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# ANNUAL AND SUSTAINABILITY REPORT

2021





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## MESSAGE FROM THE BOARD OF DIRECTORS

The year 2021 was once again proof of the professionalism and unconditional commitment of the teams of Casino Group and its businesses. Assaí has reinforced its contribution to the Group's global performance and has adapted to the current scenario, guided by the principle of social and environmental responsibility that has always been guiding its activities. As well as other businesses in the Group, Assaí showed resilience to fulfill its role of essential service organization, bringing food to consumers' tables despite a challenging scenario because of another year of pandemic.

In South America, we took strategic decisions that gave a new profile to the Group's businesses. For Assaí, at the beginning of 2021, the announcement of its spin-off from the retail activities (GPA) stands out. The purpose of this transaction, which was formalized in March, was to unlock the full potential of both companies to develop for a better allocation of resources and more visibility and opportunities for each business, increasing value generation. And that proved to be very successful.

Thank to experienced leaders and counting on a prominent committed team of around 60 thousand employees, Assaí ended the year maintaining its position as one of the cash&carry leaders in Brazil and as the largest business of the Casino Group in the world, which results from a record year in expansion (28 new stores) that has strengthened the company's operations over the entire Brazilian territory. The opening of this park of stores is a historic feat for Assaí, and the construction of 24 newly opened stores of large surface in a single year is a feat in the Brazilian cash & carry market.



Another important moment for the Company in 2021 was the acquisition of the stores under the Extra Hiper banner, which will enable us to speed up the expansion plan and provide access to distinguished real estate locations in major Brazilian cities. Combined with its strong organic expansion plan, Assaí will manage to have 300 stores in 2023, consolidating even more its presence all over Brazil. Besides our satisfaction with the results of expansion and financial performance, it is worth emphasizing the importance of seeing this growth structured responsibly.

In line with Casino's strategy, Assaí has been developing initiatives to strengthen the communities surrounding the stores and reinforcing its commitments to tackle the climate change emergency; trace and monitor the value chain; and promote diversity and inclusion.

Faced with a year full of public health, economic, environmental, and social challenges for the Brazilian population, Assaí has further boosted its social role by making several donations of food and basic staples, benefiting tens of thousands of families throughout Brazil.

As regards the agenda of tackling climate change, Assaí achieved targets to reduce emissions equivalent to tons of carbon, having decreased 8.2% from scopes 1 and 2 compared with the previous year's emissions. These results make a difference and reflect a culture genuinely concerned with people and the environment.

The history of consistent results and the prospect of a continued growth with shared value prove the success of Assaí's business model and its contribution to building an increasingly inclusive and sustainable society.

**Jean-Charles Naouri**

Chairman of the Board of Directors

“

In South America, we took strategic decisions that gave a new profile to the Group's businesses.

”



## MESSAGE FROM THE CEO

GRI 102-10, 102-14, 102-15

We started a new age at Assaí, with glorious prospects for our investors, growth opportunities for employees, suppliers, and other partners. A new cycle that has been resulting in even more benefits for our customers and for the socioeconomic development of Brazil. This is what we are talking about in this Report, the first year of this new phase.

Immediately after the spin-off from GPA, we made the required adjustments in processes and the structuring of a consistent governance for the listing of our shares on B3 S.A. – Brasil, Bolsa, Balcão (Sao Paulo/BRA) and on the NYSE (New York Stock Exchange). Thus, we started 2021 prepared to operate completely independently and with more visibility.

During the year, we continued the expansion process and made history. We complied with the announced plan, which represented a record-breaking: 28 new stores were opened in 12 months. The opening of this park of stores is a historic feat for Assaí, and the construction of 24 newly opened stores of large surface in a single year is something that had never been done in the Brazilian *cash & carry* market before.



We also opened the first unit in the state of Acre and a concept store in Rio de Janeiro city, with an assortment adapted to the target audience through a mix of distinguished products and services. Today, we are present in 23 Brazilian states and the Federal District, with 212 stores and over 60,000 employees, data that make us very proud of the great impact generated, whether in the generation of jobs, in the relationships created, and in the socio-environmental potential involved.

The 70 Extra Hiper stores acquired, which were incorporated into our expansion plan, will be an opportunity for a new scale of impact and value generation. This move will allow us to add new audience profiles and substantially expand the impact of the business in the coming years, as the stores are located in densely populated urban centers. Thus, we will have distinguished points at central locations, without low overlapping with the current Assaí's park of stores, which is a prospect of rapid sales maturation and greater profitability potential.

In addition, in 2021, we expanded customer contacts with Assaí, offering an option in e-commerce through the Partnership with *Cornershop by Uber*, thus serving those who want to shop with us on the *internet*; and we grew with the butcher shop project, taking this service to more units.

In a year marked by instability, we delivered robust growth and revenue with *market share* gains. According to the results presented in this Report, we maintained a high level of profitability even with the acceleration of investments and, even in this first year of autonomous operation, we improved the profile of the debt resulting from the spin-off process, ensuring the excellence of the financial management of our business.

“

During the year, we continued the expansion process and made history. Our data makes us very proud of the major impact generated, whether in the generation of jobs, in the relationships that are created, and in the socio-environmental potential mobilized.

”



Such expansion was also followed up by the growth of Our People. We generated 11,000 new jobs in 2021 – versus 5,400 in 2020.

We increased the number of women in leadership positions by 3 p.p. (26% of the total). In addition, 65% of the Company's employees self-identify themselves as being black, with 45% of them holding leadership positions. Every year, we promote continuous training for a growing number of employees and service providers. We are proud of taking care of our team. We know Assaí wouldn't have grown so much if it weren't for the involvement of everyone who dreams and builds our history.

We maintain a strong social commitment expressed through programs to support communities, ensuring inclusion and social investment while keeping our commitment to being a company that increasingly values diversity and inclusion, enabling the rise of underrepresented groups. In addition, we benefit thousands of vulnerable families by donating over 1,300 tons of food, 27% more than in 2020.

We have strict environmental targets, including those bound to the variable compensation for high- and mid-level leaders, such as a 38% reduction in carbon emissions by 2030. We invest in policies and actions to eliminate deforestation, tackle climate change, and ensure decent working conditions in the value chain.

Looking ahead, we are aware of the challenges in the 2022 scenario. Therefore, we consider it critical to keep one of our key characteristics: efficient,

decentralized, and low-cost operation to offer the best prices and the best shopping experience to our diversified customer base. We aim to open approximately 50 new stores this year, including around 40 conversions from the acquired Extra Hiper stores, besides our brand-new stores. The accelerated expansion plan will take us to 300 units within the next two years, and, in 2024, we will reach gross revenue of BRL100 billion.

These are expectations that bring challenges—but also many opportunities. We have a history of sustainable commitments and results, in addition to the strength and determination of our employees, the trust of communities, customers, partners, investors, and shareholders to continue our successful journey. We hope that by reading this report we can share the pride and commitment that we at Assaí have in generating value for society as a whole.

Have a good read!

**Belmiro de Figueiredo Gomes**  
Chief Executive Officer



# ABOUT THIS REPORT

GRI 102-21, 102-40, 102-43, 102-46, 102-49, 102-50, 102-51, 102-53, 102-54, 102-56

Assaí's 2021 Annual and Sustainability Report follows a path of continuity and learning (as, before 2021, we usually reported our strategy, differentiators, challenges, and achievements through GPA'S Annual and Sustainability Report). However, after having spun-off our operations from GPA, Assaí's 2021 Annual and Sustainability Report represents a milestone as it is the first one prepared with content about Assaí only, allowing us to share, more broadly, relevant content and indicators that are aligned with the commitments of a company listed in the so-called "New Market" of Corporate Governance (i.e., the New Listing Standards of B3 Stock Exchange).

[Click here](#) and learn about our previous reports as part of GPA.



This Report covers all our operations in Brazil from January to December 2021, and its preparation was monitored and approved by the key executive officers, including the CEO and the executive boards of *Compliance* and Investor Relations, besides having been examined by external consultants from KPMG Brazil.

## Content drivers

The structure of chapters and contents of this Report was set considering an integrated approach, starting an ESG journey of analysis and interpretation of environmental, social, and governance benchmarks and commitments in an integrated and in-depth manner, contributing to not only enhance our business model and our capacity to generate value in the short, medium, and long term, but also to share information relevant to the set of *stakeholders*—controller, shareholders and investors, employees, value chain, customers/clients, communities, all levels of the government/ regulatory bodies and unions, society, press, and competitors.



## Materiality and critical subjects

For us, sustainability is strategic and encompasses all our activities and projects. We seek to balance the economic, social, and environmental dimensions in our operations and the value chain, adopting the United Nations (UN) Sustainable Development Goals as guiding principles for our initiatives. To prepare our 2020/2022 materiality, we listened to our *stakeholders* to identify expectations and interests, besides considering the global scenario, sustainability issues, and the main ESG indexes in the market.

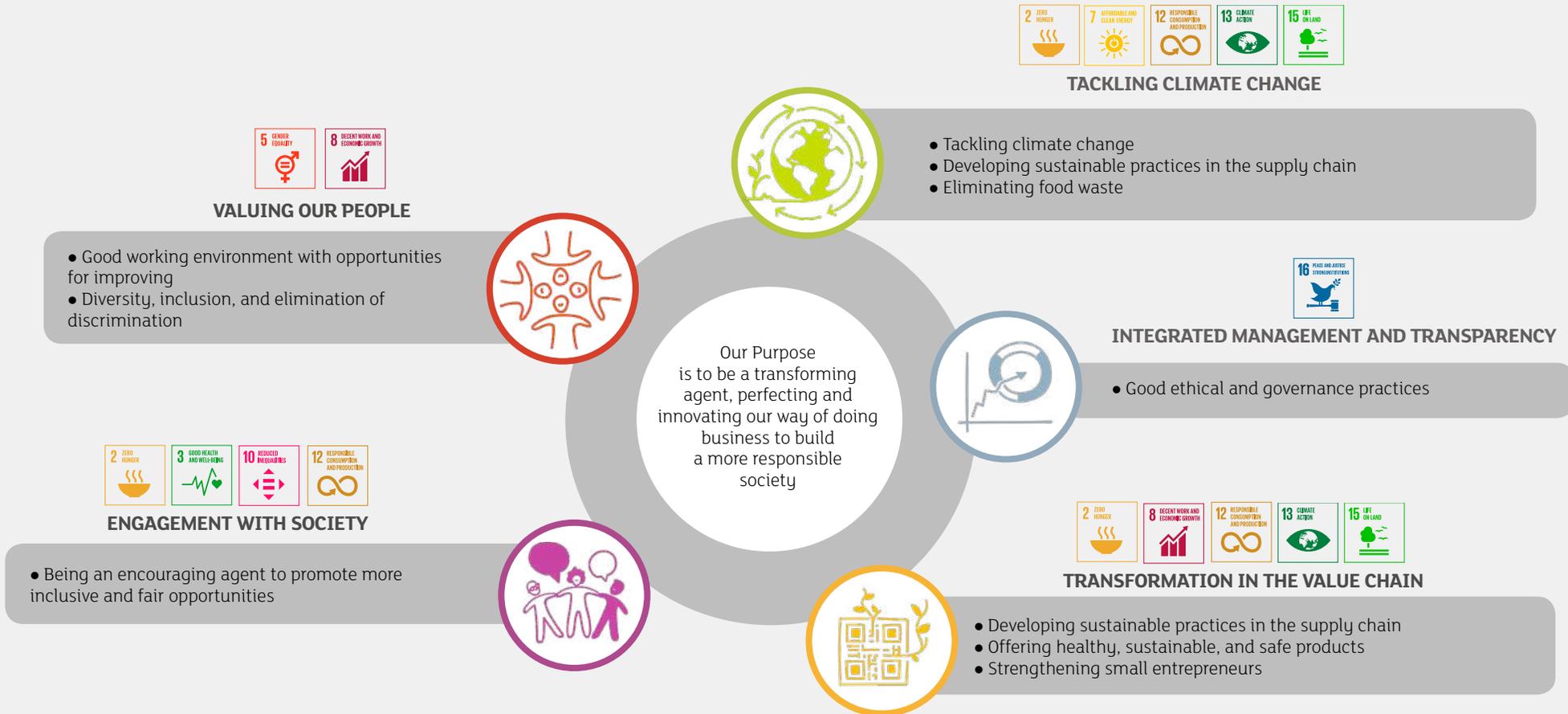


## The materiality matrix was built from:

- Identification, analysis, and prioritization of *stakeholders* according to their relationship, impact, and adherence in our business
- Analysis of the main materiality themes in the securities exchange market *frameworks*, and sector *benchmark*
- Online* consultations with 2,387 people-customers, employees, private-label suppliers and other brands, service providers, NGOs, and investors
- In-depth interviews with – investors, suppliers, NGOs, executives and directors – to understand the topics with relevance/priority and the priority influences on the sustainability of the business



## Material topics, connected with our Sustainability Strategy and the SDGs:



PRIORITY SDGs



## MAIN METHODOLOGIES

This Report was based on the most recognized international reporting methodologies to ensure information reliability, transparency and comparability of data, as well as content consistency, which includes environmental and social indicators encompassing the entire Company:

**GRI** – provides the highest level of transparency in information regarding the effects of companies on the economy, the environment, and society. It establishes a global language for organizations to report their impact, enabling companies, investors, policymakers, and civil society to use such information to set a channel of dialogue and make decisions that support sustainable development.

We opted for the approach referenced in selected indicators of the general GRI content (102 series) that bring contextualized information about an organization and its sustainability reporting practices, according to the GRI Summary on page 120.

**Casino Group's Methodology** – following a path of continuity and progress, we reported year 2021 independently from the Pão de Açúcar Group; however, we continue to rely on the *Casino Group's CSR Program*, an exclusive methodology that meets the legal and regulatory requirements of France, the host country of the Casino Group (controller). Please see the key indicators on page 122.

**SDGs** – We are committed to and guide our management towards meeting the Sustainable Development Goals (SDGs) proposed by the United Nations (UN). Therefore, in each chapter, we relate the corresponding SDGs. Please see below a summary of our focuses:



**SASB and TCFD** - We have also adopted the SASB (*Sustainability Accounting Standards Board*) standard, which sets specific standards for different sectors, identifying environmental, social, and governance (ESG) issues that may represent material impacts on a company's financial performance, in addition to an overview of TCFD

(*Task Force on Climate-Related Financial Disclosures*) indicators that aim to report the effects of climate change on business. Both were selected and integrated by an independent and specialized company.

**Integrated Reporting** – consolidating the integrated content approach, we also present the Company's Capital and Shared Value Generation *Framework* (see page 17), referencing us in the corresponding proposal of the IIRC (*International Integrated Reporting Council*).



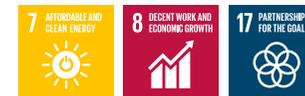
Assaí Campo Grande Airport (MS)

If you have any questions, comments or suggestions about Assaí's 2021 Annual and Sustainability Report, please *email*: [ri.assaí@assaí.com.br](mailto:ri.assaí@assaí.com.br).



# 1

# A NEW AGE IS BUILT WITH SHAREHOLDERS AND INVESTORS WORKING TOGETHER



GRI 102-1, 102-2, 102-3, 102-4, 102-6, 102-7, 102-10

# AN INTEGRATED VIEW OF OUR PERFORMANCE

## Assaí in numbers



PRESENT IN **23** STATES AND THE FEDERAL DISTRICT (DF)



**964** '000 sq. m OF AREA



**60,120** EMPLOYEES



**BRL45.6** BILLION IN GROSS REVENUE



**212** STORES

WITH 28 OPENINGS IN 2021



**10** DISTRIBUTION CENTERS



**11** LOCAL OFFICES WITH AUTONOMY

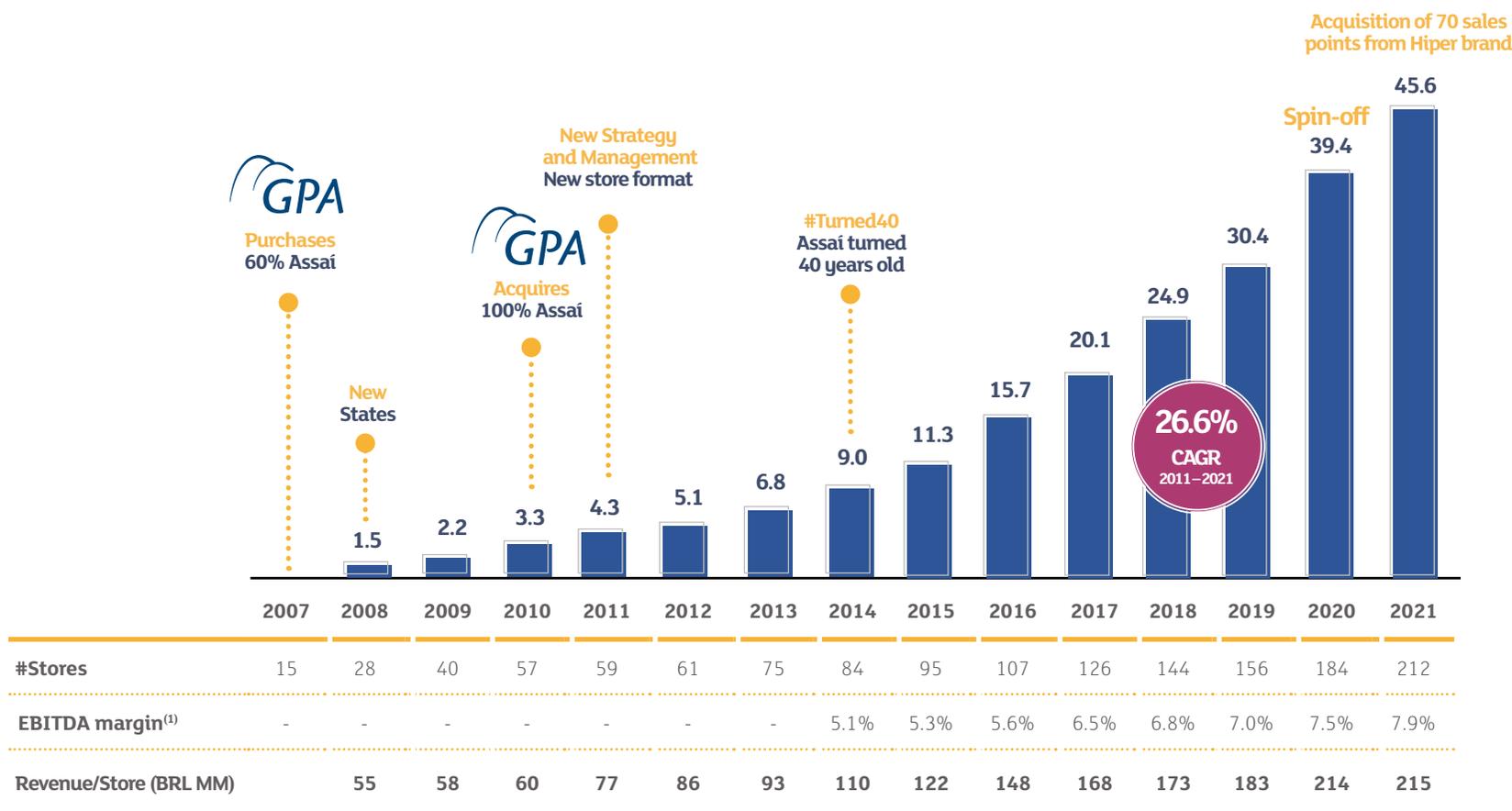


**43%** OF SALES IN STORES IN THE SOUTHEASTERN REGION

**Our customers:** individuals, vendors (street vendors, pizzerias, snack bars, diners), resellers (grocery stores), and heavy consumers (schools, religious institutions, hospitals, and hotels)



## The largest pure *cash & carry* player, with a consistent growth history

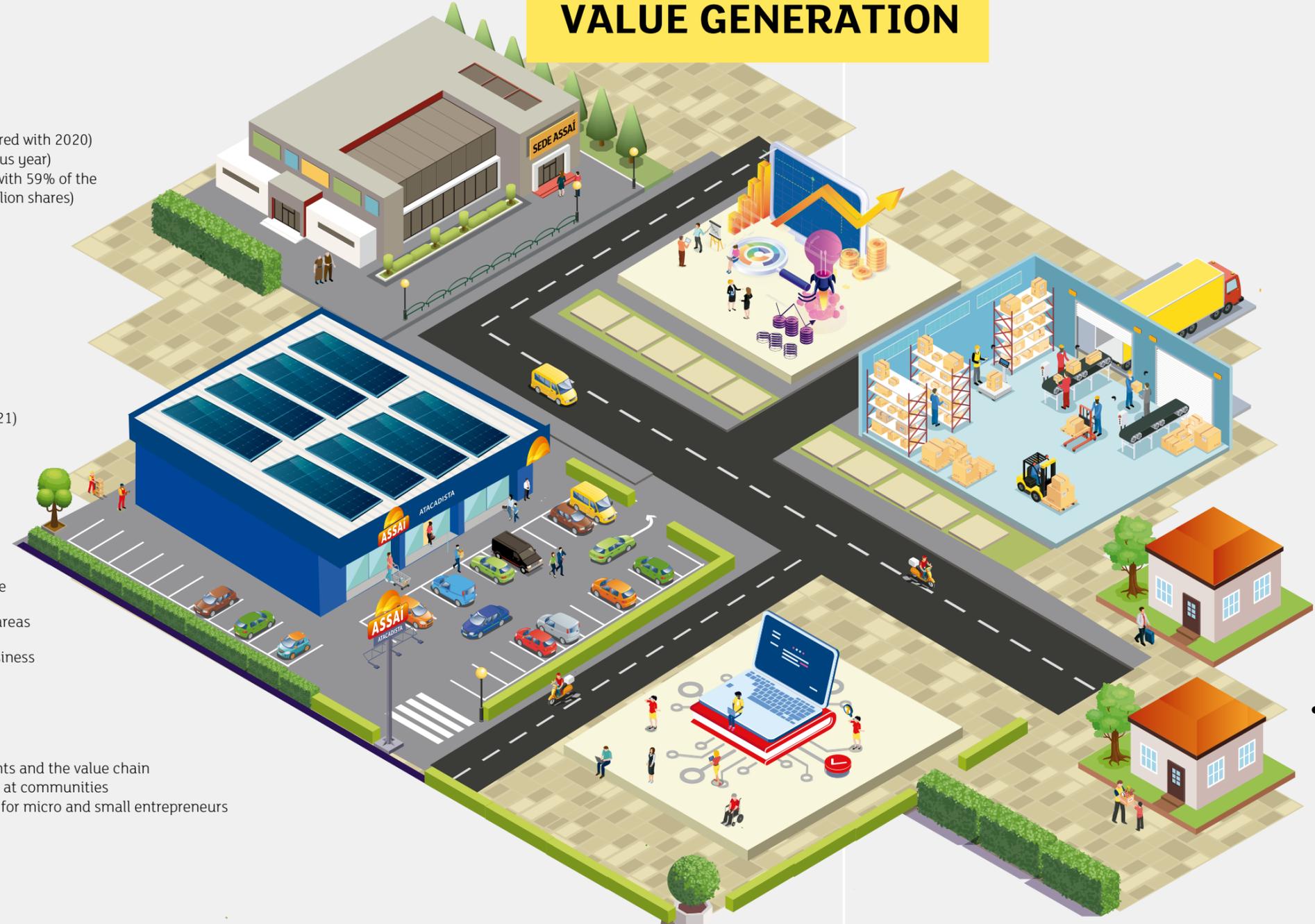


NOTE: (1) Adjusted EBITDA after IRFS 16

# VALUE GENERATION

## CAPITAL ASSETS

## GENERATED VALUE



### Financial

- Gross revenue: BRL45,585 million
- Gross investment of BRL3,249 million (+152% compared with 2020)
- Cash generation (in par value + increase versus previous year)
- BRL 21,8 billion in market value on March 31, 2022, with 59% of the shares issued by the Company in free float (794.5 million shares)

### Manufactured

- 212 stores
- Nationwide capillarity: 23 States + DF
- 10 DCs
- 11 regional offices
- E-commerce in 17 states

### Human

- 60,120 employees (base date: Dec. 31, 2021)
- + 11 thousand jobs generated in 2021 (base Dec. 2021)
- 1,964 young apprentices
- 5.4% of people with disabilities in our workforce
- Diversity & Inclusion: policies and practices

### Intellectual

- Culture: Simplicity, Focus on Customers, Passion for what We Do, Commitment to Result, Care for Our People and Ethics
- Nationwide presence and a flexible model, adjustable to different regions and audiences
- Practices of usage and internal development for all areas of the Company
- Assaí University – training people to support our business expansion. Over 2.4 million total hours of training

### Social and Relationship

- Expressive ability to generate jobs
- Commitments, policies, and practices on human rights and the value chain
- Commitments, campaigns, and social actions aimed at communities
- Assaí Bons Negócios Academy: training and support for micro and small entrepreneurs

### Financial

- Listed on B3's Novo Mercado
- 61% growth in Net Profit
- Solid growth in revenues, expense stability, and market share gains

### Manufactured

- Physical expansion: 28 openings in 2021, continuing the organic expansion plan by opening approximately 50 stores between 2022 and 2024
- Sales area totaling 964 thousand sq. m (19% compared with 2020)
  - Improvement of the customer experience: air conditioning, wi-fi, coffee shops, artisan butcher shop, and large parking space
  - New concept store in Barra da Tijuca

### Human

- 88% of internal engagement
- 26% of women in leadership positions (managers and above), 9% of which are black women
- 45% of self-declared black people in leadership positions (managers and above)

### Intellectual

- Direct involvement of senior leadership in corporate practice committees
  - Expertise in B2B and B2C
  - Local leaders with decision-making autonomy
- Local knowledge and communication in line with the diversity of customer profiles
  - Digital platforms and virtual assistant
- Assaí University: improvement in technical and behavioral skills taken to all functional levels

### Social and Relationship

- Over 11,000 new jobs
- Several initiatives for donating food and basic food staples
- Over 27 thousand new entrepreneurs registered on the educational platform of Assaí Bons Negócios Academy, with over 9 thousand certificates issued in the year



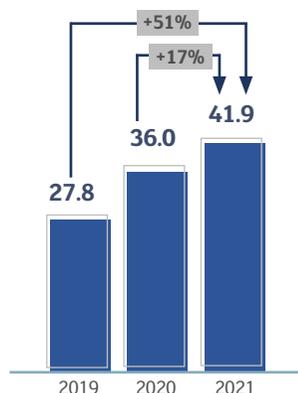
# Commented performance

Still with significant effects of the covid-19 pandemic, 2021 was marked by a scenario of increased inflation, which results from rising prices of inputs and raw materials, increased unemployment and income restrictions for consumers who saw their purchasing power decreased.

Even in this challenging context for the entire retail industry, we managed to maintain our high performance capacity, ensuring the effectiveness of our operations, which had accelerated growth. We reached record-breaking revenues of BRL45.6 billion, with *market share* gains and a significant increase in net income (+61%). In addition, the high conversion of EBITDA into operating cash contributed strongly to the Company's expansion and growth. These results show not only the operational and financial efficiency but also the resilience of our business.

