

# 2022 ANNUAL AND SUSTAINABILITY REPORT



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## MESSAGE FROM THE BOARD OF DIRECTORS

We have completed another challenging year in our history. Faced with the recent crises, especially the Covid-19 pandemic and the war in Ukraine, the Casino Group reaffirmed its unwavering commitment to the services provided to its customers. Our strategy remained focused on anticipating the needs of consumers and meeting them in the most effective way possible.

The results could not be better: the Group's operations in France registered vigorous growth and, in Brazil, Assaí broke records – with excellent results and strenuous growth, consolidating itself as the largest Casino's business worldwide. Assaí is the most valuable wholesale brand in Brazil according to Brand Finance 2022 and was also elected as the Best Company in the Retail Trade sector by Valor 1000 Award, considering even ESG criteria.

The strategic alignment between the companies combined with Assaí's solid contribution to the economic and social



scenarios is of utmost importance to the Group. The Company is an important agent of transformation: even in the face of the challenges posed by the macroeconomic scenario, it continued to bring food to the table of a multitude of Brazilian families at competitive prices. It is worth mentioning the role that the Assaí Institute, created in 2022, plays in this set of circumstances. Whether by fostering the training of entrepreneurs—a sector that has grown so much in the post-pandemic period, or by carrying out various donation actions across the country, this institute was already born a giant, as is Assaí.

In 2022, 2 years were completed since Assaí spin-off from GPA. The results achieved so far prove that the strategy was correct. In 2020, we had already envisioned the full potential that this move would bring to the Companies and investors, creating a myriad of business possibilities and further strengthening Assaí, which could unlock its full potential and become a company having an even stronger



identity and an increased performance capacity. The appreciation of the company's shares during this period shows that the market and society recognized these efforts, as well as the immeasurable strength of Assaí.

This has turned out to be breaking record after record. In 2022, there were a historic 60 openings—leading the Company to end the year with 263 stores—being present in almost the entire national territory (23 states, besides the Federal District). In just one year, 16,000 new jobs were created. Assaí also started one of the most important chapters in its history: the conversion of hypermarket stores purchased in 2021, which is an unparalleled move in the national retail.

Also, in 2022, progress was made in improving corporate governance. We approved the change to the company's bylaws, which set forth new guidelines for transactions with related parties; and we promoted changes in the structure of the Management Committee with the admission of Belmiro Gomes, CEO of Assaí. Thus, he brings to that area all his experience and vision in running the business.

In line with Casino's ESG strategy, Assaí has been making progress in becoming an

increasingly sustainable company. It had a 12.3% drop in scopes 1 and 2 emissions versus the same period in 2021, in line with the strategy to tackle climate change and the target of reducing emissions by 38% by 2030 (base year 2015). As for diversity, it continues to make progress in its goal to be a more diverse and inclusive company.

As a result, the Company was admitted to relevant market sustainability indices: the B3 Corporate Sustainability Index (ISE B3); the B3 Carbon Efficient Index (ICO2 B3); the IGPTW B3, which recognizes companies as an excellent place to work; and it was also admitted to the Bloomberg Gender-Equity Index.

Finally, it improved its ranking on CDP Climate Change, which is one of the major tools to assess and disclose efficient management and risk control related to climate change.

We deeply thank our employees, advisors, investors, partners, and suppliers for being with us. I reaffirm the full trust of the Casino Group in the management of Assaí and the certainty that the company will have another historic year and plenty of learning.

**Jean-Charles Naouri**  
Chairperson of the Board of Directors

“

**The results could not be better: the Group's operations in France registered vigorous growth and, in Brazil, Assaí broke records – with excellent results and strenuous growth.**

”

## MESSAGE FROM THE CEO

A historic year. After completing the spin-off from GPA, in 2022, Assaí carried out the largest and most successful expansion plan for a Brazilian food retailer and wholesaler. It was a record-breaking move: 60 openings opened within 12 months, in the same year that we made the largest investment ever made in the Company's history. Thus, we surpassed the original guidance of 52 openings, which shows and proves our solid execution ability.

We ended 2022 still with record-breaking revenues, besides market share gains in all regions of the country. We had significant achievements, even in the face of the challenges imposed by the macroeconomic scenario.

There is also another record we broke and that makes me very proud: we generated 16,000 jobs, making Assaí one of the 6 largest private employers in the country. These numbers are part of a consistent strategy that is also aware of the importance of impacting positively the lives of so many Brazilians.

In line with the assumptions of our strategic planning, we prioritized the conversion of Extra Hiper stores purchased in 2021 that were located in large centers and with high potential of return. There were



47 stores that demanded a full renovation and adequacy of spaces to enable our cash & carry operations. From the foundation to the roof, those buildings were fully modernized: the floor now can bear loads three times heavier, equipment were replaced, the floor plans of the sales halls and administrative offices were redone. To support this whole process, we also opened three new Distribution Centers (in Belem/PA, Rio de Janeiro/RJ, and Arujá/SP).

Including the 13 organic stores opened in the year, the 60 openings of 2022 will support the Company's growth in the future, also showing our various stakeholders the unique value proposition of Assaí: we have a strong, recognized and admired brand; a business model that privileges low price in an increasingly pleasant shopping experience; and, now, it represents some of the best physical retail points in the cities in which we operate.

An equation that shows the evolution of our business model and the path we will follow from now on. Our move led us to a point of no return as we crossed the last frontier of the cash & carry concept, taking Assaí even further within the large urban centers – a significant change to this format that was born and stayed for years on the outskirts

of cities. This means not only having units close to more customers but also serving different economic classes. This implied promoting even more changes in our format, whether by creating additional services in stores (such as a butcher shop, and cold cuts shop), in the product mix, or in developing the phygital strategy.

Improvements made to impact positively our customers but that do not lose focus on our essence: a low-cost and efficient operation. Operating expenses are strictly controlled—and this was no different in a year that required spending on renovations and constructions in a record-breaking expansion. Thus, we remain firm and strict in controlling them.

With the expansion, Assaí also drives an immense chain of suppliers and partners, generating income and jobs. This proves the relevance of our company and implies an even greater responsibility of all the over 76 thousand employees. This is why our ESG strategy is very much in line with our expansion, taking care and ensuring that all touchpoints and impact points of the operation are planned with a unique responsibility. At Assaí, speech goes hand in hand with practice.

Therefore, in 2022, we joined forces in creating the Assaí Institute. It enabled us to keep the Company's tradition of carrying

out social actions, including the promotion of small entrepreneurs in the food sector in regions of social vulnerability throughout Brazil, such as the recognized Academia Assaí Award.

With the significant increase in our number of new stores, we were also aware of the need to adapt our units and make them even more sustainable to cause the least possible environmental impact. Besides maintaining a firm commitment to reduce carbon emissions by 38% by 2030, we have taken significant steps in reverse logistics projects—with actions to meet the demands to expand the company and also to encourage recycling and practices with raised awareness towards the environment with our customers, like migrating our stores to the free energy market, to reduce scope 2 emissions by giving priority to renewable energy consumption, and in actions related to the National Solid Waste Policy, which is the major way to meet waste-related regulations.

Regarding people, diversity and inclusion are part of our culture and assure our perennial commitment to reflect the plurality of the society in which we live. In 2022, 5.3% of our employees were people with disabilities, a reference in the market. We also had 64.5% of the Company's people who are self-identified as black, 43,6% of the leadership positions held

by black employees; and, in 2022, we increased the inclusion of trans people, with a growth of over 48% versus 2021.

We are aware of the magnitude of what we have accomplished. As CEO and now also a member of the Board of Directors, I am certain about the solidity of our project, the continuity and the enormous growth potential that we have ahead. A proof of this is the significant appreciation achieved after the spin-off from GPA and that we remained steady throughout the year. For the next few months, we will deliver the remaining conversions and speed up the pace of organic expansion, totaling approximately 40 new stores in 2023. As for the innovation agenda, we will continue to enhance and invest in digital initiatives and other avenues of growth.

In this Report, we are proud of the submitted results and also of sharing how we work so that our business strategies and other initiatives bring positive impact to society, living up to the trust placed by investors, employees, customers, and society as a whole. By keeping our simplicity, we will be better prepared to reap the fruits of all these efforts.

Have a good read!

**Belmiro de Figueiredo Gomes**  
Chief Executive Officer

“  
**It was a record-breaking move: 60 new stores opened within 12 months, in the same year that we made the largest investment ever made in the Company's history.**  
”



# 1

## ABOUT THIS REPORT

This Report provides relevant information regarding our Purpose and performance and other initiatives aimed at the company's sustainable growth and the generation and sharing of value for our shareholders, investors, employees, and society.

Store in Itapetininga (BA)

# ANNUAL AND SUSTAINABILITY REPORT

## [GRI 2-2, 2-3]

Assai's 2022 Annual and Sustainability Report provides an account of our governance, initiatives, impacts, and results over a very special year for us, in which we reached record-breaking levels of expansion.

