

## ETHICS CHARTER FOR SUPPLIERS

This *Ethics Charter for Supplier* (hereinafter referred to as the "Charter") sets forth the standards to be established, under any circumstances, within the supply chain of ASSAI and its subsidiaries in order to ensure that:

- Employees are treated with respect and dignity in an environment that provides safe and healthy working conditions;
- Appropriate mechanisms are set for the preventive management of risks connected to their corresponding operating industry;
- The culture of safety and health at work should be disseminated, establishing educational processes to promote such subjects;
- Processes of manufacturing or service provision are carried out in a way that respects the environment;
- Business relations performed by every *Supplier* shall be developed in an ethical and exemplary manner, within the most strict compliance with the law, regulations, and internal standards of ASSAI, as well as being free from any kind of undue favoring, active or passive corruption of Public Agents, extortion, or fraud of any kind.

### 1. GENERAL STANDARDS

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Every *Supplier* of ASSAI undertakes to provide only products or services that comply with this Charter, with ASSAI'S internal policies and standards, as well as with the corresponding local laws and regulations applicable to the lawful performance of their activity and the essential international standards referred to herein.

In this Charter, the word "*Supplier*" refers to individuals and/or companies that have direct business relations with ASSAI, the hiring or contracting of which must be formalized through an Agreement. Every hired *Supplier* automatically undertakes to transmit and enforce this *Charter* (as well as any exhibits or specific provisions that may be added hereto) to its partners and/or subcontracted or outsourced suppliers.

This *Charter* is meant to be the starting point of a continuous improvement process that the *Supplier* undertakes to comply with and work to improve practices.

### 2. ASSAI'S COMMITMENTS

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**2.1** ASSAI reaffirmed its commitment to promote responsible trade throughout its supply chain through the [Code of Ethics](https://www.assai.com.br/sites/default/files/codigo_de_etica_assai.pdf) of [ASSAI](https://www.assai.com.br), [https://www.assai.com.br/sites/default/files/codigo\\_de\\_etica\\_assai.pdf](https://www.assai.com.br/sites/default/files/codigo_de_etica_assai.pdf), its Diversity and Human Rights Policy, and the signing of the United Nations Global Compact in 2001. <https://www.assai.com.br/politica-de-diversidade-e-direitos-humanos-assai-atacadista>

Whether within the scope of its business practices or in any other activity, ASSAI is committed to:

- Strictly comply with the laws and regulations applicable to its activities
- Exempt from conflict of interest
- Intolerance to any form of corruption



**2.2** ASSAI is committed to establishing fair relationships with *Suppliers*, regardless of their economic importance. ASSAI seeks, in compliance with the free competition rules and the free enterprise principles, to maintain a long-term business relationship with the *Supplier* considering its capacity and quality in the supply of products and services to meet ASSAI's needs.

**2.3** ASSAI strives to keep a constructive and open dialogue with its *Suppliers* about their ability to comply with this Charter and may, if necessary, support them to help them meet these expectations.

**2.4** ASSAI undertakes, through its purchasing practices, to facilitate the application of the Charter by its business partners.

**2.5** ASSAI is committed to respecting and protecting the environment and, year after year, undertakes to take actions to prevent and minimize the social and environmental impact of its activities. Its actions aim, above all, to reduce greenhouse gas (GHG) emissions, reduce waste generation and food waste, guarantee the sustainable use of natural resources, and respect biodiversity. In order to carry out these actions, assai builds customer awareness, mobilizes its workforce, and helps its *Suppliers* respond to these challenges.

### **3. REQUIREMENTS**

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#### **3.1 GENERAL STANDARDS**

**3.1.1** The *Supplier* must comply with the laws, principles, regulations, and standards in force applicable to its operations in all countries where it carries out its activities, in addition to making sure that its own suppliers and service providers are complying with them. The *Supplier* shall ensure that this commitment is respected by its suppliers and subcontractors.

**3.1.2** The Supplier must refrain from offering ASSAI's employees and associates, as well as any public agent, any sum of money, gifts, loans, discounts and other forms of undue advantage, and shall also comply with the guidelines set forth in ASSAI's Gift & Present Policy; Anti-Corruption Policy, and Conflict of Interest Policy; the Supplier must also comply with all applicable laws, regulations, and standards (for more information, see our code of ethics currently in force). Any attempted corruption or fraud by a Supplier is, if proven, considered a reason for removing the Supplier from any competitive processes in which it is taking part and/or breach of contract.

