

# Annual and Sustainability Report

## GPA 2019



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# Purpose of the Annual and Sustainability Report

The 2019 Annual and Sustainability Report is an opportunity to share and to give transparency to the main results of the initiatives we have undertaken throughout the year.

At GPA, sustainability is incorporated into the business model based on **six priority pillars**:

**VALUING OUR PEOPLE**

**ENGAGEMENT WITH SOCIETY**

**CONSCIOUS CONSUMPTION AND SUPPLY**

**ENVIRONMENTAL IMPACT MANAGEMENT**

**INTEGRATED MANAGEMENT AND TRANSPARENCY**

**TRANSFORMATION IN THE VALUE CHAIN**

Employee helping a customer in a Pão de Açúcar store



Our values and commitments to sustainability are common and across all segments of the Group, however, we have specific priorities and strategies according to the business model, maintaining an aligned medium and long-term view and that covers the entire value chain.

The 2019 results are the outcome of the initiatives designed in recent years that have been implemented in order to continuously innovate and find new ways of working. Thanks to the lessons we learn, we evolve and reinforce our commitment to building a more sustainable future and strengthening networks that generate shared value with all our stakeholders.

We wish you all a good reading!

## Contact us

In case of doubts, suggestions and comments on the **Annual and Sustainability Report 2019**, send an email to [comunicacao.corporativa@gpabr.com](mailto:comunicacao.corporativa@gpabr.com) **102-53**

[Click here](#) to access access the Annual and Sustainability report from previous years. **102-51 102-52**

# Message from the Board of Directors

2019 was a year of **key accomplishments** for GPA, marked by the **consistent and effective** execution of the Company's strategic planning, enhancing the delivery of excellent products and services for customers.

The organization took an important step towards **simplifying the Casino Group's legal structure** by concluding the acquisition of 96.6% of Éxito Group's holding in the company. The operation, conducted in accordance with the most rigorous standards of corporate governance, will drive diverse benefits for the businesses involved, worthy of note being the **creation of value** for shareholders, **reinforcement of governance processes** for the companies and the opportunity to **boost synergies** between the Group's businesses in the region. This process will culminate in GPA's migration to the **Novo Mercado**, the segment of the Brazilian stock exchange with the highest levels of corporate governance.

With the conclusion of Éxito acquisition, GPA became the **largest food retail company in South America**, exercising leadership positions in all the countries in which it operates.

Skilled at adapting to the complex macroeconomic context in Brazil, GPA focused its efforts on the following **priority pillars** during the year: **expansion of businesses generating higher returns** and constant **review, optimization and adjustment of the store portfolio**, in addition to investment in **digital transformation initiatives**. The company's leadership in food retail was reinforced, particularly with the **expansion in the cash-and-carry segment**, represented by Assaf brand in Brazil.

**Portfolio optimization** enabled the repositioning of Pão de Açúcar brand with the Geração 7 store model. The effectiveness of this initiative is already generating results, as is the conversion of Extra Supermarkets into two new brands, Mercado Extra and Compre Bem. The Group's proximity businesses and renewal strategy for its **Private-Labels** were also worthy of note during the period.

Furthermore, GPA continued to evolve on the **digital transformation** front, yet again reaffirming its leadership role in food e-commerce in the country and in key initiatives such as the acquisition and expansion of the start-ups **James Delivery and Cheftime**, as well as the launch of **Stix Fidelidade**, the largest coalition program in the Brazilian retail trade, in association with Raia Drogasil, further strengthening and broadening its customers' power of choice.

**Sustainability**, always a strategic focus for the Group, has been increasingly incorporated into our business models, driving transformations in the traceability of the value chain, in the portfolio of products and services offered to customers, in transparency for stakeholders and in our initiatives to promote inclusion and diversity.

The coming year will see the **continued execution** of the Group's strategic plan, which will enable us to remain at the forefront of the transformation of the retail sector in Latin America.

**Confidence** in the current management inspires optimism and a strong belief that the coming year will bring even greater advances in our businesses and in our interactions with society, leading to further excellent opportunities and gains.

We remain confident in our ability to meet forthcoming challenges. Supported by the Board of Directors, the Executive Board and the entire GPA team will be engaged in promoting benefits for all our customers, aligned with the orientation to social and environmental responsibility that has always underpinned the Casino Group's activities.

### **Jean-Charles Naouri**

*Chairman of the Board of Directors*



# Message from the Executive Board

In 2019 we **strengthened our presence** in the Brazilian market as a company that is **multi-business, multi-format and multi-regional**, as a result of the **strategic management of the portfolio**, the positioning and adequacy of the value proposition of the brands and the supply of products and services that meet the needs of our customers.

With the completion of the process of relinquishing Via Varejo's entire shareholding, in June, we concentrated 100% of our operation in food retail and took an important step with regards to **simplifying the structure** of the Casino Group, our controller, **in Latin America**. The acquisition of 96.57% of the share capital of the **Éxito Group**, which now joins GPA's portfolio, expanded our operations to others countries and was carried out under a high level of transparency, which allowed to create more value for our *stakeholders*. GPA establishes itself as the **largest food retail company** in South America,

incorporating **Éxito Group**, which is the leading retail market in Colombia and also has operations in Uruguay and Argentina. In this sense, we were pleased to receive the approval of the Board of Directors and our shareholders for the migration process from GPA to the **New Market**, the special B3 listing segment, concluded in March 2020.

We made **important progress**, even in a **challenging economic and consumption scenario** strongly impacted by high unemployment rates: gross revenue in Brazil increased 10.2% in comparison to the previous year, closing 2019 at R\$ 59.1 billion. The Group's consolidated revenues, considering the results of **Éxito** in the month of December, reached R\$ 61.5 billion for the year. We also recorded a 7.9% growth in EBITDA, totaling R\$ 4.0 billion, and R\$ 790 million in net income.

We maintained a good acceleration of the **Assaí brand**, with an increase in sales of more than R\$ 5 billion, and continue to advance in customer flow, market share gains, even with a higher basis of comparison, and profitability evolution. With record openings in a single year, the 22 new stores inaugurated confirm the assertiveness of the model's expansion strategy, already fully implemented into the routine of Brazilian consumers.

Regarding **Multivarejo**, we took a huge step in creating a portfolio that is more in tune with the needs of customers, in addition to increasing consumers' power of choice to ensure a better offer of products and services. In total, 122 stores were refurbished, converted or inaugurated throughout the year, which makes us more confident to face 2020.

Our focus on improving our customers' shopping experience came to life with the **renewal process of Pão de Açúcar** following the concept of next-generation stores, with a multichannel, multi-sensorial and multi-solution space. By the end of 2019, the 46 revitalized units already accounted for 40% of the company's revenue, with a quite differentiated performance within the business unit in terms of sales and profitability.

We also like to highlight the conversion process of the Extra supermarket stores into the **Compre Bem** and **Mercado Extra** brands, reaching 70% of the business portfolio, with significant evolution in sales, volume and customers. **The Proximity** business continues to be in full swing, with a very assertive value proposition, manifested by the continuous increase in sales, with seven consecutive quarters of growth and profitability gains throughout the year.

Our **Private-Labels**, an important pillar of loyalty and profitability in our business, had their portfolios completely reformulated, with more than 1.5 thousand products available to customers and entry into new categories, with an increase in participation in sales and a

more integrated strategy to the different businesses of the Group.

We continue to strengthen the GPA ecosystem and progress in our **digital transformation** strategy, in a continuous process of integrated evolution of *online* and *offline* solutions, reaffirming our leadership in the food e-commerce segment, with a growth of over 40% in the year.

With innovation in our DNA, after a year of a commercial partnership with the *startup* Cheftime, we acquired the *foodtech* in November 2019 and sped up its development; we expanded the **James** operation to 19 cities; we created the first Brazilian retail coalition program, **Stix Fidelidade**, in a partnership with Raia Drogasil, leader in the Brazilian drugstore market.

As **drivers of change in society**, our Company sustainability guidelines include promoting conscious consumption and offers, reducing our environmental impact, contributing to changes in our entire value chain, valuing our people by promoting inclusion and diversity, and strengthening our relationships and engagement to the society to which we belong. These fronts are conducted

through transparent management, which is based on **introducing sustainability to the Group's strategy and business model**, aiming at sustainable economic, social and environmental results.

With the conviction that we can and should generate a positive impacts, that include contributing to a **more inclusive and representative society**, we pursue our commitments to increase the number of employees with disabilities, of people over 60, young people, women and black people in leadership positions. Also, as part of the development of our diversity agenda, we strengthened the guidelines for confronting and fighting racial discrimination and the promotion of LGBTQIA+ rights. With the goal of moving forward in gender equality, we implemented our Program for the Development of Women's Leadership, reaching more than 200 female managers and, with great pride, in 2019 we received the Women in Leadership Award – *Valor Econômico* in the Retail category and the WEPs Award (Women's Empowerment Principles) – UN Women, bronze category.

For the year 2020, our plan is to continue to work on numerous fronts and make the strategic business plan operational. We will focus greatly on the hypermarket format, with the project to readjust store portfolios. We will work at full swing on the **Assaí expansion plan**, with new organic stores and conversions of hypermarkets, and

we will once again invest in the **organic growth of Pão de Açúcar**, which will add to the renovations of new stores under the last concept, and the **Minuto Pão de Açúcar**.

All the digital transformation fronts will continue to be carried out in an even more business-integrated process, aiming to align our four main pillars: profitability, scalability, cost reduction and improved consumer experience.

To execute this plan, we count on a highly engaged team, with more than 110 thousand employees, the support of our shareholders, the partnership with our suppliers and the trust of our customers. The relationships we establish are strengthened by our commitment to serve our customers and contribute to society, fostering initiatives that generate greater impact and growing in a sustainable manner so that everyone can be prosperous.

Enjoy the reading!

**Peter Estermann**  
*Chief Executive Officer*





# GPA

SDG

SUSTAINABILITY PILLARS

12 17



Employee and customer at the cash register at a Compre Bem store

*GPA logo at the entrance of the São Paulo headquarters*

# About the Company

Since 1948, we have been dedicated to respecting our consumers' power of choice and ensure that they have the best purchasing experience. We are the largest food retail group in South America and part of the Casino Group. With headquarters in São Paulo, we are present in all regions of Brazil with more than one thousand stores, and since November 2019 we have concentrated the operation of *Éxito* Group with the *Éxito* brand in Colombia, *Disco* and *Devoto* in Uruguay, and *Libertad* in Argentina. We are also the largest retail employer in Brazil, with 110,834 employees\*. Our structure is divided into four Business Units, with a multiformat and multichannel operation.

**102-1 102-2 102-3 102-4 102-6 102-7**

*\* This total includes employees that are currently active and on leave, as well as contracts suspended in December 2019.*



# Part of Brazilians' lives for 70 years

102-7



Present in every region in Brazil

## 20 states and Federal District



## 1,076 stores



Over

## 49,5 million customers per month



## 110,834 employees

102-8

*\* This total includes employees that are currently active and on leave, as well as contracts suspended in December 2019.*



## Largest private employer

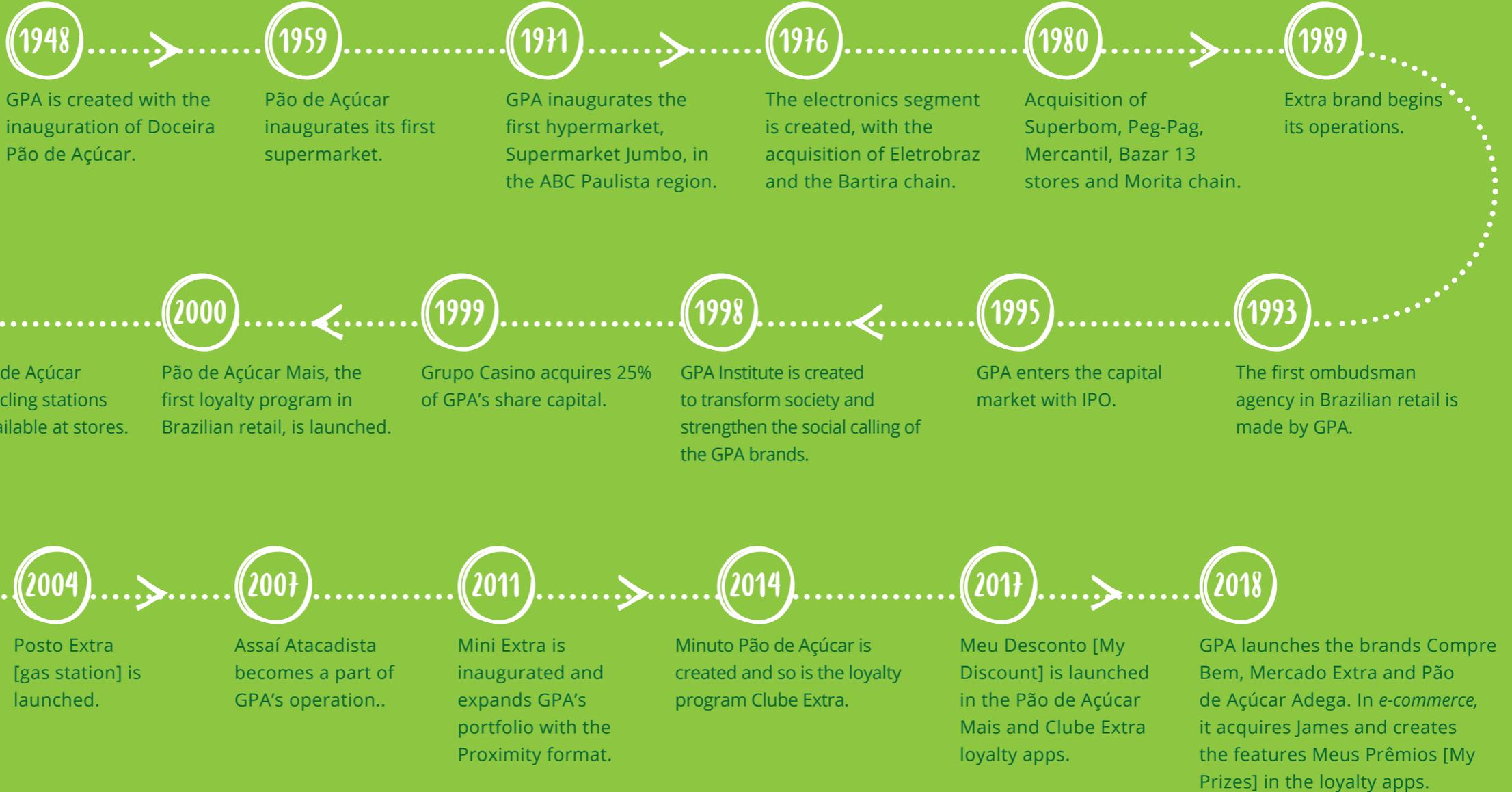
in Brazil in its segment



## 24 distribution centers

and warehouses located in every region in Brazil

# Our History



# Our Purpose

For GPA, being able to choose is always the best choice. From food to technology, from retail to wholesale. From the mini market to the hypermarket, from *e-commerce* to physical stores.

Our customers can buy whatever and whenever they want.

Our suppliers count on fair and transparent negotiations and practices.

Our investors have opportunities to diversify their investments.

And our people have countless opportunities to exercise their talent.

We are aware of our role as drivers of change, and we seek to contribute to building a responsible and inclusive society. We choose to evolve and innovate, creating trends, improving business formats and building opportunities and experience according to needs and profile of consumers.



## Customer Service

The work Casa do Cliente carries out contributes to improve customers' buying experience.

74,841

interactions with Fale Conosco [call center]

11,134

interactions via social media

688,182

phone calls

# Our Businesses and Brands



**Colômbia**

- Carulla
- Super INTER
- MAYORISTA
- SURTI MAX
- viva

**Argentina**

- Libertad
- Paseo LIBERTAD

**Uruguai**

- Disco
- Géant
- Devoto

**MARCAS EXCLUSIVAS**

- Pão de Açúcar
- extra
- MERCADO extra
- minuto Pão de Açúcar
- mini extra
- 5 BEM
- Pão de Açúcar adega
- Pão de Açúcar drogaria
- Pão de Açúcar posto
- drogaria extra
- extra
- extra FIRST CLASS
- James
- Qualitá
- taeq
- cheftime
- FABRICA 1959
- finlandek
- finlandek select
- CLUB DE SOMMELIERS
- Casino
- CAST
- Confraria Chill
- Confraria GOURMET
- Provaler



Our Businesses and Brands



I like the store very much, the chain gives me several options that allow me to save up. I always use the application to activate discounts and the price-quality ratio is well worth it. After the renovation, the store became really cool, especially with the payment solutions, such as the self-checkout and pre-scanning that speed up shopping. I also participate in the stamp and Meus Prêmios app campaigns to obtain the products. Another cool initiative is the Corrida Pão de Açúcar Kids [a race for kids]. My daughters have participated and they love it!



**Carla Luzzati**, Pão de Açúcar customer.



I've lived in the neighborhood for over 40 years and I've been going to the store for quite some time. Depending on the offers that are advertised on TV, I go two to three times a week, and I also take advantage of the prices on Quarta Extra [Extra Wednesdays] and buy garlic, onions and potatoes. I consume Qualitá and Taeq products and these are good brands, I try the items mainly when they are on sale. I am well received and well assisted in the store.



**Dayse Martins**, Extra customer.



The store has improved a lot with the renovation, the layout of the products, it's a space where you move about easily, the staff is very attentive and I use all the services, such as the cold cuts and the meat section. I go to the store on average four times a month and activate the Clube Extra offers on the way. I use Qualitá products a lot, from food to hygiene products, so I always buy them. I like the cereal products and the quality of the hygiene items and the brand's coffee strainer.



**Joyce Silva Carvalho**, Mercado Extra customer and consumer of Private-Labels.



Our Businesses and Brands



The store is two blocks from my house and I go to it practically every day. I always stop by to get something fresh for lunch or dinner. Rose introduced me to the Pão de Açúcar Mais application, explained how to use it and showed me the Meus Prêmios section, which is a benefit I often use.



**Renata Perosa,**  
Minuto Pão de Açúcar customer.



I've been going to the store for about two years and it's a very pleasant experience. It's close to the building complex where I live and I go often, two to three times a week. It's very practical and has everything I need to keep my house stocked. The service is superb, from the security to the cashiers. And I use the Clube Extra application to not miss out on products discounts.



**Luiz Dalton Gomes Junior,** Mini Extra customer.



We've been going to the store for years and since it became Compre Bem, it's clean, organized and whatever you need, you can find there. The bakery and the meat section are great, and the fruit and vegetables have quality. The cashiers are friendly and polite, and the manager is very helpful. The prices are very good and we never miss special discount days, because they're excellent.



**Vânia Alves e Valéria Alves,**  
sisters and customers of Compre Bem.



Our Businesses and Brands



*I usually order my groceries to the place where I work and it's easier to do so using James. It's fast, the purchase arrives well and it saves time. Discounts are also an important factor, I usually take advantage of the coupons and it pays off.*



**Flávio Tanaka**, James user.



Our Businesses and Brands



*For us it's a great joy and it was something that brought hope to the region here. I work with a small retailer, and for us it's also a buying opportunity. We had to buy from outside, from São Paulo, Minas Gerais, to have differentiated products. And today we have the product right there. It's so satisfying, it's a joy! The prices are reasonable, for sure. The option to have more variety and price.*



**Laercio Caldeira**, Assaí Atacadista customer (Santarém – PA)



*I'm very happy that Assaí is in my city! It was a privilege for us here, because it'll help put food on the table of the people here in Serrinha. The promotions are wonderful and affordable I already knew Assaí from other states and cities, but I didn't imagine that Assaí would be in Serrinha, to help us.*



**Gilnar da Silva**, Assaí Atacadista customer (Serrinha – BA).

A Pão de Açúcar new generation store



# Strategic Priorities

Our priorities for the following years are based on four main pillars:

## Optimize the Portfolio

Investments in revitalization, organic expansion and conversion of stores, focusing on greater adherence to the needs of our customers and increased presence in Brazil, in addition to the expansion of financial products and services.