## PROVEN ADHERENCE OF THE BUSINESS MODEL

NET REVENUE<sup>(1)</sup>  
(BRL BILLION)



Earnings from Market Share Total, and same stores

Sales of same stores: +4.8%  
+19.5% in 2 years

Sales <sup>(2)</sup> per sq. m	2019	2020	2021
	4.1	4.4	4.5

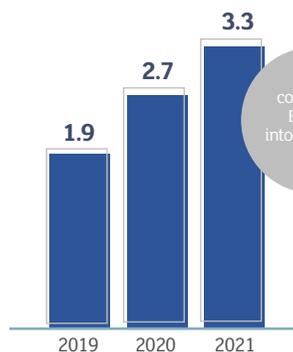
Highest sale/sq. m of cash&carry sector

(1) Amounts include tax credits related to the exclusion of ICMS sales tax on the calculation basis of PIS/COFINS of BRL175M in 2021

(2) Gross sales

## OPERATIONAL EXCELLENCE

ADJUSTED EBITDA  
(BRL BILLION)



High conversion EBITDA into Operating Cash

Adj. EBITDA margin <sup>(1)</sup>	2019	2020	2021
	7.0%	7.5%	7.5%

Consistent level

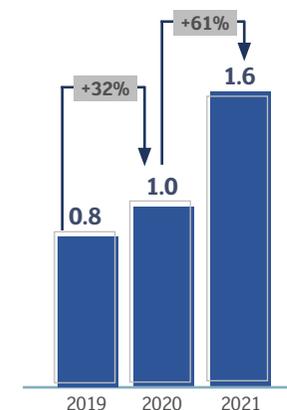
Adjusted EBITDA margin <sup>(2)</sup> adj. except tax credits	2021
	7.9%

(1)% Net revenues

(2) Amounts include tax credits related to the exclusion of ICMS sales tax on the calculation basis of PIS/COFINS of BRL175M in 2021

## SIGNIFICANT INCREASE IN PROFIT

NET PROFIT<sup>(1)</sup>  
(BRL BILLION)



Net margin	2019	2020	2021
	2.7	2.8	3.8

(1) Includes tax credits net of Income Tax in the amount of BRL470 million in 2021



BRL MM	2021	2020	2019
Gross Revenue	BRL45,585	BRL39,369	BRL30,387
Net revenue	BRL41,898	BRL35,950	BRL27,806
Gross Profit	BRL7,145	BRL5,906	BRL4,578
Adjusted EBITDA <sup>(1)</sup>	BRL3,319	BRL2,696	BRL1,947
Adjusted EBITDA Margin	7.9%	7.5%	7.0%
Net Profit	BRL1,610	BRL1,003	BRL802
Gross investment	BRL3,249	BRL1,291	BRL1,299

(1)% Net revenues

Positive and expanding net revenue:

**+16.5%**

Increase of: in net profit

**+61.0%**

(ref. 2021)



Assaí Manaus II (AM)



## 2021 HIGHLIGHTS

### A new age

#### INVESTMENTS AND EXPANSION

With great enthusiasm, the Company continued its expansion journey with profitability - now independent of GPA's operations, but with the same high standards of corporate governance. The spin-off between such companies was approved at the end of 2020 and put into practice already in early 2021. The **listing of Assaí shares on the Sao Paulo Stock Exchange**, under the Novo Mercado governance standards, took place on March 1, 2021, placing the Company as the only pure *cash&carry* player listed in Brazil. On the New York Stock Exchange, the issuance of ADRs (*American Depositary Receipts*) took place on March 8, 2021.

With such spin-off, shareholders of GPA shares until February 26, 2021 automatically received shares of Assaí in the 1:1 ratio. On the start date of operations at B3, Assaí's shares skyrocketed, closing at a 385% increase. The transaction unlocked value for both GPA and Assaí, which began to report the Company's main perspectives directly to shareholders and potential investors in the market.

Given the spin-off movement of the companies, *back office* areas had to be created in Assaí that until then had been shared with GPA. There was no change in the management of the business model: the Company continued its expansion path and inaugurated 28 new stores in 2021, the largest number of stores opening in a single year. Out of these, 24 are newly opened stores, a construction record also for the *cash&carry* market, besides four conversions from other formats.





In December 2021, a **concept store was inaugurated in the Barra da Tijuca district** located in the Capital City of Rio de Janeiro (RJ), with differentials in terms of assortment and services, aiming to better serve the demanding public in that region. Such store offers over eight thousand products, Cold Store, coffee shop, butcher shop, a barbecue section, and greater diversity in the assortment of wines and olive oils. In addition, said store was built based on sustainable constructive standards, taking advantage of natural light, including the latest high-tech facilities like electric vehicles charging stations and sensors and led showing free parking spaces.

In addition, in 2021, the Company executed a partnership with Cornershop by Uber, establishing **Assaí's entry into e-commerce**. Such partnership, present in 17 states in Brazil, enhances the reach of new consumers and allows customers the convenience of buying from Assaí in a digital environment through the Cornershop app.

Continuing the Company's expansion process, an important step was taken in 2021: the announcement of the **conversion of up to 70 stores of Extra Hiper brand into Assaí stores**. This operation will add about 450,000 square meters of sales area and put Assaí in the race/ethnicity for the leadership of the *cash&carry* market. This transaction allows the Company to enter highly privileged, protected, consolidated, and mature locations within large urban centers that would be difficult to access through organic growth. Conversions of Extra Hiper stores will take place in 16 states, strengthening our nationwide presence. These stores have low cannibalization with existing Assaí stores—contributing, therefore, to expand the potential of the number of consumers served by the company.



*Concept store in Barra da Tijuca, with a distinguished assortment*

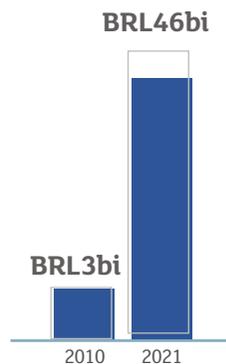




The acceleration of expansion through Extra Hiper store conversions is in line with the Company's strategy of growing with profitability. In the last five years, the company converted 26 Extra Hiper stores that had sales performance and margins higher than the Company's average. The new store conversions approved in October 2021 are expected to triple sales over the former hypermarket format and have an EBITDA margin 150bps higher than Assaí's current average.

## BRL46 BILLION IN REVENUES

Between 2010 and 2021, Assaí's revenue went from BRL3 billion to BRL46 billion thank to the attractiveness of the business model and stores, with constant improvements in the purchase experience, in addition to a successful and accurate expansion plan. In our path, we have gained *market share* combined with accelerated growth with gains in profitability and strong cash generation, both in periods of economic prosperity and in more challenging times, confirming the resilience of the format.



## RECORD-BREAKING EXPANSION



We ended 2021 with 212 stores in operation and a sales area of 964 thousand square meters, 19% larger than in 2020, and only in the last quarter of the year we opened 21 stores, confirming our high execution capacity. For the next two years, besides the conversion of the Extra Hiper stores acquired from GPA, we will continue with organic openings, reinforcing our projections of reaching revenues of BRL100 billion in 2024 and over 300 stores in operation.

## ORGANIZATIONAL STRUCTURE

In order to provide more agility in decision-making and support the accelerated expansion process, we made important changes in our administrative structure in 2021. Two VP positions were created: one in Operations and the other in Sales and Logistics. In addition, two large regional boards also became part of the Company's organizational chart.



## Free market energy

We have completed the migration of 92% (194 stores) of the total stock of stores in 2021 to the free market energy, increasing the share of clean renewable energy in our energy consumption matrix. With such migration, we chose to buy cleaner energy from sources such as wind, solar, biomass, and small hydroelectric plants. The system brings even more savings by allowing direct purchase from suppliers. The network used has three suppliers, and until July 2021 we were the second place in the CCEE (Electric Energy Trading Chamber) *ranking* in number of units in the special consumer class, which provides a contracted demand greater than or equal to 500 kW and less than 1,500 kW.



**Investment  
in cleaner  
energy**

1. The electricity purchased by Assaí as a special consumer (equal to or above 500kW) within the Free Market Energy falls into the category of subsidized energy, with a 50% discount on the invoice (favored for green energy sources, such as solar, wind, or biomass), under the terms of the ANEEL (Brazilian Electricity Regulatory Agency) commercialization rules for special consumers. References: § 5º of art. 26 of Law nº 9.427, of 26 December 1996; REN ANEEL 745 of 22.11.2016.



## ENHANCING CUSTOMER EXPERIENCE

In recent years, in addition to purchases made by organizations, Assaí stores have become more attractive to individuals, who have increased food consumption at home and are also searching for lower prices.

Our growth was accompanied by continuous investments in improving the shopping experience, such as a better adapted assortment and services implemented such as the butcher shop, and better lighting and air conditioning with more comfortable temperature for customers, making the stores more attractive to the most diverse audiences. The search for strategic locations in large urban centers, the increase in the number of employees, and the investment in continuous training, among other initiatives, have been guaranteeing our competitiveness.



### Espaço do Cliente

We invest in technology to improve our customer service, offering more quickness to those who seek information about our stores, products, and services. We created the Customer's Channel area, and new channels like *WhatsApp* started to be used. Another novelty is the virtual assistant called **SOL**, whose name is a tribute to our very brand (Assaí means rising sun in Japanese, and "Sol" means sun in Portuguese language). It can solve up to 80% of customer service cases. The other situations are solved by our internal team of employees.

*Sol: the virtual assistant of Assaí*





## Surveys

We often conduct surveys to listen to and understand customer satisfaction and needs across the country. Annually, we conduct a nationwide survey with customers in our stores, through sampling. Such survey aims to assess the shopping experience perception and, with that, we develop and put into practice action plans to improve the experience of our customers in store. Because of the restrictions imposed by social distancing, this survey was not carried out in 2021, but is scheduled for the beginning of the 2nd semester of 2022.

Although the nationwide survey has not been carried out, strategic stores were selected throughout the year so that we could continue our process of continuous improvement. For example:

- A survey carried out with customers in 14 stores located in five states of Brazil aimed to identify Assaí's opportunities in terms of strategy of good deals, customer service, assortment, store operations, communication, among other topics.
- A satisfaction survey conducted in over 20 stores aimed to understand the perception of customers regarding the new butcher shop and identify opportunities for improvement. Such surveys pointed out most experience ratings as "excellent". As opportunities for improvement, the queue system, customer service, store environment, price, and visual appearance of the products were scored. Based on the results, we prepared and implemented an action plan for improvement considering the particularities of each region.
- By sending an online questionnaire, we conducted surveys to understand the customer's perception of service, product assortment, prices, store organization and parking, among other points. With the results of this survey, we could also have information about customer loyalty and satisfaction at the time of purchase (through NPS score) and identify

opportunities for improvement in the operation. In 2021, we reached NPS 53. We also learned that 63% of the customers who took part in the survey from May to June answered to the question "How much would you recommend Assaí to friends or family" in the two highest indexes of the scale: 9 or 10.



**Assaí's team of the Customer's channel**

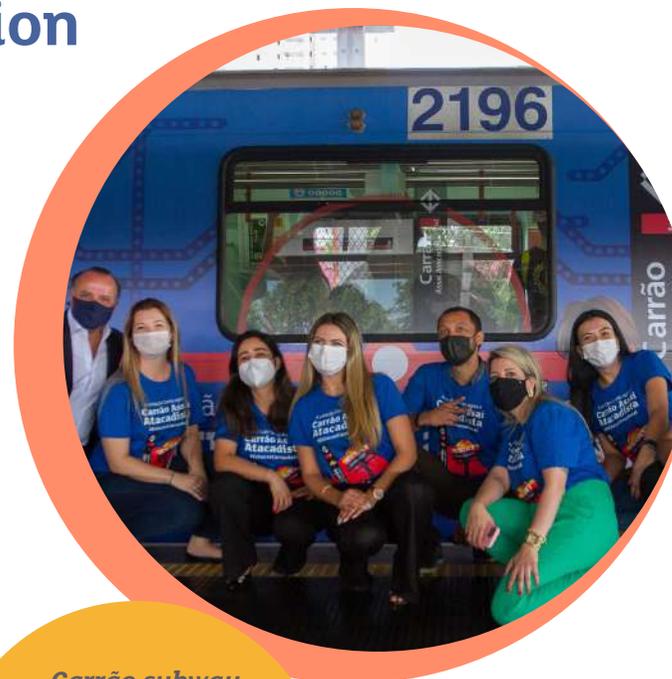


**We were awarded the NPS Awards, promoted by Exame and SoluCX (learn more on page 29). Marly Yamamoto, Marketing and Customer Management Officer, holds the award trophy**



## Carrão-Assaí Atacadista Subway Station

The Carrão station of the Sao Paulo Subway known as Line 3-Red is now called "Carrão-Assaí Atacadista". The very first Assaí store was opened in the Carrão neighborhood, in the East Zone of the Capital City of Sao Paulo. Such change was made after a *naming right* agreement with the Sao Paulo Subway Company. According to such agreement, in addition to the new name of the station, the entire visual communication will have the name of our brand, as well as the maps of the subway network line, the website and social media, as well as the audible warnings on the trains.



Carrão subway station displaying the Assaí brand





## Butcher shop project

We increased the assortment of meats with the creation of the butcher shop section. In it, a trained team of butchers and butcher assistants serves customers in a personalized way, slicing or grinding the meat pieces exactly in the way and amount as each customer asks for. We offer a wide range of high-quality cuts at competitive prices of beef, pork, and poultry in a modern and well-equipped environment. The pilot project started in 2020 in five stores and, because of the success among consumers, has been expanded to other units throughout Brazil. To meet the diversity of consumption habits in the various Brazilian regions, the names of the cuts were adapted according to the local usage; moreover, cuts are arranged in the stores according to regional customs. Another differentiator of this project is admitting people over 55 years of age among the employees of the section, generating job opportunities and professional growth for people from other generations.

Quality at  
competitive  
prices





## Awards and recognitions

*We were featured in 20 awards, rankings, or other relevant market recognitions. Among them:*



### VALOR 1000

2nd place in the Retail category  
22nd place among the largest companies

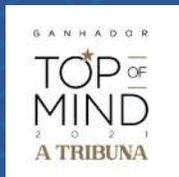
The *ranking* is based on accounting and financial information from public data of companies, such as revenues, expenses, margins, and debts.



### "MELHORES E MAIORES" (BEST AND LARGEST) BY EXAME MAGAZINE

17th place

This *ranking* considers the companies' financial performance and highlighted those that reinvented themselves in the pandemic scenario.



### TOP OF MIND – A TRIBUNA NEWSPAPER

1st place – Wholesale Market

Awarded by the "A Tribuna" media group, it recognizes the brands in the region most remembered by local consumers over the year.



### BRAND FINANCE & ÉPOCA NEGÓCIOS MAGAZINE

6th place - Companies that gained more value  
9th place - Companies that have strengthened the most

The study considers the crossing of responses from 50,000 consumers, financial data collected by Bloomberg in 29 countries, and analysis of reputation, innovation, cost-effectiveness, emotional relationship, recommendation, and quality.



### NPS AWARDS/ EXAM AND SOLUCX

1st place - Supermarket category

The NPS Awards recognizes companies that stand out the most in customer loyalty, assessed through a metric specially developed to analyze consumer behavior towards companies.



### SBVC - RETAIL RANKING

2nd place – Retail Companies  
2nd place – Supermarkets

SBVC (Brazilian Society of Retail and Consumption) annually publishes the *ranking* of the 300 largest Brazilian retail companies.



### "EMPRESA MAIS" (COMPANY PLUS) – O ESTADO DE S. PAULO NEWSPAPER

2nd place – Retail Companies  
2nd place – High-Impact Companies

Conducted in partnership with Austin Ratings and FIA (Fundação Instituto de Administração), this survey assesses the performance of 27 sectors and more than a thousand publicly and privately held companies by analyzing data on revenue, profitability, size, and historical consistency.



## Covenants and associations

*We are signatories of initiatives and movements that aim to contribute to a more responsible and inclusive society. We work together to overcome key sustainable development challenges by adopting best practices in retail.*



**The Sao Paulo Environmental Agreement** – It encourages companies, associations, and city halls to make voluntary commitments to reduce greenhouse gas emissions to contain global warming below 1.5°C, in line with the international effort set forth in the Paris Agreement in 2015 and endorsed at COP 26 in Glasgow held in 2021.



Since 2019, we have been part of the **Unstereotype Alliance**, a UN Women program that brings together market-leading companies with the common goal of eliminating gender stereotypes from their advertising.



**Brazilian Association of Self-Service Wholesalers (ABAAS)** - We have been a member of it since its foundation in 2014. ABAAS represents the wholesale sector and acts on specific demands with the private sector, industrial sector, customers and public agencies, whether municipal, state, or federal.



**Brazilian Association of Supermarkets (ABRAS)** – We have been a member of it since its foundation in 2009. Abras represents, integrates, and drives the development of the supermarket industry in Brazil, maintaining an open dialogue in negotiations with city, state, and federal governments. We are member of other related supermarket state associations bound to Abras,

such as Asserj (Supermarket Association of the State of Rio de Janeiro), Amis (Supermarket Association of the State of Minas Gerais), Amase (Supermarket Association of the State of Amazonas), and Abase (Supermarket Association of the State of Bahia).



**Brazilian Association of Textile Retail Industry (ABVTEX)** – Since 2007, we are members of ABVTEX, which promotes the defense of the interests of manufacturers and sellers of textile and clothing goods.



**Supermarket Association of the State of Sao Paulo (Apas)** – We have been a member of this Association since 2009, committed to its purpose of bringing together supermarket entrepreneurs from the State of Sao Paulo to integrate its entire supply chain, professionalize the sector, ensure excellence in operations, and point out retail trends.



**Coalition Brazil Climate, Forests and Agriculture** – A cross-sectoral initiative aimed to address issues arising from climate change from the perspective of a new economy, based on the low emission of GHG (Greenhouse Gases) through concrete proposals to eliminate deforestation and illegal logging, the recovery of degraded areas, land management, social protection of communities, as well as encouraging competitive and sustainable production of food, forest products, and bioenergy.



**Commercial Federation of Goods, Services, and Tourism of the State of Sao Paulo (Fecomercio)** – We have been a member of Fecomercio SP since 2009. This entity represents the interests of companies in the sector and develops actions aimed at fostering the economic growth in Brazil.



**Business Coalition to Eliminate Violence Against Women and Girls** - Aimed at giving greater visibility to this subject and make progress with the agenda of eliminating violence against women, we have adhered to the commitment that mobilizes over 130 Brazilian companies promoting actions able to generate transformations in the most varied spaces of society so that they can become safer, more welcoming, and free from all forms of violence.



**LGBTI+ Business and Rights Forum** - Strengthening our commitment to ensuring respect and equal treatment regardless of sexual orientation or gender identity and expression for everyone, we have adhered to and become a member of the LGBTI+ Business and Rights Forum. This forum is a mobilization of companies committed to recognizing and promoting the rights of LGBTQIA+ people.



**Sustainable Livestock Working Group (GTPS)** – It brings together representatives of various links in the livestock-related production chain. As members of this Group, we reinforce our articulation within the meat chain, which is a priority for Assaí, aiming at continuous improvement of the activity and adoption of good practices with producers.



**Indirect Suppliers Working Group (GTFI)** – This is the main forum for discussions on traceability, monitoring, and transparency solutions focused on controlling deforestation of indirect suppliers.

Assaí Atacadista is member of the **Ethos Institute of**



**Companies and Social Responsibility**, a Civil Society Organization of Public Interest that has been working for over 20 years to contribute to a more just, diverse, inclusive, and sustainable society. As Assaí joined it, the Ethos Institute will support us in improving its social and environmental policies and practices through instruments such as working groups, lectures, access to trends and specialized content, among others.



**Institute for Retail Development (IDV)** – Since 2009, we have been a member of IDV, which aims to strengthen the representativeness of retail companies from the most varied sectors operating throughout Brazil.



**Women's Empowerment Principles** - Assaí adhered to these principles, which have guidelines to further strengthen our gender equity practices for Our People and society as a whole.

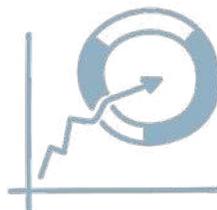


**REIS – Business Network for Social Inclusion** – Assaí is a member of this initiative that disseminates good inclusion practices in the workplace by combining a variety of initiatives from society that promote employability for people with disabilities. This commitment reinforces our position regarding the inclusion and development of over 3,000 employees with disabilities who are in our Stores, DCs, Offices, and Headquarters.



# CORPORATE GOVERNANCE

***Our commitment:***  
*Consolidating social, environmental, and governance practices based on transparent ethical relationships with our stakeholders.*



## Principles and philosophy

GRI 102-16

We want to contribute to develop a sustainable business environment and to create a more just and equal society. Our work is based on a commitment to ethics and compliance that goes beyond compliance with laws and regulations. Respect and appreciation for people, the elimination of any form of discrimination, transparency, and care in the relationship with our stakeholders, are the principles that drive us.

Our Culture is guided by the appreciation of our origin; we are proud of where we came from and our simplicity. We seek to work in an objective, clear, practical, and effective manner, showing respect and care for everyone. To do so, we know we must have empathy, know how to listen to and cooperate with people. We keep focused on our customers. This means



Assaí Mussurunga (BA)



being clear about who we are, what we offer, and who the communities in which we operate are, considering them in each decision making and having a sense of urgency to solve the problems that affect them. We have a passion for what we do and this feeling translates into pleasure in serving, emotional balance, commitment, and motivation of our employees. We want to be protagonists and make a difference.

We are committed to the results of our work. Productivity and quickness are characteristics of our performance. In our daily lives, we encourage everyone to feel like they own the company, developing a critical view of their activity and seeking collaboration. The success of our business also depends on careful spending to ensure low cost and openness to change and innovation.

We understand that education and knowledge on governance are critical for the support and growth of our business, by strengthening relationships of trust with our customers, clients, shareholders, and investors, facilitating decision-making, as well as improving and building good practices so that ethics and transparency are always part of our daily attitudes.

During the year, we provided 65.5 thousand hours of training on ethics, regulatory subjects, anti-corruption, and LGPD. The total of employees trained per subject was, respectively, 29.6 thousand; 2 thousand; 2.6 thousand, and 37.3 thousand. Related topics were approached in the initiatives of leadership training, integration, and specific skills.



**Governance education and knowledge for our employees**





Aiming at providing support and meeting the challenges that the IPO brought to our business, in 2021 we launched the **Corporate Governance Training program** (learn more on page 59). This program is given by Assaí University in partnership with PwC Consultants and IBGC - Brazilian Institute of Corporate Governance, for all business leaders.



**Keila Moreschi,**  
Compliance Analyst



*We are committed to doing the right thing regardless of standards, codes, or laws, because the right thing generates sustainable value, protects our business, and values the Company's image. In 2021, we carried out important initiatives: we partnered with the Ethos Institute and held, in October, the 1st Ethics and Compliance Week, in which we dealt with topics such as corruption, conflict of interest and ethics, besides the conduct of our business partners under our principles and values. We have a variety of trainings available at Assaí University on that subject and Our People are provided with advice on a regular basis. We make available on the Intranet the Anti-Corruption and Conflict of Interest Policies, the Code of Ethics, and other regulatory documents in which everyone can access the key standards of conduct expected from each of us.*





## Sustainability governance

The People and Sustainability Management Board of Executive Officers, which reports directly to the CEO, and the Corporate Governance and Sustainability Committee, bound to the Board of Directors, are the areas responsible for designing, recommending, implementing, and monitoring ESG strategies. In addition, they also have the mobilizing role of ensuring the adherence of cross-cutting issues to sustainability between all units and departments of the Company. Along with the area involved in that Board of Executive Officers, there are also technical teams responsible for conducting and implementing the action plans.

All activities and performances related to topics such as diversity, climate change, and socio-environmental impact, for example, are monitored through *Key Performance Indicators*, considering the pre-established goals, and reviewed with the strategic planning determined and approved by the Corporate Governance and Sustainability Committee. It is also responsible for directing and guiding the adoption of best sustainability practices aligned with Assaí's business model, following the trends of the agenda and socio-environmental challenges, as well as the ESG performance.

Since 2016, we have been bound sustainability goals, through ISD (Sustainability and Diversity Index), to the composition of the variable

compensation of leaders, including the CEO and executive officers, managers, coordinators, consultants, and specialists in the corporate areas, as well as managers, store submanagers, section heads, heads of operations, and those in charge of Distribution Centers. In this way, we reinforce our commitment to the effectiveness of our socio-environmental strategy, materialized in goals and objectives.

Our social and environmental strategy is submitted to the Corporate Governance and Sustainability Committee and validated by the Board of Directors, which contribute by advising to achieve our goals. Compliance with the guidelines encompasses all areas of the Company involved in the topics, under the facilitation of the People and Sustainability Management Board of Executive Officers.

As regards our communication, we comply with the regulations of the securities and exchange market and our commitment to transparency with shareholders and investors, privileging the timeliness and assertiveness in the disclosure of information regarding our trajectory. The disclosure of results connected to actions and projects is performed especially through the Annual and Sustainability Report, as well as through quarterly releases with results and also extraordinary reports whenever necessary.



## Governance structure

GRI 102-10, 102-18, 102-19, 102-20, 102-22, 102-23

We are listed in the highest corporate governance segment of B3: the so-called Novo Mercado (New Market). To stay in this group, we must comply with a strict regulation, with CVM (Brazilian Securities and Exchange Commission) regulations, as well as with Brazilian laws on corporations. Adherence to these standards is set forth in our Bylaws and in our Policies and internal regulations.

Our administrative structure complies with management excellence standards and ensures the monitoring of the Company's performance in meeting its goals under the values and commitments undertaken with our *stakeholders*.

**Administrative  
Center**





- The **Board of Directors**, composed of nine members, three of which are independent, and with female representation, is responsible for determining the Company's general business policies and long-term strategy, and may approve or change investment plans, resolve on the issuance of shares up to the limit of the authorized capital, supervise the management of executive officers, among other functions of a strategic nature.
- The **Statutory Board of Executive Officers**, elected by the Board of Directors for a term of office of two years, reelection allowed, is composed of five members responsible for the legal representation of the Company and the implementation of the general guidelines set forth by the Board of Directors and its management.
- Five committees, whose members are appointed by the Board of Directors and may include an external member, with terms of office of two years, reelection being allowed, advise the senior management of the Company: the Corporate Governance and Sustainability Committee, Audit Committee, People and Culture Committee, Financial Committee, and Strategic and Investment Committee.

The **Corporate Governance and Sustainability Committee** is responsible for recommending and monitoring the adoption of best corporate governance and sustainability practices, as well as coordinating the implementation of such practices.

The **Audit Committee** has the same legal duties of the Fiscal Council and complies with the Sarbanes-Oxley Law. In compliance with such "Novo Mercado" regulation, it currently operates with five members, three of whom are independent, one of whom must be someone highly recognized for his/her experience in corporate accounting matters.

The **People and Culture Committee** is responsible for ensuring that Assaí benefits from the plurality and complementarity of opinions in the decision-making process. Thus, it examines the candidates for the Board of Directors and its Advisory Committees, as well as those to be elected by the Board of

Directors for positions in the Statutory Board of Executive Officers, based on their professional background and technical training, as well as economic, social, and cultural representativeness. The committee is still responsible for approving the Company's compensation guidelines.

The **Financial Committee** analyzes, reviews, and recommends measures and actions for adopting the best economic and financial standards for the company, besides contributing to investment decisions and negotiations, ensuring the Company's financial health.

The **Strategic and Investment Committee** monitors and recommends the investment and implementation of the best processes and practices of technology trends and innovation.

Click here and learn about the composition of all levels of corporate governance of Assaí and the curricula of its members. For more detailed information, access the [Reference Form](#).





## Governance tools

GRI 102-16, 102-17, 102-30

We seek to improve continuously our management through policies in line with our values and purposes to build a fair business environment that contributes to socioeconomic development, respecting the environment. We adopt strict principles and practices and give priority to transparency. For full access to all documents, [click here](#). 

**Code of Ethics** - It summarizes the principles that govern our performance for leaders, management members, employees, suppliers, business partners, and service providers, expressing expectations, principles, and guidelines that must be followed by everyone in the relationship with *stakeholders*. This document sets forth guidelines for doing business and the relationship with public authorities, business partners, and employees, anti-corruption policies, conflict of interest, contributions and sponsorships, triggering the ombudsman and its investigations, consequences and disciplinary measures, management of the ethics committee, relationship and agreements with public authorities, and compliance with supervision actions.

**Anti-corruption Policy** – It sets forth parameters for eliminating corruption, meeting the requirements of Brazilian legislation (Anti-Corruption Law), the *US Foreign Corrupt Practices Act* (FCPA), and the *Sapin II* French Anti-Corruption Law.