In this publication, we present all the care we took to support our expansion project, strengthen our corporate culture among our employees and disseminate them with assertiveness to the thousands who arrived, maintaining the engagement and consistency of our values amid a challenging routine that is committed to the goals set.

This report covers all our operations based on approaches and information consistent with the transparency requirements for companies listed in the Novo Mercado segment of B3 (Sao Paulo Stock Exchange) and in line with our ESG (Environmental, Social, and Governance) strategy pillars. The preparation of this document was followed up and approved by the company's key executives, the CEO, and the areas of compliance and Investor Relations. Its content and corresponding results reports comply with the accounting legislation and standards of the CVM (Brazilian Securities and Exchange Commission).



We count on you to continue evolving, preparing a transparent and consistent Report on our impacts and accountability. Please do not hesitate to contact us to clarify questions, send suggestions, or let us know what you think of our Report.

**Email: [sustentabilidade@assai.com.br](mailto:sustentabilidade@assai.com.br)**

**<https://ri.assai.com.br/>**

# Reference indicators

This Report was prepared by following standards adopted and in line with the best practices of international reporting, which aims to ensure the reliability, transparency, comparability, and consistency of data and content.

We provide below the guidelines of the **Casino Group CSR Program<sup>1</sup>** specific indicators, a proprietary methodology of our controlling group that meets the requirements of French legislation

The social and environmental indicators monitored and published are inspired by the guidelines set forth in the newest edition of the Global Reporting Standards Initiative (GRI 2021).

The framework of capital and shared value generation of the company follows the standard proposed by the International Integrated Reporting Council (IIRC).

*Sustainability Accounting Standard Board (SASB), which addresses environmental, social, and governance issues that can affect a company's financial performance.*

Indicators of the Task Force on Climate Related Disclosure (TCFD), which seek to show the impact of climate change on business.

We are guided by the United Nations (UN) Sustainable Development Goals (SDGs).



<sup>1</sup>Environmental quantitative indicators are calculated considering the period from October 2021 to September 2022, considering 190 stores. The other indicators refer to the period from January to December 2022.



# Content Drivers, and Integrated ESG Strategy



## Human Capital

We care for those who make our culture and Assai to be what it is: Our People. We talk here about who and how many we are, our diverse profiles, competencies, skills, career, engagement, and how we take care of Our People in terms of benefits, physical and mental health, and quality of life.

To determine the structure of chapters and relevant content, we use the Integrated Report model.



## Manufactured Capital

We talk about our operating model and our way of doing business, our network of stores and distribution, as well as details about our growth and expansion process.



## Intellectual Capital

It refers to technology and digital transformation at the service of our business and relationships, as well as our education, training, and knowledge dissemination initiatives.



## Social and Relationship Capital

It provides information about our principles, initiatives and commitments to our customers, communities, value chain, and about our engagement in partnerships and organizations that work on public issues relevant to our society.



## Financial Capital

We present the origin of our available resources and their performance in a way oriented to the company's sustainable growth, value generation and sharing with our shareholders, investors, and society.

We seek to describe our commitments to the ESG agenda in an integrated and in-depth manner. Special attention is given to our business model and the potential for generating positive social and environmental impacts for society and all stakeholders. The economic, social, and environmental dimensions are considered in our strategic formula, in our operations, and in the value chain based on the directives established by the United Nations (UN) Sustainable Development Goals (SDG) and under the 10 Universal Principles of the Global Compact network (UN GLOBAL COMPACT).



## Natural Capital

We report data on our management, initiatives, responsibilities and commitments to the environment, climate change, and use of renewable and non-renewable resources to preserve the ecosystem of our country and the planet.

# Materiality

[GRI 3-1, 3-2]

The content planning of this Report was carried out based on the materiality process, a resource used to define and propagate the major topics that will guide our company to achieve its strategic goals in line with its stakeholders' interests and expectations.

The Materiality Matrix, updated in 2022, is prepared from the combination of the strategic guidelines of culture and business with the expectations and demands of our **stakeholders** map. The topics identified allow us to determine goals for the continuous performance improvement in sustainable growth.

This Matrix is updated biannually, following the best market practices, with sectoral assessment and sustainability benchmarks, such as **the Corporate Sustainability Index (ISE B3), the Carbon Disclosure Project (CDP), the Dow Jones Sustainability Index (DJSI), and Morgan Stanley Capital International (MSCI)**; consultations were made with managers from different areas of the company, shareholders and investors, regulatory agencies, product suppliers, the press, and financial institutions, as well as quantitative and qualitative research with stakeholders.

For the review of our Materiality Matrix, primary information was got in interviews with the set of senior leadership (CEO, boards of statutory and executive officers), and other executives related directly to the strategy, besides secondary information from data collected by different areas, with the support of external consultants, as well as in-depth study of research and data on interests, expectations, and major demands from stakeholders.

The analysis of the results allowed us to identify/update the material topics provided on the **image**, which aligns our ESG action axes to the material topics identified.

The results, which consider the perspectives of internal and external stakeholders, will allow us to develop plans for the short, medium, and long term that should be treated with priority. The study also allows us to improve the company's risk matrix and the monitoring of threats faced at both strategic and operational levels, besides those originating in the external context and topics of corporate social responsibility that could affect Assaí's reputation or image.



# Sustainability positioning and axes of action

We seek to balance the economic, social, and environmental dimensions in our operations and the value chain, adopting the United Nations (UN) Sustainable Development Goals (SDG) as guiding principles for our initiatives. In summary, we seek to incorporate sustainability into our business model in a transversal way with a permanent monitoring of indicators and targets set for leaders so that our business model can follow up the transformation needs required by the social and environmental context and impact positively the society and our stakeholders, thus contributing to construct a more just and inclusive society that is also in line with the preservation of natural resources. Our commitments and strategies revolve around five major axes of action:



**Tackling climate change** We have targets to reduce carbon emissions and we continuously seek to reduce waste generation, as well as promote reverse logistics practices, reduce food waste, and invest in energy efficiency and clean energy sources.

**Material topics:**

Climate change ● Preventing food waste ● Waste and reverse logistics



**Valuing Our People** – We affirm our commitment to social inclusion and the diversity of our staff to create a fair and innovative environment that is free of prejudice and racism. To this end, we invest in the ethical and professional training of all employees

**Material topics:**

Material topics: ● Diversity and elimination of discrimination ● Wellbeing, health, and safety



**Transformation in the value chain** – We want to impact positively our business environment and contribute to improve our suppliers' practices. We have established strict standards in the relationship with our business partners and service providers to strive to eliminate deforestation and ensure appropriate working conditions

**Material topics:**

Responsible supply chain



**Engagement with society** – We want to be a mobilizing agent in the communities with which we interact by providing them with support for entrepreneurial initiatives and social campaigns.

**Material topics:**

Local development



**Integrated management and transparency** – We disseminate publicly our policies and commitments to our audiences, account for our actions in annual sustainability reports, and take part in associations and coalitions. We have a whistleblowing channel for receiving reports of events that violate our Code of Ethics.

**Material topics:**

Ethical and Transparent Relationships ● Corporate Governance best practices ● Data privacy and protection



Value Generation

Purpose: making prosperity a reality for everyone.

Shared Value



**FINANCIAL**

- Gross income: BRL 59,684 million
- Gross investment of BRL 4.8 billion (+ 96 vs. p.a.)
- Cash generation: BRL 4.2 billion (+ 75% vs. p.a.)
- Market value: BRL 26.3 billion
- Free float shares: 69.49%

**MANUFACTURED**

- Present in 23 Brazilian states and the Federal District
- 263 stores throughout Brazil
  - 116 stores in the North, Northeast, and Midwest regions
  - 147 stores in the South and Southeast regions
- 12 Distribution Centers (DCs)
- 11 Regional Offices

**INTELLECTUAL**

- Integration of the shopping experience with investments in technology: wi-fi infrastructure in all stores, self check-out, and partnerships with last-mile operators
- Meu Assai (My Assai) App
- Assai University: focused on the continuous development and growth of Our People
- Five training schools: Wholesale, Leadership, Operations, Commercial, and Technical and Behavioral Development

**HUMAN**

- Culture: Simplicity, Focus on Customers, Passion for what we do, Commitment to Results, Care for Our People, and Ethics
- 76,000 employees (base: December 31, 2022)
- 5.3% of People with Disabilities in the workforce
- D&I and Human Rights: improving Policies and Practices
- Physical and mental health, and quality of life programs
- Best practices for career development, achievement, and internal development for all areas of the company
- 1st Census of Diversity

**SOCIAL AND RELATIONSHIP**

- Significant creation of jobs driven by our expansion strategy
- Multi-platform communication with customers
- Commitments, policies, and practices focused on the value chain
- Assai Academy: training and support for micro and small entrepreneurs

**NATURAL**

- 20% increase in investments in specialized consulting and environmental compensation (2021-22)
- Performance indicators of the environmental management system
- Target to reduce Scopes 1 and 2 gross emissions by 38% (baseline: 2015 emissions) by 2030

**FINANCIAL**

- Increased sales growth among Cash&Carry players (22.7%)
- Listed on Novo Mercado B3 and NYSE
- Annual net revenue reached R\$54.5 billion (+31% vs. p.a.)
- Gross value added: R\$6.9 bn
- Robust revenue growth, stable expenditure

**MANUFACTURED**

- Expansion of the improved customer experience model v (emporium, cafe, boutique butcher shop, air conditioning, wi-fi, wide corridors and ease of parking)
- 60 store openings: 47 conversions and 13 organic stores
- + 1.3 million sq. m of sales floor
- Over 30 million customers/month throughout the country
- Regional supply made for the local consumption profile

**INTELLECTUAL**

- Assai University offers 50 Training Programs and 3,600 courses
- Over 5 million total training hours provided (+123% p.a.)

