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1. PURPOSE

The purpose of this document is to establish guidelines on the imposition of Disciplinary Measures and Terminations as consequences to employees who fail to comply with current legislation, the Code of Ethics and Internal Policies.

2. SCOPE

Not applicable.

3. GUIDELINES

3.1. Responsible Areas, roles and responsibilities

The following areas are responsible for this Policy: Ethics Committee, Audit Committee, Ombudsman's Office, Legal, People Management, Compliance, Property Security and Internal Audit.

Responsible Area	Roles and responsibilities
Ethics Committee	Ensuring compliance with the Code of Ethics; establishing guidelines for situations and issues related to the Code of Ethics in order to set standards of behavior and impose sanctions.
Audit Committee	Investigating complaints made to the Ombudsman's Office regarding any issue concerning accounting, internal controls and audit; Determining the appropriate and necessary measures to investigate the facts and information concerning the complaint; Receiving periodic information on other complaints received through the Ombudsman's Channel, how they were addressed and their results; Technical oversight of the workings of internal and independent auditors; Proposing updates and improvements to internal policies; Communication and training.

Responsible Area	Roles and responsibilities
Ombudsman's Office	Receiving complaints regarding events and sending them to the investigating areas; mediating solutions for breach of the Code of Ethics, current legislation and Internal Policies; reporting indicators to the Ethics Committee; investigating occurrences regarding harassment (psychological or sexual) and inappropriate behavior.
Legal-Labor	Receiving reports from the Ombudsman's Office and the Investigating Area; assessing risks and recommending disciplinary sanctions and termination, with or without just cause, reporting to the Company's CEO.
HR People Management	Checking and taking into account the Employee's Disciplinary History in assessments for merit, promotions and changes in positions / transfers between locations or areas at the employee's request. Imposing the consequences provided for in this policy whenever requested.
Compliance	Receiving indicators and requesting information on events and investigation results; Proposing updates and improvements to internal policies; communication and training; reports to the Ethics Committee.
Property Security	Investigating complaints received by the Ombudsman's Office regarding its activities, especially those involving loss of Company assets (the Ombudsman's Office matrix sets details on the subjects).

Responsible Area	Roles and responsibilities
Internal Audit	Investigating complaints received by the Ombudsman's Office regarding its activities, especially those involving financial fraud and conflict of interests (the Ombudsman's Office matrix sets details on the subjects)

3.2. Specific guidelines

All employees must act in compliance with current national Laws and Regulations, as well as Assaí's principles and values, Code of Ethics guidelines and Internal policy. Assaí does not tolerate the breach of laws and internal rules and will rigorously impose the appropriate consequences in accordance with the Ethics Committee's resolution. The possible consequences are as follows:

3.2.1. Disciplinary Measures

3.2.2. Termination

In addition, in assessments for merit, promotion and changes in positions/ transfers at the employee's request, the People Management area must take into account the employee's Disciplinary History registered with the Ombudsman's Office and/or on the ADP system.

Misconducts must be immediately reported to the Manager so that applicable measures can be taken.

3.2.3. In case the **Manager** detects a Disciplinary Misconduct within their team, they must impose the disciplinary sanctions deemed fit or contact the People Management area if there are doubts.

3.2.4. In case of Serious Misconduct, the Manager should open a ticket on *MEU PORTAL* [MY PORTAL] so that the assessment flow can be started.

It is the duty of **all Employees** who witness any Misconduct to immediately report the event to the Ombudsman's Office, through the following channels:

Phone number: 0800 777 3377

E-mail: ouvidoria@assai.com.br

All reports will be treated confidentially and anonymously.

3.3. Consequences and Disciplinary Measures

3.3.1. Application of Disciplinary Measures

Disciplinary Measures must be imposed as a means to ensure that the employee is duly notified/penalized as a consequence of the Misconduct, as well as to make them aware and provide them with guidance in regard to the consequences of their actions and clarify potential doubts in order to ensure that there will be no recurrence. Forms: verbal warning, written warning and suspension.

The Ethics Committee may recommend Educational Measures, such as campaigns and training to employees, based on the presentations of the Ombudsman's Office indicators.

In the event of a **Misconduct**, the disciplinary measure will be defined and applied by the Manager/Superior. In case of doubt, they should open a ticket on MY PORTAL. Such tickets are analyzed by the People Management area, which will determine the appropriate disciplinary measure to be applied by the Manager/Superior.