**Policies on consequences and disciplinary measures** – It provides for the guidelines for applying disciplinary measures and dismissal of employees who fail to comply with the legislation in force, the code of ethics, and the Company's internal policies.

**Policy for triggering the Whistleblowing Channel and its investigations** - It sets forth the general guidelines for triggering the Whistleblowing Channel aiming at ascertaining and addressing appropriately every event, ensuring the

adhesion and coherence of the ethical, institutional, and universal values of the relationship of Assaí and its companies with their stakeholders.

**Policy on Transactions with Related Parties** – It sets forth procedures to ensure that transactions meet the interests of the Company and its subsidiaries to be based on principles of transparency and commutative justice (i.e., agreements executed under principles of fairness, good faith, and legal certainty, through which both contracting parties are aware of their rights and obligations). It also seeks to prevent and manage situations of conflict of interest.

**Policy for Nomination and Remuneration of Members of the Board of Directors** – It provides for criteria to be observed to nominate and remunerate members of the Board of Directors, advisory committees, the statutory board of executive officers, and the Fiscal Council.

**Policy for the Disclosure and Use of Material Information and Preservation of Confidentiality** – It sets forth the standards that must be observed by the Investor Relations Officer and other persons required to disclose material information and the confidentiality to be kept on information not yet disclosed to the public, in compliance with the standards of the securities and exchange market.

**Privacy Policy** -It explains in a clear and easy way how the information of Assaí's main stakeholders is collected, used, shared, and stored. It also explains the guarantee of transparency and protection of the privacy of such data.

**Environmental Management Policy** – It sets forth principles, commitments, and guidelines that direct the performance of the Company, its employees and service providers regarding sustainability and environmental management. It complies with current legislation and follows the Sustainable Development Goals (SDGs) set forth by the United Nations.

**Securities Trading Policy** – Prepared pursuant to CVM Resolution 44/2021, this policy provides for the standards and procedures for the trading of real estate securities to ensure good conduct practices and avoid the inappropriate use of privileged information.



**Corporate Risk Management Policy** – It aims to set forth principles, concepts, guidelines, and responsibilities for identifying, analyzing, and assessing risks that may affect the strategic goals and the protection of the Company's value creation. It also provides for the tools for controlling and monitoring exposures to incorporate the vision of risks into decision making, complying with legal requirements and the best practices and methodologies in the market.

**Diversity and Human Rights Policy** – Aiming to create an environment free from discrimination and that encourages and values respect and equal opportunities for everyone, this policy seeks to disclose with transparency the positioning and guidelines stated publicly by the Company with regard to diversity, inclusion, and human rights.

**Responsible Beef Sourcing Policy** – It sets forth criteria adopted for the purchase of beef that are based on principles of compliance and sustainability. It aims to ensure compliance that goes beyond the requirements of the Forest Code and related legislation currently in force by preventing deforestation practices, encouraging the respect for land tenure, decent working conditions, the rights of traditional communities and indigenous people.

## Ethics

We believe that ethics, besides being part of our culture, is a value incorporated into the daily lives of each one of us, in the relationships we have both inside and outside Assaí. Ethics is practiced through transparency, a sense of responsibility, appropriate behavior, prioritization and appreciation of people - regardless of the position they hold or the company they represent. Acting ethically is **doing the right thing, in the right way**, with ethics and integrity in relationships as a premise, aiming at the best for business sustainability. We move forward being guided by our values to build, every day, a New Age successfully.

The **Ethics Committee** is responsible for ensuring compliance with the Code of Ethics, ascertaining any violations committed, and also proposing updates to internal policies. Its duties also include clarifying doubts about the interpretation of the code's guidelines and making decisions where the code is sufficiently explicit. Planning periodic activities to prevent misconduct, developing disciplinary policies and proposals for improving the Code to be submitted to the Audit Committee are also duties of the Ethics Committee.

In 2021, we held the **1st Ethics and Compliance** Week addressing topics such as Anti-Corruption, Conflict of Interest, Information Security, Ethics, and Purpose and Legacy in Career. The journey totaled 2,283 hours of training and aimed to further strengthen these subjects among our employees.



## WHISTLEBLOWING CHANNEL

The ombudsman area is part of the People and Sustainability Executive Board of Officers. It is responsible for the channel that investigates complaints of attitudes that may be in disagreement with our Code of Ethics, which violate our Culture and Values, as well as our internal policies and current legislation. Our mission goes far beyond applying disciplinary and/or punitive measures: we contribute to a healthier and more respectful environment, ensuring the implementation of structuring measures, guaranteeing the adherence and coherence of Assaí's ethical and institutional values with its stakeholders. The ombudsman reports to the Ethics Committee, which directs the guidelines and determines the parameters of action.

Illegal or unethical conduct can be reported to the Assaí Whistleblowing Channel and are recorded by an independent tool, which receives internal or external reports, regardless of the position or situation of the person who has performed it. All complaints received undergo an investigation process, from which they are handled under the **Consequences Policy and corresponding disciplinary measures**. Whatever the conclusion of the investigation, the confidentiality and anonymity of the complainant are guaranteed.

The ombudsman analyzes the Investigation reports, rating them as

	2021	2020	2019
Number of events related to Code of Ethics topics (quantity)	3,105	2,403	1,858
Events related to Code of Ethics topics analyzed and treated (%)	100%	100%	100%

consistent, unfounded, inconclusive, and it not possible to investigate. Educational or punitive disciplinary measures may be applied as guidance, warning, suspension, or dismissal of the employee. Special attention is given to prevention, identification and remediation in cases of corruption, fraud, money laundering, harassment, discrimination, and other violations of the Code of Ethics, which are analyzed by the Ethics Committee and, if necessary, strictly punished.

The data are analyzed and accounted for to be submitted and monitored every month by the Casino Group, the Ethics Committee and, every six months, they are forwarded to the Audit Committee.

The Ethics Committee receives the numbers of the area: from the most reported topic to the stores that had the highest number of reports.

Besides social media, Customer Channel, internal areas, and the press, our contact channels are:

Phone: 0800 777 3377  
E-mail: ouvidoria@assai.com.br

Whistleblowing Channel on the institutional site, from Monday to Saturday, from 8 am to 8 pm





## Compliance

GRI 102-16, 102-17

By doing the right thing the right way we can develop a sustainable business environment and a more just society. This is our way of thinking and acting. We commit to ethical standards, respect laws and regulations in our everyday practices.

The *Compliance* area has the mission of contributing to promote the culture of ethics and best compliance practices at Assaí and among our employees and partners, including customers, suppliers, shareholders, public authorities, and fundraisers for social projects, sponsorships, donations, and contributions.

In 2021, as of the spin-off between Assaí and GPA, and in order to continue following the best corporate governance practices, we made an important progress by structuring the *Compliance* area and also performing a study

(with the support of an independent consultancy) to determine its duties and responsibilities. This new area takes care of the practice of Compliance among our employees. Far beyond regulations, we must act correctly for our personal perceptions of ethics. Hence, the synergy between the values of the Company and those of the people becomes critical for us to experience ethics in all our interactions. This area has the challenge of bringing these principles to improve the *Compliance* Program, treating Compliance as a direction for the prevention, identification, monitoring, and improvement of our daily practices based on our values.

This area also works closely with the Ombudsman, HR area, Corporate Investigation, Internal Audit, Internal, Tax, and Legal Controls to identify risk situations connected to violations of the Code of Ethics and to adopt appropriate measures. It must also submit, together with the Ombudsman, proposals for actions in cases of non-compliance with the required legal and normative standards.

*Compliance* also has the responsibility to assist in the agenda and implementation of best practices of Assaí's Ethics Committee.



## Risk management, data and cybersecurity

GRI 102-30, 102-33

Our Risk Management Policy is part of the corporate governance process and aims to incorporate into strategic decision-making the possibility of situations that may affect the objectives and processes of value creation and protection of the Company and its units. To this end, we act under legal requirements and our Code of Ethics, seeking to incorporate exposure control and monitoring devices in order to identify and treat risks to ensure the achievement of goals.

To structure this process, the area involves operational management, passing through the areas of control and support, internal audit, and external audit.

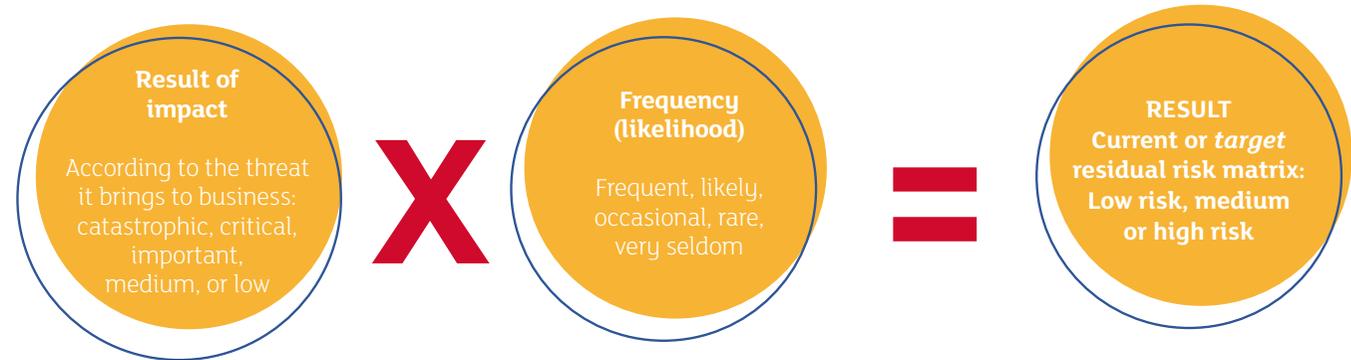
The risk management process is led by the Risk and Audit Department, which reports directly to the Audit Committee. In practice, it involves the entire Company: several decision-making bodies and areas are also part of the identification and analysis of risks, including the Board of Directors, the Audit Committee, the Governance and Sustainability Committee, CEO, Internal Controls, Information Security, Audit, Risks and *Compliance*, in addition to the so-called "risk owners", who deal directly with situations of risk to the business.



As part of the risk analysis, we have adopted advanced international risk prevention management processes. We follow the guidelines of COSO – *Committee of Sponsoring Organizations of the Treadway Commission* and ISO 31000: 2018 - Risk Management Principles and Guidelines.



The risks are analysed, assessed, and addressed. Under the *Casino Group Risk Solution (CRS)* and *Enterprise Risk Management (COSO)* methodologies, they are classified as follows:



Since 2021, besides the ten key "traditional" risks mapped, we have also monitored five ESG risks identified as socio-environmental (ESG) – formalizing the classification as business risks or socio-environmental risks, as shown in the box aside.

ESG risks were determined, in 2020, from a complete reference (risk dictionary) related to this theme, reviews of relevance to the business and subsequent interviews with key executives of the company, allowing the mapping, identification, and assessment of socio-environmental risks, quantifications, besides preparing action plans for the treatment, prevention, management, and communication of them, within the governance of Assaí's risk management.

**Business:** strategic, operational, *compliance*, or information technology. In addition to attention to traditional and inherent risks to business and governance, there is also monitoring of threats present in the value chain, in the employee's life cycle, to succession risks, competition, as well as emerging risks, such as health and those arising from the socio-political process.

**Socio-environmental / ESG:** according to our local exogenous reality and considering our internal current affairs and strategic ambitions, we are mainly focused on eliminating discrimination and promoting diversity; tackling climate change; food waste; environmental effects on the supply chain; carbon emissions from refrigerant gases. For each of the risks, we identify the risk owner (at the executive level) and the person responsible for the management, as well as the main associated themes and action plans are set to treat these risks, in order to achieve an expected level of residual risk, reduction and mitigation, as well as effective monitoring of results.

According to the governance established for the risk management of Assaí, the monitoring of the matter by the Audit Committee and the Board of Directors is done every quarter, and Groupe Casino, every six months.

Learn in detail our strategy, responsibility levels, and risk management metrics by accessing the [CVM Reference Form](#).



## DATA AND CYBERSECURITY

Information technology contributions are critical to improve the organization's intelligence in data analysis and to prevent and identify threats related to ransomware cyber attacks, supporting the Company's other sectors and business units.

The Information Technology (IT) Board is also responsible for access management and the prevention of leaks of digital information. As regards the planning carried out for the next three years, besides the installation of advanced antiransomware *software*, there is the preparation of IT teams to avoid, face and react in the best possible way to threats in the digital world.

### Training

We started the dialogue with our employees about the so-called **LGPD** (Brazilian General Personal Data Protection Law) as soon as it began to be discussed. In 2021, we implemented LGPD training for all employees, in a dynamic, fun, and simple way. Through the Assaí University platform, Our People can understand in a practical way all the required care for handling and processing data (whether personal or sensitive). We had over 37,000 employees trained during the year.

**LGPD É PARA TODOS NÓS**



Protection data training for employees





## Investor Relations

With our operations getting split from GPA, which allowed for greater value generation for both Companies, we restructured our administrative and financial departments, including the implementation of the Investor Relations area, in compliance with the requirements for companies listed on the B3 Novo Mercado and the New York Stock Exchange.

In line with the principles of transparency and simplicity and best governance practices, one of Assaí's goals is also to generate value for shareholders and investors. The Investor Relations area is responsible for the official communication between the Company and the market, whether through publications with regulatory bodies, such as CVM (Securities and Exchange Commission) and SEC (*Securities and Exchange Commission*), or public events organized by the company, the press or other institutions, such as associations and banks. During 2021, considering the period after listing alone, Assaí took part in 15 events or conferences with the market, two of them being public *live* shows.

The Company has the coverage of 18 financial market institutions and is part of the Ibovespa portfolio and other important indices, both domestic, such as ICONBV (BMF Bovespa consumption index), and international (emerging markets indices of MSCI - *Morgan Stanley Capital International* and FTSE - *Financial Times Stock Exchange Index*).

We believe in sustainability as a factor for improving our business and for building a more just and inclusive society, according to our ESG pillars and commitments that guide the accountability of this Report and the notices to the market.

By the end of 2021,  
the Company's capital stock  
was composed of  
**1,346,674,477**  
common shares issued, 41% of which are  
held by the Casino Group (controller)  
and 59% in *free float*.

## Fitch Ratings

Oct. 20, 2021

National Long-Term Rating 'AAA(bra)'  
of Sendas Distribuidora S.A. (Assaí)

Outlook: Stable



# 2

A NEW AGE  
IS BUILT TOGETHER  
WITH OUR PEOPLE



## ORGANIZATIONAL CULTURE

*Being Assaí is like this: we are constantly making progress and, with each challenge, we reaffirm what we are. Our Culture is present in everything we do, so we become stronger day after day. We are like this, made of enthusiasm and courage to go beyond. We're one of a kind. We are all Assaí.*

Our culture can be summarized by the simplicity of relationships, commitment to results, passion for what we do, and focus on our customers.

We pride ourselves on caring for people, valuing the human being, ensuring a safe and welcoming environment, offering opportunities for growth and development, and believing in the power of diversity and inclusion: attitudes that are part of the values of our culture and, beyond that, are experienced and practiced in our daily lives. We have been grown at a rapid pace, and this pace of expansion generates dynamism, quickness, and several career opportunities for our employees.

Today we have over 60 thousand employees, who, inspired by our values—**Simplicity, Customer Focus, Passion for what we do, Commitment to the Result, Care for Our People and Ethics**—engage daily in the best experience to serve our customers who seek variety and savings, and so they are fundamental to fulfill our mission of supplying the homes of thousands of Brazilians with food and basic items. The dissemination of our *expertise* and knowledge to the entire Company sustains our growth.

**SER ASSAÍ.**  
*é assim*





# OUR PEOPLE

## Our commitment:

*Being a reference in promoting diversity, development, inclusion, and sustainability through employees*

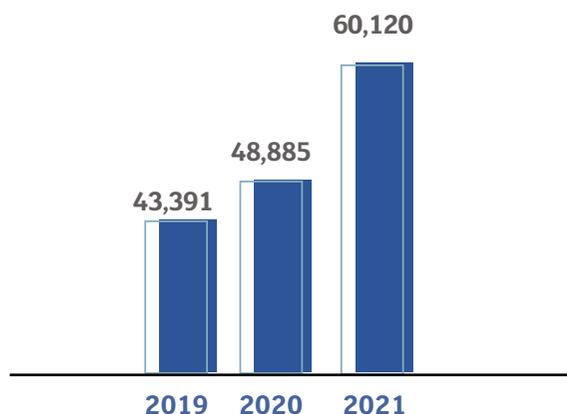


Our People are resilient. Faced with the challenging environment that proved to be the year 2021, they were able to sustain positive business and financial results amid the effects of the pandemic and the instabilities of the economic scenario in the country. The courage and the resilience of Our People is also ours. We are proud to contribute to a significant generation of jobs: we had a 23% growth in our total staff compared with 2020. The goal is to continue making a difference in caring for our people, so that everyone understands their purpose at Assaí.

We ended the year with more than 26,000 hires, which support our expansion. Of these, 3.2% are senior (50+), an increase of 2.1 p.p. compared with the previous year.

A highlight of the year was that all the selection processes, admissions and training to integrate new employees became entirely *online*. A gain in quickness, assertiveness, care for candidates, and reflection of the digital transformation experienced in the company.

Increase in the number of jobs in Assaí





## HIRINGS - ABSOLUTE NUMBERS

	2021	2020	2019
For a definite period	2,355	1,715	1,475
For an indefinite period	24,127	15,839	16,393
<b>Total</b>	<b>26,482</b>	<b>17,554</b>	<b>17,868</b>

We understand the importance of employees to have a welcoming, inclusive, and dynamic environment. They are the ones who make everything happen, in stores, offices, or Distribution Centers. In most cases, our segment is the one that offers the opportunity for many young people to enter the job market. Thus, the development, the alignment with our goals and values, and talent retention, are seen as preponderant challenges for all of us. At Assaí, we are concerned with developing a qualified and engaged team, with professionals trained to sustain our growth and expansion.

We ensure that Our People have a productive journey and an excellent work experience, thus ensuring the engagement and retention of talents. For this, we invested heavily in training with the Assaí University; we increased the internal use with career acceleration programs; we offer a structured process of performance evaluation, career conversations and feedback; we promote appreciation and recognition; we take measures against all forms of discrimination and violence, among other actions. In recent years, we have had a consistent drop in our turnover, which shows us we are on the right track. In 2021, we recorded a *turnover* of 27.5%.

## DISMISSALS - ABSOLUTE NUMBERS

	2021	2020	2019
Involuntary dismissals for non-economic reasons of persons with an employment agreement for an indefinite period	4,613	5,267	4,911
Dismissals of persons with employment agreements for an indefinite period	13,418	10,756	9,998
<b>Total</b>	<b>18,031</b>	<b>16,023</b>	<b>14,909</b>

We know that the care for our employees starts from the selection and *onboarding* process, seeking to respect and value diversity. To this end, we have a program that uses artificial intelligence to select profiles of candidates adhering to our culture, values, and according to the job description, avoiding unconscious biases.



## Our diversity in profile

Our diversity goals are bound to the composition of the leaders' variable compensation (ISD). It is through this indicator that we monitor, for example, the percentage of women in leadership positions (managers and above) of the Company.

### PEOPLE WITH DISABILITIES



**3.2 thousand**

**5.4%\***

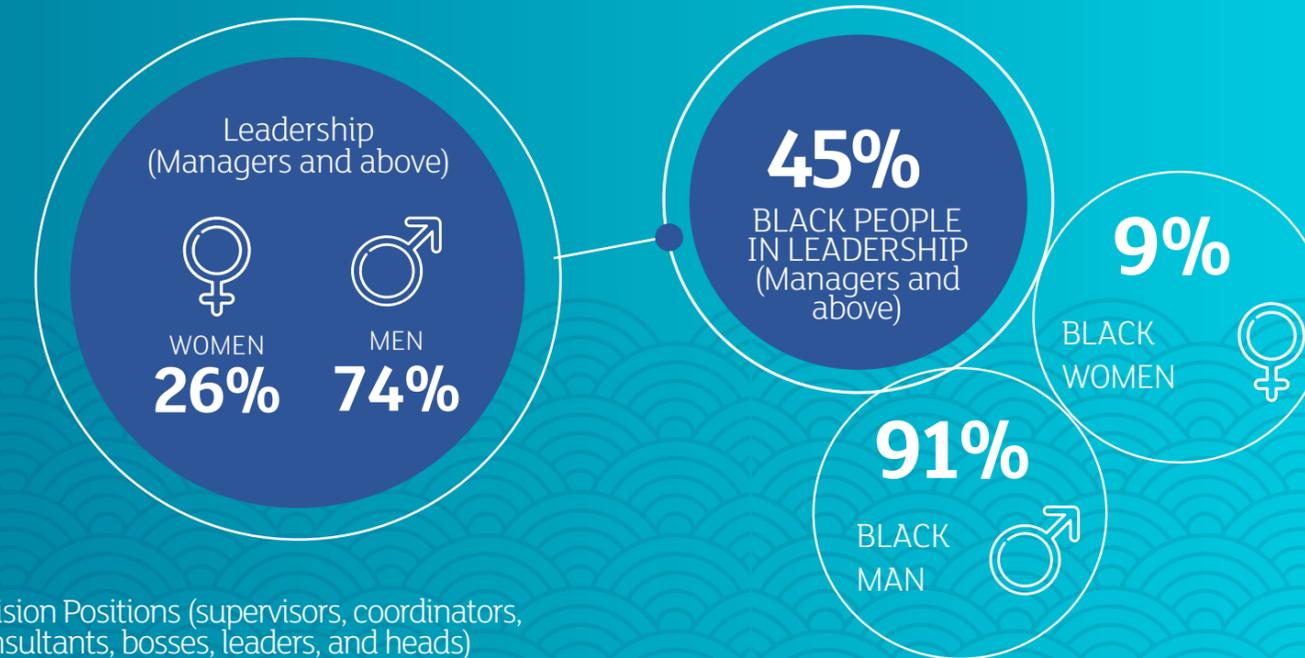
### GENERATIONAL DISTRIBUTION

**<30 years old** ▶ **47%**

**>30 and <50 years old** ▶ **47%**

**>50 years old** ▶ **6%**

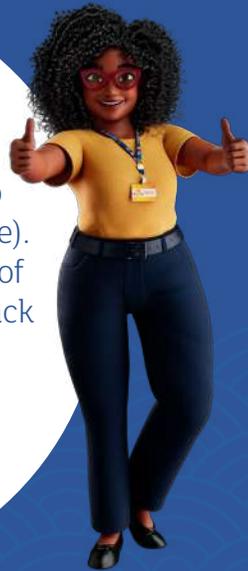
### LEADERSHIP VS. GENDER AND RACE/ETHNICITY



(\*) Assumption of calculation pursuant to the Brazilian legislation.



In 2021, we had 26% of women in leadership positions (managers and above). In addition, the total number of employees self-declared as black in the leadership rose from 41% to 45% in the same period.



**65%**  
employees

**Self-declared as black people**

**18,752** women  
**20,613** men

**27%**  
employees

**Self-declared as white**

**8,011** women  
**8,178** men

**2%**  
employees

**Self-declared as yellow**

**668** women  
**487** men

**0.5%**  
employees

**Self-declared as indigenous people**

**111** women  
**188** men

**5%**  
employees

**didn't want to state their self-declaration**

**1,476** women  
**1,636** men

Out of the total number of employees, 65% have self-declared themselves as black, a very significant fact when compared to the representativeness data of Brazil, according to data from the 2019 PNAD (National Household Sample Survey), published by the Brazilian Institute of Geography and Statistics (IBGE), which points out that 56.2% of the population of the entire country is black.

Also in 2021, we intensified our partnerships with specialized external consultancies and institutions to expand and strengthen our actions to include PwD (People with Disabilities), one of the five priority fronts in Diversity. We are proud to have added 3.2 thousand employees to this group at the end of 2021, accounting for 5.4% of the total Assaí professionals – that is, compliant with legal requirements, that is 5%.



## Human and organizational development

*We are committed to making the growth of our business also represent the growth of Our People.*

We know that to continue growing we need to have people prepared to support our expansion, occupying critical and leadership positions in our new units all over Brazil. Our policy is to prioritize internal resources, with career acceleration programs (*Trainee Program*) and exclusive selection processes for our employees (*Prosin - Internal Selection Program*). All vacancies in offices, stores, and Distribution Centers are offered preferably to Our People. In the absence of profiles adhering to the needs of the position, we seek candidates externally. In 2021, we had over nine thousand internal movements and promotions - an indicator proving the effectiveness of our actions.

To ensure a standardized, transparent and fair performance mapping process, we use *Avance*, a system that manages our career management model, offering autonomy for managers and a structured method of evaluation, skills mapping, *feedback* conversations and encouraging protagonism for our employees. From a centralized management of PDI (Individual Development Plans) and connected to the programs of

the Assaí University, we can have clarity in promotions, movements, and development actions, thus strengthening the culture of high performance and constant learning in the business.

The progress of every professional is assessed and calibrated once a year by the Career Committee—conducted by the People Management area with the leaders—which enables referrals (merit, promotions, dismissals, among others) and identifies successors to critical positions at the management level and above or action plan for critical positions without successors identified in the business.

In this way, we continue to value Our People, enabling career growth and filling the vacancies for our business that continues to expand strongly, either from external selection processes or via *Prosin*.

*Our People  
make everything  
happen*





New job positions	2021	2020	2019
Number of positions opened in the year	21,486	17,968	18,460
Number of positions filled by an internal candidate in the year	9,285 43%	2,551 14%	3,260 18%

From the #FuiPromovido (#IWasPromoted) program, we recognize, value and take care of the moment of the promotion announcement in stores and DCs, reinforcing among everyone the permanence and the career journey in our company. In 2021, this program recognized over 5,000 employees.



*Our business represents the growth of Our People*

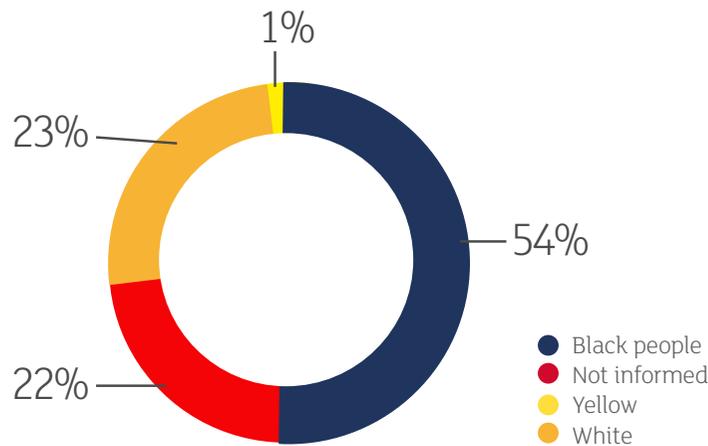


Given the accelerated expansion and opportunity for leadership and expert positions in key business areas (Operations and Commercial), we encourage career building through acceleration and professional development programs, such as the various *Trainee* programs we offer:

**Operations Trainee:** it prepares, trains, and develops employees to hold positions of assistant manager in stores throughout Brazil. The program is in its 12th edition.



**2 editions of the Operations Trainee program in 2021  
130 participating employees:**



**22%**  
WOMEN  
28

**78%**  
MEN  
102



**Kedna Franciana Martins de Albuquerque,**  
Assistant Operating Manager *Trainee* at the Store Bezerra de Menezes - Fortaleza city (CE)



*The Trainee Program was a unique opportunity in my personal and professional life. The exchange of experiences was very important—sharing the experience as a woman, black and mother, and harmonizing all these roles makes me thrilled, proud, and fulfilled. I have a lot of love for this business and for Assaí! Besides showing that when we want to, we can do it, the Trainee Program gives us the opportunity to improve management, correct ourselves every day, feel capable and empowered. It is a great responsibility to realize that people are inspired by my story of perseverance and achievement, so I try to encourage them and develop them to repay everything that the company has done for me.*





**Trainee Career in Operations:** In 2021, we started the second group of the Program, where we trained people from offices to work as Assistance Managers and later on as Managers (depending on performance) in our Stores.