## Private-Labels

Increased participation in food sales in Multivarejo - with a goal of reaching 20% by the end of 2021 - with gains in market share, entry into new categories, and greater integration with suppliers to reinforce their uniqueness.

## Digital Transformation

Promote the growth of our loyal customer base and the number of active *downloads*; continue to grow in food *e-commerce* and maintain our leadership position in the industry; strengthen the *Express* and *Clique e Retire* delivery models; continue the expansion of *James*; consolidate *Stix Fidelidade* and *Cheftime* in the market; and continue our partnerships with *startups*.

## Operation and Efficiency

Optimize the logistics model and increase operational efficiency, reduce the amount of product damage, increase the use of digital media in marketing, have perishable products as a differential, and maintain an active schedule of business dynamics.

## Capital (inputs)

### Social and relationship

- GPA Institute
- Partnerships with NGOs/*Startups*
- Communication and relationship channels
- Relationship with small, medium and large suppliers

### Financial

- Over R\$ 2.5 billion in gross investment (CAPEX)
- R\$ 61.5 billion in gross revenues
- 267,997 in thousands of preferred and common shares

### Human

- Over 110 thousand employees\*
- Stimulate diversity and inclusion

### Intellectual

- Development and operation of the multiservice platform
- Employee knowledge and experience

### Natural

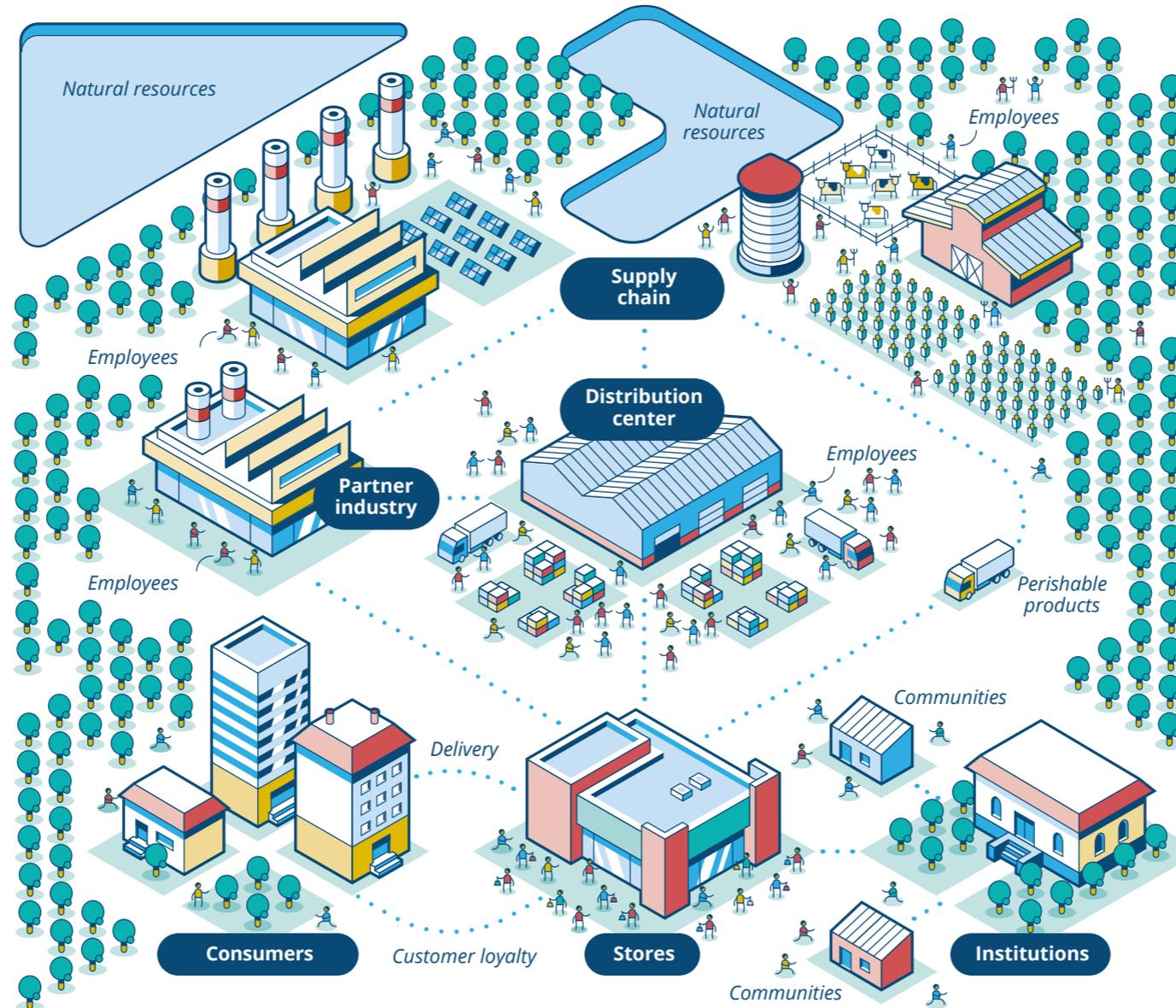
- 2.2 million cubic meters of water
- 1.1 million Mwh of energy

### Manufactured products

- 1.076 pontos de venda (todas as regiões do BR)
- 24 Centros de Distribuição e entrepostos
- GPALab e espaço no Cubo
- Frota própria e terceira

\*Number includes active and on leave employees and contracts terminated in December 2019.

# BUSINESS MODEL



## Value Created

### Social and relationship

- Improved practices with suppliers
- Conscious offer and consumption
- Relationship and loyalty (over 20 million loyal customers)
- Power of choice: diversification of business portfolio
- Practicity, exclusivity and buying experience
- Culture, education, work and other partnerships (GPA Institute)

### Financial

- Return to shareholders/shares performance
- Resource savings
- Net profit of R\$ 790 million
- Gain market share

### Human

- Over 3 million hours of training and development
- Diversity and inclusion:
  - 33.1% of women in leadership roles (management and above)
  - 41.7% black employees
  - 4.1% people with disabilities included in the workforce
- Health, safety and quality of life
- Build a career

### Intellectual

- Strategic diversification and innovation (new business, products, brands and partnerships)
- Share responsible practices with suppliers
- Knowledge on consumers and market
- Technology, apps and sales platforms

### Natural

- Reduce the use of natural resources (store design)
- Commitment to the best production practices (environment, people and animal well-being)
- Increase the recyclability of the waste we generate

### Manufactured products

- Business expansion: new stores, 1500 products available of Private-Labels, customer service channels, efficient and interconnected DCs
- Fleet efficiency

# Our Sustainability Strategy

The sustainability strategy is linked to six pillars of action with the even greater goal of creating positive value for all our *stakeholders*. They seek to integrate priority sustainability issues into business planning and present goals for 2018-2020.

Our areas of expertise are also connected to the CSR Program, Casino Group's corporate social responsibility program.

These pillars of action are associated to the ten most relevant topics in the understanding of our main audiences, which were consulted in the materiality assessment process, carried out in 2017: customers, suppliers, shareholders, society, employees and the leaders of GPA, the main *stakeholders* impacted by the business and its operations. We also carry out studies of segment benchmarks and internal documents.

**102-40 102-42 102-43 102-44**

Qualitative and quantitative (non-financial) data follow the Casino Methodology recommendations and reporting practices for communicating data about organizational profile, strategy, ethics and integrity, governance, *stakeholder* engagement, in accordance with the legal and regulatory requirements of France, as defined by Decree No. 2017-1180 of July 19, 2017 and Decree No. 2017 1265 of August 9, 2017. **102-54**

The results that we publish in this Report refer to operations carried out in the period between January 1 to December 31, 2019 (with data from environmental indicators from October 2018 to September 2019) and are among GPA's 2018-2020 targets. Part of the data was audited by EY, as shown on pages 103 to 106. **102-50 102-56**

All our business units are included in our performance indicators, with the exception of the operations of Éxito Group, whose acquisition was carried out at the end of 2019. **102-45**

## Our Material Themes

102-47

- Valuing the customer experience
- Supply chain management and transparency
- Consumer Awareness
- Waste management and reserve logistics
- Climate change and emissions
- Employment generation, development and retention of employees
- Product quality, safety and traceability
- Electric power management
- Water resources management
- Relationship with the local community

As part of our governance in this topic, we highlight that, since 2016, part of the variable remuneration of all eligible positions (coordinators and above) is a Sustainability and Diversity Index, with annual targets composed of three indicators:

- **Number of women in leadership positions (managers and above);**
- **Number of people with disabilities in the workforce;**
- **Electricity consumption per square meter of sales area.**

# Our sustainability strategy





# Our Governance



# Transparency and Ethics

The policies, guidelines and decision-making bodies of our governance model prepare the business for a transparent growth, aligned with a culture of compliance in all its operations and sustainability management.

We disclose information to shareholders, investors and other strategic audiences with agility and symmetry, respecting our stakeholders, with whom we build transparent relationships - an ethical behavior that permeates all our activities.

Our governance model establishes specific roles and responsibilities for the Board of Directors and Executive Board that are crucial for good business. In 2019, we continued to adopt level 1 and level 2 Corporate Governance standards and guidelines from the São Paulo Stock Exchange (B3), including: the composition of the Board of Directors includes three independent members; four advisory committees to the Board of

Directors; dividend policy; annual self-assessment of the members of the Board of Directors; and a manual for shareholders' participation in General Meetings. And we adhere to the highest level of governance: the B3 New Market guidelines, where we are listed.

**We follow the best practices used in the U.S. capital markets.**

In the United States, we are a member of Level III of the American Depositary Receipts (ADRs) of the New York Stock Exchange (NYSE) and follow the requirements of the Securities and Exchange Commission (SEC) and the NYSE for foreign companies listed in the U.S.



**grupo éxito**

## Acquisition of Éxito

In 2019, GPA acquired 96.57% of the shares of Éxito Group, becoming its controller. The acquisition process fully transparent for both market and shareholders from both organizations, and complied with the highest level of corporate governance.

# Board of Directors

The governance body steers the business strategy and monitors its execution by the Executive Board. There are nine members in the Board of Directors (three of them independent), who meet at least six times a year. They are elected at the General Shareholders Meeting and have a two-year term of office, with the possibility of re-election.

## Members of the Board of Directors 102-22

	Position	Election date	End of term
<b>Jean-Charles Henri Naouri 102-23</b>	Chairman	12/30/2019	April 2022
<b>Arnaud Daniel Charles Walter Joachim Strasser</b>	Co-chairman	12/30/2019	April 2022
<b>Ronaldo Iabrudi dos Santos Pereira</b>	Co-chairman	12/30/2019	April 2022
<b>Franck-Philippe Georgan</b>	Member	12/30/2019	April 2022
<b>Eleazar de Carvalho Filho</b>	Independent member	12/30/2019	April 2022
<b>Hervé Daudin</b>	Member	12/30/2019	April 2022
<b>Luiz Augusto de Castro Neves</b>	Independent member	12/30/2019	April 2022
<b>Luiz Nelson Guedes de Carvalho</b>	Independent member	12/30/2019	April 2022
<b>Philippe Alarcon</b>	Member	12/30/2019	April 2022

# Advisory Committees to the Board of Directors

The Board of Directors is advised by five Committees composed by directors who lead discussions on issues related to its scope of action, qualifying the decisions and decision-making.

## Audits

- Analyzes and monitors the quality and integrity of the quarterly information, financial statements and the Company's Management Report;
- Evaluates the effectiveness and sufficiency of the internal control structure and the internal and independent auditing processes;
- Monitors exposures to risks.

### MEMBERS

- Luiz Nelson Guedes de Carvalho (coordinator)
- Eleazar de Carvalho Filho
- Gisélia da Silva
- Renan Bergmann

## Human Resources and Remuneration

- Analyzes potential member candidates the Board of Directors and the Executive Board;
- Proposes criteria for evaluating manager performance;
- Defines remuneration and incentives policies;
- Overlooks recruitment and selection methods adopted by the company.

### MEMBERS

- Arnaud Strasser (coordinator)
- Luiz Augusto de Castro Neves
- Ronaldo labrudi

## Finance

- Reviews the financial and economic feasibility of investment plans and programs;
- Recommends measures for negotiating any merger, acquisition or transaction;
- Reviews cash flow, debt policy and capital structure;
- Recommends opportunities related to financial transactions that may improve the capital structure.

### MEMBERS

- Eleazar de Carvalho Filho (coordinator)
- Arnaud Strasser
- Luiz Nelson Guedes de Carvalho

## Corporate Governance and Sustainability

- It guides and ensures the adoption of best corporate governance practices by the company;
- Complies with the requirements of the Brazilian legislation and other market surveillance agencies;
- Guides the sustainability strategy of GPA and its businesses;
- Follows macro indicators, evaluates critical and high impact policies and sustainable practices based on economic, environmental and social aspects.

### MEMBERS

- Luiz Augusto de Castro Neves (coordinator)
- Arnaud Strasser
- Hélio Mattar
- Ronaldo labrudi

## Innovation and Digital Transformation

- It guides GPA's innovation strategy and businesses;
- Follows technological trends and innovations.

Since it was created in November 2019 and ratified on December 31, the member make-up has not yet been defined.

# Executive Board

Conducts business management in accordance with long-term strategic planning approved by the Board of Directors.

The Board selects the members of the Executive Board who prepare the medium and short-term plans, initiatives and programs implemented during the year. The Executive Board's performance indicators are monitored weekly, with quarterly disclosure of results to shareholders at a General Meeting. The term of office for each members is two years..

## RISK MANAGEMENT 102-11

The risk management process is carried out in an integrated manner, in accordance with the Casino Group protocols, whose adopted practices adhere to

international standards and include frequent improvement of internal control mechanisms and their actions to prevent and mitigate impact. Within the cycle, among other initiatives, annual interviews are held with all key executives in order to know of the objectives and goals in order to identify the risks and exposures that could compromise the company's strategy.

We added a Risk Management Program in the last cycle with the goal of working in a deeper and more integrated manner, where we held several workshops on the risks related to the operation and technology, thus increasing engagement, adherence to the methodology and the **risk management culture** within the company. The implemented process ensures that all risks have executives in the role of owners and people responsible for managing the risks, monitoring the evolution of exposure indicators and their respective

action plans. The Management Area performs periodic management procedures with all the areas involved and reports to the Board of Directors through the Audit Committee.

Our risk matrix is composed of high, medium and low risks. We chose ten highly critical risks that are part of the Casino Risk Solution (CRS) matrix, which were the reasons for creating the Risk Program.

For the year 2019, we created a risk matrix specific to sustainability issues, composed of six priority risks. We identified the main associated aspects, their mitigation strategy and what executive is responsible for each one. For 2020, we will come up with action plans that are monitored by the areas responsible, in order to continuously evaluate opportunities and related impacts.



Learn more about GPA Governance, access minutes of the Board of Directors' meetings, the bylaws, corporate policies, among other information on the [Investor Relations website](#)

## Members of the Executive Board

	Position
<b>Peter Paul Lorenço Estermann</b>	Chief Executive Officer
<b>Christophe José Hidalgo</b>	Chief Financial Officer
<b>Belmiro de Figueiredo Gomes</b>	Chief Executive Officer of Cash and Carry Business
<b>Isabela Cadenassi</b>	Chief Investor Relations Officer

## Main social and environmental risks

- Food safety
- Health and nutrition
- Fight against discrimination / Diversity / Gender Equality
- Animal welfare
- Climate change / Environmental impacts on the supply chain
- Food waste

# Ethical Conduct

Our organization is committed to an ethical and honest conduct. This process is validated by the Compliance Program on three fronts: Prevent, Detect and Respond.

It provides guidelines for trainings, employee awareness campaigns, and mechanisms for identifying, investigating, and dealing with issues, and is supervised by senior management.

The initiatives of the Compliance Program are carried out in accordance with the Code of Ethics and the Anti-Corruption Policy, which is in compliance with the Brazilian (Law no. 12,846/2013), North American (United States Foreign Corrupt Practices Act - FCPA) and French (Sapin II Law) anti-corruption laws.

GPA also has Conflict of Interest Policies, a Third Party Risk Analysis and internal control processes that strengthen risk control barriers related to corruption, and prevent and/or mitigate their impacts.

We offer all our audiences the Ombudsman channel for the registration of any incidence related to disrespect or non-compliance with current legislation, the GPA Code of Ethics, policies and internal procedures of the Group that may involve our stakeholders, regardless of the position or role of who has performed the act.



Learn more about the [GPA Code of Ethics](#).

## Ombudsman

**Ombudsman's office hours:**  
Monday to Saturday, 8:00 a.m. to 8:00 p.m.

**Assaí and Compre Bem**  
ouvidoria@assai.com.br  
0800 777 3377

**GPA**  
ouvidoria@gpabr.com  
0800 55 57 11

**Multivarejo**  
ouvidoria@multivarejogpa.com.br  
0800 55 57 11

# Data Protection

We take all steps within our power to protect the privacy and personal data of our customers and third parties (available in our Information Security Policies and Privacy Policies, updated periodically). We are in the process of adapting to the General Personal Data Protection Act (LGPD in Portuguese), revising technical and organizational measures and training our teams on information security, so as to work with the best market practices and ensure that personal data within the GPA is treated properly and we adhere to all legal requirements.



GPA employee

**ETHICAL CONDUCT**

## Main 2019 initiatives and results

### Prevent

- Update and develop Policies and Procedures;
- Due Diligence of suppliers;
- Ethics and Compliance training for 196 service providers and over 5 thousand employees that carry out activities considered critical;
- "All in Compliance" campaign to fight corruption and disseminate ethics to 3 thousand suppliers;
- First edition of Compliance Day, an event for employees with lectures and a play about ethical conduct in daily personal and business life.

### Detect

- Determine and apply measures, when applicable, to the 6570 incidences related to ethical issues registered through the Ombudsman's Office channel in 2019..

### Respond

- Establish consequences for cases that violate internal policies that range from disciplinary measures for employees, educational measures (training) to blocking suppliers. In 2019, 22 suppliers were blocked and 9,284 discredited;
- Review 11 Policies and Procedures, among them: Conflict of Interests Policy, Gifts, Travel and Entertainment, and Third Party Risk Analysis.



We understand that our success depends on our reputation and the trustworthy relationship between us, our customers and business partners. [Learn more about our Compliance Program.](#)



# Highlights

Aerial image of Extra Hiper store

# Strategic Management of Business Portfolio

In 2019, we continued with a strategy focused on the accelerated growth of the most profitable businesses and on the optimization and adjustment of the store portfolio, adapting it to the consumption needs of our customers.

- Continued to **expand Assaí Atacadista**, with **22 new stores** and presence in three new states: Tocantins, Amapá and Rondônia. As a result of the expansion strategy, we registered a **growth of over R\$ 5 billion in sales and gross revenue of R\$ 30.4 billion** in the year (a threefold increase in the last five years), in addition to a significant increase in customer flow and continuous market share gain.
- 430,000 new Passaí cards issued**, totaling more than 1 million cards issued since the launch in 2017, and 700,000 active cards. The pilot project to have machines accept Passaí credit and debit cards was also started in São Paulo.

