maintained 100% adherence to the practices of the CBGC (Brazilian Corporate Governance Code) applicable to the Company and advanced in the creation of committees focused on topics such as innovation, digital transformation, and customers.

The Board of Executive Officers
has executive committees that support strategic discussions and execution aligned with corporate objectives.



Board of Executive Officers (includes statutory and non-statutory members). From left to right: Fernando Brossi, Bruno Ferreira, Laurence Beltrão, Paulo Correa, Carolina Borghesi Donatti and Cecília Preto

3.2. SKILLS AND TRAINING

The Board of Directors and the Board of Executive Officers receive ongoing training in climate, including:

- Governance Seminars;
- Quarterly updates on ESG and climate topics;
- Participation in specialized committees, such as the People and ESG Committee;
- Related workshops.

Among these initiatives, the Governance Seminar stands out, through which the Board of Directors maintains a formal continuing education program aimed at strengthening the competencies necessary for strategic decision-making. This program addresses critical topics for the organization's performance, including sustainability and climate, so that senior management is prepared to assess, oversee, and respond to sustainability risks and opportunities, such as climate aspects that may affect the Company.

In 2025, the Seminar included the participation of members from the governance bodies, Board of Management, Advisory Committees, and Board of Executive Officers. The joint execution of the work strengthens the cross-sectional alignment of climate-related topics throughout the corporate governance structure, promoting an integrated view between strategy, risks, and sustainability.

This continuous strengthening of capabilities is complemented by a structured process of nomination and selection for both the Board of Directors and the advisory committees, as established in the Corporate Management Nomination Policy. This policy values the diversity of knowledge, experiences, behavioral profiles, cultural contexts, age groups, and gender, as well as considering alignment with the company's values and culture, an unblemished reputation, and academic background or professional experience compatible with each role.

The definition of the composition of the Board of Directors is also supported by a competency matrix, used as a tool to assess the complementarity of experiences, knowledge, and perspectives of the board, as well as to support the processes of nomination, succession, and evaluation of the body. The current composition of the Board reflects a balanced combination of these attributes, contributing to the quality of discussions, the diversity of perspectives, and the effectiveness of the decision-making process, including with regard to climate-related topics.



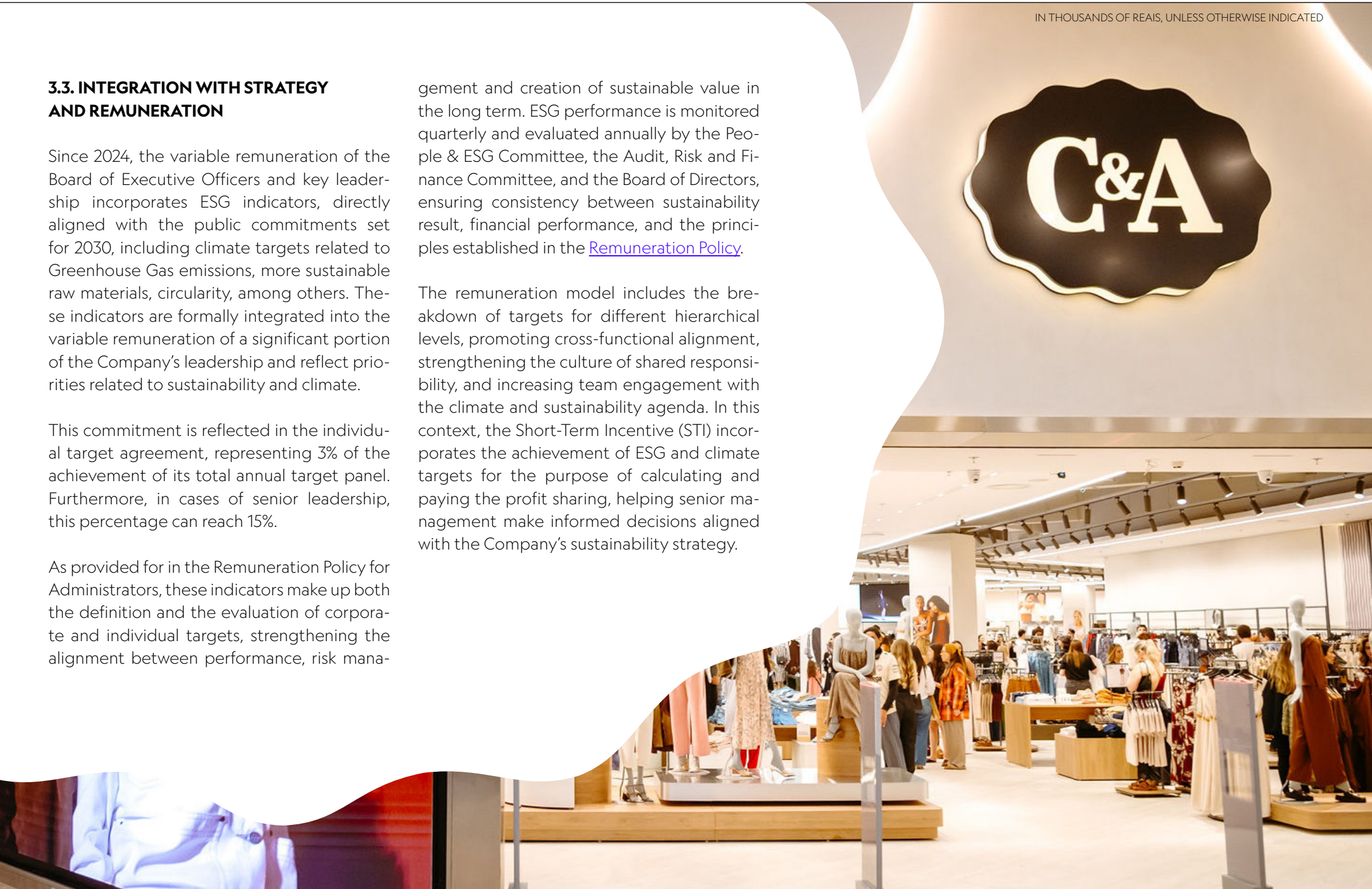
3.3. INTEGRATION WITH STRATEGY AND REMUNERATION

Since 2024, the variable remuneration of the Board of Executive Officers and key leadership incorporates ESG indicators, directly aligned with the public commitments set for 2030, including climate targets related to Greenhouse Gas emissions, more sustainable raw materials, circularity, among others. These indicators are formally integrated into the variable remuneration of a significant portion of the Company's leadership and reflect priorities related to sustainability and climate.

This commitment is reflected in the individual target agreement, representing 3% of the achievement of its total annual target panel. Furthermore, in cases of senior leadership, this percentage can reach 15%.

As provided for in the Remuneration Policy for Administrators, these indicators make up both the definition and the evaluation of corporate and individual targets, strengthening the alignment between performance, risk management and creation of sustainable value in the long term. ESG performance is monitored quarterly and evaluated annually by the People & ESG Committee, the Audit, Risk and Finance Committee, and the Board of Directors, ensuring consistency between sustainability result, financial performance, and the principles established in the Remuneration Policy.

The remuneration model includes the breakdown of targets for different hierarchical levels, promoting cross-functional alignment, strengthening the culture of shared responsibility, and increasing team engagement with the climate and sustainability agenda. In this context, the Short-Term Incentive (STI) incorporates the achievement of ESG and climate targets for the purpose of calculating and paying the profit sharing, helping senior management make informed decisions aligned with the Company's sustainability strategy.



4. STRATEGY

At C&A, sustainability is an integral journey to the business activity model and guides the formulation and execution of the corporate strategy. The Company recognizes that the generation of sustainable economic value depends on the integration of responsible practices throughout the value chain, the proper management of climate impacts, and the care of human, social, and natural capital. This approach aligns with the requirements of CBPS 02/IFRS S2, which demand the disclosure of climate factors capable of influencing the entity's financial position, performance, and cash flows over short, medium, and long-term horizons.

In this context, sustainability is integrated into the processes of identifying and assessing material risks and opportunities, including those related to climate, supporting the definition of strategic priorities, investment decisions, resource planning, and product and operations development. This integration helps to strengthen the resilience of the business model and the Company's competitiveness in different scenarios.

This vision guides how C&A interacts with its main stakeholders, supporting strategic choices that combine financial performance, ethics, innovation, and operational efficiency, while also enhancing the Company's ability to adapt to structural changes in the business environment and to regulatory and market expectations.

Over the course of about two decades, the Company has developed a social and environmental program within the value chain, with compliance criteria, continuous monitoring, and partner development, aiming to mitigate material risks related to sustainability and capture opportunities that may influence performance, equity position, and future cash flows. Furthermore, for over 15 years, C&A has been disclosing information related to sustainability, strengthening accountability on material topics, including the management of climate-related risks. During this period, governance was strengthened with the consolidation of a Sustainability Committee and the development of structured cycles of public commitments (2015-2021; 2022-2030), converting long-term ambitions into measurable and monitorable targets.



On the climate axis, two cycles of targets approved by the SBTi were conducted, with milestones in 2020 and 2025, covering Scopes 1, 2, and 3. These initiatives reinforce adherence to the expectations of CBPS 02/ IFRS S2 regarding the identification, management, and disclosure of climate risks and opportunities, as well as the monitoring of relevant performance indicators. The Company is also a signatory to global initiatives, such as the UN Global Compact, reinforcing its strategy through alignment with the Sustainable Development Goals (SDGs) and international standards.

Launched in 2024 for the 2024-2026 cycle, the Energy Strategy consolidates the strategic drivers of the business activity and defines the main levers to accelerate growth, efficiency, and brand strengthening. The strategy is structured on three interdependent pillars: (i) Brand and Relationship, (ii) Product, and (iii) Omni Journey, supported by transversal enablers such as Technology, Culture, and Sustainability, ensuring coherence between strategic direction and execution. The topic of Climate Change is embedded transversally in this framework, guiding strategic decisions and initiatives across these levers.

In the Brand and Relationship pillar, the Climate Change agenda helps to preserve and strengthen brand value in the long term.

Incorporating these topics into the institutional positioning and the way we interact with clients reinforces attributes such as trust, credibility, and consistency between purpose and practice, factors that are relevant for sustaining the brand's relevance, client engagement, and preference, as well as mitigating reputational risks. This approach supports the brand's longevity and its ability to adapt to changes in market and consumer expectations.



energia C&A

The Energy Strategy consolidates the strategic drivers of the business activity and defines the main levers to accelerate growth, efficiency, and brand strengthening.

In the Product pillar, the climate agenda is integrated into strategic decisions related to the portfolio, innovation, and risk management. Guidance for the development of products with lower environmental intensity helps reduce exposure to cost volatility, regulatory risks, and supply chain challenges. By aligning product decisions with a medium and long-term perspective, we strengthen the resilience of the commercial mix, support operational discipline, and sustain the generation of financial value in a context of transition to a low-carbon economy.

In the Omni Journey, the topic of Climate Change is integrated into the operational efficiency strategy and resilience of the business model. The evolution of integration between physical and digital channels contributes to the optimization of inventory, logistics, and asset use, with effects on costs, productivity, and return on capital used. This approach supports the mitigation of physical and transition risks related to climate and strengthens our ability to operate efficiently and at scale in different economic and regulatory scenarios.

By integrating the sustainability agenda, especially climate change, into the levers of the Energy Strategy, C&A consolidates a strategic approach focused on creating and preserving long-term value, strengthening the resilience of the business model, mitigating relevant risks, and positioning the Company to capture opportunities associated with the transition to a low-carbon economy.

Definition of Time Horizons (grounded and aligned with public targets)

The definition of time horizons for managing climate risks and opportunities at C&A is based on the connection between climate, financial, and accounting variables, ensuring alignment with budget planning, investment cycles, and the public sustainability targets established in the 2030 Commitment, including the commitment made with the Science Based Targets initiative (SBTi).

The horizons adopted by the Company reflect the financial planning cycle and the maturation periods of relevant climate impacts:

- **Short term (up to 1 year):** it covers the annual budget cycle and the consolidated performance indicators in the financial statements. It includes immediate operational actions, such as energy efficiency, renewable energy consumption, and mitigation of direct emissions (Scopes 1 and 2).
- **Medium term (2–5 years):** it corresponds to the horizon of the C&A Energy strategic plan (2024-2026) and the capital plans. It involves integrating climate risks and opportunities into the strategy.
- **Long-term (>5 years):** associated with public commitments to decarbonization, the transition to more resilient business activity models, and climate impacts of greater uncertainty and gradual maturation. Although not limited to a specific period, for the purpose of measuring the financial impacts disclosed in this report, projections with a horizon of up to 10 years were considered, compatible with the maturation cycle of the main risks and opportunities analyzed.

This definition seeks greater alignment between the time horizon of financial and strategic planning, allowing the sustainability information presented in this report to be analyzed from the same temporal perspective.

Business Activity Model and Value Chain

C&A's business activity model is structured in an integrated and multichannel value chain, which connects the stages of supply, product development, operations, and customer relationship, as well as the provision of payment methods.

This chain combines global and national suppliers, data-driven internal processes, and an integrated logistics and commercial network, enabling the creation, changes, and delivery of products to the end consumer.

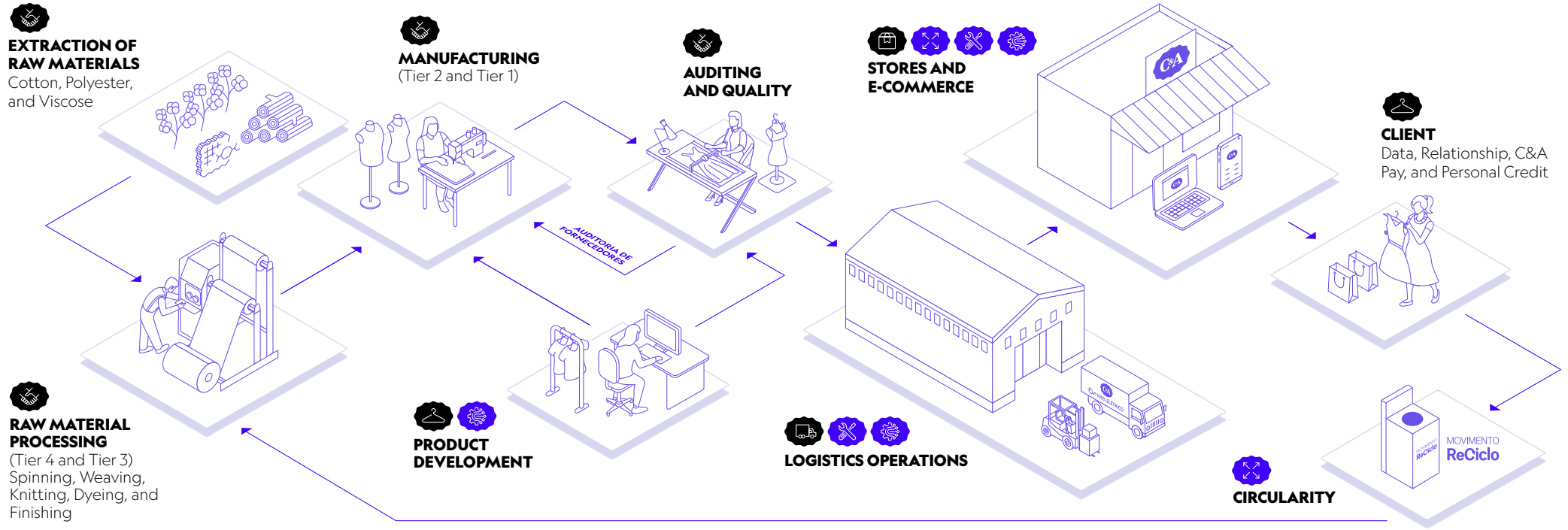
The risks and opportunities related to climate change influence this chain transversally, with current and potential impacts on production costs, availability of inputs, operational efficiency, margins, and value generation in the short, medium, and long term. Climate impacts manifest differently in the upstream, operational, and downstream stages, requiring distinct management and mitigation approaches.

Below, we present C&A's value chain, highlighting the main activities that make up the business activity model and the risks and opportunities related to them.



VALUE CHAIN

Upstream — Business activity — Downstream



RISKS

- Assertiveness of Collections
- Low performance of sales channels
- Dependence on Third Parties
- Model and Capacity of Logistics Distribution

OPPORTUNITIES

- Scalability of sustainable products
- Renovation and expansion project with minimal impact
- Operational optimization

BUSINESS MODEL

Inputs (capital)
Financial
Human
Intellectual
Manufactured
contribution
Natural

Upstream
↓
Business activity
Value Proposal: Affordable, relevant, and responsible fashion
↑
Downstream

Impacts
Economic
Social
Environmental

UPSTREAM - Supply, raw materials, and supply chain

The C&A value chain begins with the production and acquisition of raw materials and the industrial stages carried out by direct and indirect suppliers. This set of activities involves significant dependencies on natural resources and is exposed to physical and transition climate risks that may affect the availability of inputs, production costs, and supply continuity.

Industrial stages such as spinning, weaving, dyeing, and finishing are intensive in water, energy, and chemical inputs, accounting for a significant portion of the emissions and environmental impacts of the supply chain. Events such as water stress, changes in precipitation patterns, and extreme weather events can compromise production, reduce the availability of inputs, and increase operational costs, potentially impacting the Cost of Goods Sold (COGS) and financial predictability.