1 migration program corporate areas | operation

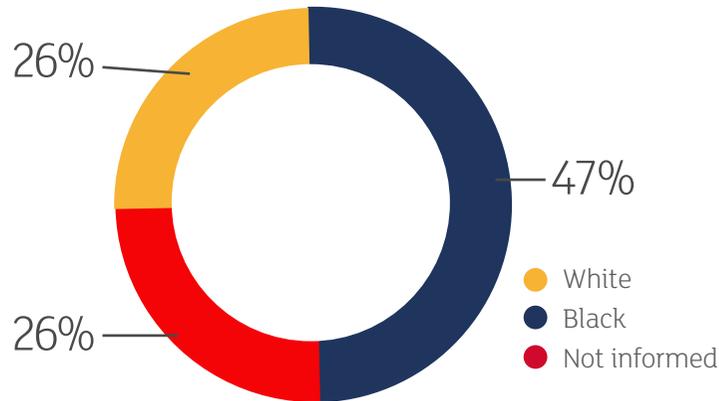


5 employees approved to start in 2022



Commercial **Trainee:** In 2021, we completed the first group of the **Commercial Trainee Program**, where we prepared internal people, approved in the selection process, to migrate their careers to the commercial area of Assaí in the position of Buyer, with possibility of being transferred to any commercial office of Assaí all over Brazil.

1 acceleration and commercial development program  
19 participating employees:





## CORPORATE EDUCATION

As we understand people are our greatest asset and secret of our success, we invested heavily in their development through Assaí University (UA), created in 2013 to support the growth and expansion of our business, where since then it offers face-to-face and online programs, according to job levels and design of career paths accessible to all our employees throughout Brazil. In 2021, over 2,359,293 hours of training were carried out, with 67,392 trained employees.



### ASSAÍ UNIVERSITY - TRAINING AND DEVELOPMENT

	2021	2020	2019
<b>Training hours</b>	<b>2,359,293</b>	<b>1,487,395</b>	<b>2,098,969</b>
Total employees trained	67,392	38,601	35,265
Total number of managers and higher positions trained in the year	473	341	273
Meddle-level leaders trained in the year	5,121	4,049	3,230
Trained non-leaders	61,809	34,211	31,762

The Assaí University comprises five "Schools" that address different subjects and offer specific training:

**Wholesale** - It provides a better understanding of the market in which we operate, the scenarios we deal with, and the trends that affect our business.

**Leadership** - Intended for training professionals of all levels of Assaí leadership; employees of stores, DCs, or offices. It aims to inspire an increasingly judicious, ethical, and productive management practice that is in line with our values.

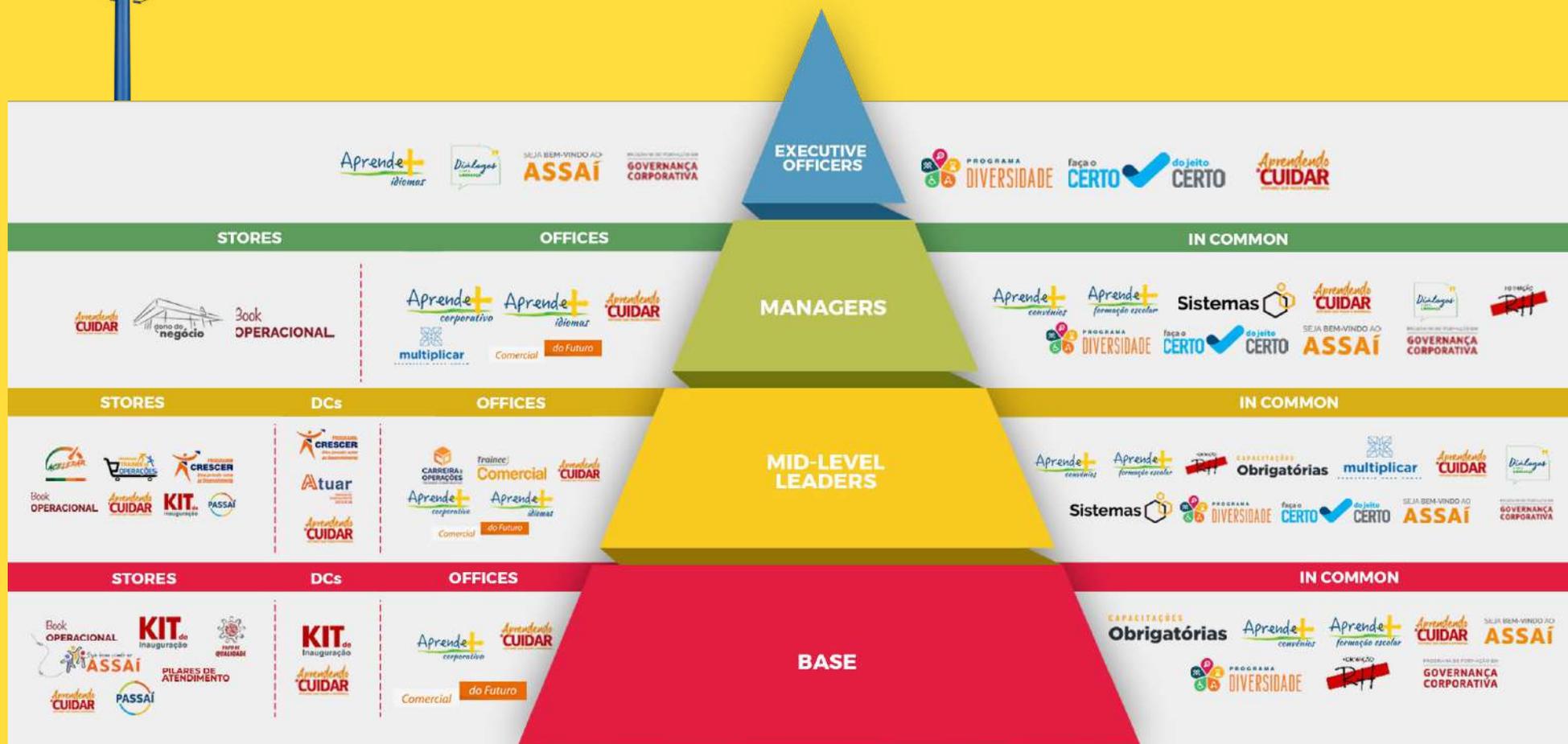
**Operations** - It forms and trains our employees in the main operational processes of stores to ensure the standardization of the operation with operational excellence in all our units throughout Brazil.

**Commercial** – Aimed at the Commercial team and Distribution Centers throughout Brazil. In addition to addressing the technical and behavioral aspects involving the sale of products, it also focuses on the development of technical and behavioral skills in sales and commercial management, aiming to support our expansion. It also comprises the training of Customer's Channel employees.

**Technical and behavioral development** – it is performed through courses aimed at improving the knowledge, skills, and attitudes of our employees.



# TRAINING AND DEVELOPMENT PROGRAMS





Currently, Assaí University offers over 50 training programs and 3,600 courses covering governance, ethics and compliance topics, knowledge of the business and our operating model, training of leaders at all levels, technical training for stores and DCs, mandatory courses and training, basic school training and continuing education courses, besides all topics of sustainability, diversity, customer service, and many other technical and behavioral ones.

Learn about some of the training fronts and initiatives carried out in 2021, when our main purpose was **to align the management model and prepare our leaders constructing our new age:**

**Corporate Governance Training Program: an essential topic to provide clarity on Governance standards and processes, ESG, in a training fully aligned with Our Culture, the new moment after the spin-off, and our values such as Focus on Customer, Ethics, and Commitment to Results.** We offer courses, videos, *podcasts*, film tips, among other novelties. We had a total of 2,239 participants in 2021.

**Sustainability Program:** it provided our employees with a broad view of the sustainability in its different dimensions. The courses are adapted to the various audiences of Assaí, ranging from the base to more technical areas, always with a transversal and strategic look at the business. Highlight for the game *Sustainable World Assaí*, with a playful and interactive approach about Assaí's sustainability performance pillars. Also within the Program, we had specific *workshops* dealing with strategic topics such as *Climate Change and Supplier Chains*, with content focused on the audiences directly affected by such topics in the operation's routine. There were 3,855 hours of training.



**Assaí + Legal:** aimed at our leaders and teams of offices, stores, and DCs (Distribution Centers), the program implemented in 2021 addressed topics such as labor law, relationship with customers, suppliers, and service providers, regulatory and criminal law, which are critical content to continue acting in the right way in all areas and to remain updated on the legal risks that may affect our business. In 2022, the program will continue to focus on training leadership to act in a preventive manner, mitigating the financial and reputational risks of our brand, besides continuing to contribute to our growth in a sustainable manner.



**LGPD É PARA TODOS NÓS**

**LGPD Training is for All of Us ["LGPD É para Todos Nós"]** training: available to all office employees, leaders of stores and DCs, it provides guidance on care and the need to align internal processes to the Brazilian General Data Protection Law. We had 88% (334) among the DC leaders, 77% (8,519) store leaders, and 73% of participation of the eligible audiences.

**Information security campaign:** carried out with the Internal Communication area, it brought critical actions so that everyone is aware and can avoid the dangers and cyber threats in our daily lives. The Campaign included *Information Security Training*, providing managers and teams with guidance on the classification of information in files and emails, training on management and release of access to systems and confidential information for leaders, among other topics, for example.



## THE UNIVERSITY SUPPORTING ASSAÍ

In order to prepare our leaders for our growth and expansion in 2021, we offer:

**Grow Program:** training and professional development for middle-level leaders - section heads, persons in charge of Distribution Centers, and nutritionists. The program is 100% digital and, in 2021, it had 12,849 participations in 26,597 hours of training.

**Accelerate Program:** training for Store assistant manager to encourage improvement in the performance of the current function to speed up his/her growth in the *pipeline*. 312 participants and 1,340 hours.

**Business Owner Program:** Addressed to store managers, it offers technical and operational management content to improve leadership behaviors and self-development on essential topics. 2,147 hours of training with 1,677 participations.

Also in 2021, we held six **Dialogues with Leaders** meetings. During the events, thinkers, experts, administrators, doctors, and various professionals gave lectures and shared knowledge with our corporate leaders, raising important reflections to adjust our strategies and adapt to the new moment of the Company, besides dealing with topics such as economy, health, and the market. 1,715 hours with 884 participations.

We launched the **Regional Manager Training Program**, to be held in 2022 to align and develop our Regional Operational Managers.

We launched the **Digital Literacy Program**, for more employees to be included in the “digital world” and learn how to create their *email*, use the Company's systems, Microsoft Office suite, and conduct studies and researches on the Internet.

We have improved the **Basic School Training Program**, encouraging the resumption of studies for those employees who have not completed Elementary or High School.

To ensure the technical training of the professionals who work in our Stores and in the School of Operations, we have made available 16 Operational *Books* built and disseminated in training for our section heads and teams. In addition, we offer:

**Expansion Training:** a set of basic, operational, customer service, and other mandatory training that newly admitted employees receive to prepare them for opening a new unit. There are approximately 20 to 30 days of intensive training to develop the knowledge required on our operation, their section, and what is expected of their function. In 2021, about 1.8 million hours of expansion training were provided, with 15,831 participations.

**Hygiene and Food Safety Program:** it promotes knowledge in good practices of food handling, pest control, chemicals, food microbiology, food control and quality, and equipment cleaning and sanitizing.



## DIGITAL TRANSFORMATION

To connect Our People with knowledge, the Assaí University created **ZapUA**, a channel that has a Virtual Learning Assistant called **Maia**. Maia supports our employees in their development and growth in a closer and more humanized way. In addition, in a simple way through a conversation, Maia shares content on diversity and provides advice on prevention and care against covid-19 through the Learning to Care Program. Our virtual assistant can be triggered via *WhatsApp*. In 2021, we had over 45,000 accesses to the channel.

**"Assaí Thinking about You" self-service totems:** these totems are an additional specific structure for accessing information, requesting HR services, and the various contents of the Assaí University; they are available in all our stores and DCs and allow our employees who had no or little access to the Internet, in areas with minimal broadband coverage, to have autonomy to seek news, access payslips, and carry out distance training. Since the beginning of their implementation in December 2020, we had over 211 thousand accesses to the systems, 66 thousand of which at the Assaí University.

Maia, virtual assistant of ZapUA





## Quality of life, health & safety (physical, mental, and psychological)

Caring for Our People has always covered the health and safety of all of our professionals—including before the pandemic—as it is also part of our fundamental values.

The area of SESMT (Safety, Health and Occupational Medicine) aims to protect in full our employees' lives, preventing accidents, risks, and diseases. By analyzing and mapping potential risks and working effectively in prevention, we look after the health of Our People, considering physical, mental, and psychological aspects. We also count on the engagement of employees who are part of CIPA (Internal Commission for Accident Prevention).

Our **Health and Safety Policy** sets forth general guidelines for the management of occupational safety and health with a focus on prevention, promoting the continuous improvement of working conditions and environments, taking care of the physical and mental health of our employees.



Since 2019, we have transformed SIPAT (Internal Week for the Prevention of Occupational Injuries) into MESPAT, an event lasting an entire month aimed at raising awareness and disseminating information on occupational health and safety. During this period, important content and guidance on how to reduce accident risks are disseminated in different ways, such as training, internal communication, games, *quizzes*, among others.

**MESPAT 2021**  
(November to December)  
Sessions of training  
and awareness-raising

Participation of:  
**40 thousand**  
EMPLOYEES



**Besides MESPAT, we highlight other important initiatives connected to the prevention and management of Occupational Safety risks:**

- We had over 70 thousand participations of our employees in over 273,260 hours in mandatory training, aiming to train them under the regulatory standards, besides making them aware of the care that must be taken, preserving their well-being, of their workmates and of our customers. Three *online* courses were also launched: Safety in the Operation of Machinery and Equipment for the butcher shop area; Ergonomics for the entire teams of stores, DCs, and Offices; and Safety in the Transport, Handling, Storage, and Handling of Materials.

**Green April (Abril Verde)** approaches the prevention of occupational injuries and aims to raise awareness of occupational safety.

With a focus on prevention, the occupational safety team carries out daily actions such as the **Structured Safety Dialogue**. Uniting the operations teams of stores and DCs, technicians and Occupational Safety engineers, it addresses: topics as accident prevention, Occupational Safety Regulatory Standards, use of PPE and other measures for Risk Management in work environments.

We use field assessments to anticipate the identification of potential risks to the employee's health and safety and to support risk management in the SOC (Occupational Health) system). We follow up on field audits to highlight safety practices regarding fire prevention and fire fighting equipment. We also promote the PAE (Action and Emergency Plan), comprising meetings with fire brigade members and practical simulations in the field. We implemented the **"EasyChecklist"** application, through which it is possible to carry out field inspections in stores and DCs to identify non-conformities and risks in the work environments and propose action plans to mitigate the risks found.

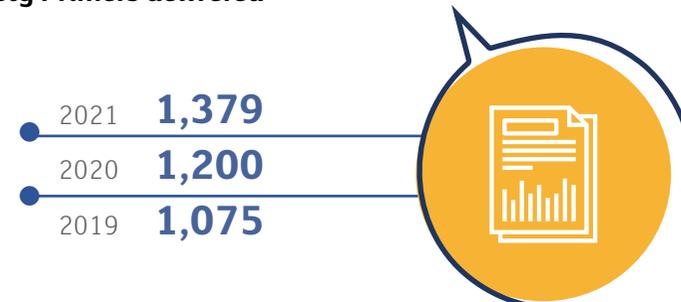
- With the **butcher shops** implemented in 73 Assaí units, we redoubled our attention to risk mapping and developed specific training to guide butcher shop employees on safe product handling, correct use of PPE and related work equipment.

- We have prepared and distributed the **Safety Primer**, which aims to ensure that the corresponding employees have been trained and qualified to operate machines and equipment that assist in cargo handling. The Primer is delivered in the integration of new eligible employees and we promote recycling for the all eligible teams.

**Number of hours applied to the Dialogues of Safety and field work (Stores and CDs)**



**Safety Primers delivered**





In 2021, even with the increase in the number of employees, we reduced the **IRA (Relative Accident Index)**, the indicator based on NR4 used to calculate the percentage of employees who had accidents at work in a certain period.

This results from the safety actions developed and implemented in our units (headquarters, regional offices, DCs and stores) and the commitment of the area to meet all occupational safety standards and an action aimed at mitigating the main offending points for our business and Our People.

Regarding **physical and mental health**, primary attention was focused on **managing the impacts of the covid-19 pandemic**, without leaving aside other initiatives relevant to the well-being of Our People:

- Following our Annual Vaccination Campaign, we offered employees from all our units (headquarters, regional offices, DCs, and stores) the application of **the influenza vaccine (H1N1)** in the workplace. Besides offering them convenience, we also sought to contribute to less exposure to risks of covid-19 contamination.
- With the continuation of the covid-19 pandemic in 2021, prevention actions also followed in all our units: continuity of the **By Taking**





**Care of One, We Take Care of Everyone** campaign—through constant communication with our employees, we emphasize the importance of adopting preventive measures and awareness. We expanded our staff of Health professionals (doctors and nurses) to work on new support fronts in the fight against the virus. For employees of the headquarters and administrative offices we adopted the home office model at the most critical moments of the pandemic for greater safety; adoption of social distance measures through signaling on the floor, in the cafeterias, at the entrances of stores, Distribution Centers, and changing rooms; we reinforced the guidelines on correct hand sanitization. Our work safety team also distributed goggles, *face shields*, fabric masks, and hand sanitizer in stores/DCs.

- **Testing for covid-19 detection** were maintained weekly at the headquarters and regional offices during periods of change to the face-to-face model. After being tested, every employee received the result of his test via email, allowing the monitoring of positive cases and test management, ensuring that everyone who was actually at the headquarters was tested. As for regional offices, we partnered with clinics in the region for biweekly testing. In addition, we made the daily temperature measurement at the entrance of buildings.

We provide assistance via **Telemedicine** to monitor employees with suspected or positive results for covid-19 until the time of return to work. In the outpatient clinics, we created "covid" teams composed of health professionals focused on the care, testing, and monitoring of suspected and positive employees, as well as a specific multidisciplinary team to monitor critical cases of employees hospitalized for covid-19, seven days a week, to identify new beds and patient transfers.



The Pink October and Blue November campaigns, months of awareness-raising of prevention against breast and cervical cancer, and also against prostate cancer, were present in the internal communication channels, through a strategy of dissemination of content and humanization of the campaign with real stories of employees, together with the medical team, outpatient clinics and safety acting in the monitoring of initiatives and encouraging the performance of periodic examinations.





The advance of the coronavirus pandemic caused important changes in people's behavior, with the adoption of new habits, reinvention of services and creation of new functions in companies. Thinking about these issues, we created the position of **Quality Assistant**, a professional responsible for monitoring, proposing new standards, and ensuring the effectiveness of all new sanitization and prevention processes that were being applied in our operation throughout Brazil.

In 2021, one year after having implemented such position, quality assistants had their importance enhanced in our stores, because besides monitoring the actions against covid-19, they ensure that all Food Safety processes are followed correctly, among other functions. Moreover: we have adopted 270 sanitary protocols to ensure the safety of customers and employees.

To contribute to the emotional support of Our People and their families, we offer a **Social Assistance Program** to welcome and take even more care of everyone's quality of life. As a strategy of action, we cover two causes: facilitating human relations and promoting the quality of life of Our People. Through this program, we provide care with professionals such as social workers, psychologists, lawyers, financial and social security consultants at any time, 24 hours a day, every day of the week. In 2021, such program was expanded to contribute to the fight against the pandemic. For such purpose, we have included Social Work Consulting and our Healthcare Providers. This



partnership was fundamental to support our employees and their families who were contaminated by covid-19, resulting in over 60 thousand visits of Social Services over the year:

- We facilitated the medical care for our professionals and their families. Especially in cities with a lack of hospital beds, we work directly with health operators to expedite removals and when more specialized care is required.
- We provide psychological and social care for relatives of our hospitalized employees, through our medical team and social service, interfacing with the hospital to get information about the patient's health status.
- In cases of death of employees, we provide psychological support to families, speeding up bureaucratic procedures and the payment of Life Insurance.
- In the Suicide Prevention month, we conducted a campaign for all employees in order to inform about mental health. We also provide a training program that approaches the management of emotions. Here, we had 356 participants, 30% of them leaders, and 68% women.



We also have an area dedicated to the management of professionals on leave, whose main purpose is to monitor and provide support in the entire process with the INSS (National Institute of Social Security), during the period of leave—because of occupational disease or accident—ensuring compliance with the Social Security and Labor Legislation in force, as well as the Practices and Policies/Standards set forth by the company.

In partnership with the Assaí University, we prepared a Manual and a Human Resources Journal, with all the information related to the removal process, inserting the guidelines in the Company's Policy, based on labor laws and available on the training platform at the University. An employee's leave *kit* was also developed, with the step-by-step and procedure regarding the stages of the process.



## Incentives and benefits

Still focusing on promoting the health and well-being of our employees, Assaí grants mother employees the right to extend their Maternity Leave for another 60 days, totaling 180 calendar days. Such benefit extends to same-sex couples and adoptive mothers (considering the age of the child). On return from leave, we grant a monthly credit until the child is 4 years, 11 months and 29 days of age. This card entitles to purchases of necessities such as nutrition and food, toiletries, diapers, wipes, etc.

Thinking also about the importance of taking care of the mind and body and enabling better health conditions and quality of life for all our employees and their dependents, we partnered with two reputable companies in the gym segment, Gympass and TotalPass, both with a wide accredited network throughout the country.



## Diversity & Inclusion

Our Diversity and Human Rights policy underpins the Company's commitments, strategies, and actions. This Policy is in line with the international of Human Rights principles covered by the UN Universal Declaration of Human Rights, which guarantee the rights of all people, regardless of race/ethnicity, color, sexual orientation, gender identity, language, religion, political or other opinion, national or social origin, economic condition, birth, or any other identity marker. Respect for and promotion of human rights are fundamental to the sustainability of Assaí and in our relationship with *stakeholders* and the entire society.

We understand that it is everyone's responsibility to assume their role as agents in this change in behavior. Therefore, we are committed to promoting Diversity and Inclusion in all their forms. Incidentally, in 2021, we developed and implemented the **Diversity and Human Rights Clause**, which reinforces our code of ethics, diversity policy and human rights, requires our contractors to advise and train their teams that work in our units, sets forth sanctions and contractual termination in case of non-compliance, in all existing contracts of service provider partners, and such clause was also added to the standard draft for new agreements to be executed. This action reinforces Assaí's position and responsibility in the relationship with all its *stakeholders* and the role in transforming a more just and egalitarian society. We work to eliminate and do not tolerate any kind of discrimination. Diversity and Inclusion are values, commitments, and levers of performance and socioeconomic innovation, being critical in a business that focuses on the customer.

In order to disseminate our inclusive and diverse culture and become a reference for the industry, we have the support of all leadership and a team dedicated to the promotion of diversity and inclusion, responsible for carrying out actions of inclusion, awareness-raising, training, eliminating discrimination and promoting respect, considering five priority themes: Gender, Race/Ethnicity, Generations, People with Disabilities and LGBTQIA+.

## COMMUNICATION AND INTEGRATION

The issue of diversity is embedded in all of our communication guidelines. We seek to use inclusive language, with content free of stereotypes and prejudices both internally and externally. An example of this is our commitment signed in 2019 through the UN Women's *Unstereotype Alliance*, which provides for the formal commitment to eliminating gender stereotypes/prejudices in advertising.

The usage of inclusive language has increasingly been a recurring practice in our internal and external communications, including in the process of acculturation of our leaders. We seek to raise awareness among our employees and carry out a literacy process with an ethnic-racial focus, LGBTQIA+, PwD (People with Disabilities), among others. Through a specialized external partner, we hold a **workshop on inclusive communication** for the entire Marketing, Social Media, Press, and Communication teams (both internally and externally). To ensure accessibility for Hearing Impaired People, we have implemented the *Handtalk* tool in our internal communication channels and on all external websites.

It is the responsibility of all those involved with communication actions (internal and external) to ensure the production, validation and dissemination of discrimination-free contents, without any stereotypes and which comply with the following principles:

- **Acessibility**
- **Representativeness**
- **Clear, barrier-free language**

Through the Assaí University, we offer training to leaders and employees from all areas and units, bringing in a didactic and clear way points of our policy for expected behaviors and directions of how to act.



### ● Diversity Program

It offers all our employees access to important content and materials that guide them on the expected and not tolerated behaviors in Assaí. The material provided includes guidelines for Diversity and Human Rights, videos with experts on several topics, relationship guides with various audiences, a guide entitled ABC of Race, Diversity Library, literacy guides, among others.



### ● Improvement of Human Resources teams

We presented the Diversity and Inclusion agenda to all employees who work in the HR area of stores and DCs, with six meetings that addressed the importance of the diversity topic for Our People, customers, brand, business, and reputation. With this guidance, the Human Resources team members expand their vision to work with the different fronts of the diversity topic, supporting employees and managers with roles, responsibilities, and clear directions in line with the Company's guidelines.

**Taught by external partners:** More Diversity, ID-BR, Coexistir | Participation of representatives from different areas of Assaí.

**Topics covered:** Diversity and its Biases; Apprentice Program; Management of the Processes of Inclusion of People with Disabilities; The Role of HR in valuing diversity and eliminating discrimination and People with Disabilities; Diversity and its impact on the brand; and Racial/Ethnic Diversity.

### ● Training for store leaders

In 2021, we carried out special actions for our store leaders, addressing the Diversity topic. We dealt with inclusive leadership, unconscious biases, and ethics. We reinforce respect and appreciation for diversity and equity by offering opportunities for teams and ensuring a safe environment for everyone, guidelines that are present in our Value known as "Care for Our People" and in our Code of Ethics. Over 1,785 leaders were trained.

### ● Diversity Week

In 2021, we held the 5th edition of the Diversity Week, with the purpose of promoting knowledge, vision, and discussion of the five priority topics of diversity (Gender, Race/Ethnicity, Generations, People with Disabilities, and LGBTQIA+), considering their intersectionality. Generating empathy, positive attitudes, and respect for Our People, our customers and society marked the actions that were carried out in all Assaí Units.



### ● Diversity Dialogues

Every year, we carry out awareness-raising actions through Diversity Dialogues, with internal and external communication actions, *live events* with experts, and training paths on all commemorative and representative dates that approach the topics of Diversity and Human Rights. In 2021, 37 actions were carried out on internal and external channels.

### ● Diversity Groups

To discuss, go deeper into topics, and identify opportunities, we developed and implemented **the Diversity Ambassadors Group**, comprising store employees. The formation of the group increases the representativeness of allied people and allows for the strengthening, understanding, and practice of inclusion. The group started as a pilot project in two regional offices, which can be expanded in 2022. All ambassadors took part in the training workshop and an online training so that they could deepen their knowledge on the subject. In November, the first meeting of the group took place, to engage the actions of the Black Awareness Month.



We also have another diversity group composed of leaders from all boards of executive officers, with which we held five bimonthly meetings during 2021 to discuss and leverage actions for improvement in the five aspects of Diversity and which generated more than 20 proposals for actions.



**Stefanny de Oliveira Trindade,**  
store operator -  
Itaquera (SP),  
Ambassador for  
Diversity

“

*Being a Diversity Ambassador in my unit is needed, because we have totally different people in Assaí and everyone needs information, even on topics such as race, sexuality, creed, etc. Only now are we getting the opportunity to talk about these matters more freely. I am always willing to answer questions and clarify existing prejudices among the people who work with me, showing that even though I am a woman, black, and gay, I am just like them, never in the intention of judging, but of instructing them to see people with different eyes.*

”



**Valdério Matias da Silva,**  
Chief Accounting Officer  
(Headquarters/SP) -  
Leaders' Diversity Group

“

*Being part of the Diversity Group is transformative for each of the members, as we broke negative and unconscious biases for us. Being able to contribute to the improvement of actions for equal opportunities for LGBTQIA+, Gender, Generations, People with Disabilities, and Race has been a personal and professional growth for each of the members and the exchange of experiences is highly constructive for us to highlight Assaí as a transformative agent for the development of an inclusive and responsible society. Here at Assaí we can support our employees and encourage them to be authentic and true, without bias or prejudice!*

”



## KEY INITIATIVES IN D&I

Below are some of our main Diversity and Inclusion initiatives with our employees over year 2021. However, we are aware that actions of inclusion, awareness, and elimination of discrimination and intolerance are a long-term path, to be continuously improved on a daily basis.