[a] <https://www.assai.com.br/politica-anticorruptcao>

[b] [https://www.assai.com.br/sites/default/files/codigo\\_de\\_etica\\_assai.pdf?v12032021](https://www.assai.com.br/sites/default/files/codigo_de_etica_assai.pdf?v12032021)

Other policies available:

[c] [https://www.assai.com.br/politica-de\\_privacidade](https://www.assai.com.br/politica-de_privacidade)

[d] [https://www.assai.com.br/valorizacao-da-nossa-gente#politica\\_de\\_diversidade\\_e\\_direitos\\_humanos](https://www.assai.com.br/valorizacao-da-nossa-gente#politica_de_diversidade_e_direitos_humanos)

3.1.3 The *Supplier* may not be involved in or support any form of corruption, fraud, or bribery, whether by offering or demanding fraudulent behavior, or by receiving things of value, whether or not involving public agents aiming at getting undue advantage, influencing an act or decision, or unlawfully directing business. The *Supplier*, including its employees and outsourced associates and subcontractors, must fully understand and comply with anti-corruption, money laundering, anti-fraud laws and standards, as well as ASSAI's internal regulations, policies, and procedures. The *Supplier* must also adopt mechanisms and best practices of compliance and internal controls in order to prevent acts of corruption, fraud, illegal practices, or money laundering by its suppliers and subcontractors.

3.1.4 The *Supplier* that has a partnership with suppliers and subcontractors in Brazil must make use of the Federal Government's Register of Employers ("Dirty List") and the list of Penalties and Embargoes of IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) as tools for approving its business partners.

3.1.5 The *Supplier* shall establish an effective internal management system to ensure that:

- Every employment relationship is recognized, documented, and performed (in compliance with the law, domestic usage or practices, and international labour standards), from recruitment until the end of the employment agreement, in particular for employees with a special status: young employees, immigrants, domestic migrants, autonomous workers, seasonal workers, home workers, piece-rate workers, trainees and apprentices, temporary employees, etc.;
- Every business or management activity of the company is carried out transparently and duly registered into the company's records;
- The standards set forth in this Charter are disseminated so that they are equally applied within the entire organization.

3.1.6 The *Supplier* undertakes to be fully transparent with ASSAI. Any attempt of dissimulating, making a false statement, falsifying documents, or misrepresenting facts may lead ASSAI to suspend or interrupt its business relations with the *Supplier* temporarily, without prejudice to the measures to compensate for any losses and damages that might have been generated to ASSAI.

Especially with regard to:

- Information on the origin of raw materials, manufacturing processes and place of production, as well as their corresponding social, environmental, or ethical attributes for offering a product and/or service and considering raw material suppliers, outsourced factories and warehouses;
- Internal procedures and documents that fall within the scope of social audits, if applicable, ordered by ASSAI;
- Documents required within the context of ASSAI's Quality Policy, as determined and accepted by the *Supplier* at the time of its registration or the product specifications accepted during the corresponding business negotiation, whenever applicable.

3.1.7 The *Supplier* undertakes not to subcontract in whole or in part labor not previously reported to ASSAI and not authorized, for manufacturing its own-brand products for ASSAI or provision of services to ASSAI. When outsourcing is allowed, the *Supplier* will be responsible for ensuring the strict application of this *Charter* by means of external auditors or competent employees, taking responsibility for the products supplied to ASSAI. Any non-disclosed sub-contracting may lead to immediate termination of the business relationship, without prejudice of the required measures to compensate for any losses and damages that



might have been caused to ASSAI.

3.1.8 Every piece of information resulting from communications or connected to the business relationship between the *Supplier* and ASSAI shall be confidential. As such, it cannot, under any circumstances, be shared with third parties without the ASSAI's prior written consent.

3.1.9 The *Supplier* states to be aware of and comply with the antitrust laws for the defense of free competition in the countries where it operates, and that it does not practice any violation of the economic order. This is mainly about taking part in cartels or any other unfair practice that has the consequence of preventing or distorting free market competition, especially those aimed at harming a competitor or restricting its access to the market by illegal means.

