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**NOTE**

Any use of male gender in this document serves merely as a simplification and should not be seen as gender discrimination.
1. PURPOSE

This Environmental Management Policy of GPA presents the principles, commitments and guidelines that lead the performance of the Company, its associates and service providers regarding sustainability and environmental management, in addition to ensuring compliance with current legislation.

2. SCOPE

GPA’s Environmental Management Policy, as well as the principles, commitments and guidelines set forth herein, apply to all GPA associates, their business units and companies that are part of the Group, including our subsidiaries, controlled companies and brands. This Policy also applies to our service providers and business partners, thus covering our entire supply chain.
3. TERMS, EXPRESSIONS AND DEFINITIONS

- **Paris Agreement**: a commitment approved by the 195 UNFCCC countries at the 21st Conference of the Parties (COP21) held in Paris aiming at reducing greenhouse gas (GHG) emissions within the context of sustainable development. Such Agreement has as purpose to keep the global average temperature rise well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.¹

- **Supply Chain**: it is defined as the system of organizations, people, activities, information and resources involved in providing products and services to customers. In this Policy, this term refers to the group of companies directly contracted by GPA.

- **Kigali Amendment**: it was approved in 2016 in Kigali, capital of Rwanda, as an amendment to the Montreal Protocol. Its key purpose was to set forth a schedule to gradually reduce the consumption and production of hydrofluorocarbons (HFCs), used mainly as refrigerant in refrigerators and air conditioners. Although HFCs do not destroy the ozone layer, they are known to be powerful greenhouse gases that contribute to intensifying Climate Change.²

- **Greenhouse Gases**: these are a set of gases, both natural and anthropic, that absorb and emit infrared radiation, contributing to intensify climate change. They contain the following gases: Carbon dioxide (CO₂); Methane (CH₄); Nitrous oxide (N₂O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); Sulfur hexafluoride (SF₆); and Nitrogen trifluoride (NF₃). The emission of such gases was regulated by the Kyoto Protocol, an international treaty supplementary to the United Nations Framework Convention on Climate Change (UNFCCC).³

- **Exclusive Brands**: these are product brands that belong to the GPA Group. They are the following ones: Taeq, Qualità, Casino, Club des Sommeliers, Finlandek and others. Such Exclusive Brands are developed with strict quality control, always following market trends and needs.
3. TERMS, EXPRESSIONS AND DEFINITIONS

- **The Environment:** this is the set of conditions, laws, influences and interactions of a physical, chemical and biological character that enables, shelters and governs life in all its forms.  

- **Climate Change:** it refers to climate variation on a global or regional scale, over time, caused by natural or anthropic changes in the composition of the atmosphere. In this Policy we will deal with Climate Change caused by anthropic actions, such as the increasing levels of greenhouse gas emissions, which contributes to extreme climatic phenomena, affecting from food production to the sea level rise.

- **Sustainable Development Goals (SDGs):** SDGs were set in 2015 by the United Nations Member States as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. They are a total of 17 interdependent goals aimed at balancing social, economic and environmental sustainability.

- **Montreal Protocol:** it was approved in 1987 and came into force in 1989, with the aim of reducing the production and consumption of substances that deplete the ozone layer. Such protocol was recently changed by the so-called Kigali Amendment, which required the gradual reduction of HFCs (hydrofluorocarbons), gases that were used as substitutes for ozone-depleting substances.

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1. Ministério do Meio Ambiente
2. UNEP Factsheet
3. Glossário ISE
4. Ministério do Meio Ambiente
5. ONU
6. UNDP
7. UNEP
4. GUIDELINES

4.1 CONTEXT

GPA’s Environmental Management Policy guidelines follow the United Nations priorities as set forth in the Sustainable Development Goals (SDGs), and are aligned with the Casino Group’s Environmental Policy.

The world faces a demand for natural resources and ecosystem services that is greater than it can restore. From such demands, we can observe consequences such as an increase in the average temperature of the planet’s surface, water resources being depleted, overcrowded landfills, increased use of agrochemicals and other chemicals in agriculture, deforestation, among other.