Thus, we move on guided by our values and establishing commitments that can inspire us in this journey. We establish affirmative actions, are open to learning, manage protection channels for receiving complaints, and seek to be fair and unbiased in forwarding all issues pointed out by the channels.

### Gender

Gender Equity is also a topic of great importance to us and is always present in discussions with leaders. Currently, the Company has 26% of women in leadership positions (managers and higher positions), and four of them compose our board of executive officers. Moreover, a woman is a member of our Board of Directors. The women in leadership indicator is part of the variable compensation of all eligible positions, as described on page 50.

In March 2021, the month in which International Women's Day is celebrated, we publicly reinforced our position and commitment to Diversity, Inclusion, and Human Rights by adhering to the

**7 Women 's Empowerment Principles** *WEPS*, a platform of the United Nations - UN Women and the UN Global Compact that has guidelines for gender equity in business and is in line with goal # 5 of the Global Compact's 2030 Agenda for Sustainable Development. This signature reinforces our commitment to be a transforming agent in society and aims to further promote the development of policies and initiatives that promote equity and the inclusion of women in organizations.



We also held the **Women's Week** for the third year in a row, with the purpose of paying a tribute to International Women's Day and promoting knowledge and engagement so that women and men can be together in the search for gender equity, to eliminate violence and discrimination. We launched the Equity Journey with content for women and men from across the company, including leaders, approaching topics like Parenting, Female Development, and Responsible Masculinity.

Over November, we carried out the **Adhesion to the Corporate Coalition to Eliminate Violence against Women**, promoting a *Live* show with an expert who works on the issue of men who have committed violence, reinforcing our role in acting in spheres beyond the corporate environment.



## Generations

We also highlight the approach of the **Apprenticeship Program**, an internal recruitment and selection process that seeks to include and develop young people at the beginning of their careers—by improving their knowledge to contribute to their adaptation and to the improvement of decision-making in the business. This Program takes place in stores, Distribution Centers, Headquarters, and Offices and counts on 1,964 young people.

Also with the purpose of bringing the experience and generational diversity of professionals to our stores, we developed and implemented a program focused on the inclusion of people over 55 years old, focused on areas such as the butcher shop and the fruit, greens, and vegetable sector. In 2021, the program had over 250 hires.



## LGBTQIA+

In July, we held the 5th Diversity Week and announced our adhesion to the LGBT Business and Rights Forum, in addition **to the partnership with TransEmpregos**, a employability project for Trans people in Brazil that promotes and assists in hiring, providing training for partner companies during the inclusion process. Such company provided us with support in the development of a primer having as purpose to generate knowledge about trans people, their difficulties and singularities, so that in conducting a selection process HR professionals can guarantee equity and inclusion.



EMPLOYEES USE A SOCIAL NAME THAT IS FORMALIZED ON THE EMPLOYEE'S REGISTRATION SYSTEM





**Pedro Henrique Vale Sad,**  
packer at Macaé (RJ)  
store

“

*Although I still do not have the updated documents here at Assaí, my workmates and bosses respect me, call me by my social name, and use the correct pronoun according to my gender identity. My nametag displays my social name, which makes it easier and allows for customers to identify me too.*

”

## People with Disabilities

We establish commitments and develop actions for the inclusion of People with Disabilities. We promote diversity and inclusion in a broad way, from external interaction—with inclusive communications and recruitment and selection processes—to the incorporation of these professionals into the company's daily life, through integration, training, and engagement actions, with equal opportunities for development and growth. We engage to eliminate prejudice that leads to ableism (prejudice towards people with disabilities).

In 2021, we intensified our partnerships with specialized external consultants and institutions to expand and strengthen our actions. This is the case, for example, of *Specilisterne*, a consultancy retained to monitor and guide leaders and employees with autism spectrum, arousing dialogue and respect for singularities. This year we also reinforced in our **Diversity Week**, which featured lectures portraying the importance of eliminating barriers (physical, architectural, technological and attitudinal) so that People with Disabilities can perform their activities and develop their career in the best possible way.





In August 2021, we conducted an online survey with employees—leaders and the human resources team—to identify and analyze best practices and a better understanding of our internal scenario. Thus, we had a diagnosis that is being used as a basis for strengthening the actions focused on this audience in our **Program for the Inclusion of People with Disabilities**.

We also prepared a **Normative Instruction** with directions regarding the hiring, inclusion, and dismissal of People with Disabilities. Such Instruction is an internal document prepared for standardizing and guiding the processes that must be carried out for the hiring and inclusion of people with disabilities in the company. In compliance with the legislation (Law 8213/91—Quota Law) and in line with the Diversity and Human Rights Policy, Code of Ethics and Values of the "Ser Assaí é Assim" Culture (Being Assaí is like this), such document allows for all areas, leaders, HR, and all employees—with and without disabilities—to understand their responsibilities regarding inclusion, from the moment of hiring and integration, to the development and career evolution.

The consolidation of our actions to include people with disabilities allows us, since 2017, to have a **higher** number of employees in our staff than that required by Law: 5.4% (Dec. 2021).

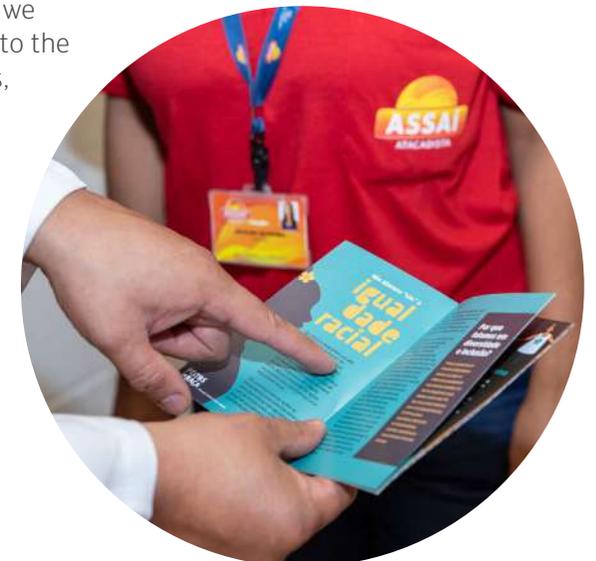
In one year, **we have increased** by over 600 the number of people with disabilities, achieving 3.2 thousand employees of this group in 2021, which strengthens our commitment to inclusion, development, and equal opportunity for everyone.

## Race/ethnicity

During the **Diversity Week**, we distributed to all our employees - in online and printed format – **the Assaí Anti-Racism Guide**, with the purpose of raising awareness and knowledge about ethnic/racial issues and the different types of racism, promoting racial/ethnic literacy and generating anti-racism attitudes and behaviors among Our People. Such Guide must be read by all new employees in the **Welcome Integration Program**.

In November, we promoted the **Black Awareness Month**, with the purpose of strengthening the racial/ethnic topic among Our People, reflecting our culture of equity and inclusion and generating knowledge, engagement and transformation in the work environment. We conducted *live* shows with the participation of experts on the subject and with people recognized in society for their position against racial/ethnic discrimination, representativeness, whiteness and colorism and violence against black women. Throughout the month, we disseminated content on racial/ethnic literacy, against discrimination and valuing black people. At Assaí University, we dedicate an exclusive page to the topic, with trainings, guides, and recommendations of books and movies. In addition, we launched the *online* course Invisible Barriers: Unconscious Biases for all of Our People.

In 2021, we developed our **Racial Ethnic Equity Policy**, with the purpose of giving transparency to Assaí's positioning





and offering guidelines for acting on the ethnic racial theme to all our employees, service providers, suppliers, and any other relationship audience present in our business units. Such Policy also provides definitions and guidelines for roles and responsibilities of leaders and non-leaders, as well as guidelines for expected behaviors and behaviors that are not tolerated.

In 2021, **we trained** leaders, loss prevention team, services provided, and customer service on unconscious biases, racial/ethnic literacy, anti-discrimination, service protocols, and how to avoid inappropriate approaches towards customers. Over 23 thousand hours of training with 11 thousand participations.

We held the third **Workshop for suppliers** who provide us with support services (security, cleaning, parking, surveillance, cafeteria) and deal directly with our employees, customers and other suppliers, to align our policies and practices on Diversity—focused on the racial/ethnic agenda. The meeting was attended by leaders from the main corporate areas that support the theme such as Sustainability, Ombudsman, Legal, Loss Prevention, Purchasing Center, Internal Audit, Diversity and we also had the participation of consultants from the ID\_BR (Institute of Brazilian Identities) approaching unconscious biases and racial/ethnic literacy, and a representative from the Zumbi dos Palmares University dealing with racism and safe protocols for customer service and approach.



In 2021, we have adhered to the seal "Yes to Racial Equity" – Commitment level, of the **Brazilian Identities Institute – ID\_BR**. This is an important initiative to strengthen Assaí's commitment and positioning as a company that eliminates discrimination, respects human rights, and values Racial/Ethnic Diversity, and continue to make progress so that Our People are always proud to be who they are in our stores, DCs, and offices, and so that our customers can feel respected in our units.



**Wellington Rodrigues Mendes (Tom Mendes)**  
Chief Administrative and Financial Officer of ID\_BR

“

*Assaí today is one of the major companies adhering to the “Yes to Racial Equality” Seal, which is basically public recognition bound to strategic planning for an anti-racism journey. The Assaí team has been doing a terrific and very strong job in stores, being the company that most offered internal training among the companies we follow. Assaí is a partner that has been continuously engaged in the cause and we know how much this influences internally and its entire value chain. We are taking big steps together, but the walk is long and demands hard work. It is a pleasure to have a transformative and employer brand alongside us on this journey, and Assaí’s commitment to the Diversity & Inclusion agenda is noticeable. Certainly we will be more and more together in the transformation of a Brazil that we want and need.*

”

## OTHER RELEVANT PROJECTS

Cultural and Religious diversity was also discussed in 2021, through the launch of a **Guide** in digital format on the Assaí University platform. Such guide approaches the importance of respect for all cultures, religions, and beliefs, with relationship and behavior guidelines so that everyone can be in line with what we expect in relation to Culture, Belief, and Religion. The launch took place in the Week of the International Day for Tolerance, when we also released the Diversity and Inclusion *Web series* that deals with such topic, among other discussions on diversity.





## Engagement of Our People

We closely monitor issues connected to the organizational environment and maintenance of high engagement of employees, a relevant part for the emotional well-being and mental health of our employees.

Several topics and employee satisfaction rates are monitored from the "Fale na Boa" (Talk Up) engagement survey—performed every two years, which measures engagement and organizational environment, issues with leadership, satisfaction with benefits, besides a vision of employees about opportunities and career.



### INCREASE IN THE ENGAGEMENT LEVEL OF EMPLOYEES IN RECENT YEARS



Our method considers the census format, in which a population sampling is selected to apply the research. In 2020, due to the covid-19 pandemic, the survey was applied to 50% of employees of stores and DCs, all leaders, and all employees in the corporate area.

Among the points assessed by such survey, three of them received the highest score: Career, Appreciation, and Recognition/Benefits, a result in line with our actions for the appreciation of employees.

In 2020 and 2021, our efforts were focused on employees' well-being and safety. Besides investing more than BRL3.9 million in safety items for the teams, such as hand sanitizers for employees, protective masks, gloves, and safety glasses, cleaning materials, and digital thermometers, we activated our communication channels and promoted *live* shows with doctors for guidance on virus prevention.

Other internal campaigns, which aim to contribute to the engagement of Our People and are broadcast on internal communication channels, such as the Billboard, TV, and corporate *email*:

- **Building a New Age:** this is an institutional concept created to guide and inform about the moment after the spin-off from GPA, which was permeated by several actions over the year and trained employees to the new standards and processes of Assaí. We created an exclusive page on the Intranet that is constantly updated and had about 8,500 hits. The action aimed to incorporate the "feeling of ownership of Assaí" into employees, who are already proud to be part of this moment so important for our company and permeated by all recognition actions throughout the year, such as Mother's and Father's Day.





● **This is Our Assaí**: engagement and incentive campaign made exclusively for the teams of stores and DCs. Through actions such as a parody contest and sharing of stories of employees who grew up with Assaí, we reinforce the "Passion for what we do", a value of the organizational culture. The monitoring of the achievement of sales goals was disclosed and carried out as well, reinforcing the "Commitment to result", another value of our culture. Thus, at the end of the campaign, awards were distributed to the units that reached targets and went beyond them.

● **Assaí Thinking of You Program**: a program that encompasses initiatives to recognize employees by celebrating commemorative dates and milestones of fundamental moments in the employee's career.

In 2021, to celebrate and recognize employees who are fathers and mothers at Assaí, we gave them presents with over 30 thousand items, which encouraged interaction between parents and children. We also carried out a Children's Day action, when we distributed more than 30 thousand toys/gifts to children up to 12 years old.

The program also supports actions such as the Highlight of the Month, which elects employees every month for their behaviors and attitudes aligned with our culture. In 2021, nearly 7 thousand employees were recognized all over Brazil.



● **#JuntosPelaExpansão (#TogetherForTheExpansion) Campaign**: the theme of growth and expansion is already approached every year at Assaí and, in a year that we reached the milestone of over 200 stores, it would be no different. We seek to show how much all areas support our expansion, through content that brings all employees closer to the topic and shows that the growth of Assaí means the growth of Our People. Throughout the year, exclusive content in text, images, and video were made and displayed on the opening date, besides sharing testimonials and actions valuing the leaders of new units and others, exclusive to the office team.

We had 100% live broadcasts of the openings, bringing the corporate team closer to the reality of the operation.





## Freedom of speech and association

We always try to maintain a good relationship with the unions of all regions through healthy negotiations—both for the company and for our employees—, seeking the approval and performance of the best benefits and aiming at the quality of life of all Our People.

In addition, we opened the dialogue for the maintenance and negotiation of benefit agreements, and the signing of the **Profit-Sharing Program** agreement, so that our benefits are always equivalent to those offered in the industry.

In this period of expansion, we seek to establish a dialogue beforehand with trade unions in cities that did not yet have Assaí stores. Currently, all our employees are covered by a collective agreement or a union convention.





# 3

## A NEW AGE IS BUILT TOGETHER WITH SOCIETY



## THE ENVIRONMENT

GRI 102-29

### **Our commitment:**

*Tackling climate change by innovating and improving the environmental management of our businesses.*



**We want to contribute to building a more responsible and inclusive society with improvements and innovations in our business model.**

This is the principle of our sustainability strategy. As a major company in the food trade industry, we are responsible for directing our activities to ensure sustainable development in a scenario of increased demand for natural resources and worsening of the environmental crisis.

**Assaí Goiânia  
Independência (GO)**

Our operations are complex and involves numerous suppliers to ensure the best supply of our stores and meet the needs of our consumers. With sustainability as a strategic part of our business, we seek to identify, monitor, and reduce vulnerabilities and environmental impact on the operation. This way, we aim to create strategies to reduce such risks and make activities more responsible and suitable to face the climate emergency, raising the awareness of our audiences, including practices and processes that reinforce our commitment beyond compliance with current legislation.





We commit ourselves beyond the normative and regulatory frameworks in force, such as the National Environmental Policy Resolutions of CONAMA (National Environmental Council) or the Secretariats of the Environment, besides international agreements of which Brazil is a party.

To meet the significant challenge posed by climate change and achieve the goals set out in the Paris Agreement, we invest heavily in reducing GHG (greenhouse gas) emissions. We also seek to work together with other industries in the search for best practices and processes, besides acting in forums, initiatives, and voluntary and recognized commitments, such as ETHOS, CDP, Global Compact, among others.

In the environmental management process, we seek to identify risks and opportunities for the climate transition, promoting necessary adaptations. Climate-related risks are monitored by the Sustainability Committee—including climate change, carbon emissions from refrigeration systems leak, environmental impact on the value chain, and food waste.

We understand that implementing an Environmental Management Policy is the responsibility of each of our employees, suppliers, service providers, customers and partners, regardless of their area of expertise or hierarchical level. Therefore, we enable and prepare everyone to establish a commitment with us and to adopt the practices, commitments, and responsibilities presented by the Policy.

We have established four key commitments that guide our actions. They unfold into action plans with goals, which are constantly monitored and improved:

- 1** reduction of GHG (greenhouse gas) emissions
- 2** reduction of waste generation
- 3** ensuring the sustainable use of natural resources
- 4** respect for biodiversity





## Climate change

Tackling climate change is the core of this strategy, which requires continuous improvement of our environmental management practices. The modernization of our equipment, the search for cleaner energy sources, and the increase in energy efficiency are some of our commitments transformed into action.

We seek to transition to a low-carbon model. Thus, we set the **target of reducing carbon emissions (scopes 1 and 2) of our operations in 30% by year 2025, and 38% by 2030** (base year: 2015). Such targets are bound to the variable compensation of middle-level and senior leaders, including the CEO and executive officers, in addition to the positions of consultants, coordinators, and managers of stores, Distribution Centers, and headquarters.

It is an initiative to promote the engagement and commitment of all employees to the challenges of the ESG agenda, which are transversal to all areas. In addition, we are in line with the Casino Group's environmental policies and global goals set for 2030 and 2050, as per the recommendations set out in COP21 and the IPCC (Intergovernmental Panel on Climate Change).

### Long-term commitments:

For strategic decision-making, we consider the externalities generated by GHG emissions. We make efforts to reduce our carbon emissions by adopting good practices. We want to reduce direct and indirect emissions in absolute terms. We manage risks and opportunities connected to the physical and transition aspects of climate change.

## OUR COMMITMENTS

- Reduce, in absolute terms, our direct and indirect GHG emissions (scopes 1 and 2) target of 30% by 2025 and 38% by 2030, having 2015 as base year.
- Reduce, in absolute terms, our fugitive emissions from refrigerant gases, in line with the Kigali Amendment to the Montreal Protocol.
- Identify and manage the risks and opportunities arising from the physical and transition aspects of climate change, acting on our vulnerabilities, adapting ourselves to climate changes.
- Quantify, audit, and consider the externalities generated by the Company's GHG emissions in our decision-making process.
- Improve logistics and transportation aiming at reducing atmospheric pollution and the use of fossil fuels, thus reducing our GHG emissions.
- Promote and encourage technological innovation, especially in Private Labels for the reduction of waste and packaging.
- Promote and encourage the design of new products, services and/or business models that enable to reduce GHG emissions.



## FUGITIVE EMISSIONS

We consider as a relevant risk the predominance of the use of R-22 in a significant part of the Assaí store park in refrigeration systems. With this in mind, in 2021, **we invested in making a thorough diagnosis of the use of refrigerant fluids in our operation, considering the regulatory context, its environmental impact, and projection of expansion of new stores**, culminating in strategic recommendations and a *roadmap* for the transition of technologies. This plan was submitted and approved in 2021 by the Corporate Governance and Sustainability Committee that is advisory to the Board of Directors, and its implementation—which has a long-term plan—is already in progress. In 2021, for example, we made progress in replacing the R-22 fluid with less aggressive gases. This is the case of the replacement (*retrofit*) of old refrigeration systems by *chillers* that do not operate with the R-22, in 10 stores in our current park. This change will allow us to use gases with lower environmental impact and will also result in a reduced energy consumption because of thermal energy storage, improved merchandise display, besides lower maintenance costs.

We have also implemented in part of the new stores the transcritical and subcritical systems, which already add up to 22 stores at Assaí, and use natural gases, – options that, besides replacing artificial refrigerants with a natural fluid, also provides an energy optimization of the stores.

In addition, we count on a team specialized in preventive actions to "hunt for leaks" in engine rooms, counters, and store chambers.

The team visits the stores periodically, detecting potential leaks and performing the required maintenance. The actions carried out in 2021 already result in a signal of reduction of fugitive emissions from refrigerant gases at Assaí, with a decrease of 15% compared with 2020 (January to December).



**Jean Carlos Marques,**  
Maintenance  
Coordinator—  
Operations at Assaí

“

*Assaí has been investing in state-of-the-art technologies in the refrigeration system that uses natural refrigerants, such as CO<sub>2</sub>, combined with modern automation and better energy efficiency. The Company also invested in remote equipment and islands with less aggressive gases. In addition, Assaí's maintenance promotes constant actions to eliminate leaks in its oldest park of stores, thus achieving an increasingly efficient reduction in gas emissions.*

”



## ENERGY AND WATER EFFICIENCY

The responsible use of resources, such as water and energy, is essential for managing negative business impact. Therefore, we seek to improve the water and energy efficiency of our operations and in our supply chain, encourage and increase the use of energy from renewable sources and self-generation, adopt sustainability criteria in the physical design of new stores, seeking efficiency in using energy, consuming water consciously, and using responsibly materials in our facilities.

Our new stores are already built considering environmental impact and eco-efficiency. These points have 100% led lighting, their frozen and refrigerated islands have doors, and their facades are made of translucent glass and tiles, which take advantage more efficiently of natural light, contributing to reduce energy consumption.

In older stores, the change to LED lighting is already being carried out along with the automation of air-conditioning systems by deploying sensors that allow automatic regulation and shutdown of the system where the temperature is adequate. In 2021, 27 stores had automated air conditioning systems installed, totaling 117 units, allowing us to reduce both energy consumption and Scope 2 gas emissions.

We also started a water efficiency pilot project in 16 stores, which provides for the checking of facilities and replacing equipment to prevent leaks and flow reduction. Telemetry systems were installed to identify in real time the level of consumption, identification of leaks, and correction of problems found.

Regarding the engagement and awareness of our internal audiences on responsible electricity consumption, in 2021 we reinforced the guidelines

through the Conscious Energy and Water Consumption campaign. Launched in May 2021, the campaign aims to encourage stores to adopt good energy and water consumption practices. The method implemented in the project seeks to constantly renew the culture of conscious consumption with employees, which helps to reduce consumption and electricity costs, besides reducing Scope 2 emissions. The goal is to keep the actions of guidance, engagement, and monitoring continuously in the daily lives of employees.

*Our new stores are built considering environmental impact and eco-efficiency*





Among the initiatives planned to achieve the climate change goal, besides improving the technologies implemented regarding refrigerant gases, we **migrated our entire current store park to the Free Market Energy (or Contract-Free Environment - ACL)**. Unlike the conventional acquisition model through which the supply is made by the National Interconnected System (or Grid), the Free Market Energy has a competitive trading environment that allows consumers to negotiate the conditions of energy acquisition in a more personalized way.

In addition to financial savings, there is also the environmental benefit of contracting energy with incentives, such as solar, wind, small hydroelectric plants, and biomass. Assaí started in 2019 to migrate its stores to the Free Market Energy. In 2020 alone, 116 stores were migrated to this contract model, and in December 2021 we reached 194 migrated stores, 92% of the total stores existing in 2021 (212 stores).

In addition, the Free Market migration initiative is also bound to the reduction of diesel oil consumption, since this fuel is used in power generators, which are usually activated in the units at peak times (periods of the day when there is greater consumption demand). When migrating to the contract-free environment, there is no need to activate the generators, thus resulting in lower diesel consumption and consequently lower level of scope 1 GHG emissions. In 2021, we had a drop of about 50% in total diesel-related emissions, compared with the same period of the previous year.

We invested in the installation of solar plants to cover the stores, an initiative that promotes the use of unusable areas and increases the independence from the local distributor's supply.

We also highlight our new photovoltaic solar plant, implemented in the Rio Verde city (State of Goiás) store—totaling seven plants in operation. There are 2,160 solar panels, with a self-generation capacity of 1.1 GWh per year. Besides reducing the cost of acquiring electricity and protecting it from possible water/energy shortages, the project contributes to reducing energy costs and reducing scope 2 greenhouse gas emissions.

**New solar plant:  
Assaí Rio Verde (GO):  
2,160 solar panels installed**



2. The electricity purchased by Assaí, as a special consumer (equal to or above 500kW) within the Free Contracting Environment (Mercado Livre de Energia), falls into the category of incentivized energy, with a 50% discount on the invoice (favored for green energy sources, such as solar, wind or biomass), under the terms of the ANEEL (Brazilian Electricity Regulatory Agency) commercialization rules for special consumers. References: § 5º of art. 26 of Law nº 9.427, of 26 December 1996; REN ANEEL 745 of 22.11.2016.



**Thales Russo,**  
Analyst of Public  
Accounts and Energy  
Efficiency Projects  
at Assaí

“

*By monitoring indicators of reduction of water and energy consumption, combined with the campaign of conscious consumption in stores, we can develop more assertive standards of action. It helps us, for example, to have a estimate of costs connected to each subject and a future planning for the optimized acquisition of energy and reduction of carbon emissions. The culture disseminated among employees may also reflect in the home of each one, since most of the shared methods can also be applied in their homes. This mass movement may contribute even more to the environment, since conscious consumption reflects throughout society.*

”

## OPTIMIZATION OF THE OUTSOURCED FLEET

The project for optimizing our fleet and logistics routes provides for the replacement of conventional cars by vehicles with larger load capacity. Part of the *trucks* that previously carried 16 *pallets*, now carry 18 *pallets*. The trailers as well, which previously could carry 24 *pallets*, are being changed to a load of 30 *pallets*. The so-called "rodotrem" (34-wheeler trailer truck) are also a more efficient alternative and have been considered to compose our optimized fleet. With these initiatives, we could avoid approximately 70,000 kilometers driven by trucks in 2021, meaning a reduction of 30,000 liters of fuel, representing about 80 tCO<sub>2</sub>e less released in the atmosphere. In addition, vehicles that go from Distribution Centers to stores are also assigned to collect products from suppliers and supply the distribution centers, thus contributing to a greater environmental efficiency and also higher efficiency in the flow of deliveries.





## WASTE MANAGEMENT

### Long-term commitments:

- Reduce our waste generation through good operating practices and circular economy principles,
- Engage our supply chain to reduce waste generation, as well as the disposal and destination of waste from its operations to landfills.
- Reduce the use of packaging and/or non-recyclable raw materials in the manufacture of our packaging, and replace them whenever possible with recyclable, compostable, or biodegradable materials.
- Foster more sustainable practices by our employees, customers and suppliers, encouraging the consumption of more sustainable products and the correct disposal of waste.
- Adopt practices to encourage selective collection in our operations and review the packaging policies of our private labels.
- Encourage the development of innovations that foster the circular economy in the value chain.
- Work on a segment basis and, together with the government, to strengthen laws, standards, and practices for reducing waste and improving the recycling chain.

Our Environmental Management Policy sets forth the principles, commitments and guidelines that govern our performance and the conduct of our employees and service providers regarding sustainability and environmental management, including the appropriate management of waste generated in the operation. Besides complying with the legal requirements in all regions, **we continually seek to reduce the volume of waste generated and ensure the correct separation, handling, packaging, and environmentally appropriate final destination**, which includes recycling, composting, and composting and final disposal processes.

All new stores have already started their operation with a recycling process implemented and, today,

**100%**  
OF OUR STORES

dispose their recyclable waste of higher volume—plastic and cardboard—to the recycling industry





One way to measure the effectiveness of our waste management is through the waste recovery rate, which represents the volume of materials generated in the operation that are diverted from the landfill. Assaí ended 2021 with a waste recovery rate of 40%. Moreover, in terms of reducing total waste generation, we started to produce a monthly average of 12.35 kg per sq. m of store compared with 13.54 kg/sq. m in 2020. Such decrease is equivalent to an 8.8% reduction in volume between those periods, which shows positive operational efficiency in the management of disposal of materials, damages, and other losses.



