

## ETHICS CHARTER FOR SUPPLIERS

This Ethics Charter for Suppliers (hereinafter referred to as the “Charter”) sets forth the standards to be complied with, under any circumstances, by all suppliers in the supply chain and/or providers of services and goods for use and consumption, referring to those who have direct commercial relations, the contracting of which must be formalized by a Contract (hereinafter referred to as “supplier(s)”) of Companhia Brasileira de Distribuição and its subsidiaries (hereinafter, “GPA” or “Group”), in order to ensure that:

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

### 1. GENERAL STANDARDS

Every Supplier of GPA undertakes to provide only products or services that comply with this Charter, with GPA's internal policies and standards, as well as with the laws and regulations applicable to the lawful performance of their activity, especially, but not limited to the standards mentioned in this Charter.

Every hired Supplier automatically undertakes to disseminate and enforce this Charter (as well as any exhibits or specific provisions that may be added hereto) to its partners and/or subcontracted or outsourced suppliers.

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

### GPA'S COMMITMENTS

GPA reaffirms its commitment to promoting responsible trade throughout its supply chain through the GPA Code of Ethics, Diversity, Inclusion and Human Rights Policy, Environmental Management Policy, Human Rights across the Value Chain Policy, and the signing of the United Nations Global Compact since 2003.

**1.1** Whether within the scope of its business practices or in any other activity, the GPA Group is committed to:

- Strictly comply with the laws and regulations applicable to its activities;
- Avoid conflicts of interest; and
- Not tolerate any form of corruption.

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

- 1.3** GPA strives to keep a constructive and open dialogue with its Suppliers about their ability to comply with to this Charter and may, if necessary, support them to help them meet these expectations.
- 1.4** GPA undertakes, through its purchasing practices, to facilitate the application of this Charter by its business partners.
- 1.5** The Casino Group, GPA's controller, has made a formal commitment to reduce its carbon emissions, validated by the *Science Based Target* Initiative (SBTi), which considers the direct and indirect impact on the conduct of its business activities, including its value chain. GPA, as a controlled company, is committed to respecting and protecting the environment and, year after year, undertakes to take actions to prevent and minimize the social and environmental impact of its activities. Its actions are aimed at, but are not limited to, reducing greenhouse gas (GHG) emissions, reduce waste generation and food waste, guarantee the sustainable use of natural resources, and respect biodiversity. In order to carry out these actions, GPA builds customer awareness, mobilizes its workforce, and helps its Suppliers respond to these challenges.

## **2. REQUIREMENTS**

### **2.1 GENERAL STANDARDS**

- 2.1.1** Every Supplier must comply with the laws, principles, regulations, and standards in force applicable to its operations in all countries where it carries out its activities, besides making sure that its own employees, suppliers, and service providers are complying with them. Every Supplier shall ensure that this commitment is respected by its suppliers and subcontractors.
- 2.1.2** Every Supplier is prohibited from proposing to GPA employees, as well as to any public agent, any sum of money, gifts, loans, discounts, and other forms of undue advantage. The guidelines of this process are provided for in GPA's Gifts & Presents Policy; Anti-Corruption Policy, and Conflict of Interest Policy. Moreover, every Supplier must comply with all applicable laws, regulations, and standards (for more information, please see <https://www.gpabr.com/en/etica-e-compliance/>).  
Any involvement or attempt of corruption or fraud by a Supplier will, if found and proven, be considered as grounds for removing the Supplier, both from the selection in competitive processes in which such Supplier could be taking part, and/or any agreement still in force with GPA will be immediately terminated for cause.
- 2.1.3** Every Supplier may not be involved in or support any form of corruption, fraud, or bribery, whether by offering or demanding fraudulent behavior, or by receiving objects of value and/or gifts, involving public or private agents, in order to get undue advantage, influencing an act or decision, or unlawfully directing business. Every Supplier, including its employees and outsourced associates and subcontractors, must fully understand and comply with anti-corruption, money laundering, anti-fraud, and anti-terrorist financing laws and standards, as well as GPA's internal regulations, policies, and procedures. Every Supplier must also adopt mechanisms and best practices of compliance and internal controls in order to prevent acts of corruption, fraud, illegal practices, terrorist financing or money laundering by its suppliers and subcontractors.