- A total of **46 Pão de Açúcar stores were renovated** under the concept of the latest generation of stores, resuming and strengthening the value proposal of the Group's premium brand. These units already represent **40% of the Group's total revenues**. The new format combines technology for convenience and agility in customer service and a portfolio of premium products in a multi-channel, multi-sensory and multi-solutions concept.
- Converted 92 Extra Super stores, totaling 70% of the portfolio, into **77 Mercado Extra** stores, totaling 100 stores; and **15 Compre Bem** stores, totaling 28 stores.
- Double-digit growth in the Proximity sales format, reaching seven consecutive quarters of growth, with profitability increasing throughout the year. **10 Minuto Pão de Açúcar stores were inaugurated** and 72 were reopened. The **Mini Extra** had **144 stores renewed**.

**We were included in the yellow and Dijon mustard rankings, carried out by the newspaper *O Estado de S.Paulo*, where first place went to the Qualitá yellow mustard and second place went to the Casino Dijon mustard, in their respective rankings.**

- With more than 1.5 thousand products available to customers, Private-Labels were 12.7% of the food category in Multivarejo. We also entered new categories, such as: craft beers with the launch of **Fábrica 1959**, Premium Qualitá products, the first Qualitá line of animal food, and the Qualitá Baby line with disposable diapers and wet towels.



# Leading the Digital Retail Transformation

GPA has innovation in its DNA and is a pioneer in the omnichannel strategy. In 2019, we invested in initiatives and technologies that benefit and make the daily lives of our customers easier, making sure that they have the best shopping experience in our stores and websites.

- We continue to **lead in food retail e-commerce**, with over 40% growth and over 70% market share according to Nielsen. Online sales accounted for approximately 6% of Pão de Açúcar's revenues. During the year, we expanded our Delivery Express and Clique e Retire delivery services to 125 stores. Another highlight was the advance of the centralized model with the launch of the first E-store in Rio de Janeiro, which operates in the store's stock area and serves as a collection point for the purchases made through e-commerce.

Employee doing a pre-scan



Customer using self-checkout to register her purchase



- Creation of **Stix Fidelidade**, an unprecedented loyalty coalition carried out with Raia Drogasil. The new company will serve more than 50 million loyal customers of GPA and RD as of the second half of 2020.
- **James** expansion to 19 cities, after beginning operations in **Aracajú, Brasília, Cuiabá, João Pessoa, Uberlândia and Fortaleza**. The startup, acquired at the end of 2018, had an average growth of 35% per month and an increase of 15 times in the number of orders compared to the beginning of the year.
- **More than 1 million bottles of wine** were sold through online platform Pão de Açúcar Adegas, with a 60% increase in sales compared to the previous year.
- **Pão de Açúcar Mais and Clube Extra** hit the mark of over 20 million loyal customers, 14% more than 2018, with 11 million downloads of the app, 48% higher than in 2018.
- The sales identified represented **more than 20%** of Multivarejo **participation** and **50% of e-commerce sales**.
- We have distributed **more than 8 million prizes** to Plus Customers and Extra Club.

- In 2019, customers participating in loyalty programs saved over R\$ 317 million with **Meu Desconto** [My Discount] alone.
- Launch of the **online platform of Aliados Minimercado** focused on groceries for bars, restaurants and hotels.
- We increased payment and delivery solutions in our stores: **Pre-scanning**, which reduced the time at the checkout thanks to previously scanning of products; **Self-Checkout**, where the customer scans and pays the items in a self-service totem; **Fast Pass Assaí**, where the products are placed on a conveyor belt that scans the items automatically; and **Apple Pay** and **Samsung Pay**, with payment done directly with mobile applications.
- As a lever of our digital transformation and culture of innovation, we have our **GPA Labs**, which is an area dedicated to interacting with the ecosystem of startups, services, in-store products and concepts and promoting a culture of innovation within and outside the company.



8 million prizes

for Cliente Mais and Clube Extra



20 million customers

on Pão de Açúcar Mais and Clube Extra

*Students of Programa Prosperar [Prosper Program], from GPA Institute, in the GPA Lab in the Group's headquarters.*

- With the work carried out by the **Innovation team**, **more than 14 startups, especially food-techs**, got a place on the shelves in over 180 Group stores with approximately 100 items and generated more than 300 thousand units in sales.
- Besides the products, the **partnerships with startups enabled other services and amenities** in Pão de Açúcar stores, such as umbrella sharing, by Rentbrella, or GetNinjas' digital totem to hire more than 200 types of services offered by the app, and free Pet Parker smart houses for pets, with monitoring, air conditioning, and automatic opening and closing through the application.
- In order to stimulate new partnerships and products, we held the first annual meeting with the Group's foodtech partners, where the theme was Co-branding.
- We maintained an active relationship with startups by running 30 pilot projects related to technology, operational efficiency, backoffice process optimization and customer experience improvement,

and the completion of the second batch of the acceleration program for retail startups, in partnership with Liga Ventures, with the aim of exploring solutions to reduce food waste and improve e-commerce delivery.

- **Inauguration of GPA Lab at Cubo Itaú**, the country's largest innovation hub. This made it possible to intensify prospecting and the relationship with startups aligned with GPA business strategy.
- **First edition of the IN Program** - Innovation Network. The Program consisted of a network made up by 24 employees from different areas in GPA who acted as ambassadors to **enhance and introduce the company's innovation and digital transformation**, through training and innovation methodologies. They identified challenges in each area and sought solutions from startups in the market. At the end of the year, we held the first internal innovation awards ceremony, in which we gave awards to the main innovation projects of the year, projects created by the innovation ambassadors, rollout with startups, and the most innovative manager and ambassador.





# Acquisition of Cheftime

After a year of discussion, in 2019 the Group acquired the foodtech Cheftime. With this partnership, the products went from a pilot store to 200 Pão de Açúcar, Minuto Pão de Açúcar, Extra stores and e-commerce.

In 2019, the brand sold over 200 thousand meals, including food kits and ready and semi-ready meals, in harmony with its strategy to offer curatorship, convenience and freshness through increased ready-to-cook, ready-to-eat and ready-to-go solutions. In the same year, we launched the Cheftime by Pão de Açúcar Culinary School, where consumers can exchange their points on the Meus Prêmios Program for classes and workshops. This movement reaffirms the Group's leadership in food retail innovation and in new concepts for food products, services and multichannel experiences.

*Cheftime products: subscription service, food kits and ready-to-cook, ready-to-eat and ready-to-go solutions*

# Operations in South America

GPA concluded the acquisition of 96.57% of **Éxito** Group's share capital on November 27, 2019, becoming the largest food retail group in South America.



The results for the fourth quarter included a month of this operation, with a contribution of R\$ 2.4 billion in gross revenue. **Éxito** Group, a leader in food retail in Colombia and with operations in Uruguay and Argentina, has brands and formats for all segments of the population.

GPA will have members who will participate in the Financial, Appointment, Remuneration and Corporate Governance, Sustainability and Expansion Committees, following **Éxito**'s current governance standards. The Audit and Risk Committee is 100% made up of independent members.

The operation, which was entirely transparent, allows to generate more value to the Group's stakeholders. In this context, the migration process from GPA to Novo Mercado, B3's special listing segment, was approved by the Board of Directors and the shareholders, and the Company's admission was completed in March 2020.

Exterior of an **Éxito** Wow store in Colombia



# Colômbia



## ÉXITO

Formats such as: Wow, Express, Supermarket, Hypermarket, Neighborhood and service stations  
- 247 stores, includes 9 in Wow format and 79 Éxito Express stores



## CARULLA

Supermarket and Proximity  
- 98 stores



## SURTIMAYORISTA

Wholesale - Cash and Carry  
- 30 stores



## SURTIMAX

Supermarket that works with competitive prices  
- 92 stores



## SUPER INTER

Supermarket that works with competitive prices  
- 70 stores



## Real Estate

34 shopping centers and outdoor malls Viva Maior, a real estate operation in Colombia (51% carried out by Éxito Group)  
- 12 shopping centers  
- 6 outdoor malls

- **Puntos Colombia - Loyalty program**

Joint venture with Bancolombia (50%/50%)

- **Convenience and agility in purchase experience**

E-commerce, applications, digital catalogues, last mile & home delivery, Clique e Retire and Market place.



# Uruguay



## DEVOTO

Supermarket and Proximity  
- 60 stores



## DISCO

Supermarket  
- 29 stores



## GÉANT

Hypermarket  
- 2 stores

# Argentina



## LIBERTAD

Hyper  
- 15 stores



## PASEO

170 thousand square meters of GLA (gross leasable area)  
- 93.9% occupancy rate

## MINI AND PETIT LIBERTAD

Proximity  
- 10 stores

# Sustainability

Read about our highlights and main accomplishments in this area

## Diversity

Development of the diversity agenda, with specialized training for different audiences, signing new commitments on the topic and receiving the Women in Leadership Awards (retail category), from the newspaper *Valor Econômico*, and WEPs Brazil Award - Companies Empowering Women, in the bronze category.

## Biodegradable Packaging

In 2019, GPA made a commitment to replace 100% of its Styrofoam trays that came with fruits and vegetables from Private-Labels (Qualitá and Taeq) with biodegradable material by May 2020.

## Recycling Stations

In 2019, more than 6,700 tons of recyclable materials were collected at Pão de Açúcar and Assaí stores, an average increase of 14 tons/month.

## Beef chain responsibility

100% of beef suppliers are in compliance with GPA's Responsible Meat Purchasing Policy. 99.6% of the volume of meat sold in our stores has a monitored origin, among the suppliers that buy cattle directly.



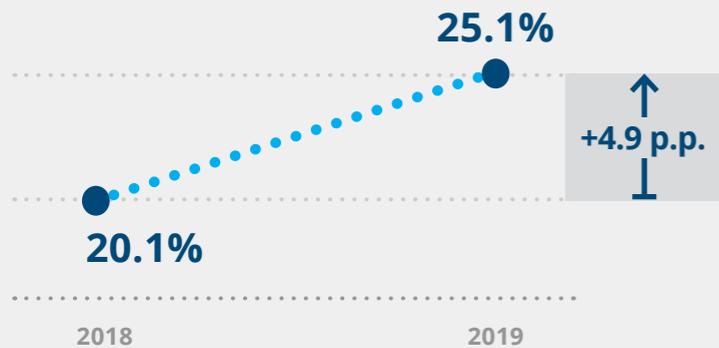
*Organic products displayed in a Pão de Açúcar store*



Cage-free eggs

## Sales of cage-free eggs

Private-Labels



## Animal Welfare

Sales of cage-free eggs from GPA's Private-Labels increased by 4.9 percentage points compared to 2018.

## Donation of Fruits and Vegetables

Through the Partnership against Food Waste Program, GPA donated 29% more fruits and vegetables that were not appealing for sale, but were fit for consumption, compared to 2018. 4,303 tons were donated by 512 stores.

## Technical Training Courses

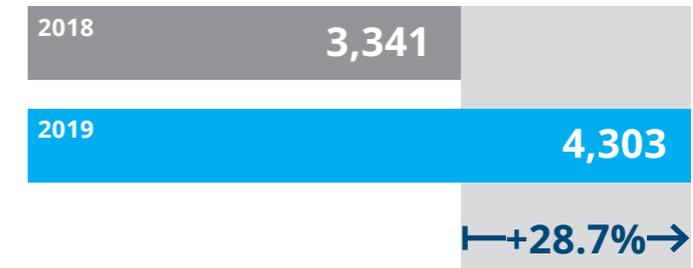
261 people trained in bakery and confection and customer service through the *Mãos na Massa* [Hands On] and *Sementes* [Seeds] programs and more than 2.7 thousand certified entrepreneurs from the Assaí Bons Negócios Academy.

## Food Collections

A 17% increase in food collections compared to 2018, totaling more than 2,000 tons, destined for GPA Institute partner institutions, through the Solidarity Agenda initiatives.

## Total Donations

(tons)





# Quality and Responsibility in the Value Chain

SDG

SUSTAINABILITY PILLARS

- 2
- 8
- 11
- 12
- 14
- 15



Vegetable stand at Pão de Açúcar

# Responsible Relationships

We are a retail company with a rich and complex value chain that connects the producer, the industry and the storage and distribution processes

With business partners we build relationships guided by ethical conduct and best practices that are connected to social, environmental and economic criteria, included in our Charter of Ethics to Suppliers.

The document, which makes up the contract, formalizes norms and recommendations on human rights, working hours, health and safety, anti-corruption practices, environment and animal welfare.

*Lettuce farmer tending the field*



# Production steps considered in the analysis of socio-environmental risks of the supply chain to GPA



SOCIO-ENVIRONMENTAL RISKS



Animal welfare



Fight against deforestation



Working conditions



Responsible use of biodiversity



## Animal welfare

In 2019, GPA continued to develop the theme of animal welfare throughout the chain, with emphasis on the implementation of actions aimed at achieving 100% cage-free eggs in Private-Labels by 2025.

For this to happen, GPA intensified the dissemination of the products and their attributes to customers, reinforced in-store supply, worked together with suppliers to develop the chain, and has worked with the public authorities so that this production process has a defined standard in the country.

Following the supplier development plan, initiated in 2018, another workshop was held in April 2019 for the commercial teams of the Assaí and Compre Bem companies and their respective egg suppliers. The training aimed to address overall aspects regarding the production of egg-laying hens, as well as the techniques that include animal welfare. For the consumer, a communication was initiated in pilot stores with more information on the types of egg production, thus creating a more favorable environment for the awareness of our customers.

As a result, we have increased the supply of cage-free eggs in Extra and Pão de Açúcar stores from 96.1% to 98.2%. In Assaí, we now have 143 stores that offer cage-free eggs, an increase of 22 stores compared to the previous year.



Participating in the Workshop promoted by Assaí was super interesting to notice the evolution of producers regarding respect towards animals, and how they are succeeding in attributing financial and conceptual value to products. We, from Ovos Mombuca, a family business, started breeding cage-free chicken in 2017, in order to meet the growing demand for eggs at the time. In 2018, we realized that it would be a good opportunity to add to our brand a line of products that was already very strong in Brazil: *caipira* eggs. In 2019, we converted all cage-free sheds into a system of caipira, and recently obtained the AVAL (Alternative Poultry Farmers' Association in Portuguese) stamp.



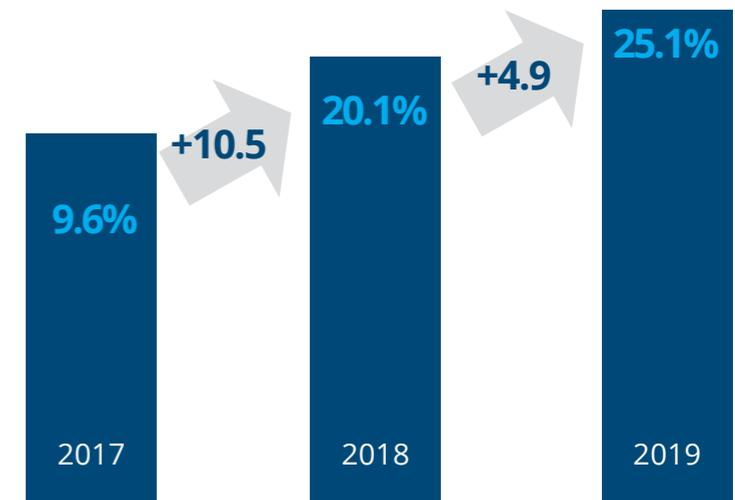
**Tiago Wakiyama,**  
manager of Ovos Mombuca,  
egg supplier to Assaí Atacadista.

Cage-free eggs packaging



## Sales of cage-free eggs

Private-Labels





## Fight against Deforestation

We are committed to preventing and minimizing negative social and environmental impacts on our supply chain. It is known that a large part of beef production comes from the Amazon biome, which is constantly impacted by deforestation. For this reason, since 2016 we have established, through the Beef Purchasing Policy, a process of supplier authorization. The goals of this process are to identify the direct origin and ensure compliance with social and environmental criteria for beef production, such as:

- No deforestation of the Amazon biome;
- No slave/child labor;
- No embargoes;
- No invasions of indigenous lands;
- No invasions of protected areas.

It includes all national suppliers of fresh meat (cold/frozen) that supply to any of our businesses and companies. It has two strategic reasons:

1. Traceability and transparency;
2. Monitoring the chain.

In relation to transparency, our suppliers have the duty to inform the origin of the meat or livestock they process to supply our stores in our traceability. At the end of December 2019, 94% of the suppliers already imputed data in this system.

For the monitoring, we require slaughterhouses to implement a geomonitoring system to monitor livestock purchases and check the five criteria contemplated in our policy. 99.6% of the volume of meat sold in our stores has a monitored and controlled origin thanks to those systems.

Suppliers who have not adhered to the Policy or have not implemented it are suspended until they do so. Also, if any inconsistency is found during the process, the farm is blocked and can no longer work with the company. Since the implementation of the policy until the end of 2019, 23 suppliers have been excluded/disapproved.



In 2019, the technical team of Aliança da Terra, through intense field work, conducted a thorough socio-environmental assessment in 100% of Rubia Gallega meat-producing farms in Brazil. We can safely say that all these farms meet the requirements of the Producing Right Platform, guaranteeing to the consumer that the production process contributes to the protection of natural resources and appreciation of people who work in field. One of the most impressive results was the fact that, even in the great fire crisis in Brazil in 2019, none were on these farms.



**Aline Locks,**  
CEO Aliança da Terra

## RUBIA GALLEGA

In addition to this monitoring, we have been developing an exclusive line of meat, Rubia Gallega, for more than 10 years – a cross between the Spanish breed Rubia Gallega and the Brazilian breed Nelore - produced in Brazil, by exclusive GPA partners. All the stages of breeding, raising and fattening of the cattle are carried out on the farms of the partner producers, ensuring full traceability of the chain, from the insemination of the animal to the sale in the aisles.

All these farms were visited by Aliança da Terra, through the Producing Right Program, to assess legal, environmental, social, economic, animal welfare and traceability aspects, thus fostering good practices.

### PRODUCTION RESULTS FOR EXCLUSIVE MEAT LINE

- RUBIA GALLEGA -



Over **345,000** ha  
under good socio-environmental management



Over **32,000** ha  
of permanently protected areas (90.4% preserved)



Over **2,200** km  
of protected rivers and waterways



Rubia Gallega meat packages



## Working conditions

As part of supplier management, we conduct social compliance audits at factories located in socially vulnerable countries in order to assess not only compliance with local legislation, but also with International Labor Organization (ILO) standards. The process is carried out in accordance with the Initiative for Compliance and Sustainability (ICS) methodology, an international protocol for sharing audit results among members. 94% of our plants were audited in 2019. In addition to this follow-up, since 2017 we have also checked the Dirty List of Slave Labor and embargoes by Ibama for our potential suppliers. When we identify the presence of a potential supplier in this database, the registration is immediately suspended.

In 2019, a training session was held with 100% of the Multivarejo commercial team responsible for imports, involving about 30 people, to reinforce the goals and commitments regarding decent working conditions in the chain, reinforce processes and engage employees with a focus on responsibilities and assignments.

### SUPPLIERS OF TEXTILE PRODUCTS, FOOTWEAR AND ACCESSORIES ARE ABVTEX CERTIFIED

Since 2011, we are committed to buying 100% of our textile products, shoes and accessories from suppliers and subcontractors certified by ABVTEX (Brazilian Textile Retail Association). GPA is one of the companies that make up the Board of Directors of the entity and actively participates in the discussions of the Suppliers Working Group, always seeking improvements in the Audit Program. In 2019, we identified that 3% of our suppliers were in the process of recertification and were therefore suspended until the beginning of 2020, when the situation was normalized. In the year, training was also carried out with all the commercial textile team to strengthen internal processes to achieve the program commitments, in addition to the presentation of the ABVTEX platform, which gives transparency to the chain, as it makes it possible to monitor the data of each supplier in real time, in addition to show approved suppliers by region.