**HUMAN**

- Culture Guide developed collaboratively for alignment of leaders and teams is a great place to work
- Great Place To Work Certification: 75% of employees state that the company is a great place to work
- 22% growth of those eligible for Performance Assessment
- + 1,500 trainees enrolled, and about 210 approved to take up the position of submanager
- 12,420 positions filled by an internal candidate in the year (+34% p.a.)
- 49% women and 51% men in the workforce
- 64.5% of black people hired, and 43.6% of black people in leadership positions
- 250 Diversity Ambassadors

**SOCIAL AND RELATIONSHIP**

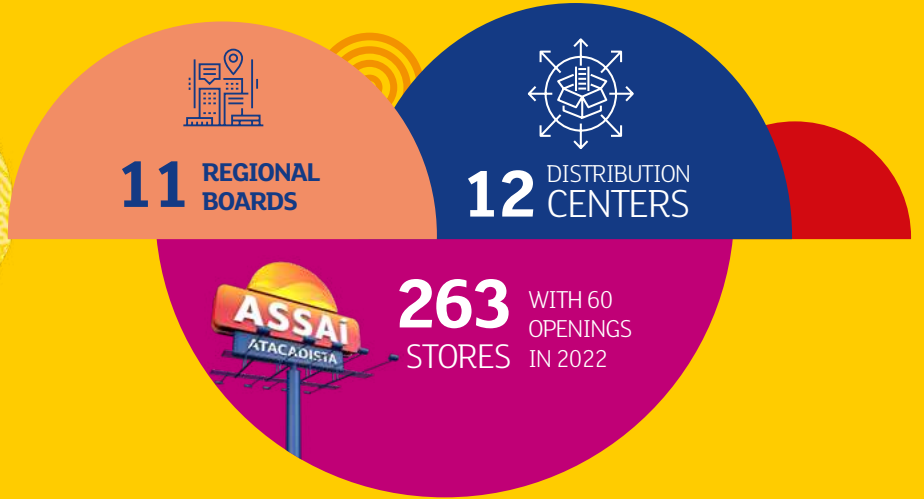
- + 16,000 direct jobs generated in the year
- Among the 10 largest employers in the country
- Customer satisfaction indicators: 8 rating on Reclame Aqui consumer channel (last 12 months), and 9.4 rating in internal surveys
  - Assai Institute: donation of over 242.7 tons of food, benefiting over 25,000 families in Brazil
  - Our Christmas fundraising campaign totaled over 378 tons of food
- Assai Academy: 31,862 registered entrepreneurs and 2.7 million hits to our online platform

**NATURAL**

- 12.3% reduction of Scope 1 and 2 emissions
- 98.1% of transactions converted to the free energy market
- Publication of the 1st Emissions Inventory with the Brazilian GHG Protocol/Gold Seal Program
- Solid Waste Management Plans (PGRS) for 100% of our operations

## 2022 HIGHLIGHTS

[GRI 2-6]



- STORES
- DISTRIBUTION CENTERS
- REGIONAL BOARDS



PRESENCE IN  
**23**  
STATES  
AND THE FEDERAL  
DISTRICT



**1,3** MILLION SQ. M  
SALES FLOOR



OVER **76,000**  
EMPLOYEES



**R\$ 59.7**  
BN INCOME

+ 31% on p.a., with improved  
sales of same store sales  
above 10%



PARTNER STORES OF LAST-MILE COMPANIES

2021	2022
<b>128</b>	<b>159</b>



STATES SERVED  
2021 AND 2022

**23**  
BESIDES THE FEDERAL DISTRICT



STORES IN OPERATION

2021	2022
<b>212</b>	<b>263</b>



DISTRIBUTION CENTERS

2021	2022
<b>10</b>	<b>12</b>



STORES OPENED IN THE YEAR

2021	2022
<b>28</b>	<b>60</b>



EMPLOYEES (TOTAL)

2021	2022
<b>60,120</b>	<b>76,024</b>



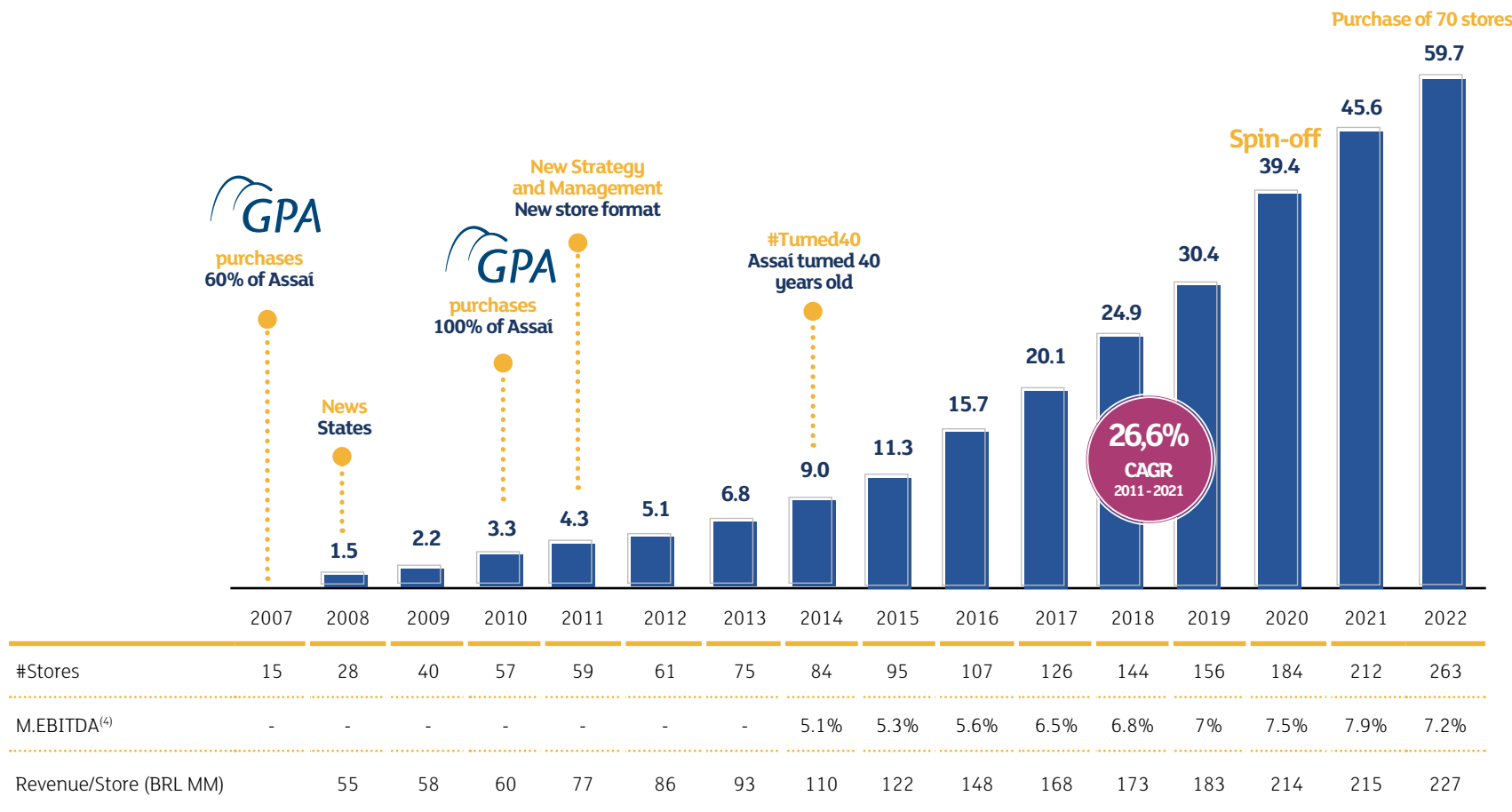
REGIONAL BOARDS

2021 AND 2022

**11**



## The largest pure cash&carry player with a consistent growth history



## TOP ACKNOWLEDGMENTS



## CONSUMER SATISFACTION

\*\*RECLAME AQUI RANKING



### OTHER CUSTOMER AND CONSUMER SATISFACTION INDICATORS (OWN SURVEYS AND SELF-ASSESSMENTS)

Means of assessment	*Satisfaction %
Totem	73%
National survey	72%
Source survey	81%
Customer's Channel	87%

\*% of satisfaction refers to grades 9 and 10 given by customers and consumers

\*\*The Reclame Aqui Ranking considers the company's reputation and the number of complaints published for each category linked to a company's registration on its the platform.



