



Annual and Sustainability Report 2023

Magalu

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Presentation

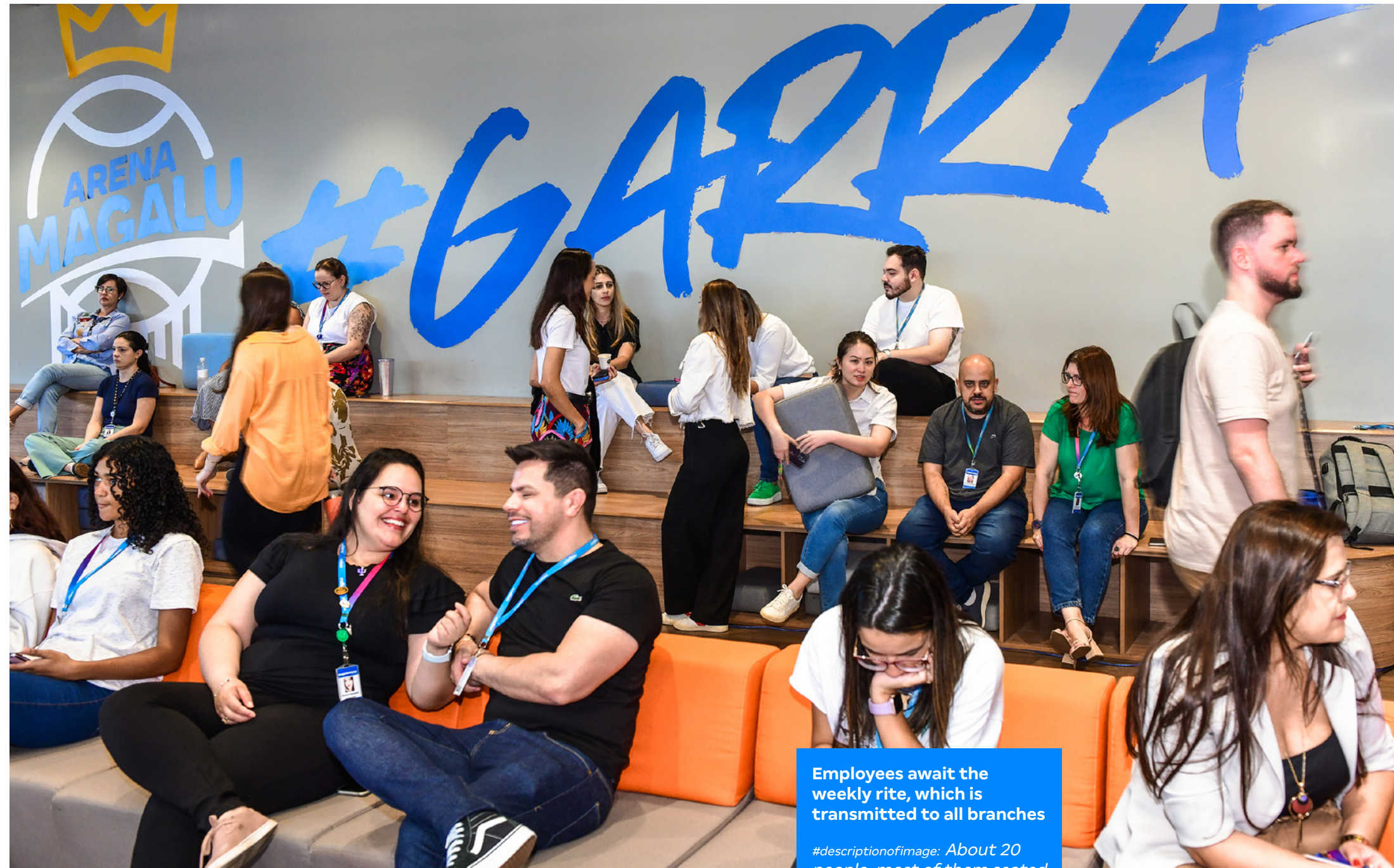
- About the Report
 - ESG Highlights
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 - Materiality matrix
 - Connection with stakeholders

PRESENTATION

This annual report, the 13th published by Magalu, is a rendering of accounts to our stakeholders regarding our performance in various dimensions from January 1st to December 31st, 2023. More than a demonstration of transparency, this publication is a tool that helps us improve our performance in the ESG pillars. By consolidating impacts across our different audiences, it allows us to identify opportunities for improvement in areas such as energy efficiency, waste management, social responsibility, and corporate governance.

In 2023, we implemented several initiatives that reinforced our sustainability strategy. We furthered the use of renewable energy, reduced carbon emissions resulting from the transport and distribution of products, and promoted circular economy practices. Additionally, we ratified our historic commitment to diversity and inclusion by encouraging affinity groups and developing programs to support women, one of our historic causes. The relationship with the communities in which we are present has been strengthened through Capex in social projects that benefit thousands of people, especially the most vulnerable.

We know the path to sustainability is arduous, continuous and without return. We are determined to move forward with transparency and responsibility, which are characteristics of our culture. We thank our employees, customers, sellers, suppliers, and other stakeholders who have shared this journey. Enjoy your reading.



Employees await the weekly rite, which is transmitted to all branches

#descriptionofimage: About 20 people, most of them seated and dressed informally, in a spacious room. On the wall, in the background, there is a prominent figure with a crown and the words "Arena Magalu" (Magalu Arena) and "#Garra (#Strenght)."

STANDARDS USED IN THE RENDERING OF ACCOUNTS IN THIS REPORT

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- Integrated Report (IR)
- Sustainable Development Goals (SDG)

ESG HIGHLIGHTS

Throughout 2023, Magalu consolidated its commitment to ESG practices with initiatives that positively impacted the community and its stakeholders. The Company made progress in the environmental area by increasing the use of recycled raw materials in packaging, reducing waste generation, promoting the correct disposal of electronics for the community, and continuing to invest in renewable energy. In the social sphere, the actions to protect women — a traditional company cause — donations to vulnerable communities and the Social World (Mundo Social) program, selling products with social and environmental impact on the Magalu marketplace, stood out. In governance, the company continued to invest in training, training managers and integrity analysis of new suppliers. With these initiatives, Magalu demonstrates, once again, that it is committed to dealing with the challenges of sustainability today and helping to forge a fairer, more ethical and viable future. Check out some of the year's highlights below.

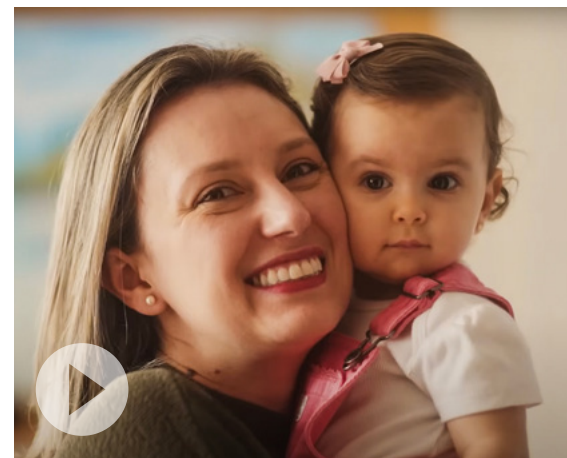
PROGRESS IN ALL FRONTS

Results obtained in the environmental, social and governance pillars



CARE FOR THE PLANET

- **100%** use of renewable energy in units (stores, DCs and offices).
- **79%** of packaging raw materials come from renewable and recycled sources.
- **3,56%** reduction in the total volume of waste generated.
- **2,600** deliveries made with electric vehicles in the outskirts of São Paulo through the partnership with NaPorta.
- **16.9** tons of used or broken electronics collected through 500 voluntary delivery points (PEV) in stores in 20 states in the country.
- **32** electric trucks in the logistics fleet.



VALUING WOMEN DAS MULHERES

- **172** services provided by the Woman's Channel.
- **162** reports of violence received through the Justiceiras button on the app and forwarded for specialized monitoring.
- **2.2** million Brazilian Reais allocated to the Magalu Fund to Fight Violence Against Women, benefiting 2,763 people monthly.
- **6** months is the length of maternity leave for employees.
- **8,287** employees received Mother's Check, an allowance for women with children up to 11 years old.
- **27** million Brazilian Reais invested in the Mother's Check benefit.



INCLUSION, DIVERSITY AND ETHICS

- **1,112** members of affinity groups, who held more than 100 hours of debates.
- **651** employees trained in diversity and inclusion.
- **100%** of employees are informed about anti-corruption policies and procedures.
- **100%** of new suppliers are subject to integrity analysis.



IMPACT ON SOCIETY

- **5.5** million Brazilian Reais donated products, such as household appliances, toys and furniture, to non-profit institutions.
- **14,274** used professional uniforms were collected to make 4,172 blankets, distributed to NGOs.
- **127** cell phones donated to Conexão Povos da Floresta, a project that brings broadband network connections to communities in the Amazon.
- **89** sellers from Social World (Mundo Social) have reduced fees and other benefits to sell on the Magalu marketplace. Revenue from this group of partners totaled 1.9 million Brazilian Reais in the year.

GRI 2-22

INCLUSION AS LEGACY AND PURPOSE

In 2023, Magalu carried out a deep introspection movement without ever forgetting the interests of its stakeholders. After two years of especially challenging macroeconomic conditions for the retail sector — a conjunction of peak inflation, reduced purchasing power and high interest rates — the need to look inside the operation, capture opportunities to increase efficiency, simplify structures, gain even more agility to deal with changing scenarios and, above all, focus on increasing profitability as a guarantee of a balanced and healthy operation became clear.

We have worked a lot and worked hard, as always. And so, we were able to start a new cycle of growth. In 2023, the Company’s total sales reached 63.1 billion Brazilian Reais, with an EBITDA margin of 7.2% in the fourth quarter, the highest in three years. Our marketplace comprised over 340,000 sellers in December 2023, accounting for around 30% of our total revenue. We registered growth in all our sales channels, deepened their integration, and increased revenues from services offered through our platform by 26% in the last quarter of the year.



“

We have worked a lot. We have worked hard, as we have always done. And so, we began a new cycle of growth. In 2023, the Company’s total sales reached 63.1 billion Brazilian Reais, with an EBITDA margin of 7.2% in the fourth quarter, the highest in three years.”

Frederico Trajano, CEO of Magalu, during a weekly rite at the Company’s headquarters

#descriptionofimage: A white man in a black polo shirt speaks and gestures with a microphone in his left hand



Meeting of employees at the Distribution Center in Guarulhos (SP)

#descriptionofimage: Around 60 people, mostly men, wearing blue uniform t-shirts, form a circle in front of shelves full of products

“
The external scenarios don’t matter. The challenges that must be faced don’t matter. The economic cycles don’t matter. Magalu will always work to generate value for its stakeholders, society, Brazilians, and Brazil.”

Our internal focus has not prevented us from remaining steadfast in our core ESG commitments. This coherence resulted, among other things, in the Company’s maintenance in the ISE portfolio of B3, the Brazilian Stock Exchange, and in including Magalu in the Best of ESG award, promoted by Exame magazine — a recognition of our various environmental and social actions. We continue to look and work for the prosperity of our almost 37,000 employees, the communities in which we operate, our

business partners, and our 37 million customers. For Magalu, this is the true meaning of “inclusion.” Including is our purpose, transmuted into what we do day after day. Among the many things that change in the company, this one is immutable.

THE GREAT LEGACY

Unceasingly seeking the progress of people and the country is the great legacy of Luiza Trajano Donato, Aunt Luiza,

founder of Magalu, who recently left us at the age of 97. Passionate about the art of sales, she preached, throughout her life as an entrepreneur, that respect and honesty in relationships are not qualities. They are obligations.

The external scenarios, challenges, and economic cycles don’t matter. Magalu will always work to generate value for its stakeholders, society, Brazilians, and Brazil with respect and honesty, which is exactly what our founder taught us.

GRI 2-29 | 3-3

SUSTAINABLE STRATEGY



Used uniforms are recycled and turned into blankets for people in socially vulnerable situations

#descriptionofimage: In a warehouse, a woman in a green t-shirt and rubber gloves inspects the clothes, separating them into piles

A viable future requires a sustainable present. Aware of its responsibilities towards its stakeholders and the planet, Magalu maintains consistent work in the face of the challenges identified in its materiality matrix (see [page 9](#)), a tool that helps identify the topics with the greatest impact on business and create shared value. Composed of 11 topics, the materiality matrix is a compass that guides the Company in building its Sustainable Strategy. Furthermore, it is an instrument for managing risks, visualizing opportunities and reporting to stakeholders.

COMMUNICATION AND INCLUSION

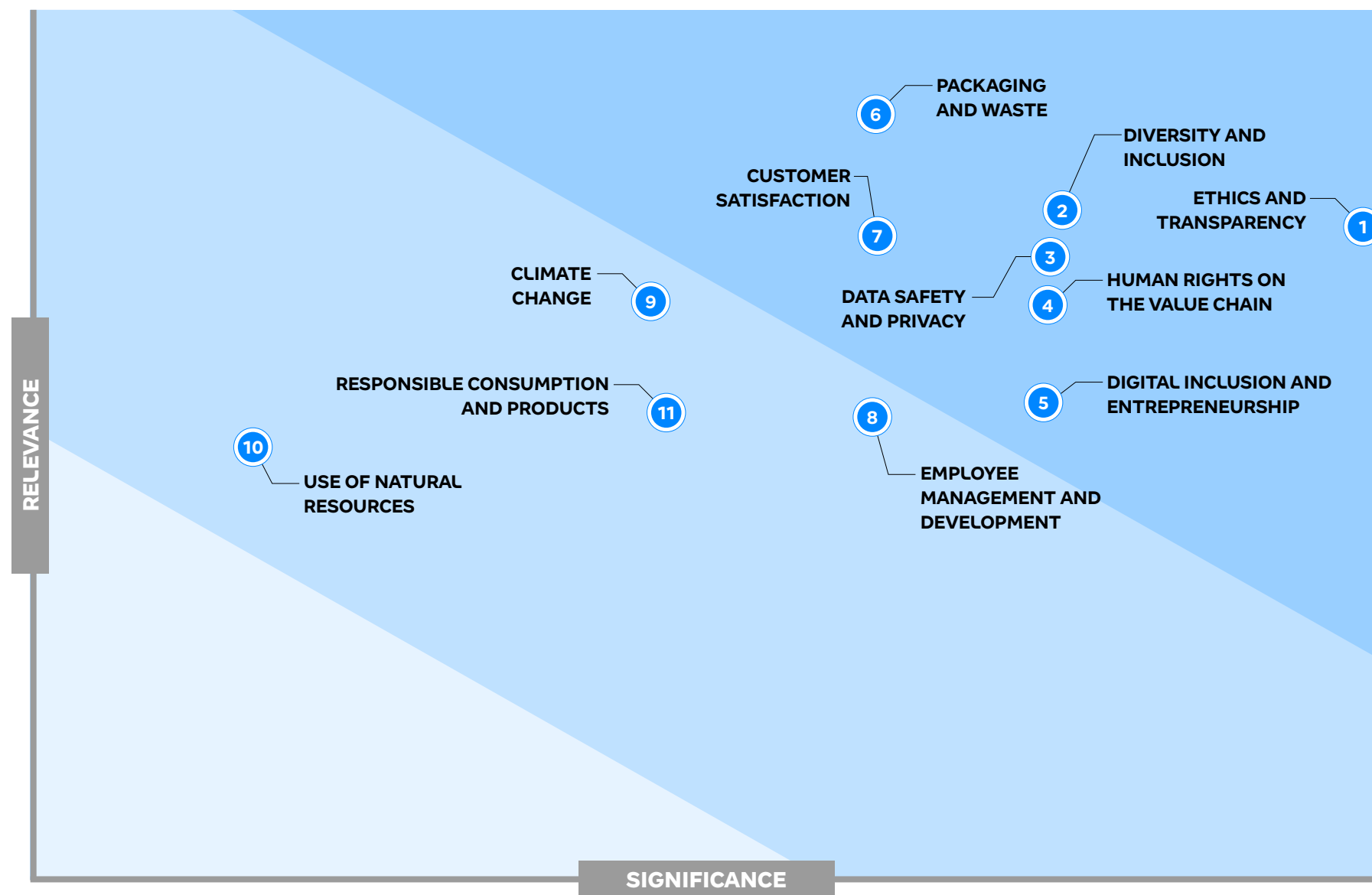
The company's interaction with its stakeholders is continuous and adapted to each individual's characteristics (see [infographic on page 10](#)). For sellers who are marketplace partners, for example, the initiatives involve commercial relationships and support for including and developing small businesses in the digital environment, such as UniMagalu training courses. Customers are impacted by marketing communications and social outreach actions, which include combating violence against women, with exclusive channels in the app and the work of virtual influencer Lu.

Employees' right to free association is respected, and Magalu invests in creating an environment where people feel safe and comfortable expressing themselves. The company's [Sustainability](#) and [Human Rights](#) policies cover all stakeholders. This report details the initiatives.

GRI 3-1 | 3-2

MATERIALITY MATRIX

The 11 priority topics for Magalu



THE AXES OF THE MATRIX

RELEVANCE

Level of expectation mapped among stakeholders for the topic.

SIGNIFICANCE

The following criteria are evaluated:
■ Impact on the Company's

value creation;

■ Probability of a topic becoming a risk or leveraging an opportunity;

■ Magnitude: what is the potential for transformation in the topic that Magalu has in the context of Brazil.

SUSTAINABILITY PILLARS

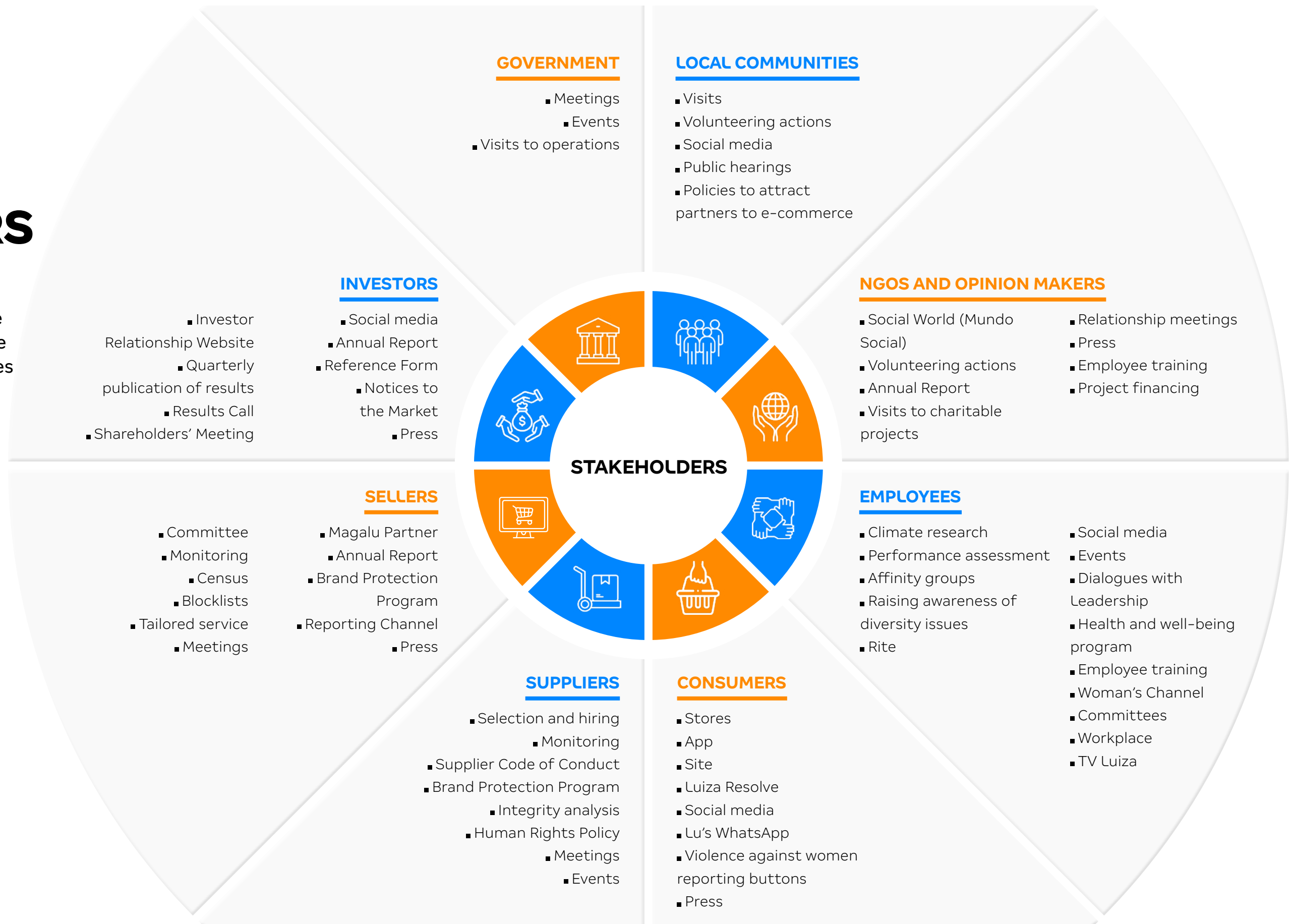
FOR A RENEWABLE FUTURE, THE COMMITMENT TO ACT RESPONSIBLY IN THE PRESENT

- 1 ETHICS AND TRANSPARENCY**
Actions related to corporate governance, integrity, and the organization's code of conduct.
- 2 DIVERSITY AND INCLUSION**
Deepening of action, with the adoption of public goals.
- 3 DATA SECURITY AND PRIVACY**
Actions linked to the Brazilian General Personal Data Protection Law (LGPD).
- 4 HUMAN RIGHTS IN THE VALUE CHAIN**
Monitoring the performance of suppliers.
- 5 DIGITAL INCLUSION AND ENTREPRENEURSHIP**
Actions aimed at developing the Parceiro Magalu (Magalu Partner) program at the local and regional levels, training and professionalization projects for small retailers, inclusion, and financial education.
- 6 PACKAGING AND WASTE**
The use of materials with low environmental impact and environmentally correct disposal.
- 7 CUSTOMER SATISFACTION**
Policies and practices on relationship with consumers.
- 8 EMPLOYEE MANAGEMENT AND DEVELOPMENT**
Working conditions, appreciation, and development of the employees.
- 9 CLIMATE CHANGE**
Plans to reduce and/or offset the greenhouse gas (GHG) emissions.
- 10 USE OF NATURAL RESOURCES**
Policies and practices on energy and water consumption.
- 11 RESPONSIBLE CONSUMPTION AND PRODUCTS**
Products developed and sold by social impact organizations use low-impact raw materials.

GRI 2-29

CONNECTION WITH STAKEHOLDERS

To develop Magalu's materiality matrix, the audiences that participate in and are impacted by the Group's ecosystem were analyzed. The Company maintains a series of specific actions for each of them





About us

- Aunt Luiza's example
 - Financial results
 - Ecosystem
 - Value generated
 - Our influencer
 - Our employees
- Customer satisfaction
- Awards and recognition



AUNT LUIZA'S EXAMPLE

On November 16, 1957, the most talented saleswoman in the city of Franca, in the interior of São Paulo, made her big dream come true: she opened the doors of A Cristaleira, a gift shop bought with her and her husband's savings, traveling salesman Pelegrino José Donato. Thus, the company that would become Magazine Luiza was born. Almost 70 years later, Magalu has become one of the largest retail platforms in Brazil. A Company with total sales of over 63 billion Brazilian Reais, which employs around 37,000 employees, serves 37 million customers and has locations in 917 cities in Brazil.

Much of Magalu's success can be explained by the values established by Luiza Trajano Donato, who passed on daily to everyone in the organization. Aunt Luiza, as she was known, did much more than open a

business at a time when few women dared to follow that path. She sowed purpose and the way the Company relates to its stakeholders.

Her business philosophy was steeped in simplicity and universal truths. Her phrases, repeated over and over, forged Magalu's values — "customer first," "hands-on," "ownership attitude," "people who like people," and "simplicity with innovation."

By working tirelessly to put all customers first, as if they were unique, Aunt Luiza also defined Magalu's more significant purpose: to be a Company that brings as many Brazilians as possible goods and services that improve their lives. Magalu's mission is to include.

Luiza Trajano Donato died in February 2024, aged 97. Better than trying to translate what Aunt Luiza used to say is giving her a voice.



Luiza Trajano Donato at her 91st birthday party in 2017

#descriptionofimage: With brown hair, lipstick and fair skin, a lady in a maroon lace dress, pearl necklace and earrings smiles in front of a white cake decorated with yellow orchids

TEACHINGS OF LUIZA TRAJANO DONATO

Striking phrases from the founder throughout her career at the helm of Magalu

“

We reap what we sow. If we sow good, we will reap good.

Being honest is not a quality. It's an obligation.

Always try for a 'yes' because you already have a 'no'.



The two Luizas, niece and aunt, in a photo booth in the 1960s

#descriptionofimage: A black and white photo depicts the faces of two white women, laughing and happy



In the center of Franca, the enterprise that gave rise to the Company in the 1950s

#descriptionofimage: The black and white image shows the front of a one-story store with bicycles at the door. On the facade, the sign reads: "A Cristaleira, fine gifts and glassware"



The Donato couple opened one of the branches in the 1980s

#descriptionofimage: Black and white photo shows a man with a mustache, a man in a suit and a lady in a dress untying a ribbon bow



Luiza and Pelegrino Donato and a painting that reproduces the facade of the Magalu headquarters

#descriptionofimage: In a flower garden, the lady smiles and rests her head on the man's shoulder. The two hold a canvas with the image of a store with the sign "Magazine Luiza"



Julio Trajano, CEO of KaBuM!, Fabricio Garcia, VP of Operations at Magalu, and Frederico Trajano, CEO of Magalu, with Uncle Pelegrino and Aunt Luiza

#descriptionofimage: In a bright room with a wooden floor and a glass partition, a couple holding hands sits in front of three men standing

I want to ask you, as the good saleswoman that I was, to always serve the customer in the best possible way, without considering whether he is white, black, poor, rich, beautiful or ugly. Serve them the best you can, no matter if they are wearing heels or flip-flops. Serve politely, do not deceive the customer, and do not lie under any circumstances. Always be sincere and honest if you want to grow in life.

Work doesn't kill anyone — it only ennobles them.