In order to keep a record of the applied consequences, the Manager/Superior should register the disciplinary measures on the ADP system. Once the measure is applied, the supporting document must be scanned and sent through MY PORTAL.

If the applied measure is a Suspension, the suspended employee will have the days on which they are forbidden to work discounted from their paycheck and, to this end, their absences should be duly recorded in their clock-in sheet. The maximum period of time the employee can be suspended is five (5) consecutive days, which will be determined by the Manager/Superior, the People Management area or the Ombudsman's Office, according to whose responsibility it is to decide on the specific case.

Important:

3.3.1.1. Disciplinary measures should be assessed in light of the specific case, there being no need to respect the abovementioned order of verbal warning, written warning, and suspension. Suspension may be applied directly, depending on the seriousness of the misconduct;

3.3.1.2. Terminations should be carried out in accordance with this Policy and the Ombudsman's Office Investigation and Activation Policy. Terminations for Just Cause should be carried out once the investigation flow has been concluded.

In case of **Serious Misconduct**, the Manager/Superior should open a ticket on MY PORTAL so that the analysis flow can be started, or directly with the Ombudsman's Office, in both cases for a preliminary assessment by the Ombudsman's Office, which is carried out within 2 business days counted as from the date of opening of the ticket/receiving the complaint. For occurrences where a ticket has been opened on MY PORTAL, the Ombudsman's Office will make a preliminary verification of the documents/evidence sent at the time the ticket was opened, which should be in accordance with the list of documents informed in the system.

3.3.1.3. If the documentation is incomplete or irregular, the Manager will be notified via MY PORTAL to make the appropriate corrections.

3.3.1.4. If the documentation is in order, the Ombudsman's Office will forward the case to one of the Investigating Areas.

If it is determined that the reported occurrence is **well founded**:

3.3.1.5. The Investigating Area will forward the Serious Misconduct Investigation Report to the Ombudsman's office, with all the information/evidence required to prove the connection between the Employee and the Serious Misconduct identified;

- This document is essential for the Legal-Labor Department to assess cases in which the employee may be terminated for Just Cause. The Investigating Areas can contact the Legal-Labor Department to align the content of the Investigation Report before this document is

finalized. The Investigation Report should be drafted/completed by the Investigating Area within the timeframe defined in the Ombudsman's matrix.

3.3.1.6. The Ombudsman's office will forward the Investigation Report to the Legal-Labor Department so the latter can analyze the consequence to be applied from the legal point of view.

3.3.1.7. The Legal-Labor Department's opinion will be forwarded to the Ombudsman's office and, in the case of employees who hold the positions of Executive Officer, Manager or member of the Board of Directors or its Advisory Committees, and in the case of Serious Misconducts that are highly critical, the opinion will also be forwarded to the People Management area, indicating the consequences to be applied. In such cases, the investigation should be monitored by both the HR People Management area and the area that is superior to the employee in question;

3.3.1.8. The Ombudsman's office will forward the case to the employee's Manager/Superior so the recommendation is applied.

- **Altering the measures to be applied to the employee, whether to reduce or increase the penalty, is forbidden once the recommendation of the Ombudsman's Office has been disclosed.**

3.3.1.9. The employee's manager and/or the People Management area (through the HR service area) will apply the appropriate consequence.

- In the case of Termination for Just Cause, the People Management area must be mandatorily aware of it.
- Termination for Just Cause without the Legal-Labor Department's opinion, for any reason or severity, is prohibited, except for unjustified absence from the workplace, for which a proper procedure is in place.

3.3.2. Proportionality of Disciplinary Measures

3.3.2.1. Seriousness: the penalty applied by the Manager should be directly proportional to the breach committed; for this purpose, we must classify the nature and seriousness of the breach, mitigating or aggravating circumstances regarding the breach, the offender's background and responsibilities, the means used and the goals pursued, the risks involved and the possible consequences of the penalty. Minor offenses, minor punishments. Serious offenses, serious punishments. Recurring offenses should be subject to higher penalties.

3.3.2.2. Timeliness: the disciplinary measure should be applied immediately after the decision on the appropriate measure for the specific case, in order to guarantee its effectiveness.

3.3.2.3. Causal link: there should always be a connection, a direct link between the Misconduct and the employee who will suffer the consequence determined for the specific case.