# 2

## GOVERNANCE

This chapter provides information on our full compliance with the principles and best practices of Corporate Governance that are in line with the pillars of our ESG strategy.



Conducting business with transparency, responsibility, and loyalty to our values are principles that guide Assai's leaders. We know that our success depends on the respect for ethical principles, laws, standards, and internal regulations, which guarantee the predictability of our actions and conduct. Doing the right thing in the right way is the best manner to ensure the sustainability of our business. We seek to combine the best governance practices of publicly traded companies with the commitment to our work, the passion for what we do, and the motivation to build a company with national and regional operations capable of meeting the needs of our customers and generating prosperity for the whole society. Our policies are reviewed every two years, or sooner in cases of changes in internal processes or the regulatory environment which we are subject to.

We comply with the highest standards of corporate governance required by Novo Mercado, a segment of B3 where we are listed. We also meet the requirements of companies listed on the New York Stock Exchange (NYSE). Continuing in this select group is a daily challenge that requires compliance with strict standards, besides the rules set forth by the Brazilian Securities and Exchange Commission (CVM), which were added to the

Company's Bylaws and our internal policies. By establishing a high corporate governance standard, we aim to create a healthy and safe business environment for all our stakeholders, based on ethical and transparent relationships, thus giving greater predictability to our actions and projects.

The excellence of the governance standards adopted by Assai has been recognized by the financial market. Throughout 2022, in our second year of independent operations, we met the requirements and were admitted to B3's Corporate Sustainability Index (ISE), which brings together companies with management processes committed to corporate sustainability practices.

**ISE: B3's Corporate Sustainability Index**

Indicator of the average performance of asset quotations of companies selected for their recognized commitment to corporate sustainability. ISE is an important tool used by investors to make decisions for their investment portfolio. Historically, the companies composing it have performed above the B3 indicators.



We have joined B3's IC02 (Carbon Efficient Index), which certifies the commitment to transparency in disclosing its carbon emissions and provides companies with guidance to get prepared for a low-carbon economy.

**Assaí: the only wholesaler to respond to the CDP report, improved its rating from C in 2021 to B in 2022.**

Store in Lauro de Freitas (BA)

### CDP CLIMATE CHANGE

We submit our data for assessment by the Carbon Disclosure Project (CDP), a global initiative that is the largest system for reporting information related to climate, forest, and water management. CDP encourages investors, businesses, and cities to engage urgently in building a sustainable economy by measuring and understanding environmental impact.

Assaí has coverage of 20 financial market institutions. Besides, the company makes up the Consumer Index of BFM-Bovespa, the Emerging Markets Index of Morgan Stanley Capital International (MSCI), and the Financial Times Stock Exchange Index (FTSE). The Investor Relations department is responsible for providing official information on ESG policies and operating and financial results for the market and its regulatory agencies, such as the Brazilian Securities and Exchange Commission (CVM) and the American Securities and Exchange Commission (SEC).

## ADMINISTRATIVE STRUCTURE

Our administrative structure was established to ensure agile and efficient management in the monitoring of goals, always in line with our values, current legislation, and the commitments made to our stakeholders. The following corporate bodies seek to ensure the soundness of our management:

**Board of Directors:** it is responsible for setting forth the company's long-term strategy and general policies. It may approve or change investment plans and resolve on the issuance of shares up to the authorized capital limit. It supervises the officers' performance. It comprises nine members, three of whom are independent. We have a woman as a Board member.

The Board of Directors is also responsible for appointing the members of the five committees responsible for strategic areas of the company: Corporate Governance and Sustainability Committee, Audit Committee, People and Culture Committee, Financial Committee, and Strategy and Investment Committee. The members of the committees have a term of office of two years, who may be nominated again to the same position, count on external members. **[GRI 2-13]**

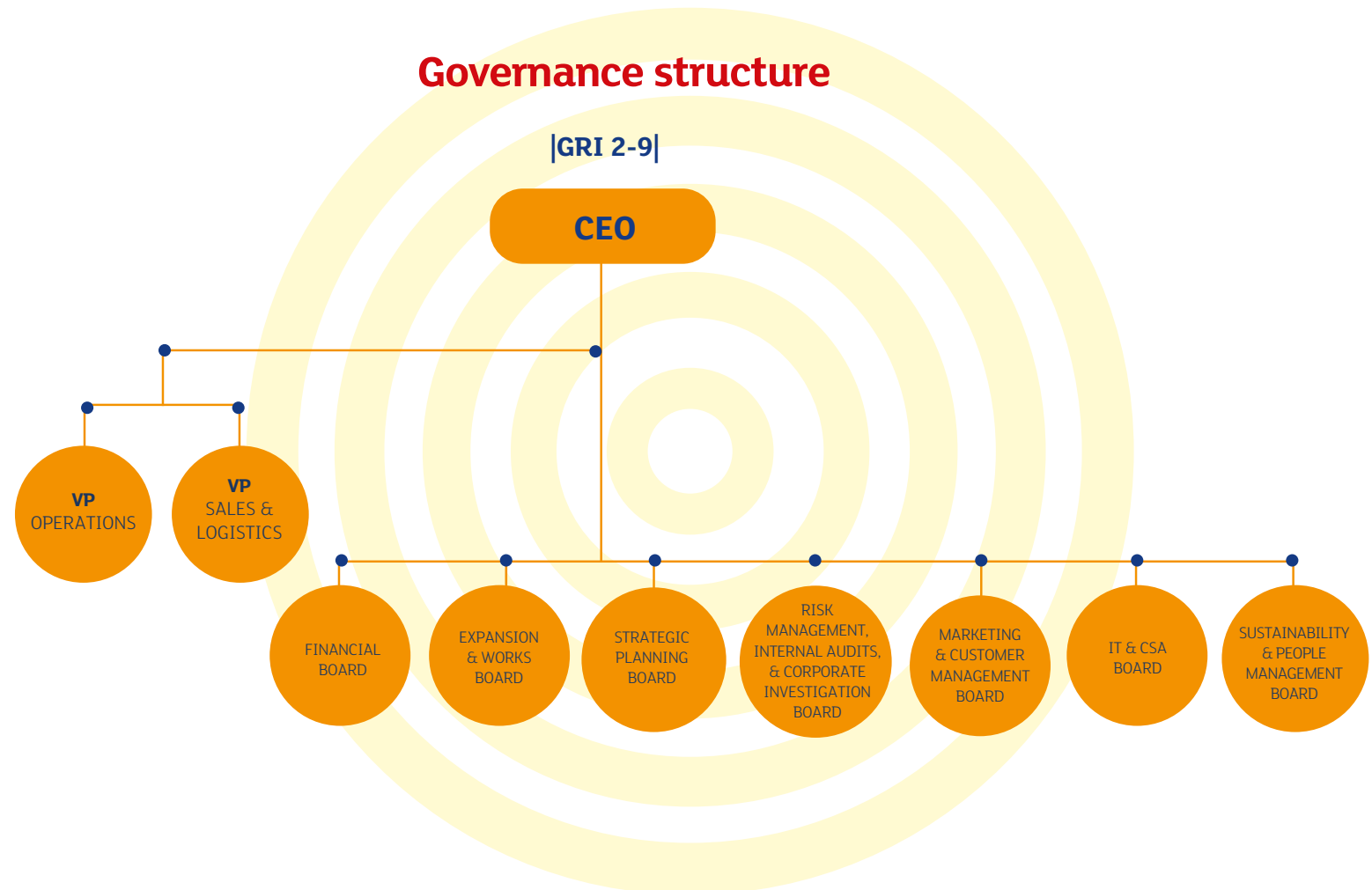
**Fiscal Council<sup>2</sup>:** our company does not have a permanent Fiscal Council (aka Supervisory Board). Pursuant to the Brazilian corporations law, the Fiscal Council, if established, shall operate independently of

our management and our external auditors. Its primary responsibility is to review the financial statements for each fiscal year and provide a formal report to our shareholders.

**Statutory Board of Executive Officers:** it is responsible for implementing the guidelines

set forth by the Board of Directors. It is comprised by five members, who represent legally the company, this statutory board is elected for a term of office of two years, which can be renewed.

**Corporate Governance and Sustainability Committee:** it follows up and recommends the adoption of ESG best practices, besides coordinating the process of implementing this model.