*We have reduced waste generation with circular economy principles*



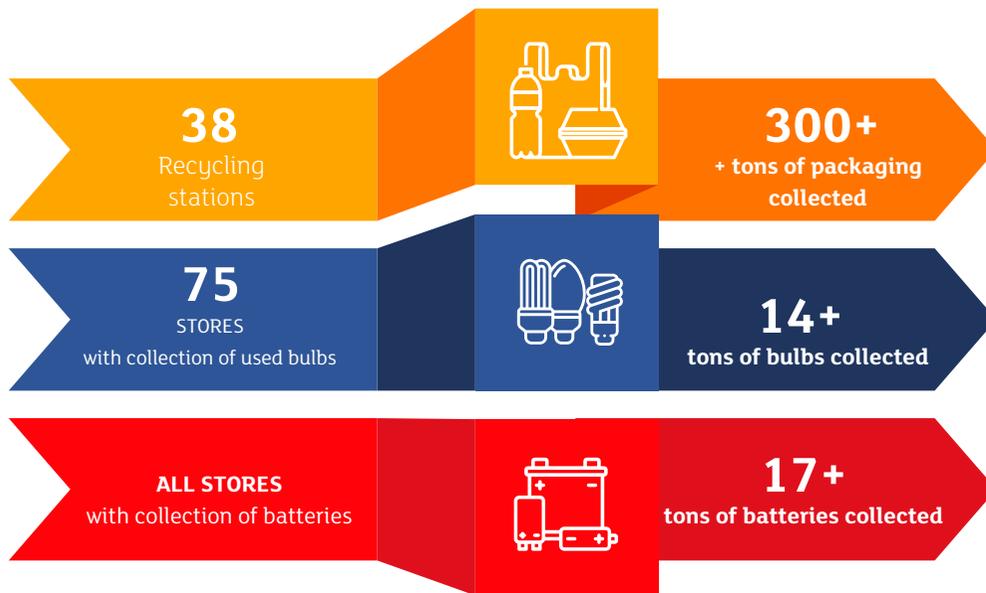
## REVERSE LOGISTICS

Regarding waste that is not part of our operations, we entered into partnerships with companies and/or cooperatives that enable the operation of our Recycling Stations, responsible for promoting recycling through reverse logistics and encouraging practices with raised consciousness with our customers. In them, the customer can deposit their recyclable materials (such as cardboard, plastic, glass, metal, and electronic waste) at specific collection points, which have partnerships with several entities that manage certain waste classes, including hazardous ones (batteries and bulbs), which are highly contaminants of soil and water. To encourage customers to practice recycling, we also form partnerships with energy suppliers, reversing the volume of collected waste into discounts on the residential energy bill. In 2021, we reached 38 Assaí stores with the presence of a Recycling Station (six more than in 2020), reaching 12 states in the country.





We foster reverse logistics from recycling initiatives with partners.



In 2021, because of local decrees, some stations still had their activities interrupted in part of the year which somehow affected the pace of collection and engagement of the participating audience. Part of the idle stations were reestablished in 2021, but the continuity of the pandemic continues to affect the project in some regions.



## FIGHTING AGAINST FOOD WASTE PROGRAM: DESTINO CERTO ("RIGHT DESTINATION")

As the main action to eliminate food waste—with social and environmental impact—we mapped and entered partnerships with Social Institutions of food banks to receive donations of FLV (fruits, vegetables and greens) that are not aesthetically attractive for sale but that are totally suitable for consumption. Using such food helps reduce the environmental impact (avoiding the allocation of new volumes to the landfill), and is also in line with our social responsibility agenda (contributing as a food and nutritional supplement to part of the population in a situation of serious food insecurity). In 2021, to expand and strengthen the actions in this project we entered a partnership with *Connecting Food*, a company that will help us connect FLV food from stores to other institutions that seek and need these resources. In addition, engagement actions were carried out to resume donations in stores that had the project's logistics and operation affected by the pandemic. With these actions, we have already seen a **progress in results, with a 10% increase in the total volume donated in 2021 compared with the same period of the previous year.**



**Alcione Silva,**  
CEO of  
*Connecting Food*

“

*Today the world wastes more than a third of the food it produces. Connecting Food, a social-impact company, connects food that is great for consumption, which was previously wasted, to civil society organizations that serve people in social vulnerability. We started the intelligent management of food donations in 38 Assaí stores intending to expand, consolidating the Destino Certo program as one protagonist in the redistribution of food from the Brazilian retail sector. Assaí, which has waste reduction as one of its strategic pillars of sustainability, inspires us to improve and do our work better and better.*

”



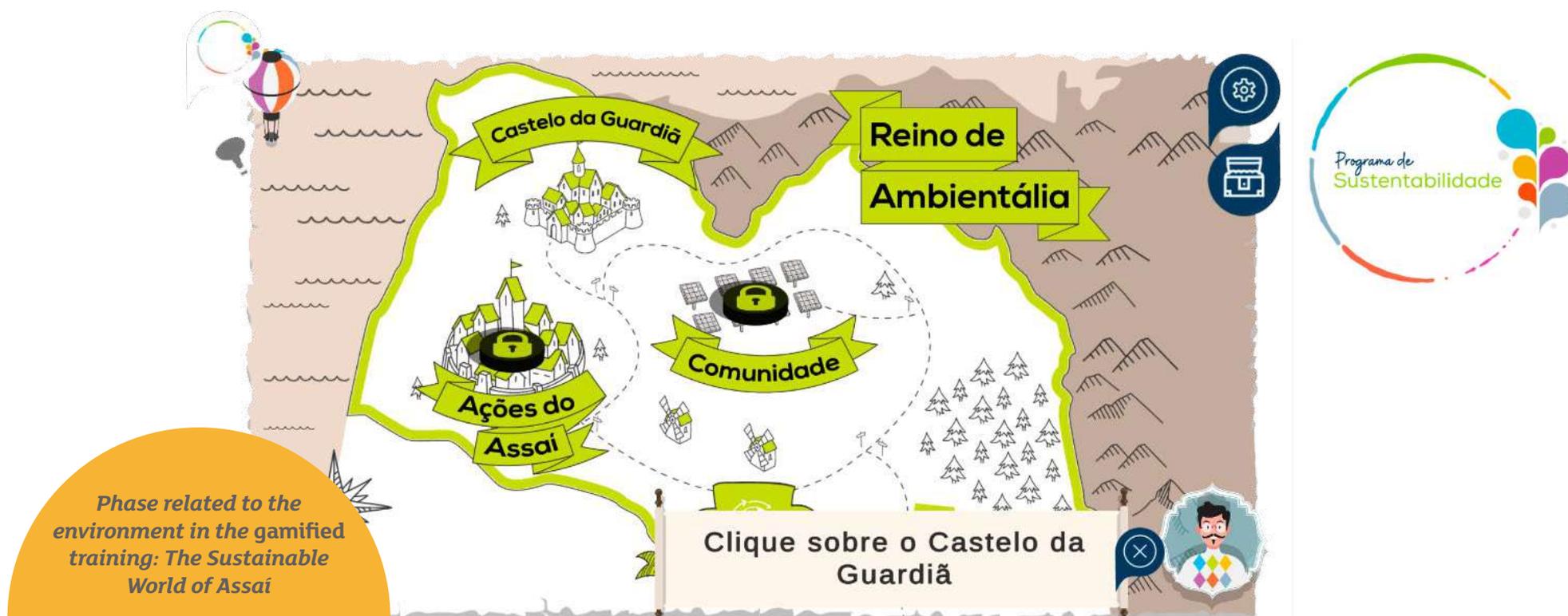
## Environmental education

We inform, sensitize, and engage our employees and customers through communication in our internal and external channels, with contents that raise awareness and reinforce the Company's commitment to environmental issues, with good practices and examples of actions and initiatives that can be reflected in everyone's daily lives.

In 2021, through the Sustainability Program offered by the Assaí University, we trained employees on our key actions that permeate the environmental

pillar, with an interactive *game* aimed at the general audience. This training approaches topics as conscious consumption, recycling, elimination of food waste, among others.

As to Climate Change, we had a specific training conducted by specialized external consultants having more technical content to approach the principles of global warming, reflect on the effects caused by humans, understand the relationship with the Company's operation, what Our People have already done to reduce such effects, and the key challenges and opportunities for Assaí.



Phase related to the environment in the gamified training: *The Sustainable World of Assaí*



# VALUE CHAIN

**Our commitment:**  
*Co-build value chains committed to the environment and people.*



We operate in a rich and complex value chain composed by numerous suppliers, including producers, industries, distribution and service companies. We seek to understand in depth all links in the chain, increasing traceability and the monitoring process and thus identify and mitigate possible socio-environmental risks in the stages of extraction of raw materials and production, as well as contributing to enhance the positive impact. Our efforts are for the choice of products that contribute to a more conscious offer and consumption.

Our relationship with suppliers is guided by standards to be followed on topics such as promotion of human rights, occupational health and safety, food safety, anti-corruption practices, protection of biodiversity and the environment, which are contained in our Letter of Ethics for Suppliers, Code of Ethics, Diversity and Human Rights Policy, Environmental Management Policy, Responsible Beef Sourcing Policy. Assaí's Policies and Commitments are **available here.**

### Private labels

Besides this work carried out with our chain, we have a strategic focus on our suppliers of Private Label products. With in-depth and strict processes, procedures, and standards, we seek to identify and mitigate socio-environmental risks, and also recognize and establish commercial relationships with suppliers of excellence, with best practices.





## Appreciation and recognition

In 2021, we launched the **Log Assaí Award**, which aims to value the logistics efficiency of our suppliers. In this way, we improve the monthly management of indicators and recognize the provision of services with quality, quickness, and excellence. 25 suppliers took part in the first edition of this award, which were rated by the following criteria:

**No show:** fulfillment of delivery schedules

**In Full:** delivery of scheduled items and in expected amounts

**Fill Rate:** delivery of 100% of what was purchased

**The winners, released in 2022, were:**



## Sustainable development

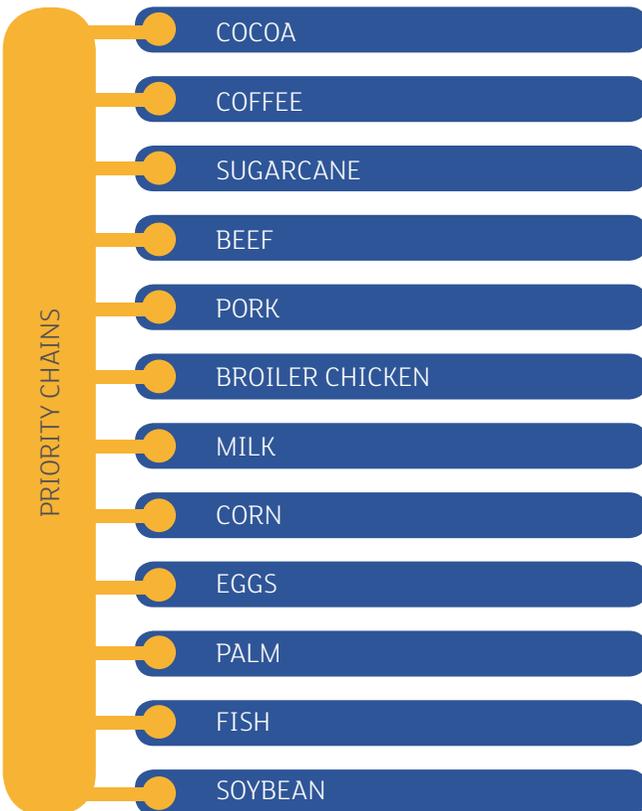
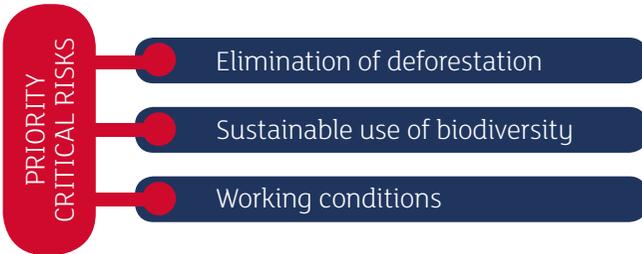
GRI 102-16 AND 102-17

### CRITICAL CHAIN RISK MANAGEMENT

**Assaí, aware of its role in the Brazilian market, seeks to be a transforming agent in society.** In line with our purpose of making supply chains more responsible and sustainable, we seek to collaborate to mitigate social and environmental risks and build a relationship of trust with our customers and stakeholders, seeking knowledge and development in all links and with all players.

In 2021, we updated the study of critical chains that aims to identify a socio-environmental risk matrix of the value chain, listing raw materials and risks (such as working conditions, animal welfare, deforestation, and biodiversity). 28 more critical chains were mapped from socio-environmental risks in the stages of cultivation, production, or transformation of products sold in our stores. From a prioritization, 14 additional chains were contemplated compared with the chains of the first study carried out in 2018. We also consider biodiversity issues, with an approach to effects on sustainable extraction and extinction of species. In the end, 13 product chains/categories were prioritized.

To achieve this result, the review underwent an analysis of internal and external data (public sources and documents) of the primary chains that allowed to cross the levels of social and environmental risks with relevance of these products/categories in relation to the volume and origin of purchases of products associated with these chains, rating them as low, medium and high.



The deployment of this matrix is based on the direction, strategy and action plan for each of the identified and prioritized chains.

Actions, guidelines, and steps are determined to deepen the diagnosis of the situation and opportunities for each one of them – always together with our internal teams, specialists, and suppliers. From such actions, we seek more robust processes of development, ratification, traceability, and monitoring. All these actions and initiatives are carried out based on the goals and KPIs set, followed up by internal groups, experts, and the Assaí Sustainability Committee.

Our commitment is to promote the protection and respect for the environment and biodiversity, respect for people, and the guarantee of the promotion of human rights throughout the value chain. **We focused on three priority aspects: appropriate working conditions, Elimination of deforestation, and Sustainable use of biodiversity.** Through the **Ethics Charter** for Suppliers, an integral part of supply agreements, we seek to ensure that our customers purchase products from decent and fair working conditions, and from places that do not impact the environment. Such document formalizes standards and guidelines on respect for human rights, working hours, health and safety, anti-corruption practices, and the environment. With it, we seek to ensure that the products sold in our stores come from suppliers that comply with the legislation, principles, regulations and specific standards, besides Assaí's commitments.

**We want to be a transforming agent in the value chain, making suppliers and partners aware of our joint responsibilities, sharing knowledge and guiding them through our policies for eliminating deforestation, responsible use of biodiversity, and appropriate working conditions.**

For this, in 2021 we held a *workshop* involving 60 suppliers. Together, we discussed issues related to Diversity and Human Rights, such as unconscious biases, gender equity, racial/ethnicity equity, generations, and people with disabilities, besides presenting cases with market trends and best practices.



## Tackling deforestation

Native forests and vegetation provide ecosystem services that play a key role in mitigating impacts from human activities, regulating the climate, and securing water supply (by boosting rainfall to replenish rivers). Deforestation and forest conversion increase greenhouse gas emissions, which in turn contribute to extreme weather events that destabilize ecosystems and threaten the survival of humanity, especially indigenous and traditional peoples and the most vulnerable communities, besides affecting economic activities.

Assaí is committed to combating deforestation and the conversion of native vegetation into pastureland within our value chain, and to protecting native biomes and cultural heritage. We also strive to uphold and promote respect for the rights enshrined in the Universal Declaration of Human Rights, and the rights and ways of life of indigenous peoples, local communities and workers.

We have identified the beef and palm oil value chains as a material topic for the sustainable management of our business, given their significance within our product assortment. For over 10 years, Assaí has been engaged in a continuous effort to develop and improve our policies and processes for screening and monitoring direct suppliers.

As part of Assaí's commitment to protect native forests and vegetation, we have worked with suppliers, governments, regulatory agencies, and civil-society organizations to develop, perfect, and implement best social and environmental practices for these value chains.

## BEEF

The beef value chain comprises a complex array of production stages and players. Our aim is to build a deforestation-free value chain by implementing sound procurement policies and structured processes and engaging with each link in the value chain.

Beef is a significant product category in our value chain. Assaí sells beef products supplied by domestic meat packers and there is not an Assaí's private label, as 100% of the products sold are national brands from meatpackers and processors. In 2016 we developed a Responsible Beef Sourcing Policy and a dedicated process for supplier screening – covering both private-label suppliers and domestic brands – and have since continually monitored our suppliers for compliance with the Policy.





Assaí's Responsible Beef Sourcing Policy aims to ensure our beef supply chain is transparent and traceable from ranch to slaughterhouse, and that the beef we source has not been raised in areas that have suffered deforestation or conversion of native vegetation.

Since 2020, all slaughterhouses looking to do business with Assaí has been required to comply with the unified protocol Boi na Linha (for the Amazon biome) and to demonstrate that they are compliant with applicable regulations.

All slaughterhouses have pledged to ensure their value chain is:

- Free of deforestation or conversion of native vegetation
- Free of forced, compulsory or child labor
- Free of environmental embargoes due to deforestation
- Free of land grabbing in indigenous or quilombola lands
- Free of land grabbing in protected areas
- Registered with the Rural Environmental Register (CAR) and environmentally licensed, as applicable

**To view our Responsible Beef Sourcing Policy, click here.**



**Lisandro Inakake de Souza**  
Imaflora



Assaí has acted, together with slaughterhouses and retailers, as one of the co-developers of the tool and solutions of the Boi na Linha Program, coordinated by Imaflora since 2019, which is carried out in partnership with the MPF (Public Prosecution Service). Since 2020, the company has been a partner in the discussion on the challenges of implementing the Protocol for Monitoring Amazonian Cattle Suppliers by suppliers that are slaughterhouses.

In 2021, it took part in the creation of the Protocol for Monitoring Cattle Suppliers in the Cerrado biome, and the Guide for Preparing Beef Sourcing Policies for Retail, having been one of the panelists of the launch webinars in September and October, respectively.

It is also one of the companies that have been supporting the discussions on the Monitoring Protocol for Retail Meat Suppliers with key stakeholders, a document to be launched in the first half of 2022. Assaí has contributed strongly to the agenda in the sector, demonstrating transparency in the progress made and challenges to achieve a responsible chain.





## Stages in our Responsible Beef Sourcing Policy

**Screening** – This is the first step in the process, in which suppliers are screened against minimum requirements for eligibility to sell products to Assaí. After communicating our social and environmental commitments to suppliers, they are asked to provide evidence that they are aligned with those commitments.

This step applies to all beef products that we sell, including domestic brand and private-label products. Suppliers in both categories are required to use the Boi na Linha Program protocols in their beef sourcing processes to ensure their direct-supplying ranches are compliant with the 12 principles (read more on page 102). During the screening process, suppliers confirm that they understand and agree to abide by our Procurement Policy, commitments and social and environmental risk management requirements for this value chain. All Brazilian suppliers of chilled and frozen, fresh, and processed beef are required to:

1. Sign their acceptance of and commit to comply with our Responsible Beef Sourcing Policy (in line with the Boi na Linha protocol).
2. Demonstrate that the suppliers have in place, or procure, a beef tracking and satellite monitoring system, and commit to conduct social and environmental vetting of the farms from which they intend to purchase cattle.

3. All domestic-brand and private-label suppliers are required to comply with applicable laws and regulations, understand our values, and comply with the ethical principles laid down in the Assaí Code of Ethics, our Diversity, Inclusion & Human Rights Policy, and our Value Chain Human Rights Policy.

4. Provide information that allows each batch of cattle sold to Assaí to be traced to its source farm via our traceability system.

5. Be aware and in agreement that all farms be reassessed by Assaí (via the Group's geomonitoring system). In case of suspected irregularity, meat packers are required to either provide evidence that it was a false-positive evidence, or block the relevant farm.

6. Sign and be following TAC (Agreement term with Brazilian federal prosecutor) in the states where they apply.

7. Provide quality assurance for animal products via the Federal Inspection Service (SIF).





The goal in this step is to ensure that suppliers are aware of and commit to comply with Assaí requirements, social and environmental requirements, the Brazilian Forest Code, applicable regulations, and product quality standards (Federal Inspection Service (SIF) and other standards).

**Suppliers found not to be compliant with our Responsible Beef Sourcing Policy** and/or that violate any Policy requirements at any time during their commercial relationship with Assaí are subject to measures that include debarment from doing business with the Group until they are compliant.

**Monitoring beef purchases by meat packers** – Since 2017, meat packers supplying beef products to Assaí – including domestic-brand and private-label suppliers – have been required to have a satellite geomonitoring system that allows us to identify social and environmental risks by intersecting farm location data with publicly available information.

All suppliers operating as slaughterhouses are required to use geomonitoring systems, regardless of their geographical location. They are also required to check that all cattle they source is compliant with the requirements outlined in Assaí's policy. This applies to a meat packer's entire production output, and not only to the batches it supplies to Assaí. Suppliers may choose their geomonitoring systems at their own discretion, provided that they use the same criteria as established in Assaí's Policy and in the Boi na Linha protocol. Suppliers are responsible for the management, traceability and social and environmental assessments of cattle farms, and for transmitting this information to Assaí.

Currently 100% of our direct beef suppliers have social and environmental geomonitoring systems in place and transmit traceability information to Assaí.

Traceable and transparent beef sourcing – for every batch of beef we purchase, suppliers are required to upload information about the immediate origin of the cattle (the source farm, batch number and slaughterhouse) and



*The social and environmental beef purchasing policy guarantees the product quality*



product safety and quality (color, size, etc.) to Assaí's traceability system. Besides social and environmental information, we also collect information on food safety and quality (cut accuracy, packaging integrity, labeling and packing date).

#### **Double checking social and environmental data – Assaí Geomonitoring**

To assess compliance and accuracy in meat packers' monitoring processes, Assaí reassesses the source farms for each batch to check that they are compliant with the requirements in our Policy and the Boi na Linha protocol. This double-checking process reassesses the same criteria through the lens of a unified protocol used for all meat packers. If any nonconformities are suspected, the relevant farm is suspended, and the supplier is asked to submit evidence that the nonconformities are a false positive. This evidence is then reviewed by Assaí.

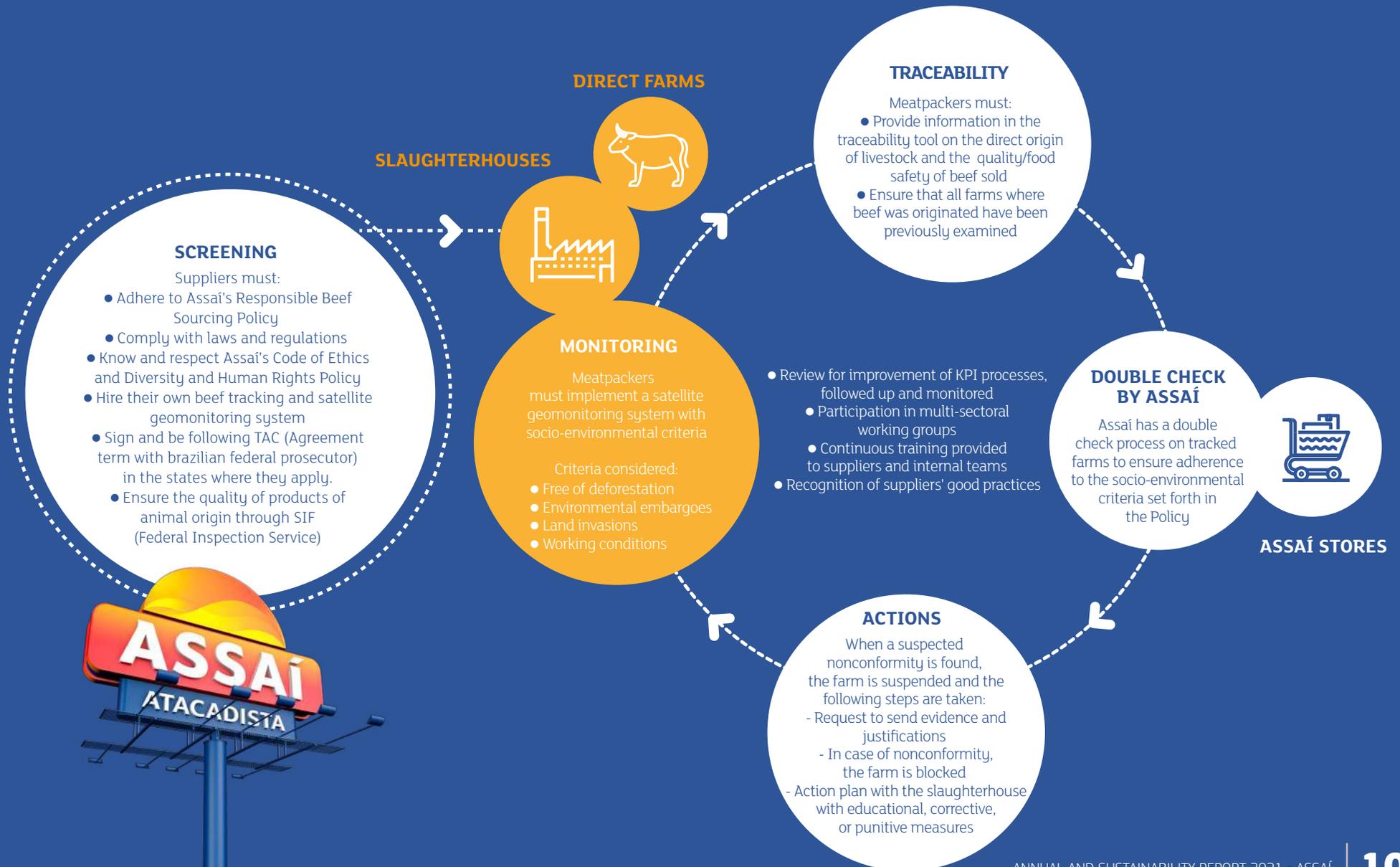
Where the nonconformity is confirmed, the relevant farm is blocked and an action plan is agreed with the meat packer, including educational, corrective and/or disciplinary action.

**Consequence measures** – All meat packers and processors are required to be fully compliant with our Responsible Beef Sourcing Policy in order to retain their status as suppliers. Those that refuse to comply with implementation and/or monitoring requirements are subject to action by the Company, including suspension from supplying products to any business unit within the Company until they are compliant. Since 2017, nonconformities have been found for 30 Brazilian suppliers; of these, 4 have implemented action plans for compliance and 26 remain debarred (status as of December 31, 2021)

Internal forums are held where the different departments involved track performance indicators for each stage in the value chain. These discussions inform action plans for continuous improvement, working jointly with our suppliers. The highest governance body responsible for monitoring our Responsible Beef Sourcing Policy is the Sustainability Committee, an advisory body to the Board of Directors.



## STAGES OF THE RESPONSIBLE BEEF SOURCING POLICY





## COLLABORATION

We actively take part in working groups to develop solutions for the different links in the beef value chain. We base our actions and commitments on a variety of best-practice references on combating deforestation, and we support and collaborate with several initiatives in an extensive network, including:

- Boi Na Linha / Imaflora
- Brazilian Coalition on Climate
- Working Group on Indirect Suppliers (GTFI)
- Working Group on Sustainable Livestock (GTPS)
- Beef working group (Consumer Goods Forum (CGF) Forest Positive Coalition of Action)
- World Wildlife Fund (WWF)

For further information, see page 30.

In 2021, we collaborated on the development of a Guide on Preparing Beef Sourcing Policies for Retail. The aim of the guide is to assist other retailers in monitoring their beef suppliers, using a unified approach market-wide. The guide was developed by Imaflora with support from the Brazilian Federal Prosecution Service and with insights from Assaí's own policies and lessons learned.

In 2021 we wrapped up our participation – in partnership with the Collaboration for Forests and Agriculture (CFA) – in the Deforestation-Free Supply Chain Hub, an initiative that aimed to engage our beef suppliers around adopting more sustainable practices. The overarching goal was to foster collaboration in forest protection and building a deforestation-free beef value chain. The Hub assessed four of our partner meat packers and then worked with each of them to develop an action plan toward building a deforestation- and conversion-free supply chain.