## **3.2 HUMAN RIGHTS, OCCUPATIONAL HEALTH AND SAFETY.**

### **3.2.1 PROHIBITION OF CHILD LABOR**

The *Supplier* hereby undertakes to respect the minimum age for admitting people as set forth by the corresponding domestic laws for any type of job or work.

The *Supplier* cannot hire any young professional under the age of 18 for night work or in conditions likely to compromise their health, safety, and moral integrity and/or be harmful to their physical, mental, spiritual, moral, or social development in compliance with ILO Convention No. 182; in addition, the *Supplier* must comply with the UN Convention on the Rights of the Child.

### **3.2.2 PROHIBITION OF FORCED LABOUR, SLAVE, OF SLAVE-LIKE WORK CONDITIONS**

It is forbidden to resort to slave labor or slave-like work conditions like obligatory or unpaid jobs in all its forms, including prison work (as provided for by ILO Convention No. 29).

ASSAI prohibits the confiscation of employees' personal documents, surety deposits, or payment of hiring fees by employees as a requirement for them to be hired.

*Suppliers* shall respect the employees' right to terminate their employment agreements upon a lawful and reasonable prior notice of termination and their right to leave the workplace after the service has been completed.

### **3.2.3 ELIMINATION OF DISCRIMINATION AND ABUSIVE, HARSH TREATMENT**

The *Supplier* undertakes not to engage in, offer, encourage, or even accept any of the following practices: in the stage of recruitment, hiring, training, working conditions, assignments, remuneration, compensation, advantage, promotion, discipline, termination, or retirement, any form of discrimination. These are discriminations of sex, age, gender, sexual orientation, religion, family situation, race, social context, disease, disability, pregnancy, national and ethnic origin, nationality, adherence to an organization of employees (including trade union), political affiliation, physical appearance or any other personal characteristic, according to ASSAI's Diversity and Human Rights Policy.

The *Supplier* hereby states that it does not practice or even accept any kind of harassment or



abuse, including of moral, physical, or sexual nature.

In addition, the Supplier undertakes to check its workforce on a regular basis, seeking to ensure an increase in the number of people from underrepresented groups such as women, black people, LGBTQIA+ people, and people with disabilities, among others.

The *Supplier* hereby states that it creates written disciplinary procedures that are clearly explained to its employees. The *Supplier* does not apply any withholding on employee wages as a disciplinary sanction.

### **3.2.4 FREEDOM OF ASSOCIATION**

Supplier's employees will be entitled to join the union of their professional class without being required any prior consent from their management members. The *Supplier* shall not block, impede, or interfere with such legitimate activities.

Where the law restricts or prohibits freedom of association and collective bargaining, the *Supplier* may not object to any other form of free and independent representation and bargaining according to ILO conventions.

### **3.2.5 NUMBER OF WORKING HOURS**

The *Supplier* sets a working day in compliance with the domestic legislation and ILO conventions, always applying the one that offers the best protection in terms of employee health, safety, and wellbeing. The *Supplier* respects the maximum weekly working hours of 48 hours, excluding overtime.

Overtime hours are performed voluntarily, and cannot be frequent or exceed the limit set by local laws (if there is no limit set by law, they cannot exceed twelve hours a week).

The *Supplier* shall respect the right of all employees to at least one day off after six consecutive work days, as well as to annual paid vacation leave for thirty (30) days, besides days off on local and national public holidays as specified in local laws.

### **3.2.6 WAGES AND BENEFITS**

The *Supplier* shall pay its employees, including piece-rate workers, wages, overtime, benefits, and paid leave equal to or greater than the legal minimums and/or sector standards and/or those specified in collective bargaining agreements.

As ASSAI is aware of the critical importance of compensation for its employees and people under its responsibility, ASSAI expects the *Supplier* to consider the legal minimum wage not as an end in itself, but as a limit not to be reached only, but to be exceeded; with the ultimate goal that this compensation goes beyond the coverage of the employee's basic needs.