3.3.2.4. Equal Treatment: the resolution on the consequence that will be applied in regard to a specific Misconduct may not have discriminatory effects. All employees who commit such Misconduct should, taking into account the characteristics of the specific case, suffer the consequence determined, regardless of position or length of service.

3.3.2.5. No double penalty: the employee cannot be penalized with more than one measure for the same fact. Once the disciplinary measure has been applied, it cannot be altered.

3.3.3. Consequences for Employees who have suffered Disciplinary Measures

In assessments for merit, promotion or changes in positions/transfers at the employee's request, the People Management area must take into account the employee's Disciplinary History registered with the Ombudsman's office and/or on the ADP system.

4. PENALTIES

Not applicable.

5. ATTACHMENTS

Not applicable.

6. REFERENCES

6.1 The following are part of this Policy:

6.1.1. [Code of ethics](#)

7. DEFINITIONS

7.1. Investigating Area: The internal area responsible for investigating occurrences in order to ensure the actual link between the employee and the result of the act/misconduct identified. This area be Internal Audit, Property Security or Ombudsman's Office. The definition of the Investigating Area will be made in accordance with the Ombudsman's responsibility matrix.

7.2. Employee: References to employees include executive officers, officers, managers and employees and their business units, branches and subsidiaries

7.3. Corporate Ethics Committee: The joint body responsible for managing the Code of Ethics, which must ensure that it is known by all employees and stakeholders that interact with Assaí, as well as ensure its efficiency and effectiveness.

7.4. Misconduct: Any action carried out by an employee and/or in which they were involved and which characterizes a failure to comply with current legislation and/or Internal Policies. Misconduct is subdivided into two categories: disciplinary and serious.

7.4.1. Disciplinary Misconduct will be typified in cases involving working hours, failure to comply with Internal Policies, and everyday situations, as long as THERE IS NO fraud or undue benefit either for the person in question or Third Parties and NO substantial disciplinary history.

7.4.2. Serious Misconduct will be typified in cases (i) that characterize Disciplinary Misconduct, provided that it results from the practice of fraud or undue benefit for the person in question or Third Parties, or when the employee has a substantial Disciplinary History; (ii) any issues INVOLVING the practice of fraud and/or undue benefit for the person in question or Third Parties,

harassment (psychological and sexual) and other breaches of the Code of Ethics, regardless of the existence or absence of Disciplinary History, according to the Ombudsman's matrix.

- 7.5. Consequences:** May include terminations, the application of disciplinary measures or restrictions on promotion, salary increases and changes of positions/transfers at the employee's request, according to the assessment of the People Management area.
- 7.6. Terminations:** Termination of the employment contract, which may occur when a Serious Misconduct is typified. This may be with or without just cause.
- 7.7. Managers:** those responsible for the indirect and direct management of the employee suspected of committing an act that constitutes a breach of legislation in general, of internal procedures or the Code of Ethics, and who will be responsible for applying possible consequences.
- 7.8. Disciplinary History:** Set of warnings and suspensions that an employee has already received in the period of up to one (1) year, counted retroactively as from the date of the identified Misconduct or from the date on which the Company has become aware of the facts. The definition of "substantial" Disciplinary History may vary according to the severity/peculiarities of the specific case that will be assessed.
- 7.9. Disciplinary Measures:** may take the following forms: verbal warning, written warning, or suspension.
- 7.10. Ombudsman's Office:** Channel aiming to mediate solutions that are not in line with the Codes of Ethical Business Conduct and current legislation, such as fraud, corruption, discrimination, harassment, illegal acts, non-compliance with Internal Policies or which have not been solved by Assaí's service processes or channels (within an adequate timeframe or quality of response), identifying and fostering improvements in behaviors or processes and minimizing risks, crises or conflicts.
- 7.11. Internal Policies:** rules, policies, procedures and any other internal documents that reflect the internal rules established by Assaí's Business.
- 7.12. Investigation Report:** Document drafted by any of the Investigating Areas that contains all the information/details regarding the Serious Misconduct, including and

detailing all the identified evidence proving the connection between this type of conduct and the employee and/or third party under investigation.

7.13. Third Party: all those who are not employees, such as, but not limited to, suppliers, service providers, intermediaries, business partners and subcontractors.



8. VERSION HISTORY AND APPROVALS

Not applicable.

9. PUBLICATION

Not applicable.