The challenge we face is to make people to be aware and understand that we all live on a single planet and that our survival is directly linked to the preservation and valuation of natural resources. We from GPA, as one of the largest food retailer in South America, are also responsible for continuing our productive activities considering such environmental challenges to ensure sustainable development.
4. GUIDELINES

4.1 CONTEXT

For that reason, since 2012 sustainability has been part of GPA’s business strategy and, therefore, is present in all of our operations and businesses. We know that our operation is complex and involves many areas of the Company and suppliers, which shall act responsibly so that, every day, our customers find the best products in our stores or receive them at home. And, as it has a large network of stores and Distribution Centers throughout Brazil, we always seek to identify, monitor and minimize any vulnerabilities and negative environmental impacts of the Company’s operations. That happens in order to create initiatives to mitigate them and make activities more sustainable, in addition to adapting to climate change.

Moreover, through this Policy GPA reinforces its commitment to comply with current legislation, in addition to always evolving in its practices and processes.

Thus, with this Environmental Policy GPA seeks to set a solid and well-determined governance together with a transparent and consistent management. We are committed to the permanent and systematic disclosure of our commitments to the environment and performance, setting guidelines and procedures in line with best practices.
4. GUIDELINES

4.2 COMMITMENTS BY GPA

GPA, aware of its role in the Brazilian market, seeks to be a transformative agent of society, always seeking to adopt the best practices in its business, aiming at continuously improving our environmental management and performance.

In line with our purpose of engaging all players in our supply chains to make them more responsible towards the environment, people and animals, this Policy also seeks to cooperate with our suppliers and service providers to prevent and minimize the social and environmental impacts of our supply chain, always looking for innovations able to bring positive impacts. It further helps building a relationship of trust with our customers and stakeholders.

In all of its environmental projects, actions and programs, GPA is committed to following - and requires that all suppliers, service providers and partners also follow - the current environmental standards and policies in the countries where operate, considering all the criteria described in the legislation, international agreements which Brazil is a signatory of, among other ones related to the retail segment and/or other businesses in the Group.

To guide our actions, we have set forth four key commitments, which unfold into action plans with goals that are constantly monitored and improved. They are the following ones: reducing greenhouse gas (GHG) emissions, reducing waste generation and food waste, guaranteeing sustainable use of natural resources, and respect for biodiversity.
4.2 COMMITMENTS BY GPA

4.2.1 Reducing greenhouse gas emissions

Climate change is one of the main challenges faced today. With the current level of GHG emissions it is estimated that the average temperature will continue to rise in the coming decades, and for us to meet the goals set in the Paris Agreement some actions must be taken. At GPA we seek to minimize our carbon emissions by improving practices and actions that reduce our impacts both on our operations and on our value chain. Accordingly, GPA is committed to:

- Reduce, both in absolute and relative terms, our direct and indirect GHG emissions (scopes 1, 2 and 3);
- Reduce, in absolute terms, our fugitive emissions from refrigerant gases, in line with the Kigali Amendment to the Montreal Protocol;
- Identify and manage the risks and opportunities arising from the physical and transition aspects of climate change, acting on our vulnerabilities, adapting ourselves to climate changes;
- Quantify and consider the externalities generated by the Company’s GHG emissions in our decision-making process;
- Improve logistics and transportation aiming at reducing atmospheric pollution and the use of fossil fuels, thus reducing our GHG emissions;
- Promote and encourage technological innovation in Exclusive Brands to reduce GHG emissions in the production and sale of goods or services;
- Promote and encourage the design of new products, services and/or business models that enable to reduce GHG emissions.
4. GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.2 Ensuring the sustainable use of natural resources

The responsible use of natural resources such as water, fossil fuels and other supplies, has become increasingly relevant for corporate environmental management, which seeks to avoid unwanted negative impacts. Accordingly, GPA is committed to:

- Reduce the negative impacts involved in the exploitation of all natural resources that are used in our operations;
- Improve the water and energy efficiency of our operations and in our supply chain, especially the critical links;
- Encourage the use of energy from renewable sources and self-generation, whenever possible;
- Include sustainability criteria in the process of building new stores and operational sites, such as efficient use of energy, conscious consumption of water, responsible application and use of materials in all facilities.
The uncontrolled generation of solid waste combined with inefficiency in its management causes great impacts on the environment. Thus, reducing waste generation, fighting against food waste and loss and promoting circular economy are goals which GPA is committed to.