Clothing section in Extra Hiper store



The active participation of GPA as a signatory member of the ABVTEX Program has been crucial in the process of program improvements. The Group has demonstrated its commitment to monitoring and developing the supply chain in favor of formalization, decent work, transparency and business ethics. By joining efforts with the other 101 brands participating in the ABVTEX Program in the Working Group meetings, GPA shares its best practices and promotes the exchange of experiences to find joint solutions to common problems. The presence of the high leadership in the ABVTEX Council contributes significantly to the expansion of the entity and consolidation of its role in the transformation of the fashion value chain.



**Edmundo Lima,**  
Executive Director of ABVTEX.



## Responsible use of biodiversity

To better manage our resources, especially fisheries, we have a policy for receiving fresh fish, which inspects quality and compliance with current laws, such as closed season, minimum catch size, monitoring of the General Record of Fishing Activity (RGP in Portuguese), to qualify suppliers. We are also committed to not commercialize, even with the permission of the legislation, species at risk of extinction, such as grouper and whiting fish.

Since 2018, we have offered our customers a greater variety of fish (*saramonete*, Serra Spanish mackerel, yellowtail amberjack, coney, amberjack, Atlantic bigeye, mackerel, Atlantic mackerel and black jack) to encourage the consumption of species little known by consumers. In 2019, we fortified visual communication about the project at new-generation Pão de Açúcar stores, increasing the sales of some species, such as amberjack (79% compared to 2018), for example. The best-selling species is still the red porgy.

In 2020, we want to further promote this project, reinforcing training for store teams and promoting greater communication with our customers.

*The fish section at Pão de Açúcar includes information about the species diversity project*



**Sem risco de extinção**



**Tamanho mínimo respeitado**



**Registro de origem**



**Pesca em época permitida**

Together with these initiatives, we have developed other programs that contribute to the quality of the products we sell in our stores, such as **Quality at the Source**, in addition to increasing the assortment and presenting the consumer with product options that stimulate a more conscious consumption, such organic products (Taeq Boa Escolha) and the *Caras do Brasil* [Faces of Brazil] line.

**GUARANTEED QUALITY FROM THE SOURCE**

Fruits and vegetables represent the greatest volume in GPA sales. For this reason, since 2009 we have the Quality from the Source Program (QDO in Portuguese), which includes the following actions:

- Quality audits to qualify and select suppliers;
- Analysis of agrochemical and microbiological residues on products, in accordance with valid legislation and norms;
- Tracking and collecting information to attest meeting the requirements of Brazilian legislation;
- Inspection of origin, commercial performance and sustainability practices (in terms of impact prevention and/or mitigation, and generation of environmental and social value).

All these initiatives produce improvements in the supply chain, assist suppliers in improving their processes and expansions, and ensure safe products for consumers.

In 2019, 590 agrochemical and microbiological residues analyses were performed on more than 95 plant varieties. After four years of work, the implementation of the QDO monitoring platform was completed, in which suppliers share technical information and traceability data and can access their performance in audits, inspection rates and analysis results. In September 2019, an event with all our suppliers marked the new phase of the program.

**CARAS DO BRASIL [FACES OF BRAZIL] STIMULATES SUSTAINABLE PRODUCTION**

We encourage the consumption of products from small producers, with sustainable growing and management processes, through *Caras do Brasil*, created 18 years ago by Pão de Açúcar.

The program makes it possible for these suppliers to access the large retail market, making regional products from the five Brazilian regions available in stores, promoting the recognition and appreciation of products and producers, and **strengthening regionalization and culture using food**.

Since its creation, more than 100 small businesses have gone through the program. In 2019, the program underwent a restructuring and ended the year with the new concept implemented in six stores and with 15 commercial partners. In 2020, we foresee the expansion of the Program to other locations and Pão de Açúcar stores.



[Click here and find out more about \*Caras do Brasil\*.](#)

*Manioca team*



Consumers are increasingly concerned about the future of food, the environment and our biodiversity. Many wonderful products are produced in the rainforest – and by those who live there. The purpose of Manioc is to take the flavors of the Amazon everywhere, naturally and as simply as possible. And the partnership with the *Caras do Brasil* Program is crucial to bring the rainforest closer to the Brazilian people, with all its color, flavor and history.



**Paulo Reis,**  
co-founder of Manioca, one of the commercial partners of *Caras do Brasil*.



*Shelf with products from the Program in a Pão de Açúcar store*

**TAEQ BOA ESCOLHA [GOOD CHOICE] PROMOTES CONSCIOUS CONSUMPTION AND SUPPLY**

In partnership with suppliers, GPA launched a line to maximize consumption of all organic production and to value fruits, vegetables and greens, avoiding waste. The foods chosen for the Taeq Boa Escolha line can vary in size and shape, and have color differences and stains when compared with traditional organic products. Due to these characteristics, the items cost, on average, 40% less than traditional organics. In the first step of the Program, the products are sold in five Extra stores. Three types of tomatoes are offered, potato, carrot, onion, mango, melon, passion fruit, papaya, watermelon, zucchini and sweet potato.

**BULK ORGANIC FOOD**

As pioneers in offering organic products to our customers, we started to sell organic fruits and vegetables without packaging in some stores of Pão de Açúcar, enabling customers to consume in a sustainable way, taking only the quantity they really need and without generating secondary packaging. This way, we guarantee prices up to 30% lower than pre-packaged organic food and offer consumers the possibility to select the products with sizes and shapes that best fit their needs.

**STRAIGHT FROM THE FARM**

Today there are seven stores in Pão de Açúcar that have a hydroponic facility for vegetable production that brings the farm into the supermarket and allows the customer to harvest directly from the field. The project reduces the distance between the producer and the consumer and contributes to the reduction of food waste, since there is no loss of products in the logistics process.



Vegetable garden at Pão



## Summary of our Goals

2019 Goals	STATUS	Comments
Reach 25% in sales of cage-free eggs (Private-Labels)		The percentage of cage-free eggs sold was 25%, an increase of 4.9 percentage points compared to 2018
Own 90% of the volume of oil purchased in our Private-Labels with known origin (traceability)		We closed 2019 with 97% of the volume of palm oil purchased by ME with known origin
Achieve 100% of the volume of meat purchased from suppliers with geomonitoring systems		99.6% of the meat volume comes from suppliers with geomonitoring system
Carry out audits of the working conditions of all our foreign suppliers from critical countries		We audit 94% of our suppliers from critical countries
Relaunch the <i>Caras do Brasil</i> Program		The <i>Caras do Brasil</i> Program was restructured and implemented in some stores with its new concept at the end of 2019

ACHIEVED     
 PARTIALLY ACHIEVED     
 NOT ACHIEVED

# Valuing our People

SDG

SUSTAINABILITY PILLARS

- 4
- 5
- 8
- 10



Employee at GPA's distribution center

As the largest retail employer in Brazil, we have a people management culture that recognizes talents, promotes diversity, and keeps our employees engaged in the strategic planning of GPA and all its businesses.

## New Selection Platform

In 2019, in line with the strategic guidelines for digital transformation, we implemented a project at the Holding, Multivarejo, GPA Malls, Assaí and Compre Bem that digitalizes all the stages of the selection processes. The new platform allows candidates to register and monitor all phases of the selection process and performance, and, all HR employees and managers have real-time access to information about vacancies. We also have structured internal recruitment programs, which value our talents. During the year, we selected over one thousand employees through the Internal Selection Process (Prosin). And more than 38 thousand new employees have joined the Company.



## Launch of the Culture Program: Ser Assaí é assim [This is Being Assaí]

In 2019, Assaí identified, registered, validated and began to communicate values and behaviors that translate the Assaí Way of Being.

For this, over 200 interviews were conducted, with management, leaders and employees of our stores, Distribution Centers and offices, in order to identify the existing values that were never before registered and standardized.

By analyzing of the collected data, it was possible to see that the employees already practice and choose to be with us, engaged and happy, for what we already are. Six values were listed: Simplicity; Customer Focus; Passion for what we do; Commitment to results; Care for our people; and Ethics.

And, in order to ensure that the information is staggered, the following actions were carried out:

- Creation of the brand "Ser Assaí é Assim" [This is Being Assaí];
- Launch of the culture to more than 400 leaders and specialists at the National Assaí Meeting, which took place in August;
- Disclosure of the video manifesto and all the values and behaviors in all the communication channels of the business;
- Atmosphere change in all branches, with mobiles, posters, paper trays, culture panel, etc;
- 1st Culture Workshop with the HR team to test the pilot model;
- And for 2020, we will exchange all the badge strings and move on to workshops on the do's and don'ts with all the leaders.

# Training and Development for Business Growth

After understanding the speed and complexity of changes and the needs of our customers, we invested in training and developing our employees, through coaching, awareness and technical procedures so as to develop their careers and always aim to better serve our customers.

In addition to training for professional enhancement, we provide content aimed at our employees' self-development and self-knowledge. These programs are managed by the GPA Retail University and Assaí University.



Employee of Compre Bem

# Assaí University

In 2019, we had over 2 million hours of training for over 35,000 Assaí employees. In total, there were 141,566 participations in training, which generated an average of 59 hours of training per employee. More than R\$ 17 million were invested in the development of Our People, with the idea to continue preparing and qualifying our employees to sustain the expansion of our business. Overall, we had over a 50% increase in hours and investment in training compared to the year 2018.



**35 thousand employees**

trained at Assaí



**R\$ 17 million**

invested by Assaí to develop our people



**ASSAÍ EXPANSION**



**COMPRE BEM EXPANSION**



**Over 6,100**  
people accepted

**Over 1,100**  
people accepted



**Over 31,000**  
people participated in the selection processes all over Brazil

**Over 5,000**  
people participated in the selection processes in São Paulo

*Expansion of Assai and Compre Bem, Dive into the Organizational Culture and Integration of the Recent Hires*

The teams at the new Assaí and Compre Bem stores, including managers, middle management and other employees, had approximately 30 consecutive days of training to dive into the culture, processes, operational standards and best management practices, in addition to the entire training package provided in the Inauguration Kit, a program created in 2013 exclusively to prepare new employees for the successful opening of new stores. This program has ensured a decrease in expansion turnover of over 20 percentage points over the last five years.

*Assai Leader Training*

In 2019, Assaí University continued to invest heavily in leadership training with the following Programs: Business Owner, for Store Managers; Accelerate, for Store Assistant Managers; Grow, for heads of store areas and for store section heads and managers of the Distribution Centers; and the recently launched Acting Program for all heads of operation of the Distribution Centers. On average, each of these roles received five courses throughout the year about topics related to the business model, operational model, commercial management, customer service and people management. Preparing our leaders is a way to ensure the perpetuity of our culture and that they are an example for all the other employees.

## Assai Commercial Trainee

In 2019, several employees with the desire to migrate their careers to the Commercial area were identified by Avance. And since this area is extremely important and essential to Assai's business model, we launched the Commercial Trainee Program. The registered participants, upon being approved in an internal selection process, have left office and will stay 24 months in the training program. In the end, they can be allocated to commercial assistant positions or Junior Buyer. We had 20 people approved in the selection. In 2019 we also did the following:



**Over 2,180 hours**  
of in-person training

**Over 37 hours**  
of online training

**Over 7,920 hours**  
of internship

## Assai Operations Trainee and Career in Operations Trainee

We have two different programs: Operations Trainee, geared towards the heads of section and in charge of Distribution Centers prepare to assume the position of deputy manager of store; and Career in Operations Trainee, exclusive for office staff wishing to migrate to the Operations area. In 2019, we reached the 9th group in the Operations Trainee Program and, during the year, we had three parallel classes for Trainees in progress (8th and 9th groups of the Operations Trainee and the 1st Career in Operations), with over 90 participants. The Assai Trainee Programs are a hit, being a way for employees to grow in their careers. More than 1000 registered in the selection processes throughout the year, totaling:

**Over 66 thousand**  
hours of training

**Over 2,000**  
hours of internship

Assai employee



## Continuous Backoffice Improvement

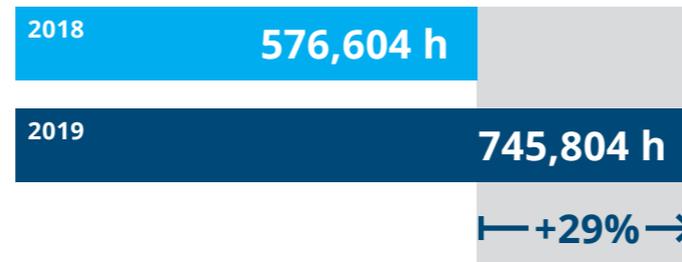
In 2019, thinking about transferring the responsibility for its development to each employee of Assaí Offices, we relaunched Aprende Mais Corporativo with the model of self-registration and validation of the manager with 100% digital workflow via the LMS (crossknowledge) platform. With this initiative, we were able to increase participation of backoffice employees by more than 100% in the courses offered monthly by Assaí University. During the year we had more than two thousand participants in our courses.

In addition, we automated the attendance record in the training courses offered at the University with the implementation of an application that reads the QRCode on employees' badges. The University is on its way towards digital transformation, offering more productivity and agility to the business.

# GPA Retail University

The University, which focuses on the training and development of the corporation's employees and the Multivarejo business, developed several initiatives that totaled 745,804 hours of training, with a 29% growth compared to 2018. On the online platform of the Retail University, we had an increase of 190% in the number of accesses and the number of hours in training grew 1071%.

### AMOUNT OF TRAINING HOURS



## GPA Card Operations Training

In April 2019, we inaugurated NAC Escola, the first training store for the integration of new GPA Cards employees. By December, 270 new employees had been trained.

Multivarejo employee



## Pão de Açúcar Customer Service Employee Development

The *Surpreender para Encantar* Program [Surprise to Delight] trained 16 thousand Pão de Açúcar employees, offering a playful and interactive experience to talk about service through the pillars Way of Being and Customer Service, improving the level of service within stores.

## Leadership Training at Extra

In the Extra stores, we carried out a training called *Click na Gestão* [Click on Management] for 100% of the company leaders, training them in customer service and management basics to add quality and enhance to the operation.

## Efficiency in Proximity Stores Training

We ran the Agile Program with 100% of the employees of the Proximity format to add quality, efficiency and agility in the customer service of those stores.

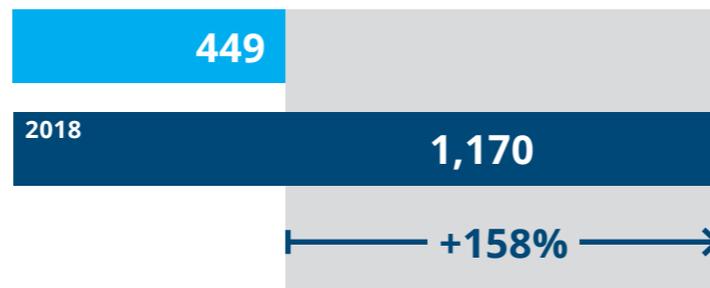
## Multivarejo Technical Training

Throughout 2019, we trained 14,389 people in the following areas: meat, bakery, baker, fish and operations, plus head of operations, manager and store leader, totaling 126,330 hours of training.

## GPA Development Day and Week

In 2019, 1170 employees participated in the GPA Development Week, an increase of 158% compared to the previous year. There were 29 training initiatives on topics such as agile methodology, leadership, coaching, feedback, digital mindset and mindfulness. On Development Day, once a month, we also held an average of four corporate self-registration training sessions in various topics, such as communications, change management, Excel, among others. Throughout the year, over 500 employees participated in those sessions.

### EMPLOYEES THAT PARTICIPATED DURING DEVELOPMENT WEEK



Team of employees that promoted the GPA Development Week



# Engagement Survey: *Fale na Boa* [Feel Free to Speak]

Carried out every two years in our Business Units, this survey measures employee favorability and engagement.

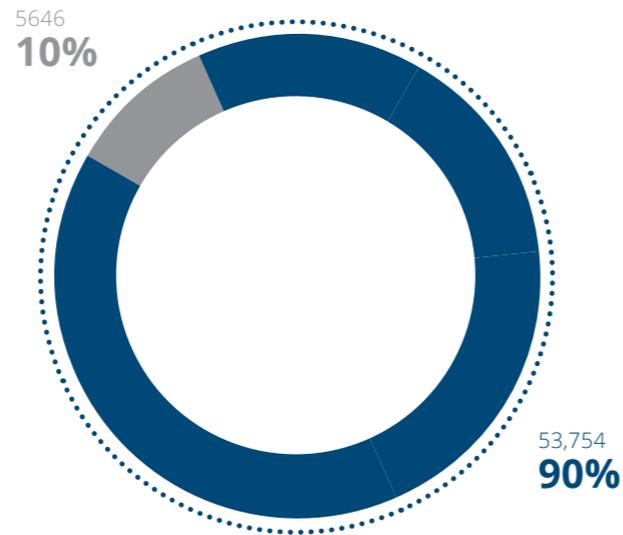
In 2019, the individual and confidential questionnaire conducted by Multivarejo and GPA Corporation underwent changes, becoming 100% online. Of the 59,400 eligible people (all employees, trainees and young apprentices admitted before March 2019), 53,754 replied, meaning a 90% adhesion rate. The engagement index went from 66% in 2017 to 73% in 2019, an increase of 7 percentage points. Diversity is one of the most relevant indicators that shows all the evolution in our work in recent years. We have had an increase of 8 percentage points in regarding the latest research. In 2020, a plan of action will be developed to respond to the survey results.

## Diversity: 8-point increase

In this topic, the survey showed an increase from 77% to 85% in 2019.

### Participation in the survey

(employees and %)



- Responded
- Didn't respond

### Engagement index



Employees gathered at GPA headquarters

### OUTCOMES FROM THE ASSAÍ ENGAGEMENT SURVEY

Assaí's engagement survey, conducted in 2018, had a 94% adhesion from employees and showed an engagement rate of 79%, a record number since the survey began being carried out. As a way of responding to the employees, the company implemented several initiatives, such as the Recognition of those who get promoted and the Employee of the Month Program, both held at Assaí stores; and the availability of new options for courses and improvement at the Assaí University.

## Social Dialogue

The Human Resources policies is based on regular dialogue with employees and social partners. The Group carries out many actions in favor of social dialogue and is in close contact with 308 unions, covering 100% of our workforce. In 2019, we negotiated the collective agreements and agreements with the unions to adapt to the new labor legislation and business needs.



*Group of employees who completed 20 years in the company*

## New Clinics: More Health for Employees

Among the initiatives to promote the physical and psychological health of our employees, we inaugurated at the Assaí Atacadista headquarters, in São Paulo, a medium-complexity clinic, with health professionals from eight medical areas. From September to December 2019, more than six thousand consultations were done, promoting the prevention of diseases and quality of life for all. In March 2020, we will create a clinic with the same characteristics in the Distribution Center (DC) in Cajamar, São Paulo, with 24-hour care.

The new Multivarejo Clinic, inaugurated in August, serves the headquarters and 525 surrounding stores. It is composed of seven offices and has the capacity to provide services to up to 150 employees per day. Throughout 2019, approximately 16 thousand appointments were made, including admission and resignation exams, checkups and exams after being on leave.

## Employee Recognitions

### Employee of the Month Program

In 2019, Assaí launched the Highlight of the Month Program, which aimed to recognize employees who have positive attitudes and behaviors that reinforce the culture and contribute to a better customer experience. Every month, in all the Assaí Atacadista stores, five professionals were chosen as people who stand out, based on the evaluation of their leaders. Since the launch, in August 2019, over 3 thousand people have been recognized.