<sup>2</sup> The Fiscal Council of Assai (aka Supervisory Board) is not permanent, and may be established upon request of shareholders holding at least 2% of common shares. In this case, the Fiscal Council will have at least three members and will act independently of the company's management and the external auditors. This provision, set forth in the company's Bylaws, complies with the Brazilian corporate laws.

**Audit Committee:** it meets the requirements of the Novo Mercado standards and the Sarbanes-Oxley Act ("SOx"). It has five members, three of them independent and one notoriously recognized for hi/her expertise in corporate accounting, besides complying with the legal requirements of the Fiscal Council<sup>2</sup>

**People and Culture Committee:** It has as purpose to make Assaí a company with a plurality of views and opinions in its decision-making process. Its role is to approve the company's compensation guidelines. It reviews the profile of candidates to the Board of Directors and its Advisory Committees. It also assesses candidates who may hold the positions of statutory officers, based on professional background, technical training, and economic, social, and cultural representativeness.

**Financial Committee:** It is responsible for analyzing, recommending, and reviewing measures and actions to ensure compliance with economic and financial standards. It contributes to investment decisions and negotiations.

**Strategy and Investment Committee:** Its role is to monitor and recommend investments and the adoption of processes and practices that follow the major and best technological and innovation trends.

ISE B3



**Gabrielle Helú**  
Chief Investor Relations Officer

“*The ESG (Environmental, Social and Governance) pillars have been gaining strength in the market and it is the trend that will guide, more and more, investors' decisions. Undoubtedly, companies that are more aligned with this agenda will be able, in the long run, to mitigate more risks and will have a better financial performance. We follow this path here at Assaí; we understand how important this is, and we put into practice concrete actions for sustainability, which made us be admitted, in 2023, to the portfolio of the B3 Corporate Sustainability Index (ISE), now as an independently company since our listing on the stock exchange. This move reinforces our maturity in a consistent and cross-cutting ESG strategy across our business, even in a year of record-breaking expansion or our company.*”



**Felipe Jesus**  
Technical Purchaser

“*As a strategic sector of the company, we treat the Code of Ethics as a pocket guide for all transactions we negotiate. We are committed to act with transparency, impartiality, and ethics, while avoiding conflicts of interest and analyzing all potential risks in everything we hire or purchase, putting the Anti-Corruption Policy fully into practice.*”

COMPLIANCE

# Major Instruments

|GRI 2-23, 2-24|

We have sought to improve our governance instruments, which are documents setting forth standards that aim to give more agility, transparency, and autonomy to our company's activities. It is through policies in line with our values and purposes that we improve our management and privilege transparency, adopting strict principles and practices.

**Already in our first year of independent operations, we have consolidated a full framework of policies relevant to support our operations and relationships. These include:**

- Policy of Reporting to the Whistle-blowing Office and Ascertainment of Facts
- Policy on Consequences and Disciplinary Sanctions
- Diversity and Human Rights Policy
- Policy on Confidentiality, Disclosure, and Use of Material Information;
- Environmental Management Policy;
- Corporate Risk Management Policy;
- Policy of Nomination and Compensation of the Members of the Board of Directors
- Securities Trading Policy;
- Privacy Policy;
- Policy of Transactions with Related Parties

In 2022, we sought to improve our policies and set forth parameters for our performance in other domains to ensure the practice of our values and provide our activities with more safety. We have also updated Policy of Nomination and Compensation of the Members of the Board of Directors, its Advisory Committees, the statutory board of executive officers, and the Fiscal Council (aka Supervisory Board). Our Company's Bylaws have been updated to provide minority shareholders with increased decision-making power. According to the new standards, transactions with related parties above R\$100 million must also be approved by minority shareholders.

**Anti-Corruption Policy:** it meets the anti-corruption requirements set forth by the Brazilian legislation (Anti-Corruption Law), the U.S. FCPA – Foreign Corrupt Practices Act, and the French law on corruption practices, known as Sapin II Law. It sets forth guidelines for the areas of compliance, whistleblowing, internal audit, investigative, and legal areas.



### **Policy on Consequences and Disciplinary**

**Sanctions:** it provides for appropriate actions in cases of non-compliance with the current legislation, the Code of Ethics, and internal policies, considering a careful analysis of cases and the corresponding appropriate measure.

### **Policy on Transactions with Related**

**Parties:** it sets forth guidelines to ensure that the interests of the company and its controlling companies are met in transactions, considering the principles of transparency and commutative justice (i.e., agreements executed under principles of fairness, good faith, and legal certainty, through which both contracting parties are aware of their rights and obligations). It also aims to prevent and manage situations of conflicts of interest.

### **Policy on Confidentiality, Disclosure, and Use of Material Information:**

it meets the requirements of regulation of the securities and exchange market, setting forth standards to be observed by the Investor Relations Officer and other responsible

people with regard to the disclosure of material information and the maintenance of confidentiality in cases of information not yet disclosed to the public.

**Environmental Management Policy:** in line with the principles set in the Sustainable Development Goals (SDGs) and the environmental policy of the Casino Group, it provides for principles, commitments, and guidelines to be complied with by the company, its employees, and service providers on sustainability and environmental management actions pursuant to the legislation in force.

**Securities Trading Policy:** it sets forth standards and procedures for any trading of securities issued by the company to ensure practices of good conduct and avoid the use of inside information. It meets the requirements of CVM Resolution 44/2021.

### **Corporate Risk Management Policy:**

It sets forth principles, guidelines, and criteria for identifying, assessing, treating, monitoring, and reporting risks inherent to the company's activities that may affect its strategic goals. Its purpose is to contribute to protecting Assai's value, as well as to enable

the incorporation of risk vision into decision-making under the best market practices

**Diversity and Human Rights Policy:** it brings international human rights principles that guarantee the rights of all people, regardless of race, color, gender, language, religion, political or other opinion. It states the commitments of Assai to creating an environment with no discrimination and the positions taken in valuing diversity and social inclusion.

### **Social and Environmental Beef**

**Purchasing Policy:** we have also improved our Social and Environmental Beef Purchasing Policy, which has as purpose to provide guidance on the business relationships between us and our suppliers of beef products. With this policy, we set forth commitments, performance pillars, and guidelines that serve as the basis for the company's beef purchase process, besides ensuring compliance with the Brazilian Forest Act and other legislation in force. We have determined our operational standards under the Protocol for Monitoring Cattle Suppliers in the Amazon region and the

Protocol for Voluntary Monitoring Cattle Suppliers in the Cerrado biome. Compliance with these guidelines is required from all beef suppliers and is a condition precedent for establishing and maintaining long-term relationships with us.

**Code of Ethics:** this document summarizes the most important principles and guidelines that direct our work and decisions. This Code also presents our expectations regarding the behavior and performance of our leaders, for leaders, management members, employees, suppliers, business partners, and service providers, expressing the expectations, principles, and guidelines that must be followed by everyone in the relationship with stakeholders. Besides, it provides for guidelines to conduct business and relationship with public authorities, business partners and employees, anti-corruption policies, conflict of interest, contributions and sponsorships, activation and investigation of the whistleblowing area, consequences and disciplinary measures, management of the ethics committee, relationship and agreements with public authorities and compliance with inspections, commitment to promoting diversity and inclusion, and compliance with laws, standards, and internal rules, among others.

**Also in 2022, other important business and relationship topics became part of our Governance instruments, and the following policies were created to address them::**

### **Community and Stakeholder Relations Policy**

This Policy aims to bring general and specific guidelines to establish long-term relationships with all audiences that influence or are influenced by the Company's activities. Our actions in this regard should be based on dialogue, engagement, ethics, and transparency of information with the purpose of generate shared value, identify opportunities for the parties, and manage social and relationship capital.

### **Advertising and Marketing Commercial Actions Policy**

This policy sets forth the general and specific guidelines for carrying out Assai's commercial advertising and marketing actions, aiming to ensure compliance with the applicable standards and good practices of marketing, sales, and advertising activities. These standards ensure that the communication of products and services is performed in a responsible, ethical, and transparent manner, respecting all principles of sustainability, diversity & inclusion, human rights, and consumer rights, in line with the guidelines of all our other policies.

### **Private Social Investment Policy**

This document aims to guide the strategy of every and all social investments of Assai and provides the guidelines for action, application of financial, human, and material resources, with the purpose to benefit the society directly, in line with the priorities determined by the Company that are now carried out by the Assai Institute.

### **Policy of Nomination and Compensation of the Members of the Board of Directors**

Remuneration of the Members of the Board of Directors, their Advisory Committees, the Board of Statutory Officers, and the Fiscal Council aims to establish criteria and procedures to be complied with when appointing members of the Board of Directors, its Advisory Committees, the Statutory Board of Officers, and the Fiscal Council of the company, whenever this latter is so requested by our shareholders and provided it is duly established, to ensure the best governance practices, as well as to determine the compensation strategy of said members, in line with the best market practices.