The dependence on agricultural raw materials, such as cotton and viscose, increases this exposure, since their production is highly sensitive to climatic changes. Changes in climate patterns can reduce global supply, raise prices, pressure margins, and increase supply chain vulnerability.

The Company's production base is predominantly national, accounting for about 75% of the production, complemented by suppliers located in Latin America and Asia. This configuration contributes to the diversification of supply, but it also exposes the Company to factors such as exchange rate volatility, regulatory changes, logistical limitations, and regional climate risks, which can impact deadlines, costs, and the stability of the supply chain.

In this context, C&A structures supplier management as a central element of risk mitigation. All suppliers undergo rigorous approval processes and continuous monitoring, including socio-environmental, tax, and quality criteria. In the Brazilian market, suppliers and subcontractors undergo audits recognized by the sector, with high adherence to standards such as the Gold Seal of the Brazilian Textile Retail Association (ABVTEX), and international suppliers are subjected to the SLCP (Social and Labor Convergence Program), contributing to greater supply predictability and reduction of socio-environmental and reputational risks.

This approach is complemented by continuous environmental and chemical monitoring mechanisms, using proprietary tools and the Higg Facility Environmental Module (Higg FEM) and guidelines such as the Zero Discharge of Hazardous Chemicals (ZDHC) program, strengthening regulatory compliance and reducing exposure to environmental liabilities and production disruptions.

In the raw materials axis, the Company advances in the adoption of more sustainable and resilient alternatives, which also represent climate opportunities, including the use of certified cotton (Better Cotton Initiative - BCI , Responsible Brazilian Cotton - ABR, Regenagri, among others), traceability through blockchain, certified recycled fibers (GRS and RCS), and certified cellulosic fibers (FSC). These initiatives help reduce dependence on critical resources, increase supply chain transparency, and mitigate climate and regulatory risks in the upstream sector, while strengthening the Company's competitive position in the long term.

[1] BCI cotton is acquired through a chain of custody model called mass balance. This means that BCI cotton is not physically traceable to the final products; however, BCI farmers benefit from the demand for BCI cotton in volumes equivalent to those we "procure."



The logistics operation is composed of automated distribution centers and strategically positioned regional hubs, which support omnichannel integration.

BUSINESS ACTIVITY - Product development and operational efficiency

The business activity stage integrates product development, inventory management, and logistics infrastructure.

The product design and development process combines data, technology, and business intelligence to increase the accuracy of collections and reduce the risks of obsolescence, losses, and surpluses. The Test & Learn approach is incorporated into this stage and allows for validating products, volumes, and materials on a small scale before large-scale production, reducing financial exposure, increasing flexibility in the face of climatic changes, and contributing to margin improvement.

Tools such as Product Lifecycle Management (PLM) and Design for Quality (DFQ) help reduce rework, returns, and quality costs, as well as increase efficiency in the development cycle. The incorporation of more sustainable raw materials also reduces exposure to price volatility, regulatory risks, and dependence on resource-intensive inputs.

The logistics operation is a central part of this model and is composed of automated distribution centers and strategically positioned regional hubs, which support omnichannel integration. This structure allows for reducing deadlines, optimizing costs, and improving the service level. The consolidation of this structure also contributes to reducing the distances traveled, as well as enabling the electrification of part of the fleet and the use of less polluting fuels.

Operational models such as Push & Pull, Ship from Store, In-Store Pickup, and integrated logistics network management enable greater efficiency in product allocation and replenishment, contributing to the reduction of stockouts, minimization of excess inventory, and optimization of working capital. In addition to operational gains, the integration of the logistics network allows for the rationalization of travel, increased efficiency in fuel use, and reduced emissions associated with the transportation of goods.

The intensive use of data throughout the operation improves demand forecasting, assortment management, and product allocation, directly impacting indicators such as inventory turnover, margin, and operational efficiency. This stage focuses on risks related to climate variability, which can affect the accuracy of collections and logistical continuity during weather events, but it also presents significant opportunities for operational efficiency and cost reduction.

DOWNSTREAM – Sales, customer relationships, and circularity

The downstream of the value chain includes sales channels, customer relationships, and after-sales initiatives, being responsible for converting the value generated in the previous stages into revenues.

The Company operates through physical stores and integrated digital channels, with intensive use of data for assortment management, pricing, and product availability. This integration improves the customer experience, increases sales conversion, and reduces operational losses.

Practices such as smart replenishment, real-time inventory visibility, and omnichannel integration contribute to greater commercial efficiency and better demand fulfillment, while reducing the risks of stockouts and associated financial impacts.

Additionally, circularity and after-sales initiatives, such as product collection and recycling programs and reverse logistics flows, extend product lifecycles, reduce waste, lower emissions, and strengthen customer relationships.

These initiatives help mitigate regulatory and reputational risks and strengthen the brand's value proposition in a context of growing expectations for responsible practices.

The climate risks at this stage are mainly related to indirect impacts on consumer behavior and product availability, while the opportunities focus on strengthening the value proposition, increasing customer engagement, and sustaining long-term competitiveness.



Circularity and after-sales initiatives, such as product collection and recycling programs and reverse logistics flows, extend product life cycles, reduce waste, and strengthen customer relationships.

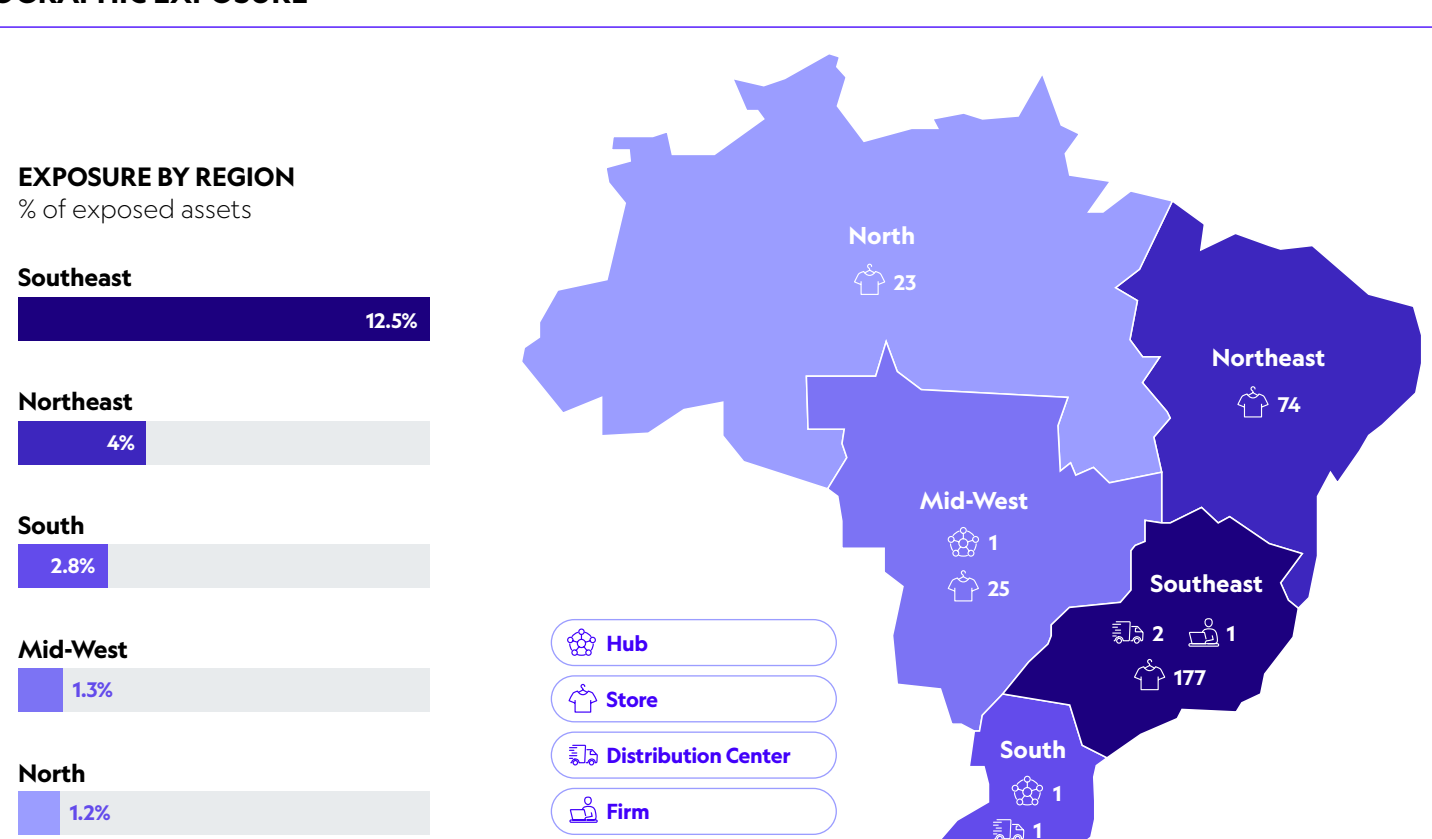
Considering that risks and opportunities manifest interdependently throughout the different stages of the value chain, the Company adopts an integrated approach to assess their effects on operations and the asset base. In this regard, the impacts identified in the upstream, in the business activities, and in the downstream are analyzed in a consolidated manner, in order to capture how physical and transition risks can affect the continuity of operations, operational efficiency, and the generation of economic value.

EXPOSURE TO CLIMATE THREATS

Below, we present an overview of the Company's exposure to climate threats, considering its geographic presence, assets, and operations. Exposure reflects the share of the Company's total assets represented by each region.

GEOGRAPHIC EXPOSURE

EXPOSURE BY REGION
% of exposed assets



PHYSICAL RISKS

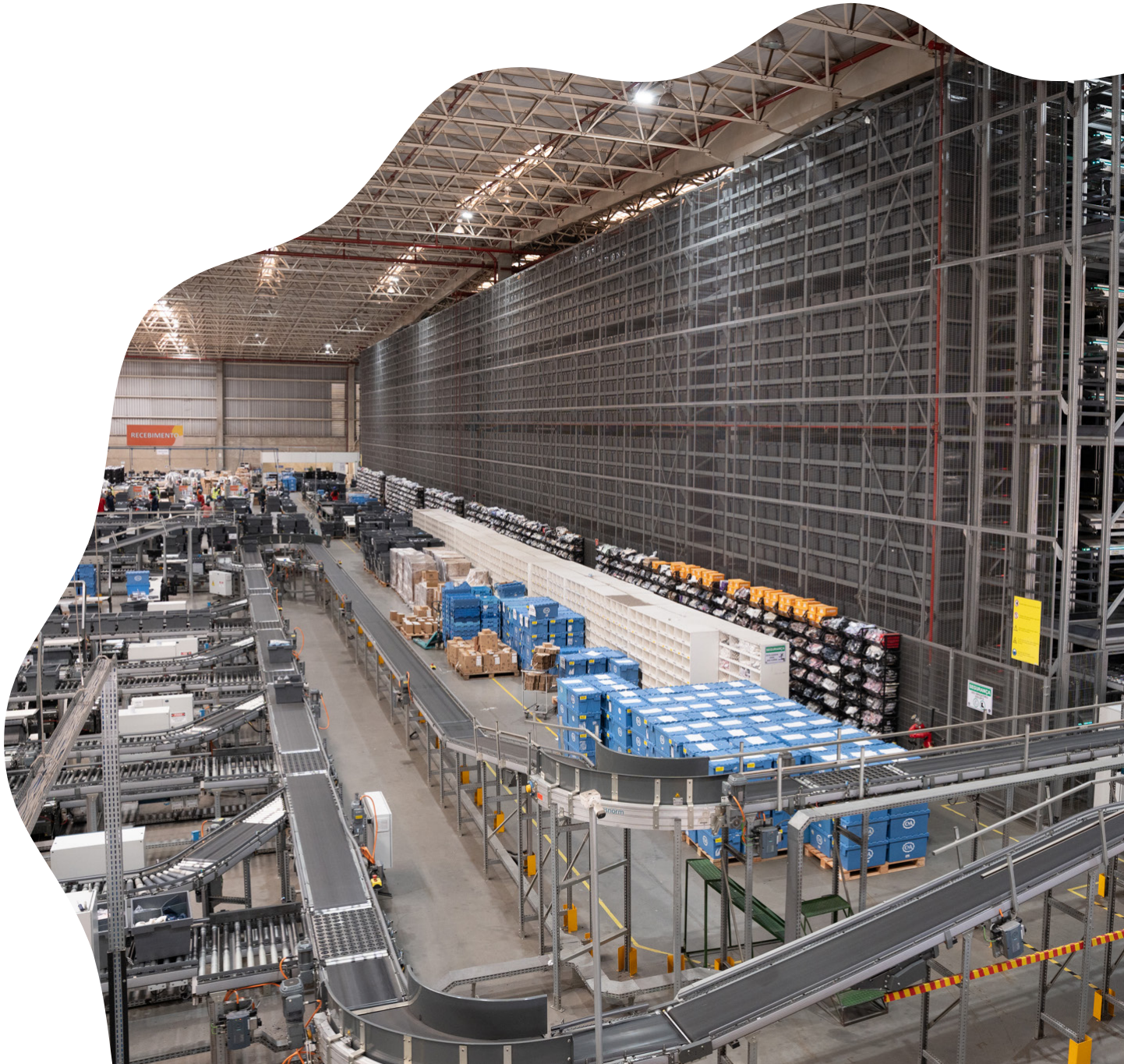
- **Flood**
- **Precipitation Intensity**
- **Water Stress**
- **Heat Waves**

EXPOSED ASSETS

Statement of financial position:
Store and distribution center inventories, Import in Progress, and Property, plant and equipment of stores, distribution centers, and central office.

For the identification and measurement of exposure to physical climate risks, information from the public platform Adapta Brasil (2025) was used, with classification of municipalities into five risk categories ("very low" to "very high"). The analysis included 340 stores, 3 distribution centers, 2 hubs, and 1 office.

The result indicates that 22.4% of the assets are exposed to some physical climate threat.



ASSETS EXPOSED TO CLIMATE THREATS

22.4% of assets are exposed to some physical climate threat

TYPE OF CLIMATE THREAT

Type of risk	Very low	Low	Medium	High	Very high
Flood	2.4%	4.3%	4.9%	10.3%	0.4%
Precipitation intensity	1.2%	9.2%	10.3%	1.3%	0.4%
Water stress	0.3%	0.2%	4.8%	6.6%	0.5%
Heat wave	4.3%	2.4%	0.5%	0.0%	0.0%

Exposure 0 → 100%

Values as a % of Total Assets (R$ 9,319 thousand), current scenario

The analyses indicate that the company's exposure to physical climate--related risks presents different levels of intensity among the evaluated topics, with emphasis on the risks of flooding, precipitation intensity, and water stress. Although most assets are classified in very low, low, or medium risk levels, a significant portion of exposure is observed in higher severity categories, especially for flooding and water stress.

In general, the results show that the company's exposure to physical risks is distributed among different climate threats, without exclusive concentration in a single event. This profile reinforces the importance of integrated adaptation and risk management strategies, capable of increasing the resilience of assets and reducing potential operational and financial impacts resulting from the intensification of climate events over time.

4.1. DETERMINATION OF MATERIAL TOPICS - METHODOLOGY AND APPROACH

In 2025, C&A established its materiality assessment based on the requirements of the International Sustainability Standards Board (ISSB), considering exclusively climate-related risks and opportunities that could reasonably impact the financial performance, cash flows, financial position, or value creation capacity of the Company in the short, medium, and long term.

Furthermore, the assessment considered potential effects on operating income, capital structure, future investments, and exposure to climate liabilities, seeking conceptual consistency with the financial materiality criteria applied to accounting reporting. This alignment does not imply automatic equivalence with accounting materiality but reflects a common conceptual basis of financial materiality, applied under a broader scope that incorporates aspects related to the value chain, as well as dependencies and impacts, in line with the principles established by CBPS 01/IFRS S1.

The process analyzed the nature of C&A's operations, its business activity model, capital allocation decisions, investment structure, and risk exposure throughout the value chain. Current and potential impacts were considered, including those that may manifest over longer horizons, even when subject to greater uncertainty. The assessment also incorporated the critical dependencies of the business activity, such as the availability of raw materials, resilience of the suppliers network, logistics infrastructure, continuous access to renewable energy, and technological capabilities for risk management.

The methodology took as reference the international IASB standards (CBPS 01/IFRS S1 and CBPS 02/IFRS 02), as well as consolidated practices in TCFD and SASB, focusing on the integration between sustainability, corporate risk management, and financial planning. The approach involved:

- Thematic mapping of relevant risks and opportunities;
- Integrated analysis of physical and transition risks, with estimates of impacts on costs, assets, margins, and operational capability;
- Structured consultation with strategic stakeholders, including Board of Directors, Board of Executive Officers, investors, and suppliers;
- Impact and probability assessment, using financial and climate metrics;
- Climate scenario analyses, when applicable;
- Validation by Senior Management, ensuring the incorporation of prioritized topics into the corporate risk matrix and strategic and budgetary planning.

The assessment of financial materiality was conducted considering the short, medium, and long-term time horizons adopted by the Company, as defined, determining alignments with financial planning, the strategic cycle, and public sustainability commitments. The risks and opportunities were assessed regarding their current and potential impacts on the financial position, performance, and cash flows over these horizons, including those with more uncertain manifestations in the long term.