### Years of Service Recognition

Another initiative that we carried out was the recognition of our employees who completed 10 to 45 years in the company, celebrating every five-year mark. At Multivarejo, we held an event in December for employees from the corporate areas and acknowledged around three thousand people throughout Brazil. All employees from stores, Distribution Centers and regional offices who had a company anniversary received a kit at their workplace to celebrate with their colleagues. Assaí has a similar program, in which 387 employees received a recognition and a total of R\$ 500 thousand in 2019.



*Rooms of the clinics in Assaí and GPA headquarters*



# Diversity and Inclusion

Our commitment to diversity, respect and inclusion is what makes us stand out, and this is thanks to the people and for the people, following a customer-centric strategy.

Our policies, initiatives and processes are guided by five priority themes that ensure representativeness, human and civil rights, respect, appreciation and equality for all:



Group of Assai employees



Inclusion and development of people with disabilities



Gender equity



Racial equity



Respect of LGBTQIA+ rights



Age diversity



Colaborador do Extra Hiper



## Inclusion and Development of People with Disabilities

More than four thousand professionals with disabilities work in the headquarters, stores, Distribution Centers and GPA offices.

In 2019, in Assaí we had 5.4% of the total workforce employed were professionals with disabilities.

In 2019, the websites and intranet of Assaí and Compre Bem became accessible to people with hearing disabilities, with the implementation of the Hand Talk tool (Hugo) which translates text and video content into Libras (Brazilian Sign Language).



Hugo, the Hand Talk character that translates into Libras [Brazilian Sign Language]

More than 5.9 million words have been translated since the program was deployed.

**We even took Assaí to Reatech, the largest fair about the inclusion of people with disabilities in Latin America, and our booth offered job opportunities, business with the Passaí card and training for entrepreneurs with the Assaí Bons Negócios Academy.**

Extra, through the GPA Institute, has carried out new editions of the Sementes [Seeds] Program, which aims to train people with disabilities in bakery, confectionery and customer service trades (learn more on page 82).



## Gender Equity

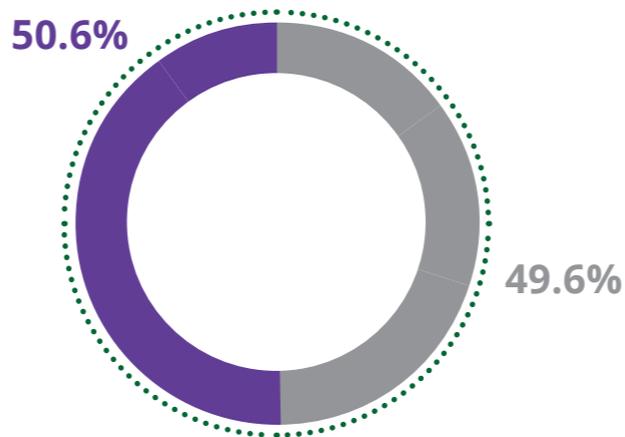
In 2019, we had gender equality programs and initiatives together with the associations we work with.

Throughout the year, we carried out several development and succession initiatives to increase the number of women in leadership positions, especially the Women's Leadership Development Program, in which 214 women managers (from the headquarters, stores and Distribution Centers) participated in training on women's empowerment, personal stamp, among others. The satisfaction survey identified the following positive points:

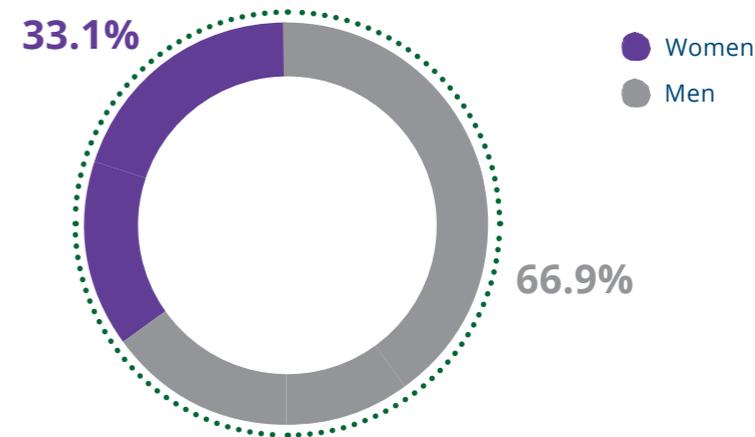
- Managers gained greater critical perspective and female empowerment, going beyond the perception of their role and responsibility in society;
- They learned the value and importance of practicing sorority;
- Have developed a greater degree of awareness and perception of their unconscious biases;
- Their professional ambition grew in a conscious and planned way;
- They feel responsible for sharing what they have learned and making a difference.

We understand that ensuring gender equity at GPA also

### GPA Employees



### Leadership Positions



Closing ceremony of the Women's Leadership Development Program



includes having at least one woman in the succession plan, and supporting female employees returning from maternity leave.

All these actions are monitored by the Gender Equity Committee, which oversees and proposes initiatives to promote these issues in accordance with the pillars of the Manifesto for Gender Equality. Signed by the senior leaders, this Manifesto aims to strengthen specific actions for women in leading positions, promote campaigns and educational initiatives regarding gender issues (with the aim to eradicate unacceptable behavior), develop policies and processes to end the gender pay gap, review processes to reduce the incidence of unconscious biases, and improve policies and benefits related to maternity and paternity leave.

Besides the plans linked to policies and procedures, Assaí and Compre Bem also offered experiences and lectures open to anyone (male or female) on gender equality with topics such as "Why do we Talk about this so Much?", "Fighting Domestic Violence", "Career & Maternity"; "Female Leadership", and "Women's Self-Care & Well-Being Today."

*These efforts were recognized with two awards that we were granted in 2019:*

- **Women in Leadership** (retail category), of *Valor Econômico*;
- **WEPs Brazil (bronze category)** – Companies empowering women, a promotion of UN Women in Brazil, in partnership with the Global Pact.

*Members of the GPA Gender Equality Committee and Diversity Team gathered for the WEP Awards*





## Racial Equity

The GPA Madiba affinity group, one of the groups responsible for managing the racial diversity agenda, created in 2018, currently has over 100 members and works on issues related to attracting, retaining, developing, engaging, raising awareness and informing our employees on racial equality. In 2019, they developed a medium and long-term plan that will guide the initiatives and priorities within the pillars defined by them: awareness, communication, engagement and events. Also, the following actions were carried out:

- Working groups were defined to plan and carry out awareness, communications and engagement initiatives, and events;

- Training on the historical, social and cultural construction of racism and the role of the individual as an driver of change, during Black Awareness month in November;
- Awareness-raising actions aimed at employees, during Black Awareness Week, such as the lecture on how skin color is linked to inequality, and how each person can contribute to create public policies to fight racial inequality and discrimination. There was also an activity, carried out with *Instituto Identidades do Brasil*

[Identities of Brazil Institute], which proposed to the participants to reflect on their personal positioning regarding racial issues in their daily lives, the White Privilege Game. Training material containing racist expressions that should be avoided was also distributed;

- We attended the Career Fair at Zumbi dos Palmares College in November. The aim of the event was to encourage networking between companies and students to attract talent, and we had the chance to talk about our vacancies and selection processes.

**In Assaí and Compre Bem the Racial Ethnic Internship Program was approved, foreseen to begin the first semester of 2020, with 15 vacancies for young black university students in all areas of the two companies.**

GPA Madiba affinity group





## Respect of LGBTQIA+ Rights

In 2018, the LGBTQIA+ Pride group was also formed, in which more than 60 employees participate. They work together to contribute to a more respectful and inclusive work environment. The group carries out affirmative actions to attract, retain and develop talent, in addition to contributing to raising awareness among employees and society regarding the respect for the LGBTQIA+ community.

In 2019, a series of awareness-raising initiatives were carried out, such as a lecture on the challenges companies face in view of the approval of a law that makes homophobia a crime (like racial slurs), on the International Day for the Fight against Racial LGBTQIA+phobia, and a series of communications, with informative videos on LGBTQIA+ Pride Week. In addition, the Mini Extra stores near the LGBTQIA+ Pride parade were decorated with rainbow flags, one of the symbols of the movement.



Group of GPA employees



I was welcomed by the customers and my colleagues. I'm really enjoying working at the cash register, I identified with my team a lot, people know about my transsexuality and support me, that's very nice.



**Michele Queiroz,**  
Extra employee

## Partnership with Transempregos

We formed a partnership between the Recruitment area and Transempregos, the platform that connects trans and transvestite professionals with companies that want to invest in diversity.

As a result, 31 trans professionals were hired in 2019. We also participated with other companies in the #AgoraVai Festival, another initiative of Transempregos, with the aim to train trans professionals for job market, with workshops and training on writing a curriculum, interview tips and even choice of clothing.



## Age Diversity

We have professionals from all generations and regions. In 2019, we had 4193 young apprentices, with the average age being between 16 and 24, 98 trainees, ages 18 to 23, and 1614 professionals above 60, which together correspond to 6.2% of our workforce.

In order to value the best aspects of each generation, throughout the year we carry out initiatives for the employees with lectures and content.

### IN 2019 WE HAD

**4,193** young apprentices, ages 16 to 24

**98** interns, ages 18 to 23

**1,614** professionals above 60

Group of young GPA apprentices



In 2019, GPA had two classes in its Internship Program that received 80 new talents with different experiences and expectations to work in 18 company areas. They participated for a year in learning trails and, at the end, developed a project to improve the segment in which they work.

### Young Apprentice

The year 2019 represented an important milestone for the GPA Young Apprentice Program that, three years after consolidating the Cashier Operator Apprentice course, began with the process of hiring professionals and reached a rate of 32%. The insertion of young people in the cash register has considerably increased the chances of being hired, since, in addition to the practical skills acquired, they are culturally adapted and know the store's routines. For 2020, we plan to allocate apprentices in the perishables, bakery and sales areas.

In Assaí, we consolidated the Apprentice Program by creating norms, establishing new partnerships, designing the learning map and reviewing the inclusion model and building a Program policy to inform and train leaders. At Assaí's Administrative Headquarters, we carried out the Apprentice Program with a focus on diversity.

### 60+

Our vacancies are aimed at all those who wish to exercise their talents and build their career, with no age limits or restrictions. We seek to value intergenerational relationships and how much they can add to the work environment. The topic was one of the highlights of Diversity Week and, for 2020, we intend to establish partnerships with organizations that work with employment of people above 60.



*Libras [Brazilian Sign Language] workshop held during the GPA Diversity Week*

## Diversity Week

In 2019, Diversity Week had a program aimed at raising awareness among our employees. At the GPA headquarters we held events for five consecutive days with more than 20 speakers and panelists from various companies, civil society organizations and educational institutions. More than 1,500 people attended the event, counting internal and external participants. At Assaí's and Compre Bem headquarters, we have offered lectures and experiences, with emphasis on the Empathy Museum, which brought illustrations, photographs and objects related to the priority themes. And the initiatives were carried out in our stores, Distribution Centers and regional offices.

During Diversity Week, we had an important delivery: offer a Libras (Brazilian Sign Language) course to all employees at our Retail University.



Brazilian Sign Language has always caught my attention. I had planned to take a course, and then I had access to the material at the Retail University. The content only increased my interest, so I looked for a more in-depth course and where I'd be able to interact with someone. Having arrived at this course with some basic knowledge really helped my performance a lot. I was proud and felt fulfilled when I received a call from the Credit Union and managed to help a deaf employee to apply for a loan after the team had tried to communicate in every way possible, unsuccessfully! Now, the next step is to go to college and graduate as a *Libras* [Brazilian Sign Language] interpreter."

**Janaína Venâncio,**  
GPA employee



At the event, we also signed two commitments:

- **UN Women Stereotype Alliance**  
The movement aims to raise awareness among advertisers, agencies and the advertising industry about the importance of eliminating stereotypes in advertising campaigns and promoting gender equality in advertising.
- **Business Initiative for Racial Equality**  
A communications platform for companies committed to seeking something that makes a difference in addressing the ethnic-racial theme.

In addition to these, in 2019 we joined the **Business Coalition against Violence against women and girls**, an UN Women and Avon Institute initiative to build a safe and harassment-free work environment with training, capacity building and best practices.

### TRAINING AND WORKSHOPS

To reinforce our values and the diversity in our corporate culture, we hold training and qualifications for the main stakeholders, to highlight the importance of having a respectful attitude towards all people in our day to day activities. The following stand out:

- **Training on unconscious biases** for all managers and directors, members of affinity groups and Business Partners (BPs) of the businesses, as well as HR and Recruitment employees;

- **Workshop for Companies Specialized in Security** – Held for our specialized private security service providers in the country. The goal was to reiterate our values, strategic guidelines and improve customer services processes;
- In Multivarejo, we launched the **Diversity Ambassador Program** in July, which has two store employees, who act as multipliers and have the role of being a focal point for all related topics. For 2020, the challenge is to empower these ambassadors and create a relationship network;
- In Assaí, we created the **Diversity Map** (who the employees are, where they are and how many are they and to which priority diversity pillars do they belong to all over Brazil);
- We created the **Assaí Diversity video manifesto**, presenting guidelines for all audiences and the necessary respect needed the attitudes and actions that the company already carries out to promote and value diversity;
- Approval and constitution of the **Assaí Diversity Group**, which will discuss actions that promote in the coming years. The Group has two representatives from each management department, consisting of opinion leaders and influencers, and

representatives from all the diversity pillars (generations, genders, races, people with disabilities and LGBTQIA+);

- Also in Assaí, the **Diversity Dialogues** has an annual calendar of initiatives, that range from internal and external communications, lectures to employees and participation in fairs and events to campaigns on commemorative dates (such as the International Day against Homophobia, Black Awareness Day, etc.).

## GPA Workshop on Prevention and Safety

Aimed at our employees who lead the teams involved in Loss Prevention activities in our stores throughout the country. We reinforce our values, strategic guidelines and procedures, in addition to GPA's agenda to fight discrimination and prejudice, and how we should work on these issues in our business.

*Affirmative activity during Assaí and Compre Bem's Diversity Week*





GPA employee participates in Diversity Week

## Summary of our Goals

2019 Goals	STATUS	Comments
Reach 33.8% participation of women in leadership positions (managers and above)		We reached 33.1% of women in leadership positions (managers and above), an increase of 0.8 percentage points compared to the previous year
Reach 4.3% of employees with disabilities		We reached 4.1% of employees with disabilities, an increase of 0.5 percentage points compared to 2018
Implement the diversity agenda (awareness-raising initiatives and training)		We carried out more than 15 diversity awareness activities for leadership positions, affinity group members and GPA employees throughout the year

**ACHIEVED**
**PARTIALLY ACHIEVED**
**NOT ACHIEVED**

# Climate Change and Management

SDG

SUSTAINABILITY PILLARS

11 12 13



Assaí's solar power plant

# Reduction of Environmental Impacts

Our operation is complex and involves many areas of the company and suppliers, who are responsible for our customers finding the best products in our stores every day. And because we have a large network of stores and Distribution Centers all over Brazil, we always seek to identify, monitor and minimize any negative environmental impacts.

Therefore, in 2019, we carried out an in-depth study to identify and map out the main characteristics of the refrigerant gas leaks and the energy consumption in our stores. As a result, we developed a ranking with the stores that have a priority for action in 2020.

In order to reduce greenhouse gas (GHG) emissions, we have replaced the gases in refrigeration systems with others that are less harmful to the environment. The gas exchange has been carried out according to the renovation schedule.



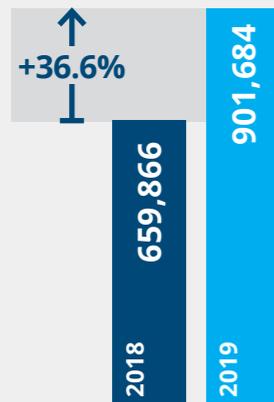
The Carbon Disclosure Project (CDP) is an international organization that mobilizes investors, companies and governments in order to build and accelerate collaborative actions for a development that works for current and future generations. Within this scope, GPA has reported its information on corporate action on climate change to investors worldwide since 2010. In the 2019 reporting cycle, the company achieved a B- grade. This performance positions the company above the global average and its segment, both being grade C. To participate in CDP means to position yourself internationally in regards to an extremely urgent issue - climate change - and also to align internal initiatives with best trending practices on the topic.



**Lucas Ribeiro,**  
Engagement and Corporate Relations Manager at CDP

## GPA Greenhouse Gas (GHG) Emissions Ton/CO<sub>2</sub>e

### TOTAL EMISSIONS / YEAR



### SCOPE EMISSIONS

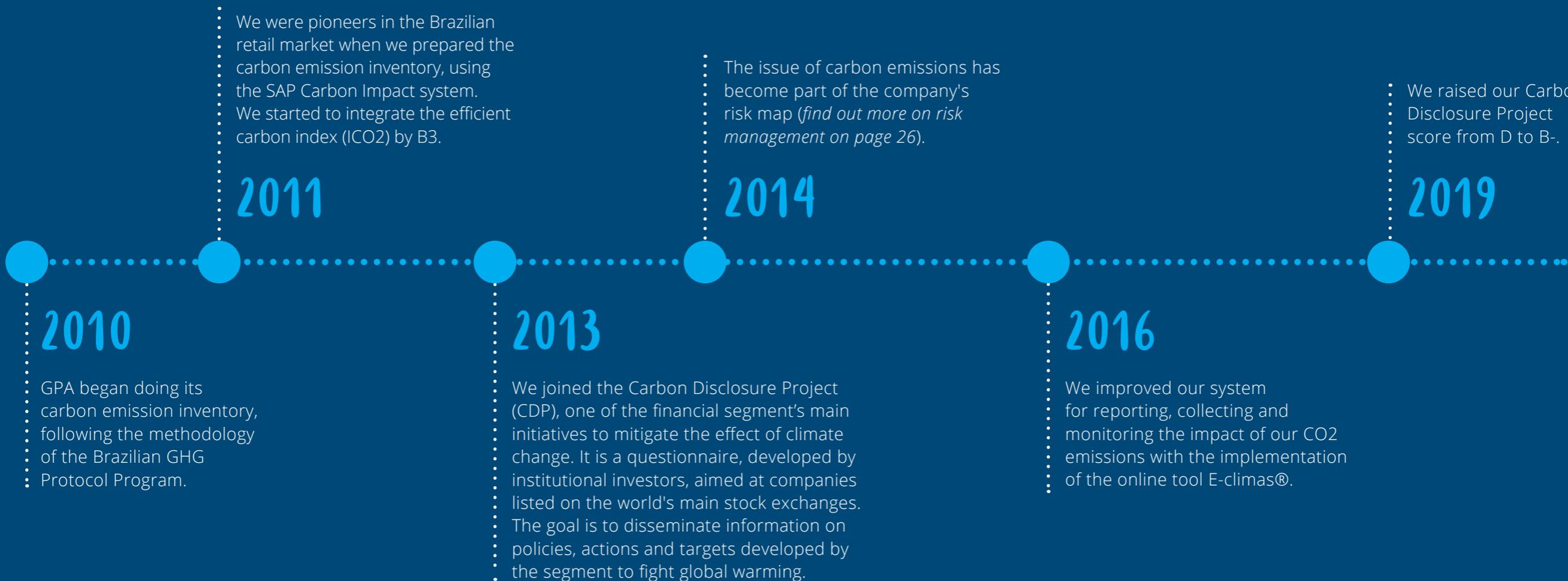


**SCOPE 1**  
Diesel Generator Oil | Refrigerant Gases | Fuel for Forklifts | Fuel for Freight Delivery | Fuel for Stoves and Heaters

**SCOPE 2**  
Electric Power Acquisition

**SCOPE 3**  
Fuel to Transport Merchandise (DC-Shop) | A4 Paper Consumption | Advertising Paper Consumption | Taxi Trips | Air Travel | Waste to Landfill | Composted Waste

# Emission Control



# Energy Efficiency

Based on the study carried out, we listed the actions needed so as to reduce energy consumption in our stores and also to use energy from other renewable sources.