Our new stores are already built considering environmental impact and eco-efficiency

# Whistleblowing office

At Assai, the Whistleblowing office is bound to the People and Sustainability Management Board, and receives reports of potential violations of our Code of Ethics, our internal policies, or the legislation in force. Whistleblowers are guaranteed non-retaliation, secrecy and confidentiality, and anonymity.

Its role goes far beyond the application of disciplinary or punitive measures.

The Whistleblowing office plays a critical role in ensuring a respectful environment for all our stakeholders and contributes to improve our management practices, guaranteeing coherence of and adherence to our values.

All internal or external complaints are reviewed and investigated independently and are treated under the parameters set by the Policy on Consequences and Disciplinary Sanctions, which sets forth actions to provide guidance, warning, suspension, or termination of employees, depending on the severity of the case. Proven violations of the Code of Ethics are also assessed by the Ethics Committee. All data are analyzed monthly and forwarded every semester to the Audit Committee.

The Whistleblowing office also has the role of preparing structuring measures in partnership with other company's areas to improve critical processes.

Besides social media, the Customer's Channel, internal areas, and the press, our contact channels are:

Phone: 0800 777 3377  
 Email: [ouvidoria@assai.com.br](mailto:ouvidoria@assai.com.br)

Whistleblowing Channel on the institutional website



	2020	2021	2022
Number of events related to subjects of the Code of Ethics	2,403	3,105	4,518
Number of events related to subjects of the Code of Ethics, analyzed and addressed*	100%	100%	100%

\* Events resolved in the period

# Compliance

|GRI 2-24|

Respect for ethical standards, laws, and internal regulations are critical factors in generating value for Assai and the society, besides contributing to mitigate risks to the company's activities and for preserving our business sustainability. The compliance area has the mission of contributing to promote our culture of ethics and best compliance practices both for Assai and our employees and partners, including customers, suppliers, shareholders, public authorities, and fundraisers for social projects, sponsorships, donations, and contributions.

This area has been investing in the training of our people to develop the culture of compliance across all areas and units of the company and to work together with managers to provide clarifications on the best practices to be adopted. In its performance, this area interacts directly with the areas of Whistleblowing, People Management, Corporate Investigation, Internal Audit, Internal Controls, and Legal seeking to identify risk situations and violations of the Code of Ethics to determine the most appropriate measures for handling cases.

The area also helps to determine and implement the best practices of Assai's Ethics Committee. In 2022, representatives of the area took part in a working group on compliance promoted by the Ethos Institute of Companies and Corporate Social Responsibility that has as purpose to foster the creation of a business environment based on solid ethical principles.

Our **Compliance Program** Program is supervised by the senior management and is a set of measures developed and implemented with the aim of preventing, detecting, and responding to events of ethical deviations, such as fraud, corruption, conflict of interest, among other situations. Together with the Code of Ethics, other standards must be understood and complied with as well, like the Anti-Corruption Policy and other internal regulations that guide the activities and set forth the general guidelines on anti-corruption practices, contributing to compliance with existing legislation, in particular the Brazilian Anti-Corruption Law (Law No. 12.846/13), the American Foreign Corrupt Practices Act (FCPA), and the French Anti-Corruption Law known as Sapin II, and other related legislation applicable to the conduct of our business.

The Compliance department is closely tied to the "Ethical" core of our culture and works to encourage and guarantee the optimal practices for Assai's compliance.

In 2022, our work focused on organizing initiatives and implementing monitoring indicators and controls on what was already underway, especially risk assessment of third parties, Policies, and Procedures. Indicators of risk assessment of third parties, non-hiring recommendation procedures for higher-risk suppliers, indicators of employee status, training on our Code of Ethics, and elimination of corruption were established.





In 2022, we updated our Code of Ethics, reinforcing the need to maintain our values, which include simplicity, focus on customers, passion for what we do, commitment to results, care for Our People and ethics, and internal standards. Compliance with our standards is mandatory for all employees, from any hierarchical level, business units, and for all suppliers and service providers.

Throughout 2022, 27 thousand employees were provided with training at the Assaí University on the Code of Ethics, which is mandatory for new employees and whenever such document is updated. Training was also provided on topics such as Anti-Corruption, Conflict of Interest, Information Security, Ethics, Purpose and Legacy in Career.

The hiring of service providers, the relationship with public agencies, donations and sponsorships are assessed in the light of our internal policies and the Code of Ethics to prevent reputational risks and threats to the company's integrity and compliance. In addition, we also focused on mapping politically exposed persons, monitoring donation and sponsorship indicators as set forth by the Anti-Corruption Law, and reviewing all agreements regarding contractual clauses related to Anti-Corruption Law, and reviewing all agreements regarding



were provided with training on the Code of Ethics at Assaí University

contractual clauses related to Anti-Corruption Laws, which aims to eliminate public and private corruption.

In the midst of the strong expansion of our activities, our major goal for 2023 is to disseminate and strengthen our compliance culture to all employees, highlighting the aspects of risk mitigation and protection of Assaí's image and reputation and that, consequently, watching over these issues goes through everyone's routine activities.

Our compliance philosophy understands that relationship and training for employees, administrative staff and in all stores, as well as in the value chain, are vital for everyone to understand that the compliance risk controls add value and are critical sustainability factors for our business.



# Risk Management

Our Risk Management Policy, updated in 2022, is part of the corporate governance process and seeks to incorporate into the strategic decision-making process potential situations that may affect the goals and processes of value creation and protection of the Company and its stores. To this end, we act under legal requirements and our Code of Ethics, seeking exposure control and monitoring devices in order to identify and treat risks to ensure the achievement of goals, ensuring greater predictability for our activities. We follow international standards established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the ISO 31000: 2018 standard—Principles and Guidelines of Risk Management to guide the processes of identification, assessment, treatment, monitoring, and reporting of risks

The corporate risk management process is known as ERM (Enterprise Risk Management) and begins in an annual presentation/update meeting for the company's CEO and Executive Officers. It covers the identification and understanding of the Company's short- and long-term strategic goals, as well as the environment in which such goals are pursued. This is a critical step to ensure that the risk management process is in line with the management and strategic planning cycles of the company in the short and long term, thus identifying its capabilities and tolerances for greater maturity of risk management concepts. Risks are monitored permanently and reviewed every three months or in case of events that impact the business. Under the leadership of the Risk and Audit Board, the process seeks to involve from the senior management to the areas directly involved with practices that offer risks to the business.

## Risk Classification

We adopted four key risk classifications within the process, namely:

- a) Strategic:** Risks that affect the Company's strategy or strategic goals. They are related to scenarios of uncertainties and/or opportunities and are a priority for the Senior Management.
- b) Operations:** Risks arising from some inadequacy or failure to manage internal processes, people, or technologies that may hinder or prevent goals to be achieved.
- c) External:** Risks arising from events external to the company that are beyond its influence or control. They are bound to external factors such as economic scenario, health crises, regulatory environment, consumer habits, among others.
- d) Corporate Social Responsibility:** Risks related to any environmental, social, and/or governance issue, related to the company's reputation and/or image.

Since 2021, besides the ten key business risks mapped, we have also monitored five ESG risks, formalizing the classification as business risks or socio-environmental risks. ESG risks were determined, in 2019, from a complete reference (risk

dictionary) related to this subject, reviews of relevance to the business and subsequent interviews with key executives of the company, allowing the mapping, identification, and assessment of socio-environmental risks, value assessments,

besides preparing action plans for their treatment, prevention, management, and reporting, within the governance of Assaí's risk management.

Strategic risk planning evolves consistently, and **it currently incorporates external issues such as the War in Ukraine, the threat of Covid-19 to return, inflation and potential loss of population purchasing power, commodities market, currency volatility, political instability, among others. We pay special attention to the mitigation of environmental and social risks** by establishing relationship policies with our employees, customers,

suppliers, and the communities affected by our activities. Learn more details on our strategy, responsibility levels, and risk management metrics by accessing the CVM Reference Form.

We have also trained our loss prevention team – which works with the security of our stores – and is at the forefront of customer contact to provide guidance on our values and mitigate risks. We hold workshops for suppliers who provide support services (security, cleaning, parking, security surveillance, and cafeteria), to align our policies and practices regarding diversity, thus multiplying our awareness-raising network beyond Assaí.

#### FIVE ESG RISKS:

- Eliminating discrimination and promoting diversity;
- Food waste
- Coping with climate change;
- Environmental impacts on the supply chain;
- Carbon emissions from refrigerant gases.