”

FINANCIAL RESULTS

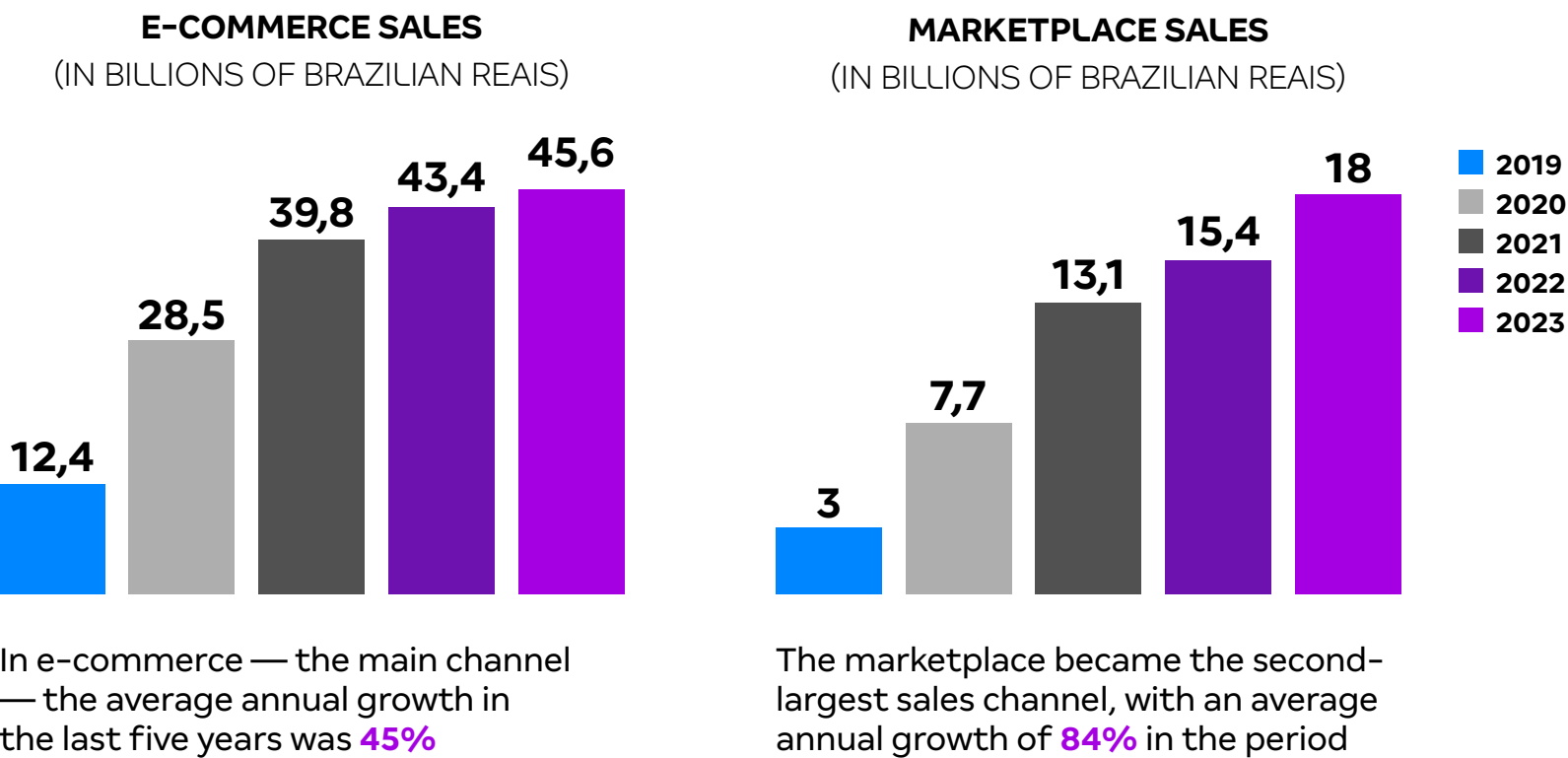


The KaBuM! distribution center, in Viana, Espírito Santo

#descriptionofimage: In a warehouse with huge ceilings, in the foreground are employees organizing products on pallets. Just behind, there are eight large corridors divided by six-story shelves of merchandise. At the end of each shelf, red letters spell out "GO KABUM!"

GROWTH ON ALL FRONTS

In 2023, the Company increased revenue across different sales channels

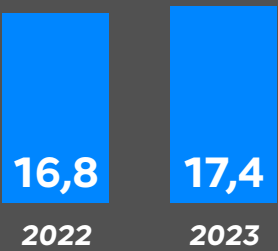


CURRENTLY THE MARKETPLACE HAS

340 000 sellers

They were responsible for almost 30% of sales in 2023

SALES IN PHYSICAL STORES
In billions of Brazilian Reais



4% growth.
Sales in physical stores remained significant

Numbers tell stories. And Magalu’s results in 2023 reinforce the business narrative that the Company presented. After two years of focusing on recovering profitability, the fourth quarter of 2023 marked the goal that Magalu had set out: profit. With necessary adjustments to a prolonged scenario of high interest rates and a reduction in Brazilians’ purchasing power, the Company focused on expanding margins and cash generation, achieving in the fourth quarter the highest adjusted EBITDA margin since 2019: 7.2%. This number was accompanied by other data showing the results’ soundness. In the period, Magalu recorded an adjusted net profit of 101.5 million Brazilian Reais, compared to a negative result of 15.2 million in the fourth quarter of 2022.

Perhaps the greatest example of this effort occurred on the main retail date, Black Friday. Magalu held the most profitable Black Friday in its history. Thus, it shows that, with good work and rationality, it is possible to sell and make a profit even in adverse scenarios. With this focus during the year, Magalu increased operational results across all channels. Total sales for the year reached 63.1 billion Brazilian Reais, an increase of 5% compared to 2022. Physical stores generated 17.4 billion Brazilian Reais in sales, while e-commerce contributed 45.6 billion.

The year ended with a total cash position of 9.1 billion Brazilian Reais and net cash of 1.7 billion. The company’s debt, in turn, ended the period fully equalized. There were around 3 billion Brazilian Reais due in the short term — an amount that the Company expressed its intention to pay on the due dates without the need for rollover. And the remainder is long-term, maturing at the end of 2025 and 2026.

NEW REVENUE POSSIBILITY

Magalu Ads is a multichannel tool that allows you to create ads for specific products and position them prominently on the Magalu website and app

THE ECOSYSTEM HAS ONE OF THE BIGGEST AUDIENCES ON THE BRAZILIAN INTERNET

500 million

monthly hits distributed across different brands and content channels...

{ Jovem Nerd, Steal the Look, Canaltech, Netshoes }

...which creates an opportunity for monetization with sponsored product ads.

+ 70%

growth in revenue from sponsored products in the fourth quarter of 2023 compared to the same period in 2022.

+ 120%

increase in the number of advertisers in 2023 compared to 2022.

THE MARKETPLACE LEAP

The second largest e-commerce company in Brazil, Magalu is the leader in electronic goods retail,

with a market share gain of 1.7 percentage points in 2023. One of the drivers of growth is the marketplace, with sales of seller products reaching 18 billion Brazilian Reais in 2023. The platform became the company’s second-largest sales channel in just six years, surpassing physical stores. Around 30% of Magalu’s sales come from sellers, representing a great opportunity to expand revenue from services and profitability. In 2023, 80,000 retailers joined the marketplace, with 340,000 entrepreneurs connected to the platform. Last year, available offers increased from 91 million to 128 million.

Magalu has dedicated itself to expanding new services and categories to diversify revenue sources and increase profitability. Multichannel fulfillment, a logistics service that integrates Magalu Entregas, already accounts for 15% of marketplace orders and will be expanded to offer lower costs to sellers and increasingly better service to the end consumer (*learn more about fulfillment on pages 45-48*).

REVENUE DIVERSIFICATION

Magalu Ads, a multichannel advertising vertical, presents an opportunity to monetize the Magalu Ecosystem audience — there are around 500 million monthly visits to websites and apps from all brands. Fintech Magalu has been growing rapidly and broke the record for the total volume of payments processed in the last quarter of 2023. The financial company Luizacred also achieved significant growth during this period, driven by the credit market improvement due to the interest rate reduction. In the last quarter of the year, it returned to profit.

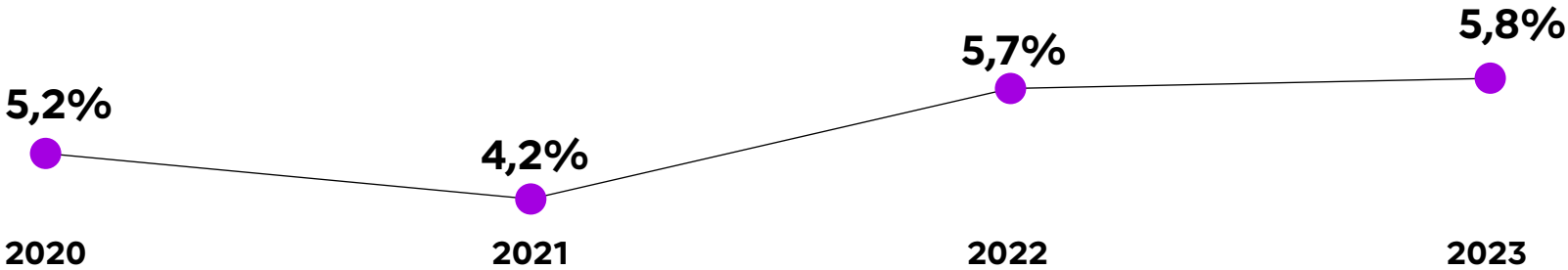
In summary, 2023 was a year of consolidation for Magalu and, above all, a return to profitability. The company is strengthening its traditional businesses and diversifying its revenue sources. All of this, without giving up profit, is the basis for the sustainability of any business in the long term.

Learn more
About financial performance in 2023 in the [results](#) release.

FINANCIAL STRENGTH

Magalu ended the year with a solid capital structure, with several indicators signaling that the Company is well-positioned for growth

ADJUSTED EBITDA MARGIN



Adjustments to the operation — including updating the shipping policy and marketplace commissions, reviewing expenses, and significantly reducing inventories — led to a significant increase in operating margins.

ADJUSTED OPERATING CASH GENERATION



This data indicates that the company generates sufficient cash flow to sustain its operations.

TOTAL CASH POSITION



At the end of 2023, there was an increase of 1 billion Brazilian Reais compared to the end of September of the same year. This indicator of financial health shows the company’s ability to meet its short-term obligations.

ADJUSTED NET CASH



Resources, minus obligations. Debt maturities are long-term, scheduled for the end of 2025 and 2026. This data shows that the company has a healthy capital structure, with more cash than debt.

GRI 2-6

THE MAGALU ECOSYSTEM

Constituted by companies and multiplatform operation services, it offers solutions for customers and sellers



CLICK HERE AND DISCOVER THE MAIN PILLARS OF OUR ECOSYSTEM

financial services

CONSÓRCIO
Magalu

VIP
COMMERCE

maas

Magalu cloud

Magalu
pay

hub
fintech

Magalu
pagamentos

stoo

com
school

LuizaCRED

SmartHint

HUBSALES

grand
chef

bit55

logistics

Magalu
Entregas

SODE
SOLDADOS DE ENTREGA

logbee



GFL

Sinclog

netshoes

ÉPOCA
COSMÉTICOS • PERFUMARIA

ZATTINI

Magalu

KaBum! >>

aiqfome

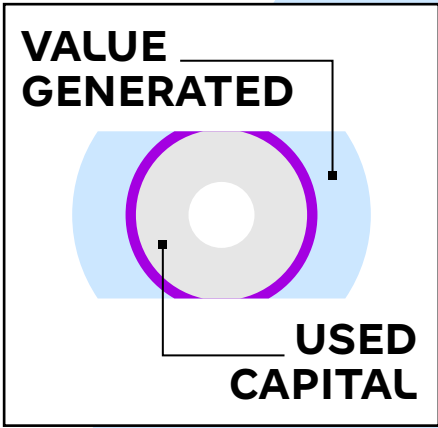
estante
virtual

Canaltech

content

STEAL
THE
LOOK

JOVEN
HERO



- Net revenue of **36.8** billion Brazilian Reais in sales
- **6,748,926,848** shares, with a market value of 14.6 billion Brazilian Reais

FINANCE

- **640.8** million Brazilian Reais in Capex in new stores, technologies, logistics, and others

PHYSICAL

- **1,286** physical stores
- **21** distribution centers
- **147** cross-dockings
- **6** offices located in 6 cities in Brazil
- Logistics network formed by cross-dockings, last mile hubs and around 8,000 partner couriers
- **29** companies and services in the ecosystem

- **80,000** sellers included in the marketplace

ENVIRONMENTAL

- **5,293,894.05** GJ of energy consumed
- **578** million liters of water consumed

- **100%** of the units (stores, DCs and offices) supplied with energy from renewable sources
- **20** photovoltaic panel plants dedicated to Magalu
- **16.9** tons of electronics collected and disposed of correctly
- **4.5** tons of uniforms transformed into 4,172 blankets
- **75.2%** of non-hazardous waste destined for recovery operations

HUMAN

- **39,594** employees**

- **2.3** billion Brazilian Reais in compensation
- **415** million Brazilian Reais in benefits: meal ticket, health insurance, gym partnership and Mother's Check
- **10** hours of training per employee per year

INTELLECTUAL

- Strong culture, based on the mission to democratize access to goods and services: giving access to the many what is the privilege of the few
- Brazilian retail digitalization strategy

RELATIONSHIP

- **67,000** small retailers digitized in 2023
- **78.3** NPS (net promoter score) in physical stores, one of the highest in Brazilian retail
- **5.5** million Brazilian Reais* in support of NGOs, communities, and social causes
- **89** businesses in the Social World (Mundo Social) of the app

- Series of tools to digitize the operation of traditional retailers
- **3,605** customers served during the year by ComSchool in courses, training, and knowledge assessments

GRI 2-1

VALUE CREATION

The capital used by Magalu and the value generated for society in 2023

Learn more

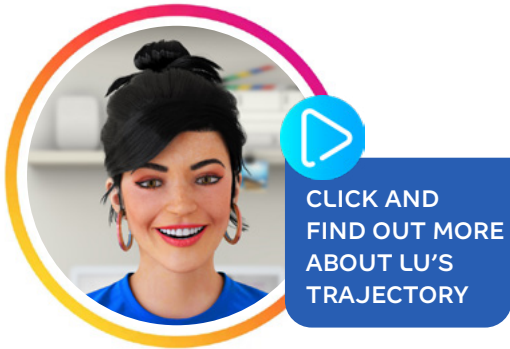
About the economic value generated and distributed in the Schedules, [pages 72-74](#).

* 1 MILLION BRAZILIAN REAIS DONATED BY MAGALU, AND 4.5 MILLION REAIS DONATED BY CONTROLLING FAMILIES.
** TOTAL CONSIDERS PERMANENT, TEMPORARY, AND INTERMITTENT EMPLOYEES



The influencer in the Brazilian edition of Elle magazine, in March 2023

#descriptionofimage: The cover features the influencer wearing a blazer, gray tailored shorts, and brown leather boots. Her black hair is tied into a long braid, which stretches between the letters of the logo. The call says: "Magalu presents Lu, the greatest virtual influencer in the world."



20 YEARS OF LU

As the Brazilian funk lyrics say: “Ela não anda, ela des-fila. (She doesn’t just walk; she has a runway walk.) Ela é top, é capa de revista” (She is the best, magazine cover.) The material proof is on the image on the side, which features our Lu in the Brazilian edition of Elle published in March 2023. The year in which the greatest virtual influencer on the planet completed two decades was a succession of innovations and achievements. Upon turning 20, Lu received a “brain” as a birthday present. Using a generative artificial intelligence tool — developed by Luizalabs in partnership with Google — she began offering much more efficient service. For example, suppose a customer asks what the best smartphone for trekkers is. In that case, the influencer suggests a list of options for devices resistant to dust and falls, with long battery life and cameras suitable for outdoor photos.

During Carnival, she made her debut at the Salvador festivities. She got on Leo Santana’s electric trio and strolled through Camarote 2222, where she met Gilberto Gil, the space’s host. She signed a beauty product collab with influencer Bruna Tavares. On social media, she has a profile on Pinterest.

Actions generate reactions. The virtual influencer won three trophies at the oldest advertising festival in the

ON TOP OF THE WORLD

The influencer’s follower numbers at the end of 2023



Advertising revenue for the year:

6 million
Brazilian Reais

world, the Clio Awards. She placed first in the Use of Talents and Influencers category, silver in Entertainment and Branded Content and bronze in Creative Effectiveness. At the Cannes Advertising Festival, she won a Lion for the second year in a row: this time silver in the Creative Effectiveness category. Lu closed the year with advertising revenue of 6 million Brazilian Reais and 31 million followers on social media.

CHARACTER BUILDING

Lu is the result of careful character construction that considers attitudinal characteristics, such as tone of voice and gestures created with 3D animation. Humanizing her behavior generated empathy and a strong connection with people, who began to interact with her in the same way they do with in-


fluencers and flesh-and-blood celebrities. A key moment in the rise of Magalu’s virtual influencer occurred in 2018 when Brazil was eliminated from the World Cup in Russia. After the team lost to Belgium 2-1 and was disqualified from the competition, Lu shared a photo crying on Instagram, which created commotion among her followers when they saw her in a moment of vulnerability. This shows that the audience genuinely connects with the character’s personal stories. In the same year, on Ice Cream Day, September 23, Lu published a photo of herself in downtown São Paulo with an ice cream in her hand. In the comments, people showed interest in the influencer’s jacket, indicating that her followers want to use the same items and adopt her lifestyle.

Over time, several brands turned to her as

a poster girl for their products. Lu became a source of revenue through Magalu Ads, the Company’s advertising platform. Currently, Magalu has an internal team dedicated to the influencer’s content strategy and partners who contribute to its production. This team’s responsibility ranges from defining the persona’s characteristics to choosing her outfits and campaign involvement. In addition to the Instagram and Facebook platforms, Lu is active on X (formerly Twitter), where she participates in real-time conversations. She has a YouTube channel, a pioneer among Brazilian retailers, to reach 1 million subscribers, which helps customers choose the ideal product. Lu also subscribes to a daily updated blog, in which she shares news, trends and coverage of events in the world of technology, including major launches.


THE EVOLUTION OF THE WORLD’S GREATEST VIRTUAL INFLUENCER

From e-commerce salesperson to celebrity avatar: Lu’s phases




2003

It appears on Magazine Luiza’s e-commerce to help customers during their purchase..




2009

The digital character gets a new version with 3D shapes.



2017

The features are more humanized, with lipstick, freckles and cropped hair.

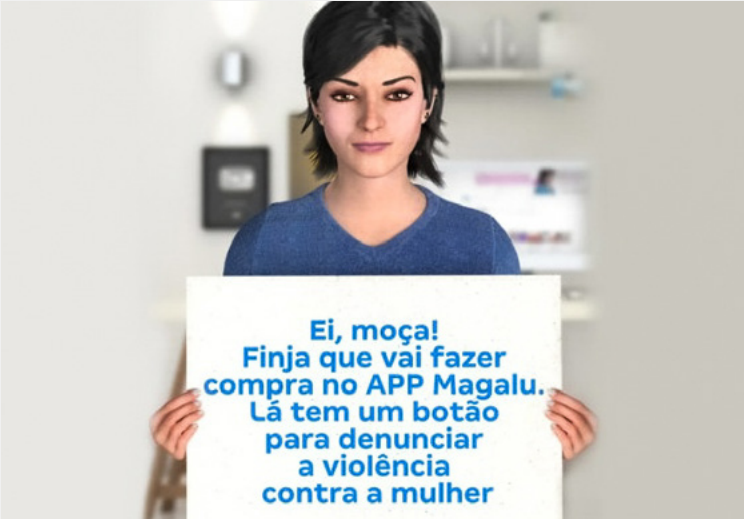


2023

The influencer’s technology now uses generative artificial intelligence.

SOCIAL ACTIVIST

Her causes: fighting violence against women and diversity



Lu plays with her condition of existing in pixels. In an interview with Exame magazine in 2022, she stated: “I am aware that I am not a person, and I don’t expect people to see me that way. I am virtual, all crafted in 3D, and built based on collective intelligence.” Light and relaxed, she changes her tone when talking about social issues. Poster girl for the app button that allows women to report situations of domestic violence; she has also worked on a fundraising campaign for

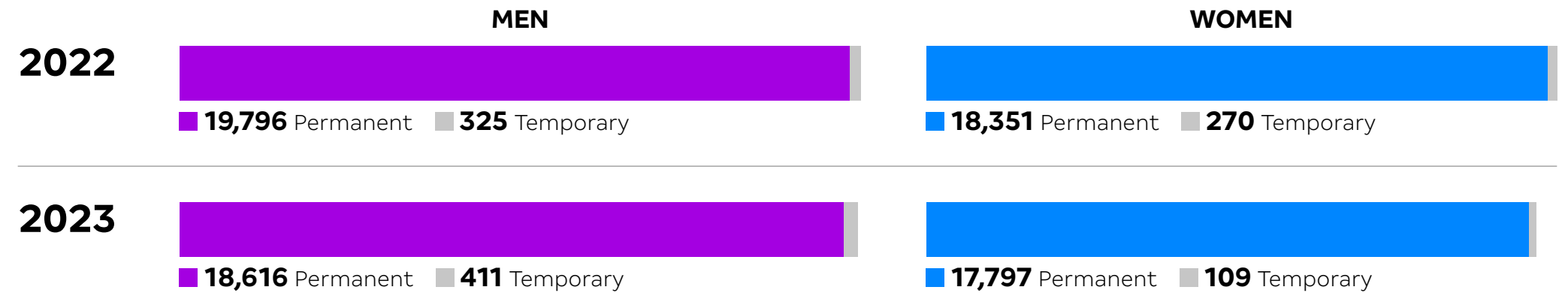
third-sector organizations that work for the cause. Diversity is another agenda for the influencer, who in 2017 got a profile on Tinder in a Valentine’s Day campaign. In one of the photos, she had a mustache. “Yeah, I know what you’re thinking: ‘Is she really down for it?’ Swipe right to find out,” said the caption. The influencer showed interest — matches — regardless of the person’s gender. Thus, the Company reaffirmed that it does not distinguish between gender, color or sexual orientation.

GRI 2-7 | 405-1
SASB CG-MR-330a.1

OUR EMPLOYEES

In December 2023, the Magalu Ecosystem employed almost 37,000 employees nationwide. Of this total, 51.5% were men, 48.5% were women. Most employees were between 30 and 50 years old, black* and in the Southeast Region. Below is the main information about the people who form the Company.

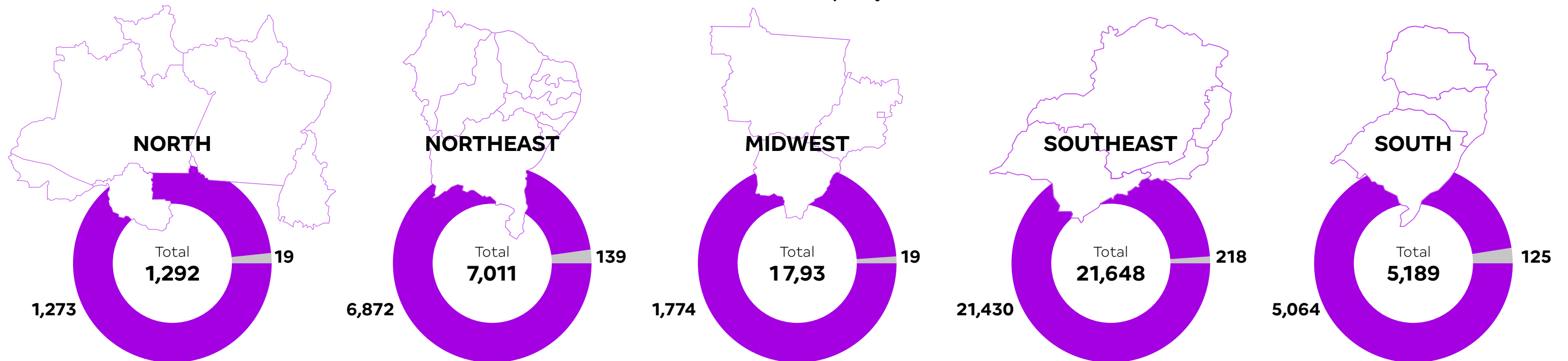
TYPE OF EMPLOYMENT CONTRACT BY GENDER¹



Total employees in 2023: **36,933**

DISTRIBUTION BY REGION

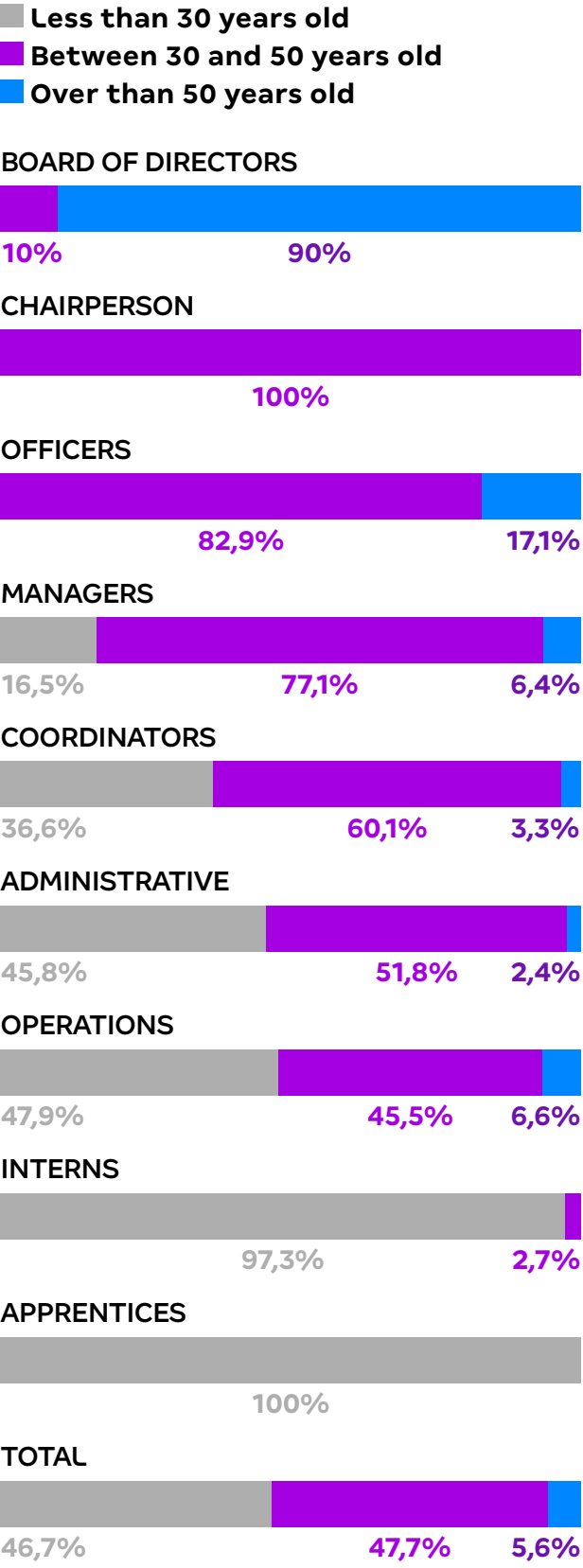
■ Permanent ■ Temporary



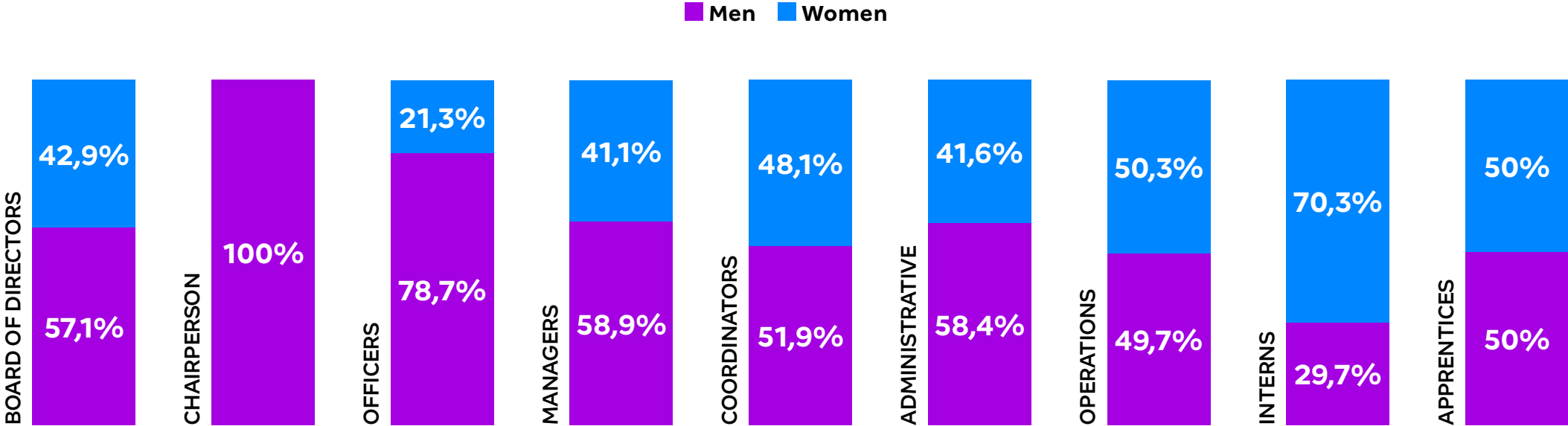
* ACCORDING TO IBGE'S CRITERIA, THE BLACK POPULATION IS MADE UP OF PEOPLE WHO DECLARE THEMSELVES BLACK OR BROWN

THE COMPANY ALSO HAS 2,661 INTERMITTENT WORKERS (1,182 MEN AND 1,479 WOMEN). THERE ARE ALSO AROUND 2,300 THIRD PARTIES WHO WORK MAINLY IN THE AREAS OF CLEANING, MAINTENANCE AND LOGISTICS (GRI 2-8).