In Multivarejo, we made investments in our operations, such as closing food counters to reduce the thermal load, in addition to automating and changing light bulbs and lamps for more efficient models. When building Assaí stores, energy efficiency and environmental impact management are taking into consideration.

The new stores, for example, have 100% LED lighting, already come with an automated air conditioning system that shuts down automatically if the temperature is suitable, and are built with glass facade and translucent tiles, initiatives that diminish consumption of electric power. In addition, in order to promote an increasingly sustainable operation, Assaí invests in solar power plants on the roof of the stores, to reduce the gap between energy generation and consumption, tapping into unused areas and increasing independence from the local distributor.

## Use of Renewable Energy

We are the first retail company to migrate to the Free Market and to use other renewable energy sources. In 2019, 27 Multivarejo stores migrated to the Free Energy



The climate crisis presents relevant challenges for companies around the world. Brazilian companies have a unique opportunity to lead the energy agenda initiatives, given the country's enormous potential in renewable sources. The numerous initiatives adopted by GPA, in its constant search for energy efficiency and the use of 100% renewable energy, show the Group's commitment to having such a relevant contribution.

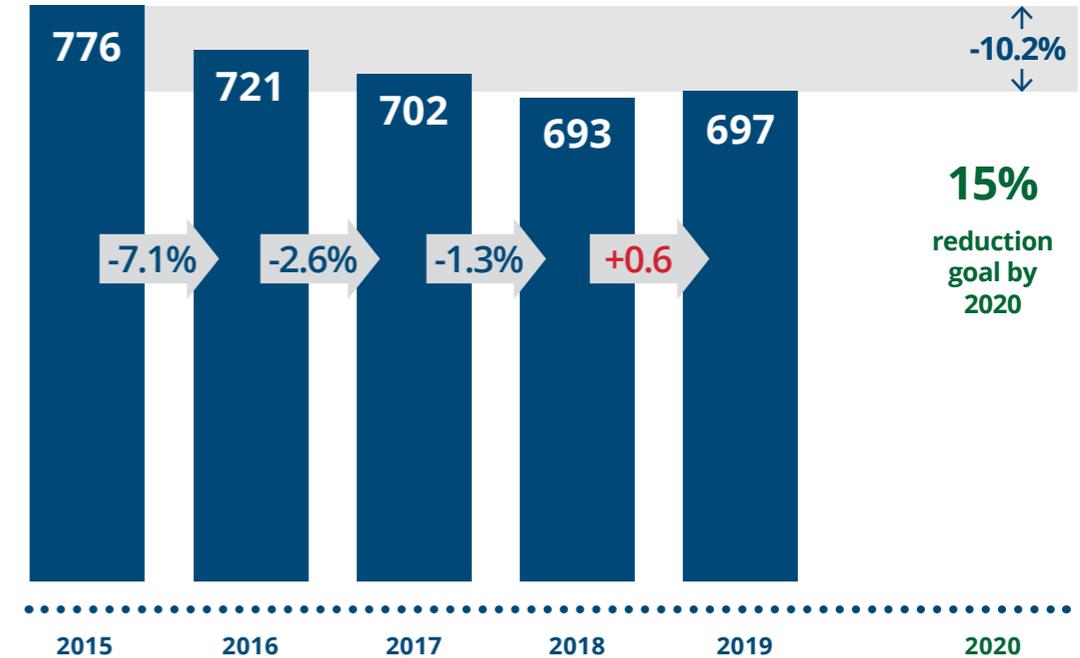


**Julio Carepa,**  
Manager of Sustainability Metrics at *Waycarbon*.

Market, totaling 232 units (stores, DCs, administrative buildings and malls). They represent 83% of the total. Our goal is that 94% of the Multivarejo units will have an electrical grid from the Free Market by 2024.

By 2020, our goal is to migrate 100 stores. In Assaí, for example, the migration process to the Free Market, which began in May 2019, already generates cost savings of around 35% and is present in 50% of stores.

# Electric Power Consumption (GJ)



In total, there are eight units of solar power plants operating in the company. The Ayrton Senna store unit in Rio de Janeiro, considered the largest solar power plant of the company, has more than 3 thousand photovoltaic panels installed on the roof of the store, occupying an area of approximately 6,000 m<sup>2</sup>. In the last year, the Assaí plants generated more than six thousand MWh of energy, which is equivalent to the energy consumption of around 3400 average households and helped avoid the emission of 535 tons of CO<sub>2</sub> during the period.



Internal area of GPA's Distribution Center 1

## Logistics and Intermodality

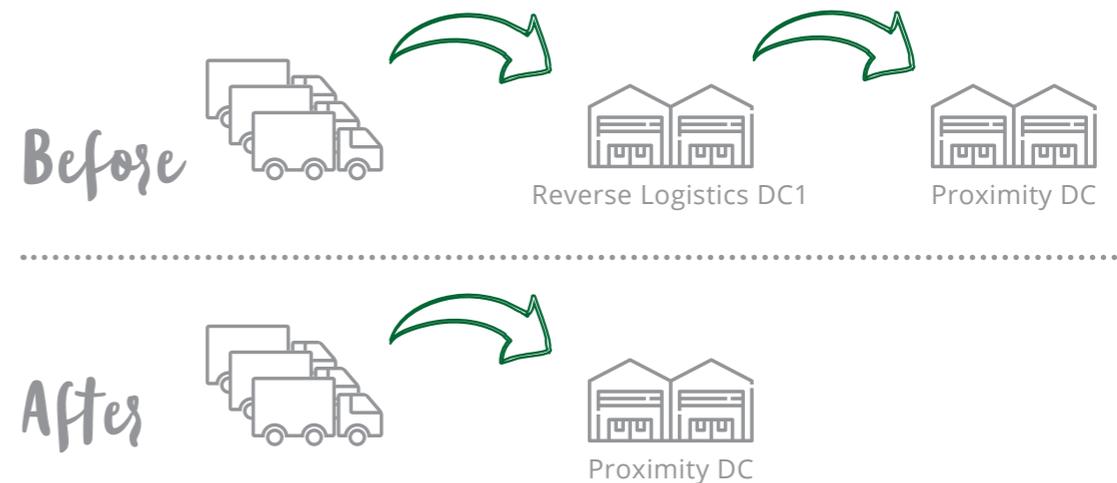
To reduce the environmental impact of our logistics operations, we have continued to diversify the modes of delivery and transportation of our goods from the Distribution Centers to the stores. We intensified the use of cabotage (coastal shipping), adopting new supply strategies, with a greater focus on non-food products, and began using railroads. In harmony with the optimization of our routes, in 2019 we launched two projects:

- **Carona [Ride sharing]**, where the same vehicle is used to pick up products in more than one Distribution Center to deliver to a store, which has prevented more than 1600 vehicles from traveling 250,000 km unnecessarily;
- **Backhaul**, an operation in which the same vehicle that delivers products in one of our stores does not return empty to the Distribution Center, but rather goes to one of our suppliers to collect products and deliver them to the DC.

### Implementation of Reverse Logistics DC for Proximity Products

In addition, we have implemented reverse logistics in the Proximity Distribution Center. In the old process, the stores returned equipment to Reverse Logistics in DC1 and the vehicles would go to DC1, unload the equipment and go to the Proximity DC to load goods.

Now, the Proximity stores return the equipment directly to the Proximity Distribution Center. With this initiative, we have reduced the circulation of over 43,200 vehicles per year, which represents 8,566,272 km that weren't traveled needlessly.



# Waste Management

To reduce the environmental impact related to waste generation, we work on four areas:

- Waste management of our operation;
- Decreasing the disposable waste of our Private-Labels;
- Fighting food waste;
- Encouraging recycling programs.

## Waste Management of our Operation

We are constantly seeking how to minimize and prevent waste generation in our operations. To this end, we have expanded the project that uses a new model for managing store waste from 12 to 81 units and, as a result, we achieved a recovery rate (amount of recyclable waste per total amount of waste) of 42%, an increase of 5.5 percentage points compared to 2018 (37%).

We also increased the amount of waste sent: more than 2700 tons of waste were sent to composting and 51,600 to recycling.

## Reduction of Disposable Waste from our Private-Labels

With the *Novo de Novo* [New Again] program, we use waste discarded by consumers at Pão de Açúcar Unilever recycling stations to make packaging for new paperboard and plastic products. In 2019, 822,045 new packages were placed on the market, which means a 50% reduction, on average, of virgin raw material that is no longer used.

## RECOVERY RATE (AMOUNT OF RECYCLABLE WASTE PER TOTAL AMOUNT OF WASTE) – 81 STORES



# Replacement of Styrofoam® (EPS) with Pulp (Paper) and Starch

In 2019, we began implementing an initiative to switch Styrofoam® (EPS) for paper pulp and starch in our vegetable packaging trays of the Taq and Qualitá Private-Labels. We have made a commitment to carry out 100% of the replacements by May 2020.

By December, two million trays were manufactured with the new raw material, pulp and starch. It is sustainable, free of petrochemicals and toxic additives and fully biodegradable, and decomposes in up to six months.

The pulp and starch packaging, developed in partnership with Tamoios Tecnologia, helped us win the Great Packaging Cases 2019 Award.

Vegetables in new biodegradable packaging



### Fighting Food Waste

In order to reduce the amount of food that is wasted every year, in some of our stores we have a specific area for products that are near their expiration date, with lower prices, which helped avoid the disposal of 53.3 million products in the year.



“  
**Today we are able to give them [recipients] more food, without so much control. Before we used to work with limits. Now we have more options for lunch and breakfast, with more fruits and vegetables. And they can explore new flavors.”**



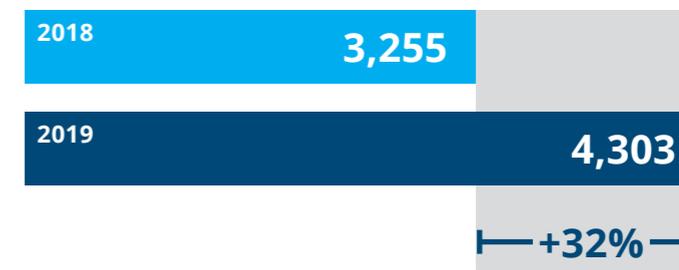
**Sarah Baião,**  
 cook a Alquimia NGO, participant in the Partnership against Food Waste Program.

*Receiving donations of fruits and vegetables in partner institution*

In addition, we have intensified the awareness of our stores to participate in the Partnership against Food Waste Program, which donates fruits and vegetables outside the selling standards - but apt for consumption - to food banks and social institutions that are partners of the GPA Institute. In 2019, we donated 4,303 tons, a 29% increase compared to 2018, and we had 512 stores that participated in the initiative at least once.

In 2019, Assaí also reduced waste and started using fruit peels and vegetable stalks in the 1,200 daily meals it prepared at the Cajamar Distribution Center (SP). And to raise consumer awareness, some stores also offer free juice to try. This juice is made with non-conventional parts of food to promote the nutritional, economic and environmental benefits of using food in its entirety, thus avoiding waste.

### Donations of Fruits and Vegetables (in tons)



# Recycling Programs

To encourage a more sustainable behavior from our customers, in our stores we have Recycling Programs for some materials:



**Coffee capsule collectors**, in partnership with Nestlé Dolce Gusto, have been present in 19 Pão de Açúcar stores since 2016. In 2019, 19 tons of capsules were collected.



**Electronic equipment**, begun in 2019, in partnership with Green Electron and Abree (Brazilian Association of Recycling for Electroelectronics and Home Appliances), is present in five Extra stores and five Assaí stores. In 2019, 5.29 tons were collected.



**Styrofoam® (EPS)**, started as a pilot project in 2019, in partnership with Plástivida's Styrofoam® Committee, and is present in five stores of Pão de Açúcar. In 2019, 712 tons were collected.



**Light bulbs**, in partnership with Reciclus, present in 132 Extra and 53 Assaí stores. In 2019, 24.9 tons were collected.



**Recyclable materials** (paper, glass, metal and plastic), in partnership with Unilever, the Pão de Açúcar Recycling Stations have been present in 94 Pão de Açúcar stores since 2001. The materials are donated to 25 cooperatives that work with pickers. The recycling stations are also in 24 Assaí stores, since 2012, in partnership with industries and energy companies. In 2019, 5,970 tons were collected (6% more than in 2018).



**Medications**, in partnership with Euro-farma, present in all Extra and Pão de Açúcar drugstores in the city of São Paulo, since 2011. In 2019, 4.6 tons were collected..



**Batteries**, in partnership with GreenEletron, has been present in all GPA stores since 2012. In 2019, 14 tons were collected.

Pão de Açúcar Unilever recycling station



This partnership reinforces the sustainability guidelines of Corticeira Paulista and contributes to the awareness of the ecological aspect, the improvement of the environment and to reusing a raw material that is 100% natural.



**Norberto Vargas Coelho**,  
Commercial Director of Corticeira Paulista.



**Cork stoppers**, started in 2019, in partnership with Corticeira Paulista, responsible for treating the pieces, crushing them and transforming them again into raw material so that they can be reused to manufacture products such as footwear, decorating items, insulation material and automotive components, is present in Pão de Açúcar Adegas. In 2019, 2 thousand corks were collected.



Information about our Sustainability initiatives in a Pão de Açúcar store

## Summary of our Goals

2019 Goals	STATUS	Comments
Reach 515 stores with fruit and vegetables donations (FV)		We reached 512 stores that donated FV items at least once a year
Expand the Waste Recovery Project to 100 stores		We expanded the Waste Recovery Project to 81 stores
Collect 5.5 tons of recyclable material on average per month at Pão de Açúcar Unilever recycling stations		We collect an average of 5.39 tons per month per Unilever Pão de Açúcar recycling stations
To not exceed a 5% increase in electricity consumption in our stores, compared to 2018		We increased our electricity consumption in our stores by 0.6% compared to 2018

ACHIEVED     
 PARTIALLY ACHIEVED     
 NOT ACHIEVED



# Relationship with Society

SDG

SUSTAINABILITY PILLARS

- 2
- 4
- 12



A class at the Nata Program

Our acting strategy was created to generate positive social impact in society, to strengthen the relationship between customers, suppliers, employees and social organizations around our stores to act together as drivers of change.

This work is carried out by the GPA Institute, with the development of projects and actions, since 1998. Its focus is to increase opportunities and enhance relationships in order to:

- offer job opportunities by vocation;
- foster social mobilization actions.

Regarding work by vocation, the GPA Institute has projects which are in line with GPA's social vocation. They are:

## Healthy and Sustainable Food Production Chain

Through the GPA Institute, Pão de Açúcar leads initiatives regarding the healthy and sustainable food production chain. In 2019, in partnership with Conexsus - Instituto Conexões Sustentáveis, we ended Acceleration Journey with 21 businesses selected, and we supported the *Negócios pela Terra* movement, which connects companies with community and sustainable businesses from all over Brazil.

The movement mapped buyers' demand for sustainable products and the sustainable services offered by cooperatives and family farming, traditional peoples, extraction and indigenous peoples associations.

Thanks to this mapping of demand and the one carried out in 2018 of community businesses, it'll be possible to combine production and demand, giving subsidies to identify business opportunities in 2020.



Community business supported by Conexsus



The Acceleration Journey was a space for much learning, because we exchanged experiences with cooperatives from different regions of the country and we have different realities, cultures, ways of working and of organizing ourselves. There's food being produced by family farms in every region of the country. As of that meeting, we decided to build Renacoops (National Network of Commercial Articulation), to take advantage of the logistical and commercial intelligence that we have - and the social capital - to meet the demand for food produced by family farming, thus strengthening production, autonomy and income distribution."



**Roberto Balen,**  
general coordinator at Renacoops.





Since 2010, Redes da Maré [Maré Network] offers professional culinary courses for women from the 16 favelas in the Maré region. In 2019, through a partnership with the GPA Institute, we diversified and increased the culinary courses offered and 40 women were certified in baking or confectionery by Maré de Sabores. Culinary represents this region's economic power, according to the Tide's Census of Enterprises, we have 3,182 commercial enterprises, of this number 1,118 are from the food sector. This partnership with the Institute GPA strengthens the women of Maré, local commerce and collaborates to improve services offered in the territory.



**Mariana Aleixo,**  
coordinator at *Redes da Maré*.

## Training for the Job Market

Through the GPA Institute, Extra carries out training initiatives in bakery and confectionery, and helps get people in the job market. There are three programs:

- **Mãos na Massa** [Hands On] – basic 40-hour course for residents of the communities round the stores, with practical experience in Extra. In 2019, 173 people were in nine classes (three classes in confectionery and six classes in bakery) in the cities of Belo Horizonte (MG), Campinas (SP), Rio de Janeiro (RJ), Salvador (BA) and São Paulo (SP). All these courses took place in partnership with social institutions: Fa.ve.la, Galpão ZL, Gambiarra Coletiva, Gastronomia Periférica, Instituto Padre Haroldo, Projeto Arrastão and Redes da Maré;
- **Nata – Núcleo Avançado em Tecnologia de Alimentos** [Advanced Food Technology Center] – a three-year course (three thousand hours), in partnership with the Education and Agriculture Departments of the State of Rio de Janeiro, in Bakery & Confectionery and Milk & Derivatives in the region of São Gonçalo, in Rio de Janeiro (RJ), with an average training of 100 young people per year;

*A class of the Mãos na Massa Program*



people  
trained

by the *Mãos na Massa*  
in Confectionery and  
Bakery in 2019

An average of  
**100 young  
people  
trained,**  
per year, at Nata

- **Sementes [Seeds] Program** - three months of training and two months of store experience for people with disabilities in Bakery and Confectionery, Customer Service and Cashier. 88 people with disabilities were trained, 43 in Bakery and Confectionery, 12 in Communication and Customer Service (aimed at people with hearing disabilities) and 33 in Customer Service.

**88 people**  
with disabilities were trained in 2019



I've always been interested in bakery and confectionery, so much that I watched some videos on Youtube, but I learned a lot more in the *Sementes* [Seeds] Program. I was very happy to be hired by Extra and I'm really enjoying working at the bakery. The whole team received me very well! I also feel that I learn a lot of new things. I want to keep learning to become a confectioner.



**Isabel Rego de Almeida,**  
former student of the *Sementes*  
Program and Extra employee

*Teacher of the Sementes Program teaching a student*



## Support for food entrepreneurship

To promote local entrepreneurship with a focus on food, Assaí, through the GPA Institute, developed the *Assaí Bons Negócios* Academy, a platform that includes:

- **Free online training through video lessons** – There are six learning trails offered with content and information customized for each type of business;
- **Face-to-face training in stores in Assaí** – There were 10 classes in six cities, totaling 305 certified people, and 18 two-hour workshops in 13 cities for 129 people;

**Recognition awards for entrepreneurs** – In 2019, the 2<sup>nd</sup> edition of the *Assaí Bons Negócios* Academy awards took place, recognizing and rewarding food entrepreneurs who have attended at least one of the six learning trails of the Academy, in three categories: Fixed retail sale, Street Vendor, and Sales by Order. In that year, the number of registrations increased by 181% compared to the previous year. The 15 winners received one week of

training at Assaí’s headquarters and at partner institutions, in addition to R\$ 10,000 in prizes. And, the three outstanding entrepreneurs received another 10 thousand reais. Another incredible result of this process was that one of them became a supplier of Assaí cookies;



Over 4,600 entrepreneurs

were certified by the *Assaí Bons Negócios* Academy since the project began

A Manaus group being trained at an Assaí store



“

To meet and socialize with entrepreneurs from different places at the *Assaí Bons Negócios* Academy award ceremony was incredible. Because all this experience sharing shows that nobody is alone and that everyone faces very similar problems, whether they own small or big businesses. And so, we started to look for a solution together and solve the inconveniences in a more efficient and creative way.”