- Reduce our waste generation through good operating practices and circular economy principles;
- Engage our supply chain to reduce waste generation, as well as the disposal and destination of waste resulting from its operations to landfills;
- Reduce the use of non-recyclable raw materials, especially plastics, in the manufacture of our packaging, as well as eliminate unnecessary packaging, and replace them whenever possible with recyclable, compostable or biodegradable materials;
- Foster more sustainable practices by our associates, customers and suppliers, encouraging the conscious consumption of food and more sustainable products and the correct disposal of waste;
- Encourage and carry out actions to fight against food waste and loss, promoting, whenever possible, food donation for social institutions;
- Adopt practices to encourage selective collection in our operations and the use of recyclable materials in our own Exclusive Brands;
- Encourage the development of innovations that foster circular economy;
- Work on a segment basis and, together with the government, to strengthen laws, standards, and practices for reducing waste and improving the recycling chain.
4.2 COMMITMENTS BY GPA

4.2.4 Protecting natural ecosystems and biodiversity

The protection of ecosystems and the preservation of biodiversity are priority commitments for GPA, applicable to the company’s supply chain and operational activities. The pressure on protected areas and the biodiversity that they shelter has been increasing, which has drastically reduced the amount of green areas on a global scale. Moreover, agricultural and livestock production are critical components of such deforestation scenario. For that reason, GPA has a Social and Environmental Beef Purchasing Policy which, among other purposes, aims at preventing deforestation and the conversion of native vegetation into pastures, besides promoting the protection of native biomes, protected areas and the Brazilian cultural heritage.

GPA has also adopted a Policy for Purchasing Palm Oil products for our Exclusive Brands which aims at encouraging the purchase of palm oil that has sustainability certification, thus ensuring that its production and supply complies with social responsibility criteria and encouraging the preservation of biomes and species linked to this chain.
4. GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.4 Protecting natural ecosystems and biodiversity

In addition, GPA commits and engages its business partners to commit to:

- Improve the traceability of the raw material used in our chain, ensuring the sustainable origin of our critical raw materials;
- Encourage that our supply chain does not use raw materials from deforestation areas;
- Act responsibly in the management of biodiversity, avoiding risks of species depletion and/or extinction;
- Guide our actions to foster, whenever possible, a high standard of animal welfare;
- Consider the preservation of biodiversity in the process of building new stores and operational sites, avoiding operational activities nearby World Heritage areas and IUCN Category I-IV protected areas and, when necessary, apply the mitigation hierarchy.
5. SPECIFIC GUIDELINES

GPA believes that the implementation of this Policy is transversal and the responsibility of all associates, suppliers, service providers, customers and partners, regardless of their area of activity or hierarchical level. All of them will receive training on the Policy and must adopt the practices, commitments and responsibilities presented herein.

The Sustainability Board and the Sustainability Committee, directly bound to the Board of Directors (CA), are the areas responsible for maintaining the engagement conditions of all those involved.

In order to implement the Environmental Management Policy in its businesses, GPA has set forth some specific guidelines applicable to each of the four commitments presented in section 4.2 Commitments by GPA. They are the following ones:

- Following up, monitoring, and setting goals for the commitments presented;
- Setting criteria, responsibilities and incentives connected to the achievement of environmental goals, binding the variable remuneration of executive officers and senior management members to GPA’s environmental goals;
- Working together with other segments in search for best practices and processes, in addition to taking part in forums, initiatives and voluntary and recognized business commitments such as ISE, CDP, Global Compact, among other ones;
- Acting in its stores and with its customers and suppliers in a way to provide concrete and effective solutions that are consistent with the commitments undertaken;
- Working together with our suppliers to seek the sustainability of productive supply chains, fostering the replication of good practices and commitments in their corresponding chains;
- Setting strict selection and development criteria that may lead to the exclusion of suppliers that do not adhere to our sustainable practices and commitments;
- Developing projects that value small producers and family farmers, contributing to the protection of native forests;
- Creating and implementing engagement programs with our customers, increasing the offer of healthier products, promoting more sustainable attitudes, and encouraging the reduction of food waste and the correct disposal of waste;
- Raising awareness among our associates and stakeholders through our communication channels, promoting practices and attitudes that are more sustainable and having less environmental impact.
5. SPECIFIC GUIDELINES

5.1 MONITORING, CONTROL AND TRANSPARENCY

GPA develops quantitative and qualitative Key Performance Indicators (KPIs) for monitoring compliance with the Policy. The disclosure of results connected to actions and projects is performed particularly through the Annual and Sustainability Report, and also extraordinary reports whenever necessary. In addition, specific disclosures are made using the communication channels of the Company and its brands.