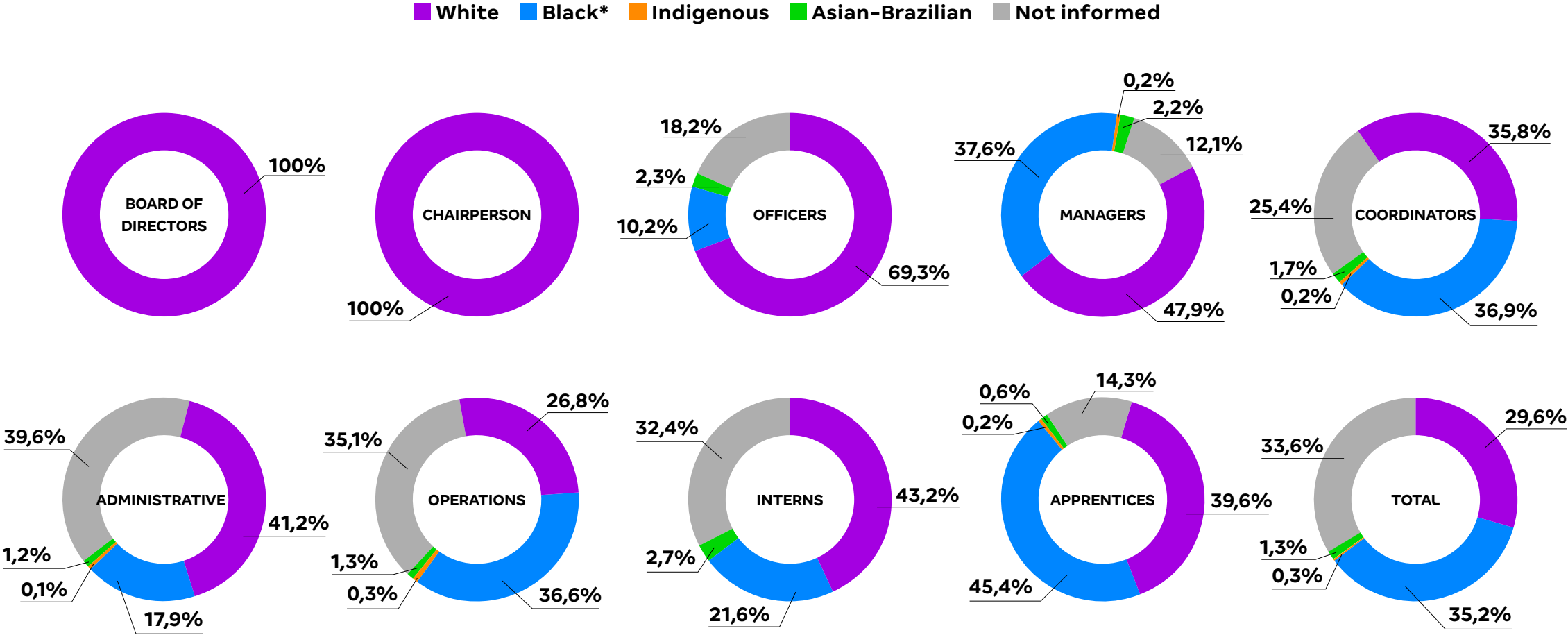
DIVERSITY BY AGE GROUP (%)



GENDER DIVERSITY (%)



ETHNIC DIVERSITY (%)



* ACCORDING TO IBGE'S CRITERIA, THE BLACK POPULATION IS MADE UP OF PEOPLE WHO DECLARE THEMSELVES BLACK OR BROWN

Learn more
About the profile of Employees on [pages 49-55](#) and in the Schedules, [pages 72-74](#).

Customers are served at a store in Shopping Center Norte, in São Paulo (SP)

#descriptionofimage: A salesman in a blue vest serves a young couple inside a store with several electronic products, such as computers and televisions



Satisfied customers come back and recommend. It has always been like this. At today's speed, this dynamic is crucial to expanding the reach and reputation of the business. At Magalu, serving well has been one of the company's principles since its foundation. The Company constantly seeks to innovate and improve services to exceed expectations. In 2023, 37 million consumers had a relationship with Magalu, the equivalent of the entire population of Morocco or the sum of the inhabitants of the states of Rio de Janeiro, Ceará, Mato Grosso do Sul, Rio Grande do Sul, Amapá, and Roraima.

Throughout the year, several actions were carried out to improve customer service. The creation and implementation of an app specialized in order tracking within the Magalu app, with automatic refund receipts and online information available wherever the customer wants, was one of the innovations implemented. The migration of seller service to a new CRM (a system that manages interaction with customers) provided better monitoring of these partners' calls and faster customer feedback. A new WhatsApp bot (a computer program that simulates

GRI 3-3

CUSTOMER SATISFACTION



Employees of Luiza Resolve, Magalu's customer service area, in Franca (SP)

#descriptionofimage: A room full of people working at computer stations, most of them wearing headphones and wearing pink shirts

interaction with humans) was also implemented, providing sellers automation, practicality and multichannel functionality.

Switching from the Audible Response Unit (URA) platform — an automated telephone system that interacts with callers, collects information, and routes calls to the appropriate recipients — to cloud technology provided simpler, more predictive, fluid navigation and automation, avoiding waiting lines for the consumer. Implementing a bot in the Magalu app, with automation that guarantees an experience on a channel in the customer's hand, improved interactions. Furthermore, a more than 70% reduction in the credit card chargeback period guaranteed a much more efficient after-sales journey.

The company also connects with customers through channels dedicated to receiving feedback and complaints, and its call center regularly conducts consumer satisfaction surveys. The goal is to continually improve processes by taking advantage of the suggestions and criticisms received at all contact points.

EVOLUTION OF INDICATORS

As a result of these initiatives, one of the indicators that prove the company's progress is the First Call Resolution (FCR), which measures the percentage of customers who had their problems completely resolved in a single call, without the need to go into contact the company again or wait for the attendant to return. At Magalu, this rate (for 1P + 3P customers) was 78% in 2023 — the higher this rate, the lower the operational cost generated by repeated calls, the better the company's productivity and the greater the chance of customer loyalty.

The contact rate (CR) — which shows the volume of contacts received via call, live chat, email or other channels, compared to the active customer base — also showed evolution. Magalu reduced this rate from 0.24 in 2022 to 0.22 in 2023, a drop of 8%. The stores' Net Promoter Score (NPS) — a metric that determines the level of customer loyalty — rose from 77 in 2022 to 78.3 in 2023. Customer Service Satisfaction (CSAT) also grew in the period, going from 88.2% to 89.2%.

MAGALU'S YEAR IN THE RECLAME AQUI AWARD

Regarding customer satisfaction, the award is the result of people's vote. Only companies with a Good or Excellent reputation on the platform or those with the RA 1000 seal — certificate of excellence in customer service — can compete. The last edition brought together 1,700 companies and received 17.4 million votes. Discover the nine categories that Magalu's Ecosystem Companies won and those with the RA 1000 seal.

Netshoes, under the management of Luiza Resolve — Magalu's customer service area — also achieved several positive indicators in 2023. The NPS for 3P sales increased from 65.8 to 66.9, Customer Service Satisfaction (CSAT) increased from 90% to 91%, and the Contact Rate (CR) decreased from 0.24 to 0.22.

10-STAR SERVICE

In addition to operational improvements, Magalu developed its innovative service method called 10-Star Service. The initiative aims to break with the standardization and robotization that characterize most customer services, prioritize humanization, and construct a genuine relationship with each customer. To bring the method to life, the Company relied on the expertise of the Maíz consulting. For almost a year, the Maíz team delved into the daily lives of Luiza Resolve's best agents, observing their techniques, identifying best practices and seeking to understand what differentiates them. The knowledge extracted from this immersion was then disseminated throughout the team with comprehensive training that involved more than 3,400 employees in 2023.

In summary, the combination of technology, innovation, humanized service and a well-executed multichannel strategy allowed Magalu to reach a new level of excellence in customer service in 2023. The company continues to invest in improvements and seeks ways to serve customers in a customized and efficient way, always aiming to offer them the best possible experience.

One of the highlights in improving the customer experience is fulfillment, which already represents 15% of orders on the Magalu marketplace, with more than 2,800 sellers engaged. The growth is remarkable: at the beginning of 2023, service penetration was just 2%. Boosting fulfillment means expanding all the advantages of the multichannel model — a Magalu brand — to the marketplace. With this strategy, Magalu seeks to achieve lower costs and better experiences and, as a result, increase sales conversion. Through fulfillment, the company extends the sales experience from its own inventory (1P) to sales made via the marketplace (3P). *(Learn more about fulfillment on [pages 45-48](#)).*

Magalu

CATEGORIES:

MARKETPLACE - LARGE OPERATIONS

MEGA SCALE E-COMMERCE

PHYSICAL RETAIL NETWORK - LARGE

estante virtual

CATEGORY:

BOOKS - E-COMMERCE

ÉPOCA
COSMÉTICOS · PERFUMARIA

CATEGORY:

BEAUTY, AESTHETICS AND COSMETICS - E-COMMERCE

KaBum! >>

CATEGORIES:

COMPUTERS - E-COMMERCE

CUSTOMER SERVICE OF THE YEAR

NETSHOES

CATEGORY:

SPORTING GOODS - E-COMMERCE

CONSÓRCIO Magalu

CATEGORY:

CREDIT LETTER

RA 1000 CERTIFICATE

Luizaseg

estante virtual

magalu
LOJA FÍSICA E SITE

CONSÓRCIO Magalu

ZATTINI

AWARDS AND RECOGNITION

Among the various awards received by companies in the Magalu Ecosystem and their executives, 20 recognized excellence in consumer relations

MERCO

For the sixth consecutive year, the chairwoman of the Board of Directors of Magalu, Luiza Helena Trajano, is first placed on the Merco Corporate Reputation Ranking list. CEO Frederico Trajano also stands out and is fifth on the list. Furthermore, the company ranks fifth in the list of companies. In the photo, Luiza Helena and Lylia Brandão, CEO of Merco.



THE AGE OF DIALOGUE

Carried out by Padrão Group, the award recognizes companies that strive to improve customer relationships and avoid judicialization. Netshoes is one of the winners.



CONSUMIDOR MODERNO AWARD

Highlights excellent customer service. The ecosystem is awarded in three categories: Electronics and Furniture Retail (Magalu), Marketplace (Magalu), and E-commerce, Books, Games and Toys (KaBuM!).

FEBRUARY

MARCH

APRIL

MAY

JUNE

E-COMMERCE BRAZIL AWARD

Magalu is recognized as the best multi-brand e-commerce.

DIVERSITY, EQUITY, AND INCLUSION - GPTW

Magalu comes first in the ranking of the Women category among large companies.

GRAND CLIO AWARDS

Lu from Magalu has won three awards at the Clio Awards, an international trophy that highlights excellence in advertising. She is placed first in the Use of Talents and Influencers category, silver in Entertainment and Branded Content and bronze in Creative Effectiveness.



DATAFOLHA - THE BEST ON THE INTERNET

For the second year in a row, Netshoes is the e-commerce brand most remembered by Brazilians in the Sporting Goods category, according to research released by Datafolha. The KaBuM! takes the award in the Computer Store and IT Supplies category.



BEST OF ESG - EXAME

Magalu is the winner in the Wholesale, Retail and E-commerce category.

SMART CUSTOMER

The award recognizes business practices that offer the best experience to customers and employees. Netshoes, alongside Aktie Now consulting, is silver in the Customer Experience category.



IBEVAR

Magalu is recognized as the brand most admired by consumers and employees in the Household Appliances, Electronic Goods and Furniture category in the Brazilian Institute of Retail Executives ranking. The Company also stands out among the three largest retailers in Brazil. Netshoes, in turn, is the winner in the Consumer category in the multi-brand footwear segment.



CANNES INTERNATIONAL FESTIVAL OF CREATIVITY

Lu from Magalu has been awarded a Silver Lion in the Creative Effectiveness category, which recognizes the impact of creative work. This is the third consecutive year that Magalu has been recognized in the main global advertising awards.



EXPERIENCE AWARDS

During the Latam Retail Show 2023, the main B2B retail and consumer event in Latin America, the Experience Awards 2023 recognizes the brands with the best evaluations and public perceptions. Magalu is one of the highlights in the Electronics and Marketplace categories.

GREAT PLACE TO WORK

Magalu is among the five best companies to work for in the Great Place to Work ranking in the Large National category. There are more than 7,500 registered companies, and for the 26th consecutive year, Magalu is among the best. Furthermore, it is highlighted in Emotional Health. The Consórcio Magalu (Magalu Consortium) stands out and is a leader among administrators in the sector.



XIII ABT AWARD

Magalu and the consulting company Aktie Now take first place in the Innovation in Products and Customer Services category. The award recognizes the best practices in customer relations in Brazil.

NPS EXPERIENCE AWARDS

Magalu is the winner of the Electronics Retail category of the award, which recognizes companies that provide the best experience to customers according to the NPS (Net Promoter Score) metric.



BEST COMPANIES FOR YOUNG APPRENTICES

Magalu and Magalog, its logistics arm, appear in the ranking of the Best Companies for Young Apprentices in Brazil. The Center for Business-School Integration (CIEE) promotes the research in partnership with the Ministry of Labor and Employment and Great Place to Work.

RESPECT AWARD

The award is organized by Consumidor Moderno magazine and highlights companies that most respect consumers. Magalu was awarded the Home Appliances and Electronic Goods Retail category.



NIELSENIQ EBIT AWARD

Netshoes is awarded in the Sports category among e-commerce's favorite online stores.



RECLAME AQUI AWARD

The Magalu Ecosystem wins nine trophies. Magalu is recognized in the E-commerce Major Operations, Marketplace, and Physical Retail Network categories. Other companies in the Group are awarded in the categories of Sports (Netshoes), Computer E-commerce and Customer Service Case of the Year (KaBuM!), Books (Estante Virtual), Beauty (Época Cosméticos) and Consortiums (Consórcio Magalu).

EFFIE AWARDS - GLOBAL BEST OF THE BEST

Lu, Magalu's virtual influencer, won the top Effie Global award in the Social Media category. The award recognizes the best campaigns in the advertising market worldwide.



How we work

- Governance
- Ethics and transparency
- Risk management
- Security and privacy
- Human Rights in the Value Chain

GRI 2-1 | 2-9 | 2-10 | 2-11 | 2-13 | 2-15 | 2-17 | 2-18 | 2-19 | 2-20 | 2-25

GOVERNANCE

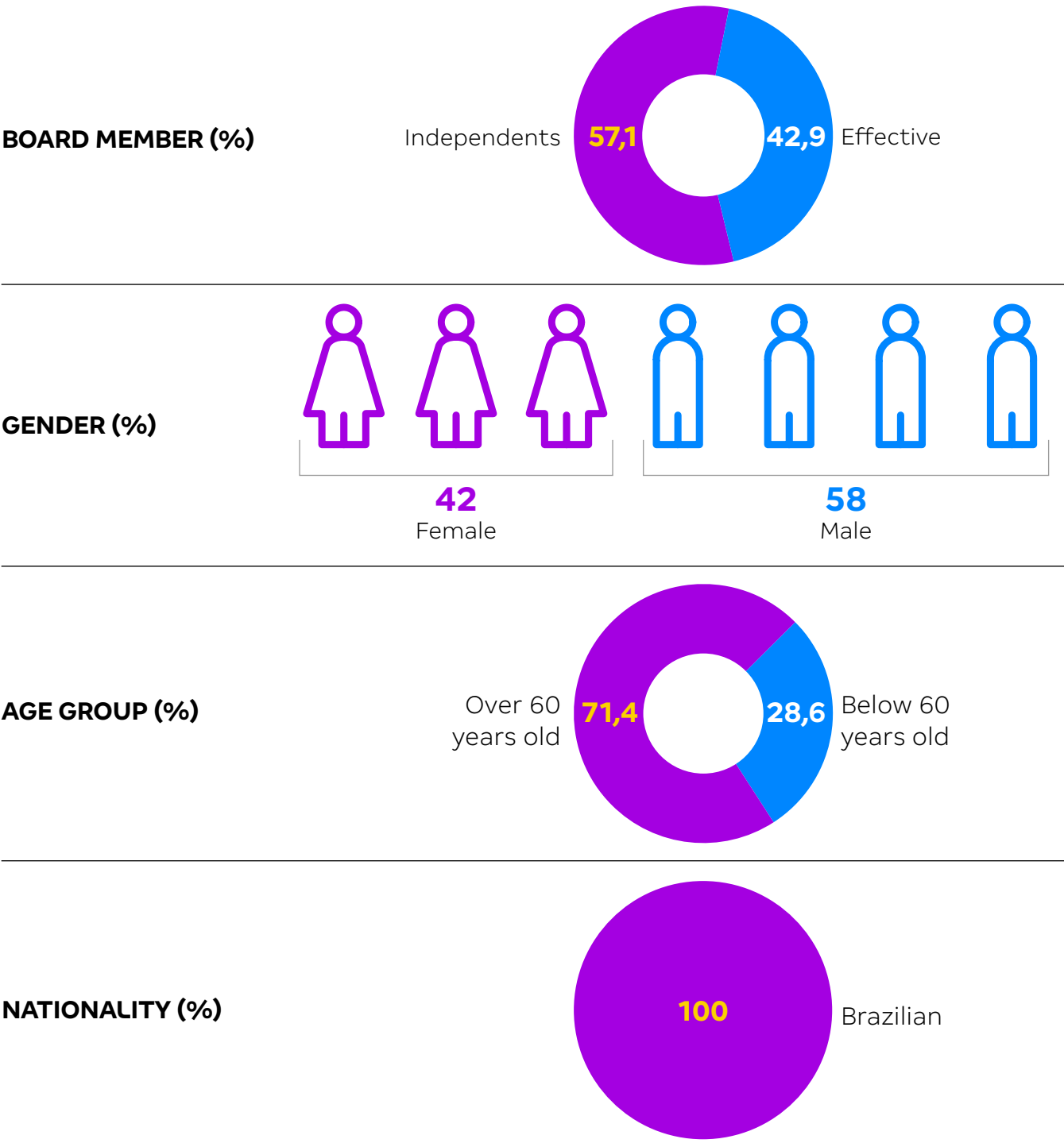


The members of the Board of Directors (from left to right): Inês Corrêa de Souza, Carlos Renato Donzelli, Floriano Peixoto Vieira Neto, Luiza Helena Trajano, Marcelo Silva, Betania Tanure de Barros, and Sílvia Meira

#descriptionofimage: Seven people, three women and four men, pose for a photo in an open, modern space with beams and bars on the ceiling

BOARD OF DIRECTORS IN DETAIL

With seven members, the Magalu Board is one of the few in the country chaired by a woman, Luiza Helena Trajano



Magalu is committed to creating value for all its stakeholders. To achieve this, it has a robust governance structure, which has been improved throughout the history and expansion of the business. The principles of transparency, equity, rendering of accounts, and corporate responsibility guide the Company's actions to align the interests of all relationship audiences. Two results referring to 2023 reflect the company's work. Magalu is included in the Corporate Sustainability Index (ISE B3) for the third consecutive year, which evaluates performance in the ESG pillars of publicly traded companies. The Company also presented an adherence rate of 84% to the 50 good practices recommended by the Brazilian Code of Corporate Governance, prepared by the Brazilian Institute of Corporate Governance (IBGC).

The process of formalizing standards began in 1992, with the preparation of the Company's first Code of Ethics and Conduct. In the following decade, corporate governance improved with the arrival of minority shareholders through private equity funds managed by Capital Group. In 2011, when carrying out its IPO, Magalu became part of B3's Novo Mercado, the highest level of governance on the Brazilian Stock Exchange, in which companies voluntarily commit to adopting practices that go beyond what is required by legislation about transparency and shareholder rights. The next step was taken in 2012, with the improvement of the work of the Audit and Risks Committee of the Board of Directors and the creation of the Finance Committee and the Audit Committee.

The collegiate body whose main function is to look after the interests of the Company and its stakeholders is the Board of Directors, comprised of members elected by the shareholders. At Magalu, the Board comprises seven members, four of which are independent, ensuring greater autonomy and

impartial decisions. Women, including the presidency, hold three of the seven seats (42%).

According to the "Women in Actions" study by B3 in 2023, only 7% of listed companies have several female directors equivalent to or greater than Magalu.

In 2023, the Magalu Board of Directors changed its composition. On December 13, independent director Emília Telma Nery Rodrigues Geron resigned from her position as an effective member of the collegiate body, to which she had been elected on April 26, 2023. Floriano Peixoto Vieira Neto, a graduate in business administration and Army reserve officer, was appointed in her place. With experience in strategic, operational management, human resources and logistics, the new independent director was president of the Brazilian Post and Telegraph Company (ECT) from 2019 to 2022.

KNOWLEDGE DIVERSITY

Magalu's Board of Directors maintains a mix of complementary knowledge, covering areas such as retail, finance, accounting and auditing, business management and digital business. The directors' detailed CVs are available [here](#). The Member Nomination Policy, adopted by Magalu in 2018, brings together the requirements for selecting members of the Board, advisory committees and executive board. Among the desired requirements are the qualification for the role, alignment with the company's values, the complementarity of profiles, time available to dedicate to the role and diversity of knowledge, experiences, cultural aspects, age group and gender.

Magalu adopts mechanisms for jointly evaluating the performance of the Board of Directors, the advisory committees, and the governance secretariat. The annual assessments use a methodology that combines objective and subjective criteria to ensure transparency and rendering of accounts in govern-

ance processes. The evaluation considers aspects such as the achievement of annual goals, while the subjective evaluation is carried out by superiors, peers or subordinates, as defined by the Board of Directors.

TRANSPARENCY

Magalu’s Policy for Transactions between Related Parties establishes guidelines to ensure that all decisions are taken in the interests of the Company and its shareholders. This policy considers the rules of the Brazilian Securities Commission (CVM), the Novo Mercado Regulations of B3, the rules of the Accounting Pronouncements Committee and good corporate governance practices.

Magalu also has a Policy for Neutralizing Conflicts of Interest, which consolidates guidelines related to case management. This policy, implemented in 2018 and revised in 2023, unifies approaches relating to administration and employees, third parties, partners and suppliers, reinforcing aspects of responsibility and the consequences of non-compliance with standards. Policy documents are available on the [Investor Relations \(IR\)](#) website.

In February 2023, the founders of KaBuM!, the brothers Thiago and Leandro Ramos, filed an action for early production of evidence against Itaú BBA, a bank they hired as financial advisor in the company’s sale process. The allegation was a supposed conflict of interest between Itaú and Magalu, which acquired KaBuM! in 2021. The case was taken to arbitration in court after successive defeats for the Ramos brothers.

Magalu reaffirms that all clauses in the KaBuM! purchase agreement were strictly complied with, under the conditions and deadlines established by the parties — as was the case with all acquisition transactions carried out by the company throughout its almost 70-year history.

In March 2023, Magalu received an anonymous

complaint about alleged commercial practices inconsistent with the Code of Ethics and Conduct of transactions involving some distributors and suppliers. In view of this, the Board of Directors held an extraordinary meeting in which it instructed the Audit, Risks and Compliance Committee to conduct an independent investigation with the support of external advisors.

After eight months of exhaustive analysis, no incorrect accounting entries were identified in the initial recognition of supplier bonuses. The Company carried out a review of the estimated realization of the bonus balances receivable and made the necessary accounting adjustments in full. In parallel, Magalu improved its internal controls and implemented a new, fully automated system for managing campaigns with suppliers — tradelinks — to have greater assertiveness in estimates and carry out accounting recognition within its due competence.

AGREEMENT ON INSURANCE

In May 2023, Magalu signed a new operational and insurance distribution agreement with Luizaseg Seguros, BNP Paribas Cardif, Cardif do Brasil Vida e Previdência, and Cardif do Brasil Seguros e Garantias. The agreement provides that Magalu will receive 850 million Brazilian Reais for exclusivity in insurance distribution and additional amounts depending on the achievement of targets. Magalu also sold its participation in Luizaseg to Cardif, for 160 million Brazilian Reais. In total, the Company received 1.01 billion Brazilian reais from the transaction.

The new distribution agreement is valid until December 2033. The transaction represents an important step in Magalu’s focus on its core retail business. The expectation is that the new agreement with Cardif will allow the Company to offer its customers more innovative and customized insurance products.