”

**Ulysses Raphael Gomes Nobre,**  
owner of Coimbra Alimentos da Amazônia, small-business owner  
winner of the *Assaí Bons Negócios* Academy award.



Entrepreneur during the Feira Preta [Black Fair], held at Memorial da América Latina, in São Paulo

- **Support for institutions that work supporting and encouraging small-business owners** – In 2019, partnerships were established with several organizations throughout Brazil, such as: *Preta Hub*, which promotes the *Feira Preta*, the largest Black Entrepreneurship Fair in Latin America, *Redes da Maré* [Maré Networks], whose goal is to help build career paths for the women of the Maré community, in Rio de Janeiro (RJ), particularly in culinary, and, *Vale do Dendê*, which fosters the innovation and entrepreneurial ecosystem in Salvador (BA) with business acceleration of local food entrepreneurs, among others.



Find out more about other [GPA Institute](#) initiatives that generate positive social value.



Bahia has a very rich food and culinary tradition, but many times due to lack of investment, this ecosystem is a little weak. The acceleration was very good in this sense, because it showed all the creative potential to generate business in the Bahia region, especially in the food segment. The support was very important because we managed to mobilize the local ecosystem, give visibility to entrepreneurs, and connect and help them understand their business and, as a consequence, help them grow.



**Paulo Rogério Nunes,**  
Co-founder of the accelerator *Vale do Dendê*.



*Students perform with the GPA Orchestra at a Municipal School*

# GPA Institute Music and Orchestra Program

The course, which turns 20 in 2020, has a two-year duration and teaches viola, violin, cello and double bass, without students needing any previous musical knowledge. In 2019, 462 students participated in the course and 89 graduated. Those who stand out are invited to participate in the GPA Institute Orchestra, which performed 58 times in 2019, with over 48 thousand spectators.

**462 students**  
participated in the course in 2019

**58 presentations**  
throughout the year



“

Training in the music course was essential for the development of various musical and personal skills. I had experiences that I believe that only the music course could provide. Besides being the basis of my training as a musician, the course was also key for me as a person, as a critical and reflective being in society. This experience provided me with extremely remarkable moments, like my graduation, which represented the end of a very important and decisive cycle in my life.

”

**Milena Amaral Monteiro,**  
cellist, former student of the music course in Osasco and member of the GPA Institute Orchestra for four years.

# Prosperas [Prosper]

In 2019, 43 students received scholarships to study at *Fundação Getulio Vargas (FGV)*, through the *Prosperar* Program, created in 2014 to contribute to the training of students with a high-development potential. The scholarships may include educational material, food and housing aid. In addition to benefiting last-year students, every year the initiative sponsors a group of students so they can attend the entrance exam preparation course at FGV.

**43 students**  
were benefitted in 2019



I was born and raised in São Gonçalo (RJ) and I've always gone to public school. I'm the son of an electrician and of an incredible woman who devoted herself to taking care of the home and family. They didn't have access to education because they were poor. My father, a black man, although he never had academic experiences similar to mine, always supported my studies, and worked overtime so that I could attend all my classes. I was lucky enough to study at Nata, another GPA Institute program. It was there that I attended a lecture on *Fundação Getulio Vargas (FGV)* and *Prosperar*. Today, I am on a scholarship. Recently, I was approved in the double major program with a Master's in Business Administration at HEC-Paris. I hope to continue my path and contribute to reduce inequality in the corporate world.



**Maycon da Silva,**  
Former student of Nata and *Prosperar* scholarship holder.



Students selected for the Prosperar 2019 Program

# Mobilization Projects

In order to stimulate social transformation actions, we have created a calendar of store initiatives in which we invite our clients to donate food and products to social institutions that are partners of the GPA Institute. In 2019, there were over 2,400 tons (a 21% increase compared to the previous year). Check out the main initiatives of the Solidarity Agenda:



**Solidarity Easter** (34.5 tons of eggs and chocolates collected and 52 partner organizations)



**Warm clothing Campaign** (44 tons of clothes and coats collected and 32 partner organizations)



**Pet Solidarity Day** (2.5 tons of animal feed collected, 19 adopted animals and 13 partner organizations)



**Good Deeds Day** (108 tons of food collected and 26 partner organizations)



**Children's Day** (12,000 toys collected and 13 partner organizations)



**Solidarity Day** (1,300 tons of food collected and over 100 partner organizations)



**2,400**  
tons of food and products were donated in 2019



Employees and volunteers during the Solidarity Day initiative at the Assaí store



The ABC Aurora institution has existed for 23 years. The institution aims to promote the development of the Tatuapé community, the neighborhood where it was founded, through educational projects. In 2019, we collected more than 2 tons of food on Solidarity Day. Part of this food will stay at the institution and if it's used to feed the people here, it will last about eight months - and part of it will be allocated to 120 food baskets that will be distributed in the community. It's a huge satisfaction for us to have worked all day to get so much food, because we know that this food will be beneficial for our community."



**Talita de Faria,**  
Project Manager of ABC Aurora, a partner institution of the GPA Institute on Solidarity Day in 2019.



I've always wanted to meet an animal protection organization, but I never imagined it would be so enriching. I was inspired to give more time to others, to share love, affection and attention and to create a better world and I'm very happy to work in a company that also encourages positive impact on society, because together we can do much more!"

**Leandro de Jesus Ladeira,**  
HR employee.



## Colabora GPA [Collaborate GPA]

*Colabora GPA* is an application through which our employees have access to the registered initiatives and can either choose one of them to be a volunteer, or register an institution/action and invite their colleagues to participate.

To celebrate Volunteer month, which took place in August, the GPA Institute invited its employees to participate in volunteer experiences through the program, in partnership with partner entities of the Institute. Activities such as a Dog Walk from the NGO Acãochego; Reading and activities for children from the NGO Unibes; *Mão na Massa* [Hands On] at the Coopercaps recycling cooperative, and Solidarity Day with the collection of hygiene products at the Extra Headquarters Drugstore. All this benefited 150 children, adults, elderly people and dogs.

**Over 1,700**  
employees registered



*GPA employee participates in the Solidarity Tree initiative*



Find out more about other [GPA Institute](#) initiatives that generate positive social value.



Training at Assaí Bons Negócios Academy

## Summary of our Goals

2019 Goals	STATUS	Comments
Reach 1,020,000 visits on Assaí Bons Negócios Academy's online platform		We reached 1,726,009 visits on Assaí Bons Negócios Academy's online platform
Reach 6,000 volunteers registered on the Colabora app		1,763 employees registered on the Colabora app
Collect 2,283 tons of food in the Solidarity Agenda initiatives		We collected 2,481 tons in the Solidarity Agenda initiatives

ACHIEVED    
 PARTIALLY ACHIEVED    
 NOT ACHIEVED

Family of customers at an Extra store

# Annexes

- Voluntary Commitments
- Membership of Associations
- Awards and Recognitions
- 2019 Performance Indicators
- GRI Content Index
- Letter of Assurance

We are guided by and are signatories of initiatives and movements that are aligned with our values and world vision and that, above all, are capable of building and helping evolve towards a more equal society. We also participate in associations and organizations to contribute with discussions and good practices in retail business management.

## Voluntary Commitments

102-12

### 10 Company Commitments to LGBTI+ Rights

In 2017, we signed the commitments prepared by the LGBTI+ Business and Rights Forum to strengthen respect and equal treatment regardless of sexual orientation, identity or gender.

### Unstereotype Alliance (UN Women)

Since 2019, we have been part of the UN Women Unstereotype Alliance, created to end harmful gender stereotypes in communication. The companies that make up this network exchange information and experiences, and have access to research and curatorship that help create campaigns with more gender equality and represent women in their entirety.

### Corporate Coalition for Racial and Gender Equality

In 2017, we joined the initiative of the Center for the Study of Labor Relations and Inequality (Ceert in Portuguese), of the Ethos Institute and the Institute for Human Rights and Businesses (IHRB). The aim is to articulate, exchange experiences and stimulate the implementation of policies and business practices in the field of diversity, focusing on racial and gender equality.

### Corporate Coalition to End of Violence against Women and Girls

In 2019, we joined the initiative, coordinated by Instituto Avon and UN Women with the technical support of *Fundação Dom Cabral*, in order to engage leaders of the private sector and ensure the voluntary commitment towards ending violence against girls and women.

### Business Initiative for Racial Equality

In 2019, we joined the platform that coordinates companies that are committed to finding an even more impactful way of addressing ethnic-racial issues. The initiative aims to ensure competitive advantage, constituting a space for dialogue among Brazilian entrepreneurs regarding their commitments to include, promote and value ethnic-racial diversity.

### Manifesto for Diversity and Inclusion in the Legal Sector

Since 2019, we have participated in this initiative that aims to promote diversity in the legal area of companies and in their entire value chain, in addition to encourage the creation of

partnerships with our law firms to adopt best practices in this area. We are the first retail company to join the initiative, which has another twenty Brazilian signatory companies.

### Global UN Pact

Since 2001, we have made a formal commitment to the principles advocated by the UN Global Compact, regarding human rights, labor practices, environmental responsibility and fighting corruption.

### Pact for the Eradication of Slave Labor

In 2005, we made a formal commitment to remove from our production chains all those who use slave labor.

### Pact for the Inclusion of People with Disabilities (Social Inclusion Business Network)

In 2016, we adhered to five commitments to promote the rights of people with disabilities in order to strengthen our top leaders' commitment to this issue and promote an inclusive corporate culture and work environment.

### Women's Empowerment Principles (WEPs)

Since 2017, we have been a signatory of the principles established by the UN, continuously developing policies and initiatives aimed at gender equality and women's empowerment.

## Membership of Associations 102-13

### **Brazilian Association of Loyalty Market Companies (Abemf)**

Since 2019, we have been part of the Association, whose purpose is to contribute to the strengthening and expansion of customer loyalty programs in Brazil. The aim of this activity is to conduct studies, share data on the segment and seek incentives that benefit the market, participants and members.

### **Brazilian Association of Wholesalers and Distributors (Abad)**

Since 2004, Assaí has been associated with the entity that represents wholesale and distribution companies that market industrialized products and promotes the development of the supply chain throughout the country.

### **Brazilian Association of Supermarkets (Abras)**

We have been associated with the entity since it was founded in 1968. Abras represents, integrates and promotes the development of the supermarket sector in the country, keeping an open dialogue in negotiations with the municipal, state and federal governments. We are associated with 14 state associations linked to Abras, such as the Paulista Association of Supermarkets

(Apas), Association of Supermarkets of the State of Rio de Janeiro (Asserj) and the Minas Gerais Association of Supermarkets (Amis).

### **Brazilian Association of Textile Retail (ABVTEX)**

Since 2007, we have participated in ABVTEX, which promotes the interests of industry and of textile trade and clothing.

### **Brazilian Association of Self-Service Wholesalers (Abbas)**

Assaí has belonged to Abbas since 2014, the year the entity was created. The association aims to be the spokesperson for the self-service wholesale segment. Its main activity is to represent the sector and act on specific demands coming from private initiative, industry, customers and public agencies.

### **Federation of Commerce of Goods, Services and Tourism of the State Of São Paulo (FecomercioSP)**

GPA has been a member of FecomercioSP since it was founded. The entity represents the interests of companies in the sector and develops an action aimed at promoting economic growth in the country.

### **National Electrical and Electronic Equipment Waste Manager (GREEN Eletron)**

We've been associated since 2018. The entity represents

companies that own the main battery and electronics brands in the country, and coordinates the implementation and operation of a system that allows the appropriate sustainable disposal of end-of-life equipment.

### **Akatu Institute**

We have had a strategic partnership since 2003. The organization acts in the awareness and mobilization of society for conscious consumption.

### **Ethos Institute**

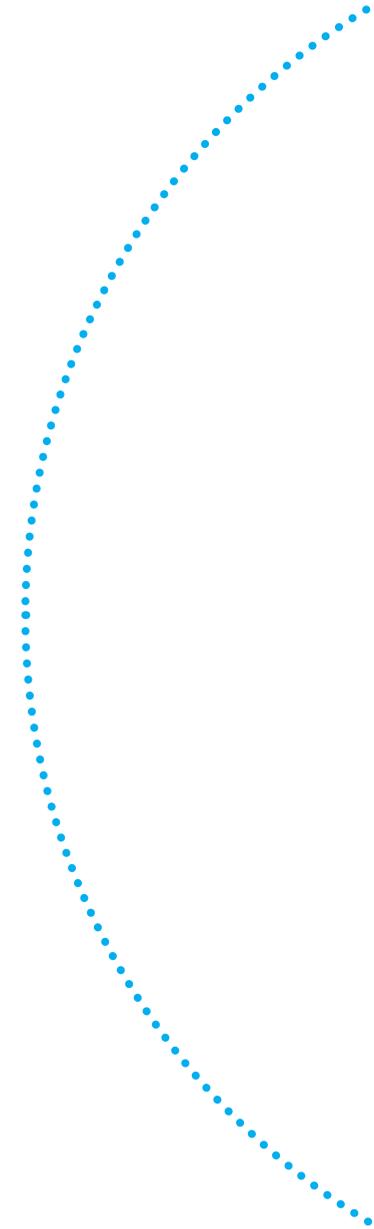
Since 1999, we have been working with Ethos to mobilize, raise awareness and contribute to help companies manage their business in a socially responsible way.

### **Institute for the National Pact to Eradicate Slave Labor (InPACTO)**

Since the institute was found, we have contributed to its goal of uniting the private sector and civil society organizations to prevent and eradicate slave labor in production chains.

### **Retail Development Institute (IDV)**

Since 2006, we are members of IDV, which aims to strengthen the representation of retail companies from different sectors in the country.



## 2019 Awards

### Best Places to Work – Indeed

GPA appears on Indeed's Best Companies to Work For list. The consolidation of the best companies to work for in retail in 2019 is based on assessments and testimonials from over 39,000 employees and former employees of industry organizations published on the Indeed website in Brazil over the past two years.

### LinkedIn Top Companies 2019

GPA is on the LinkedIn Top Companies 2019 list, which selects the 25 most desirable companies for job seekers across the country. The ranking is done annually by LinkedIn's editorial team and takes into account aspects such as: talent's interest in the company, employee engagement, job search and employee retention. GPA is the only retail company in the ranking.

### The Most Beloved – *Veja SP*

*VEJA SP* Special published the result of the survey "The Most Beloved", carried out with people who subscribe to the magazine to understand what the city of São Paulo has to offer. In the 2019 ranking, the Pão de Açúcar brand won first place in the Supermarket category.

### Best in São Paulo – Datafolha Research Institute

Three GPA brands are among the most remembered by *Paulistanos* in the service section of the survey "Melhores de São Paulo", conducted by Datafolha Research Institute. Pão de Açúcar in the "Supermarket Delivery" category, Mini Extra in the "Minimarket" category and Assaí in the "Wholesaler" category.

### S/A Varejo [Retail]

GPA ranked 2<sup>nd</sup> among the 150 largest retail companies in Brazil according to the ranking published by S.A. Varejo magazine, standing out as one of the leading companies in the sector.

### Modern Consumer Award

Extra was the winner in the retail category - super, hypermarkets, cash & "carry of the 20<sup>th</sup> Modern Consumer Award for Excellence in Customer Services. The award, held by *Consumidor Moderno* magazine, recognizes companies from different sectors that have excelled in customer service.

### Women in Leadership Award

GPA was recognized by the Women in Leadership Award in the Retail category. The initiative of WILL - Women in Leadership in Latin America, in partnership with *Valor Econômico* and *Editora Globo*, highlights the companies that present the best practices in women's advancement. The recognition reflects our commitment to gender equality in the workplace, one of the priority themes in our Diversity strategy.

### IBEVAR-FIA Ranking 2019

Assaí was one of the winners of the 2019 IBEVAR-FIA ranking, elected the most admired wholesaler in the country. The ranking analyzes the 120 largest companies in the national retail market, being the only one that analyzes brands in three dimensions - size, efficiency and image.

### Ranking of Yellow and Dijon Mustards – *O Estado de S. Paulo*

In a ranking published by the newspaper *O Estado de S. Paulo*, Qualitá's yellow mustard ranked first in this category and the Casino Dijon mustard ranked second among those of this type.

### Benchmark Award in CSC

The GPA ranked first in the CSC Benchmark Survey for the third consecutive year. The award is granted by IEG - Institute of Management Engineering.

### Top of Mind A Tribuna – Extra

Extra was the winner in the Top of Mind supermarkets and hypermarkets category - *A Tribuna* 2019, published in the Baixada Santista region.

### Interbrand - Assaí

For the second time in a row, the wholesaler (wholesale + retail) brand has appeared on the list of the 25 most valuable brands in Brazil. Assaí ranks 22<sup>nd</sup> and achieved a 20% growth in 2018, with the brand value reaching R\$553 million.

### CONAREC 2019 Award

GPA received the CONAREC 2019 Award in the e-commerce retail category. The award recognizes companies that have been outstanding in customer service channels, and also in managing suppliers and partners, observing the management and technology application best practices. The recognition is the mirror of the initiatives that make our e-commerce the pioneer and leader in the country in the food retail segment.

### Ebit Award for Best in E-Commerce

The Ebit Best E-Commerce Award recognized Clube Extra as one of the 10 most loved stores, a pioneering company in conducting research on habits and trends in e-commerce in Brazil. E-Bit's conducts continuous research and evaluates the final steps of an online purchase and post-delivery.

### WEPs Award

GPA received the WEPs Award - Companies Empowering Women in the bronze category - large company. The award, promoted by UN Women in Brazil, recognizes companies that carry out initiatives for the empowerment of women in the Brazilian territory, for the promotion of gender equality and social inclusion.

### Empresas Mais [Companies that Most]

Assaí was recognized as one of the most efficient companies in the country in the retail segment, "The 100 Companies with Greatest Economic Impact" and "Top 10 of Each Region", as a highlight in the southeastern region. The award evaluates companies using economic and performance criteria in areas such as corporate governance and innovation.

### Best Employers in the World

The ranking The Best Employers in the World, published by Forbes magazine in partnership with Statista, elected us as one of the 50 best companies in which to work. The list was made based on the answer of more than one million workers when asked what company they admire and would recommend. GPA is the only Brazilian retail company in the ranking.

### Top of Mind

For 13<sup>th</sup> time in a row, Extra won the Folha Top of Mind award in the Supermarket category. The award's 29th edition presented the winners from 64 categories of products and services, based on Datafolha research carried out with 6618 Brazilians in 197 cities all over Brazil.

### The Brands Most Loved by Paulistanos – Comer & Beber 2019/2020

Pão de Açúcar was the winner in the Supermarkets category and Pão de Açúcar Adega em Store/Wine Cellar, among "The Brands Most Loved by Paulistanos" according to the ranking Comer & Beber 2019/2020, from *Veja São Paulo* magazine. We analyzed 1057 responses from internet users about their favorite brands in 28 categories.