The prioritization of topics considered the combination of likelihood of occurrence and potential financial magnitude, using qualitative and quantitative approaches. When relevant, climate scenarios were applied to estimate effects on revenues, costs, assets, and the needs for adaptation or mitigation investing activities.

The topics identified as financially material are presented in the following sections of this report, detailing their nature, potential impacts, time horizons, relevant metrics, effects on operating expenses and investments, and their connection to strategic planning, risk management, and financial performance.

Result from the Financial Materiality Assessment

The 2025 update consolidated the financial materiality matrix, which guides the content of this report. Among the prioritized substantive topics, the following stand out:

Financially material topics	
Material topics	**Summary justification**
Climate Changes	Climate impacts and transition risks can affect operational costs, strategy, and competitiveness.
Supplier chain management	The supply chain can be affected by weather events, such as droughts, floods, or temperature changes, which compromise production and transportation. Management failures increase the risk of disruptions and loss of critical supplies.
Product circularity	The absence of circular practices increases resource use and waste generation, which raises costs and environmental pressure. Circular models help reduce emissions and decrease dependence on raw materials.
Qualitatively material topics	
Material topics	**Summary justification**
Transparency and relationship with clients	Lack of transparency harms trust and reputation. With the increased focus on climate, customers are demanding more clarity about the company's impacts and actions.

Each material topic served as a starting point for the identification and assessment of related risks and opportunities, which were analyzed in terms of their ability to generate, preserve, or reduce financial value. These risks and opportunities were mapped in relation to the timeframes of their materialization (short, medium, and long term), according to the methodology described in the section Definition of Time Horizons.

This mapping was conducted specifically for the purposes of this disclosure, focusing on financial materiality and ISSB requirements, and therefore may differ from the material topics disclosed in the Company's Integrated Report. Even so, the process was based on the topics previously identified by the Sustainability team, aiming to maintain conceptual coherence and alignment among the different materiality approaches adopted by C&A, even if applied from different perspectives.

To support the assessment of the potential financial effects of climate risks and opportunities, the Company uses quantitative methodologies based on the projection of financial flows, which, when applicable, are discounted to present value using the weighted average cost of capital (WACC), estimated at 13.27% per annum, reflecting economic and financial conditions considered in the corporate analyses of the period.

CLIMATIC RISKS

C&A's climate risk analysis considers how physical events and transition factors can affect the continuity of operations, process efficiency, and the Company's financial performance. The risks presented in this section are directly connected to the prioritized material topics and are described based on the risk factors that increase exposure in the processes of design and development, sourcing, manufacturing, logistics distribution, and service.

For each identified risk, the effects in the short, medium, and long term are evaluated, as applicable, as well as the respective financial effects, including potential impacts on revenues, margins, operating costs, necessary investments, and working capital. The analysis also includes the risk associated with investments and operational expenses, considering possible needs for infrastructure adaptation, operational adjustments, and additional expenses related to climate or regulatory changes.

The risks are also connected to the potential impacts on the financial statements, with emphasis on effects on result, cash flow, and equity position, according to the nature of the risk and its materiality to the Company.

This structure allows for an objective view of how climate risks relate to C&A's main material topics and how they can influence operational, financial, and strategic decisions.

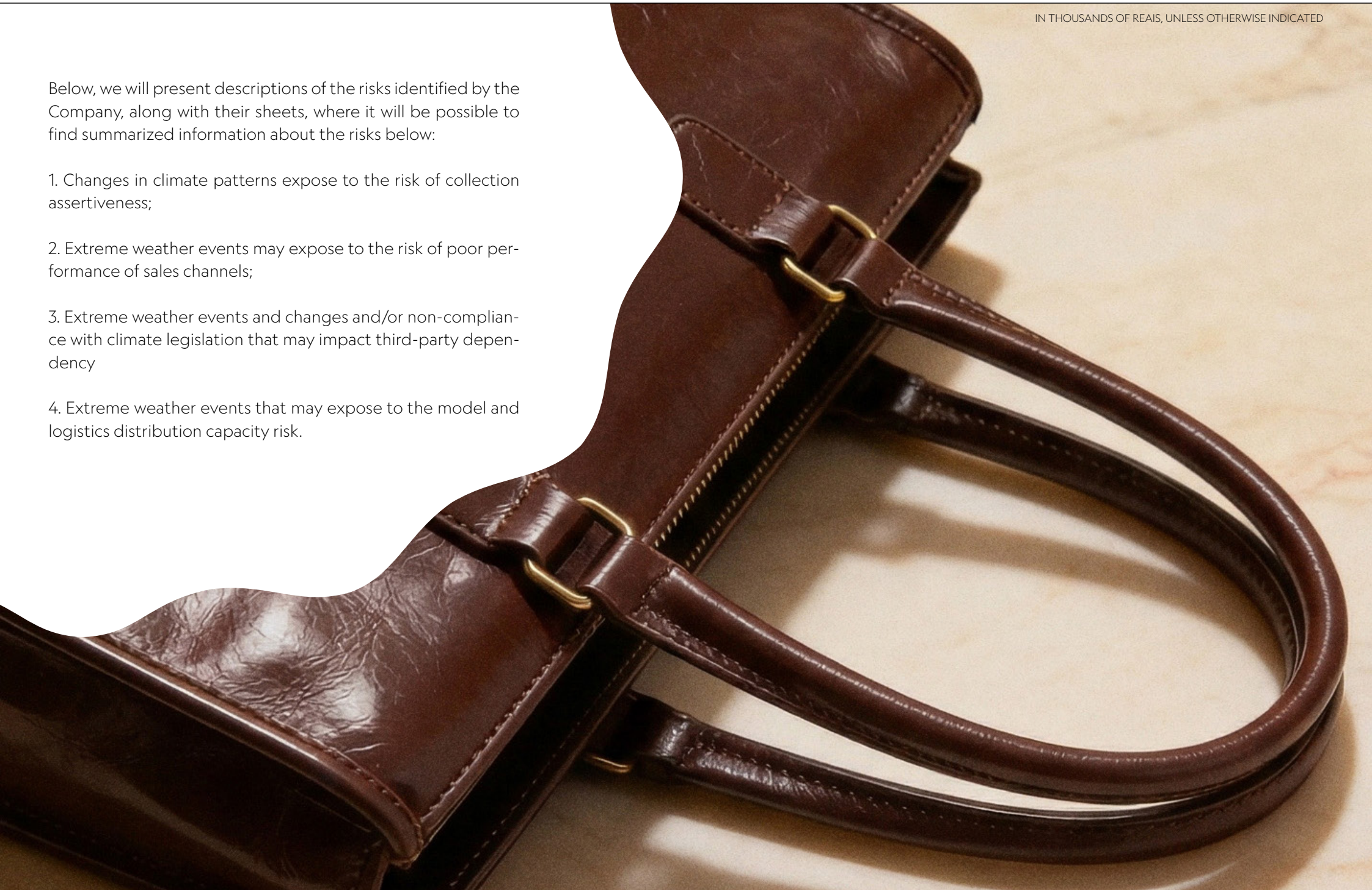
Below, we will present descriptions of the risks identified by the Company, along with their sheets, where it will be possible to find summarized information about the risks below:

1. Changes in climate patterns expose to the risk of collection assertiveness;

2. Extreme weather events may expose to the risk of poor performance of sales channels;

3. Extreme weather events and changes and/or non-compliance with climate legislation that may impact third-party dependency

4. Extreme weather events that may expose to the model and logistics distribution capacity risk.



IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

CLIMATE RISK SHEET

1. Physical Risk | Changes in climate patterns expose to the risk of collection assertiveness

Associated material topic
Climate Change

Risk factors
Heat and/or cold waves

Business Activity Branch
High

Chain affected
Own operations (core), Downstream

EXPECTED IMPACTS

- **CASH AND CASH EQUIVALENTS (BP)**
- **INVENTORIES (BP)**
- **SUPPLIERS (BP)**
- **NET REVENUE FROM GOODS (INCOME STATEMENT)**
- **COST OF GOODS SOLD (DRE)**
- **SALES EXPENSES (DRE)**

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
One-off product mix adjustments and increased markdowns due to seasonal climate volatility.

MEDIUM TERM: 2 TO 5 YEARS
Conscious reduction of demand predictability, requiring shorter cycles and greater collection flexibility.

LONG TERM: >05 YEARS
Need for structural reconfiguration of collection planning and commercial scheduling.

ASSET EXPOSURE - SCENARIOS*

	Optimistic	Pessimistic
2030	2.8%	2.7%
2050	6.3%	7.0%

* Based on information from AdaptaBrasil, a public platform that consolidates data and projections on climate risks in Brazil.

FINANCIAL EFFECTS (R$ THOUSAND)

2025 NET PROFIT
(13,865)

OPERATING CASH FLOW
(ESTIMATED)
(63,763)

SHORT TERM	MEDIUM TERM	NON-CURRENT ASSETS
(6,176)	**(25,837)**	**(31,750)**

Risk Definition Information:

1. PHYSICAL CLIMATE RISK — Changes in climate patterns expose to the risk of collection assertiveness

Risk Description: The risk of collections not aligning with customer demand refers to the possibility that the developed products do not meet consumption expectations due to increasing climate variability and atypical temperatures.

In particular, changes in temperature patterns, including the more frequent occurrence of heat or cold waves, can impact the predictability of clothing collection trends and alter consumer behavior. These climatic changes influence the suitability of the assortment to consumer preferences, affecting the commercial performance of the collections and potentially compromising sales. Lower climate predictability reduces accuracy in planning and collection development, increasing the risk of misalignment between supply and demand.

Exposed assets: Considering the context of this risk, the Company is exposed through stores located in the South and Southeast regions, where cold and heat waves can more significantly impact the accuracy of collections and consumer behavior. In this analysis, an exposure of 2.8% to 2.7% of assets in 2030 and 6.3% to 7% until 2050 is observed. For this analysis, only the exposed assets located in these two regions were considered, since in other locations, this climatic factor does not have a significant impact on sales performance.

Financial impacts: For 2025, impacts on sales were observed as a result of temperatures below expectations in the South and Southeast regions during the period dedicated to selling summer collection products, especially in the months of November and December. During this period, consecutive cold days were observed, with temperatures below 20 °C. It is estimated that the impacts amounted to approximately R$ 14 million in net profit for the year, with part of this result realized in the months of January and February 2026. This estimate was based on comparing the sales growth in the South and Southeast regions during the months of November and December with the sales in other regions of Brazil, where the temperature is more stable and historically there are no major fluctuations. The difference in sales growth between the South/Southeast regions and the other regions was attributed to the temperature changes. Future financial impacts were estimated based on the historical average of heat waves recorded in winter over the past ten years, using data from INMET. Projections from the SSP 8.5 scenario were also considered, which predicts an increase in the frequency of extreme events, using as a criterion the occurrence of three consecutive days with temperatures above normal. The analysis considered the trend of increasing occurrences over time, with a specific evaluation for the winter season and by state in the South and Southeast regions. To measure the financial effects, the year 2024 was used as a reference, recognized as atypical due to the observed heat waves. The impact recorded on the margin during this period was projected for future scenarios, resulting in an estimate of approximately R$ 64 million.

Mitigation Measures: To mitigate these impacts, the Company adopts an integrated approach to assortment management, inventory, and in-store display, supported by systematic monitoring of weather conditions through a third-party platform, as a strategic input for efficiency gains and optimization of collection offerings. In-store, Visual Merchandising continuously works on prioritizing and readjusting product displays, considering temperature changes and sales behavior. Additionally, the Company uses inventory management levers to mitigate losses, including reallocating products between regions with different

climate patterns, such as directing summer items to areas with higher temperatures throughout the year, and reoffering items from seasonal collections.

Judgments and uncertainties: The estimates associated with the financial impacts of this risk are subject to inherent uncertainties, especially those related to climate variability, market response, and the availability of granular historical data. Such estimates represent orders of magnitude and may be revised as new information and evidence become available.



IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

CLIMATE RISK SHEET

2. Physical Risk | Extreme weather events can expose to the risk of poor performance of sales channels

Associated material topic
Climate Changes

Risk factors
Storms, floods, cyclones

Business Activity Branch
High

Chain affected
Own operations

EXPECTED IMPACTS

- **CASH AND CASH EQUIVALENTS (BP)**
- **INVENTORIES (BP)**
- **PROPERTY, PLANT AND EQUIPMENT (BP)**
- **NET REVENUE FROM GOODS (INCOME STATEMENT)**
- **COST OF GOODS SOLD (DRE)**
- **SALES EXPENSES (DRE)**

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
Temporary reduction in customer flow and temporary store closures due to localized weather events.

MEDIUM TERM: 2 TO 5 YEARS
Recurring increase in stores with poor performance, associated with operational, economic, and behavioral impacts.

LONG TERM: >05 YEARS
Strategic impacts on the sales channel model, affecting competitiveness, financial performance, and customer satisfaction.

ASSET EXPOSURE - SCENARIOS*

	Optimistic	Pessimistic
2030	10.8%	10.8%
2050	10.8%	10.8%

*Based on information from AdaptaBrasil, a public platform that consolidates data and projections on climate risks in Brazil.

FINANCIAL EFFECTS (R$ THOUSAND)

2025 NET PROFIT
(1,230)

2025 NET PROFIT
(ESTIMATED)
(20,876)

SHORT TERM	MEDIUM TERM	NON-CURRENT ASSETS
(2,368)	**(8,943)**	**(9,565)**

2. PHYSICAL CLIMATE RISK — Extreme weather events that may expose to the risk of poor performance of sales channels

Risk Description: The increasing climate instability poses a threat to the operational and commercial performance of the Company's physical store network. The increase in the severity and frequency of extreme events, such as storms, floods, water stress, heat waves, and cyclones, can reduce customer traffic to physical stores and increase the occurrence of temporary closures due to structural damage or interruptions in power and internet supply. Additionally, adverse weather conditions tend to alter consumer behavior, affecting visitation patterns and purchasing decisions.

As a consequence, the intensification of these events may increase the number of stores with low performance within the Company's portfolio, negatively impacting commercial performance, customer experience, and the competitiveness of the sales model.

Considering the context of this risk, the Company is exposed to assets located in areas prone to floods, storms, and cyclones, events that may affect customer flow and the regular operation of physical sales channels.

Exposed assets: Considering the context of this risk, 10.8% of the Company's assets are exposed to flooding and precipitation, with no changes in all analyzed scenarios (optimistic and pessimistic) and in the horizons of 2030 and 2050.

Financial impacts: As part of the enhancement of its analyses related to physical climate risks, the Company conducted, throughout the period, a structured assessment based on climate projections and operational data.

The assessment focused on projecting the number of days with heavy precipitation in locations near the Company's operations and its relationship with the commercial performance of physical stores, especially in terms of customer traffic and sales volume.

The projected climate data were combined with historical operational information, allowing for the assessment of sales sensitivity to heavy rainfall events under different future scenarios.

Internal analyses indicate that on days with heavy rainfall, physical stores show a profit reduction of R$ 1,230 in 2025 and R$ 20,876 over the next 10 years, highlighting the sensitivity of commercial performance to adverse weather conditions.

Based on these analyses, it is estimated that changes in the frequency of these events, according to the considered climate scenarios, may create additional pressure on the operating result, due to the combination of lower revenue generation and the leverage of fixed operating costs. Additionally, indirect effects on cash flow can be observed due to sales dynamics, as well as on the need for investments aimed at operational adaptation.

In strategic terms, such effects can influence the performance of physical channels, the customer experience, and the competitiveness of the sales model, especially in contexts of greater climatic variability.

Mitigation Measures: The Company has been advancing in strengthening its management and response mechanisms, including the development of contingency plans for store operations during weather events, with pre-established protocols for temporary closures, team relocation, and activation of digital channels.

In addition to operational initiatives, the Company has been strengthening its climate risk management from a financial perspective as well, through a structured insurance program that helps mitigate impacts associated with significant physical climate events.

In this way, we maintain coverage for material damages related to extreme weather events, including windstorms, cyclones, hail, and flooding, as well as risks of landslides and electrical damage, which allows for a more agile response in asset restoration and the recovery of the operational infrastructure of affected stores.

The Company also offers coverage for extraordinary expenses and loss of profits resulting from the interruption of operations caused by extreme weather events, reducing the financial impact associated with temporary shutdowns in adverse scenarios and providing greater predictability to performance.

In the logistics scope, the Company maintains national and international transportation insurance with broad coverage for loss and material damage to goods in transit resulting from external causes, including those associated with weather events, which helps sustain product availability and the continuity of store supply.

This set of instruments acts as a risk transfer mechanism and strengthens the Company's operational resilience by reducing financial exposure to physical damage and interruptions resulting from extreme weather events.

At the same time, we recognize that such coverage focuses on the physical and operational effects of climate events. Indirect impacts, such as changes in customer flow and changes in consumer behavior, continue to be addressed through the Company's operational and strategic initiatives.

These initiatives help increase operational resilience by reducing impacts on store operations and their effects on the customer experience and business performance.

Judgments and Uncertainties: The assessment of this risk involves relevant judgments, especially in defining the relationship between weather events and the commercial performance of physical stores, considering the occurrence of days with heavy precipitation as the main variable of analysis.

The estimates are based on historical operational data, including the application of average sales reductions during periods of heavy rain, and on climate projections under different scenarios, which do not necessarily represent the most likely trajectory.