Learn more

About the governance structure on the [Investor Relations \(IR\)](#) website

GRI 2-19 | 2-20

COMPENSATION POLICY

Guidelines for defining fees for top management members

The fixed and variable compensation policy of the Company’s governance bodies is aligned with best market practices. Magalu participates in salary surveys with several companies in its segment and size every year. See the main rules:

BOARD OF DIRECTORS

Directors receive fixed monthly fees that are compatible with market standards. The amounts are the same for all members, except the chairperson and vice-chairperson, who have different fees due to the responsibilities inherent to the position and the time dedicated monthly to the Company’s activities.

EXECUTIVE BOARD

Compensation is made up of fixed compensation, which reflects the responsibility of the position, and

variable compensation, linked to performance.

Variable compensation is made up of short-term incentives (bonuses), which take into account indicators and goals of the Company and the area, and long-term incentives, based on the granting of Company shares.

Officers also receive benefits in line with market practice, such as a car, telephone, health insurance and meal ticket.

COMMITTEES

Members of the Committees who are not part of the Board of Directors receive fixed monthly fees compatible with market standards.

AUDIT COMMITTEE

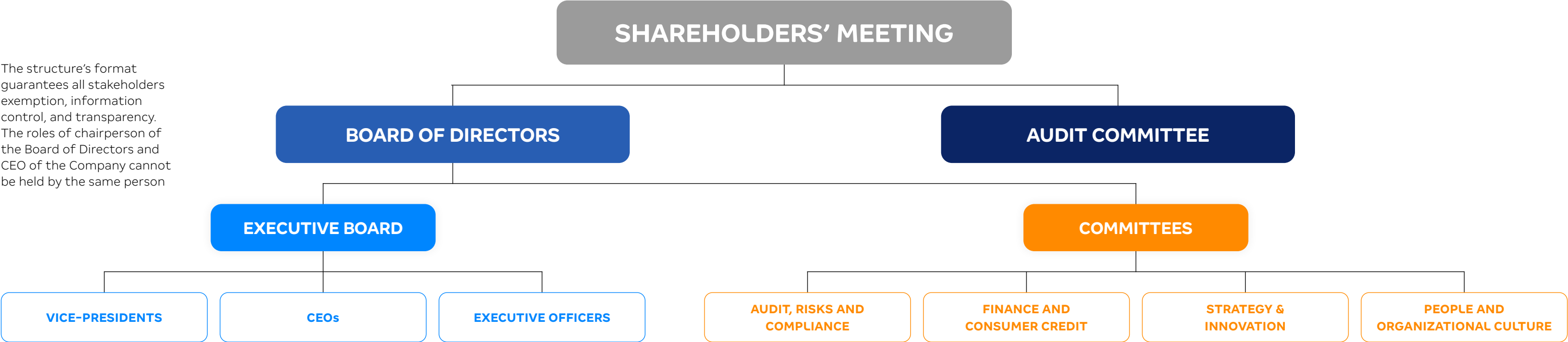
Members receive the minimum established by article 162, paragraph 3, of the Brazilian Corporation Law.

GRI 2-9

CORPORATE STRUCTURE

Magalu’s governance comprises boards, committees, executive boards, and the Annual Shareholders’ Meeting

The structure’s format guarantees all stakeholders exemption, information control, and transparency. The roles of chairperson of the Board of Directors and CEO of the Company cannot be held by the same person



THE ROLE OF THE AUDIT COMMITTEE AND COMMITTEES

Four special committees assist Magalu’s Board of Directors

In carrying out its functions, the Magalu Board of Directors is assisted by four advisory committees: Audit, Risks and Compliance; Finance and Consumer Credit; People and Organizational Culture; and Strategy & Innovation. The governance structure also has a permanent Audit Committee. Learn more about their duties:

AUDIT COMMITTEE
It is a corporate body, with a permanent nature, which acts independently of the management and independent auditors. It is made up

of six members. In line with best governance practices, these members do not hold management positions at the Company.

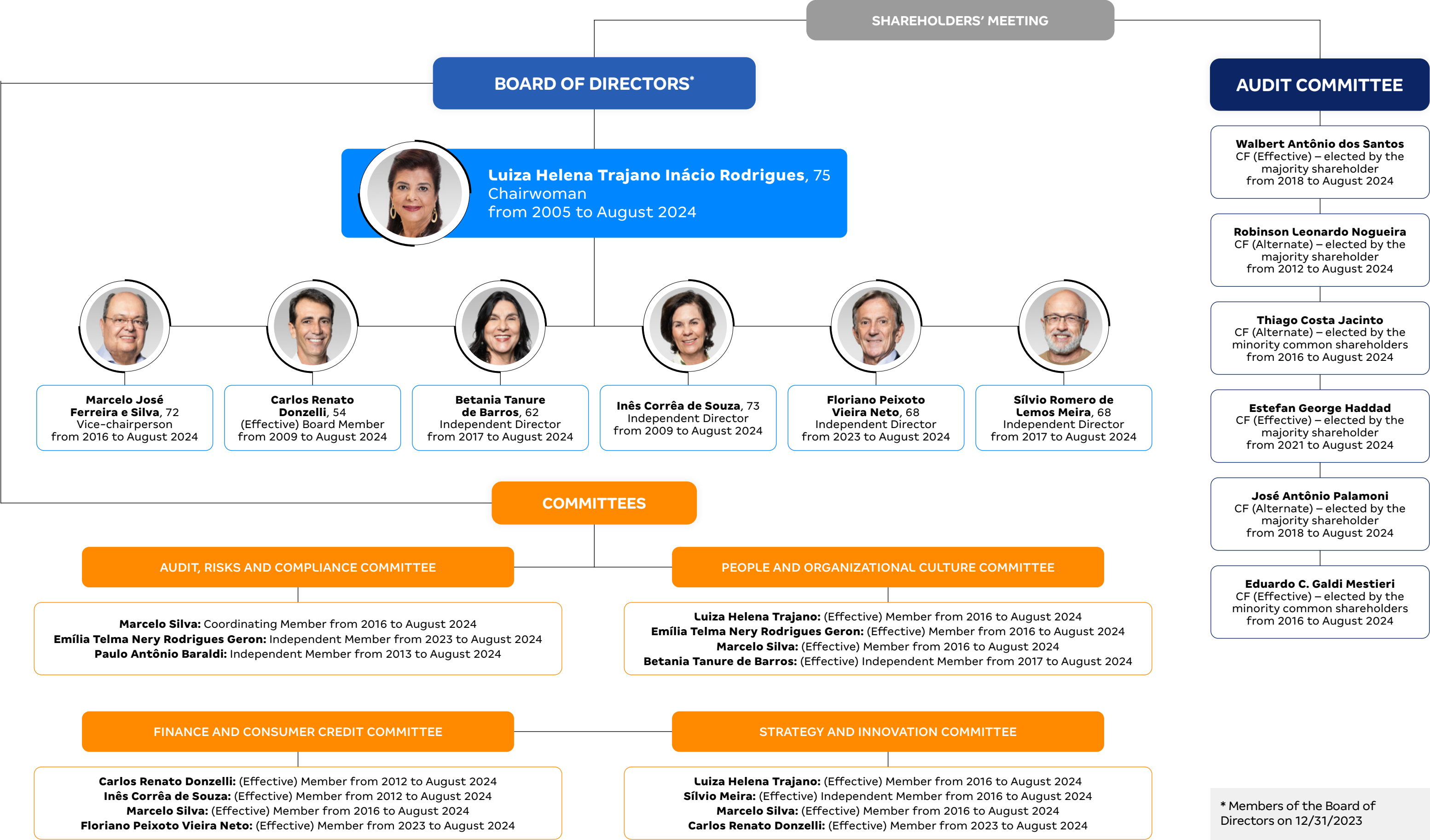
AUDIT, RISKS AND COMPLIANCE COMMITTEE
Evaluates the Financial Statements and other disclosures of results, the qualifications and performance of independent auditors, and monitors the legal compliance of Magazine Luiza and the management activities of the main corporate risks designated by the Board of Directors.

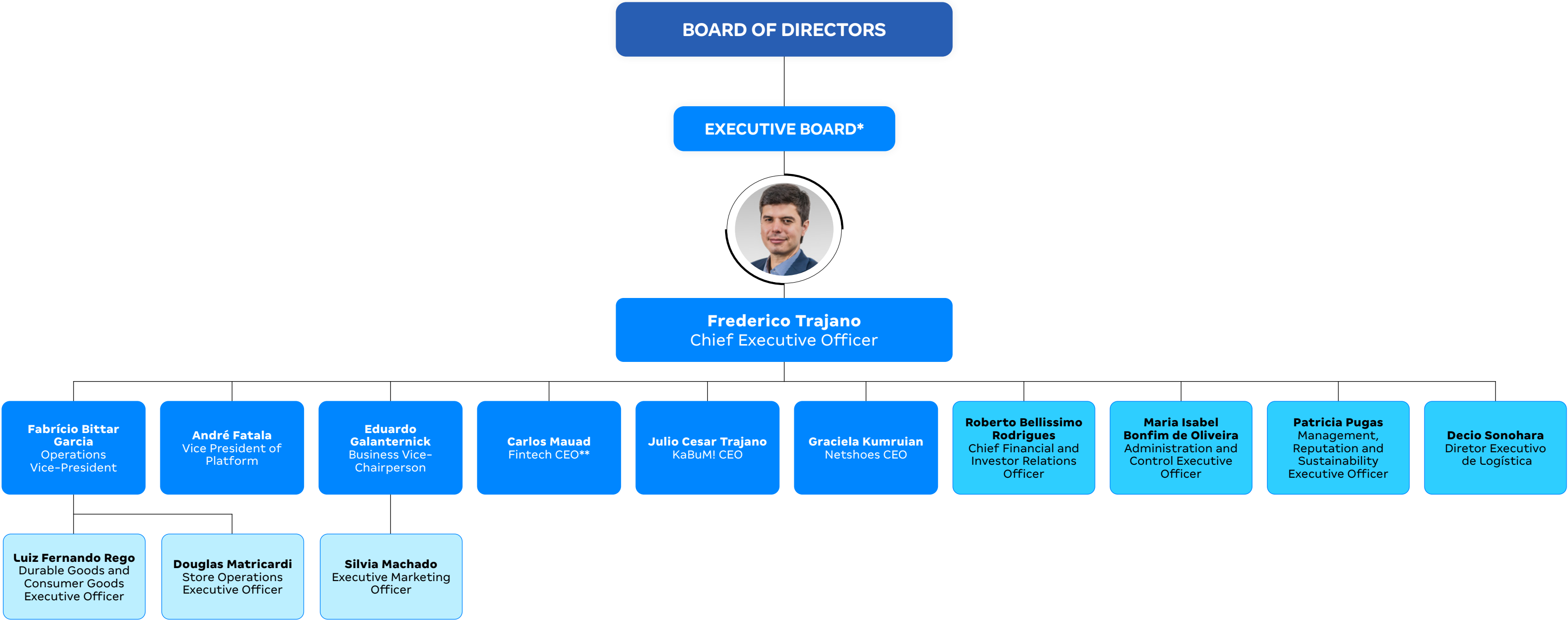
FINANCE AND CONSUMER CREDIT COMMITTEE
Advises the Board of Directors in defining Magazine Luiza’s financial policy, appropriate debt levels and Magazine Luiza’s Capex, monitors financial risks, contractual covenants and guarantees, and monitors the activities of the subsidiary Luiza-cred S.A.

PEOPLE AND ORGANIZATIONAL CULTURE COMMITTEE
It discusses the organizational structure model, recommends and moni-

tors the process of defining and evaluating the members of the Board of Directors, proposes the compensation policy and monitors the main labor risks, among other topics.

STRATEGY AND INNOVATION COMMITTEE
It discusses the main business and management drivers contributing to multi-year strategic planning. The topics cover new businesses, acquisitions, mergers, associations, growth goals and operational excellence, among others.





* Members of the Executive Board on 12/31/2023
** MagaluBank, from April 2024



GRI 2-16 | 2-23 | 2-24 | 2-25 | 2-26 | 3-3 | 205-1 | 205-2 | 205-3 | 406-1

ETHICS AND TRANSPARENCY

In Brazil, a series of laws and regulations obliges companies to adopt minimum standards of ethics and transparency. However, an organization that complies with legal requirements may only be acting correctly from a technical point of view without actually being committed to these values. The true strength of ethics and transparency lies in their genuine integration into organizational culture and their incorporation into day-to-day processes and decisions. As Luiza Trajano Donato, founder of Magalu, used to say: “Being honest is an obligation, not a quality.” In 2023, Magalu, which assesses corruption risks in 100% of operations, did not identify any confirmed corruption cases.

Magalu was born and grew believing that ethics and transparency are essential values, regardless of legal imposition. These are fundamental characteristics for the company’s reputation and sustainability and contribute to a fairer and more competitive business environment, in addition to benefiting society. Therefore, in 2017, it established its Integrity Program,

NON-NEGOTIABLE

These behaviors are not permitted in the Company under any circumstances and are subject to termination for cause

1 CAUSING LOSS TO THE CUSTOMER AND/OR THE COMPANY

- Intentionally causing financial loss to the company and/or the customer.
- Obtaining undue advantage in the exercise of their functions.
- Deceiving the customer, misleading them or embedding financial services without their consent.
- Changing or manipulating report results, cash closing, working hours, etc.

2 CORRUPTION PRACTICES

- Becoming directly or indirectly involved in bribery, kickbacks and other acts of corruption with public agents.
- Accepting or offering gifts that violate the Gifts, Giveaways and Hospitality Policy with suppliers, service providers, other partners, and third parties.
- Accepting personal favors in exchange for actions that put the company’s image at risk or cause financial loss to Magalu.

3 DISCRIMINATION OF ANY NATURE

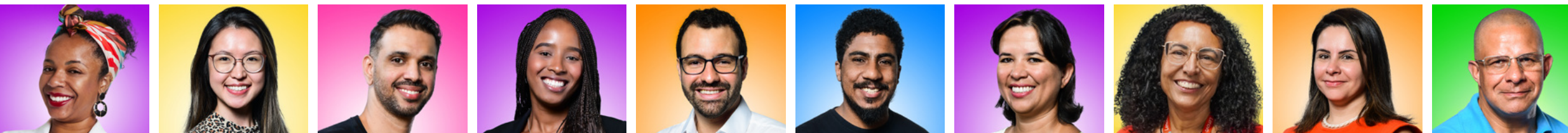
- Discriminating against any person based on race, color, religious belief, gender, sexual orientation, social status or political ideals.
- Being disrespectful or treating employees differently due to physical characteristics and/or ideological issues.

4 MORAL AND SEXUAL HARASSMENT

- Using a hierarchically superior position to expose employees, third parties, and service providers to embarrassing or vexatious situations and being disrespectful in personal dealings with subordinates.
- Taking advantage of occasions and/or the work environment to embarrass employees in search of opportunities for romantic or sexual relationships.

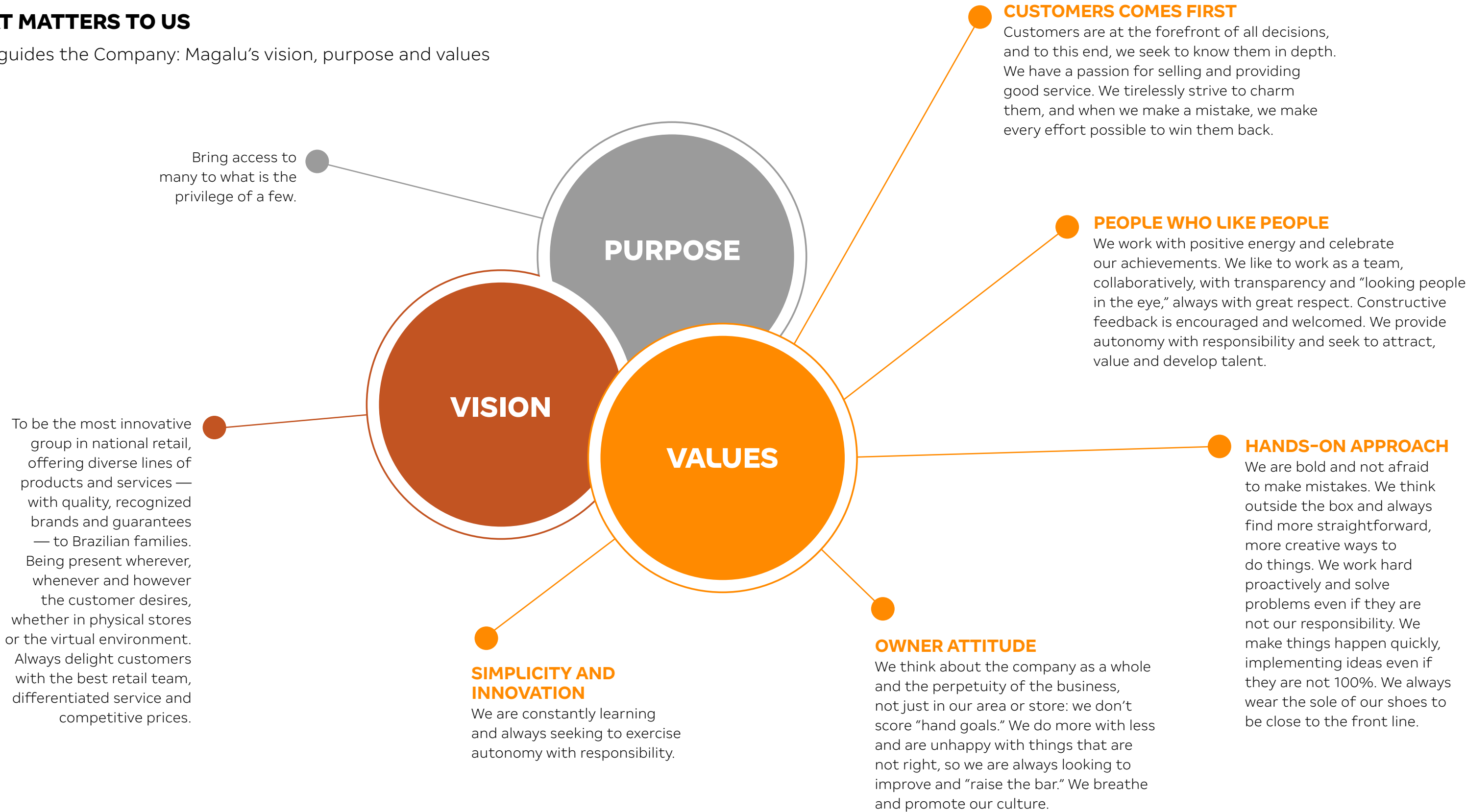
5 CONFLICT OF INTEREST

- Negotiating with relatives and/or friends without prior communication to the hierarchical superior.
- Maintaining a romantic relationship with a subordinate without informing the people management area and the hierarchical superior.
- Hiring relatives in a subordinate position, such as a permanent worker, temporary worker, service provider or supplier.



WHAT MATTERS TO US

What guides the Company: Magalu’s vision, purpose and values



with an independent structure and direct reporting to the Audit, Risks and Compliance Committee. Its objectives include promoting a culture of ethics and compliance based on company values, risk and controls management, implementing best practices and monitoring the program’s effectiveness.

The Company has several policies that address responsible business conduct, emphasizing five documents: Integrity Manual, Anti-Corruption Manual, Code of Ethics and Conduct, Conflict of Interest Neutralization Policy and Gifts, Giveaways and Hospitality Policy. Approved by the Board of Directors, these policies are subject to periodic review and apply to all employees and stakeholders of the company, including managers and shareholders.

CONTINUOUS PRACTICES

Preventing risks is always the best option. For this reason, Magalu applies continuous training and communicates and adopts electronic monitoring tools. The areas in direct contact with public agents receive differentiated training with a specific approach to the risks they are exposed to. The company also has a Third-Party Integrity Analysis and Monitoring Policy, which establishes guidelines for analyzing and monitoring the integrity of suppliers, partners, and other related parties. It also includes third-party risk classification criteria and a definition of decision-making authority.

In 2023, 100% of employees (except interns, apprentices and intermittent workers) were informed about anti-corruption policies and procedures through official channels, especially email and workplace. New employees received training on anti-corruption policies and procedures during the onboarding period. Integrity agents, officers and members of the Board of Directors were also trained on the topic.

Magalu has three hotlines for complaints, all confidential

and available 24 hours a day throughout the year: Call Luiza (Disque Luiza), the Reporting Channel and the Woman’s Channel. The complainant may remain anonymous or identify themselves, subject to a confidentiality guarantee. Complaint investigations are conducted in secret whenever possible, and any type of retaliation against whistleblowers is not tolerated.

The internal and external public can complain about attitudes against the Code of Ethics and Conduct of Employees through the Reporting Channel website. Reformulated in 2023, the Reporting Channel now directs the complainant according to the type of complaint: violations of the Code of Ethics and Conduct, laws and company policies and procedures, complaints about products and deliveries, false websites and violence against women.

Managed by an independent third-party company that keeps information confidential, the Reporting Channel recorded 781 calls throughout 2023, of which 446 were considered valid. An external organization audits it every three months; the average time spent analyzing records is 10 days.

Among the complaints received in 2023, 31 involved discrimination based on race, color, gender, religion, political opinion, national or social origin. Of these, 18 were considered valid. In the previous year, records totaled 14 cases. The growth can be credited to communication efforts on the Channel. Reparation measures are based on the Consequence Policy of the Magalu Integrity Manual.

Another channel available for all stakeholders to submit complaints of any type by phone or email is Call Luiza (Disque Luiza). In 2023, Call Luiza received 441 complaints, of which 202 were valid.

Created in 2017, the Woman’s Channel is specifically aimed at assisting employees who are victims of domestic violence. Anyone can anonymously point out risk situations that some-

GRI 2-28

MEMBERSHIP ASSOCIATIONS

Magalu is one of several entities linked to the retail sector and the topics of integrity and sustainability

- São Paulo Environmental Agreement (Cetesb)
- Alliance for Integrity (Afin)
- Brazilian Association of Textile Retail (ABVTEX)
- Brazilian Chamber of Electronic Commerce
- International Chamber of Commerce (ICC Brazil)
- Economic and Social Development Council (CDES)
- National Council of Public Management, of the Superior Strategic Council of the Federation of Industries of the State of São Paulo (Fiesp)
- Fecomércio
- Business and LGBTI+ Rights Forum
- Women’s Group from Brazil
- Business Initiative for Racial Equality
- Brazilian Institute of Business Hospitality (IBHE)
- Institute for Retail Development (IDV)
- 360 Women Movement (Movimento Mulher 360)
- Racial Equity Movement (Mover)
- UN Global Compact
- Brazilian GHG Protocol Program

one is experiencing so that the facts can be investigated and the victim can receive help from the company. An outsourced company receives and passes the complaints to the Integrity area. The channel has an internal committee that discusses all cases and takes care of their progress until the victim can escape the cycle of violence or until the aggressor is tried in court. Public tools are used throughout the process, such as the Specialized Police Station for Victim Assistance and municipal networks to support women. Magalu also offers resources to women who need to move, the possibility of transferring to their workplace so that the victim can distance themselves from the aggressor, and food assistance.

Disclosed to all employees in training, the Woman’s Channel received 172 complaints in 2023, a total similar to the previous year (170). All cases were addressed and referred. When necessary, the victim received psychological assistance and legal guidance. In 2021, the Woman’s Channel was extended to external audiences through a button in the app (*read more about this on [page 57](#)*).

(Learn more about integrity practices with sellers on [pages 45-48](#)).



REPORTING CHANNEL

Magalu recognizes the importance of transparency and ethics in its operations and offers channels for reporting complaints. Through these, it seeks to guarantee an honest and fair environment for everyone involved, fight irregularities and promote ethical conduct in all its activities

CALL LUIZA (DISQUE LUIZA)

Direct channel with the chairwoman of the Board of Directors, Luiza Helena Trajano.

Telephone: +55 (16) 3711-2068

E-mail: luizahelena@magazineluiza.com.br

REPORTING CHANNEL FOR VIOLATIONS OF THE INTEGRITY PROGRAM

Aimed at internal and external audiences, it is managed by an independent and specialized company that receives anonymous reports of possible violations of the Code of Ethics and Conduct.

Telephone: 0800 792 1007

Website: <https://canalconfidencial.com.br/magazineluiza/>

WOMAN’S CHANNEL

In addition to being open to female employees, the channel receives reports from colleagues, leaders or subordinates who are in a situation of domestic violence.

Telephone: 0800 741 0009

Email: denuncia@canalmulhermagazineluiza.com.br

SUPPLIER CONDUCT

Suppliers sign their own Code of Conduct when establishing or renewing commercial partnerships

Applying Magalu’s principles and values extends to the chain of suppliers, partners and other third parties. To have a relationship with the company, they must formally commit to respecting the integrity and transparency guidelines established by the corporation.

In 2023, Magalu began a training agenda aimed at suppliers to promote understanding and adherence to the Code of Ethics.

When establishing or renewing commercial partnerships, the supplier must sign a document agreeing to the [Code of Conduct for Suppliers](#). It is a set of primordial values and minimum expectations of the company about its partners, and it also serves to guide the actions and attitudes of all participants in the ecosystem. The document outlines the Company’s commitments and guide-

lines, from support for Brazilian legislation, human rights, labor relations and respect for the environment to relevant issues, such as combating piracy, fair competition, protection of intellectual property, management of conflicts of interest, policies on gifts, giveaways and hospitality, protection of confidential information, money laundering and terrorist financing.

One of the rooms that house Magalu's servers in the Arena, the Company's headquarters in São Paulo

#descriptionofimage: A young woman with curly hair, black pants, a t-shirt and yellow sneakers passes in front of a glass room, where there are steel shelves and furniture and machines with blue lights and wires



GRI 2-16, 2-24

RISK MANAGEMENT

Since 2022, Magalu has been part of the Corporate Sustainability Index (ISE) portfolio of B3, the Brazilian Stock Exchange. This indicator evaluates the performance of publicly traded companies in ESG practices. Magalu's presence on the ISE — which will continue for the third consecutive year, according to the new list released in January 2024 — at-

tests to the consistency of the Company's efforts to integrate environmental, social and governance practices into its business strategy. Risk management is one of the aspects considered when choosing the companies that make up the ISE.

The selection process of companies that make up the ISE's annual portfolio takes into account, in

addition to evaluating performance in a questionnaire prepared by B3's specialized team, the score in the Carbon Disclosure Protocol (CDP) and the reputation of these companies in the international market, evaluated by RepRisk, a research company specializing in ESG. RepRisk collects and analyzes various online public information about environmental, social and corporate governance risks, monitoring more than 100,000 data sources in 23 languages. Through a combination of human and artificial analysis, RepRisk identifies and analyzes news related to factors relevant to ESG risk assessment. ISE, in turn, uses RepRisk data to include and exclude companies in its portfolio.

COMPREHENSIVE MANAGEMENT

Magalu has a comprehensive Risk Management Policy, revised at the beginning of 2023 and aims to establish clear guidelines and responsibilities for identifying, analyzing and monitoring risks that may affect the Company's strategic plan. Risks — of a compliance, business, operational, cyber and socio-environmental nature — are identified and assessed according to the probability of occurrence and their impact on the business, including Magalu's image and reputation. Each decision takes into account the benefits, negative aspects and associated risks.