# Information Technology and Security

[SASB CG-MR-230A.1]

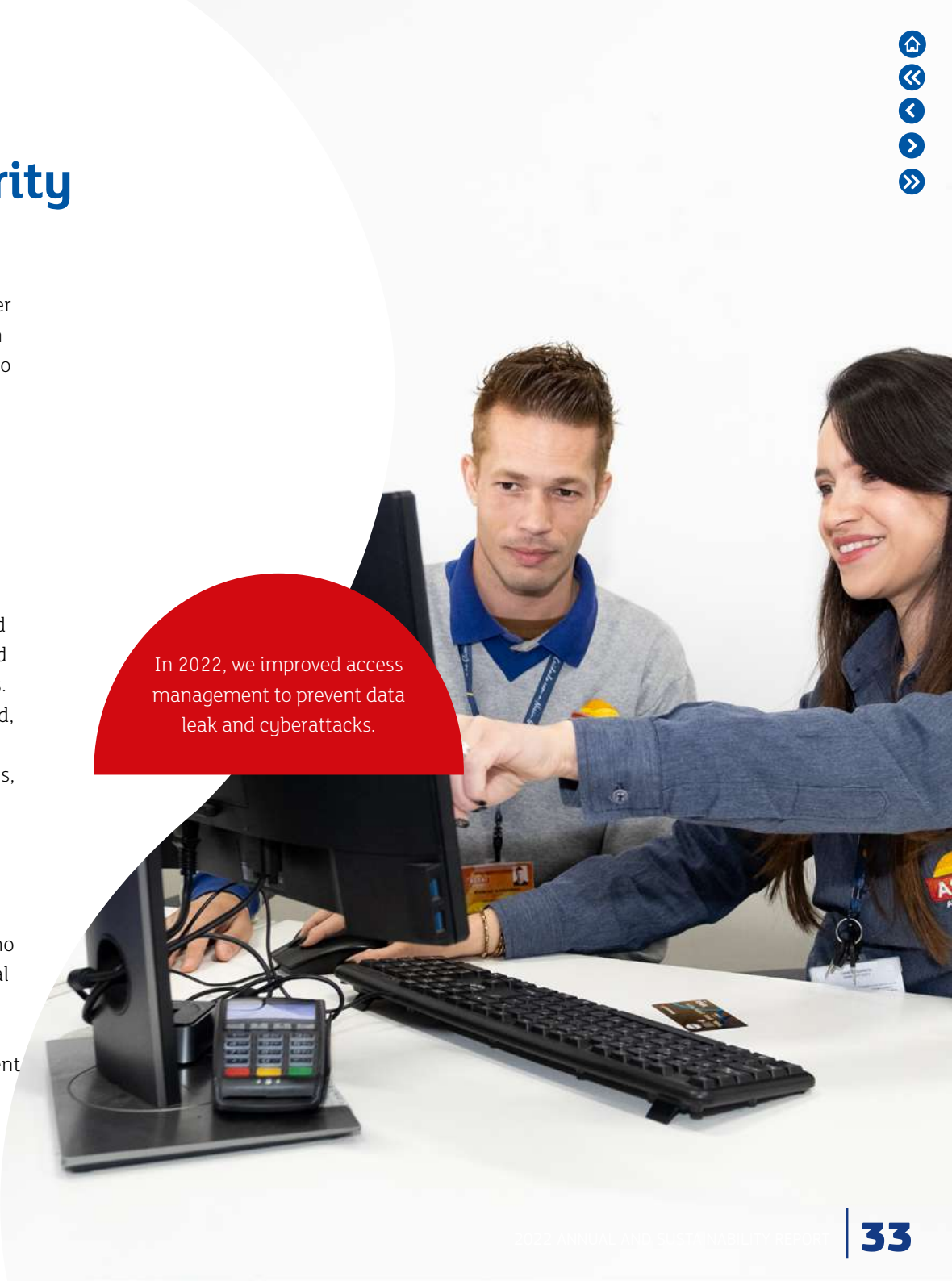
Cyberattacks are increasing in sophistication and volume across companies by combining different types of attacks to achieve their goal. On the other hand, information security teams use different solutions to monitor their environments, manage assets, and respond to possible cyber threats, thus increasing the complexity and need to have an appropriate outlook of cyber risks and to correlate points of attention with incident detection and response.

Through Information Security Governance, Assai aligns the goals and strategies of this topic, directing a program comprising actions and implementations aimed at increasing the layers of security, considering among other factors the protection of our network and access to information, messages traffic, protection of users' devices, and secure copying and restoration of information. This Information Security Program has its priorities revised regularly, based on maturity analyses

of the above-mentioned factors for cyber risks. At the same time, communication and training campaigns are developed to raise awareness in Information Security for all employees.

To adjust our operations to the General Data Protection Law (LGPD), we have implemented a **Privacy Policy** to expose clearly the purpose, use, and processing of personal data carried out by Assai, ensuring the transparency and protection of our customers' privacy and the possibility of improving our services. A **Cookies Policy** was also implemented, comprising files that allow us to know how and when Assai's websites, products, and services are used.

This policy explains the reasons for the use of cookies and their benefits to improve the experience of consumption and relationship with our customers, who can, on our website, check their personal data, update them, request them to be deleted, stop sending promotional information, as well as revoke the consent given to Assai.



In 2022, we improved access management to prevent data leak and cyberattacks.



# 3

## STRATEGY

This chapter provides a summary of Assaí's overall strategy. Quantitative supportive data are spread throughout this Report.



## |GRI 2-6|

Throughout the last ten years of unceasing growth, we have become a prominent business across the nation, now a part of the daily routines of millions of people. We reached the mark of 263 stores in 23 Brazilian states and the Federal District. Our business stands tall among the biggest companies in Brazil, and our brand is highly prized, with sales ever on the rise. Thoroughly researched strategies are in place to ensure the company's sustainability and profitability in the long run, and all these results demonstrate that.

During these years, we have been seeking to improve our business model, anticipating and taking advantage of opportunities aimed at keeping the preference of our customers and win new consumers and audience profiles.

In line with our strategy of continuous expansion, in 2022, we prioritized the conversion of stores purchased from hypermarkets located in a privileged location in large urban centers, which present fast sales maturation, ensuring excellent results and a significant contribution to our income. Without restricting ourselves to the movement of

converted stores, the search for sales points in privileged locations and in urban centers has also guided our organic expansion, which is the result of the value created by our operations, the profitability of our business, and the company's internal investments. As a result, we deliver to the market and our customers 60 new stores, 47 conversions, and 13 organic stores, with an improved infrastructure and operations combined with increasingly competitive prices and a better shopping experience.

We are renowned as one of the largest companies in Brazil and one of the most valuable brands in the country.



Store in Campo de Goitacazes city (RJ)



For 2023, our expansion strategy will also focus on delivering about 20 stores originated from the conversion, thus closing the full use of the purchased assets, and approximately 20 organic stores, a model that will continue to support our continuous growth journey, in line with investments arising not only from funds raised from third parties but mainly from our continuous history of strong cash generation.

As for operations, our business model is designed to be flexible and responsive to the varying needs of different regions and audiences.

We seek to strengthen the autonomy of regional leaders to meet more quickly our customers' needs in each place where we operate. We have thus been able to supply our stores with our consumers' favorite regional products and adopt marketing plans focused on local demands.

Our decentralized logistics system enables us to have an extensive selection of products in stores with competitive prices. We seek to keep a low-cost structure to offer our customers competitive prices and strategically invest in smart and sustainable requirements that

improve the shopping experience while optimizing operating costs, as these investments have proven to show not only sales growth but also a higher profitability.

With over 76,000 employees, we have become the sixth largest private employer in the country. Our People are an essential part of our strategy, so we seek to create an environment that is always **more inclusive** and diverse, respectful, and welcoming. We count on the engagement of our employees

to continue our expansion projects. Our growth is also the growth of Our People. And this is one of the pillars of our solid commitments to the ESG agenda and the positive impact of our actions on society, which also includes governance based on ethical principles and accountability to our stakeholders.



Store in Teixeira de Freitas (BA)



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4

# FINANCIAL CAPITAL

We present the origin of our available resources and their performance in a way oriented to the company's sustainable growth, value generation and sharing with our shareholders, investors, and society.



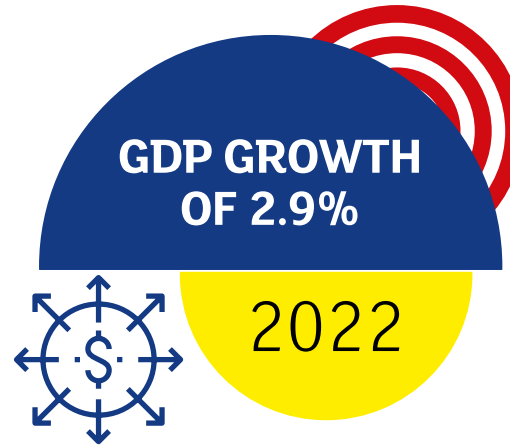


# Macroeconomic and industry context

The cooling of the Covid-19 pandemic in Western countries and In 2022, the world economy was drastically impacted by Russia's invasion of Ukraine, with energy costs dramatically increasing, inflation and interest rates soaring, and a dramatic increase in the demand for products and services, without the full restoration of the world's supply chains. In addition to this, the Chinese economy suffered because of the real estate crisis and the Zero Covid policy, based on strict lockdowns. Despite the restrictive scenario and international difficulties, the Brazilian economy showed GDP growth of 2.9% by the third quarter, explained by the combination of the following factors: pent-up demand, the reopening of the service sector, high external demand, and tax incentives through social programs and tax reduction.

