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1. PURPOSE

Assaí's Environmental Management Policy states the principles, commitments and guidelines that steer the performance of our Company, our Employees, Suppliers, Partners, and Service Providers in relation to Sustainability and Environmental Management, in addition to ensuring compliance with current legislation.

2. SCOPE

Not applicable.

3. GUIDELINES

Assaí's Policy guidelines follow the United Nations priorities defined in the [Sustainable Development Goals](#) (SDGs).

The world is faced with more demand for natural resources and ecosystem services than it is able to regenerate. Based on this demand, we may see consequences such higher average temperatures on the planet's surface, depleted water resources, overloaded landfills, more use of pesticides and other chemicals in agriculture, deforestation, and other issues.

The challenge we face is to understand that we all live on a single planet and that our survival and that of our future generations is directly dependent on preserving and recognizing valuable natural resources. We at Assaí, as Latin America's largest food retailer, we are also responsible for the continuity of our productive activities in light of these environmental challenges in order to ensure sustainable development.

Sustainability is part of Assaí's business strategy and present in all of our operations and business ventures. We know that our operation is complex and involves many Internal Areas and Departments, in addition to an extensive chain of Suppliers and Partners for enabling our customers to find the best products in our stores or delivered to their homes every day. Since we run a large network of stores and Distribution Centers throughout Brazil, we are constantly working to identify, monitor and minimize the negative environmental impacts from this operation. We do so in order to create initiatives to mitigate impacts and make activities more sustainable while also adapting to [climate change](#).

In addition, through this Policy, Assaí strengthens its commitment to compliance with current legislation and constantly evolving our practices and processes.

Therefore, the Environmental Management Policy establishes a solid and clearly defined governance and consistently transparent management. We are committed to ongoing and systematic disclosure of our environmental and performance commitments and to defining guidelines and procedures in line with best practices.

3.1. Assaí's Commitments

Being aware of its role in the Brazilian market, Assaí strives to be a transformative agent for society, in all cases adopting best practices in our business while continuously improving our environmental management and performance.

In line with our purpose of engaging our supply chain actors to have them be more committed to the environment, people and animals; this policy also aims to collaborate with our suppliers, encouraging them to adopt a hierarchy in the treatment of potential risks and operational impacts that should prioritize prevention actions or, whenever they cannot be avoided, to minimize and, whenever residual impacts persist, cure them while constantly pursuing innovative solutions in our supply chain.

In addition to building trusting relations with our Customers and stakeholders. In all of our environmental projects, actions and programs, the Company is committed to following current environmental policies, including all criteria set forth in legislation such as Brazil's National Environment Policy, the resolutions issued by the country's National Environment Council (CONAMA), state government environmental secretaries, and international agreements to which Brazil has adhered, among other regulations pertaining to our segment.

To guide our actions, we have established four main commitments, which may be broken down into action plans with targets that are constantly monitored and improved, as follows: reducing [Greenhouse Gas](#) (GHG) emissions, ensuring sustainable use of natural resources, reducing amounts

of waste produced, fostering the circular economy, and protecting the natural ecosystems and biodiversity.

3.1.1. Reduce Greenhouse Gas (GHG) Emissions

Climate change is one of the key challenges facing humanity today. At the current level of GHG emissions, scientists estimate that the average temperature will continue to rise over the coming decades so order to reach the targets set by the Paris Agreement, certain measures must be taken. The Company is working to minimize carbon emissions by evolving practices and actions to reduce impacts both from operations and from the value chain. In this respect, the Company promises to:

- Reduce direct and indirect GHG emissions in absolute and relative terms, (scopes 1, 2 and 3);
- Reduce fugitive emissions from refrigerant gases in absolute terms, in line with the Kigali Amendment [Kigali Amendment](#) to the Montreal Protocol;
- Identify and manage risks and opportunities arising from physical transition aspects of climate change, working on our vulnerabilities and adapting our business to climate changes;
- Quantify externalities arising from our GHG emissions and include them our decision-making process;
- Improve logistics and transportation in order to reduce atmospheric pollution and fossil fuel use, thus reducing our GHG emissions;
- Foster and incentivize technological innovation of our Exclusive Brands in order to reduce GHG emissions from production and sale of goods or services;
- Foster and incentivize new products, services and / or business models that enable us to reduce GHG emissions.

3.1.2. Ensure Sustainable Use of Natural Resources

Responsible use of natural resources such as water and fossil fuels and other supplies, has become increasingly relevant for corporate

environmental management, which strives to reduce unwanted negative impacts. In this respect, Assaí promises to:

- Reduce negative impacts involved in the exploitation of natural resources used in our operations;
- Improve efficiency in our use of water and energy across our operations and Supply Chain, especially its critical links;
- Encourage the use of energy from renewable sources and from self-generating, whenever possible;
- As part of the process of building new stores and operational sites, include sustainability criteria such as energy efficiency, responsible use of water and materials in our facilities.