As part of the risk matrix process, the Corporate Audit and the Audit, Risks and Compliance Committee (CARC) monitor 15 topics of concern, which are periodically evaluated and have their status reported to the Board of Directors. Annually, senior management defines Magalu's consolidated risk profile through strategic drivers and goals and CARC recommendations.

For Magalu, risk management is more than a process; it represents a commitment to creating and preserving shareholder value. It is integrated into decision-making at all levels of the organization, contributing to achieving the Company's statutory and strategic objectives and ensuring its soundness and longevity.

PREVENTION AND CONTROL

Magalu adopts risk management based on international standards, such as COSO (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000:2018. The goals are:

- Increase the likelihood of achieving established goals.
- Improve the identification of opportunities and threats.
- Comply with policies, standards and legal and regulatory requirements.
- Improve the reporting of information to the market, increasing trust in stakeholders.
- Ensure a reliable database for decision-making and planning.
- Allocate and use resources effectively, improving the control environment.
- Ensure that corporate governance is followed and critically analyzed.
- Prevent and reduce losses with the involvement of all agents.
- Improve operational effectiveness and efficiency and, thus, increase the Company's resilience.

Learn more

About the climate risks to which Magalu is exposed on [pages 62-64](#).

GRI 3-3 | 418-1
SASB CG-MR-230a.1 | CG-MR-230.a2

SECURITY AND PRIVACY

Information security and personal data protection have become central topics for companies, not only for ethical and legal reasons but also to prevent privacy violations and cybercrimes. Brazil, in particular, faces a challenging scenario as it is the country most targeted by digital attacks in Latin America — 23 billion incidents recorded in the first half of 2023 alone, according to the most recent data from cybersecurity company Fortinet.

Magalu uses a series of measures to protect its data and that of its customers. The Company's Privacy Program modernized processes, reinforced good practices and governance models and improved risk management and information technology controls. In 2023, the company did not record any data breaches or cyberattacks.

INTERNAL POLICIES

Magalu maintains an internal information security risk management policy that defines cybersecurity assessments and controls (learn more about Risk Management on page 40). In addition, it has the Personal Data

Privacy Management Policy, created in 2021 and revised in 2022, with the main guidelines and governance on the subject, which include the Personal Data Privacy Program, the Executive Security Committee and the Privacy Committee. The Personal Data Privacy Program is being gradually implemented in all company areas.

Data Privacy management is responsible for ensuring the protection of personal data collected and processed by the company. In

2023, the team intensified its efforts to ensure compliance with the General Data Protection Law (LGPD) and strengthen the information security culture within the organization. Among the initiatives developed is periodic training for all employees, which covers topics such as the importance of LGPD, good practices for processing personal data, and the risks involved in poor management.

The Information Security area, in turn, is

responsible for implementing mechanisms to protect the technological environment and customers' personal data. Among the measures adopted are technologies for monitoring and preventing cyberattacks. In addition, the area periodically conducts a risk assessment of suppliers to ensure that only reliable companies are hired. It also develops action plans to increase information security maturity, working with suppliers to improve security practices.

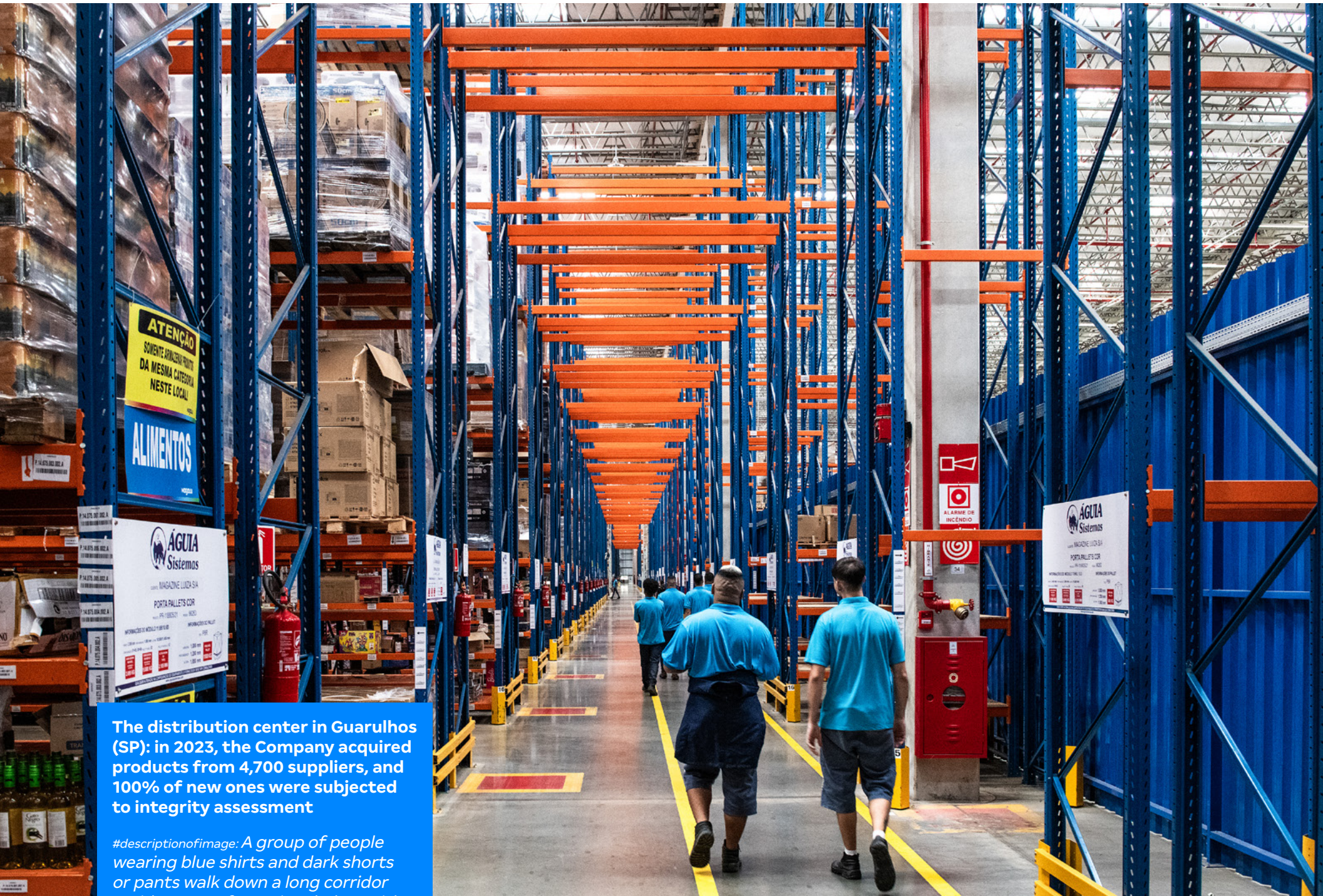


The entrance to Luizalabs, Magalu's technology area at the Franca headquarters

#descriptionofimage: A man wearing sneakers, jeans and a dark t-shirt walks towards an open steel door, which reads the word "labs" in neon letters

GRI 2-6 | 2-23 | 2-24 | 3-3 | 408-1 | 409-1 | 410-1 | 414-1 | 414-2

HUMAN RIGHTS IN THE VALUE CHAIN



The distribution center in Guarulhos (SP): in 2023, the Company acquired products from 4,700 suppliers, and 100% of new ones were subjected to integrity assessment

#descriptionofimage: A group of people wearing blue shirts and dark shorts or pants walk down a long corridor amidst rows of massive shelves with different types of products

An unavoidable rule guides Magalu's business: we should not do to others what we would not want them to do to us. Therefore, the company maintains a [Human Rights Policy](#) aligned with the fundamental guarantees provided for in the Brazilian Federal Constitution and the principles of the UN Universal Declaration of Human Rights. Documents that guide all employees and partners who provide services to Magalu are part of this policy. Whenever a supplier or partner begins or renews a relationship with the company, they must accept a document that establishes a commitment to integrity and social and environmental responsibility requirements. The Company believes that it must contribute to constructing a fairer and more equitable society and that, by acting in this way, it acts preventively to reduce risks and protect its assets.

Magalu, together with its affiliates, invested 33.2 billion Brazilian Reais in the acquisition of products and services in 2023. This is an operation that requires scrutiny in the selection and monitoring of partners. There are approximately 4,700 suppliers, and 100% are subject to integrity assessment. During the analysis process, data and information about the supplier, its partners and related parties are collected through searches in public databases or by specialized companies. The purpose is to assess the level of risk of the agreement: low, medium or high.

The fashion segment is one of the categories of suppliers with the greatest potential for risk of human rights violations, especially those related to child labor. In view of this, Magalu adopts measures such as requiring certification from the Brazilian Association of Textile Retail (ABVTEX) — which monitors all suppliers and sub-contractors about work safety and legal, environmental and social compliance, with annual audits carried out by independent companies —, sending awareness communications on the topic, requiring acceptance of the company's [Code of Ethics and Conduct](#) and the inclusion of contractual clauses on social and labor responsibility.

MONITORING AND VERIFICATION

Magalu has implemented processes to avoid relationships with un-reputable third parties that pose legal, financial, compliance, op-

erational or reputational risks to the company, including social and environmental issues. All third parties that meet the criteria of the Third Party Integrity Analysis and Monitoring Policy undergo a verification process, which includes the analysis of registration data, debts, legal proceedings (with a focus on criminal and tax), sanctions and inclusion on restrictive lists.

Among the restrictive lists analyzed are the Leniency Agreements, the National Register of Punished Companies (CNEP), the Federal Administration Expulsion Register (Ceaf), the Register of Disreputable and Suspended Companies (Ceis), the Register of Prohibited Private Non-Profit Entities (Cepim) and the “Dirty List” of slave labor. The Company also searches for negative news, which serves as points of attention.

The analysis criteria consider the value of the operation, the deadline, the volume of transactions, the nature of the good or service, the criticality of the activity and the alerts and notes identified. At Magalu, transactions above 1 million Brazilian Reais (or equivalent in foreign currency) are mandatorily verified. At Netshoes and Época Cosméticos, transactions above 100,000 Brazilian Reais (or equivalent in foreign currency) or operations whose contract sum exceeds 100,000 Brazilian Reais in six months are analyzed. Other Group companies analyze transactions above 50,000 Brazilian Reais (or equivalent in foreign currency).

Furthermore, categories of goods and services considered at risk are subjected to integrity analysis, regardless of the contract value. They are property security services; logistics and cargo transport services, including customs brokers; suppliers of products or services for construction, expansion and renovation works of the Magalu Group; suppliers who have changed their CNPJ; legal entity seller with a foundation date of less than three months; graphics; consulting companies; promoters, influencers and YouTubers; donations and sponsorships. Suppliers from each eligible segment must register on the platform, complete the self-assessment questionnaire (SAQ), and conduct sustainability audits whenever requested.

SECURITY TEAM TRAINING

Annually, all security personnel — whether in-house or outsourced employees — at Magalu receive formal training on the organization’s policies and procedures relating to human rights. This training is crucial to raise awareness among professionals about the importance of protecting and respecting the rights of all people, regardless of race, gender, religion, sexual orientation or any other characteristic. By understanding the basic principles of human rights and the laws that protect them, security professionals can identify and prevent violations such as discrimination, abuse of power and disproportionate use of force.

EXTRA
ATTENTION

Use of a global platform to evaluate the supply chain is recommended to suppliers

Since 2020, Magalu has encouraged suppliers from critical business sectors—fashion, furniture, transport/logistics and foreign suppliers—to join Sedex (Supplier Ethical Data Exchange), one of the main global supply chain management platforms. Sedex brings together 85,000 companies from 180 countries and covers a total of 28 million workers.

In 2023, five suppliers in critical segments were subject to an assessment carried out through an audit registered with Sedex. Additionally, six foreign suppliers were identified as high risk, with negative social impacts, such as excessive working hours and lack of social insurance coverage. Magalu developed a specific action plan for improvement for one of these suppliers.

THE SIZE OF THE
SUPPLY CHAIN

Economic relevance highlights the need for careful selection of the company’s partners

33.2 billion
Brazilian Reais was the total amount spent on suppliers in 2023, considering Magalu and related companies

4,700
is the total number of Magalu suppliers

100%
of new suppliers selected in 2023 underwent integrity analysis



How we include

- Digital inclusion and entrepreneurship
- People management and development
 - Diversity and inclusion
- Donation and private social investment



GRI 2-6 | 3-3 | 203-2 | SASB CG-MR-410a.1

DIGITAL INCLUSION AND ENTREPRENEURSHIP

Seller Rodrigo Dutra de Moraes, at the headquarters of his company, DD Máquinas, in Sorocaba (SP)

#descriptionofimage: In jeans, a polo shirt and sneakers, a man is standing, smiling, in a store with several machines

With two decades of experience in the tools industry, Rodrigo Dutra de Moraes built a prosperous business in the Sorocaba region in the interior of São Paulo. Graduated in marketing, he founded DD Máquinas 18 years ago. Moraes didn’t take long to realize the potential of e-commerce. Eleven years ago, when online sales began to gain ground in Brazil, the entrepreneur joined the new business model. In 2019, he joined Magalu Marketplace, a leading Brazilian e-commerce platform that offers opportunities for registered sellers to expand their online business efficiently and safely.

Being part of this platform further boosted DD Máquinas’ business, which today has a physical store measuring 3,000 square meters and a logistics center measuring 27,000 square meters, both in Sorocaba. The company’s sales reached a significant level, and Magalu Entregas began to collect its products. In 2022, Moraes was invited to participate in the Magalu fulfillment pilot project, becoming the first seller to adopt this modality, which allows merchants to stock their products in the

Company’s distribution centers. “Magalu is very concerned about finding the best on the market and improving the model,” says Moraes. This philosophy translates into concrete benefits for sellers. “Since adopting fulfillment, we have reduced our operating costs, and our monthly revenue has grown by 30%.”

Fulfillment is a win-win-win modality: It has advantages for the consumer, the merchant and Magalu. The consumer benefits because they have a larger portfolio of products available and an average reduction of three days in the final delivery time, with a lower shipping cost, which is possible thanks to the optimization of logistics. The seller wins because, with the structure provided by Magalu, they can focus on the commercial strategy without worrying about stock management or order dispatch. Magalu benefits because it can better serve its customers, guaranteeing the fastest delivery experience in Brazil with an even more significant number of products. Currently, the Company offers a catalog with over 128 million offers on the marketplace.

THE POWER OF FULFILLMENT

Fulfillment accounts for 15% of Magalu marketplace orders — at the beginning of 2023, it was just 2%. More than 2,800 sellers enjoy the multichannel model’s benefits of scale and efficiency. This is the case of businessman Marcio Ferreira Gonçalves from Planeta do Bebê, the country’s largest children’s retail e-commerce. The brand has four physical stores, but 95% of its revenue comes from online sales.

Today, Planeta do Bebê is one of the main partners of Magalu’s marketplace. Fulfillment implementation was a turning point. After starting operations in this modality, Planeta do Bebê started to use the logistics structure of the marketplace, managed to increase its order processing capacity and, of course, increased sales. “With fulfillment, our order volume grew 12 times,” says Gonçalves. Planeta do Bebê currently has 20,000 pieces in stock at the Magalu distribution center — 97% of orders are sent to the carrier within 24 hours.

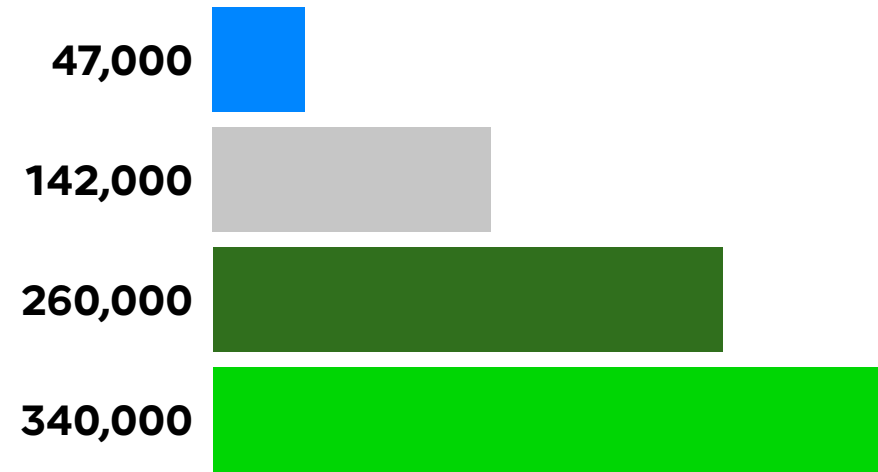
“Today, I have a much greater digital scale than in the tradition-

THE EVOLUTION OF THE MARKETPLACE

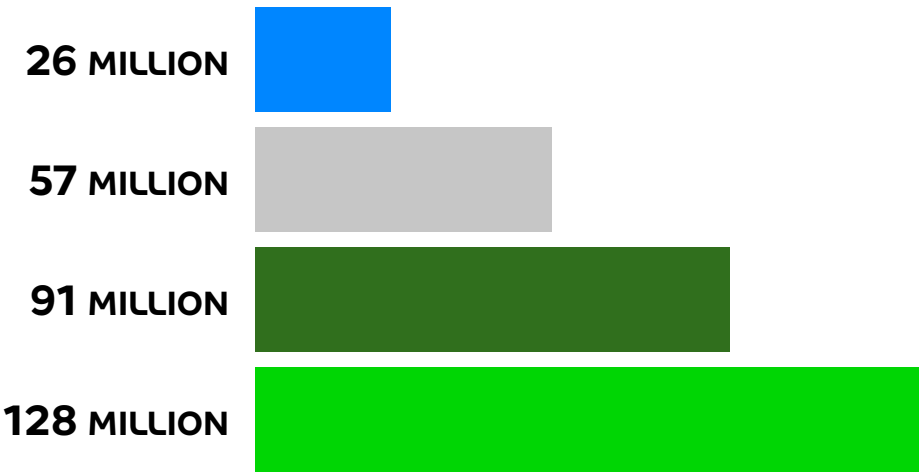
Growth in the number of sellers offers and Magalu partners



NUMBER OF SELLERS



NUMBER OF OFFERS



NUMBER OF MAGALU PARTNERS



CONTROL
OF SELLERS
AND THEIR
PRODUCTS

The main
results of
monitoring
in 2023

NUMBER OF REPORTS OF
IRREGULARITIES RECEIVED

375,511

COMPLAINTS
CONSIDERED VALID

340,471

ADVERTISING REMOVED
DUE TO IRREGULARITIES

338,223

PRODUCTS BLOCKED
BY THE BLOCK LIST

7%

NUMBER OF SUSPENDED SELLERS

For 7 days: 1,872

For 15 days: 931

Total: 2,803

NUMBER OF BANNED SELLERS

1,701

al mode,” says Gonçalves. “In Magalu, there are 15 million hits per month. Before, in the store, I struggled to reach 150,000 visits.” The entrepreneur has an ambitious goal: “In five years, my goal is to earn 1 billion Brazilian Reais.”

SOCIAL WORLD (MUNDO SOCIAL)

It is not just businesspeople the size of Gonçalves who have benefited from Magalu Marketplace. Created in 2019 as a way to boost revenues for third-sector entities through the sale of their products on the Magalu app, the Social World (Mundo Social) project has become a means of promoting the inclusion and digitalization of businesses with socio-environmental impact (*learn more about Diversity and Inclusion on [pages 52-55](#)*). In 2023, Magalu ended the year with 89 sellers from Social World (Mundo Social), who have reduced fees and other benefits to sell on the marketplace. Revenue from this group of partners totaled 1.9 million Brazilian Reais in the year, an increase of 56.6% compared to 2022.

In 2023, Magalu conducted extensive work to publicize Social World (Mundo Social) on the media and social networks and promote an in-person event to strengthen the initiative. Among the categories best sold by these partners are food, fashion, beauty, items for pets, crafts and stationery, and vegan products not tested on animals.

Social World (Mundo Social) positively impacts society and drives the movement towards more conscious consumption. Of the total sellers in Social World (Mundo Social), 51% are women or black people. Partners in this group have free access to UniMagalu courses that cover topics aimed at developing their businesses within the marketplace. Despite the progress, Magalu still considers much work to be done to promote inclusion and entrepreneurship. Therefore, it is working to search for sellers in the North Region to reduce shipping costs and increase the visibility of these partners on the Magalu app.

CONTINUOUS CONTROL

Regardless of the seller’s size, their admission to the Magalu Marketplace occurs after a thorough analysis, which includes checking the status in the National Register of Legal Entities (CNPJ) and the company’s corporate composition at various levels. The process also involves consulting and monitoring alerts, restriction and public sanction lists, and inspecting bodies that monitor irregularities. Before being admitted to the marketplace, the company must prove its products are compatible with the National Classification of Economic



At the DC in Guarulhos (SP), an employee separates goods in the fulfillment area

#descriptionofimage: A black man with a beard and blue uniform uses portable equipment to check the barcode of products on an alcoholic beverage shelf

Activities (CNAE) registration. About 10% of companies are blocked in this analysis phase.

Once admitted to the marketplace, sellers are subject to continuous monitoring by the platform, which compares order data with invoice information to prevent tax evasion. Another rule concerns products that cannot be sold on the platform – they are the non-negotiables, which include items such as firearms, electronic cigarettes, medicines, goods without an invoice, counterfeit, goods of illegal origin, illicit goods or goods that encourage pornography. Magalu adopts measures to prevent and combat the sale of these items through a block list, which in 2023 barred 7% of sellers’ products. The list contains guidance from regulatory agencies, such as Anvisa,



Owner of Planeta Bebê, seller Márcio Ferreira Gonçalves adopted the fulfillment method

#descriptionofimage: A white man, standing on the first few steps of the stairs, holds two boxes in a warehouse full of goods

THE SOCIAL WORLD (MUNDO SOCIAL) IN 2023

The performance of the tool that digitally includes the socio-environmental impact businesses of minority groups

89 sellers

1.9 million Brazilian Reais in revenue

56.6% growth compared to 2022

51% of sellers are women and black people

MAIN CATEGORIES:
FOOD, FASHION, BEAUTY, PET, CRAFTSMANSHIP AND STATIONERY

Inmetro, and Anatel, and information passed on by brands that are often victims of product smuggling or counterfeiting.

The Brand Protection Platform (BPP) is another instrument that prevents the sale of pirated, smuggled products or products that violate intellectual property. Made available by Magalu to manufacturers, they can check offers on the website and app. When identifying a suspicious product from a seller, the manufacturer can activate the Brand Reporting Channel, and Magalu can request the seller to present the purchase invoice. Around 517 companies in the electronics, clothing, and sports footwear segments, among others, use BPP. The monitoring of illegal products is reinforced by a contracted consult-

ing company, which carries out periodic scans of the marketplace, using various databases to track information such as discrepant prices and batches of irregular products.

In addition, Magalu maintains a Reporting Channel on its website for reporting suspicious activities. Anyone can report the sale of illegal, counterfeit, or suspicious products through this channel. The channel also receives reports of any type of infringement committed by sellers. In 2023, 375,511 reports of irregularities were received. Of these, 340,471 were considered valid, which resulted in removing 338,223 advertisements. In total, 2,803 sellers received suspensions, and 1,701 were banned from the platform in 2023.

GRI 3-3 | 404-1 | 404-2

PEOPLE MANAGEMENT AND DEVELOPMENT



A group of managers during a training session at Arena Magalu

#descriptionofimage: Seven women of different ethnicities are sitting in a circle. They smile as they reach out to join their hands in the center of the circle

Magalu recognizes that its greatest asset is human capital. This belief translates into one of the company's core values: "People who like people" — and like to work as a team collaboratively and respectfully. More than a philosophy, it is a practice that, since 1998, has led the Company to be part of the Best Workplaces ranking, carried out by Great Place to Work (GPTW). For six years, Magalu has been within the top 5 on the list of companies with more than 10,000 employees in the GPTW.

In addition to continually promoting the development of its employees, Magalu carries out other practices so that each person can assume the role of owner, such as encouraging constructive feedback and the opportunity for everyone to have autonomy and responsibility. In 2023, Magalu Ecosystem's employees completed, on average, 10 hours and 17 minutes of training. Men completed 9 hours and 36 minutes, while women's average training time was 11 hours and 2 minutes.

MANAGERS’ TRAINING PROGRAM

Magalu values “in-house treasures” when opening new vacancies to encourage career planning and professional advancement. Consistent with this policy, internal leadership training is also prioritized. One of the main initiatives in this regard is the Manager in Training Program, which seeks to train future store managers, aligning them with the culture and strategy of the business. A dedicated team monitors participants’ careers, develops activities and defines the training content. The program is characterized by offering humanized care and involves emotional support during the transition, as well as career and performance guidance.

To increase gender equity in the program, Magalu grants special aid to attract more women to leadership positions. Among the benefits offered to them is the possibility of interning in places up to 200 kilometers

from their city of origin to provide greater flexibility and proximity to their family. In addition, the program offers a double Mother’s Check for employees who have children up to 10 years and 11 months old to assist with education and care costs.

Lasting six months, the Manager in Training Program comprises two modules of theoretical practices, followed by an internship in stores to put the knowledge acquired into practice. Participants must also develop an action plan to apply what they have learned daily and present their course completion work to share the program results.

Magalu created the New Manager’s First Steps Program to facilitate the manager’s transition to the new position. This is customized monitoring carried out by the regional people management coordinator, lasting six months, counting from the date the new manager takes



Lecture by Patricia Pugas, the People Management Executive Officer, to the “Fala Magalu” group, the Company’s internal influencer program. On the screen, an employee

#descriptionofimage: A group of people arranged in a semicircle look towards the center of the room, where a white woman speaks with a microphone in her hand. She is sitting in an armchair. In the background of the room, a screen shows a man with a beard

SCHOOL OF LEADERS

The results of the training carried out in 2023

MANAGER IN
TRAINING PROGRAM

176

new managers trained

NEW MANAGER’S
FIRST STEPS

112

managers monitored

NEW RETAIL
ACADEMY

234

certified managers

LOGISTICS AND
LUIZA RESOLVE

120

certificates

FIRST
LEADERSHIP

259

managers trained

CAREER IN
YOUR HANDS

142

participants

office. The purpose is to ensure effective adaptation and the continuous development of the skills and abilities of the new leader, who will also have a “godparent manager” to offer support on issues related to the store’s routine.

HIGH PERFORMANCE SKILLS

In 2023, Magalu started a new class at the New Retail Academy, which was sponsored by the company’s CEO, Frederico Trajano. The program seeks to develop high-performance skills in store managers, increase their repertoire, and provide a transversal view of Magalu, reinforcing employees’ “business owner” attitude. The course, which lasted from March 2023 to March 2024, included two certification modules, with theoretical classes taught by leading teachers in the market and practical activities to consolidate learning.

Magalu also held a New Retail Academy for managers and coordinators in the logistics area and Luiza Resolve, to develop high-performance skills. Structured into four content modules and a final project, the program covered several topics: new retail, innovation, logistics, customer-focused culture and exponential leadership.