The subcontracting of workforce, works, and services or agreements relating to self-employment, apprenticeship programs when there is no actual intention to transmit skills or offer a stable job; excessive use of fixed-term employment agreements or any other similar provision shall not be used with the purpose of circumventing employer's obligations under labor laws and occupational health and safety standards and arising out of a regular



employment relationship.

ASSAI recommends its *Suppliers* to check whether their subcontractors are in compliance with the payment of the corresponding taxes and contributions as required by the applicable laws in force.

### 3.2.7 OCCUPATIONAL HEALTH AND SAFETY

The *Supplier* shall adopt adequate firefighting measures and take care of the solidity, stability, and safety of buildings and equipment, including residential spaces, if required.

The *Supplier* shall ensure that its employees and management members receive suitable training in the following areas: firefighting, first aid, waste management, handling and disposal of chemicals and other hazardous materials.

The *Supplier* hereby guarantees due compliance with all current legislation on occupational health and safety, as well as that it implements processes aimed at preventing accidents and illnesses arising from work that meet the principles of ASSAI's occupational health and safety policy.

The *Supplier* hereby states it makes available, requires, and supervises the use of Personal Protective Equipment (PPE) and Collective Equipment (CE), all of them being duly certified, within the expiration date, approved by the Ministry of Labor and in accordance with the applicable laws in force, at no cost to employees.

The *Supplier* shall maintain service orders dealing with occupational safety, informing its employees about the measures they must adopt to eliminate or neutralize the risks of accidents and illnesses arising from work connected to the activities performed.

Considering the risks to the health of workers, including for manufacturing "jeans" clothes, ASSAI prohibits sandblasting for all ASSAI'S products.

### 3.3 THE ENVIRONMENT

The *Supplier* hereby undertakes to put into action, through available techniques and arising from good industry practices, all specific and required procedures to identify, prevent, avoid and/or reduce the negative impacts of its activity on the environment and to contribute to tackle climate change, considering the criteria below:

- **Water:** the use of water must be optimized as much as possible and all water used during production processes must be treated in compliance with the corresponding local environmental laws before being disposed of, as well as mapping of actions to reduce water risk in its manufacturing process.
- **Waste:** All waste, especially hazardous waste, must be managed responsibly (identification, storage, disposal, and treatment) and in compliance with the applicable solid waste laws, as well as the priority **order** according to the National Solid Waste Policy must be observed: non-generation, reduction, reuse, recycling, treatment of **solid waste**, and environmentally adequate final disposal of waste.
- **Pollution prevention:** The *Supplier* must ensure that any substance and/or manufacturing process that might present a risk to the environment is properly identified and mitigated. And, in case of products, they must be labeled and stored in order to prevent any risk of contamination.



- **Raw materials:** any natural resource must be managed as efficiently as possible, especially non-renewable ones. The *Supplier* must undertake not to use raw materials from animal or vegetable origin that are environmentally protected or from illicit sources. ASSAI is committed to eliminate deforestation and protect biodiversity.
- Greenhouse Gas (GHG) Emissions: we recommend that the *Supplier* undertakes to disclose with transparency its emissions, as well as its plans to avoid and reduce them.

ASSAI recommends that the *Supplier* carries out a risk assessment periodically in order to quantify its positive and/or negative impacts, allowing for the implementation of continuous improvement measures. Whenever possible, *Suppliers* are also recommended to carry out Life Cycle Analyses of products and/or services provided.

ASSAI hereby highlights that for suppliers in specific segments, such as palm oil, Brazilian beef, Private Label products, among others, there are specific policies and procedures, both for approving and for monitoring *Suppliers*.

#### 4- DUE DILIGENCE

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4.1 To ensure strict compliance by its *Suppliers* with the principles and standards required by this document for products under ASSAI's brands and white brands, ASSAI may request specialized independent consultants to carry out audits to control compliance with such standards, following the criteria to be set, determined and informed to the *Supplier* by ASSAI.

4.2 To this end, the *Supplier* hereby undertakes to cooperate and facilitate the job of auditors during such due diligence operations, ensuring access to manufacturing sites, documents, records, and staff, as well as subcontractors and outsourced suppliers involved in the manufacturing of the products sold or services provided in all units of ASSAI.

4.3 If necessary, the *Supplier* hereby undertakes to apply all corrective measures within the deadline to be determined by each of the parties involved.