- 2.1.4** Every Supplier that has a partnership with suppliers and subcontractors in Brazil must make use of the Register of Companies banned from doing business with the Federal Government, such as the so-called CEIS register (Register of Disreputable or Suspended Companies) and CEPIM register (Register of Banned Non-Profit Entities), Dirty List of Slave Labor, from the list of Penalties and Embargoes (“Dirty List”) by IBAMA (Brazilian Agency for the Environment and Renewable Natural Resources) as an instrument of approval of its business partners.
- 2.1.5** Every Supplier shall establish an effective internal management system to ensure that:
- Every employment relationship is recognized, documented, and performed in compliance with the law, domestic usage or practices, and international labour standards, from recruitment until the end of the employment agreement, in particular for employees with a special status: young employees, immigrants, domestic migrants, autonomous workers, seasonal workers, home workers, piece rate workers, trainees and apprentices, temporary employees, seasonal farmworkers, etc.;
  - Every business or management activity of the company is carried out transparently and duly registered into the company's records;
  - Disseminate the standards set forth in this Charter so that they are equally applied within the organization and its suppliers and subcontractors.
- 2.1.6** Every Supplier undertakes to be fully transparent with GPA. Any attempt of dissimulating, making a false statement, falsify documents or misrepresent facts may lead GPA to suspend its business relations with the Supplier temporarily or permanently, without prejudice to the measures to compensate for any losses and damages that might have been generated to GPA, especially with regard to:
- Documents and/or information on the origin of raw materials, manufacturing processes and place of production, as well as their corresponding social, environmental, or ethical attributes for offering a product and/or service and considering raw material suppliers, outsourced factories and warehouses;
  - Documents, practices, and internal procedures that fall within the scope of social audits, if applicable, ordered by GPA;
  - Documents required within the context of GPA's Quality Policy, as determined and accepted by the Supplier at the time of its registration or the product specifications accepted during the corresponding business negotiation, whenever applicable.
- 2.1.7** Every Supplier undertakes not to subcontract, in whole or in part, any workforce in disagreement with the laws currently in force, which had not been previously stated to the Group and is unauthorized, for manufacturing its own-brand products for GPA or for providing services to GPA. When outsourcing is allowed, the Supplier will be responsible for ensuring the strict application of this Charter by means of external auditors or competent employees, taking responsibility for the products supplied to GPA. Any non-disclosed subcontracting may lead to immediate termination of the business relationship, without prejudice of the required measures to compensate for any losses and damages that might have been caused to GPA.

- 2.1.8** Every piece of information resulting from communications or connected to the business relationship between the Supplier and GPA shall be confidential. As such, it cannot, under any circumstances, be shared with third parties without the GPA's prior written consent.
- 2.1.9** The Supplier hereby states to be aware of and comply with antitrust laws in the countries where it operates, and that it does not practice any violation of the economic order, such as taking part in cartels or any other unfair practice that could bring the consequence of making it impossible or distorting free competition in the market, particularly those behaviors aimed at harming a competitor or restricting its access to the market by illegal means.

## **2.2 HUMAN RIGHTS, OCCUPATIONAL HEALTH AND SAFETY**

### **2.2.1 PROHIBITION OF CHILD LABOR**

Every Supplier, according to GPA'S Policy of Human Rights across the Value Chain, undertakes to respect the minimum age of admission established by national legislation to any type of job or work.

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

([https://bvsms.saude.gov.br/bvs/publicacoes/convdir\\_crianca.pdf](https://bvsms.saude.gov.br/bvs/publicacoes/convdir_crianca.pdf))

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

It is forbidden, under GPA'S Policy of Human Rights across the Value Chain, to resort to slave labor or slave-like work conditions like obligatory or unpaid jobs in all its forms, including prison work (as provided for by ILO Convention No. 29). The supplier must undertake to monitor its value chain and not establish/continue a business relationship with individuals or organizations listed on the Slave Work Dirty List.

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

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

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

The Supplier hereby undertakes not to practice, encourage or even accept, as regards recruitment, hiring, training, working conditions, assignments, remuneration, payments, advantages, promotions, discipline, termination or retirement, any truculent practice that involves any use of violence, torture, which subject people to vexatious, embarrassing or humiliating situations, as well as to avoid any form of discrimination, whether based on sex, age, gender, sexual orientation, religion, family situation, ethnicity, social context, illness, disability, pregnancy, national and ethnic origin, nationality, migrant status, gender identity and/or expression or any other identification marker, membership in an employee organization (including union), conviction and/or political, ideological affiliation,

physical appearance or any other personal characteristic, in compliance with GPA'S Diversity, Inclusion and Human Rights Policy.