### The Consumer Good Forum's Beef working Group of the Forest Positive Coalition:

Given the complexity of the beef supply chain and the number of stakeholders involved, the Casino Group and Assaí believe that collaborative solutions is necessary for more effective action. Thus, the Casino Group co-chairs the beef working group set up by the Forest Positive Coalition of the Consumer Good Forum, which aims to mobilize all the players buying meat in Brazil and to collectively strengthen and improve the tools and actions for monitoring the Brazilian beef supply chain. Supported by the Proforest institution, the objective of the working group is to define a common framework of common among all members applicable by their beef suppliers in Brazil in order to guarantee meat that is not linked to deforestation risks. The Casino Group took part in and co-hosted over ten meetings in 2021. As presented in the Forest Positive Coalition's annual report, this working group assessed the best practices of 20 Brazilian meatpacking companies that together operate and source from more than 100 meatpacking plants in the Brazilian Amazon and Cerrado biomes. The aim is to publish guidelines in early 2022 for beef suppliers in Brazil to ensure that the farms they work with are not linked to deforestation in Brazil.

Furthermore, the Beef Working group implemented a series of webinars entitled "Learning Journey" to raise awareness among Forest Positive Coalition members and meat suppliers of the main issues and solutions to improve farm monitoring processes and support them in better practices were implemented in 2021. This learning path was developed in partnership with the Global Environment Facility (GEF) funded Beef Toolkit program.



## ACHIEVEMENTS

- 22** active beef suppliers in 12/31/21
- 10,133** direct farms that were analyzed through the process of reassessing Assaí's social and environmental criteria (Assaí Geomonitoring system)
- 100%** of direct beef suppliers compliant with Assaí's Responsible Beef Sourcing Policy
- 100%** of direct slaughterhouses suppliers with their own satellite system and active traceability
- 30** beef suppliers presented nonconformities and were blocked (from 2017 to 12/31/21)
- 4** beef suppliers that had been blocked and have met the action plans and returned to supply to Assaí (2017 to 12/31/21)
- 26** beef suppliers that remained debarred (update to 12/31/21)

## COMMITMENTS

100% of suppliers compliant with our Responsible Beef Sourcing Policy

Source 100% of our beef from suppliers with satellite systems in place



**Sergio Schuler,**  
chairman, GTPS



*Assaí has actively taken part in the Sustainable Cattle Working Group (GTPS), the Brazilian Roundtable on Sustainable Beef. In 2021 they provided inputs in discussions on traceability, monitoring and other issues related to the beef supply chain. Assaí has also become a member of our Steering Board. As a highlight for the period, Assaí signed a formal public commitment to advance the sustainability of the Brazilian livestock industry. In 2022 we will build further on this valuable partnership, working together toward an increasingly sustainable livestock industry!*





## Human rights: working conditions

Our **Diversity and Human Rights Policy** seeks to create conditions to develop a culture free from discrimination and valuing respect and equal opportunities for everyone. We are guided by the international principles of human rights, under the United Nations Universal Declaration, conventions of the ILO (International Labor Organization), the SDGs (Sustainable Development Goals), and the International Convention on the Rights of the Child, among others. In this way, we seek to guarantee the rights of all human beings regardless of their origin, social condition, race/ethnicity, religion, gender, and we undertake to respect them also in our value chain.

Our policy considers the fulfillment of human rights parameters in labor relations—both in our units and in our value chain. We consider topics such as prohibition of child labor and protection of the rights of children and teenagers, prohibition of forced or slave-like labor, disciplinary measures in case of harassment and abuse, freedom of trade union association, collective bargaining, and complaint mechanisms, respect for hours worked, wages and benefits, guarantee of a secure and healthy workplace and safety in the workplace.

For suppliers in higher-risk countries and private label products, we perform a supplier social compliance audit process through ICS (*Initiative for Compliance and Sustainability*) to assess working conditions in factories. According to the results, we structure specific action plans for each supplier. Once the compliance results have been assessed we apply a suitable penalty, ranging from the request for conduct adjustments to the suspension of business relations. In 2022, besides the factories, we will start this same audit process in the field, prioritizing the chains considered being at greatest risk.

## APPROVAL

To ensure adherence to the guidelines of Assaí, before the beginning of the business relationship, potential suppliers and service providers undergo an approval process that considers the analysis of the Slave Labor Dirty List (official Brazilian list, published by the Ministry of Economy and Department of Public Policies and Labor) and embargoes of Ibama (Brazilian Institute of Environment and Renewable Natural Resources). The presence in these databases means automatic disapproval, and the supply or provision of services to Assaí is not allowed.

In addition, every supplier must undertake to provide only products or services compliant with the **Ethics Charter for Suppliers**, the Company's internal policies and standards, as well as local laws and regulations applied to the performance of its activity and international standards, when applicable.





## APPROVAL AUDIT

To assess the social compliance of our suppliers, we perform face-to-face audits in factories located in places of higher risk and vulnerability of labor practices, including all products of our Private Labels. The audits are carried out by third parties (specialized audits) based on the criteria and methodologies below:

### **Initiative for Compliance and Sustainability (ICS)**

We are associated with the *Initiative for Compliance and Sustainability (ICS)* to review working conditions. This method provides visits to factories and document analysis, besides conducting anonymous interviews with employees on the following topics: forced labor; trafficking of people and immigrant workers; child labor; freedom of association; right to collective bargaining; discrimination; occupational health and safety; abuse and harassment; compensation and benefits; hours worked and overtime.

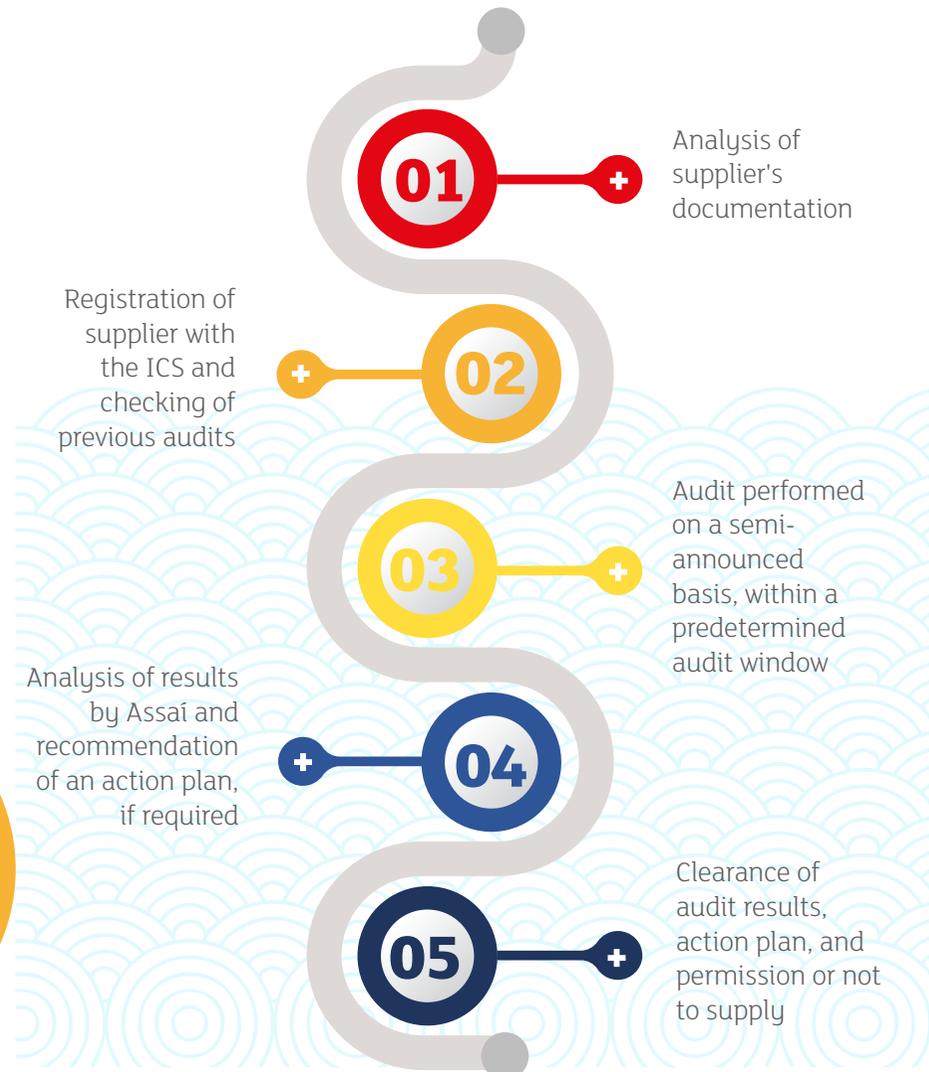
Every ICS audit issues a report with the points discovered by the supplier in the assessment. This score determines whether the supplier is able to establish a business relationship with the Group, from the highest to the lowest performance:

- Authorized supply
- Authorized supply with action plan to be completed within six months
- Authorized supply depending on a mandatory *follow-up* audit within six months
- Supply is not allowed until a *follow up* audit is performed
- Factory not authorized and blocked for supply



## ICS AUDIT FLOW

THE AUDIT PROCESS FOLLOWS THE STEPS BELOW:





## ABVTEX Certification

For the textile industry, we adopt the same procedure, complying with the standards of the Brazilian Textile Retail Association (ABVTEX). This entity gathers representatives of domestic and international chains, and is recognized for its initiatives in defense of responsible supply, the use of decent labor and elimination of informality, among other actions.

## Together, for human rights and diversity

In 2021, through Assaí University, we launched a specific training on sustainable value chains, aimed at the business team. In this way, we share

knowledge and disseminate our guidelines and procedures. Among the topics approached are the risks connected to labor rights in the value chain. We also conduct information and awareness campaigns on gender and racial/ethnic issues. Resale partners undergo regular audits on topics related to diversity, inclusion, and human rights.

We are committed to engaging other companies to perform affirmative actions and training to eliminate violence motivated by discrimination. Therefore, we are willing to promote an agenda for diversity, inclusion, and human rights, in particular regarding non-violence in the wholesale sector.





# COMMUNITIES

## Our commitment:

*Being an encouraging agent to promote more inclusive and fair opportunities.*



Our strategy of action is built to generate a positive social impact on society; therefore, we reinforce **our purpose of promoting opportunities and prosperity paths for people and communities.**

This is only possible by strengthening our relationship with customers, suppliers, employees, and social organizations surrounding our stores for joint action, as genuine agents of transformation.



## Management of impact (covid-19)

2021 was marked by many challenges connected to the scenario of the covid-19 pandemic, which still have high rates in the country, persisting throughout the year. We have kept all efforts to continue to perform our role of selling essential products for feeding and the well-being of the population, supporting customers, employees, and communities in our surroundings and contributing to safety in view of the still imminent risks of the virus.

Concerned with the safety of employees and customers, we maintained actions and operations such as: installation of acrylic protections in cashiers and counters; strict compliance with safety protocols in stores—such as mandatory use of a mask, availability of hand sanitizer in various points of the store and temperature measurement at the entrance; signaling for safety distancing in the queues of cashiers and service counters; care with cleaning and sanitization—we intensified sanitization in all areas, both of our units and products. We also maintained active communication (in our stores, websites, apps, and social media) about procedures for the time of purchase to ensure the safety of everyone; we started a partnership with *Cornershop by Uber* (to make purchases virtually on the app), in an unprecedented movement to digitalize the shopping experience for customers from over 25 cities.



## Supporting local communities

In 2021, we continued to strengthen our support for people who were most affected by the pandemic by donating over 147 thousand baskets with basic food staples to partner institutions. All that movement was only possible with important partnerships, which further increased our reach of actions. We support over a hundred nationwide and local institutions.

The movement Tem Gente Com Fome ["Someone is Hungry"], for example, which had great prominence in the media and mobilization, had the support of Assaí through a partnership with UNEAFRO (an organization that supports social causes related to diversity and the elimination of all types of discrimination and prejudice, especially the anti-racism struggle), to which we donated over 20 thousand baskets of basic food staples, reaching families in 23 Brazilian states.



**Wellington Aparecido Santos Lopes,**  
UNEafro Brazil

“

*When famine rages in ghettos, the last two resources are solidarity and radicalism against poverty—we do this in search of social justice and against racism. That is why donations are so fundamental, because they have put, through collaborative work, basic staples on the table of those who live in a country segregated by famine.*

”



Another important support is made through donations in partnership with CUFA ("Central Unica das Favelas")—an organization formed by a network in defense of the population living in shantytowns that contributes to the development of integrated actions in the communities), through which we helped over 26 thousand families. With these and other actions, we donated over 1.3 thousand tons of food in the year, benefiting more than 147 thousand families in Brazil.



WE DONATED  
**+1.3 thousand**  
TONS OF  
FOOD

THROUGH  
**+100**  
INSTITUTIONS



**Preto Zezé,**  
National President  
of CUFA

“

*It is very important to count on the support of a giant company like Assaí in our endeavor. Society and companies need to understand that there is a social function and we have to embrace and support people who are going through a bad time, caused by some tragedy, whether it is a pandemic or a heavy rain.*

”



## Social campaigns

In 2021, the social responsibility agenda was also present in our marketing actions, such as **Assaí's 47th Anniversary Campaign**, held between September and October. Through the action "Believing and helping is good", we seek to serve people in situation of social vulnerability in all regions of Brazil by donating food to Citizenship Action—a network of community leaders that takes part in a variety of social sectors, with regular actions in the areas of health, education, culture, and generation of jobs and income, benefiting groups of the elderly, women, children, and young people in the communities.

Through this action, over 200 tons of products were donated in the five regions of the country, which is equivalent to over 400 thousand meals. In addition, in our marketing campaigns connected to sports sponsorships, we promoted donations in the Northeast Cup—a local soccer championship. This action was also carried out in partnership with *Citizenship Action*, and the initiative was part of the actions of "**Nordeste Cuida**", a solidarity brand of the Northeast Soccer Cup. At the end of the campaign, 56 tons of food were distributed—equally—among the states of Alagoas, Bahia, Ceara, Maranhao, Paraiba, Piaui, Rio Grande do Norte, and Sergipe.

In the second half of the year, we conducted solidarity campaigns during the main soccer championship of the country, known as **Brasileirao**. Every month, journalists and coaches vote for who they believe to be the best player of the month in the championship. The winning player can choose an institution in their home state, among those already registered with Assaí, to direct a donation of ten tons of food. The campaign took place from August to December, totaling 50 tons and support for over five thousand families in situation of social vulnerability.

We continue to engage our customers, through mobilization campaigns to collect products, such as the Solidarity Campaign, the Solidarity Christmas, in addition to specific emergency campaigns.

Together, the campaigns added support to about **70 thousand families**, through over **700 tons** of food collected in the year. At the end of the year, during the intense rainy season in Bahia, Assaí started vigorous support to affected families through donations that totaled, in 2021, **over 100 tons of** food, besides donations by customers in 18 stores in that state.





**Rodrigo "Kiko"  
Afonso,**  
Chief Executive  
Officer "Ação da  
Cidadania"

“

*Throughout the covid-19 period, Assaí has been an extremely important partner in the performance of our entity, helping us to mitigate the effects caused by the social and economic crisis we are experiencing. Today we are sure of the Company's genuine concern with food security and we are confident that our partnership will be effective for a long term.*

”



**Elaine Correia  
Cerigato,**  
winner of the  
Campaign of  
Assaí's 47  
anniversary

“

*I was surprised by a call from Assaí's board of executive officers informing about the award I had won and, when I went to receive it, there was a party throughout the store. Not only for the value added, but also for knowing that Assaí develops social campaigns donating food to families in need. Thank you, Assaí, for the prize and the good deeds. It certainly made a difference in my life and many families' lives.*

”



## Fostering small entrepreneurs

In our strategy to provide society with support in generating work and income, the **Assaí Bons Negócios Academy** is worth highlighting, which is a social investment program that since 2017 has been supporting micro and small entrepreneurs in the food sector, providing them with training courses, information sharing, events, and various kinds of support.

We offer participants of the Assaí Bons Negócios Academy free-of-charge quality content, with clear language, accessibility, and personalized information for different businesses in the food industry.

In 2021, because of social isolation measures, no face-to-face courses were held, but access to the platform reached over 2.5 million hits, an increase of 59% over the same period last year. During the year, over 8 thousand people were certified, with one of the highlights being the new learning track "Winning in the Crisis".



**Noeli Angelita Fernandes,**  
owner of Abeille Gourme,  
Artisan Pastry



**Jêssica Santiago Santos,**  
owner of  
Delícias da Maria



In 2021, we also entered into partnerships with organizations specialized in management and finance training for small businesses, such as SEBRAE (Brazilian Micro and Small Business Support Service), the main support entity for micro and small business ventures in Brazil. We also supported **Partners in Action**, an initiative of the Santander bank in partnership with Accenture, which aims to strengthen small businesses, offering specialized support with training in management and financial education. Through these partnerships, we hold courses—online and free—on the portal of Assaí Bons Negócios Academy towards the development of specific skills for the food sector and customized for the audience of micro and small entrepreneurs.

**'ASSAÍ BONOS NEGÓCIOS' ACADEMY**

	2021	2020	2019
Entrepreneurs registered	27,295	28,931	26,739
Access to <i>online</i> platforms	110,630	83,335	54,404
Total entrepreneurs registered	2,541,856	1,598,497	1,726,009
Hits on <i>podcasts</i>	2,223	2,746	-
Certificates issued	9,107	2,161	2,537
Awards given (Assaí Academy Award)	1,500	150	15



**Leandro José Tenório,**  
owner of *Café e Sabores Delicatessen,*  
and of *Vitamina G Charcutaria Artesanal*



## Recognition of good practices and award to entrepreneurs

We have been valuing entrepreneurs with inspiring cases in the **Assaí Bons Negócios Academy Award** since 2018.

In 2021, the 4th edition of the Assaí Bons Negócios Academy Award took place between July and September. The action focused on providing financial support and offering tools to help entrepreneurs affected by the covid-19 pandemic to reorganize their businesses. The award was given to professionals in the food sector from all regions of Brazil who already had, or had already had before, their own business (whether or not formalized) and who fit into one of the three categories: “Fixed point of sale”, “Street vendor” or “On-demand sales”.

Due to the challenging context of the pandemic, the **award—which in the first years included 15 entrepreneurs—started to benefit 150 in 2020, increasing again in 2021, this time to 1,500 selected people who received financial support to invest in their own business. The prizes were up to four thousand Reals, besides an exclusive week of training and individual advice for participants to improve their business.**

The selection process for the award also includes gender equity, and has premises like focus on socioeconomic levels of greater vulnerability. **There were over 16 thousand applications, a 28% increase compared with the previous year—and out of the total number of people selected, 79% were women and 80% were self-declared as black.**



**Karla Ribeiro da Silva,**  
owner of *Delicias di mãe e filhos*



**José Ari Linhares da Silva,**  
owner of *Sabor do Churrasco*



**Andrey de Castro Correa,**  
owner of *Frango do Negão*



**Josiane Silva Nascimento,**  
winner of the Assaí Bons Negócios Academy Award in the Sale on Demand Category

“

*I am the mother of a special child and created my business, Boloterapia (Caketherapy) as an opportunity to work while being able to take care of my kid. With the crisis, I wasn't sure if it would work and I just needed someone to tell me it would. My experience with the Assaí Academy was the kickoff to stop being just the woman who makes cakes and becoming a businesswoman.*

”



**Lina Maria Useche Jaramillo Kempf,**  
Chief Institutional Relations Officer of Aliança Empreendedora

“

*In 2021, we completed four years of partnership with the Assaí Bons Negócios Academy Award and were extremely happy to be part of it and contribute to an initiative that affects so deeply so many microentrepreneurs, which last year alone had more than 7 thousand certificates issued. It has been a great honor to develop content designed exclusively for small entrepreneurs in the food area and to dedicate time and energy to get to know their challenges, dreams, and powers more deeply! We continue together and committed to support more and more this niche that was so affected by the pandemic, but that has an incredible potential of affecting the Brazilian economy.*

”



## FEIRA PRETA (BLACK FAIR):

For the 4th consecutive year, we sponsored Feira Preta—the largest event of black culture and entrepreneurship in Latin America.

In the 2021 edition, this event celebrated 20 years of history, seeking to strengthen technology, innovation, and creativity of black people who live in ghettos in one more 100% *online* version. The Assaí Bons Negócios Academy, which is the content partner of the Fair, developed an exclusive page with different **articles and contents** on entrepreneurship and gastronomy. As part of the actions at Feira Preta, we carried out training and various learning activities (*workshops*, creative immersions and *networking*) in partnership with Afrolab, to add the fundamental technical aspects for business creation and management.

## FINANCIAL SUPPORT

Since 2018, we have financially supported – individually and separately from actions performed by the Assaí Bons Negócios Academy – several initiatives of institutions and social organizations that work with the promotion and training of micro and small entrepreneurs all over Brazil. This promotion is carried out with money from sales of plastic bags in our stores. In 2021, nine institutions were provided with support under this theme, with projects in the States of Sao Paulo, Rio de Janeiro, Amazonas, Bahia, and Minas Gerais.

Some of the entrepreneurship projects supported by Assaí's social investment

Vale do Dendê



## THE ASSAÍ INSTITUTE

In its history of corporate social responsibility actions, Assaí has always had the support of GPA Institute – a non-profit organization that promotes the strategy and management of social investments of the Pão de Açúcar Group. After our spin-off from GPA operations, there was also a reorganization for social actions, which culminated in 2021 with the structuring of our own corporate institute.

The Company's new social arm, the Assaí Institute, will be launched in 2022 and is being born to expand opportunities for people and communities to develop from the three priority fronts: entrepreneurship, food, and sport.



# 4

## EXHIBITS



# IMPACT MANAGEMENT

	MATERIAL TOPICS	COMMITMENT	Deadline
<b>VALORIZAÇÃO DA NOSSA gente</b>	Diversity, inclusion, and elimination of discrimination	100% of our service providers trained in Diversity	annual
<b>ENGAJAMENTO com a sociedade</b>	Strengthening Small Entrepreneurs	Have 50,000 certified entrepreneurs by 2025	2025
		Reach 4,000,000 unique users on the platform	2025
<b>GESTÃO INTEGRADA e transparência</b>	Governance, ethics, transparency, and elimination of corruption	100% of employees trained in ethics and compliance	annual
		Maintain 100% <i>due diligence</i> for service providers	annual
<b>COMBATE ÀS mudanças climáticas</b>	Tackling climate change	38% reduction in Scope 1 and 2 emissions (base year 2015), considering a 30% reduction by 2025	2030
		Maintain 100% of stores migrated to the Free Market Energy	annual
<b>TRANSFORMAÇÃO na cadeia de valor</b>	Eliminating food waste	100% of stores allocating FLV (fruits and veggies) to Food Banks	2025
		100% of the slaughterhouses complying with the Responsible Beef Sourcing Policy	annual
		100% of international suppliers audited for working conditions	annual
		100% of private label suppliers audited for working conditions	2022
		100% of our textile suppliers with ABVTEX certification	annual
		100% of palm oil with origin identified in the Private Labels products	2022



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## PERFORMANCE INDICATORS

These indicators follow the assumptions of Casino's methodology.

Indicator	Audited Indicator	Unit	2019	2020	2021
Sales area of own units opened within 12 months <sup>(1)</sup>	✓	sq. m	546,658	643,234	759,920
<b>Valuing Our People</b>					
<b>Headcounts, turnover, and hires</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Headcounts registered on Dec. 31, N	✓	Number	43,391	48,885	60,120
Female headcounts on Dec. 31, N	✓	Number	20,607	23,417	29,018
Male headcounts on Dec. 31, N	✓	Number	22,784	25,468	31,102
Headcounts < 30 years old on Dec. 31, N		%	47	47	47
Headcounts with ages between 30-50 years on Dec. 31, N		%	47	48	47
Headcounts with ages > 50 years on Dec. 31, N		%	6	5	6
Headcounts < 30 years old on Dec. 31, N		Number	20,509	22,953	27,987
Headcounts with ages between 30-50 years on Dec. 31, N		Number	20,413	23,456	28,376
Headcounts with ages > 50 years on Dec. 31, N		Number	2,469	2,476	3,757
Headcounts per race/ethnicity - Black men + women	✓	Number	14,670	27,031	39,365
Headcounts by race/ethnicity - White men + women	✓	Number	5,313	11,605	16,189
Headcounts by race/ethnicity - Other races/ethnicities	✓	Number	23,408	10,249	4,566
Headcounts per race/ethnicity - Black men + women	✓	%	34	55	65
Headcounts by race/ethnicity - White men + women	✓	%	12	24	27
Headcounts by race/ethnicity - Other races/ethnicities	✓	%	54	21	8
Turnover		%	-	-	27.5
Headcounts in management positions and above on Dec. 31, N	✓	Number	306	343	416
Being black men and women	✓	%	36	41	45
Being women	✓	%	21	23	26
Being black women	✓	%	5	7	9



Indicator	Audited Indicator	Unit	2019	2020	2021
<b>Valuing Our People</b>					
<b>Headcounts, turnover, and hires</b>					
	Audited Indicator	Unit	2019	2020	2021
Headcount in senior management on Dec. 31, N		Number	23	24	35
Being black men and women		%	9	8	11
Being women		%	30	29	26
Being black women		%	0	0	0
Number of people with disabilities in the company on Dec. 31, N	✓	Number	2,308	2,574	3,206
People with disabilities on Dec. 31, N <sup>(2)</sup>	✓	%	5.3	5.3	5.3
Alternating students (vocational education) and apprentices on Dec. 31, N	✓	Number	1,356	1,500	1,964
Full-time headcount on Dec. 31, N	✓	%	96	96	95
<b>Occupational health and safety</b>					
	Audited Indicator	Unit	2019	2020	2021
Occupational injuries with leave of at least 1 day	✓	Number	574	459	607
Days of leave because of an occupational injury	✓	Days	14,504	28,943	20,356
Total number of hours absent due to occupational injuries, ordinary illness, and occupational diseases	✓	Hours	2,463,807	6,883,681	8,504,434
Frequency rate of occupational injuries with leave of at least 1 day - based on total actual hours worked	✓	%	5.6	4.0	4.6
Absenteeism rate because of occupational injury and illness, based on total hours worked	✓	%	2.4	5.7	6.1
Number of fatal accidents in the year		Number	-	-	0



Indicator	Audited Indicator	Unit	2019	2020	2021
<b>Valuing Our People</b>					
<b>Training programs</b>					
	Audited Indicator	Unit	2019	2020	2021
Total number of hours of employee training	✓	Hours	2,070,713	1,487,395	2,359,293
Number of hours of training, per employee	✓	Hours	54	32	45
Number of employees who took training on diversity	✓	Number	-	-	47,881
Number of hours of diversity training	✓	Hours	-	-	44,480
Number of employees trained in <i>compliance</i>	✓	Number	-	-	51,292
Number of employees trained in LGPD	✓	Number	-	-	37,268
Total amount invested by the company in training		BRL	17,167,625	17,953,139	24,740,450
Average amount spent on training per employee, Equivalent to Full Time		BRL	401	372	418
<b>Value Chain transformation</b>					
<b>Products/Portfolio sold</b>					
	Audited Indicator	Unit	2019	2020	2021
Number of products alternative to animal protein and dairy products	✓	Number	-	-	1,624
% of the turnover achieved from the sale of cage-free eggs, free-range, and organic eggs of national brands (regarding total sale of eggs)	✓	%	-	-	2.67
Private-label Food Products	✓	Number	-	-	25
Private-label DPH Products	✓	Number	-	-	12
Private-label Products - Non-Food	✓	Number	-	-	21
Organic Food Products from Other Brands	✓	Number	-	-	177
<b>Social audits</b>					
	Audited Indicator	Unit	2019	2020	2021
Social audits in suppliers' factories located in at-risk countries	✓	Number	-	-	4
Number of audits of working conditions in factories of private-label suppliers	✓	Number	-	-	4