4.4 ASSAI may end a business relationship or terminate an agreement when the *Supplier* violates the principles set forth in the Ethics Charter or when the *Supplier* refuses to take the required steps to remedy any non-compliances found and reported.

#### 5- OMBUDSMAN, WHISTLEBLOWING, AND REPORTING CHANNEL

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ASSAI makes the **Ombudsman's Channel** available to all its employees, suppliers, service providers, customers, clients, social institutions, partners, and defenders of the environment and human rights.

Said channel is the official tool for receiving complaints, dissatisfaction, and reports of violations of non-compliance with the Code of Ethics, the Ethics Charter for Suppliers, and the laws currently in force, and seeks to investigate all reported facts impartially.

Violations to this Policy, the Company's Code of Ethics or any topic in the Supplier's Ethics

Charter can be reported through the following channel: [ouvidoria@assai.com.br](mailto:ouvidoria@assai.com.br). It will be investigated in a confidential manner, allowing even anonymity of whistleblowers.

Ombudsman (from Monday to Saturday, from 8 a.m. to 8 p.m.)

**ASSAI**

08000 55 57 11

[ouvidoria@assai.com.br](mailto:ouvidoria@assai.com.br)

## 6- REFERENCES

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Locally, only legal standards that are consistent with the general principles of international conventions referred to herein are acceptable.

This *Charter* cannot, under any circumstance, be used to prevent the implementation of more favorable conditions than those provided for by international standards and/or any domestic and/or local laws, as amended and/or updated.

### 6-1 The Universal Declaration of Human Rights

#### 6-2 International conventions relating to fundamental human rights:

- The 1966 International Covenant on Civil and Political Rights
- The 1966 International Covenant on Economic, Social and Cultural Rights
- The 1980 Convention on the Elimination of All Forms of Discrimination against Women
- The 1989 International Convention on the Rights of the Child
- The 2007 Convention on the Rights of Persons with Disabilities

#### 6-3 The core international labor standards, as defined by the ILO Declaration in June 1998, relating to fundamental principles and rights at work, namely:

- Forced Labor Convention No. 29 of 1930
- Convention No. 87 on Freedom of Association and the Protection of the Right to Organize, 1948
- Convention No. 98 on the Right to Organize and Collective Bargaining of 1949
- The 1951 Equal Remuneration Convention No. 100
- Convention No. 105 on the Abolition of Forced Labor of 1957
- Convention No. 111 concerning Discrimination in Respect of Employment and Occupation of 1958
- Convention No. 138 concerning Minimum Age for Admission to Employment of 1973
- Convention No. 182 on the Worst Forms of Child Labor of 1999

#### 6-4 Other applicable international labor standards, for example:

- The ILO's call for decent work
- Convention No. 1 on length of working hours (factories) of 1919
- Convention No. 14 on Weekly Rest (factories) of 1921
- Convention No. 95 on Wage Protection of 1949
- Convention No. 97 on Migrant Employees (Revised) of 1949
- Convention No. 131 on the establishment of the minimum wage of 1970
- Convention No. 135 on employees' representatives of 1971
- Convention No. 143 on migrant employees (Supplementary Provisions) of 1975
- Convention No. 155 on employees' occupation safety and health of 1981
- Convention No. 161 on health care services at work of 1985
- Convention No. 170 on Chemicals of 1990
- Recommendation No. 85 on wage protection of 1949





- Recommendation No. 116 on the workload reduction of 1962
- Recommendation No. 135 on the establishment of the minimum wage of 1970
- Recommendation No. 164 on the employees' occupational health and safety of 1981
- Home Work Recommendation No. 184, of 1996
- Recommendation No. 190 on the worst forms of child labor of 1999

6-5 Corruption Regulations:

- Anti-Corruption Law No. 12.846/13
- Brazilian Law for Money Laundering Prevention - Law No. 6,613/98
- Foreign Corrupt Practices Act (FCPA) 1997
- US Patriot Act
- United Kingdom Bribery Act 2010
- OFAC Executive Order 13224
- Sapin II Law

Aware of, and agreed to:

Sao Paulo (SP, Brazil), \_\_\_\_\_,

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**Fornecedor:** \_\_\_\_\_  
**CNPJ:** \_\_\_\_\_