The analyses are subject to uncertainties related to climate variability, the future frequency of these events, and consumer behavior

CLIMATE RISK SHEET

3. Physical and Transition Risk | Extreme weather events and changes and/or non-compliance with climate legislation that may impact third-party dependency

Associated material topic
Climate change, supplier chain management

Risk factors
Storms, floods, heat waves, climate legislation and policies

Business Activity Branch
High

Chain affected
Own operations, Suppliers (Upstream)

HIGHLIGHTS

- **CONCENTRATED GEOGRAPHIC EXPOSURE OF SUPPLIERS**
- **LOWER OPERATIONAL RESILIENCE OF THE CHAIN**
- **INCREASED RISK OF SUPPLY DISRUPTION**
- **INCREASING REGULATORY PRESSURE IN BRAZIL AND ABROAD**
- **RISK OF DISCONTINUITY OF CRITICAL SUPPLIERS**
- **POTENTIAL TRANSFER OF COSTS TO OPERATING MARGIN**

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR

- Occasional supply failures caused by localized weather events.
- Increased compliance requirements and a specific risk of non-compliance in critical suppliers.

MEDIUM TERM: 2 TO 5 YEARS

- Recurring weakening of the productive capacity of third parties in regions more exposed to the climate.
- Increase in contractual risks, adaptation costs, and replacement of non-compliant suppliers.

LONG TERM: >05 YEARS

- Need for geographic diversification and redesign of the sourcing strategy.
- Redefinition of the supplier base and greater integration of regulatory criteria in the value chain.

3. PHYSICAL AND TRANSITIONAL CLIMATE RISK – Extreme weather events and changes and/or non-compliance with climate legislation that may impact third-party dependency

Risk Description: The dependence on suppliers and service providers in key processes exposes the Company to operational and reputational risks, especially when these third parties are subject to physical or transition climate pressures that may compromise their productive and delivery capacity.

Physical Climatic Factors: The geographical concentration of suppliers in regions vulnerable to extreme events, such as storms, floods, prolonged droughts, water stress, and heat waves, increases the likelihood of simultaneous disruptions in the supply chain. These events can abruptly reduce productive capacity, cause damage to infrastructure, lead to power outages, and impose logistical constraints, requiring emergency contracting of more expensive alternatives that are not always immediately available.

Worsening this scenario, the low traceability in the indirect links of the chain hinders the quick identification of impacts and the redirection of purchases.

The vulnerability is even greater when socio-environmental compliance failures coexist with these climate pressures, limiting the replacement of critical third parties, especially when there is regional, contractual, or technical concentration, and increasing the Company's exposure to simultaneous shocks.

Transition Climate Factors: The advancement of the climate regulatory framework represents a growing risk vector for suppliers and service providers. The increase in operational costs, the need for investments to comply, and the risk of sanctions or interruptions associated with new regulations can reduce these agents' ability to deliver essential products and services, weakening the supply chain and increasing the risk of dependency.

In the Brazilian regulatory context, the enactment of Law 15042/2024 stands out, which establishes the Brazilian Emissions Trading System (SBCE), regulating, in its initial phase, companies with annual emissions exceeding 10 tons of CO2 equivalent.

The bill known as the "Mapa do Caminho" (Roadmap) is also underway, which sets emission limits for carbon-intensive sectors, reinforcing climate mitigation obligations and emissions monitoring. At the international level, the scenario shows greater progress, especially in the European Union, with instruments such as the Ecodesign for Sustainable Products Regulation (ESPR), the Digital Product Passport (DPP), the AGEC Law (France), and the Supply Chain Due Diligence Act (LkSG - Germany), as well as SB 253 in California.

Additionally, the dependence on raw materials of agricultural origin, such as cotton, and cellulosic fibers, such as viscose, lyocell, modal, and acetate, exposes the supply chain to increasing regulatory demands related to traceability, water resource use, responsible forest management, and the use of chemicals in processing. The non-compliance with these requirements by suppliers can compromise supply, increase costs, impact margins, and expose the Company to regulatory, reputational, and non-compliance risks with its climate and sustainability commitments.

Financial impacts: The assessment of these factors considers different climate and regulatory scenarios. In 2025, no significant financial effects were identified for disclosure purposes.

Regarding future estimates, the Company has not yet performed the quantitative measurement of the potential financial impacts associated with this risk, due to the unavailability, at the current stage, of granular climate models and sufficiently robust data to support reliable estimates throughout the value chain.

Mitigation Measures: To mitigate transition risks, C&A invests in expanding the use of more sustainable raw materials, promoting certified cotton through the Better Cotton Initiative (BCI) and traceability via blockchain (Sou ABR/ABRAPA), as well as increasing the share of cellulosic fibers from more sustainable sources, which reached 48.7% in 2025, and advancing the qualification of the supply chain. The Company also prioritizes suppliers with better socio-environmental performance, implements traceability mechanisms, and develops initiatives for circular design and the use of recycled fibers, reducing dependence on virgin raw materials and strengthening the resilience of the supply chain in the face of regulatory and climate transitions.

For physical risks, the Company seeks to strengthen third-party management through the diversification of suppliers, continuous criticality assessment, integration of climate criteria in selection and monitoring, and the development of contingency plans for essential inputs and services.



Circular design initiatives
and the increased use of recycled fibers help reduce dependence on virgin raw materials and potentially non-compliant suppliers.

IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

CLIMATE RISK SHEET

4. Physical Risk | Extreme weather events that may expose to model and logistics distribution capacity risk

Associated material topic
Climate Changes

Risk factors
Storms, floods, cyclones

Business Activity Branch
High

Chain affected
Own operations, Downstream

HIGHLIGHTS

VULNERABILITY TO REGIONAL INTERRUPTIONS

DIRECT RISK TO THE OMNICHANNEL MODEL

POTENTIAL LOSS OF SERVICE LEVEL TO THE CUSTOMER

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

ASSET EXPOSURE – SCENARIOS*

	Optimistic	Pessimistic
2030	2.4%	2.4%
2050	2.4%	2.4%

*Based on information from AdaptaBrasil, a public platform that consolidates data and projections on climate risks in Brazil.

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
Recurring interruptions in transportation, distribution centers, and store access.

MEDIUM TERM: 2 TO 5 YEARS
Constant pressure on logistics costs and reliability of distribution routes.

LONG TERM: >05 YEARS
Reconfiguration of the logistical design to increase operational resilience and redundancy.

4. PHYSICAL CLIMATE RISK – Extreme weather events that may expose to model and logistics distribution capacity risk

Risk Description: The Company's model and logistics distribution capacity are exposed to weather factors that may affect product delivery and deadlines.

The increase in the frequency and intensity of extreme weather events, such as storms, floods, heatwaves, and cyclones, amplifies the vulnerability of logistics operations, potentially causing road blockages, cargo losses, delays in the flow of goods, and systemic disruptions, such as power supply failures. These events hinder access to distribution centers and physical stores, compromising the efficiency of the logistics model and the Company's distribution capacity. Factors related to fossil fuels and fires on logistical routes, although less relevant, are also considered.

Exposed assets: Considering the context of this risk, the Company is exposed to floods, storms, and cyclones, events that may affect the continuity and efficiency of logistical operations.

In this regard, about 2.4% of exposed assets have future exposure to flooding in the 2030 and 2050 horizons, considering the scenarios evaluated.

Financial impacts: The Company continuously monitors the climatic and operational factors associated with this risk, assessing its potential evolution in different scenarios, and no significant financial effects have been identified for disclosure purposes to date.

The Company has not yet conducted a quantitative measurement of the potential financial impacts associated with this risk, given significant uncertainties, especially regarding the frequency and severity of extreme weather events on logistical routes, the duration of logistical interruptions, and the effectiveness of the mitigation measures adopted, and for these reasons they have not been quantified.

Mitigation Measures: To reduce these impacts, the Company adopts preventive and operational measures such as the use of urban distribution hubs, diversification of logistics routes, partial use of a hybrid fleet, and contracting transportation insurance.



The Company adopts preventive and operational measures such as the **use of urban distribution hubs.**



OPPORTUNITIES RELATED TO CLIMATE CHANGE

In addition to the risks associated with climate change, the Company identifies significant strategic opportunities arising from the transition to a lower environmental impact economy and the strengthening of operational resilience in the face of the physical effects of climate. These opportunities are evaluated in a structured manner, considering their ability to generate economic value, strengthen the business model, and mitigate financial risks over time.

The identified opportunities mainly stem from changes in consumer behavior, technological advancements, the need to adapt operations to future climate conditions, and regulatory developments. In this context, C&A recognizes the scalability potential of more sustainable products, as well as significant operational efficiency gains through digitalization, redesign of the logistics network, and optimization of omnichannel processes, in addition to prioritizing resource use efficiency and expanding the use of renewable energy. These initiatives contribute to the structural reduction of costs and to the increase of the Company's resilience, namely:

1. Scalability of sustainable products
2. Operational Optimization
3. Renovation and expansion projects with minimal impact.

CLIMATE OPPORTUNITY SHEET

1. Scalability of sustainable products

Associated material topic
Transparency and Customer Relationship
Product Circularity

Business Activity Branch
Medium-High

Chain affected
Own operations, Downstream, Upstream

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	MODERATE
MEDIUM TERM: 2 TO 5 YEARS	HIGH
LONG TERM: >05 YEARS	SIGNIFICANT

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
Incremental revenue and reputation gains from the gradual expansion of sustainable products.

MEDIUM TERM: 2 TO 5 YEARS
Consistent commercial scale of sustainable models, with competitive differentiation and value capture.

LONG TERM: >05 YEARS
Consolidation of new sustainable business models as structural vectors of growth.

Climate Opportunities (CBPS 02/IFRS 02 - details)

1. SCALABILITY OF SUSTAINABLE PRODUCTS

Description of the opportunity: The opportunity for Scalability of Sustainable Products consists of increasing the share of more sustainable raw materials in the company's portfolio and, consequently, the offering of products aligned with more sustainable attributes.

This opportunity is associated with the evolution of the supply chain, the availability of inputs with lower carbon intensity, and global trends in responsible consumption, which have been increasing the relevance of sustainability attributes in textile products.

The Company responds to this by diversifying the portfolio and progressively incorporating sustainability criteria into product development processes. This approach aims to expand the integration of sustainability into the core business, with implications for competitive positioning, the management of climate risks and opportunities, and value creation over time.

The scalability of using more sustainable raw materials has medium and long-term effects for the Company, associated with the commitments made and corporate responsibility, rather than predominantly capturing incremental or one-time demand from customers.
The increased use of more sustainable raw materials, especially recycled ones, directly contributes to reducing the intensity of greenhouse gas emissions, particularly in Scope 3, which accounts for the majority of the Company's emissions. As these inputs achieve production scale and begin to make up an increasing portion of the portfolio, there is potential for a reduction in emissions per piece produced.

This opportunity is directly connected to the Company's public targets, especially the commitment to achieve 80% more sustainable raw materials by 2030, as well as the circularity and emission reduction targets aligned with the SBTi. In 2025, approximately 72% of the core raw materials (cotton, polyester, and cellulosic fibers) used in the apparel portfolio were classified as more sustainable, indicating a high level of integration of these inputs into the product development model.

Financial impacts: Despite the advanced stage of implementation, at the current level of maturity it has not yet been possible to quantitatively and robustly measure the financial potential associated with this opportunity. This limitation arises from the complexity in determining volumes and costs, as well as the composition of product costs. In the long-term horizon, it is not possible to reliably estimate commodity prices, as they are influenced by multiple technological, macroeconomic variables, and the evolution of the supply chain.

Additionally, in the short term, the adoption of more sustainable raw materials may involve different combinations of inputs, which limits the ability to directly and consistently attribute specific financial impacts. In this context, the Company continues to evolve its monitoring and evaluation mechanisms, with the aim of, in the future, improving the measurement of the effects of this opportunity on value generation, revenue and financial performance.

IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

CLIMATE OPPORTUNITY SHEET

2. Operational Optimization

Associated material topic
Transparency and Relationship with Clients

Business Activity Branch
High

Chain affected
Own operations, Downstream

FINANCIAL EFFECTS (R$ THOUSAND)

2025 NET PROFIT
3,979

OPERATING CASH FLOW
(ESTIMATED)
127,914

SHORT TERM
4,863

MEDIUM TERM
39,854

NON-CURRENT ASSETS
83,197

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
Quick gains in operational efficiency, cost reduction, and improvement in service level.

MEDIUM TERM: 2 TO 5 YEARS
Significant increase in logistical resilience and reduction of exposure to climate disruptions.

LONG TERM: >05 YEARS
Evolution of the operational model for greater flexibility, reach, and climate adaptation.

EXPECTED IMPACTS

- **CASH AND CASH EQUIVALENTS (BP)**
- **INVENTORIES (BP)**
- **SUPPLIERS (BP)**
- **NET REVENUE FROM GOODS (INCOME STATEMENT)**
- **COST OF GOODS SOLD (DRE)**
- **SALES EXPENSES (DRE)**



C&A identified Operational Optimization as a strategic opportunity to increase the efficiency of its business activity model

2. OPERATIONAL OPTIMIZATION

Description of the opportunity: C&A identified Operational Optimization as a strategic opportunity to increase the efficiency of its business activity, integrating production, supply, distribution, and customer service decisions in a more agile and data-driven manner. This approach combines initiatives such as Test & Learn, Push & Pull models, Ship from Store, and logistics network optimization, enabling greater alignment between supply and demand throughout the entire value chain.

Through Test & Learn, the Company shortens decision cycles by testing products on a small scale before expanding production, which contributes to greater commercial accuracy. The Push & Pull model enhances inventory targeting, making supply more granular and aligned with the actual performance of products in stores. Ship from Store and In-Store Pickup solutions enhance the integration between physical and digital channels, using stores as strategic points for shipping to the end customer.

Additionally, the evolution of the logistics network, with regional hubs and strategically positioned distribution centers, strengthens operational efficiency and network fluidity.

From a climate perspective, this opportunity has the potential to contribute to the reduction of emissions associated with C&A's operations, especially throughout the value chain. Greater accuracy in production and supply, enabled by data-driven models such as Test & Learn and Push & Pull, tends to reduce volumes produced above demand, decreasing the need for markdowns, disposal, and additional changes of products. This operational efficiency gain can result in lower resource consumption and reduced emission intensity related to production, transportation, and storage.

Additionally, initiatives such as Ship from Store and In-Store Pickup enable the reduction of average distances traveled to the end customer by using stores as shipping points closer to the consumer. This redesign of delivery flows contributes to greater efficiency in transportation use and a significant reduction in emissions per order delivered.

Additionally, the optimization of the logistics network, with regional hubs and strategically located distribution centers, favors the consolidation of loads, the reduction of long routes, and the increase in freight efficiency, positively impacting Scope 3 emissions. Together, these initiatives reinforce the potential of the omnichannel strategy to support a more efficient operation with lower emission intensity over time.

Financial impacts and limits of remeasurement: The financial effects associated with In-Store Pickup are mainly manifested through the elimination of home delivery costs, the reduction of returns, and the better utilization of the physical store infrastructure. These effects are already reflected in the internal performance analyses of the digital channel, reinforcing the economic rationale of the modality.

The quantitative estimates presented in this fiscal year refer exclusively to In-Store Pickup. The other fronts of operational and logistical optimization rely on robust internal databases, including detailed information on distances traveled, volumes handled, inventory accuracy enabled by RFID, efficiency of logistical flows, and network configuration — which support strategic decisions and the monitoring of targets for the 2030 horizon. However, this information is still at different stages of methodological consolidation regarding its translation into climate metrics suitable for external disclosure.

The estimates remain subject to uncertainties inherent in the evolution of the delivery method mix, customer adoption of In-Store Pickup, the maturity of the Test & Learn approach at scale, and the growth of the digital channel. Part of these uncertainties arises from the complexity of isolating, individually, the climatic impacts of each front within an integrated operational model.

The Company continues to improve its databases, assumptions, and analytical methodologies with the aim of progressively strengthening the connection between operational indicators, GHG emissions metrics, and projected financial effects, in line with the requirements of CBPS 01/IFRS S1 and CBPS 02/IFRS S2 and with best practices in climate reporting.



CLIMATE OPPORTUNITY SHEET

3. Renovation and expansion projects with less impact

Associated material topic
Climate Changes

Business Activity Branch
Average

Chain affected
Own operations, Upstream

FINANCIAL EFFECTS (R$ THOUSAND)

2025 NET PROFIT
41,725

OPERATING CASH FLOW
(ESTIMATED)
327,684

SHORT TERM
34,477

MEDIUM TERM
141,853

NON-CURRENT ASSETS
151,354

EXPECTED IMPACTS/DEADLINES

SHORT TERM: ≤01 YEAR	**HIGH**
MEDIUM TERM: 2 TO 5 YEARS	**HIGH**
LONG TERM: >05 YEARS	**SIGNIFICANT**

QUALITATIVE IMPACT HORIZON

SHORT TERM: ≤01 YEAR
Incremental reduction of energy and resource consumption in specific renovation projects.

MEDIUM TERM: 2 TO 5 YEARS
Recurring operational and financial gains with the standardization of lower-impact projects.

LONG TERM: >05 YEARS
Definitive integration of climate criteria in the company's physical expansion and infrastructure.