Indicator	Audited Indicator	Unit	2019	2020	2021
<b>Tackling climate change <sup>(3)</sup></b>					
<b>Water</b>					
	Audited Indicator	Unit	2019	2020	2021
Water consumption in stores	✓	m <sup>3</sup>	770,112	912,036	1,320,091
Water consumption per sq. m of stores	✓	m <sup>3</sup> /sq. m	2.3	2.2	1.7
<b>Energy consumption</b>					
	Audited Indicator	Unit	2019	2020	2021
Total energy consumed	✓	MWh	332,946	392,160	488,044
Electricity consumption per sq. m/Store	✓	KWh/sq. m	627	610	640
Energy consumption from other renewable sources (Free market and self-generation) <sup>4</sup>	✓	MWh	37,614	111,428	417,750
Proportion of other renewable sources (Free market and self-generation)	✓	%	11	28	86
Sites with self-consumption of energy produced (photovoltaic solar plants)		Number	-	-	7
Natural gas consumption	✓	MWh PCI	328	364	424
Liquefied Petroleum Gas (LPG) consumption	✓	MWh PCI	14,617	16,455	19,266
Diesel oil consumption	✓	Liters (l)	6,737,788	6,944,551	2,804,559
<b>Refrigerant gas consumption: air-conditioning</b>					
	Audited Indicator	Unit	2019	2020	2021
R404A	✓	kg	255	55	356
R134A	✓	kg	258	476	506
R22	✓	kg	435	722	1,310
R410A	✓	kg	1236	804	843
Other air-conditioning fluids	✓	kg	193	198	188
<b>Consumption of refrigerant fluids - cold food</b>					
	Audited Indicator	Unit	2019	2020	2021
R404A (refrigerant)	✓	kg	3216	3191	5,038
R134A	✓	kg	2015	3123	1,886
R22	✓	kg	36829	35454	28,006
R410A	✓	kg	907	295	521
Other refrigerants	✓	kg	122	119	1,261



Indicator	Audited Indicator	Unit	2019	2020	2021
<b>Tackling climate change <sup>(9)</sup></b>					
<b>Waste from operations</b>					
	Audited Indicator	Unit	2019	2020	2021
Cardboard	✓	ton	24,551	32,907	36,125
Plastic	✓	ton	4,127	4,865	5,996
Organic waste (Composting and other forms of use)	✓	ton	900	1,102	1,250
Scrap and metals	✓	ton	151	567	1,887
Other separated wastes		ton	0	375	248
Tailings (landfill)	✓	ton	53,905	62,245	70,479
Waste recovery rate (Recycled and /or composted waste)		%	36	39	40
<b>Hazardous waste from operations</b>					
	Audited Indicator	Unit	2019	2020	2021
Total hazardous waste from operations			-	-	-
<b>Customer waste</b>					
	Audited Indicator	Unit	2019	2020	2021
Customer waste (collected at voluntary delivery points in stores)		ton	871	462	328
<b>Eliminating food waste</b>					
	Audited Indicator	Unit	2019	2020	2021
Food donations ("Destino Certo" Program)	✓	ton	1,402	2,150	1,226
Stores that donated food at least once a year		Number	100	100	102
Food and FLV waste (fruits, vegetables, and greens) diverted from disposal		%	-	-	10
<b>Emissions by scope <sup>(4)</sup></b>					
	Audited Indicator	Unit	2019	2020	2021
Carbon emissions - Scope 1		ton CO <sub>2</sub> e	119,083	110,274	88,972
Carbon emissions - Scope 2		ton CO <sub>2</sub> e	30,289	30,869	68,148
Carbon emissions - Scope 3		ton CO <sub>2</sub> e	52,935	60,622	62,867



Indicator	Audited Indicator	Unit	2019	2020	2021
<b>Company investment</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Volume of food donated, in tons (direct donations)	✓	ton	-	-	1,374
Number of beneficiaries of actions from foundations or solidarity partnerships		Number	1,695	176	1,278
Investment through incentive laws		BRL	-	-	0
<b>'Assaí Bons Negócios' Academy</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Academy: Number of certified people	✓	Number	-	-	8,014
<b>Other social indicators</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Sponsorships		BRL	-	-	22,597,805
Contributions to Professional Associations		BRL	-	-	119,724
Value of the largest contribution to Professional Associations (Instituto Ethos de Empresas e Responsabilidade Social)		BRL	-	-	51,000
Net Promoter Score		NPS Index	-	-	53

**NOTES:**

- Sales areas refer to the Company's own units (owned and under operational control) that had some activity between October 1 of one year and September 30 of the subsequent year (for example: period between Oc. 1st, 2020 and Sep. 30, 2021). All establishments purchased, opened, or closed during the period are not considered.
- The percentage of People with Disabilities differs from that shown on page 50 because it considers, for that table, the headcount methodology of the Casino Group, while Assaí considers those set forth by the Brazilian legislation.
- All environmental indicators, except those of GHG emissions, are included in the Casino Group's own methodology, considering the same assumptions provided in note 2 (sales areas). The administrative office is considered whenever applicable.
- The electricity purchased by Assaí as a special consumer (equal to or above 500kW) within the Free Market Energy falls into the category of subsidized energy, with a 50% discount on the invoice (favored for green energy sources, such as solar, wind, or biomass), under the terms of the ANEEL (Brazilian Electricity Regulatory Agency) commercialization rules for special consumers. References: § 5º of art. 26 of Law nº 9.427, of 26 December 1996; REN ANEEL 745 of 22.11.2016.
- Inclusion of R744 and R407C refrigerant gases in 2021.
- Emissions data for the 2020 base-year underwent reformulation after the disclosure of the last annual report because of adjustments requested by a third-party audit. Emissions data for the 2021 base-year is subject to change after completion of the third party due diligence.



## LIMITED ASSURANCE REPORT ISSUED BY INDEPENDENT AUDITORS

To the Board of Directors, Shareholders and Stakeholders  
Sendas Distribuidora S.A.  
Rio de Janeiro – RJ

### Introduction

We have been engaged by Sendas Distribuidora S.A. (“Sendas” or “Company”) to apply limited assurance procedures on the sustainability information disclosed in Assaí 2021 Annual and Sustainability Report, related to the year ended December 31st, 2021.

### Responsibilities of Sendas’ Management

The Management of Sendas is responsible for adequately preparing and presenting the sustainability information in the Assaí 2021 Annual and Sustainability Report in accordance with the Casino Group methodology, as well as the internal controls determined as necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes (“KPMG”) applies Brazilian and international standards on quality control, and consequently maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical and professional standards, in addition to the legal and regulatory applicable requirements. We comply with the comprehensive code of ethics including detailed independence requirements, established based on the ethical principles of integrity, objectivity, competence and professional care, confidentiality and professional behavior.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Sendas and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional

procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) engagement planning: considering the material aspects for Sendas’s activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Report. This analysis defined the indicators to be checked in details;
- (b) analysis of preparation processes of the Report and its structure and content, based on criteria defined by Sendas;
- (c) evaluation of the following sampled indicators:

- Sales area of own units opened within 12 months;
- Headcounts registered on Dec. 31, N;
- Female headcounts on Dec. 31, N;
- Male headcounts on Dec. 31, N;
- Headcounts per race - Black men + women;
- Headcounts by race - White men + women;
- Headcounts by race - Other ethnicities;
- Headcounts per race - Black men + women (%);
- Headcounts by race - White men + women (%);
- Headcounts by race/ethnicity - Other ethnicities (%);
- Headcounts in management positions and above on Dec. 31, N;
- Headcounts in management positions and above on Dec. 31, N - Being black men and women;
- Headcounts in management positions and above on Dec. 31, N – Being women;
- Headcounts in management positions and above on Dec. 31, N – Being black women;
- Number of people with disabilities in the company on Dec. 31, N;
- People with disabilities on Dec. 31, N (%);
- Alternating students (vocational education) and apprentices on Dec. 31, N;
- Full-time headcount on Dec. 31, N;
- Occupational injuries with leave of at least 1 day;
- Days of leave because of an occupational injury;
- Total number of hours absent due to occupational injuries, ordinary illness, and occupational diseases;
- Frequency rate of occupational injuries with leave of at least 1 day - based on total actual hours worked;



- Absenteeism rate because of occupational injury and illness, based on total hours worked;
- Total number of hours of employee training;
- Number of hours of training, per employee;
- Number of employees who took training on diversity;
- Number of hours of diversity training;
- Number of employees trained in compliance;
- Number of employees trained in LGPD;
- Number of employees trained in Ethics;
- Number of employees trained in Regulatory Themes;
- Number of employees trained in Anti-corruption;
- Active beef suppliers in 12/31/21;
- Direct farms which underwent double check under the socioenvironmental criteria of Assaí (Geomonitoring System);
- Direct beef suppliers compliant with Assaí's Responsible Beef Sourcing Policy;
- Direct slaughterhouses suppliers with own satellite system and active traceability;
- Beef suppliers which presented nonconformities and were blocked (from 2017 to 12/31/21);
- Beef suppliers that had been blocked and have met the action plans and returned to supply to Assaí (2017 to 12/31/21);
- Number of products alternative to animal protein and dairy products;
- % of the turnover achieved from the sale of cage-free eggs, free-range, and organic eggs of national brands (regarding total sale of eggs);
- Private-label (Exclusive Brand) Food Products;
- Private-label (Exclusive Brand) DPH Products;
- Private-label (Exclusive Brand) Products - Non-Food;
- Organic Food Products from Other Brands;
- Social audits in suppliers' factories located in at-risk countries;
- Number of audits of working conditions in factories of private-label suppliers;
- Water consumption in stores;
- Water consumption per sq. m of stores;
- Total energy consumed;
- Electricity consumption per sq. m/Store;
- Energy consumption from other renewable sources (Free market and self-generation);
- Proportion of other renewable sources (Free market and self-generation);
- Natural gas consumption;
- Liquefied Petroleum Gas (LPG) consumption;
- Diesel oil consumption;
- Refrigerant gas consumption: air-conditioning (R404A, R134A, R22, R410A, other air-conditioning fluids);
- Consumption of refrigerant fluids - cold food (R404A - refrigerant, R134A, R22, R410A, other refrigerants);
- Waste from operations: Cardboard, plastic, Scrap and metals;

- Organic waste (Composting and other forms of use);
- Tailings (landfill);
- Food donations;
- Volume of food donated, in tons (direct donations);
- Academy: Number of certified people.

- understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
- application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
- analysis of evidence supporting the disclosed information;

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

#### Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

#### Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in the 2021 Assaí Annual and Sustainability Report is not fairly stated in all material aspects in accordance with the Casino Group's methodology and with the records and files that served as the basis for its preparation.

São Paulo, April 01st, 2022

KPMG Auditores Independentes Ltda.  
CRC 2SP014428/0-6  
Original report in Portuguese signed by  
Sebastian Yoshizato Soares  
Accountant CRC 1SP257710/0-4



## SASB MODEL INDICATORS

TOPIC	CODE	METRICS	MEASURE UNIT	ANSWERS		
				2019	2020	2021
Energy management in retail sector and Distribution	CG-MR-130a.1	Total energy consumed	Gigajoules (GJ)	1,592,760	2,035,744	2,118,448
		Energy percentage consumed from the grid	Percentage (%)	69%	48%	9%
		Percentage of renewable energy	Percentage (%)	9%	37%	83%
Security of data	CG-MR-230a.1	Description of the approach to identify data security risks	n/a	-	-	Page 44
		Number of data breaches	Number	0	0	0
		Percentage involving Personally Identifiable Information (PII)	Percentage (%)	0	0	0
		Number of affected customers	Number	0	0	0
Labor practices	CG-MR-310a.1	(1) Average hourly wage (2) percentage of store employees earning minimum wage, by region	Monetary value Percentage (%)	Not disclosed		
		Voluntary turnover rate for employees in store	Rate (%)	12.8%	12.3%	15.9%
	CG-MR-310a.2	Involuntary turnover rate for employees in store	Rate (%)	12.2%	11.7%	8.3%
		Total amount of monetary losses resulting from lawsuits connected to labor law violations	Monetary amount	-	Reference Form: section 4.6. Repetitive, non-confidential, or related lawsuits, administrative proceedings, or arbitration procedures that are material as a whole	2021 Reference Form (update in progress)
Diversity and Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for: Management and other employees	Percentage (%)	Page 122	Page 122	Page 122
Supply of products, marketing, and packaging	CG-MR-410a.3	Discussion of strategies connected to reducing the environmental impact from the use of packaging	n/a	-	-	In 2021, we started diagnosing the environmental impact of our post-consumer private-label packaging to develop, from the results, strategies to make these products increasingly efficient. The medium-term goal is to ensure that 100% of private-label packaging is recyclable, compostable, or reusable. We quantified the volume of packaging generated and evaluated it considering: components (e.g. bottle, cap, and label), performance in the recycling chain (cooperatives, recyclers, and packaging industry), and understanding of regulations related to the topic. We found the percentage of products that have high, medium, or low performance related to the post-consumer recycling chain and identified the opportunities to exchange components for materials with a higher recyclability rate, to optimize the use of raw materials, reduce the use of plastic, and increase the use of materials with high biodegradation potential. We also studied the possibility of adopting new business models, such as bulk.
Activity metrics *	CG-MR-000.A	Number of retail sites	Number	133	153	175
		Number of Distribution Centers	Number	7	7	8
	CG-MR-000.B	Total retail area	Square meters	546,658	643,234	759,920
		Total area of Distribution Centers	Square meters	150,229	150,229	157,339

**\*NOTE:**  
The indicators in the CG-MR-00 section are reported according to the Casino Group's own methodology, considering its own units (owned and under operational control) that had some activity between Oct. 1st of a year and Sep. 30th of the subsequent year (for example: a period between Oct. 1st, 2020 and Sep. 30, 2021). All establishments purchased, opened, or closed during the period are not considered.



## TCFD STRUCTURE

TCFD RECOMMENDATIONS	ANSWER	CDP REFERENCE
<b>GOVERNANCE</b>		
Disclose the Company's governance on risks and opportunities related to climate change		
<p>a) Describe how the Board oversees the risks and opportunities related to climate change</p>	<p>Our sustainability strategy integrates the priority themes for the strategic planning and development of the business. Those subjects are assessed and prioritized with stakeholders during the materiality review (carried out at the end of 2020) and annually in the risk analysis. The materiality consultation was based on qualitative interviews and quantitative research, with the participation of over 4,000 stakeholders. For each material subject, a strategy of action was set, as well as short- and medium-term public commitments, validated by the Corporate Governance and Sustainability Committee.</p> <p>In addition, through six lines of action connected to the CSR Program, which is the Casino Group's corporate social responsibility program (controller of Assaí) that assesses, monitors, and sets forth guidelines for mitigating social and environmental risks, we direct and enhance the creation of positive value for our stakeholders. The risks, responsibilities and action plans evaluated in the CSR Program are presented to the Governance and Sustainability Committee, to the Audit Committee and approved by the Board of Directors annually. The monitoring of the sustainability strategy is carried out by the Corporate Governance and Sustainability Committee for all ESG topics. This Committee is responsible for guiding and ensuring the adoption of best sustainability practices by Assaí, promoting discussions on new socio-environmental agendas, commitments, policies and sustainable development initiatives at the level of Executive Leadership and the Board of Directors, monitoring key ESG indicators (including reduction of GHG emissions) and evaluating and monitoring risks, policies, practices and results of high impact critical issues.</p> <p>Combating climate change is one of Assaí's priorities, which makes it one of the basic themes for the construction of the Company's strategy and the Corporate Governance and Sustainability Committee. Through pre-scheduled quarterly meetings, the Corporate Governance and Sustainability Committee questions, provokes, recommends and guides strategies and positions and long-term, medium and short-term commitments. In addition, it encourages the evolution of practices and processes adopted by the company in order to reduce GHG emissions and guides the institutional position in the face of climate change. From the approval of the strategy, the Committee has the responsibility to monitor the progress of the impacts through goals and commitments assumed.</p>	<p>CDP C1.1b, C1.2, C1.2a</p>
<p>b) Describe the role of the Board in assessing and managing risks and opportunities related to climate change</p>	<p>In 2020, a GHG reduction target of 38% was established by 2030, considering scopes 1 and 2 (30% by 2025, base year 2015), and this target (with annual objectives) became one of the indicators linked to the variable remuneration of eligible positions from 2021.</p> <p>Together with the Audit Committee and the Risk Committee, the Corporate Governance and Sustainability Committee discusses how climate and socio-environmental risks may impact the company's strategy. Together, they evaluate, monitor and sensitize the Board of Directors.</p>	
<b>STRATEGY</b>		
Disclose the actual and potential impacts of risks and opportunities related to climate change on the organization's business, strategy and financial planning, whenever such information is relevant.		
<p>a) Describe the risks and opportunities related to climate change that the organization has identified in the short, medium and long term.</p>	<p>The process of mapping risks and opportunities follows the protocols and methods established by the Casino Group, whose practices are in compliance with international standards and include the frequent improvement of internal control mechanisms and their actions to prevent and mitigate impacts.</p> <p>Assaí has included socio-environmental risks and opportunities in the Company's strategic and financial planning process. The risks and opportunities mapped served as the basis for the review of the company's Environmental Policy in 2020, as well as assisted in the definition of goals and commitments. Based on the mapping, actions to reduce risk are defined, as well as indicators to monitor performance, these initiatives are monitored by the Sustainability and Governance Committee. by the Audit Committee and reported to the Board of Directors.</p> <p>The time horizons in retail and wholesale are quite short, and even the long ones are often shorter than other sectors. The short-term horizon adopted by the Company is up to 1 (one) year, while the average horizon varies from 1 (one) to 2 (two) years and the long-term horizon varies from 2 (two) to 10 (ten) years. Following are some examples of risks and opportunities and the measures taken to mitigate risks and explore opportunities.</p>	<p>CDP C2.1a, C2.3, C2.3a, C2.4, C.2.4a</p>



TCFD RECOMMENDATIONS	ANSWER	CDP REFERENCE
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<p>b) Describe the impacts of risks and opportunities related to climate change on the organization's business, strategy and financial planning</p>	<p><b>Regulatory Transition Risk</b>                  The phase out of the Brazilian HCFC Elimination Program poses a risk to the Company. The Programme foresees the elimination of the consumption of these gases by 2040. The adequacy of gas cooling and replacement systems will directly affect our operations due to the high cost involved, efficiency of these gases compared to more sustainable ones and the large amount of use of these fluids in refrigerators and air conditioning equipment in our stores. In our risk management process, we are monitoring the preventive and periodic maintenance processes, monitoring the consumption of refrigerant gases in leaks and carrying out feasible studies to reduce and/or exchange fluids, aiming at reducing GHG emissions. Although a possible rate or tax for carbon emissions in Brazil is still incipient, the subject has already been discussed in the regulatory sphere. That is why Assaí monitors the regulatory sector in order to understand the political scenario that will be designed for this theme.</p> <p><b>Dry Physical Risk</b> and Water Scarcity In recent years we have observed in Brazil an increase in the intensity and occurrence of droughts and water scarcity, and several studies already point to a relationship of these events with the increase in temperature caused by human action.</p> <p>The risk of water scarcity may increase Brazil's energy tariff. In the last 20 years there has been an increase of approximately 50% above inflation, which generates a significant impact on our operations, as we depend on this resource to operate.</p> <p>Assaí, together with GPA, instituted the ISD (Sustainability and Diversity Index), composed of three indicators and goals, among them, the reduction of energy consumption, which is a part of the variable remuneration of eligible employees – coordinators to senior management. The energy indicator was in force until the end of 2020, being replaced by the indicator linked to the absolute reduction of carbon (scopes 1 + 2, base year 2015). There is also an environmental and financial strategy to migrate the purchase of energy to the Free Market Energy, in which it is possible to acquire encouraged energy from clean generation sources. In addition, such events have the potential to impact the supply of some products, especially those of agricultural origin, which are strongly impacted by the drought. In 2022, the Company will carry out a study with the objective of evaluating the impact of this risk and structuring mitigation and adaptation actions.</p>	<p>CDP C1.1b, C1.2, C1.2a</p>
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<p>c) Describe the resilience of the organization's strategy, considering different climate change scenarios, including a scenario of 2°C or less.</p>	<p><b>Flooding</b>                  The increase in temperature associated with human action has generated a greater occurrence of storms. With a significant volume of water in a short period of time, cities have suffered from flooding and may have impacts on logistical processes, mostly carried out by road, of the products sold by Assaí. Failure to dispose of the products directly impacts the sale to the consumer. In 2022, the company will carry out a climate risk study that will have an analysis of the impact of floods, water scarcity, among others, with the objective of structuring mitigation and adaptation actions.</p> <p><b>Power Supply Opportunity</b>                  The use of the roofs of our stores for the installation of solar panels represents an opportunity for the company. Previously unusable, the use of these areas increases the company's independence in the purchase of electricity and assists in mitigating the risk caused by water scarcity. The company has already started the installation of solar panels, in all there are six solar power plants in operation. The Ayrton Senna store unit, in Rio de Janeiro city, which is considered the company's largest solar plant, has over 3,000 photovoltaic panels installed on the store's roof, occupying an area of approximately 6,000 sq. m. In the first half of 2021 (DO WE HAVE the UPDATED DATA BY the END OF the YEAR?), the plants have already generated more than 12,000 MWh. In addition to reducing the cost of acquiring electricity, there is a reduction in greenhouse gas emissions linked to scope 2.</p>	<p>CDP C3.2, C3.2a</p>
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**RISK MANAGEMENT**

<p>Disclose how the organization identifies, assesses and manages climate change related risks</p>		
<p>a) Describe the processes used by the organization to identify and assess the risks related to climate change</p>	<p>Assaí's risk management guidelines and structure follow international practices and standards, with integrated and comprehensive performance of all processes seeking the continuity of activities, the generation of value for the entire chain and the dissemination of the risk management culture among employees.</p> <p>Within the process of identifying risks and exposures that may compromise the Company's strategy, annual interviews are conducted with all executives.</p> <p>We consider that a risk has a material strategic or financial impact on our business if it impacts a business unit globally (if a significant portion of the operations is affected by the risk) or if a significant portion of the revenue is lost due to that risk.</p> <p>To define a substantial impact, we used a guiding rule that lists the financial impacts in 3 scales:</p> <ol style="list-style-type: none"> <li>1) Low: which may compromise up to 0.5% of gross revenue;</li> <li>2) Average: which may compromise between 0.5% and 1% of gross revenue;</li> <li>3) High: which compromises above 1% of gross revenue.</li> </ol> <p>This evaluation is conducted annually and presented to the Risk Committee and the Corporate Governance and Sustainability Committee, with subsequent approval by the Board of Directors. The matrix is composed of risks of high, medium and low criticality, of which we elected ten of high criticality that are part of the Casino Risk Solution (CRS) matrix. We monitor based on the high and medium risks for each business of the Group, defined with the key executives and based on the quantifications of the Top 10 Main Risks, to be monitored with the C-Levels, their direct and by the Audit Committee and the Board of Directors.</p>	<p>CDP C2.1, C2.1a, C2.1b, C2.2</p>



TCFD RECOMMENDATIONS	ANSWER	CDP REFERENCE
<b>Risk Management</b>		
Disclose how the organization identifies, assesses and manages climate change related risks		
b) Describe the processes used by the organization to manage the risks related to climate change	In addition to the operational risk management process, as part of the continuous improvement process adopted by Assaí, since 2018 we have incorporated a specific risk matrix for socio-environmental issues, composed of five priority themes, which are directly related to our materialization. For each of the risks, we identify the main aspects associated, define a mitigation strategy and an executive responsible for it.	CDP C2.1, C2.1a, C2.1b, C2.2
c) Describe how the processes used by the organization to identify, assess, and manage climate change-related risks are integrated into the organization's overall risk management	We also carried out a broad process of mapping and prioritizing product categories sold in our stores associated with the identified production chains, in order to establish an action plan with a medium-term horizon for their proactive approach. We work from 3 priority risks of the company: Working conditions, Combating Deforestation and Biodiversity. This process identified 28 production chains from the four priority risks defined in 2017. The analysis and prioritization of this survey considered aspects such as the representativeness in billing, the existence and relevance of Private Labels in each group and the percentage of raw material present in the final product. From this study, we direct the actions and guidelines, making diagnoses about the situation of each of these chains, working with our internal teams and suppliers to raise awareness and build a more responsible performance, ensuring that the products sold in our stores are produced in a way that respects the environment and human rights.	CDP C2.1, C2.1a, C2.1b, C2.2
<b>METRICS AND TARGETS</b>		
Disclose the metrics and targets used to assess and manage climate change-related risks and opportunities where such information is relevant		
a) Inform the metrics used by the organization to assess the risks and opportunities related to climate change according to its strategy and its risk management process	Assaí, together with GPA, prepared its greenhouse gas inventory following the GHG Protocol methodology since 2012. The inventory is audited by a third party by a company accredited by Inmetro, which guarantees the company the Gold Seal in the Public Registry of Emissions of the Brazilian GHG Protocol Program. As of 2021, Assaí will report its emissions separately, according to the spin-off occurred in 2021.  In 2021, the company's emissions totaled 88,972 tCO <sub>2</sub> e in scope 1, 68,148 tCO <sub>2</sub> e in scope 2 and 62,867 tCO <sub>2</sub> e in scope 3. The progress of the performance of commitments and targets assumed by the company is reported periodically in our Annual Sustainability Report.	CDP C4.2, C4.2a, C4.2b
b) Report Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions, and the risks related to them	Assaí reinforced our commitment to climate change and we announced the goal of reducing absolute emissions of scopes 1 and 2 by 38% by 2030 (and 30% by 2025), based on the total issued in 2015. It is estimated that, in 2025, the number of stores will be three times higher than in 2015. Such targets are bound to the variable compensation of middle-level and senior leaders, including the CEO and executive officers, in addition to the positions of consultants, coordinators, and managers of stores, Distribution Centers, and headquarters.	CDP C6.1, C6.3, C6.5
c) Describe the goals used by the organization to manage the risks and opportunities related to climate change, and the performance against the goals	For that purpose, besides improving the implemented technologies related to refrigerant gases, among the initiatives planned to reach the climate change target is the migration of 100% of our stores in 2020 (184 units) to the free market energy by December 2021, investing in a 100% renewable source from wind, solar, biomass, and small hydroelectric power plants. As for the reduction of emissions related to refrigerant gases (Scope 1), we carried out an in-depth diagnosis of the use of fluids in our operations, considering the regulatory context and the projected expansion of new stores, resulting in strategic recommendations and a technology transition roadmap that were presented and approved by the Sustainability Committee, bound to the Board of Directors, the implementation of which began in 2021. In 2022, in order to join the Science Based Targets (SBTi) initiative, we are forecasting the expansion of scope 3 coverage with the support of external consulting, to start mapping and reporting emissions from the sale of our products.	CDP C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b

**\*NOTE:**  
The 2020 base-year emissions data underwent reformulation after the disclosure of the last annual report due to adjustments requested by a third party audit. The 2021 base year emissions data is subject to change after completion of the third party verification process.



## Credits

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### Coordination of the Assaí project

Directorate of People Management and Sustainability  
Administration of Investor Relations  
Press and Communication

### Consulting, Project Management, Content Curatorship, Writing

Global Strategic Content

### Graphic Design and Layout

Fábio Francisco

### Photography

Assaí Collection  
Filipe Fotos

**If you have any questions, comments, or suggestions about Assaí's 2021 Annual and Sustainability Report, please email: [ri.assaí@assaí.com.br](mailto:ri.assaí@assaí.com.br)**

[assaí.com.br](http://assaí.com.br)

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### Whistleblowing Channel:

Phone: 0800 777 3377

Email: [ouvidoria@assaí.com.br](mailto:ouvidoria@assaí.com.br)

### Press:

Email: [imprensa@assaí.com.br](mailto:imprensa@assaí.com.br)

### Customer's Channel

Phone: 0800 773 2322 (phone and *WhatsApp*)

[assaí.com.br/espaco-do-cliente](http://assaí.com.br/espaco-do-cliente)