LEADERSHIP AT ALL LEVELS

To develop professionals at all leadership levels, Magalu maintains a program aimed at store managers who hold positions at a level immediately below managers. As with other positions, the company prioritizes the internal selection process to value the company’s talents. Newly promoted store managers participate in an intensive three-day training program, the First Leadership, designed to improve their technical and behavioral skills to ensure they can perform their operational functions with excellence.

In addition, Magalu offers the Career in Your Hands Program, a preparatory course for those who wish to take the Manager in Training program. Registered candidates

BENEFITS OFFERED

Employees with an indefinite contract are entitled to an attractive benefits package



FOR ALL:

- Health plan (3 options)
- Dental plan
- Food or meal ticket
- Transportation voucher
- Private pension with additional contribution from the company
- Special credit facilities
- Consortium with different conditions



FOR EMPLOYEES WITH DISABILITIES, THERE ARE ADDITIONAL PREROGATIVES, SUCH AS:

- Exemption from the holder’s monthly health insurance fee
- Possibility to apply for scholarships six months after admission
- Allowance on Gympass, development costs and childcare



FOR EMPLOYEES WITH CHILDREN:

- Pregnant women receive customized support, have access to online courses on Portal Luiza and benefit from a 25% discount on purchases of baby items sold by Magalu. Furthermore, the company grants six months of maternity leave and 20 days of paternity leave. After returning to work, employees are entitled to a Mother’s Check, a financial aid of 400 Brazilian Reais for expenses related to the education and care of children up to 11 years old. This benefit is extended to employees in same-sex unions with children and widowers. Parents of people with disabilities receive the Special Education Check — for which there is no age limit —which aims to help with the costs of developing and caring for their children.

participate in meetings conducted by the training and development team and are subjected to an analysis of basic requirements, which involve time with the company and position, audit history and behavioral assessment.

CONTINUING EDUCATION FOR ALL

Education is a pillar in the personal and professional development of Magalu employees. For this reason, initiatives are maintained to promote continuing education. In effect since 1992, the Luiza Knowledge Program (Programa Saber Luiza) grants scholarships to employees who wish to broaden their horizons in the personal and professional spheres. The benefit includes all employees with

more than a year at the company who obtain a favorable opinion from their immediate leaders. The value of the aid varies according to the course chosen (undergraduate, postgraduate, languages or extension) and the employee’s length of service.

The Knowledge Portal (Portal do Saber) is an increasingly crucial tool for the integration and development of employees, in addition to contributing to business results. Online content is created in different formats (videos, podcasts, PDFs, infographics, etc.) to facilitate learning and boost everyone’s daily performance. The material is created by considering the culture, values and behaviors expected by the Company.

Learn more

About the profile of employees on [pages 21-22, 52-55](#) and in the Schedules, [pages 72-74](#).



Meeting of the Quilombo affinity group focused on racial issues

#descriptionofimage: Twelve people standing and eight sitting, wearing colorful and casual clothes, smile in front of a digital panel that says "Strategic Positioning"

GRI 3-3

DIVERSITY AND INCLUSION

Magalu's ambition is to be a microcosm of Brazil's demographic plurality. The Company works actively to ensure that all groups are represented at all hierarchical levels and areas. This is not just a fair and correct ideal: the more heterogeneous the workforce, the greater the identification with the 37 million customers spread across the country. Diversity and inclusion are important attributes for doing more and better business, engaging teams, attracting talent, bringing innovation, and contributing to the brand's reputation. Therefore, Magalu has done historic, consistent, and strategic work in this direction.

Affinity groups, created in 2020, are among the initiatives that make the Company a workplace where everyone feels welcomed, valued and with equal growth opportunities. These communities comprise volunteer employees whose mission is to support the Company on its diversity and inclusion journey. Each group maintains its respective agendas but with common objectives: foster safe spaces for listening and belonging, mutual support, debates and literacy.

During 2023, affinity groups have strengthened. Dedicated to the topic of women, Vozes has grown to 500 members



SPACE FOR LISTENING AND MUTUAL SUPPORT

Affinity groups in numbers

| AFFINITY GROUPS | AGENDA | NUMBER OF MEMBERS |
|-----------------|--------------------------|-------------------|
| Vozes | Gender | more than 500 |
| Para Todos | People with disabilities | 133 |
| Quilombo | Race | more than 900 |
| Diversifica | LGBTQIA+ | more than 1,000 |

who enjoy meetings and conversations on the topic. Para Todos, aimed at people with disabilities, reached 133 members and aims to expand and raise awareness and promote inclusion within the company. Quilombo, focused on racial issues, has over 900 members who debate initiatives for ethnic and cultural diversity and combating racism. There is also Diversifica, dedicated to the LGBTQIA+ community, with more than 1,000 members, aimed at promoting sexual and gender diversity.

Throughout 2023, the groups organized over 100 meetings and conducted over 100 hours of debates on various topics. Eight lectures were also held, including the participation of drag queen artist Rita von Hunty in the LGBTQIA+ Pride Month event and a panel organized by the group Para Todos with journalist Mariana Rosa, a specialist in including people with disabilities. The Quilombo group promoted a meeting with black activist Benilda Brito, while Vozes addressed topics such as self-esteem

and relationships during an open employee meeting. Another notable initiative was Quilombo’s partnership with the NGO Mover (Movement for Racial Equity), which offered 276 English scholarships to black and brown people in the company.

PEOPLE WITH DISABILITIES

Magalu develops specific actions to generate opportunities for people with disabilities. The objective is to promote the full inclusion of these employees, ensuring they have the necessary resources to perform their duties effectively. This involves granting accessibility resources in different areas, such as architectural, instrumental, communicational and methodological, to provide an inclusive and accessible environment. In addition, Magalu offers exclusive benefits to employees with some type of disability, such as funding of health insurance costs, allowance for the Gympass benefit and scholarships.

Additionally, Magalu invests in leadership and team literacy to raise awareness and train managers and colleagues to promote diversity and inclusion in the workplace. This initiative has a positive impact on organizational culture. In 2023, the inclusion program reached 651 employees.

Another new practice implemented was the Div.arejo program, which trained employees with some physical disability hired to work in various store positions, such as salespeople, sales assistants and cleaning assistants. The Company made a team of professionals available to present the benefits and the inclusion program and promoted a conversation circle. They invited the consulting company Talento Incluir to talk about behavioral issues, which covered topics such as career, emotional intelligence, protagonism and proactivity, and personal and professional marketing. In total, Div.arejo trained 36 employees.

PROFESSIONALS OF ALL AGES

Magalu considers having professionals of different ages essential for a work environment rich in exchanging experiences and knowledge. Employees of different age groups contribute to creating an organizational culture that is more inclusive and adaptable to change, allowing the company to benefit from the variety of perspectives and skills that each generation brings.

Within this perspective, Luiza Resolve — Magalu’s customer

service area — continued the 50+ Program, focusing on participants’ skills and career progression in the first edition (started in 2021). In addition, a new 50+ class was selected. The project seeks to balance the representation of people over 50, providing a mix of expertise crucial for a good experience for the end customer. From the selection process to the training, which is still ongoing, all measures were taken to ensure that these people feel integrated and welcomed at Magalu. In 2023, the 50+ Program hired seven professionals over 50 years old.

In another initiative, Magalu Young Apprentice Program has more than 1,700 employees in all business units. The focus is on hiring young people in vulnerable or low-income situations through partnerships with organizations such as Trampo Justo, Primeira Chance, Abrigo Santa Fé, Instituto PROA, Casa Dom Macário, and Celeiro Vó Tunica, among others. The program aims to increase employability among young people and serve as a gateway to the job market. In 2023, 153 young people were

hired at Magalu after the end of their contracts and now work in various areas of the company.

COMBAT VIOLENCE AGAINST WOMEN

On International Women’s Day in March, Magalu launched the second edition of the fund to finance Civil Society Organizations (CSOs) dedicated to combating violence against women. The fund supports small, medium or large entities that work to generate income, provide access to justice or support women. The objective is to strengthen the support system for victims of gender-based violence, financing selected organizations to generate continuous impact through their projects. In 2023, the fund allocated 2.2 million Brazilian Reais to projects (since 2020, it was 4.8 million Brazilian Reais).

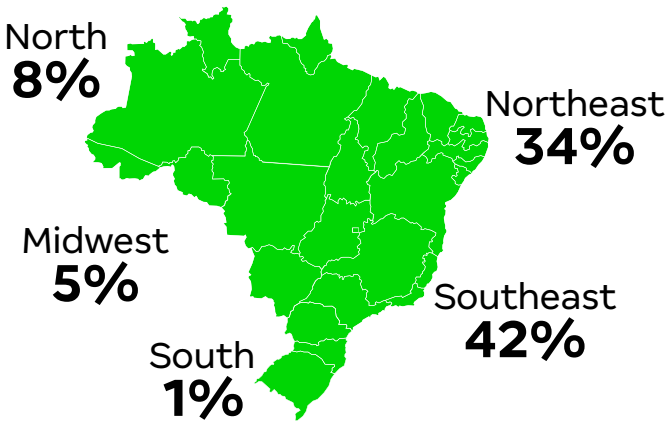
The Magalu Call Notice to Fight Violence Against Women 2023 received 702 registrations during the 38 days it was open, an increase of 53% compared to the 2020 call notice. Projects

WOMEN’S DEFENSE FUND

In 2023, Magalu published a notice to select projects to combat violence against women. Check out the numbers:

ENROLLMENT:

702 projects from Civil Society Organizations (CSOs) from **294** Brazilian cities



TOTAL APPROVED PROJECTS:

20
4 large ones, which received **150,000** Brazilian Reais each
16 medium-sized ones, which received **100,000** Brazilian Reais each

TOTAL APPROVED RESOURCES:

2.2 million Brazilian Reais

NUMBER OF DIRECT BENEFICIARIES:

2,763 people per month





from 27 states and 294 cities requested the funds, which range from 100,000 to 150,000 Brazilian Reais and will be allocated to 20 CSOs. More than 290 of the registered CSOs were from Brazil’s North and Northeast regions, a significant increase of 15% compared to the previous call notice.

In addition to financing, the selected organizations will have access to acceleration opportunities through Phomenta, an institution that supports social entrepreneurs in Brazil through specialized consulting in education, management, and innovation. In total, 2,763 people per month will benefit directly from the fund, highlighting the positive and comprehensive impact of Magalu’s initiatives in combating violence against women across the country (*learn more on [page 57](#)*).

INCLUSIVE TRAINING

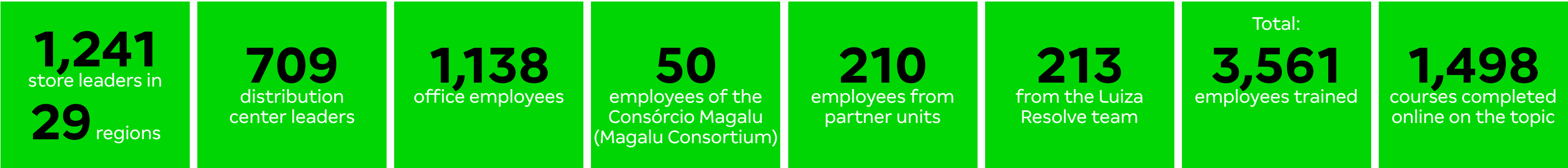
To cultivate a truly inclusive work environment in which all employees feel valued and respected, regardless of their differences, it is essential to provide ongoing diversity training. In 2023, different teams participated in training on topics such as unconscious bias, white privilege and legal issues. In total, 3,561 employees underwent some type of in-person practice and 1,498 professionals who completed the courses available on the company’s internal portal on these subjects.

For 2024, the implementation of a new learning path on Diversity, Equity and Inclusion is planned, consisting of five additional modules. In addition, an exclusive channel dedicated to the topic will be created to facilitate the search for courses and expand their reach among employees.

CONTINUOUS LITERACY

Areas and employees who underwent diversity training in 2023

Learn more
About the profile of employees on [pages 21-22, 49-51](#) and in the Schedules, [pages 72-74](#).



GRI 3-3 | 203-1 | 203-2 | 413-1

DONATIONS AND PRIVATE SOCIAL INVESTMENT

In 2023, Magalu continued work that began in March 2020, when the Company created a social investment structure to tackle the COVID-19 epidemic. The initial commitment to donate 50 million Brazilian Reais — coming from the Trajano and Garcia families, founders of the company, and Magalu itself — gained traction in 2023 with another 10 million Brazilian Reais.

At the head of the initiatives is a committee led by Luiza Helena Trajano, chairwoman of the Board of Directors, which includes representatives from areas of the company for operationalization. Mechanisms were created to guarantee effective aid distribution to those who need it most, including personal monitoring of deliveries by Magalu employees throughout Brazil. Partnerships with community leaders were established to understand the actual needs of vulnerable communities.



Event by the Mulheres da Parada group, an initiative in São Gonçalo (RJ) that receives support from Magalu

#descriptionofimage: Five women wearing aprons, t-shirts, and turbans stand in front of a counter with red cake mixers

GIVING BACK TO SOCIETY

The balance of contributions made by Magalu since 2020

+

54 million

Brazilian Reais in donations made by the controlling families Trajano and Garcia and the Company

Donations benefited

51 hospitals in
9 Brazilian states

+

49 thousand
families benefited

+

100 thousand items
donated

+

17 thousand
items donated
to cities in situations of
public calamity

CLICK AND DISCOVER
THE INITIATIVES
SUPPORTED BY
THE FUND TO
COMBAT VIOLENCE
AGAINST WOMEN



Throughout 2023, Magalu donated a total of 1,010,969.67 Brazilian Reais. This amount was used to distribute various products, such as household appliances, toys and furniture, to NGOs and non-profit institutions. The founding families donated an additional 4,501,728.58 Brazilian Reais, totaling a private social investment of 5,512,698.25 Brazilian Reais. The committee continues its work, meeting monthly to approve donation requests, monitor key indicators and prioritize the local purchase of items to benefit businesses and small entrepreneurs.

FUND TO COMBAT VIOLENCE AGAINST WOMEN

Another relevant social investment by the Company is the Magalu Fund to Combat Violence Against Women, an initiative created in August 2020 to support entities dedicated to the cause. To date, 4.8 million Brazilian Reais have been allocated to projects, covering the 2020 and 2023 call notices. The Fund works in conjunction with other initiatives to strengthen the support system for victims of gender-based violence, with funding to selected organizations to ensure continued impact through their projects. In 2023, the Fund allocated 2.2 million Brazilian Reais for this purpose.

In addition to direct funding, selected organizations also receive additional support. This support includes participation in Phomenta Acceleration, which offers specialized consulting in education, management and innovation for Civil Society Organizations (CSOs), and access to the Magalu Community of CSOs participating in the program. Of the 20 selected organi-

zations, 16 are medium-sized, which received a contribution of 100,000 Brazilian Reais each, while four are large, with a contribution of 150,000 Brazilian Reais.

JUSTICEIRAS PROJECT

In 2021, Magalu reinforced its efforts to combat violence against women by including a reporting button on the app. The cases are directed to the Justiceiras project, a program that offers support to victims within 24 hours. The multidisciplinary support network comprises volunteer professionals from different areas, such as law, psychology, social assistance and medicine.

The program goes beyond immediate support. It provides guidance on preparing police reports and requesting protective measures, provides information and strengthens and encourages victims of violence. The objective is to guide these women throughout the process, from reporting violence to going to court.

In 2023, the Justiceiras button on the Magalu app responded to 162 cases and referred them for specialized monitoring. Of the total number of women who accessed the service, 63 sought help for the first time through the platform. The severity of the cases varied: 39 were considered high severity, 73 medium severity, and 50 low severity.

The Justiceiras project is an alternative and effective channel in the fight against gender-based violence. The network of solidarity and empathy created by the program allows women to share their experiences and receive the support they need to face this reality (*learn more on [pages 52-55](#)*).

JUSTICEIRAS PROJECT

The 2023 results of the union of Magalu with the multidisciplinary program

NUMBER OF
SUPPORTED
WOMEN
162

CLASSIFICATION OF
CASES ADDRESSED
High severity: **39**
Medium severity: **73**
Low severity: **50**

NUMBER OF WOMEN
WHO ASKED FOR HELP
VIA JUSTICEIRAS FOR
THE FIRST TIME
63

NUMBER OF
REFERRED CASES
162
(100% of cases
addressed)



What we do for the planet

- Climate change
- Packaging and waste
- Use of natural resources

GRI 3-3 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5

CLIMATE CHANGE

A report from the World Meteorological Organization (WMO) pointed out that 2023 was the hottest year in the 174 years already monitored. According to the document, the global average temperature near the surface exceeded the pre-industrial era average by 1.45°C. Stopping the rise in global temperatures to avoid the worst effects of climate change is everyone's duty: individuals, companies, and governments. At Magalu, responsibility towards society and the environment goes beyond legal and economic obligations.

Since 2017, the Company has carried out an annual greenhouse gases (GHG) inventory in accordance with the GHG Protocol methodology, a global reference for emissions management. In 2019, the results began to be published in the Public Emissions Registry, an online platform that houses Latin America's largest corporate emissions inventories database. Magalu also responds yearly to the CDP Climate Change questionnaire, a tool for evaluating the Company's performance on climate issues.

IMPACT ON THE VALUE CHAIN

In the case of Magalu, the impact on GHG emissions is concentrated in product logistics (Scope 3), with 90.1% of the total. In other words, most

At the Louveira (SP) distribution center, electric forklifts replaced gas-powered ones

#descriptionofimage: A woman with long hair and a helmet drives a pink forklift. The maneuver is carried out in front of shelves full of merchandise





GREENHOUSE EFFECT

The GHG Protocol classifies and quantifies an organization’s sources of emissions into three categories



SCOPE 1
It covers direct emissions from sources that belong to the company or are controlled by it, such as vehicles from its own fleet and refrigeration equipment.



SCOPE 2
It refers to indirect emissions associated with the generation of electrical energy.



SCOPE 3
It includes other indirect emissions that occur in the company’s value chain, such as transport and distribution of products, business trips and production of purchased goods and services.

of Magalu’s emissions are associated with the transportation and distribution of products sold, reflecting the complexity and length of the company’s logistics chain.

Direct emissions (Scope 1) represent 7.1% and, although smaller, indicate the need for efficient management of operational resources and control of emission sources within the facilities themselves and the fleet. In 2023, Magalu recorded a small increase in Scope 1 emissions due to the increase in emissions related to gas used in refrigeration equipment. Indirect emissions (Scope 2), resulting from energy purchase, total 2.8%. Magalu increased Capex in generating clean energy, such as solar energy (*read more about energy on [pages 69-70](#)*), and thus guaranteed 100% renewable energy in its operations and stores.

The GHG Protocol establishes two ways of classifying emissions from electricity. In the localization approach, which quantifies GHG emissions based on the average emissions from electricity generation in the National Interconnected System (SIN), Magalu’s performance was 7.63% lower in 2023. This means that even consuming energy from the general electricity grid, the company contributed less to global warming thanks to the increased use of renewable sources in the SIN, such as the favorable scenario for the generation of hydroelectric energy.

Using the purchasing choice approach, which considers GHG emissions according to the source of electricity generation, Magalu’s Scope 2 emissions remain at zero due to Capex made in generation and acquisition of 100% renewable energy, whether through own solar plants or through the purchase of renewable energy certificates (I-RECs).

OTHER INDIRECT EMISSIONS

In relation to other indirect emissions (Scope 3), the Company reduced 10.7% of its carbon footprint in 2023. This is because, among other reasons, there was a 19% drop in emissions related to the use of packaging in its operations (Purchased Goods and Services category), a consequence of efforts to reduce the use of packaging per order and the adoption of some recycled inputs, in addition to operational performance.

In the Transport and Distribution category, which covers emissions related to the delivery of products to stores, DCs, customers’ homes and the like, Magalu achieved a 20% reduction in CO2 emissions, equivalent to around 30,000 tons. This result was obtained



The photovoltaic plant in Taubaté (SP) supplies energy to 24 of the Company’s branches

#descriptionofimage: Under the blue sky, two men wearing security uniforms check the operation of solar panels installed on a lawn

through a set of measures implemented last year. Among them is the execution of a detailed study of the frequency of supply and transfers and the design of the routes traveled by vehicles, which allowed the Company to reduce around 180,000 kilometers compared to previous routes.

It is worth highlighting the benefits of Magalu's multichannel strategy, which combines the physical world of stores with the digital world to offer customers a more complete and convenient shopping experience. Currently, 48% of orders sold by the Company go through physical stores. Multichannel contributes to reducing CO2 emissions, as stores function as distribution centers for online orders, reducing costs and improving the experience of delivering products to customers.

NEW DECARBONIZATION OPPORTUNITIES

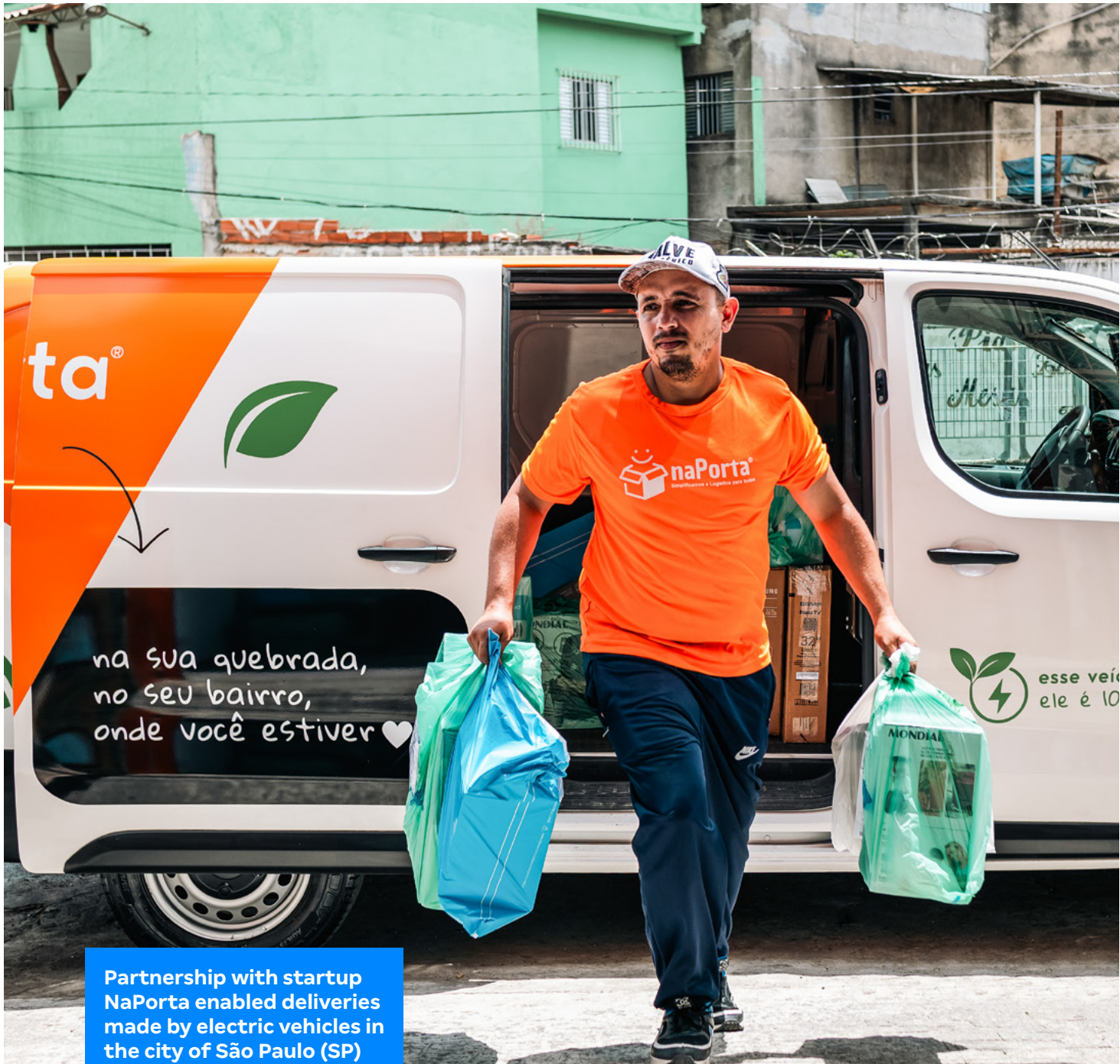
In 2023, the Company began a project to further benefit customers in São Paulo and Rio de Janeiro. In partnership with the startup NaPorta, it started to enable online shopping deliveries in regions that are difficult to access, such as areas that do not have zip code mapping. As part of this initiative, 2,600 deliveries were made by electric vehicles in the city of São Paulo, and we are studying to increase this number in other locations in the state of São Paulo and Rio de Janeiro.

This will result in emission reduction and further reinforce Magalu's commitment to inclusion and accessibility, ensuring that everyone can enjoy the convenience of online shopping and fast deliveries with low or no carbon emissions, regardless of where they are.

EMISSION INTENSITY

The Company's improvement actions in the management of greenhouse gas emissions resulted in a GHG emission intensity indicator of 4.928 tCO2e/million R\$ in 2023. This result represented a reduction of 7% compared to 2022 when the indicator was 5.302 tCO2e/million R\$.

This indicator measures the number of tons of CO2 equivalent (tCO2e) emitted by the company in relation to its net operating revenue (NOR). In other words, it represents Magalu's environmental efficiency and demonstrates how much GHG the Company emits to generate each Brazilian Real of revenue — the lower the value, the greater the efficiency in managing emissions. The calculation of this indicator considers emissions of Scope 1, 2 and 3.



Partnership with startup NaPorta enabled deliveries made by electric vehicles in the city of São Paulo (SP)

#descriptionofimage: Man in an orange t-shirt carries plastic bags in front of a white and orange delivery vehicle with the symbol indicating the electric vehicle

RECOGNIZED GOOD PRACTICES

Magalu achieved important advances in the area of Sustainability:

- It is among the companies listed on B3's Corporate Sustainability Index (ISE) for the third consecutive year.
- It is part of the fourth consecutive year of the Carbon Efficient Index (ICO2), which indicates the commitment to a low carbon economy.
- It maintained the C score in the CDP index, the financial sector's main initiative for managing climate change by companies.
- It obtained the Gold seal of the Brazilian GHG Protocol Program for the fourth consecutive year.

CLIMATE RISKS

A strategy to mitigate the effects of climate change and maximize opportunities

Since 2021, Magalu has adopted an agenda dedicated to climate risks, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The Company monitors all risks arising from climate change in its operations and is constantly preparing to face these challenges while seeking to identify and capitalize on business opportunities that may emerge from this new context.

The TCFD — a global initiative created in 2015 by the Financial Stability Board (FSB) — recommends that companies disclose their climate-related actions on four fronts: governance, strategy, risk management, metrics and objectives. This division allows businesses from the most varied sectors to use the guidelines and compare their performance.