EXPECTED IMPACTS

CASH AND CASH EQUIVALENTS (BP)

PROPERTY, PLANT AND EQUIPMENT (BP)

SUPPLIERS (BP)

NET REVENUE FROM GOODS (INCOME STATEMENT)

3. RENOVATION AND EXPANSION PROJECTS WITH LESS IMPACT

Description of the opportunity: C&A identifies the incorporation of efficiency criteria and better use of resources in renovation and expansion projects of its operations as an opportunity. This approach considers the adoption of infrastructure solutions that promote greater energy efficiency, improved asset performance, and reduced impacts.

Among the main initiatives are the procurement of electricity from renewable sources in the Free Energy Market, including energy certificates, the modernization of air conditioning systems with more efficient technologies and lower environmental impact, and the reuse of furniture and equipment in stores. In an integrated manner, these actions contribute to optimizing resource use, increasing operational efficiency, and reinforcing more sustainable practices in the expansion and maintenance of the Company's operations.

This opportunity is strategically relevant for the Company in the medium and long term, as it is associated with the structural transformation of the operational, energy, and physical asset management model. The integrated adoption of initiatives focused on energy efficiency, the transition of the electrical matrix, and better asset utilization allows for reducing the intensity of emissions associated with physical operations, while simultaneously strengthening operational efficiency.

The combination of reusing furniture, retrofitting air conditioning systems with VRF (Variable Refrigerant Flow) technology, migrating stores, distribution centers, and the central office to the Free Energy Market, as well as the use of I-REC certificates, contributes to reducing the intensity of greenhouse gas emissions associated with both the physical infrastructure and the energy consumption of the stores. The reuse of assets significantly reduces the embodied emissions related to the manufacturing, transportation, and disposal of new furniture (Scope 3), while the modernization of air conditioning systems and the transition of the energy matrix promote the structural reduction of Scope 2 emissions.

Specifically, regarding the reuse of furniture, projections indicate a reduction of approximately 82.73% in GHG emissions in 2026, compared to the scenario of acquiring new assets, based on a spend-based methodology aligned with the GHG Protocol.

This reduction reflects the elimination of emissions associated with industrial production, transportation, and disposal of furniture.

As these levers scale up in the portfolio, especially in the context of renovations, expansions, and retrofits, there is potential for a structural reduction in emissions intensity per operated store. This movement reinforces the alignment between environmental performance and operational efficiency, being directly connected to the Company's public targets related to emission reductions and the transition to a low-carbon economy, as well as to climate commitments aligned with the SBTi.

The opportunity associated with reform and expansion projects with lower impact is driven by structural factors, among which the following stand out:

- Cycle of reforms and expansions, which creates operational windows for integrated decisions on layout, building systems, physical assets, and energy matrix, allowing the systematic and scalable incorporation of lower carbon intensity solutions;

- Structured reuse of furniture, particularly in the current renovation cycle concentrated from 2026 onward, with completion expected over approximately two years. In this model, larger stores, upon being renovated, supply one or more smaller stores, increasing the number of units benefiting from the same investment, reducing the need for new assets, and contributing to approximately 80% reductions in Scope 3 emissions associated with manufacturing new furniture;

- Retrofit of air conditioning units with VRF technology, combined with the implementation of automated air conditioning management systems, allowing for greater energy efficiency, better thermal control, and reduced electricity consumption. In 2025, the Company completed the implementation of a centralized temperature monitoring and adjustment system in 100% of its stores, enabling real-time tracking of equipment performance and continuous optimization of energy consumption, with a direct impact on the structural reduction of emissions associated with electricity consumption. Furthermore, this new equipment uses a refrigerant gas with a lower global warming potential (GWP);

- Gradual migration to the Free Energy Market, conditioned on technical and economic criteria, such as supply voltage level, contractual structure with shopping malls, and financial feasibility. Currently, 66% of the Company's stores already operate on Mercado Livre, 3% are supplied by dedicated solar plants, 26% are located in shopping malls with centralized energy supply, and 5% remain in the captive market. The expansion of access to contracts with a lower issuance factor and greater cost predictability contributes to the structural reduction of emissions associated with electricity consumption;

- Use of I-REC certificates, ensuring the traceability and renewable backing of the energy consumed in the Company's operation and strengthening the environmental integrity of the energy transition and the measurement of reported emission reductions.

Although a significant portion of the stores is located in shopping centers, the Company largely maintains direct management of the air conditioning systems and energy consumption of the units in its portfolio. In cases where there is dependence on shared infrastructure, such as chilled water systems provided by the shopping mall, there may be partial limitation of operational autonomy, even though this solution contributes to the reduction of fugitive emissions.

In general, the adopted operational model allows for the direct implementation of energy efficiency measures and emission reductions in most operations, considering that air conditioning systems represent the main source of energy consumption in the stores. Unlike one-off initiatives, this opportunity is structured based on integrated economic, operational, and strategic premises, with projections developed for the short, medium, and long-term horizons (2025-2035), in alignment with the Company's strategic planning.

Financial impacts and limits of remeasurement: The financial effects associated with renovation and expansion projects with lower impact are mainly manifested through reduced investments resulting from the reuse of furniture, the mitigation of losses due to write-off of assets, greater energy efficiency provided by VRF air conditioning systems (an investment of R$ 1,015 in 2025), and greater predictability and potential reduction of energy costs over time. These effects are already partially reflected in the internal economic analyses related to reforms, expansions, and retrofits.

The update of furnishings in stores that receive equipment from other renovated units contributes to increasing the product display capacity and improving the customer experience, which favors the conversion and productivity of these units. Previous experiences demonstrate significant potential for revenue increase in these stores, reflecting the greater commercial

efficiency of the physical space after the interventions. The estimates associated with the potential financial impacts of this opportunity are subject to inherent measurement uncertainties, mainly arising from operational and planning decisions still under development, including the implementation and schedule of initiatives related to energy efficiency and resource use in operations, as well as the prioritization of reforms.

More detailed quantitative estimates of impacts on EBITDA, cash flow, and net present value are at different stages of detailing and validation by the responsible areas, especially with regard to the segregation of effects directly attributable to decarbonization levers. Part of these uncertainties arises from the complexity of isolating, individually, the climatic and financial impacts of each component, physical assets, air conditioning systems, energy sources, and environmental attributes within an integrated project package.

The Company continues to improve its databases, assumptions, and analytical methodologies with the aim of progressively strengthening the connection between operational indicators, emission metrics, and projected financial effects, in line with the requirements of CBPS 01/IFRS S1 and CBPS 02/IFRS S2 and with best practices in climate reporting.



The financial impacts associated with the reform and expansion projects with lower impact are already partially reflected in the internal economic analyses.

CONCLUSION

Given the set of opportunities analyzed, it is observed that the climate transition represents, for the Company, not only a vector for mitigating risks, but also a lever for efficiency, competitiveness and value creation over time.

The capture of these opportunities depends on the Company's ability to integrate climate as a strategic variable in its business activity model, promoting operational efficiency gains, reduction in emission intensity, and greater financial predictability. Initiatives related to the scalability of more sustainable products, the optimization of the omnichannel model, and the incorporation of energy efficiency criteria and better resource use in operations reinforce this movement and contribute to strengthening the resilience of the business activity.

In this context, despite the progress in incorporating climate risks and opportunities into strategic and operational management, no climate events or conditions were identified that would require the recognition of impairment losses or the establishment of provisions related to climate events in the 2025 Financial Statements. The assessments conducted considered the information available up to the reference date and indicated the absence of direct and measurable impacts on the recoverable value of the assets in the short term.

The Company continues to improve its databases, assumptions, and analytical methodologies, aiming to deepen the connection between operational indicators, climate metrics, and projected financial effects, consolidating a disciplined and progressive approach to capturing value associated with climate opportunities.

4.2. IMPACTS ON STRATEGY AND FINANCIAL PLANNING

The climate risks and opportunities identified by C&A directly and indirectly influence the corporate strategy, financial planning, and the Company's value creation capacity. Integrating climate factors into strategic decisions allows for aligning investments, risk management, and expansion plans with the transition to a low-carbon economy, reducing vulnerabilities and expanding opportunities for innovation.

Impacts on corporate strategy

These risks and opportunities are directly integrated into the Company's corporate strategy, guiding the setting of targets and the prioritization of actions and investments in the long term. From this integration, the Company directs its efforts towards strategic fronts such as circularity, increasing the use of more sustainable raw materials, renewable electric energy, and reducing GHG emissions.

In this context, changes in climate patterns, by reducing the predictability of seasonal conditions and affecting the accuracy of collections planning, require greater portfolio adaptability. To address this challenge, the Company has been expanding circularity initiatives and increasing the use of more sustainable raw materials, seeking to enhance the flexibility of its product strategies and strengthen its resilience to evolving market dynamics. Similarly, the intensification of extreme weather events, particularly those with the potential to disrupt operations and logistics, underscores the importance of measures aimed at operational resilience and supply chain risk management. Finally, regulatory changes and growing traceability requirements across the value chain are reinforcing the Company's decarbonization agenda, driving the continued use of renewable electricity, the reduction of GHG emissions, including initiatives throughout the value chain (Scope 3), and the increased adoption of more sustainable raw materials.

Impacts on Financial Planning

The formal connection of climate projects to the budget and investment and operational expense cycles will begin in 2026. Until the fiscal year 2025, the Company operated with targets, a roadmap, and strategic direction, without full financial integration. In this context, the consideration of climate risks and opportunities was already influencing projected cash flows, investment decisions, and capital structure, but not yet fully integrated into budgeting and capital allocation processes, occurring mainly through strategic guidelines, goal setting, and qualitative and quantitative

assessments. The main observed or potential financial impacts include:

- Mitigation and adaptation costs related to the replacement of inputs, logistics modernization, and implementation of efficiency practices treated as capital investments and/or operating expenses linked to ESG targets;

- Operational efficiency and reduction of recurring expenses, resulting from the optimization of energy and material consumption, with positive effects on margins and profitability;

- Management of regulatory and transition risks, which can influence operational costs, financing rates, and insurance. Although there is currently no carbon pricing applied to C&A's operations, continuous monitoring of regulatory and market trends is essential to anticipate potential impacts and guide strategic decisions.

- Valuation of intangible and reputational assets, associated with the brand and stakeholder engagement, considered in the value creation process and in non-financial performance indicators.

The Company has, until 2025, a solid financial structure, with good liquidity, consistent cash generation, and diversified access to financing, which supports its ability to face financial impacts related to climate risks and opportunities. Liquidity management is based on continuous cash monitoring, maintaining minimum reserves, and discipline in capital allocation, ensuring flexibility for investments, operational adjustments, and potential financial pressures in climate scenarios.

Starting in 2026, the Company will begin to structure the integration of climate-related issues more directly into formal budgeting and capital allocation processes, including linking specific climate projects to investment and expense cycles.

Allocation of funds for climate actions

C&A integrates climate topics into the regular processes of strategic planning, budgeting, and investments, without creating a separate climate budget. Resources for climate initiatives are allocated in the budgets of the areas responsible for their execution, while the Sustainability department has its own budget for coordination, technical analyses, and support for the climate agenda.

Mitigation and adaptation initiatives are incorporated into operational and investment plans, prioritized based on strategic guidelines, climate targets, scenarios, and the 2030 Emissions Reduction Plan. The decisions consider the balance between costs, operational efficiency, climate risk mitigation, and long-term value generation.

Until 2025, this prioritization was not fully connected in a structured way to the corporate budgeting process. Starting in 2026, climate projects will be formally integrated into the budget, ensuring greater traceability between climate targets, initiatives, and resource allocation.

Governance of resource allocation involves the People & ESG Committee, the Investment Committee, and senior leadership, who monitor the execution of initiatives, progress toward climate targets, and the adequacy of resources, ensuring alignment with the Company's climate strategy and commitments.

Transition Plan and Climate Adaptation Plan

C&A has been advancing in integrating climate change into its strategy through the definition of a new climate target, the development of the 2030 Emissions Reduction Plan, and the conduct of climate scenario analyses to assess the resilience of the business activity model.

In the 2025 fiscal year, the Company began developing the Climate Adaptation Plan, aiming to integrate mitigation and adaptation actions, as well as to define key assumptions, relevant dependencies, and implementation milestones over time.

Until the completion of these works, actions related to the transition to a low-carbon economy and adaptation to climate risks are conducted based on the public commitments made, the target approved by the SBTi, the 2030 Emissions Reduction Plan, and the results of the climate scenario analysis presented in this Report.

The Company plans to complete and formally disclose the Climate Transition Plan and the Climate Adaptation Plan throughout 2026, in a subsequent reporting cycle.

The integration between mitigation and adaptation actions strengthens C&A's ability to anticipate trends, capture opportunities, and protect its result against adverse climate scenarios. The Company adopts a financially material approach: climate impacts are assessed in terms of their ability to alter revenues, costs, assets, liabilities, or cash flows.

Additionally, the Company has been advancing in the structuring of indicators, scenario analyses, response plans, and the incorporation of controls associated with climate risks, with the aim of strengthening the capacity for anticipation and adaptation over time. This movement helps connect climate risks to operational, logistical, and strategic decisions, promoting greater integration with financial planning and capital allocation.

4.3. STRATEGY RESILIENCE - CLIMATE SCENARIO ANALYSIS

The climate resilience analysis of C&A aims to assess the robustness of the business activity model and strategic planning in the face of different global warming trajectories and the transition to a low-carbon economy. The exercise considers the physical and transition risks identified by the Company, as well as the opportunities associated with climate, evaluating how regulatory, technological, operational, and market changes can generate efficiency, innovation, and value creation. The analysis aims to understand the effects of these factors on value generation, cash flows, and the Company's operational capacity over the short, medium, and long-term horizons, considering its operations and, when relevant, exposures associated with the value chain.

Approach and methodology

The resilience analysis of the strategy in the face of climate change was conducted in 2025 in alignment with the Company's strategic and financial planning cycle. The reference year was 2025, considering information and assumptions available up to the cutoff date of the reporting period, and was structured to assess potential impacts over short, medium, and long-term horizons.

The analysis is conducted in a structured manner and integrated with corporate processes, involving steps such as defining baseline climate scenarios, qualitative and quantitative assessment of impacts on the business model, and discussion of results in internal governance forums. The operational scope considered covers the consolidated operations of C&A, including the central office, stores, distribution centers, and logistics hubs. In situations where climate risks and opportunities are associated with the value chain, such as raw materials, production processes, and logistics operated by third parties, the Company considers these exposures in the resilience analysis. However, the measurement and climate modeling of this year focus on the consolidated operations in Brazil, not covering specific third-party locations relevant to the chain.

The result from the analysis supports the Company's strategic, budgetary, and investment planning and is periodically reviewed to reflect the evolution of the regulatory context, market conditions, and the adopted climate assumptions.

In preparing the disclosures on climate strategy and resilience, the Company consulted the categories of cross-sector metrics provided in CBPS 02/IFRS S2, as well as the applicable sector guidance, including the SASB metrics for the apparel, accessories, and footwear sector. This process involved assessing the relevance and applicability of these metrics to reflect how climate risks and opportunities influence the Company's business activity, strategy, and resilience over the short-, medium-, and long-term horizons. The metrics considered applicable were used as a reference for defining assumptions, impact analysis, and the connection between strategy, risk management, and financial planning, while those not directly applicable were evaluated for their relevance to the Company's operations.

Intercomparison Project phase 6 (CMIP 6, IPCC AR6), specifically for Brazil, and bias-corrected using the Quantile Delta Mapping method. The data have a resolution of 0.25° x 0.25° (approximately 25 km) and

are available in two scenarios based on the country's socioeconomic trajectory (Shared Socioeconomic Pathways - SSP). In CMIP 6, historical data are limited up to 2013; therefore, considering a 30-year climatological normal, the most recent period was selected as historical, that is, from 1984 to 2013. For the projection, the timeframe up to 2050 was considered in alignment with global carbon neutrality targets adopted by the IPCC and AdaptaBrasil. Again, considering a 30-year period, the projections for 2026, 2030, and 2050 were compiled.

The first scenario, SSP2 4.5, is an intermediate pathway scenario with moderate emissions (warming of approximately 2.7 °C), while the second scenario, SSP5 8.5, is based on a high-growth future with intensive fossil fuel use, resulting in a more severe warming pathway (equal to or greater than 4 °C) by the end of the century.

The analysis of climate scenarios incorporates forward-looking assumptions about energy consumption and the evolution of the energy matrix, including efficiency gains and an increased share of renewable sources over time. These assumptions vary according to the transition scenarios considered and influence operational costs, investments, and the Company's resilience.

The macroeconomic assumptions considered in the analysis of climate scenarios are aligned with the socioeconomic pathways (SSP) of the scenarios used, including projections of economic growth, demand, consumption patterns, capital costs, and technological evolution, and are incorporated into the assessment of the Company's potential financial impacts.

Key results and implications

C&A already benefits from its renewable energy structure, the integration of SBTi targets, and the strengthening of the responsible supply chain, reducing transition risks and enhancing competitiveness in markets with stricter regulatory requirements. Furthermore, it has been working on defining controls that help prevent and mitigate the impacts of climate risks, such as diversification of raw materials and logistics network, establishment of contingency plans, expansion of regional suppliers, and investments in digitization and automation to reduce vulnerabilities.

In the short-term horizon (2026), the SSP2 4.5 and SSP5 8.5 scenarios indicate noticeable climate changes, varying by location, but still moderate for C&A's operations. There is a gradual increase in average temperatures and a rise in the frequency of hot days, with small changes in precipitation patterns. Through the implementation of controls associated with climate risks and climate opportunities, such as energy efficiency, climate adjustments in stores and distribution centers, and preventive management of inventory and logistics, building a journey of operational resilience aimed at mitigating the impacts of climate threats.