3.1.3. Reduce the amount of waste produced and encourage the circular economy

Uncontrolled amounts of solid waste combined with inefficient their management causes major impacts on the environment. Therefore, producing less waste and fostering the circular economy are among Assaí's commitments based on the following actions:

- Reduce the amount of waste we produce through good operating practices and circular economy principles.
- Engage our Supply Chain to reduce the amount of waste produced, as well as disposal of waste from our operations and removal to landfills;
- Reduce our use of non-recyclable packaging and/or raw materials when manufacturing of our packaging and whenever possible have them replaced by recyclable, compostable or biodegradable materials;
- Foster more sustainable attitudes for our employees, customers and suppliers, incentivize consumption of more sustainable products and correct disposal of waste;
- Adopt practices to encourage selective collection in our operations and the use of recyclable materials for our own brands;
- Incentivize the development of innovations that foster the circular economy;

- Work across our sector and together with public authorities to strengthen legislation and practices that reduce waste, as well as improve the recycling chain.

3.1.4. Protect natural ecosystems and biodiversity

Protecting ecosystems and preserving biodiversity are priority commitments for Assaí. Protected areas and their biodiversity have been coming under increasing pressure, which has drastically reduced the amount of green areas worldwide. In addition, agriculture and livestock are critical components of this deforestation scenario. Therefore, Assaí has in place a Social and Environmental Policy for procurement of beef intended, among other objectives, to combat deforestation and the conversion of native vegetation to pasture, while protecting native biomes and Brazil's cultural heritage.

Assaí also adopted, for our [Exclusive Brands](#), purchases of Palm Oil products for our Exclusive Brands in order to incentivize purchases of palm oil that has been sustainability certified, thus ensuring that its production complies with social responsibility criteria. In addition, Assaí engages its business partners to have them commit to:

- Improve traceability of raw materials in our supply chain, thus ensuring sustainable sourcing of our critical raw materials;
- Encourage our supply chain to avoid using raw materials from deforestation areas;
- Act responsibly to manage biodiversity, avoiding risks of depletion and / or extinction of species;
- Guide our actions to foster, whenever possible, a high standard of animal welfare;
- Include the preservation of biodiversity in the process of building new stores and operational sites

3.2. Specific Guidelines

The Company believes that the implementation of this Policy is transversal and the responsibility of all employees, suppliers, service providers, customers and partners, whatever their business area or hierarchical level. Everyone will have access to training programs around our policy and all must adopt the practices, commitments and responsibilities set forth herein. Our Sustainability officers and committee report directly to our Board of Directors and these bodies are tasked with ensuring that the conditions of engagement are met for all those involved.

To implement the Environmental Management Policy in its business ventures, Assaí follows specific guidelines that apply to each of the four commitments stated in section 3.1, Assaí's commitments.

- Follow up, monitor and set targets for the above commitments;
- Determine criteria, responsibilities and incentives needed to meet environmental targets, linking executive and senior management flexible compensation to Assaí's environmental targets;
- Work together with other sectors for best practices and processes; taking part in forums, initiatives and recognized voluntary commitments for business, such as ISE, CDP and Global Compact;
- Intervene in its stores and with those that participate in its supply chains in order to propose concrete efficacious solutions for the commitments we have assumed;
- Work together with our suppliers to reach sustainability for supply chains, foster replication of good practices and commitments in their respective chains;
- Establish strict selection and development criteria, which may lead to the exclusion of third parties that do not adhere to our commitments and sustainable practices;
- Develop projects that recognize the valuable role of small-scale producers and family farms, thus helping to protect native forests;

- Establish and implement programs to engage our customers, offering a wider range of healthier products, fostering more sustainable attitudes, and incentivizing reduction of food waste and correct disposal of waste;
- Raise awareness among our employees and stakeholders through our communication channels, thus fostering more sustainable practices and attitudes that have less environmental impact.

3.3. Monitoring, Control and Transparency

Assaí develops quantitative and qualitative Key Performance Indicators (KPIs) to monitor compliance with our policy. We disclose results related to actions and projects through our Annual Sustainability Report and extraordinary reports when necessary. In addition, we ensure specific disclosures by using our communication channels and those of our brands.

Assaí ensures agility and symmetry through disclosure of information, commitment to the capital market and respect for shareholders and investors.

3.4. Relations with Third Parties

All third parties that have a relationship with Assaí must comply with laws and regulations, be cognizant of the values in [Assaí Code of Ethics](#) and respect ethical principles therein.

Our [Suppliers' Ethics Charter](#) requires our supply chain, subsidiaries and subcontractors to obey these standards in all circumstances. These commitments include the following:

- Establish appropriate mechanisms to preventively manage risks related to their respective operating segments;
- Make products and services in the most environmentally friendly manner possible;
- Ensure that business relations are developed in an ethical and exemplary manner, strictly observing the law, regulations and internal Policies, while also being free of any kind of improper favoritism, active or passive corruption of public agents, extortion or fraud.