The Supplier hereby states that it does not practice or even accept any kind of harassment or abuse, whether of a moral, physical, or sexual nature. Suppliers must repudiate and strive to eliminate any kind of sexual exploitation, especially of children and teenagers, whether in their own and/or outsourced operations. In addition, the Supplier undertakes to check its workforce regularly, seeking to ensure an increase in the number of people from underrepresented groups such as women, black people, LGBTQIA+ people, people with disabilities, among others.

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

#### **2.2.4 FREEDOM OF ASSOCIATION**

The Supplier's employees will be entitled to join the union of their professional class without being required any prior consent from their management members.

The Supplier shall not block, impede, or interfere with such legitimate activities.

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

#### **2.2.5 NUMBER OF WORKING HOURS**

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

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

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

#### **2.2.6 WAGES AND BENEFITS**

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

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

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



GPA recommends its Suppliers to check whether their subcontractors comply with the payment of the corresponding taxes, charges, and contributions as required by the applicable laws in force.

### **2.2.7 OCCUPATIONAL HEALTH AND SAFETY**

The Supplier, under GPA'S Occupational Medicine and Safety Policy, adopts appropriate fire-fighting measures and takes care of the solidity, stability, and safety of buildings and equipment, including residential spaces, if required.

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

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

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

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

Considering the risks to the health of workers, including for the manufacture of jeans items, GPA prohibits the use of *sandblasting* for all GPA products.

### **2.2.8 INDIGENOUS AND TRADITIONAL PEOPLES**

The Supplier must follow and respect the United Nations Declaration on the Rights of Indigenous Peoples and Traditional Communities, besides ensuring that any risks and overlaps/invasions of Indigenous Lands or any other territory of traditional peoples in its supply chain are verified.

## **2.3 THE ENVIRONMENT**

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

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

identified and mitigated. And, in case of products, they must be labeled and stored in order to prevent any risk of contamination.

- Raw materials: any natural resource must be managed as efficiently as possible, especially non-renewable ones. The Supplier must undertake not to use raw materials from animal or vegetable origin that are environmentally protected or from illicit sources. GPA is committed to strive to eliminate deforestation and protect biodiversity.
- Greenhouse Gas Emissions (GHG): Supplier's operations must be optimized and improved to tackle climate change. We recommend that the Supplier is committed to the transparency of its emissions, goals (in line with SBTi), as well as plans to avoid and reduce them, also seeking to engage its value chain in this purpose.

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

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

GPA also recommends that its Suppliers use the legal requirements as a minimum reference for Suppliers to implement sustainable practices, rather than a limit. Suppliers should always aim to protect the environment beyond legal requirements.

## 2.4 PROTECTION OF FORESTS AND NATIVE VEGETATION

GPA is committed to strive to eliminate deforestation and/or conversion of native forests and vegetation in major commodity supply chains, including but not limited to palm oil, livestock, soybean, cocoa, coffee, and wood. Therefore, Suppliers must monitor their production and/or supply to ensure that they are not associated with deforestation and/or conversion of forests and native vegetation. Failure to comply with the cut-off dates related to deforestation and/ or conversion of forests and native vegetation is considered non-compliance with GPA'S commitments and policies.

To learn more about GPA commitments, cut-off dates, and requirements, please see the corresponding policies and commitments:

<https://www.gpabr.com/en/sustainability/commitments/>.

## 2.5 ANIMAL WELFARE

The Supplier undertakes—if the products or raw materials come from animal husbandry—that the welfare of the corresponding animals be preserved across the entire supply chain (cattle raising, all stages of transport, slaughtering, etc.). To define animal welfare, GPA uses the broad concept of *One Health*, developed by the World Health Organization (WHO) and aimed at guaranteeing actions focused on human health, environmental health, and animal health throughout our organizational structure.

Our commitments are guided by the standards and legislation currently in force, as well as by the five freedoms for animal welfare as determined by the *Farm Animal Welfare Committee* (FAWC) and in areas involving animal welfare (Mellor et al, 2020):

Such freedoms define ideal states rather than standards for an acceptable animal welfare, set out as:

- To be free from hunger and thirst,
- To be free from discomfort,

- To be free from pain, injury, and illness,
- To be free to express their natural behavior,
- To be free from fear and stress.

Further details on commitments and guidelines regarding animal welfare should be read in GPA'S Animal Welfare Policy.