In the medium-term horizon (2030), projections indicate an intensification of already observed trends, especially in the SSP5 8.5 scenario, with a higher number of days with elevated temperatures, increased thermal discomfort, and greater seasonal variability of precipitation. These factors increase C&A's exposure to physical risks, with potential impacts on operational costs (energy, air conditioning), productivity, and logistical planning. Maintaining resilience now depends on more structural measures, such as infrastructure adaptation, active management of climate risks, and incorporating these scenarios into strategic planning, followed by supply chain management.

In the long term (up to 2050), especially under the SSP5 8.5 scenario, the result indicates a significant worsening of temperature extremes, with a marked increase in very hot days, greater thermal stress, and greater climate volatility.

Although extreme precipitation events remain localized in most of the regions with analyzed assets, the combination of extreme heat, high humidity, or prolonged dry periods increases C&A's exposure to significant physical risks, affecting operations, logistics, occupational health, and costs. In this scenario, the adoption of robust adaptation strategies becomes essential, including investments in resilient infrastructure, enhancement of controls, review of collections, and strengthening of contingency plans to ensure operational continuity and the Company's competitiveness.

Based on the presented scenario analyses, a qualitative assessment of potential financial impacts was con-



ducted, in line with the recommendations of the TCFD and references from the World Economic Forum. This assessment indicates that physical risks related to climate tend to materialize progressively over time, primarily affecting operational costs, investment needs, and, in more intense scenarios, the Company's own revenue dynamics.

In the short term, the financial impacts are concentrated on cost pressures, especially energy, climate control, and logistical adjustments, with a limited effect on overall financial performance. In the medium term, these impacts expand, including a greater need for investments in the adaptation of assets and processes, as well as indirect effects on operational efficiency and productivity, with possible repercussions on margins. In the long term, especially in scenarios of greater climate intensity such as SSP5 8.5, the impacts become more comprehensive, simultaneously affecting costs, capital allocation, and potential revenue generation due to operational disruptions, changes in consumer behavior, and supply chain challenges.

This qualitative approach clearly highlights how different climate scenarios can influence C&A's financial position over time.

Integration into decision-making

The result from this analysis supports strategic, budgetary, and investment planning, influencing decisions such as:

- investment prioritization (raw material diversification, diversification of logistics routes, energy efficiency);
- review of corporate risk matrix;
- update of financial scenarios and stress-testing;
- definition of climate targets and variable remuneration criteria linked to climate performance.

The result from this analysis is incorporated into strategic and financial planning processes, guiding investment decisions, climate targets, and risk prioritization. C&A will continue to improve its climate scenario modeling and financial impact assessment models, providing ongoing alignment with the guidelines of CBPS 02/IFRS 02 and the long-term resilience of its business activity.

Strategy Resilience by Horizon (CLIMBra and SSP Projections)

Scenario	Horizon	Expected impacts	Adaptation and Mitigation Strategies	Limitations/Uncertainties
SSP2 4.5 and SSP5 8.5	Short term (2026)	Noticeable climate changes varying according to location, still moderate for operations. Gradual rise in average temperatures, increased frequency of hot days, and small changes in precipitation patterns.	Controls associated with climate risks and opportunities, such as energy efficiency, climate control adjustments in stores and distribution centers, and preventive management of inventory and logistics.	Variability according to location.
SSP5 8.5 (especially)	Average term (2030)	Intensification of trends, with a higher number of days with elevated temperatures, increased thermal discomfort, and greater seasonal variability in precipitation. Potential impacts on operational costs (energy, air conditioning), productivity, and logistical planning.	More structural measures, such as infrastructure adaptation, active management of climate risks, and incorporation of these scenarios into strategic planning, followed by supply chain management.	More pronounced results in SSP5 8.5.
SSP5 8.5 (especially)	Long term (up to 2050)	Worsening of temperature extremes, with a significant increase in very hot days, greater thermal stress, and increased climate volatility. Extreme precipitation events remain localized in most of the regions with analyzed assets. The combination of extreme heat, high humidity, or prolonged dry periods increases exposure to significant physical risks, affecting operations, logistics, occupational health, and costs.	Robust adaptation strategies, including investments in resilient infrastructure, enhancement of controls, review of collections, and strengthening of contingency plans.	Extreme precipitation events described as localized in most of the regions with analyzed assets.

4.4. TRADE-OFFS AND PRIORITIZATION

C&A's climate management is based on the pursuit of a balance between financial return, competitiveness, and positive social and environmental impact. In this context, the Company has been evolving its internal processes to evaluate trade-offs related to climate change, that is, the compensations between short-term costs and long-term benefits, considering the financial, operational, and reputational implications of each decision.

Prioritization criteria

The prioritization of climate initiatives is in the process of evolution and consolidation, currently guided by technical, financial, and materiality criteria, in accordance with CBPS 02/IFRS S2, and includes:

- **Financial materiality:** focus on actions with the greatest potential impact on cash flow, cost of capital, and long-term value creation;
- **Economic feasibility:** return on investment (ROI) analysis, transition costs, and benefits associated with operational efficiency and emissions reduction;
- **Exposure to regulatory and market risks:** prioritization of initiatives that reduce exposure to new climate regulations, carbon pricing, and requirements from institutional investors;
- **Execution capacity and scale:** selection of projects with proven technical feasibility and potential for replication throughout the entire operation and supply chain;





The Company has been evolving its internal processes for evaluating trade-offs related to climate change, considering the financial, operational, and reputational implications.

- **Reputational impact and stakeholder engagement:** consideration of the effects of decisions on brand perception, customer loyalty, and relationships with investors and strategic partners.

Main trade-offs identified

The following trade-offs represent qualitative examples identified by Management and do not, to date, result from a structured and standardized integrated assessment process that simultaneously considers all climate and financial variables in formal business cases:

- **Mitigation investments versus immediate operational costs:** Projects like energy efficiency and circularity require significant capital investments upfront. These investments increase costs in the short term but provide structural reductions in both emissions and operational expenses over the medium and long term, generating sustainable financial and environmental gains.

- **Replacement of conventional raw materials with more sustainable ones:** implies an increase in unit costs in the short term, offset by gains in reputation, brand differentiation, and supply stability in contexts of natural resource constraints;

- **Store expansion versus decarbonization targets:** with operations already based on renewable energy, the expansion of physical stores is evaluated from the perspective of energy efficiency and the incremental emissions associated with construction, operation, and the supply chain, aiming to mitigate additional impacts;

- **Ambitious climate targets versus financial predictability:** C&A adopts a progressive scaling approach, balancing the fulfillment of public commitments with margin preservation and cost control.

Prioritization and resource allocation decisions are submitted to the Board of Executive Officers and the People & ESG, Audit, Risk and Finance, and Investment Committees, within the context of processes still under development, and do not yet constitute a formalized and fully integrated decision-making model based on combined climate and financial criteria.

The result is incorporated into budget planning and the corporate risk matrix, allowing the Company to balance resilience, profitability, and climate impact.

This approach reinforces C&A's commitment to aligning strategic, financial, and climate decisions in accordance with the principles of materiality, connectivity, and transparency established by the CBPS 01/IFRS S1 and CBPS 02/IFRS 02 standards.

IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

5. **RISK** MANAGEMENT

C&A adopts a structured approach to climate risk management so that these factors are identified, assessed, and monitored consistently with corporate risk management. The process is integrated into the Company's Enterprise Risk Management (ERM), adopts the same methodological criteria so that it integrates corporate risks into the matrix, and is overseen by the Board of Directors, the Audit, Risk and Finance Committees, the People and ESG Committee, and the Board of Executive Officers.

This structure aims to enable material risks and opportunities to be addressed in a timely and transparent manner, allowing for informed decision-making and the connection between operational management, strategic planning, and financial disclosures.

The disclosures related to climate risk management presented in this section were structured in an integrated manner with the Company's strategy, governance, and financial planning disclosures.

With this objective, C&A adopted a cross-referencing approach, focusing the description of corporate risk management processes, the financial materiality methodology, and the integration into Enterprise Risk Management (ERM) in specific sections of the Report, avoiding the repetition of content already presented. This organization reflects how climate risk management is integrated into the Company's corporate risk management system in pursuit of consistency, clarity, and connectivity of the information disclosed throughout the Report.

5.1. PROCESSES OF IDENTIFICATION, APPRAISAL, AND MONITORING

In 2025, C&A improved its risk management processes to provide consistent identification, assessment, and monitoring of climate-related risks and opportunities, integrated with the corporate matrix and the financial planning cycle. This evolution allowed climate effects to be quantified and reflected in financial and budgetary statements, in accordance with CBPS 02/IFRS S2.



Identification of risks and opportunities

The identification process is continuously conducted by the Governance, Risk, and Controls (GRC) Management, under the supervision of the Board of Executive Officers and with the monitoring of the Audit, Risk, and Finance Committees (CARF) and People & ESG. Multiple diagnostic instruments are used, such as:

- Mapping of critical processes and value chain, focusing on climate vulnerabilities (raw material supply, logistics, and physical infrastructure);
- Analysis of physical risks (extreme weather events, water availability, high temperatures) and transition risks (regulatory, technological, market, and reputational);
- Engagement with strategic stakeholders, investors, suppliers, and external experts to identify new exposures and emerging opportunities;
- Integration of climate scenarios from the IPCC and the IEA, aligned with global targets to limit warming to 1.5 °C and 2 °C.

The identified risks are classified by nature (physical, transition, or socio-environmental) and linked to the respective business activity areas, promoting accountability and traceability.

Assessment and Measurement of Impacts

Each risk or opportunity is evaluated according to quantitative and qualitative criteria, considering:

- Probability of occurrence and magnitude of financial impact, based on monetary metrics integrated into the budget and financial statements;
- Correlation with traditional risks, such as credit, liquidity, and market, allowing measurement of the combined effect on capital and profitability;
- Time horizon (short, medium, and long term), according to the methodology defined in the Definition of Horizons section;
- Key risk indicators (KRIs), which monitor relevant changes, such as energy costs, raw material prices, and exposure to severe weather events.

This approach enables the translation of climate impacts into potential financial values, estimating effects on EBITDA, cash flow, operating costs, assets, and provisions. If a risk materializes, the resulting expense, loss, or investment is then recorded in the integrated financial management system (ERP), reflecting the actual realization of the impact. In this way, a greater alignment is promoted between risk assessment, its economic consequences, and financial reporting.



Monitoring and Review

Monitoring is carried out quarterly, with a complete update of the Integrated Risk Matrix by the GRC and validation by the Board of Executive Officers. The result is presented to CARF and the Board of Directors, providing oversight and traceability of all decisions.

The main monitoring mechanisms include:

- Systematic review of material climate risks, with reassessment of probabilities and financial impacts;
- Internal and external audits to test the effectiveness of controls and the consistency of disclosed information;
- Executive dashboards and indicator panels that consolidate operational and financial data on risks and opportunities;
- Integration with the ISSB reporting process, allowing climate information to be aligned with financial statements and notes.

With this improvement, C&A began to treat climate risks and opportunities as strategic and financial variables, connected to the corporate governance structure and capital allocation decisions.

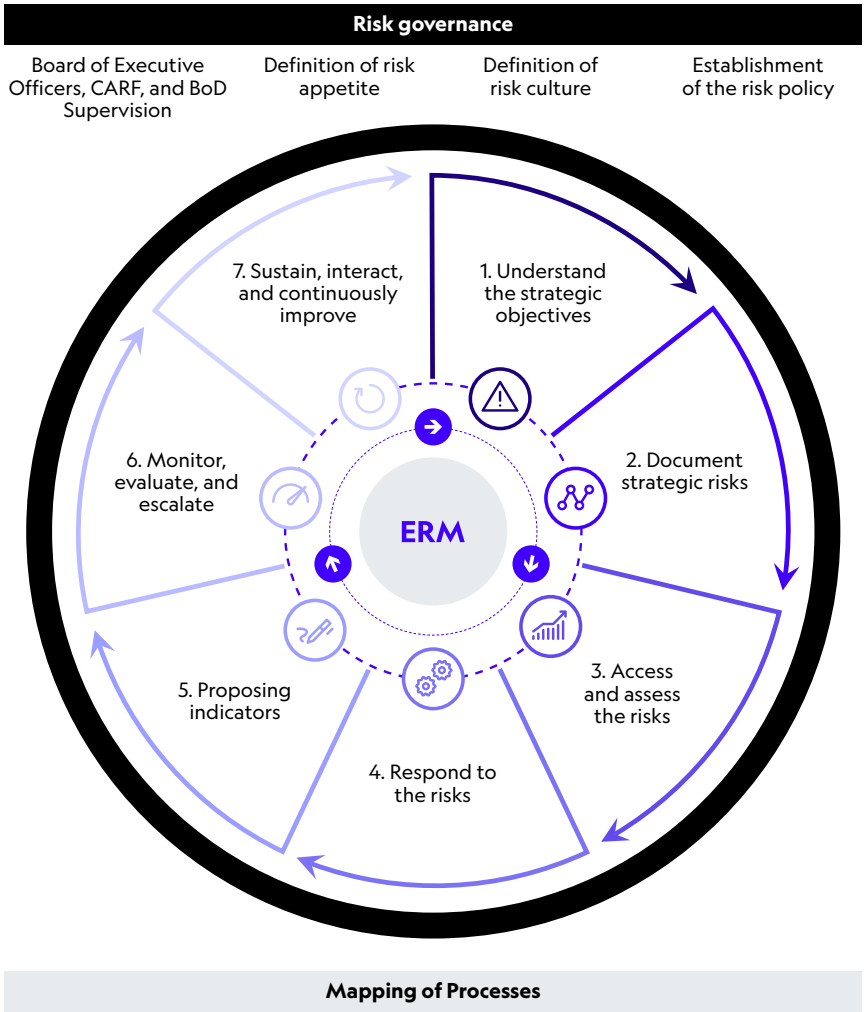
This integration raises the maturity level of the Company's risk management, allowing the identification, measurement, and monitoring of climate events to be quantifiable, auditable, and financially material.

Risk management process

Step	Description	Frequency	ERM Integration	Responsible party
Identification	Identification and documentation of corporate risks based on strategic objectives, internal factors, external factors, and emerging risks.	Continuous, with formal quarterly review	Total - initial stage of the risk management cycle	Business activity areas (1st line) with support from GR&CIs
Assessment	Analysis and prioritization of risks based on impact and probability, considering exposure and materiality.	Quarterly (or whenever there are significant changes)	Total - integrates the risk matrix and priority setting	Business Activity Areas + GR&CIs
Mitigation	Definition and implementation of response strategies (mitigate, avoid, accept, or transfer), including action plans, controls, and indicators.	Continuous, with periodic monitoring	Total - linked to risk response and treatment	Risk Owners (1st line), with support from GR&CI teams
Monitoring	Monitoring the evolution of risks, effectiveness of controls and indicators, with reporting and escalation to governance.	Quarterly (continuous monitoring with formal reporting)	Total - ensures the feedback of the ERM cycle	GR&CIs (2nd line) and reporting to the Board of Executive Officers, CARF, and Board

FRAMEWORK ADOPTED IN OUR PROGRAM

Since the structuring of the Corporate Risk Management Program in 2020, we have adopted the framework below, enabling the development of an effective, efficient, and high-value strategic risk management process.



Mapping of Processes

1. Understand the strategic objectives
Understanding the business activity's strategies and objectives will be the focus in identifying and managing risks.

2. Document strategic risks
Identify and document strategic risks, considering strategic initiatives and the main factors (external, internal, and emerging risks) that may affect the strategic initiatives.

3. Analyze and prioritize the risks
Understand the impacts of risks and their consequences. Risk prioritization.

4. Respond to the risks
Identify, train, and support the Risk Owners in developing the response plan that includes possible alternatives to address the risks (e.g. avoid, accept, mitigate, or transfer).

5. Proposing risk monitoring indicators
Assist in identifying and/or proposing risk indicators and/or potential internal controls to mitigate risks.

6. Monitor and evaluate:
Periodically monitor risk exposure, identifying potential increases in the level of exposure and escalating the risk profile to the appropriate level of authority within the Organization.

7. Sustain, integrate, and continuously improve
Periodically evaluate the efficiency and effectiveness of the Risk Management process, aiming to identify opportunities for improvement.

ROLES AND RESPONSIBILITIES

Specific responsibilities

	THREE-LINE MODEL		
	1st LINE	**2nd LINE**	**3rd LINE**
Participants	Represented by managers from the Board of Executive Officers and Business Activity Areas, who must ensure effective risk management within the scope of their direct organizational responsibilities.	Refers to the Company's GR&CI areas, being responsible for supporting, monitoring, and questioning activities related to risks and controls, as well as supporting the 1st Line by providing training and technical support in the management model of Risks and Internal Controls.	It refers to the area of Internal Audit, which operates independently and objectively, and aims to provide opinions to Governance bodies on the risk management process and the effectiveness of internal controls.
Main Activities	**DONO DO RISCO** • Ensure resources for Risk Agents to implement risk response actions; • Review risk assessments, report adjustments on the Map, and identify unmapped risks for GR&CIs; • Be responsible for the status of action plans and contingencies in development. **RISK AGENT** • Evaluate and ensure that the risk is being mitigated and that the Support Teams are performing their duties; • Implement prevention and mitigation controls and designate a Support Team; • Communicate deviations to the Risk Owners. **SUPPORT TEAMS** • Execute controls and action plans; • Report deviations to the Risk Agents.	• Analyze, assess, and monitor the risks identified by the 1st line and their effectiveness; • Assist in risk identification and in the development of response plans; • Provide technical guidance and support; • Timely report to governance bodies the relevant information related to the Strategic Risk Management Program.	• Evaluate and advise, independently and objectively, on the adequacy and effectiveness of governance and risk management to the CARF and CAD regarding the overall suitability of the environment.