### LinkedIn Talent Awards – Nomination

We were among the three finalists of the LinkedIn Talent Awards in the Best Employer Brand category. The 2<sup>nd</sup> edition of the award analyzed the performance, results and impact of more than 1,200 companies in Brazil that use the connections platform to locate, hire and develop talent. We were the only retail company included in the award nomination.

### 2019 Important Packaging Cases Award

We won the award with the active compostable trays of our Private-Label, Taeq. The packages, launched in May 2019 and developed in partnership with *Tamoios Tecnologia*, are used to sell fruits, vegetables and greens. Made with cellulose and starch, they are sustainable, free of petrochemicals and toxic additives and totally biodegradable. Developing and using this type of biodegradable packaging is part of our commitment to replace 100% of the Styrofoam trays used for the produce products of our Private-Labels Taeq and Qualitá by May 2020.

### Época Negócios Reclame AQUI Award [Customer Service]

Clube Extra won the *Época Negócios Reclame AQUI*, in the Shopping Club category, and Assaí Atacadista, in the Supermarkets and Wholesale category. The award gathers companies that provide good customer service in different segments, and the recognition involved strict criteria for popular selection and voting.

### Best in Agribusiness

We were recognized in the Wholesale and Retail category in the 15<sup>th</sup> edition of the Best of Agribusiness award, promoted by Globo Rural magazine. The award selected the companies that were highlighted in 21 categories based on a survey carried out by Serasa Experian, considering the companies' accounting data and socio-environmental responsibility.

### Champions of the Decade – Companies of the Decade

Assaí was highlighted as one of the companies of the decade in the Champions of the Decade Award for its service in the wholeretail (wholesale + retail) sector. The award ceremony, held by *Consumidor Moderno* magazine, counted the scores from different editions of the Modern Consumer Award for Excellence in Customer Services and other rankings held by Grupo Padrão and CIP.

### Extra – Trusted Brands

For the 12<sup>th</sup> time, the Extra brand was recognized in the Trusted Brands survey. The award, from the *Seleções* magazine in partnership with Datafolha Institute, assesses different goods and services categories voted by readers.

## Table of Indicators

INDICATOR	AUDITED INDICATOR	UNIT	GPA 2017	GPA 2018	GPA 2019	MULTI 2017	MULTI 2018	MULTI 2019	ASSAÍ 2017	ASSAÍ 2018	ASSAÍ 2019	GPA CORPORATION 2017	GPA CORPORATION 2018	GPA CORPORATION 2019****
<b>Sales area of owned units*</b>	X	m <sup>2</sup>	1,643,096	1,632,754	1,682,839	1,270,741	1,170,377	1,140,665	372,355	462,377	542,174	-	-	-
<b>VALUING OUR PEOPLE</b>														
<i>Headcount registered on 12/31/N - Active and Away</i>	X	Number	100,288	102,562	109,613	67,989	64,981	62,868	31,199	36,703	45,853	1,100	878	892
<i>Female headcount on 12/31/N</i>	X	Number	51,084	52,163	55,766	35,901	34,301	33,310	14,588	17,359	21,919	595	503	537
<i>Male headcount on 12/31/N</i>	X	Number	49,204	50,399	53,847	32,088	30,680	29,558	16,611	19,344	23,934	505	375	355
<i>Headcount &lt; 30 on 12/31/N</i>	o	Number	43,802	45,140	48,013	28,053	27,154	26,050	15,413	17,728	21,711	336	258	252
<i>Headcount ages 30 to 50 on 12/31/N</i>	o	Number	47,625	48,975	52,788	32,862	31,427	30,630	14,072	16,982	21,570	691	566	588
<i>Headcount &gt; 50 on 12/31/N</i>	o	Number	8,861	8,441	8,812	7,074	6,400	6,188	1,714	1,993	2,572	73	48	52
<i>Headcount of full-time workers on 12/31/N</i>	X	Number	95,337	93,183	97,690	64,723	56,956	52,759	29,540	35,362	44,046	1,074	865	885
<i>Headcount of part-time workers on 12/31/N</i>	X	Number	4,951	9,379	11,923	3,266	8,025	10,109	1,659	1,341	1,807	26	13	7
<i>% of full-time headcount</i>	X	%	-	-	-	95	88	84	95	96	96	98	99	99
<i>Headcount by race/ethnicity - black people**</i>	o	Number	-	37,426	46,132	-	28,082	30,142	-	8,907	15,755	-	437	235
<i>% of headcount by race/ethnicity / black people</i>	o	%	-	36	42	-	43	47	-	24	34	-	50	26
<i>% of headcount by race/ethnicity and gender - in leadership***</i>		%	-	2	-	-	2	-	-	0	-	-	0	-
<i>Male - white</i>	X	%	-	-	-	-	-	34.73	-	-	35.09	-	-	40.24
<i>Male - black people (POC)</i>	X	%	-	-	-	-	-	23.04	-	-	28.95	-	-	8.54
<i>Male - other (not informed. Asian. indigenous)</i>	X	%	-	-	-	-	-	6.37	-	-	14.04	-	-	12.20
<i>Female - white</i>	X	%	-	-	-	-	-	17.71	-	-	11.40	-	-	21.95
<i>Female - black people (POC)</i>	X	%	-	-	-	-	-	14.49	-	-	5.26	-	-	4.88
<i>Female - other (not informed. Asian. indigenous)</i>	X	%	-	-	-	-	-	3.66	-	-	5.26	-	-	12.20
<i>Number of contracts (ITC- Indefinite Term Contract) made in the year</i>	o	Number	28,177	31,806	33,873	14,458	16,863	15,551	13,493	14,748	18,035	226	195	287

\* Applying the Casino methodology

\*\* Headcount considers black people and POC

\*\*\* The headcount calculation of leaders is done using the Casino methodology, without excluding suspended contracts. Until 2018, the information disclosed in this indicator only included black people.

\*\*\*\* GPA Corporation data includes GPA Malls

INDICATOR	AUDITED INDICATOR	UNIT	GPA 2017	GPA 2018	GPA 2019	MULTI 2017	MULTI 2018	MULTI 2019	ASSAÍ 2017	ASSAÍ 2018	ASSAÍ 2019	GPA CORPORATION 2017	GPA CORPORATION 2018	GPA CORPORATION 2019*
<b>Sales area of owned units*</b>	X	m <sup>2</sup>	1,643,096	1,632,754	1,682,839	1,270,741	1,170,377	1,140,665	372,355	462,377	542,174	-	-	-
<i>Number of people recruited under 26 (CDI+CDD)</i>	o	Number	15,709	19,095	18,159	9,514	11,648	10,647	6,132	7,387	7,433	63	60	79
<i>Number of work accidents with at least one day's leave</i>	X	Number	1,246	1,499	1,341	913	976	782	329	523	559	4	-	-
<i>Number of days leave due to work accident</i>	X	Days	65,265	67,320	75,780	52,570	50,021	59,181	12,554	17,299	16,599	141	-	-
<i>Total number of hours absent due to work accident, ordinary illness and occupational diseases</i>	X	Hours	11,633,609	13,314,373	10,375,909	8,245,571	7,513,411	5,426,500	3,334,432	5,765,935	4,925,958	53,606	35,028	23,452
<i>Frequency rate of accidents with at least one day's leave - over total hours worked (%)</i>	X	%	6	6	5	6	6	5	6	6	6	2	-	-
<i>Absenteeism rate due to work accident or illness %</i>	X	-	-	-	-	5.5	4.2	3.3	6.2	5.0	4.48	2	1	1
<i>Total number of hours of employee training</i>	X	Hours	2,116,460	1,885,721	3,120,115	737,908	574,469	737,054	1,364,864	1,309,116	2,374,557	13,688	2,135	8,504
<i>Number of training hours per person</i>	X	Hours	17	19	30	10	9	12	51	40	59	12	2	10
<i>Total number of employees who have undergone training on corruption</i>	X	Number	-	-	5,123	-	-	-	-	-	-	-	-	-
<i>Male headcount in management positions and above on 12/31/N*</i>	X	Number	1,041	1,046	1,050	778	792	733	191	204	267	72	50	50
<i>Male headcount in senior management on 12/31/N</i>	o	Number	62	62	67	29	32	38	14	16	16	19	14	13
<i>Female headcount in management positions and above on 12/31/N*</i>	X	Number	482	500	517	401	417	410	44	52	75	37	31	32
<i>Female headcount in senior management on 12/31/N</i>	o	Number	8	15	19	1	6	5	2	4	7	5	5	7
<i>% of women in management positions and above at 31/12/N</i>	X	%	32	32	33	34	35	36	19	21	22	34	35	39
<i>Total employees with disabilities in the company on 31/12/N*</i>	X	Number	3,062	3,719	4,457	1,422	1,723	2,034	1,623	1,944	2,404	17	52	19
<i>% of people with disabilities</i>	X	%	3.1	3.6	4.1	2.1	2.7	3.2	5.2	5.3	5.2	1.5	5.9	2.1
<i>Number of apprentices on 31/12/N</i>	X	Number	2,612	3,666	3,978	2,002	2,635	2,605	597	1,018	1,366	13	13	7

\* The methodology used follows the premises of the Casino group

\*\* GPA Corporation includes GPA Malls

INDICATOR	AUDITED INDICATOR	UNIT	GPA 2017	GPA 2018	GPA 2019	MULTI 2017	MULTI 2018	MULTI 2019	ASSAÍ 2017	ASSAÍ 2018	ASSAÍ 2019	GPA CORPORATION 2017	GPA CORPORATION 2018	GPA CORPORATION 2019****
<b>CONSCIOUS CONSUMPTION AND SUPPLY AND TRANSFORMATION OF THE VALUE CHAIN</b>														
<i>Total number of own brand products*</i>	X	Number	6,919	3,113	15,822	6,863	3,081	15,772	56	32	50	-	-	-
<i>Number of organic products (Private-Labels and Other Brands)</i>	X	Number	1,493	1,532	1,737	1,479	1,510	1,629	14	22	108	-	-	-
<i>Number of products with other certifications - Private-Labels</i>	o	Number	271	432	458	215	432	458	-	-	-	-	-	-
<i>% of sales of cage-free eggs turnover in relation to total Private-Label eggs</i>	X	%	-	-	-	-	-	25	-	-	-	-	-	-
<i>Number of crops participating in the program Quality from the Source</i>	o	Number	22	39	97	-	-	-	-	-	-	-	-	-
<i>Social audits in factories of suppliers located in countries at risk</i>	X	Number	202	182	173	-	-	-	-	-	-	-	-	-
<i>Social audits in factories of suppliers located in countries at risk, performed by CGS</i>	o	Number	-	-	89	-	-	-	-	-	-	-	-	-
<b>ENVIRONMENTAL IMPACT MANAGEMENT</b>														
<i>Total energy consumed</i>	X	MWh	1,132,524	1,173,384	1,116,103	884,645	872,001	776,095	241,157	294,948	332,946	6,722	6,435	7,062
<i>Green Energy Consumption</i>	X	MWh	400,287	564,490	553,206	373,463	539,058	509,646	21,142	19,821	37,614	5,682	5,611	5,947
<i>Green Energy Ratio</i>	X	%	35	48	50	42	62	66	9	7	11	85	87	84
<i>Energy consumption/m<sup>2</sup> – stores</i>	X	kWh/m <sup>2</sup>	703	693	697.3	730	727	734	617	638	627	-	-	-
<i>Consumption of natural gas</i>	o	MWh PCI	21,496	17,355	20,026	21,323	17,101	19,698	115	215	328	58	39	-
<i>Liquefied Petroleum Gas (LPG) consumption</i>	o	MWh PCI	52,585	42,293	54,848	42,776	29,799	40,231	9,809	12,494	14,617	-	-	-
<i>Consumption of fuel oil</i>	X	Litros (L)	5,860,106	5,926,702	8,766,950	1,348,449	1,402,140	2,026,162	4,511,657	4,522,011	6,737,788	-	2,551	3,000

\*Until 2018, only food products were reported. In 2019 all categories were accounted for.

\*\* Value reported in GPA Consolidated already includes audits performed in MV Assaí (international and national audits performed by GPA)

INDICATOR	AUDITED INDICATOR	UNIT	GPA 2017	GPA 2018	GPA 2019	MULTI 2017	MULTI 2018	MULTI 2019	ASSAÍ 2017	ASSAÍ 2018	ASSAÍ 2019	GPA CORPORATION 2017	GPA CORPORATION 2018	GPA CORPORATION 2019****
<b>REFRIGERANT GASES*</b>														
R404A	X	kg	8,782	9,470	19,047	8,219	8,526	15,830	333	944	3,217	-	-	-
R134A	X	kg	2,150	1,187	2,547	1,354	260	532	588	927	2,016	143	-	-
R22	X	kg	190,634	150,329	203,064	166,022	119,774	166,235	24,399	30,555	36,829	487	-	-
Other fluids	o	kg	7,261	3,848	3,239	4,696	1,717	3,117	2,474	2,131	122	91	-	-
<b>OPERATION'S NON-HAZARDOUS WASTE**</b>														
Cardboard for recycling	X	tons	13,664	48,049	43,789	-	28,468	19,200	13,664	19,538	24,551	-	44	38
Plastic for recycling	X	tons	2,460	6,434	5,673	-	3,123	1,541	2,460	3,305	4,127	-	6	6
Scrap and Metals for recycling	X	tons	99	111	151	-	1	-	99	110	151	-	-	-
Professional printer cartridges	X	tons	-	-	10	-	-	-	2	4	10	-	-	-
Electrical and electronic waste	X	tons	-	-	5	-	-	-	4	13	5	-	-	-
Organic waste for composting	X	tons	674	3,374	2,789	-	2,862	1,889	674	513	900	-	-	-
Used cooking oil for recycling	X	tons	17	346	305	-	303	245	17	43	60	-	-	-
Others for recycling	X	tons	-	5	18	-	5	18	-	-	-	-	-	-
Scrap	X	tons	37,040	162,648	121,769	-	117,543	67,702	37,040	44,909	53,905	-	196	163
Rate of reused waste	X	%	46	25	30	-	21	25	46	34	36	-	20	21
<b>WASTE DEPOSITED BY CUSTOMERS</b>														
Customer waste collected at stores	X	tons	769	6,547	6,732	-	5,615	5,862	769	932	871	-	-	-

\* Data considers only food cold fluids

\*\*Reduction of volume due to change in calculation methodology



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## **Independent Auditors' Limited Assurance Report on the Grupo Pão de Açúcar's Annual Sustainability Report based on the guidelines of the internal methodology of the Casino Group**

To the Administrators and Shareholders of  
**Companhia Brasileira de Distribuição (Grupo Pão de Açúcar - GPA)**

### **Introduction**

We were engaged by Companhia Brasileira de Distribuição ("Grupo Pão de Açúcar" or "GPA") management to present our limited assurance report on the indicators (objects of our scope) contained in the Annual Sustainability Report based on the guidelines of the internal methodology of the Casino Group ("Report"), comprising two base periods, from October 1, 2018 to September 30, 2019 for the indicators related to the environment performance and January 1, 2019 to December 31, 2019 for the other indicators listed below, both for operations of Multivarejo, Assai, GPA Malls, GPA Corporation and Headquarters.

### **GPA's management responsibilities**

GPA's management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the internal methodology of the Casino Group and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

### **Independent auditors' responsibility**

Our responsibility is to express a conclusion on the GPA's Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon № 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from GPA who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Casino Group. The procedures comprised:

- (a) The planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- (b) The understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;



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**Independent Auditor Responsibility** – continuation

- (c) The application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- (d) Comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the requirements of the internal methodology of the Casino Group applicable to the preparation of the indicators contained in the Report.

We believe that the evidences obtained in our work were sufficient and appropriate to provide a basis for our limited conclusion.

**Scope and limitations**

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. If we had carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, GPA's internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

Only the information related to the listed indicators below, for Multivarejo, Assai, GPA Malls, GPA Corporation and Headquarters, were scope of this limited assurance work. Thus, we perform limited assurance procedures exclusively on the indicators listed below:

SUBJECT	INDICATORS
General	Sales area of own units
Human Resources (HR)	Headcount on 31/12/N
	Headcount female on 31/12/N
	Headcount male on 31/12/ N
	Headcount full time at 31/12/ N
	Headcount part-time on 31/12 / N
	% Headcount full time at 31/12/ N



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SUBJECT	INDICATORS
Human Resources (HR)	Headcount male in management positions and above on 31/12 / N
	Headcount female in management positions and above on 31/12 / N
	Rate of employees by race/ethnicity by management positions
	Headcount ethnicity
	Total employees with disabilities in the company on 31/12 / N
	Disabled people rate in relation to the total number of subscribers
	Number of apprentices on 31/12 / N
Training	Total number of training hours for the employee
	Number of training hours per person
	Number of employees who undertook corruption training
Healty & Safety	Number of work related accidents with at least 1 day leave
	Number of days of leave due to an accident at work
	Total number of hours absent due to accident at work, ordinary illness and occupational diseases
	Frequency rate of occupational accidents with interruption of at least one day
Conscious consumption and Supply	Absenteeism rate due to accidents and illnesses
	Total number of own brand products
	Number of Organic Products
	Percentage of sales of "Cagefree / Caipira / Organic" eggs of own brands for Multivarejo units
	Number of audits of working conditions in factories of suppliers from risky countries
Environment (Energy)	Number of audits of working conditions in factories of own brands suppliers
	Total energy consumed
	Energy consumption per m <sup>2</sup> of store
	Green Power Consumption
	Green Power Ratio
Environment (Refrigerant gases)	Renewable energy produced
	Diesel fuel consumption
	R404A
	R134A
	R22



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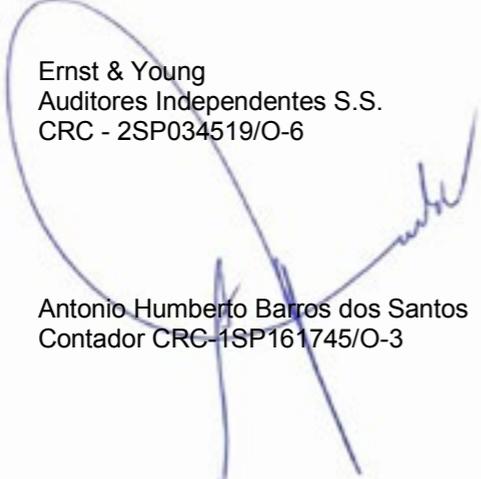
SUBJECT	INDICATORS
Environment (Non-hazardous waste in operations)	Recycling Cardboard
	Plastic Recycling
	Scrap Metal and Recycling
	Organic waste for composting
	Cooking Oil Used for Recycling
	Other for Recycling
	Waste
	Rate of reused waste
Environment (Water)	Total drinking water system
	Consumption of water from concessionaires per m <sup>2</sup> of store
ISD	ISD Sustainability and Diversity Index (ISD)

**Conclusion**

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the indicators contained in the GPA Annual Sustainability Report, objects of our scope, for the two base periods, from October 1, 2018 to September 30, 2019 for the indicators related to the environment performance and January 1, 2019 to December 31, 2019 for the other indicators listed above, were not compiled, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the indicators based on the requirements of the Casino Group's corporate guidelines.

São Paulo (Brazil), May 14th, 2020.

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 Auditores Independentes S.S.  
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Antonio Humberto Barros dos Santos  
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Investor Relations Department  
Sustainability and Compliance Department

## GRI Consulting, Editorial Coordination and Design

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[www.reportsustentabilidade.com.br](http://www.reportsustentabilidade.com.br)

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*All the photos in the Annual and Sustainability Report portray employees, clients and partners and are part of the GPA image bank and the GPA Institute.*

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Extra • [www.extra.com.br](http://www.extra.com.br)  
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