3.5. Exclusive Brands

All of these commitments will also be applied to our Exclusive Brands chain. We monitor the environmental impacts of our operations and our products to constantly pursue and adopt best practices in order to reduce our supply chain's socioenvironmental impacts.

3.6. Whistleblowing Channel

Assaí's Ombudsman Channel (ouvidoria@assai.com.br) is available for employees, suppliers, service providers, customers, and partners, as our official means of receiving complaints, reports of dissatisfaction and breaches of this Policy, of Assaí Code of Ethics or any item in our Suppliers' Ethics Charter. Reports and complaints will be investigated and the whistleblower will be assured confidentially, including anonymity.

3.7. Updates

Assaí recognizes that fully reaching the objectives of this Policy will involve a process of continuous evolution. This Policy will be the basis for detailed plans which will set forth our commitments, strategies, metrics and indicators related to the guidelines hereby assumed. It will also be the basis to spread these commitments and guidelines across our value chain and to guide our management processes.

4. PENALTIES

Not applicable.

5. ATTACHMENTS

Not applicable.

6. REFERENCES

The following are part of this Policy:

6.1. Code of Ethics

6.2. Social and Environmental Policy for Bovine Meat Purchases

- 6.3. United Nations Principles;
- 6.4. Guiding Principles on Business and Human Rights;
- 6.5. 17 Sustainable Development Goals (SDGs);
- 6.6. Kigali Amendment to the [Montreal Protocol](#);
- 6.7. Taskforce on Climate-Related Financial Disclosures (TCFD);
- 6.8. Global Reporting Initiative (GRI)

7. DEFINITIONS

7.1 Environment: the set of conditions, laws, influences and interactions of a physical, chemical and biological nature, which allows, shelters and governs life in all its forms. The company, due to the activities it develops and through which it participates, generates impacts that may preserve or degrade the environment. Managing environmental impact is one of the pillars of Assaí's Sustainability strategy, which follows the sector's environmental regulatory Policies and reduces the environmental impact of its activities. Assaí has formulated its Environmental Management Policy in order to structure the implementation of its Environmental Management system and improve its environmental performance. This Environmental Policy should be the basis on which each area, department and expertise will be able to define its objectives and targets for lowering environmental impacts. Our Environmental Management Policy also helps employees, suppliers and customers to become more aware of the importance of environmental issues while reaffirming Assaí's commitment to preserving the environment.

7.2. Paris Agreement: the commitment approved by the 195 countries of the UNFCCC at the 21st Conference of the Parties (COP 21), held in Paris, in order to reduce greenhouse gas (GHG) emissions in the context of sustainable development. The purpose of the agreement is to keep global average temperature less than 2 ° C above pre-industrial levels and limit it to 1.5 ° C above pre-industrial levels.

7.3. Supply Chain: the system of organizations, persons, activities, information and resources involved in the supply of products and services to customers. As used in this Policy, the term refers to companies that are parties to contracts with Assaí.

7.4. Kigali Amendment: approved in 2016, in Kigali, capital of Rwanda, as an amendment to the Montreal Protocol. Its main objective was to set dates for gradually reducing use of Hydrofluorocarbons (HFCs), used mainly as refrigerant for refrigerators and air conditioners. Although HFCs do not destroy the ozone layer, these gases cause the greenhouse effect and drive Climate Change.

7.5. Greenhouse Gases: natural and anthropic gases that absorb and emit infrared radiation thus adding to 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). These emissions were regulated by the Kyoto Protocol, an international treaty supplementing the United Nations Framework Convention on Climate Change.

7.6. Exclusive Brands: Our exclusive Chef, Econobom and Assaí brands are developed under strict quality control and follow market trends and needs.

7.7. Climate Change: the variation of climate 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 address Climate Change caused by anthropic actions such as high greenhouse gas emissions that add to extreme climatic phenomena, thus affecting everything from food production to rising sea levels.

7.8. Sustainable Development Goals (SDGs): agreed by United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all peoples enjoy peace and prosperity by 2030. There are

17 interdependent goals intended to balance social, economic and environmental sustainability.

7.9. Montreal Protocol: approved in 1987, came into force in 1989, in order to reduce the production and consumption of substances that deplete the ozone layer. The protocol has recently been altered by the Kigali Amendment, which requires gradual reduction of the HFC gases that were used as substitutes for ozone-layer depleting substances.

7.10. Third Parties: all those which are neither a collaborator or subsidiary company nor belongs to the same economic group as the Company, such as, without limitation, suppliers, service providers, outsourced companies, partners (NGOs, Sponsors), and/or subcontractors.

8. VERSION HISTORY AND APPROVALS

Not applicable.