5.2. TOOLING AND CONTROLS

C&A has a governance and risk management structure integrated into the corporate Enterprise Risk Management (ERM) model, through which physical and transition climate risks are progressively incorporated, assessed, and monitored in alignment with the Company's strategy and operational and financial decisions. This process is conducted by the Governance, Risk, and Controls (GRC) area, with supervision by the Board of Executive Officers and periodic monitoring by the Audit, Risk, and Finance Committee (CARF) and the Board of Directors.

In the climate context, the Company has been advancing in incorporating these topics into the corporate risk matrix, including the analysis of physical events such as heat waves, water stress, floods, and other extreme events1 , as well as transition risks associated with regulatory, reputational, and market changes.

These risks are assessed according to qualitative and quantitative criteria, considering probability, magnitude of financial impact, correlation with corporate risks, time horizon, and potential effects on revenues, operating costs, investments, cash flow, and equity position. The management of these risks is supported by corporate tools already established within the scope of ERM, which have been gradually applied to the climate context. Among these tools, the following stand out:

- the corporate risk matrix, used for recording, classifying, and prioritizing identified risks, including emerging risks of a climatic nature;
- the mapping of critical processes along the value chain, allowing the identification of points of vulnerability and the prioritization of response actions;
- the classification of risks by nature and region, considering the location of assets and their differentiated exposure to climatic events; and
- the periodic monitoring of the integrated risk matrix, with structured reporting to senior governance.

[1] Storms, floods, water stress, heat waves, and cyclones.



6. **TARGETS** AND METRICS

In 2025, C&A strengthened the process of measuring and monitoring climate performance, linking climate indicators to financial result and corporate risk management. This process was structured to meet the requirements of CBPS 02/IFRS S2, encouraging the disclosed metrics to be quantifiable, comparable, and consistent with the Company's financial statements.

Climate Performance Indicators

The main indicators used by C&A to assess climate risks and opportunities are:

- **Greenhouse gas emissions (GHG):** quantified according to the GHG Protocol methodology, covering Scopes 1, 2, and 3. The data are audited by an independent third party and reported annually to the Brazilian GHG Protocol Program and to the CDP.
- **Emission Intensity:** relationship between CO2e emissions and net revenues, in tons of CO2e per R$ million, allowing the evaluation of the climate efficiency of operations.
- **Consumption and Energy Efficiency:** percentage of energy from renewable sources (95% in 2025) and savings achieved through efficiency projects in stores and distribution centers.
- **Circularity:** percentage of products with circularity principle, 37% in 2025, with a target of 50% in 2030.
- **More Sustainable Raw Materials:** percentage of raw materials from sustainable sources in relation to the total volume of fibers used, 72.2% in 2025, with a target of 80% by 2030.
- **Financial Exposure to Climate Risks:** the Company monitors corporate risks associated with climate factors through the Corporate Risk Matrix and, for those prioritized by governance bodies, conducts analyses of current and potential financial impacts on operational costs, margins, and cash flows.



Integration of Metrics into Financial Planning

The management of climate metrics is directly linked to the corporate governance process and the company's financial planning. Indicators such as GHG emissions, renewable energy consumption, logistics efficiency, and circularity are not treated in isolation; they are analyzed from the perspective of risks and opportunities that may impact the budget, investments, operating expenses, and cash flow projections.

This integration model allows critical variables, such as energy prices, input costs, raw material availability, and transportation efficiency, to be incorporated into financial scenarios and strategic decisions. For example, emission reduction targets and increased use of renewable energy influence investments in infrastructure and supply contracts, while circularity and traceability indicators guide resource allocation for innovation in products and processes.

Furthermore, the monitoring of climate metrics is used as input for defining incentives for executives and prioritizing projects, so that environmental performance is aligned with long-term economic value generation. This approach strengthens the company's financial resilience against regulatory risks, climatic changes, and shifts in stakeholder preferences, ensuring that investment decisions consider both financial impacts and climate commitments.

6.1. TARGETS AND PROGRESS

Climate Targets - 2030 Commitments

C&A's targets cover C&A Modas S.A. and its subsidiaries, established in alignment with the Science Based Targets initiative (SBTi) and the pillars of the 2030 Commitment. They reflect the Company's commitment to mitigating climate change and transitioning to a low-carbon economy, involving key aspects of operations and the value chain: absolute reduction of GHG emissions, maintenance of renewable energy use, incorporation of circularity principles in products, and expansion of the use of more sustainable raw materials.

Metrics linked to external frameworks are disclosed as specified by that source. Other metrics follow proprietary methodologies, developed to support internal management and ensure transparency for users of the Report. All targets undergo formal review and approval processes within governance bodies, seeking alignment with corporate strategy and the public commitments made.

In the case of greenhouse gas emissions, the definition and monitoring follow the GHG Protocol methodology, with independent verification of the inventory and external validation by the SBTi. The targets related to circularity and raw materials are managed internally, with the participation of Management and the appropriate forums.

The monitoring is systematic, allowing for the assessment of progress and making necessary adjustments to strengthen the decarbonization trajectory. The indicators show significant progress, such as the use of 100% renewable energy and the gradual increase in the use of sustainable raw materials, while also highlighting challenges in areas like circularity, which require ongoing efforts.

Below, we present the consolidated table with the targets set for 2030, the result for 2025, and the respective performance indicators, highlighting the degree of adherence to the targets and the points that require greater attention for the upcoming cycles.

Topic	2030 Targets and climate indicators	Data sources	Methodology	Classification	Base year	Status 2025	Performance indicator	Associated financial impact
Reduction in emissions (GHG)	Reduce absolute emissions (scopes 1 + 2 + 3) by 42%	GEE Inventory - third-party verified	GHG Protocol	Absolute quantitative	2023	New goal approved in May 2025	tCO2e/year	Cost reduction (energy), increased investment (efficiency and decarbonization), and mitigation of regulatory risks
Renewable Energy	Maintain 100% energy from renewable sources	GEE Inventory - third-party verified	Internal, not derived from an external source	Intensity quantitative	2018	95%	% of renewable energy	Impact on energy expenses, greater predictability, and reduced exposure to tariff volatility
Product Circularity	50% of the products with principles of circularity	GRI 301 – 2025 Integrated Report verified by a third party	Internal, not derived from an external source	Intensity quantitative	2022	37%	% of circular products	Impact on COGS, gross margin, and working capital through waste reduction and inventory optimization
More sustainable raw materials	80% of the volume of main raw materials (cotton, viscose, polyester) sustainable	GRI 301 – 2025 Integrated Report verified by a third party	Internal, not derived from an external source	Intensity quantitative	2022	72.2%	% of sustainable raw materials	Impact on COGS and gross margin, reduction of cost volatility and supply chain risks

[1] Note: The absolute gross GHG emissions reduction target was revised and approved in May 2025 due to the update of the corporate emissions inventory, the refinement of value chain data (Scope 3), adaptation to the local reality of the business activity, and alignment with the methodological guidelines of the Science Based Targets initiative (SBTi). The review allowed for adjusting the level of ambition and the trajectory of the target consistently with the most recent business growth assumptions, data availability, and international best practices.

The performance observed in 2024 and the status in 2025 indicate distinct trends among climate targets, reflecting the complexity of implementation and the operational environment:

- **Absolute GHG emissions:** Goal approved in 2025 by SBTi. The report regarding the status of this goal will take place in the upcoming cycles.

- **Renewable electricity:** The metric is partially met due to the recent installation of Logistics Hubs that have not yet been included in the purchase of IRECs, due to the short period of operation. For the calculation of this indicator, we consider the total energy consumed (in MWh), the amount of energy purchased from renewable sources (also in MWh), and the corresponding volume of IRECs.

- **Product circularity:** There is an observed increase in the percentage of circular products, driven by the incorporation of circularity criteria and the growing use of recycled and certified materials. For the calculation of this metric, we consider three main criteria: (1) parts designed for recycling, accounting for the items received in the reference year; (2) use of recycled raw materials, considering single fibers only in the main parts and 100% cotton products; and (3) durability, including parts developed to extend the product lifecycle.

- **Sustainable raw materials:** The use of sustainable fibers continues to grow, despite occasional changes related to the availability of suppliers and negotiation processes. For the calculation of this metric, we considered the Company's main raw materials (cotton, viscose, modal, lyocell, acetate, and polyester), evaluated in the main parts of own-brand products, based on the volume received in the reference year, according to the GRI 301 methodology.

In each case, the result represents milestones within a medium-term trajectory. The Company monitors deviations from expected targets, identifies causes and corrective actions, and assesses risks that may impact their achievement. These insights guide adjustments, enhancing responsiveness and ensuring the robustness of the path to 2030.

The established targets undergo specific revisions when there is a need for modification or inclusion, due to the evolution of the business activity, the regulatory context, and the adopted climate assumptions. The monitoring of performance related to these targets occurs quarterly, allowing for continuous evaluation of progress and the adoption of adjustments when necessary.

C&A's medium-term climate target for 2030 is not accompanied by intermediate targets and milestones; however, annual project milestones are internally defined that integrate the strategic planning process and the Company's performance management model, including their linkage to the short-term variable remuneration system for senior leadership. These project milestones are used as formal tools to monitor progress toward the 2030 targets and to guide decision-making, even though their specific quantitative values are not publicly disclosed.

The indicators that influence value generation, such as emissions and the use of more sustainable raw materials, remain linked to the short-term variable remuneration model for senior leadership, reinforcing executive accountability for the consistent progress of the climate agenda.

In this regard, C&A has developed specific implementation plans aligned with the 2030 Emissions Reduction Plan, detailing actions by scope, planned investments, responsible parties, and monitoring mechanisms. These plans consider the main issuance vectors and impacts identified in the corporate inventory and are periodically reviewed in light of the evolution of the business activity and the regulatory context.

I. Absolute reduction of GHG emissions (Scopes 1, 2, and 3)

The target was set based on the Paris Agreement, especially the scenario of limiting global warming to 1.5 °C, which guided the level of ambition, the time horizon until 2030, and the trajectory of absolute emissions reduction. This medium-term target was formulated in alignment with the Science Based Targets initiative (SBTi), submitted and approved within the scope of this initiative, and derived from the Sectoral Decarbonization Approach (SDA), compatible with global warming trajectories limited to 1.5 °C.

The application of the SDA considers the specific characteristics and emission intensity of the Company's sector of operation, translating sectoral reduction pathways into a measurable corporate target that is scientifically consistent with the SBTi criteria. The goal corresponds to an absolute reduction of gross emissions, without the use of offsets through carbon credits, and its implementation is monitored annually throughout the period until 2030. For its scope, the following action plan was defined:

Scope 1 - Own operations (air conditioning and equipment):

- Retrofit replacement of air conditioning systems in stores with higher volumes of refrigerant gases, replacing traditional technologies with systems using gases with lower global warming potential (GWP);
- Adoption of the new air conditioning standard in all new stores starting in 2027.

Scope 2 - Electric energy:

- Maintaining 100% of electricity consumption from renewable sources through the purchase of renewable energy certificates (I-RECs), keeping zero emissions in this scope until 2030.

Scope 3 - Value Chain:

- Implementation of the reduction plan for goods and services purchased, focusing on raw materials and production processes;
- Expansion of supply chain traceability, collection of primary data, and implementation of an environmental management system;
- Reduction of logistics emissions through network optimization, reduction of kilometers traveled, and increased use of lower-impact fuels such as biomethane and electric vehicles.

Implementation horizon: Short and medium term, with actions starting in 2025 and progressively intensifying until 2030.

Relevant facilities: Engagement of the supplier network, availability of low-carbon technologies, evolution of the logistics network, and approval of investments planned in the plan.

Monitoring: Annual monitoring of absolute emissions (tCO2e/year), with governance at CGASG.

C&A currently does not adopt an internal carbon price in its decision-making processes, investment analyses, or profitability assessments. Thus, the requirements are not applicable in the current fiscal year. The Company monitors the evolution of the regulatory and market framework and will evaluate the potential future adoption of internal carbon pricing mechanisms, which will be disclosed in due course.

Financial impact: The 2030 Emissions Reduction Plan consolidates investments and costs associated with the mitigation actions of this target (Scopes 1, 2, and 3). For 2026, the amounts total R$ 9.6 million.

II. Maintenance of 100% renewable electric energy

- Continuity of the contracting of certified renewable electric energy (I-RECs) for all Company operations, aiming to meet the SBTi target, in alignment with the Paris Agreement;

- Periodic review of supply contracts to ensure full coverage of consumption, including in new stores and operational expansions.

Implementation horizon: Ongoing action, already implemented since 2023 and maintained until 2030.

Relevant facilities: Availability of renewable energy certificates and market conditions.

Monitoring: Annual monitoring of the percentage of renewable energy consumed (%), reported in the GHG inventory

III. Product circularity

- Integration of circularity criteria in product development, prioritizing design for durability, recyclability, and lower material intensity;

- Expansion of the use of recycled and certified raw materials, according to the raw materials roadmap of the Reduction Plan, which aims to meet the SBTi target, in alignment with the Paris Agreement;

Implementation horizon: Medium term, with gradual evolution of the product mix until 2030.

Relevant facilities: Availability of more sustainable raw materials, technological maturity, and supplier engagement.

Monitoring: Monthly monitoring of the percentage of more sustainable products (%).

IV. Expansion of the use of more sustainable raw materials

- Implementation of the roadmap for more sustainable raw materials as outlined in the 2030 Reduction Plan, aiming to meet the SBTi target, in alignment with the Paris Agreement;

- Conducting life cycle analyses to support purchasing decisions.

Implementation horizon: Short to medium term, with defined annual intermediate milestones until 2030.

Relevant facilities: Availability of sustainable raw materials at scale, relative costs, and negotiations with suppliers.

Monitoring: Annual monitoring of the percentage of sustainable raw materials (%), integrated with the GHG inventory and purchasing planning.

6.2. EMISSIONS

The 2025 GHG Inventory of C&A underwent third-party verification which, according to the definition of the PBGHGP (Brazilian GHG Protocol Program), is an "independent assessment conducted by competent and independent personnel regarding the completeness and accuracy of an organization's annual corporate GHG (Greenhouse Gas) inventory and its compliance with previously established criteria."

The main objective of third-party verification is to ensure the credibility of the organization's GHG Inventory. KPMG was responsible for verifying this Inventory, successfully verifying the categories of stationary combustion, fugitive emissions, location-based and market-based approaches for Scope 2, commuting, solid waste generated in operations, and business travel. Furthermore, 100% of Scope 3 emissions were subject to third-party verification.

The Scope 1 and Scope 2 greenhouse gas emissions disclosed in this Report refer exclusively to the operations of C&A Modas S.A., the Group's operational entity responsible for activities that generate direct and indirect emissions associated with energy consumption.

The other companies in the Group, including entities related to financial services and other subsidiaries, do not have significant Scope 1 or Scope 2

emissions due to the nature of their activities, which do not involve industrial operations, direct use of fuels, or significant consumption of electricity under their own operational control. Thus, there are no Scope 1 and 2 emissions to be disclosed separately for other investees, in accordance with the requirements of CBPS 02/IFRS S2.

For the calculation of Scope 3 emissions, indirect GHG emissions resulting from the Company's activities are considered, but originating from sources that are not owned or controlled by the company. The Scope 3 greenhouse gas emissions disclosed in this Report are fully calculated based on secondary data, using Tier 2 and Tier 3 emission factors, as defined by the GHG Protocol, and are subject to a high level of uncertainty.

Currently, the Company does not have specific primary data from the value chain (Tier 1) provided directly by suppliers or business partners. Thus, Scope 3 estimates are based on sector proxies, recognized databases, and standardized assumptions, due to limitations in data availability, granularity, and coverage throughout the value chain.

In 2025, C&A's inventory includes emissions associated with purchased goods and services, fuel-related activities not included in Scopes 1 and 2, commuting (public transportation and employees' private vehicles), air transportation, solid waste generated in operations, downstream transportation and distribution, upstream transportation and distribution, and leased assets (organization as lessee), with the category of purchased goods and services having the greatest impact on the total inventory result.

The Greenhouse Gas (GHG) Emissions Inventory includes all gases regulated by the Kyoto Protocol applicable to C&A's operations (carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs)).