GPA cares about the agility and consistency in the disclosure of information, its commitment to the securities and exchange market and its respect to shareholders and investors.
5. SPECIFIC GUIDELINES

5.2 RELATIONSHIP WITH SUPPLIERS

All our suppliers must comply with laws and regulations, know the values, and respect the ethical principles set forth in the Code of Ethics.

According to the Ethics Charter for Suppliers, the standards set forth must be followed in all circumstances within the entire supply chain of Group, its subsidiaries and subcontractors. Among the commitments undertaken, it is worth mentioning:

- Setting appropriate mechanisms for the preventive management of risks connected to their corresponding operating segment;
- Carrying out production or service provision processes in the most environmentally-friendly manner possible;
- Ensuring that business relations are developed in an ethical and exemplary manner, within the most strict compliance with the law, regulations and internal standards of the Group, as well as being free from any kind of undue favoring, active or passive corruption of public agents, extortion, or fraud of any kind.
5. SPECIFIC GUIDELINES

5.3 EXCLUSIVE BRANDS

All such commitments shall also be applied to our Exclusive Brands chain. We monitor the environmental impacts of our operations and our products, seeking and adopting best practices, always aiming at reducing the social and environmental impacts of the supply chain.
6. PENALTIES AND OMBUDSMAN CHANNEL

Any failure to comply with the rules and guidelines provided for in this document may be considered a serious misconduct, subject to penalties based on the Ethics Committee's Management Policy, the GPA's Code of Ethics, and the Consequences and Disciplinary Sanctions Policy.

GPA makes its Ombudsman Channel available to its employees, suppliers, service providers, customers, social institutions and partners, which is the official tool for receiving complaints, dissatisfactions and reports of any violations and non-compliance with the Policy.

Violations to this Policy, the Company’s Code of Ethics or any topic in the Supplier’s Ethics Letter can be reported through the following channel: ouvidoria@gpabr.com.br. Every complaint will be investigated in a confidential manner, allowing even anonymity of whistle-blowers.

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OUR ENVIRONMENTAL PERFORMANCE IS BASED ON A SERIES OF GUIDING AND NORMATIVE DOCUMENTS OF PARTNER ASSOCIATIONS OR TO WHICH WE ARE SIGNATORIES:

- Principles of the United Nations Organization (UN);
- UN Guiding Principles on Business and Human Rights;
- 17 UN Sustainable Development Goals (SDGs);
- Kigali Amendment to the Montreal Protocol (UN);
- Task Force on Climate-Related Financial Disclosures (TCFD);
- Global Reporting Initiative (GRI).

To reinforce our position we have also undertaken public commitments in favor of Sustainability, which can be checked on our institutional website.
7. REFERENCES

For cases not covered by this policy, please read the following specific policies:

- Code of Ethics
- Ethics Charter for Supplier
- Social and Environmental Beef Purchasing Policy
- Diversity and Human Rights Policy

Visit our policies
8. POLICY UPDATES

GPA acknowledges that full compliance with the goals of this Policy is a continuous improvement process. This Policy will be the foundation for the construction of detailed plans that will contain our commitments, strategies, metrics and indicators related to the guidelines undertaken herein. It will also be the basis for disseminating these commitments and guidelines in our value chain, as well as for our management processes.

This Policy is valid for an indefinite period of time, and will be reviewed and updated every five years or whenever there are significant changes in aspects of GPA’s sustainability strategy or in its context of operation, at the discretion of the responsible areas.

9. APPROVAL

This Policy was approved by the Sustainability and Governance Diversity on July 29, 2020 and its update on May 25, 2021.