### **3. DUE DILIGENCE**

- 3.1** To ensure strict compliance by its Suppliers with the principles and standards required by this document for products under GPA Group's brands and other brands, GPA may request specialized independent consultants to carry out audits to control compliance with such standards, following the criteria to be set, determined and informed to the Supplier by GPA.
- 3.2** To this end, the Supplier hereby undertakes to cooperate and facilitate the job of auditors during such due diligence operations, ensuring access to manufacturing sites, documents, records, and staff, as well as subcontractors and outsourced suppliers involved in the manufacturing of the products sold or services provided in all GPA units.
- 3.3** If necessary, the Supplier hereby undertakes to apply all corrective measures within the deadline to be determined for each of the parties involved.
- 3.4** GPA may end a business relationship or terminate an agreement when the Supplier violates the principles set forth in the Ethics Charter or when the Supplier refuses to take the required steps to remedy any non-compliances found and reported.

### **4. OMBUDSMAN, WHISTLEBLOWING, AND REPORTING CHANNEL**

GPA makes the Whistleblowing Channel available to all its employees, suppliers, service providers, customers, clients, social institutions, partners, and defenders of the environment and human rights.

Violations to any Policy of GPA, to the Company's Code of Ethics or any provision set forth in the Ethics Charter for Suppliers can be reported through the following channel: [ouvidoria@gpabr.com](mailto:ouvidoria@gpabr.com). Complaints will be investigated in a confidential manner, even allowing anonymity.

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

GPA 08000 55 57 11 [ouvidoria@gpabr.com](mailto:ouvidoria@gpabr.com)

### **5. REFERENCES**

Locally, only legal standards that are consistent with the general principles of international conventions referred to herein are acceptable. This Charter cannot, under any circumstance, be used to prevent the implementation of more favorable conditions than those provided for by international standards and/or any domestic and/or local laws, as amended and/or updated.

**5.1** The Universal Declaration of Human Rights

**5.2** International conventions relating to fundamental human rights:

- The 1966 International Covenant on Civil and Political Rights
- The 1966 International Covenant on Economic, Social and Cultural Rights



- The 1980 Convention on the Elimination of All Forms of Discrimination against Women
- The 1989 International Convention on the Rights of the Child
- The 2007 Convention on the Rights of Persons with Disabilities
- The 1951 Refugee Convention and its 1967 Protocol
- UN Guiding Principles for Business and Human Rights;
- The 2007 United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

**5.3.** The core international labor standards, such as those defined by the:

- ILO Declaration in June 1998 on Fundamental Principles and Rights at Work, namely:
- Forced Labor Convention No. 29 of 1930
- Convention No. 87 on Freedom of Association and the Protection of the Right to Organize, 1948
- Convention No. 98 on the Right to Organize and Collective Bargaining of 1949
- The 1951 Equal Remuneration Convention No. 100
- The 1957 Convention No. 105 on the Abolition of Forced Labor
- Protocol to the 2014 Convention on Forced Labor
- The 1958 Convention No. 111 concerning Discrimination in Respect of Employment and Occupation
- The 1973 Convention No. 138 concerning Minimum Age for Admission to Employment
- The 1999 Convention No. 182 on the Worst Forms of Child Labor

**5.4.** Other applicable international labor standards, for example:

- The ILO's call for decent work
- The 1919 Convention No. 1 on length of working hours (factories)
- The 1921 Convention No. 14 on Weekly Rest (factories)
- The 1949 Convention No. 95 on Wage Protection
- The 1949 Convention No. 97 on Migrant Employees (Revised)
- The 1970 Convention No. 131 on the establishment of the minimum wage
- The 1971 Convention No. 135 on employees' representatives
- The 1975 Convention No. 143 on migrant employees (Supplementary Provisions)
- The 1981 Convention No. 155 on employees' occupation safety and health
- The 1985 Convention No. 161 on health care services at work
- The 1949 Convention 170 on chemicals of 1990 - Recommendation 85 on wage protection
- The 1962 Recommendation No. 116 on the workload reduction
- The 1970 Recommendation No. 135 on the establishment of the minimum wage
- The 1981 Recommendation No. 164 on the employees' occupational health and safety
- The 1996 Recommendation No. 184 on home working - The 1999 Recommendation No. 190 on the worst forms of child labor

**5.5.** Regulations related to Corruption, Money Laundering, and Terrorism Financing:

- Brazilian Anti-Corruption Law No. 12,846/2013
- Brazilian Law for Money Laundering Prevention - Law No. 6,613/1998
- Foreign Corrupt Practices Act (FCPA) 1997
- US Patriot Act
- United Kingdom Bribery Act 2010

- OFAC Executive Order 13224
- Sapin II Law