Direct greenhouse gas emissions (tCO_2 equivalent)		
	2024	**2025**
Stationary combustion	43.72	44.97
Fugitive emissions	6,309.88	9,547.94
Total gross CO_2 emissions	6,353.60	9,592.91

Indirect emissions from energy acquisition (tCO_2 equivalent)		
	2024	**2025**
Electricity (location)	10,058.81	9,343.07
Electricity (purchase choice)	-	444.29
Total	10,058.81	9,787.36

Biogenic CO2 emissions (tCO_2 equivalent)		
	2024	**2025**
Scope 1	6.42	7.1
Scope 3	16,843.27	3,616.52

GHG Emission Reductions (tCO_2 equivalent)		
	2024	**2025**
Scope 1	-1,842.07	-3,239.31
Scope 2	-3,200.94	-715.74
Scope 3	-126,003.61	-125,543.03

Other greenhouse gas emissions (tCO_2 equivalent)		
Upstream	**2024**	**2025**
Acquired goods and services	293,775.05	287,462.9
Activities related to fuel and energy not included in Scopes 1 and 2	43,380.82	12.14[1]
Upstream transportation and distribution	98,381.50	14,947.14[2]
Waste generated in operations	943.62	8,178.55
Business trips	1,170.82	1,227.64
Home-to-work commute	15,194.63	14,465.41
Leased assets	8.30	7.18
Downstream	**2024**	**2025**
Downstream transportation and distribution	1,482.79	2,491.54
Total	**454,337.53**	**328,792.50**

[1] In 2025, we conducted a review of the calculation methodology applied to Scope 3 category 3, aiming to improve the allocation of emissions from other Scope 3 categories to their respective classifications. This methodological update aims to strengthen the accuracy and consistency of information related to indirect emissions in the value chain. As part of the continuous improvement process, the data for the year 2024 have been reviewed and recalculated according to the new methodology, ensuring greater comparability and alignment with the reporting practices used by the organization.

[2] In 2025, we proceeded with the revision of the calculation methodology applied to category 4 of Scope 3, covering trips between Distribution Centers (DCs) and between DCs and stores. The update aimed to improve the accuracy of representing logistics operations by incorporating the specifics of routes with multiple stops. During 2026, we will reassess the data from the years 2024 and 2023 in order to retroactively apply the updated calculation model.

Intensity of greenhouse gas emissions (GHG)		
Upstream	**2024**	**2025**
Intensity per gross revenue (tCO_2eq/million R$)	46.12	32.14
Intensity by raw material (tCO_2eq/t)	18.24	13.56

IN THOUSANDS OF REAIS, UNLESS OTHERWISE INDICATED

6.3. 2030 COMMITMENTS

In 2022, C&A established four public commitments with a target deadline of 2030, aligning its vision with the United Nations Sustainable Development Goals (SDGs) agenda. These commitments reflect the material topics for the Company and reinforce its position as a brand committed to leading by example, promoting innovation and responsibility in fashion.

Each commitment has clear targets and defined criteria, with quarterly monitoring by the ESG team, ensuring transparency and continuous progress. This journey integrates sustainability into the business activity strategy, fostering solutions that reconcile growth and responsibility throughout the value chain. In 2024, they recorded significant progress toward the established targets, consolidating the Company's role in transforming the sector.

Commitments until 2030

ODS	Commitment	2030 target	2022	2023	2024	2025
8 12 13 15 17	80% of the main raw materials must be sustainably sourced, considering cotton, viscose, and polyester	80%	65%	66%	70.6%	72.2%
12 13 17	50% of the products must include principles of circularity	50%	0%	0.02%	34%	37%
12 13 17	Reduce single-use plastic by 50% in our operations, stores, and e-commerce	50%	0%	15%	29%	41%
5 8	60% of women in leadership positions (starting from managerial roles)	60%	64%	66%	66%	64%
5 8	30% of Black and Indigenous people in leadership positions (starting from managerial roles)	30%	20%	26%	30%	31%



6.4. CLIMATE METRICS

C&A presents the performance indicators defined according to the SASB accounting metrics for the apparel, accessories, and footwear sector, promoting transparency in the management of climate risks and opportunities. The metrics cover critical aspects of the value chain, including regulatory compliance, environmental assessment of suppliers, management of priority raw materials, sustainable certifications, and labor practices. The disclosure of these indicators reinforces the Company's commitment to international standards and allows for monitoring progress against established targets, strengthening alignment with stakeholder expectations and best market practices.

In accordance with the SASB sector guidance for the implementation of CBPS 02/IFRS S2 Climate-Related Disclosures, C&A Modas S.A. presents below the indicators applicable to the apparel, accessories, and footwear sector.

Priority raw material			
Priority raw material	**Environmental and/or social factors that may threaten supply**	**Risks and/or associated business activity opportunities**	**Adopted management strategy**
Cotton	Change in land use; soil and water pollution; impacts of climate change on fiber availability	Reputational risks due to socio-environmental violations; risk of fiber unavailability; supply interruption due to legal non-compliance by partners; opportunity for traceability and climate mitigation	Sustainable raw materials target linked to the variable remuneration of the C-Level; predominant use of BCI certified cotton; prioritization of Brazilian cotton from areas with low water stress; participation in the SouABR program with traceability via blockchain
Viscose and other cellulosic fibers (MMCF)	Change in land use; soil and water pollution	Reputational risks associated with the origin of the fiber; risk of supply interruption; opportunity to increase transparency in the supply chain	Use of the Canopy Report ranking; prioritization of producers with a score higher than 31 points; documental traceability
Polyester	Greenhouse gas emissions	Reputational risks and transition risks; opportunity to reduce impacts by using recycled material	Strategy focused on the use of recycled polyester with international certification; continuous engagement in sector forums and direct communication with suppliers

Percentage of raw materials certified by third parties with an environmental and/or social sustainability standard/norm [1] [2] SASB CG-AA-440a.4

In 2025, C&A reports that 72.2% of the raw materials used came from more sustainable sources, that is, aligned with recognized environmental and/or social standards.

In the breakdown by type of raw material with third-party certification:

- **Cotton:** more than 95% of the cotton used in 2025 was certified by the Better Cotton Initiative (BCI), an international standard that sets environmental and social criteria for cotton production.
- **Cellulosic fibers (viscose, lyocell, modal, and acetate):** 48.7% of the cellulosic fibers used in 2025 came from more sustainable sources, considering the socio-environmental qualification and traceability criteria adopted by the company.
- **Polyester:** the use of certified recycled polyester followed international certification standards, such as the Recycled Claim Standard (RCS) and Global Recycled Standard (GRS). In 2025, the total volume of recycled polyester used was over 280 tons.

Raw materials certified by third parties with environmental and/or social standards

	2023			2024			2025		
Standard/Norm	**Total weight (t)**	**Certified weight (kg)**	**Percentage (%)**	**Total weight (t)**	**Certified weight (t)**	**Percentage (%)**	**Total weight (t)**	**Certified weight (t)**	**Percentage (%)**
Global Recycled Standard (GRS)	-	-	-	6,251.81	200.88	3.21	4,762.35	281.55	5.91
Forest Stewardship Council (FSC)	-	-	-	-	-	-	2,009.69	979.45	48.74
Better Cotton Initiative (BCI)	9,162.49	8,795.85	96.00	13,798.43	13,149.82	95.30	14,192.09	13,853.07	97.61
Other 3	-	-	-	-	-	-	-	12.60	0.09
Total raw materials	18,199.87	8,795.84	48.75	25,662.10	13,350.71	52.02	20,964.14	15,126.68	72.16

[1] Sustainable cellulosic fibers come from manufacturers listed in the Hot Button Report, which evaluates criteria such as forest sourcing, Next Gen fiber production, traceability, use of FSC certification, and conservation initiatives.

[2] The numbers refer to the main fibers, considering the main parts of the pieces, estimated weights by category, and C&A brands.

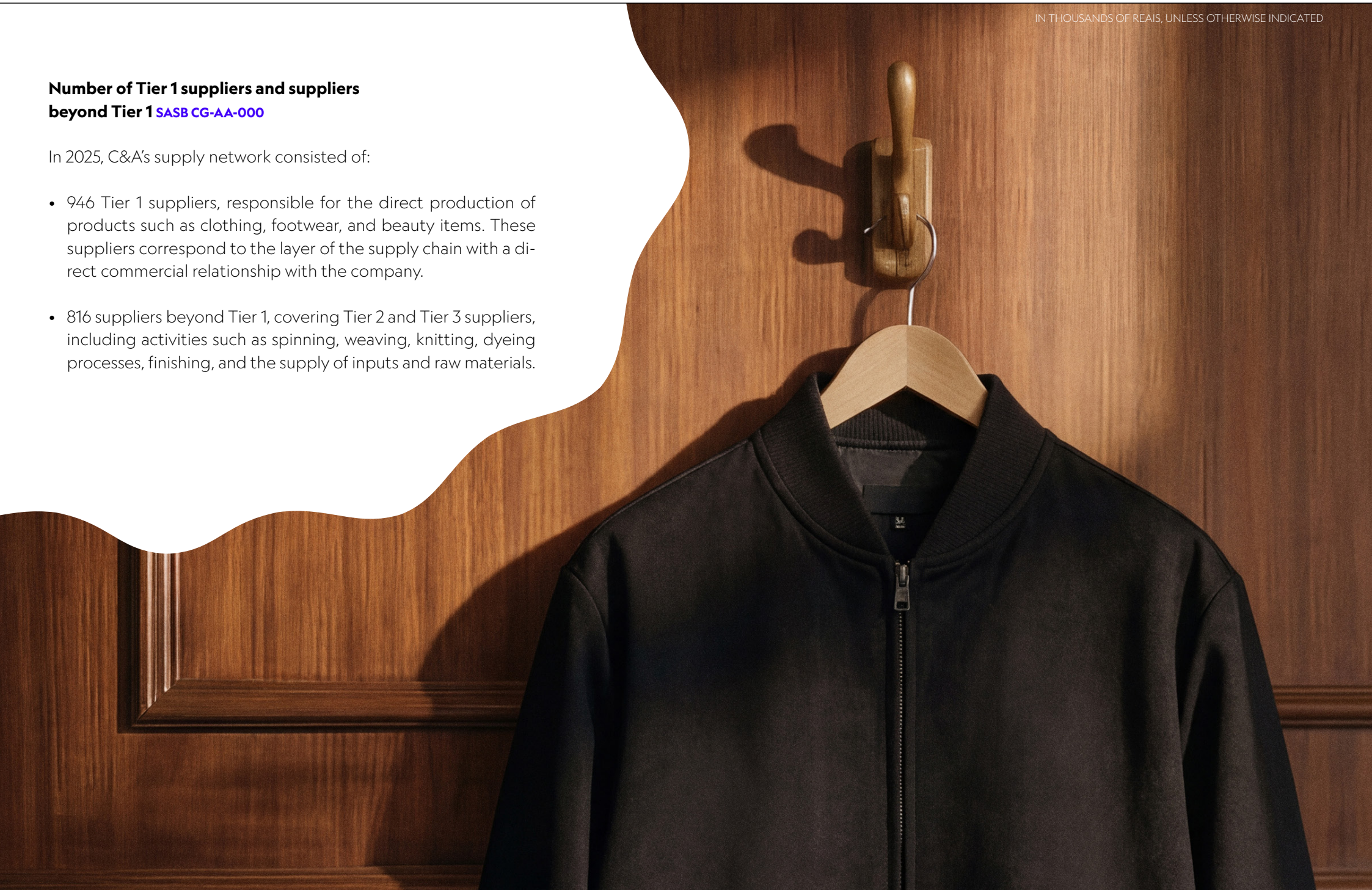
[3] In this cycle, the category "others" was included in order to provide greater clarity in the information. However, for raw material target purposes, this volume is accounted for as BCI. The certifications adopted by C&A are defined based on the global Preferred Materials standard from Textile Exchange, which links raw materials to their respective certifications and environmental indicators. This reference is used to guide the selection of internationally recognized certifications in the textile sector. Additionally, adaptations can be made for specific situations in the Brazilian context, with C&A adopting complementary internal rules to ensure compliance with local particularities.

Number of Tier 1 suppliers and suppliers beyond Tier 1 SASB CG-AA-000

In 2025, C&A's supply network consisted of:

- 946 Tier 1 suppliers, responsible for the direct production of products such as clothing, footwear, and beauty items. These suppliers correspond to the layer of the supply chain with a direct commercial relationship with the company.

- 816 suppliers beyond Tier 1, covering Tier 2 and Tier 3 suppliers, including activities such as spinning, weaving, knitting, dyeing processes, finishing, and the supply of inputs and raw materials.



7. **FINAL** CONSIDERATIONS

This Sustainability Financial Report demonstrates C&A's progress in integrating sustainability and climate topics into corporate strategy, governance, and financial statements. The Company has advanced in strengthening materiality processes, risk management, and the definition of metrics and targets aligned with CBPS 01/IFRS S1 and CBPS 02/IFRS 02 standards, enhancing the transparency and comparability of the disclosed information.

Despite the progress, C&A recognizes significant challenges, such as the continuous improvement of the measurement of indirect emissions (Scope 3), greater granularity in prospective financial analyses, and the need to expand the integration of social and governance topics to the same level of robustness already achieved in climate and environment.

As future commitments, the Company will continue investing in:

- Methodological improvement in the collection, consolidation, and validation of sustainability and climate data, with greater automation and integration with financial systems;
- Evolution of governance to enhance senior management oversight of ESG targets and long-term risks;
- Sectoral engagement and regulatory alignment to contribute to the convergence of practices and the strengthening of international comparability;
- Progressive transparency in the disclosure of prospective impacts, with greater detail on the connections between material risks and financial statements.

The path to continuous improvement in reporting involves periodic reviews, international benchmarking, and dialogue with investors and other primary users, so that C&A remains aligned with global best practices and prepared for the challenges of the transition to a more sustainable economy.



LIMITED ASSURANCE REPORT FROM THE INDEPENDENT AUDITORS ON THE INFORMATION CONTAINED IN THE SUSTAINABILITY-RELATED FINANCIAL INFORMATION REPORT

Shape the future with confidence

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A free translation from Portuguese into English of Independent Auditor's Limited Assurance Report on the information contained in the Sustainability-related Financial Information Report prepared in accordance with the CBPS Sustainability Disclosure Pronouncements issued by the Brazilian Committee on Sustainability Pronouncements (CBPS) and with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), which were approved by the Brazilian Securities and Exchange Commission (CVM)

Independent Auditor's Limited Assurance Report on the information contained in the Sustainability-related Financial Information Report

The Shareholders, Board of Directors and Officers
C&A Modas S.A.
Barueri - SP

Scope

We have been engaged by C&A Modas S.A. ("Company") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Sustainability-related Financial Information (the "Subject Matter") of C&A Modas S.A. contained in the Company's Sustainability-related Financial Information Report for the year ended December 31, 2025 (the "Report").

Criteria applied by C&A Modas S.A.

In preparing the Subject Matter, C&A Modas S.A. applied the sustainability disclosure pronouncements issued by the Brazilian Committee on Sustainability Pronouncements (CBPS), equivalent to IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB) (Criteria).

Entity's responsibilities

The Company management is responsible for selecting the Criteria and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

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We conducted our engagement in accordance with NBC TO 3000 (Revised) - Assurance Engagements Other than Audits and Reviews, issued by the Brazilian Federal Accounting Council (CFC), which is equivalent to the international standard ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB), and the terms of reference for this engagement as agreed with C&A Modas S.A. on February 23, 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of NBC PG 100 – Code of Ethics for Professional Accountants, NBC PG 200 – Professional Accountants in Business, and NBC PO 900 – Independence for Assurance Engagements Other Than Audits or Reviews, which are based on the principles of integrity, objectivity and professional competence and also consider confidentiality and professional behavior, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management NBC PA 01 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and, accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.
Os trabalhos de asseguração limitada consistem em fazer indagações, principalmente de pessoas responsáveis pela preparação das Informações Financeiras Relacionadas à Sustentabilidade e informações relacionadas, e aplicar procedimentos analíticos e outros procedimentos apropriados.

Our procedures included, among others:

LIMITED ASSURANCE REPORT FROM THE INDEPENDENT AUDITORS ON THE INFORMATION CONTAINED IN THE SUSTAINABILITY-RELATED FINANCIAL INFORMATION REPORT

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a) the planning of our work, taking into consideration the materiality and volume of qualitative and quantitative information and the operating and internal control systems that served as a basis for the preparation of the sustainability information disclosed in the Report;

b) understanding the calculation methodology and procedures for compiling indicators through inquiries with the managers responsible for preparing the information;

c) the application of analytical procedures to quantitative data and inquiries as to qualitative data, and correlation with the indicators disclosed in the Report; and

d) for cases in which the data correlates with indicators of a financial nature, the comparison of these indicators with the financial statements and/or accounting records.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to C&A Modas S.A.'s Sustainability-related Financial Information Report for the year ended December 31, 2025 in order for it to be in accordance with the Criteria.

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Other matters

Voluntary adoption of sustainability pronouncements CBPS 01 and CBPS 02

The limited assurance on the sustainability information subject to this Report was conducted as a result of the Company's voluntary adoption of Sustainability Pronouncements CBPS 01 and CBPS 02, which correspond respectively to IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, in accordance with the provisions set forth in CVM Rule No. 193 of July 14, 2023, and CVM Rules No. 217/2024, No. 218/2024, No. 227/2025 and No. 244/2026, including the reliefs provided for in these standards. Our conclusion is not modified with respect to this matter.

São Paulo, August 19, 2026.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Flávio Serpejante Peppe
Accountant CRC SP-172167/O

APPROVAL

This report was prepared by the Controllership, Sustainability, and Risk departments, included the analysis and recommendation of the Audit, Risk, and Finance Committee and the People and ESG Committee, and was approved by the Board of Directors of C&A Modas S.A.



Paulo Correa Junior
President

Laurence Beltrão Gomes
Management, Financial and Investor Relations' Vice-President

Maria Carolina Borghesi
Vice President of People, Culture, and ESG

we'll meet at

C&A

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