GOVERNANCE

Every quarter, the People and Organizational Culture Committee of Magalu’s Board of Directors evaluates the action plans related to the topic and the achievement of goals, as monitored by the executive board panel. Internal indicators help monitor compliance with these goals, which are

reviewed monthly by thematic committees for purposes of calculation and financial bonuses for the teams involved. With more in-depth work on the impacts of climate risks and opportunities, the topic has been gaining prominence in the discussions of Magalu’s Board of Directors.

STRATEGY

In 2023, the Company deepened the analysis of previously identified risks and opportunities to develop action plans to mitigate the effects of climate events on its operations. This process resulted in the

identification of new transition risks that had not been included in its initial matrix and the discovery of new opportunities (see *table on the [next page](#)*).

RISK MANAGEMENT

After delving into the matrix of climate risks and opportunities, Magalu started working on managing the impacts of these risks. Recent extreme events, such as droughts on the Amazon River and intense rains in Rio Grande do Sul, demonstrate the urgency and importance of this effort.

With the new version of the matrix, meetings will be held with the areas involved in each action

plan to verify the need for possible adjustments. From then on, the financial impacts of climate risks on the business will be reviewed in terms of the short, medium, and long term. Magalu is committed to addressing these new challenges proactively and transparently to ensure the sustainability and resilience of all its operations in the future.

METRICS AND OBJECTIVES

The company has published its greenhouse gas (GHG) emissions inventories in the GHG Protocol since 2020 and discloses all data related to climate actions in the CDP. In recent years, it has developed several pilot projects to reduce the emission potential of operations. The MAC curve, a tool that identifies the most cost-effective carbon reduction projects, will be finalized in 2024.

In 2023, with the support of specialized consulting, the emission inventory was scrutinized and proved robust to allow the creation of targets. Currently, Magalu is evaluating the feasibility of submitting its targets to the SBTi (science-based targets), an initiative that establishes methods and tools for companies to define science-based emission reduction targets.





TRANSITION RISKS

Transition risks, as the name suggests, are associated with transitioning to a low-carbon economy. As to the risks related to emerging climate regulations, the possibility of taxation on the Company's emissions was mapped due to the establishment of sectoral targets, in addition to possible taxation on sales of low-efficiency electronic equipment, which would imply an increase in operating costs.

In this same category, there is a risk of regulatory bodies requiring more detailed reports on the value chain emissions — a challenge due to a large number of product and service suppliers of different sizes spread across thousands of locations across the country.

Among market risks, sudden changes and fluctuations in temperature — characteristics of the increasingly unpredictable climate — create uncertainty in supply chain planning and can affect business performance.

The analysis also pointed out that the average temperature increase can affect employees'

well-being. To improve working conditions and reduce legal risks related to labor lawsuits, Magalu plans to make capex in air conditioning infrastructure for facilities, resulting in increased operational costs with electricity.

On the reputational front, there is expected to be greater scrutiny from stakeholders regarding the company's performance in sustainability indexes. Therefore, poor performance could lead to restrictions on access to capital.

Lastly, technological risks include those related to tools and devices needed to adapt to a low-carbon economy. An increase in capex is expected to transition the fleet's energy matrix, such as adopting new delivery modes or funding research to develop new alternatives.

PHYSICAL RISKS

Among the acute physical risks — related to extreme and specific events — are heavy rains, which can cause damage to facilities, as well as flooding in stores, distribution centers and offices.

Based on the study carried out, it is possible to predict that, with the increase in the severity and frequency of extreme events, there may be an increase in claims and expenses with insurance policies due to structural damage and write-off of assets. Furthermore, considering the company's value chain, the increase in flooding could affect logistics costs due to road

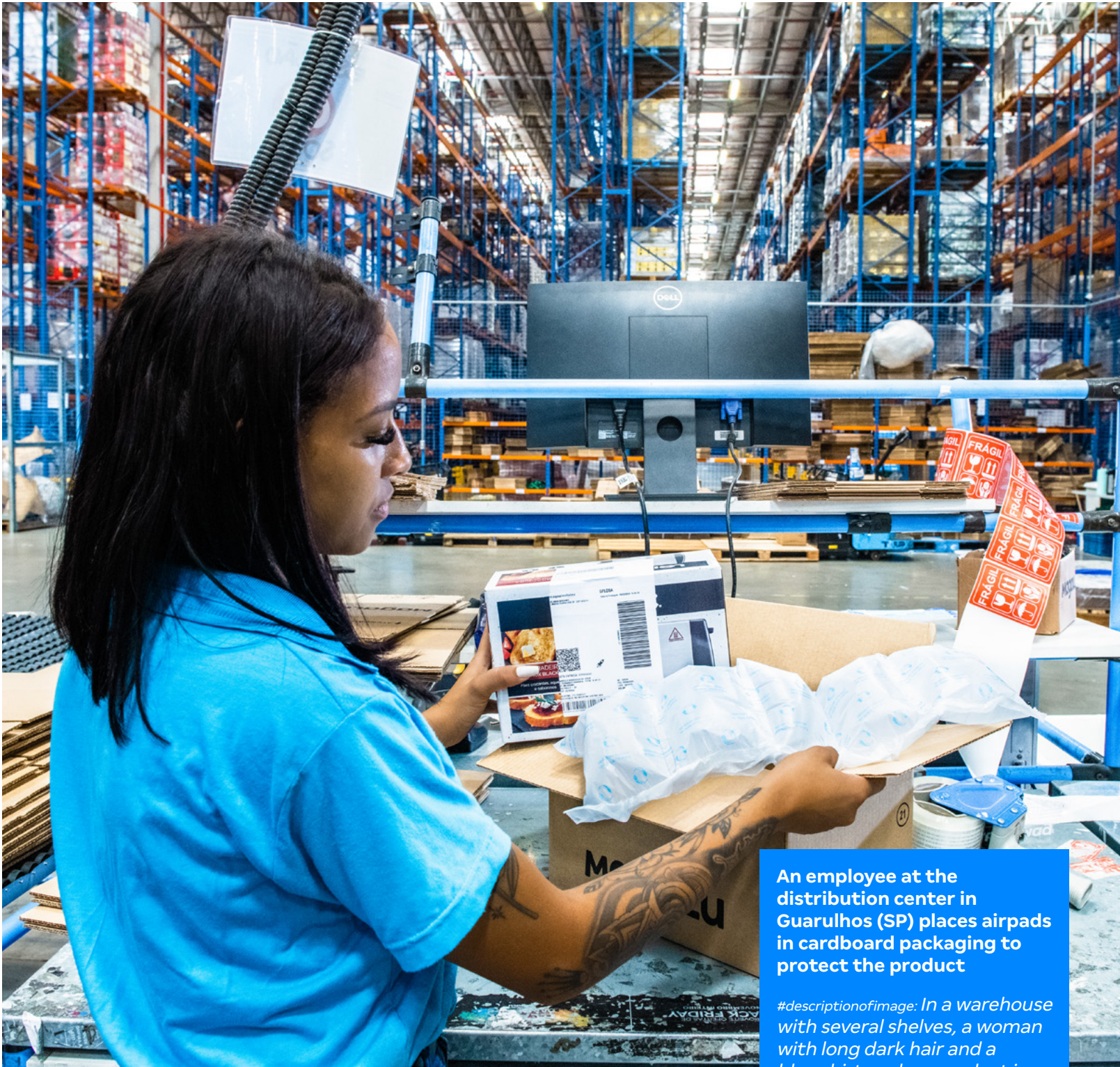
obstructions and damage to vehicles and goods in transit. Dry periods also directly affect the supply operation.

Chronic physical risks are related to gradual and persistent climate changes that affect environmental conditions over time. In the case of Magalu, the increase in average temperature is the risk of greatest impact. To avoid harm to the health and well-being of employees and consumers, it is expected that Magalu will be impacted by increased costs for the air conditioning infrastructure of its facilities and operating expenses with electricity.

OPPORTUNITIES

For Magalu, there are also business opportunities in the face of climate change, such as increasing the supply of low or no-carbon-emission products and services. One example is the credit facility that is exclusive of sustainable products offered by Consórcio Magalu (Magalu Consortium). The list of products includes electric bicycles, motorcycles, cars, tuk-tuks, photovoltaic panels and CNG gas kits.

More information is available on the website <https://consorciomagalu.com.br/sustentaveis/>. Opportunities provided by the reduction of operational costs with capex in clean energy generation technology and the operational resilience offered by independent energy generation are also considered, given that the water crisis and other external factors can impair energy availability and, consequently, increase operating costs.



An employee at the distribution center in Guarulhos (SP) places airpads in cardboard packaging to protect the product

#descriptionofimage: In a warehouse with several shelves, a woman with long dark hair and a blue shirt packs a product in cardboard packaging

CARBON FOOTPRINT

Greenhouse gas (GHG) emissions in the last five years

GRI 305-1 | 305-2 | 305-3 | 305-4

GHG emissions (in tCO₂e)^{1,2}

| Scope/Category | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------|-----------|------------|------------|------------|
| Stationary combustion | 51.65 | 178.29 | 158.93 | 144.72 | 66.5 |
| Mobile combustion | 3,178.33 | 3,297.20 | 2,467.55 | 2,770.62 | 2,681.40 |
| Fugitive emissions (air conditioning + fire extinguishers) | 2,001.48 | 6,109.34 | 7,216.92 | 6,835.25 | 10,385.32 |
| Scope 1 | 5,231.46 | 9,584.83 | 9,843.40 | 9,750.59 | 13,133.22 |
| Scope 1 – biogenic emissions | 803.24 | 530.43 | 1,205.18 | 902.71 | 1,101.53 |
| Scope 2 – acquisition of electric power (location) | 7,241.72 | 5,065.24 | 15,100.92 | 5,650.12 | 5,219.37 |
| Scope 2 – acquisition of electric power (purchase choice) | 6,840.23 | 3,784.49 | 10,029.78 | 0 | 0 |
| Employee commuting | 5,463.16 | 6,181.09 | 7,375.51 | 8,041.96 | 17,970.20 |
| Activities related o fuel and energy not included in Scopes 1 and 2 | - | - | 58.74 | 56.29 | 0 |
| Purchased goods and services (paper, plastic, and LPG) | 1,994.22 | 2,121.36 | 7,887.15 | 6,366.53 | 5,162.39 |
| Solid waste generated | 498.16 | 7,905.31 | 31,629.54 | 7,099.90 | 7,802.25 |
| Transport and distribution (downstream) ³ | - | - | 2,773.39 | 1,879.56 | 4,663.41 |
| Transport and distribution (upstream) ³ | 27,179.91 | 57,914.16 | 203,051.22 | 163,820.76 | 131,517.79 |
| Business trips | 1,119.07 | 693.27 | 770.31 | 757.68 | 941.16 |
| Scope 3 | 36,254.52 | 74,815.18 | 253,545.86 | 188,022.68 | 168,057.20 |
| Scope 3 – biogenic emissions | 8,649.69 | 10,621.29 | 25,324.51 | 19,399.04 | 22,025.71 |

¹ THE DATA WERE CONSOLIDATED FROM THE OPERATIONAL CONTROL, USING AS REFERENCE THE EMISSION FACTORS OF THE BRAZILIAN GHG PROTOCOL PROGRAM, IPCC, AND MCTI. FOR GLOBAL WARMING POTENTIAL, THE UNFCCC CLIMATE CONFERENCE FOLLOWED, HENCE AR5. FOR THE CALCULATION, THE WAYCARBON CLIMAS TOOL WAS USED.

² AS OF 2020, EMISSIONS FROM THE ENTIRE ECOSYSTEM ARE ACCOUNTED FOR, INCLUDING MAGALU AND THE ACQUIRED COMPANIES.

³ AS OF 2021, THE TRANSPORT OF PRODUCTS CARRIED OUT BY THIRD-PARTY CARRIERS WAS TRANSFERRED FROM DOWNSTREAM TO UPSTREAM. IN PREVIOUS YEARS, EMISSIONS FROM THE SAME SAMPLE OF CARRIERS WERE CONSIDERED DOWNSTREAM. THEREFORE, RETROACTIVE EMISSIONS ALSO CHANGED CATEGORY



GRI 3-3 | 301-1 | 301-2 | 306-1
SASB CG-MR-410a.3

PACKAGING AND WASTE

The Global Waste Management Outlook report, published by the United Nations in 2024, points out that 2 billion tons of solid waste are produced annually in urban areas worldwide. This waste impacts the planet in three different ways: climate change, biodiversity loss and pollution. The fight concerns everyone: citizens, governments and companies. Magalu constantly seeks solutions and technologies that reduce the environmental impact of the waste it generates and the packaging it uses. An example is the voluntary delivery points for electronic goods, installed in 500 stores throughout Brazil. They are available to customers who need to dispose of their used or broken devices. In three years, the program has already collected more than 20 tons of materials — 16.9 tons in 2023 alone.

The Company takes full responsibility for waste management in its activities, from generation and segregation to final disposal, in an environmentally appropriate manner. To achieve this, it has a specialized team and approved partners who ensure the correct transportation and treatment of materials.

In 2023, the total volume of waste generated decreased

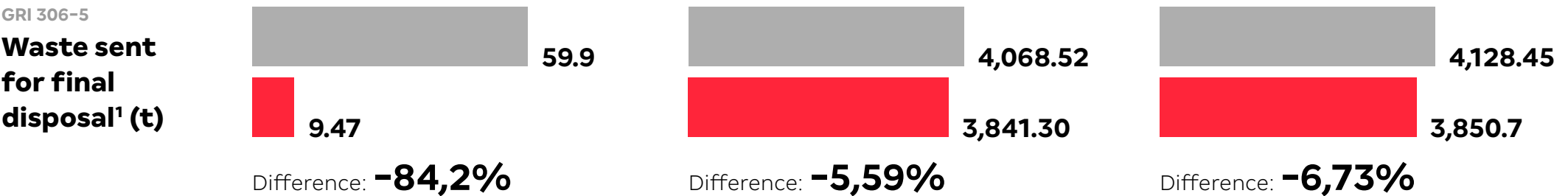
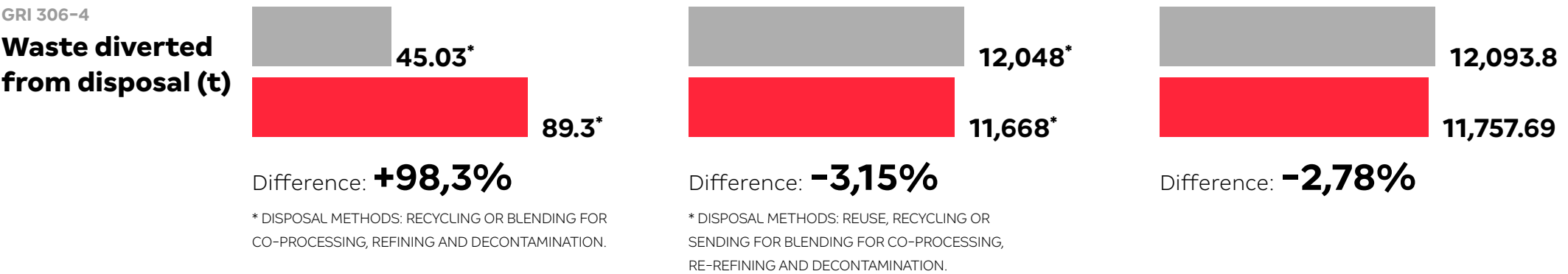
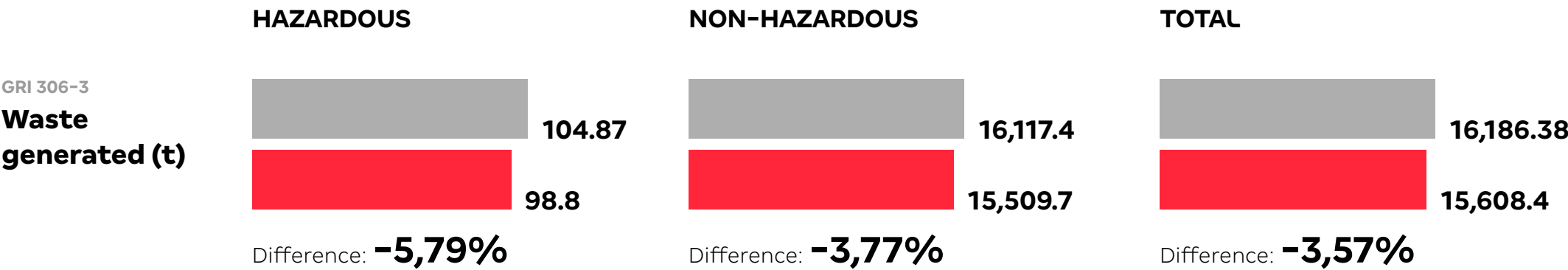
Event that had Magalu as one of the sponsors, in Presidente Prudente, promoted a joint effort to collect electronic waste (SP)

#descriptionofimage: In the foreground, two men wearing special protective gloves carry parts of electronic equipment

TOTAL WASTE GENERATED IN THE YEAR

Volume decreased by 3.57% as a result of several initiatives. The recovery percentage was 75.2%

2022 2023



¹ FINAL DISPOSAL METHODS ARE INCINERATION OR LANDFILL

by 3.57% compared to 2022. The positive result reflects several fronts of effort. One of the strategies adopted was the improvement of internal processes through intensive team training, which enabled employees to identify, separate and properly allocate materials for disposal. Furthermore, an integrated waste management platform was implemented that monitors and controls the entire process.

More than 99% of the waste generated in the Magalu operation is considered non-hazardous and, in 2023, the sending of these materials for incineration and processing was completely eliminated. In the DCs, the largest waste generated is cardboard and plastic and, last year, the recyclability percentage of these materials reached 75.2%.

In 2023, the company reduced the volume of paper, cardboard, tailings and organic waste. On the other hand, there was an increase in the volume of wood, metals and plastic. This increase is directly related to the growth in activity in logistics hubs, where the handling of these materials is more intense.

There was also an increase in the generation of Styrofoam, resulting from improvements in the classification of waste, and pruning and sweeping remains, a result of gardening maintenance carried out in the operations.

HAZARDOUS WASTE

Hazardous waste represents less than 1% of the total generated in Magalu’s operations. During the year, there was a change in the partner responsible for disposing of damaged items, classified as hazardous, which allowed a significant amount of waste to be sent for recycling, compared to the previous year.

Magalu made progress in developing more effective methods for waste disposal throughout 2023. As a result, there was a significant reduction in the sending of hazardous waste for incineration — a reduction of 83% — and the amount of hazardous waste sent to specific landfills for this purpose also decreased by 90%.



1 Professional from Retalhar, a company specializing in reverse logistics, carries out the first part of the recycling process: removing the Magalu brand from clothes.



2 After the company logo has been defaced, for safety reasons, the material is crushed and goes through other stages before being transformed into blankets.



3 Blankets made from reused uniforms are donated to NGOs, such as Anjos da Cidade, which assists people in socially vulnerable situations.

SOCIAL IMPACT

Discarded uniforms are turned into blankets for people in vulnerable situations

14,274 pieces of uniform — or **4,539** kilos of clothing — that would have been incinerated were transformed into **4,172** blankets.

CIRCULAR ECONOMY

In 2023, Magalu continued with its circularity project: the transformation of discarded uniforms into blankets that are donated to institutions that support people in situation of social vulnerability. Throughout the year, through a partnership established with the textile reverse logistics company Retalhar, the Company ensured the correct and safe disposal of 4,539 kilos of professional uniforms. There were 14,274 pieces that would otherwise have been incinerated and were used to produce 4,172 blankets, distributed to NGOs.

The electronic goods used in internal operations are destined for a partnership between Magalu and ReUrbi, a reverse logistics company specializing in IT materials. These products are sold after being recycled or reconditioned, and part of the funds are invested in socio-environmental initiatives.

As a result of this work, in 2023 Magalu, in partnership with the ReUrbi Institute, allocated 127 cell phones to the Conexão Povos da Floresta project, created by the Coordination of Indigenous Organizations of the Brazilian Amazon (Coiab), by the National Coordination of Articulation of Rural Black Maroon Communities (Conaq) and the National Council of Extractive Populations (CNS). Conexão Povos da Floresta aims to connect to the



Members of the Yanomami community from Aldeia Tukaya (PA), a community benefiting from Conexão Povos da Floresta, a project supported by Magalu

#descriptionofimage: Eight members of an indigenous community are standing looking at the photo. One of the men holds a sign with the words “Conexão Povos da Floresta”

INNOVATIVE SOLUTIONS

The use of recycled raw materials and the production of packaging in more suitable formats are examples of actions to reduce environmental impact

ENVELOPES

The security envelopes, made up of 60% recycled plastic and 40% virgin plastic, are an example of innovation. In addition to using recycled raw materials, two new formats were created, with intermediate sizes, which reduce the use of inputs, storage, costs, shipping and packaging time, as fewer folds are made.



CARDBOARD BOXES

The cardboard used in the production of boxes contains up to 50% recycled material. All models use FSC (Forest Stewardship Council) certified cardboard, certifying the raw material's origin in responsibly managed forests.



AIRPADS

Used as padding to protect products in boxes, airpads are made from 60% post-consumer recycled plastic and 40% virgin plastic.



Between 2022 and 2023, the volume of plastic from recycled sources in packaging increased from **4%** to **19%**. Furthermore, **79%** of packaging raw materials come from renewable or recycled sources, such as paper, bioplastic and recycled plastic.

GRI 301-1, 301-2
The volume of materials used and percentage of raw materials or recycled materials used¹

| SOURCE | MATERIAL NAME | QUANTITY USED (T) | QUANTITY OF MATERIAL FROM RECYCLING (T) | PERCENTAGE FROM RECYCLING (%) |
|---------------|-----------------|-------------------|---|-------------------------------|
| Renewable | Paper/Cardboard | 2,007.81 | 1,504.14 | 74.91 |
| Non-renewable | Plastic | 698.12 | 135.39 | 19.39 |
| Non-renewable | Metal | 0.40 | 0 | 0 |

¹ THE INDICATOR CONSIDERS THE MATERIALS USED IN PACKAGING (WITH THE GROUP'S LOGO) SENT TO CUSTOMERS.

network, through broadband internet, more than 5,000 communities in protected territories of the legal Amazon. The project combines connectivity with programs of inclusion, empowerment, access to health, education and professional opportunities.

GOOD PRACTICES AND EFFICIENCY

Reviewing packaging is a constant practice at Magalu, which seeks to meet sustainability principles without compromising the customer's shopping experience. To achieve this, three guidelines are strictly followed: reducing the use of materials, seeking to use post-consumer materials and using certified raw materials.

In 2023, Magalu reduced its virgin paper and cardboard consumption by 995 tons. This result was achieved by carefully selecting the most suitable packaging for each type of product. It is also worth highlighting the adoption of the simplified Danfe, a summarized Electronic Invoice now stickered outside the packaging. Previously, it was printed on a sheet of bond paper, packed in a plastic bag and attached to the package. With the change, it was possible to exclude paper use in packaging.

These initiatives resulted in an increase in efficiency of 27% compared to 2022, considering the indicator that measures the quantity of material per order. In the same period, the Company also reduced the use of virgin plastic in packaging by 280 tons, representing a 25% drop in the indicator that measures the amount of plastic in grams per order. Currently, 19.4% of plastic shipping packaging volume comes from recycled sources — a significant increase compared to 4% in 2022.

In relation to the use of raw materials from renewable and recycled sources in packaging, such as paper, bioplastic and recycled plastic, the share of these materials increased from 70% to 79% in one year. The performance in the consumption of packaging materials is influenced by the operational results of the Group's companies throughout 2023. The gains in relative indicators, measured in grams per order, demonstrate the effectiveness of eco-efficiency and natural resources management efforts. These efforts reflect Magalu's ongoing commitment to sustainability and innovation, seeking a balance between quality, efficiency and environmental responsibility.

Learn more
About the waste generated and its destination in the Schedules, [pages 72-74](#).



Pipe for rainwater collection at the distribution center in Guarulhos (SP)

#descriptionofimage: Two men in blue shirts work near large industrial equipment. One of them operates a valve on a red pipe that runs horizontally on a support on the floor

GRI 3-3 | 302-1 | 302-2 | 302-3 | 302-4 | 303-1
SASB CG-MR-130a.1

USE OF NATURAL RESOURCES

The scarcity of natural resources ranks fourth on the list of the biggest threats to the planet over the next ten years, according to the most recent Global Risks Report from the World Economic Forum. The issue is of less concern than extreme weather events, critical changes to Earth's systems, loss of biodiversity, and ecosystem collapse. The ranking shows the urgency of the situation. Reducing the consumption of natural resources, such as water and energy, is fundamental for both organizations and society.

In 2023, Magalu maintained its commitment to have 100% of its units supplied with renewable energy. The company expanded its solar plant fleet to 20 units in the distributed generation model, an increase of 25% compared to 2022. In distributed generation, consumers produce renewable energy on their properties, consume this energy locally and inject the surplus into the electrical grid.

To serve units that cannot participate in distributed generation projects, Magalu contracted energy from wind sources in the free contracting environment (in which consumers can freely negotiate the conditions for purchasing electricity with the generators or traders of their choice) and acquired I-REC (International Renewable Energy Certificate) certificates. These certificates attest that the electricity consumed comes from renewable sources.

In the coming years, Magalu will expand its renewable energy projects further. The objective is to increase the number of units linked to solar plants, whether dedicated to Magalu or shared generation, carried out through consortia. Despite the expansion of the use of renewable energy, it is worth noting that total electricity consumption in Magalu showed a slight increase of 3% compared to 2022 due to the increase in temperature resulting from the effects of El Niño and La Niña in some regions.



As a result, the company used refrigeration equipment for longer and with greater power.

Furthermore, the energy intensity indicator — which measures energy consumption in relation to the company’s net operating revenue (NOR) — rose to 3,720 MWh/million R\$ in 2023, an increase compared to 3,547 MWh/million R\$ in the previous year. This average considers the total electrical energy (Scope 2) of the entire ecosystem, which includes Magalu and related companies. The small variation in this indicator was due to the increase in energy consumption and the performance of ROL in the period ([learn more about energy consumption on pages 59–64](#)).

WATER CONSUMPTION

Since 2022, Magalu has been improving its water consumption measurement procedures. The operational units are responsible for sending monthly consumption data, accompanied by supporting

documents, such as invoices, receipts, extracts from condominiums and shopping malls, and records from artesian wells, to the company’s control department.

Magalu optimized the management of water consumption in its operational units in 2023 by increasing direct measurement of consumption to 73% of stores — obtained through water bills, which show consumption in cubic meters of water and treated sewage. This process already covers 100% of distribution centers.

For the 27% of stores that do not yet have direct measurement, Magalu adopted an estimation methodology based on the average consumption of similar units. In exceptional cases, when the unit cannot send data due to the unavailability of information, it is necessary to present a formal justification to the Sustainability team for analysis. In this scenario, consumption is estimated based on the consumption profile of similar units.

GRI 302-1 | 302-2

ENERGY CONSUMPTION INSIDE AND OUTSIDE MAGALU

Energy used in 2022 and 2023, by type of source, in gigajoules (GJ)

2022

| Source | Scope 1 | Scope 2 | Scope 3 | Total |
|-------------------------------|-----------|------------|--------------|--------------|
| NON-RENEWABLE FUELS | | | | |
| Acetylene | 0.09 | - | | 0.09 |
| Diesel | 21,558.25 | - | 2,165,250.09 | 2,186,808.34 |
| Gasoline | 2,648.79 | - | 310,024.69 | 312,673.48 |
| Liquefied Petroleum Gas (LPG) | 1,573.81 | - | 6,029.38 | 7,603.19 |
| Compressed Natural Gas (CNG) | | - | 156.69 | 156.69 |
| Aviation kerosene | 16,413.74 | - | 41,907.36 | 58,321.10 |
| RENEWABLE FUELS | | | | |
| Hydrated ethanol | 10,546.11 | - | 2,621.56 | 13,167.67 |
| PURCHASED ELECTRIC POWER | | | | |
| Electricity | - | 476,248.28 | - | 476,248.28 |
| Total | 52,740.79 | 476,248.28 | 2,525,989.77 | 3,054,978.84 |

2023

| | | | | |
|-------------------------------|------------|------------|--------------|--------------|
| NON-RENEWABLE FUELS | | | | |
| Acetylene | 0.09 | | | 0.09 |
| Diesel | 42,634.95 | | 3,891,607.31 | 3,934,242.26 |
| Gasoline | 7,951.82 | | 762,375.61 | 770,327.43 |
| Aviation gasoline | 328.82 | | | 328.82 |
| Liquefied Petroleum Gas (LPG) | 1,208.99 | | 11,331.12 | 12,540.11 |
| Compressed Natural Gas (CNG) | | | 649.21 | 649.21 |
| Aviation kerosene | 28,556.51 | | 24,031.18 | 52,587.69 |
| RENEWABLE FUELS | | | | |
| Hydrated ethanol | 25,703.88 | | 5,063.21 | 30,767.09 |
| PURCHASED ELECTRIC POWER | | | | |
| Electricity | | 492,451.34 | | 492,451.34 |
| Total | 106,385.06 | 492,451.34 | 4,695,057.65 | 5,293,894.05 |

GRI 303-5

Water consumption, in megaliters

| | |
|------|------|
| 2022 | 2023 |
| 544 | 578 |



Schedules

- Schedules
- Summary of GRI contents
- Index of SASB indicators contents
- Contacts



SCHEDULES

GOVERNANCE

GRI 2-12

The Board of Directors’ responsibilities include providing strategic guidance and supervising its execution, as well as overseeing the management of the Officers, assessing the quarterly results of operations, and approving annual and multi-annual budgets, expansion projects and capex programs, among others. With the support of the Advisory Committees, the Directors debate and validate corporate policies, including Sustainability, Human Rights, Diversity and Inclusion etc.

RISK MANAGEMENT

GRI 2-16

Shareholders and other market agents and individuals can access the Investor Relations area to report concerns or directly contact the Company’s Advisory Committees and competent bodies to take the mapped critical concerns to the Board of Directors.

GRI 2-27

As in the previous two years, no significant cases of non-compliance or definitive convictions resulted in the imposition of fines.

COMPANY + DATA

GRI 201-1

Economic value generated and distributed (in million R\$)

| | 2022 | 2023 |
|---------------------------------|--------|--------|
| A. Economic value generated* | 43,738 | 43,951 |
| B. Economic value distributed** | 44,230 | 43,797 |
| C. Economic value retained*** | -492 | 154 |

*REVENUE.

**OPERATING COSTS, SALARIES AND BENEFITS, PAYMENTS TO THE GOVERNMENT AND CAPEX IN THE COMMUNITY.

***DIRECT ECONOMIC VALUE GENERATED LESS ECONOMIC VALUE DISTRIBUTED.

Breakdown of the amount distributed (in million R\$)

| | 2023 |
|--------------------------------|---------------|
| Operating costs | R\$ 33,907.00 |
| Salaries and employee benefits | R\$ 3,019.00 |
| Payments to capital providers | R\$ 1,886.00 |
| Payments to the government | R\$ 4,985.00 |
| Total | R\$ 43,797.00 |

OUR EMPLOYEES

GRI 2-30

At Magalu, 100% of employees are covered by collective bargaining agreements.

TOTAL OF EMPLOYEES

GRI 2-7

Employees by type of workload and gender¹

2022

| | MALE | FEMALE | TOTAL |
|---------------------------------|--------|--------|--------|
| Permanent | 19,796 | 18,351 | 38,147 |
| Temporary | 325 | 270 | 595 |
| TOTAL | 20,121 | 18,621 | 38,742 |
| Intermittent | 1,317 | 1,843 | 3,160 |
| GRAND TOTAL (with intermittent) | 21,438 | 20,464 | 41,902 |

2023

| | MALE | FEMALE | TOTAL |
|---------------------------------|--------|--------|--------|
| Permanent | 18,616 | 17,797 | 36,413 |
| Temporary | 411 | 109 | 520 |
| TOTAL | 19,027 | 17,906 | 36,933 |
| Intermittent | 1,182 | 1,479 | 2,661 |
| GRAND TOTAL (with intermittent) | 20,209 | 19,385 | 39,594 |

¹ THE COMPANY ALSO HAS APPROXIMATELY 2,300 OUTSOURCED WORKERS WHO WORK MAINLY IN THE AREAS OF CLEANING, MAINTENANCE, AND LOGISTICS (GRI 2-8).

GRI 405-2

Ratio of base salary and compensation received by women and those received by men¹ in 2023

| | BASE SALARY | COMPENSATION |
|--------------------|-------------|--------------|
| Board of Directors | 1.67 | 1.67 |
| Executive Board | 0.95 | 0.93 |
| Management | 0.92 | 0.86 |
| Coordination | 0.93 | 1 |
| Administrative | 0.72 | 0.73 |
| Operations | 0.74 | 0.75 |
| Apprentices | 0.96 | 0.96 |
| Interns | 0.88 | 0.89 |

¹ TO CALCULATE THE RATIO BETWEEN THE BASE SALARY OF MEN AND WOMEN, THE SUM OF AVERAGE FEMALE SALARIES/THE SUM OF AVERAGE MALE SALARIES WERE USED. THE COMPENSATION CALCULATION FOLLOWED THE SAME MODEL. SALARIES AND COMPENSATIONS THAT HAD NO COMPARATIVE BASIS WERE EXCLUDED FROM THE SUM.

GRI 2-21 | GRI 202-1

The ratio between the highest-paid individual’s total annual compensation and other employees’ annual average is 42.25. The calculation considers fixed compensation, variable compensation and benefits. In 2022, this difference was 40.73.

The lowest salary paid by the organization is the national minimum wage, which, in 2023, was R\$1,320.00 (as of May 2023). The minimum value is valid for men and women (does not consider intermittent workers, apprentices and interns).

GRI 401-3

Parental leave

| | 2022 | | 2023 | |
|--|------|-------|-------|-------|
| | MEN | WOMEN | MEN | WOMEN |
| Employees entitled to maternity/ paternity leave during the year | 100% | 100% | 100% | 100% |
| Number of employees who took leave in the year | 354 | 1058 | 640 | 1245 |
| Number of employees expected to return to work after the end of leave in the year ¹ | 354 | 1057 | 635 | 972 |
| Number of employees who returned to work after the end of the leave in the year | 354 | 1049 | 635 | 971 |
| Number of employees who completed twelve (12) months after returning from leave still working at the Company | 418 | 493 | 383 | 499 |
| Return rate ² | 100% | 99% | 100% | 99.9% |
| Retention rate ³ | 65% | 51% | 60.3% | 51.4% |

1 EMPLOYEES WHO LEFT ON LEAVE DURING THE YEAR AND WILL RETURN IN THE SAME YEAR OR WHO LEFT AT THE END OF THE PREVIOUS YEAR AND WOULD RETURN IN THE REPORTED YEAR.
2 RETURN RATE = TOTAL NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER LEAVE / TOTAL NUMBER OF EMPLOYEES WHO SHOULD RETURN TO WORK AFTER LEAVE X 100.
3 RETENTION RATE = TOTAL NUMBER OF EMPLOYEES RETAINED TWELVE (12) MONTHS AFTER THEY RETURNED TO WORK AFTER LEAVE / TOTAL NUMBER OF EMPLOYEES WHO RETURNED FROM LEAVE IN THE PREVIOUS REPORTING PERIOD(S) X 100.

GRI 404-1

Average training hours per gender¹

| | 2022 | 2023 |
|-------|-------|-------|
| Men | 12.46 | 9.36 |
| Women | 14.41 | 11.02 |
| Total | 13.43 | 10.17 |

1 THE CALCULATION OF TRAINING HOURS CONSIDERS THE EMPLOYEE BASE FROM DECEMBER 2023, EXCEPT FOR THE LUIZA CONSORTIUM, WHICH CONSIDERED THE EMPLOYEE BASE FROM JANUARY 2024.

GRI 404-1

Average hours of training per position¹

| | 2022 | 2023 |
|-----------------|-------|-------|
| Chairmanship | - | 0.25 |
| Executive Board | 0.46 | 7.59 |
| Management | 30.16 | 24.41 |
| Coordination | 19.3 | 16.34 |
| Administrative | 8.3 | 3.30 |
| Operations | 14.26 | 10.80 |
| Apprentices | 3.53 | 3.35 |
| Interns | 13.25 | 17.50 |
| Intermittent | 0 | 0.68 |
| Total | 13.43 | 10.17 |

1 THE CALCULATION OF TRAINING HOURS CONSIDERS THE EMPLOYEE BASE FROM DECEMBER 2023, EXCEPT FOR THE LUIZA CONSORTIUM, WHICH CONSIDERED THE EMPLOYEE BASE FROM JANUARY 2024.

GRI 404-3

Percentage of employees who received performance and career development reviews per gender

| | 2022 | 2023 |
|-------|--------|--------|
| Men | 75.00% | 66.34% |
| Women | 80.00% | 68.08% |
| Total | 75.00% | 67.19% |

GRI 404-3

Percentage of employees who received performance and career development reviews per position

| | 2022 | 2023 |
|-----------------|------|--------|
| Chairmanship | - | - |
| Executive Board | 91% | 59.09% |
| Management | 90% | 89.35% |
| Coordination | 84% | 82.56% |
| Administrative | 79% | 74.98% |
| Operations | 75% | 72.56% |
| Apprentices | 58% | 28.17% |
| Interns | 33% | 43.24% |

WHAT WE DO FOR THE PLANET

GRI 306-3

Total waste generated by composition (t)

| | 2022 | 2023 |
|---------------------------------|--------|-------|
| HAZARDOUS WASTE | | |
| Battery water | 1.98 | 27 |
| Water and oil separator box | 6.82 | 6.79 |
| Effluents with workshop waste | 2.27 | 19.10 |
| Contaminated rags/cloths/papers | 17.11 | 2.80 |
| Lamps | 1.05 | 0.09 |
| Lubricant oils | 4.17 | 1.19 |
| Damaged and returned products | 68.98 | 41.81 |
| Outpatient clinic waste | - | 0.002 |
| Batteries | 2.42 | - |
| Contaminated PPE and uniforms | 0.05 | - |
| Hazardous waste subtotal | 104.87 | 98.8 |

NON-HAZARDOUS WASTE

| | | |
|---------------------------------|-----------|----------|
| Grease and/or cooking oil traps | 30.55 | 87.2 |
| Operation electronics | 28.78 | 29.5 |
| Rubble/concrete | 1.68 | 5.7 |
| Operation PPE | 2.54 | 1.3 |
| Septic tanks | 1,106.17 | 246.6 |
| Styrofoam | 8.98 | 15.00 |
| Wood | 290.83 | 450.2 |
| Metals | 82.43 | 151.5 |
| Mixture of recyclable waste | 6,496.52 | 6,494.5 |
| Organic | 431.4 | 370.5 |
| Cardboard/paper | 2,939.72 | 2,615.6 |
| Alkaline batteries | - | 0.002 |
| Plastic | 360.28 | 601.7 |
| Waste tires | - | 5.1 |
| Pruning or sweeping waste | 103.56 | 338.9 |
| Damaged and returned products | 727.81 | 853.9 |
| Waste | 3,433.9 | 3,217.4 |
| Uniforms | 7.61 | 4.5 |
| Glass | 31.14 | 20.7 |
| Toners | 1.3 | - |
| Food oil and grease | 32.2 | - |
| Subtotal of non-hazardous waste | 16,117.4 | 15,509.7 |
| TOTAL WASTE GENERATED | 16,186.38 | 15,608.4 |

GRI 306-4

Total waste diverted from disposal by composition (t)

| | 2022 | 2023 |
|---------------------------------|----------|-----------|
| Battery water | 2.0 | 27 |
| Grease and/or cooking oil traps | 30.6 | 87.2 |
| Water and oil separator boxes | - | 1 |
| Effluents with workshop waste | - | 19.1 |
| Operation electronics | 28.8 | 29.5 |
| Operation PPE | 2.5 | 1.3 |
| Contaminated rags/cloths/papers | 9.3 | 2 |
| Septic tanks | 1,106.2 | 246.6 |
| Styrofoam | 9 | 15 |
| Lamps | 1.1 | 0.1 |
| Wood | 272.4 | 404.1 |
| Metals | 82.4 | 151.5 |
| Mixture of recyclable waste | 6,494.4 | 6,494.5 |
| Lubricant oils | 4.2 | 1.1 |
| Organic | 92.4 | 81.5 |
| Cardboard/paper | 2,927.9 | 2,615.6 |
| Plastic | 358.1 | 601.7 |
| Waste tires | - | 5.1 |
| Pruning or sweeping waste | 25 | 32.1 |
| Damaged and returned products | 593.5 | 892.9 |
| Waste | - | 30.3 |
| Uniforms | 7.6 | 4.5 |
| Glass | 10.8 | 14.1 |
| Toners | 1.3 | - |
| Food oil and grease | 32.2 | - |
| Contaminated PPE and uniforms | 0.1 | - |
| Batteries | 2.4 | - |
| Total | 12,093.8 | 11,757.69 |

GRI 306-4

Total waste diverted from final disposal by type of recovery operation (t)

| | 2022 | 2023 |
|---|-----------|-----------|
| HAZARDOUS WASTE | | |
| Recycling | 3.53 | 37.7 |
| Blending for co-processing, re-refining and decontamination | 41.5 | 51.6 |
| NON-HAZARDOUS WASTE | | |
| Reuse | 4.73 | - |
| Recycling | 10,589.80 | 11,166.3 |
| Blending for co-processing, re-refining and decontamination | 1,454.37 | 502.09 |
| Total | 12,093.88 | 11,757.69 |

GRI 306-5

Total waste sent for final disposal by disposal method (t)

| | 2022 | 2023 |
|---------------------|----------|---------|
| HAZARDOUS WASTE | | |
| Incineration | 52 | 8.7 |
| Landfill | 7.9 | 0.77 |
| NON-HAZARDOUS WASTE | | |
| Incineration | 189.7 | 0 |
| Landfill | 3,878.82 | 3,841.3 |
| Total | 4,128.45 | 3,850.7 |



SUMMARY OF GRI CONTENTS

Declaration of use
GRI 1 used

Magazine Luiza reported based on the GRI Standards from January 1, 2023, to December 31, 2023.
GRI 1: Foundation 2021

| GRI STANDARD | CONTENT | LOCATION | SDG (SUSTAINABLE DEVELOPMENT GOALS) |
|---------------------------------|--|--|-------------------------------------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Pages 18 e 30 | - |
| | 2-2 Entities included in the organization’s sustainability reporting | All the Company’s subsidiaries were considered for this report, as shown in the Financial Statements (Notes 13 and 14). In the Reference Form , item 6.5, there are details of the economic group. The Magalu Ecosystem is also presented on page 17 | - |
| | 2-3 Reporting period, frequency and contact point | From January 1st to December 31st, 2023 Questions or suggestions: sustentabilidade@magazineluiza.com.br | - |
| | 2-4 Restatements of information | Information changes, if any, are noted in a note to the indicators | - |
| | 2-5 External assurance | This material did not undergo external assurance, but all data presented were checked internally. The data from the Greenhouse Gas (GHG) emissions inventory, in turn, were verified by Fundação Vanzolini | - |
| | 2-6 Activities, value chain and other business relationships | Pages 17 , 42 and 45 | - |
| | 2-7 Employees | Pages 21 and 72 | 8 and 10 |
| | 2-8 Workers who are not employees | Pages 21 and 72 | 8 |
| | 2-9 Governance structure and composition | Pages 30 and 33 | 5 and 16 |
| | 2-10 Nomination and selection of the highest governance body | When re-electing members to the Board of Directors, nominations must also consider good performance, attendance, and time dedicated to the role in the previous term. Read more from page 30 | 5 and 16 |
| | 2-11 Chairperson of the highest governance body | Page 30 | 16 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 72 | 16 |
| | 2-13 Delegation of responsibility for managing impacts | Page 30 | - |

| GRI STANDARD | CONTENT | LOCATION | SDG (SUSTAINABLE DEVELOPMENT GOALS) |
|--------------|---|--|-------------------------------------|
| | 2-14 Role of the highest governance body in the Sustainability Report | The Executive Board for People Management, Reputation and Sustainability is the body responsible for approving this Sustainability Report and for ensuring that all material topics have been addressed, that all companies in the group have been included, and that the holding’s sustainability guidelines are reflected in the operations of partner companies | - |
| | 2-15 Conflicts of interest | Page 30 | 16 |
| | 2-16 Communication of critical concerns | Pages 36 , 40 and 72 | - |
| | 2-17 Collective knowledge of the highest governance body | Page 30 | - |
| | 2-18 Evaluation of the performance of the highest governance body | The People and Organizational Culture Committee coordinates the process. Read more from page 30 | - |
| | 2-19 Compensation policy | Pages 30 and 32 | - |
| | 2-20 Process to determine compensation | Pages 30 and 32 Check details about the compensation of Directors and Officers, including the total amounts paid in 2023 (minimum, average and maximum) in the Reference Form (items 8.1, 8.2 and 8.15) | - |
| | 2-21 Annual total compensation ratio | Page 72 | - |
| | 2-22 Statement on the sustainable development strategy | Page 6 | - |
| | 2-23 Policy commitments | Pages 36 and 42 | 16 |
| | 2-24 Embedding policy commitments | Pages 36 , 40 and 42 | - |
| | 2-25 Processes to remediate negative impacts | Pages 30 and 36 | - |
| | 2-26 Mechanisms for seeking advice and raising concerns | Page 36 | 16 |
| | 2-27 Compliance with laws and regulations | Page 72 | - |
| | 2-28 Membership associations | Page 38 | - |
| | 2-29 Approach to stakeholder engagement | Pages 8 and 10 | - |
| | 2-30 Collective bargaining agreements | Page 72 | 16 |

MATERIAL TOPICS

| | | | |
|-----------------------------|--|------------------------|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Page 9 | - |
| | 3-2 List of material subjects | Page 9 | - |

ETHICS AND TRANSPARENCY

| | | | |
|------------------------------------|---|-------------------------|---------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 36 | - |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Page 72 | 8 and 9 |

| GRI STANDARD | CONTENT | LOCATION | SDG (SUSTAINABLE DEVELOPMENT GOALS) |
|------------------------------|--|-------------------------|-------------------------------------|
| GRI 205 Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | Page 36 | 16 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Page 36 | 16 |
| | 205-3 Confirmed incidents of corruption and actions taken | Page 36 | 16 |

EMPLOYEE MANAGEMENT AND DEVELOPMENT

| | | | |
|--------------------------------------|--|---|----------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 49 | - |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Pages 49 and 73 | 4, 5, 8 and 10 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Page 49 | 8 |
| | 404-3 Percentage of employees receiving regular performance and career development assessments | Page 73 | 8 and 10 |

DIVERSITY AND INCLUSION

| | | | |
|---|--|---|-------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 52 | - |
| GRI 401: Employment 2016 | 401-3 Parental leave | Page 73 | 5 and 8 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Page 21 | 5 and 8 |
| | 405-2 Ratio of basic salary and compensation of women to men | Page 72 | 5, 8 and 10 |
| GRI 202: Market presence in 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Page 72 | 1, 5 and 8 |
| | 202-2 Proportion of senior members hired from the local community | 100% of senior management members are Brazilian | 8 |

CUSTOMER SATISFACTION

| | | | |
|--------------------------------|--|---|----|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 23 | - |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 41 | 16 |
| | NPS | Pages 24 and 25 | - |
| | Resolution of customers’ requests on the first call | Pages 24 and 25 | - |

| GRI STANDARD | CONTENT | LOCATION | SDG (SUSTAINABLE DEVELOPMENT GOALS) |
|--|--|---|-------------------------------------|
| DATA SECURITY AND PRIVACY | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 41 | - |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 41 | 16 |
| DIGITAL INCLUSION AND ENTREPRENEURSHIP | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Pages 45 and 56 | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure capex and services supported | Page 56 | 5 |
| | 203-2 Significant indirect economic impacts | Pages 45 and 56 | 1 and 8 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments and development programs | Page 56 | - |
| HUMAN RIGHTS IN THE VALUE CHAIN | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 42 | - |
| GRI 406: Non-Discrimination 2016 | 406-1 Discrimination cases and corrective action taken | Page 36 | 5 and 8 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Page 42 | 8 and 16 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Page 42 | 8 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | Page 42 | 16 |
| RESPONSIBLE CONSUMPTION AND PRODUCTS | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 42 | - |
| GRI 414: Supplier social assessment 2016 | 414-1 New suppliers that were screened using social criteria | Page 42 | 8 and 16 |
| | 414-2 Negative social impacts on the supply chain and actions taken | Page 42 | 8 and 16 |

| GRI STANDARD | CONTENT | LOCATION | SDG (SUSTAINABLE DEVELOPMENT GOALS) |
|-----------------------------------|---|--|-------------------------------------|
| | Data about the Brand Protection Platform and the handling of complaints, barred products, sellers suspended or banned from the platform | Page 47 | - |
| PACKAGING AND WASTE | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 65 | - |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Pages 65 and 68 | 8 and 12 |
| | 301-2 Recycled input materials used | Pages 65 and 68 | 8 and 12 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Page 65 | 3, 6, 11 and 12 |
| | 306-2 Management of significant waste-related impacts | Page 65 | 3, 6, 11 and 12 |
| | 306-3 Waste generated | Pages 66 , 73 and 74 | 11 |
| | 306-4 Waste diverted from disposal | Pages 66 and 74 | 3, 11 and 12 |
| | 306-5 Waste directed for disposal | Pages 66 and 74 | 3, 11 and 12 |
| USE OF NATURAL RESOURCES | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 69 | - |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Pages 69 and 70 | 7, 8, 12 and 13 |
| | 302-2 Energy consumption outside the organization | Pages 69 and 70 | 7, 8, 12 and 13 |
| | 302-3 Energy intensity | Page 69 | 7, 8, 12 and 13 |
| | 302-4 Reduction of energy consumption | Page 69 | 7, 8, 12 and 13 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Page 69 | 6 |
| | 303-5 Water consumption | Page 70 | 6 |
| CLIMATE CHANGE | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 59 | - |
| GRI 305: Emissions 2016 | 305-1 Direct emissions (Scope 1) of greenhouse gases (GHG) | Pages 59 and 64 | 3, 12, 13, 14, 15 |
| | 305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition | Pages 59 and 64 | 3, 12, 13, 14, 15 |
| | 305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG) | Pages 59 and 64 | 3, 12, 13, 14, 15 |
| | 305-4 Intensity of greenhouse gas (GHG) emissions | Pages 59 and 64 | 13, 14 and 15 |
| | 305-5 Reductions in greenhouse gas (GHG) emissions | Page 59 | 13 and 14 |



INDEX OF SASB INDICATORS CONTENTS

RETAIL

| TOPIC | CODE | METRIC | RESPONSE/PAGE |
|--|--------------|---|---|
| Energy management in retail & distribution | CG-MR-130a.1 | Total energy consumed, (2) percentage of free market electricity, (3) percentage of renewable energy | Page 69 |
| Data security | CG-MR-230a.1 | Description of approach to identify and address data security risks | Page 41 The Personal Data Privacy Program is being implemented and gradually incorporated into the Company's area |
| | CG-MR-230a.2 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of affected customers | Page 41 |
| Labor practices | CG-MR-310a.1 | (1) Average hourly wage and (2) percentage of store employees earning minimum wage by region | In 2023, the average hourly wage was R\$18.29, representing an increase of 15.24% compared to 2022. The percentage of employees who receive one (1) minimum wage is less than 0.3% in all regions (the rate varies from 0.02% to 0.29%) |
| | CG-MR-310a.2 | (1) Voluntary and (2) involuntary turnover rate for store employees | In 2023, the voluntary turnover rate was 26.2%. And the involuntary rate was 31.0%. In 2022, these percentages were 23.1% and 32.4%, respectively |
| | CG-MR-310a.3 | Total amount of monetary losses resulting from lawsuits associated with violations of labor law | Details about labor processes can be found in items 4.4 and 4.7 of the Reference Form . It is worth noting that Magalu promotes the best labor practices, and for six years, it has been among the first companies in the GPTW (> 10,000 employees). Furthermore, it maintains a policy of valuing people and prioritizing the well-being and development of its employees. Read more about people management starting on page 49 |
| Workforce Diversity and Inclusion | CG-MR-330a.1 | Percentage of gender and ethnic/racial group representation: (1) in management and (2) among all other employees | Page 21 |
| | CG-MR-330a.2 | Total value of monetary losses resulting from lawsuits associated with employment discrimination | No final and unappealable convictions result from legal proceedings associated with workplace discrimination |

| TÓPICO | CÓDIGO | MÉTRICA | RESPOSTA/PÁGINA |
|--|--------------|---|---|
| Sourcing, packaging, and marketing of products | CG-MR-410a.1 | Revenue from third-party products certified with environmental and/or social sustainability standards | Page 45 |
| | CG-MR-410a.2 | Discussion of processes for assessing and managing risks and/or hazards associated with chemicals in products | Operations maintain FDS in case of accidents and PPE kits to combat accidents. There is also an aerosol screening procedure to avoid accidents with pressurized fluids. Products regulated by Anvisa are separated by category to prevent cross-contamination. In addition to the method for storing and distributing goods, the same care is taken in the waste disposal processes |
| | CG-MR-410a.3 | Discussion of strategies to reduce the environmental impact of packaging | Page 65 |
| Activity metrics | CG-MR-000.A | Number of: (1) stores and (2) distribution centers | 1,286 stores, 21 DCs and 147 cross-dockings, with a total of 168 logistics units |
| | CG-MR-000.B | Total area of (1) stores and (2) distribution centers | Stores – sales area: 716,298 m² Total storage area: 1,131,000 m² |



ANNUAL AND SUSTAINABILITY
REPORT 2023

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Learn more about our commitment to sustainability:

[Sustainability Policy](#)

[Code of Ethics and Conduct](#)

[Human Rights Policy](#)

[Diversity and Inclusion Policy](#)