The labor market saw a dramatic improvement in employment and income,

with a record-breaking 99.7 million people employed, creating 2.2 million jobs with a formal contract and reducing the unemployment rate to 9.3% in 2022, the lowest it had been since April 2015. In this scenario, the mass of income from wages already exceeds pre-pandemic levels, and average income increased. Inflation rose drastically as a result of the war in Ukraine's influence on energy and agricultural commodity values. The approval of the PEC (a bill to amend the federal constitution) to regulate fuels interrupted the increase in prices, but the IPCA rate closed up 5.79% above the 3.5% target with a 5% ceiling. The items that suffered greater price increases were clothing, personal care, health, food, and beverages. To curb inflation, the Central Bank raised the basic interest rate to 13.75%, in the largest upturn cycle in 20 years. Under the impact of a tight monetary policy, the pace of economic activity expansion showed



signs of decreasing in the last months of the year. Besides, the buying power of households was negatively impacted by the high percentage of their income going toward debt repayment.

The challenging economic situation faced by Brazilian families is evident in the limited availability of goods and services. Even as the unemployment rate fell, rising inflation eroded people's income and buying power of consumers. Faced with difficulties, Brazilians sought to change their habits, looking for more affordable

items from different companies, as well as buying less often. The cash&carry sector has seen a reliable increase in this scenario, as it provides customers with products of a lower cost than those of other sales channels, by our varied assortment and promotions.

In 2023, the world economy is predicted to decelerate, with a likelihood of recession in countries with advanced economies, thereby reducing the need for products and services worldwide. The still high interest rates will have effects on the economy throughout the first half of the year, and the Brazilian GDP is predicted to decrease as the country begins a new political era that is still fraught with external instability and crisis. The future outcome of the economic indicators will still depend on the ability of the new government and the National Congress to adopt measures to balance public accounts and resume reforms that guarantee the creation of an economic environment conducive for the Central Bank to start a cycle of low interest rates.

# Commented Economic-Financial Performance

By the end of 2022, our operations had flourished, culminating in record-breaking revenues and a significant growth in market share. The remarkable results, which were far more than what had been set as targets for the year, are due to our expansion strategy, with a record opening of 60 stores (13 new organic stores, besides the conversion of 45 hypermarkets), as well as a successful commercial strategy. Located in privileged sales points of large urban centers, the stores converted into Assaí have a fast maturation process and performance, in line with the company's expectations.

Annual net revenue reached BRL54.5 billion, 30.7% higher than in 2021. This increase was due not only to our expansion strategy, but also to the operational efficiency and consistency of Assaí's business model through investments in modernizing its number of stores and in the shopping experience, with rapid adaptation to regional demands from audiences of each store, and to the increased flow of

customers that are attracted by competitive prices and the quality of our products and services. In 2022, the company saw an impressive increase in cash generation, totaling BRL4.2 billion, a 75% jump compared to 2021, which enabled us to make unprecedented investments in expansion, totaling BRL4.5 billion, twice what had been invested in the same period of the previous year.

Gross profit in 2022 was R\$9 billion, with a margin of 16.4%. Sales, general, and administrative expenses only account for 9.5% of our annual net revenue, showing that we are staying on top of our costs despite the intense expansion and excellent performance. Adjusted EBITDA was R\$3.9 billion, with a margin of 7.2%, confirming the Company's high performance capacity and commitment to results. Net income totaled R\$1.2 billion, which is a consistent level even with the investments for implementing the hypermarket conversion project and high interest rates.

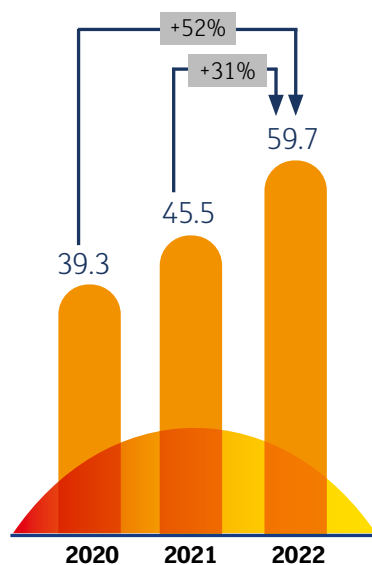


**Cash generation**  
**BRL 4.2 billion**  
**75% higher than in 2021**

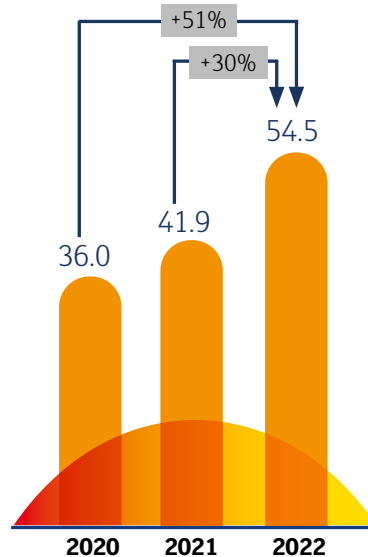
The net financial result reached R\$1.5 billion, equivalent to 2.8% of the net revenue, and reflects mainly the strong increase in interest rates in the period and the largest volume of gross debt resulting from the high level of expanding investments made by the Company.

The company ended the year with an adjusted net debt/EBITDA ratio of 2.19x, a leverage level that was consistent with our expectations despite an intense period of growth.

## GROSS REVENUE (BRL BILLION)



## NET REVENUE<sup>(1)</sup> (BRL BILLION)

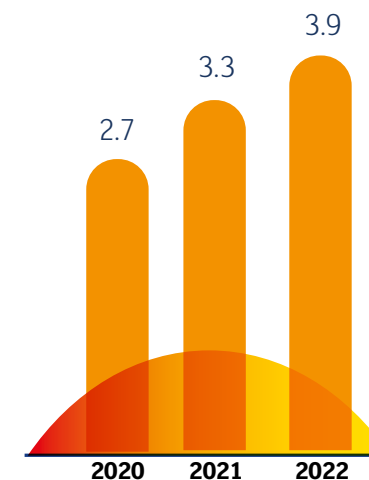


Sales <sup>(2)</sup> per sq. m	2020	2021	2022
	4.4	4.5	4.7

(1) Amounts include tax credits related to the exclusion of ICMS sales tax on the calculation basis of PIS/COFINS of BRL175M in 2021

(2) Gross sales

## ADJUSTED EBITDA (BRL BILLION)



**Growth of +25% 3 and margin of 7.2%: 0.2 p.p. beyond expectations**

Adj. EBITDA margin <sup>(1)</sup>	2020	2021	2022	Consistent level
	7.5%	7.5%	7.2%	

EBITDA margin Adjusted <sup>(1)(2)</sup>	2022
	7.3%

(1) Net revenues %

(2) It includes tax credits related to the exclusion of ICMS sales tax on the calculation basis of PIS/COFINS of BRL175M in 2021

(3) Tax credits were not considered

	2019	2020	2021	2022
Gross Revenue (BRL, MM)	BRL 30,387	BRL 39,369	BRL 45,585	BRL 59,684
		30%	16%	31%
Net Revenue: BRL MM	BRL 27,806	BRL 35,950	BRL 41,898	BRL 54,520
		29%	17%	30%
Gross Profit BRL MM	BRL 4,578	BRL 5,906	BRL 7,145	BRL 8,963
		29%	21%	25%
Net Income: BRL MM	BRL 802	BRL 1,003	BRL 1,610	BRL 1,220
		25%	61%	-24%
EBITDA (BRL MM)	BRL 1,936	BRL 2,457	BRL 3,266	BRL 3,840
Revenue/store (BRL MM)	BRL 183	BRL 214	BRL 215	BRL 227
Adjusted EBITDA, BRL MM	BRL 1,947	BRL 2,696	BRL 3,319	BRL 3,900
Gross investment, BRL MM	BRL 1,299	BRL 1,291	BRL 2,451	BRL 4,815

### [GRI 201-1]

	2019	2020	2021	2022
<b>DVA - BRL MM</b>				
Revenues	BRL 30,876	BRL 39,952	BRL 45,742	R\$ 59,799
Gross added value (Personnel)	BRL 4,225	BRL 5,347	BRL 5,503	BRL 6,896
(Taxes, fees, and contributions)	BRL 1,477	BRL 1,917	BRL 2,189	BRL 2,970
(External funders)	BRL 1,047	BRL 1,245	BRL 333	BRL 211
(Compensation on Stockholders' Equity)	BRL 455	BRL 802	BRL 929	BRL 1,962
	BRL 1,047	BRL 1,398	BRL 1,610	BRL 1,220

	2019	2020	2021	2022
<b>(information in %)</b>				
Adjusted EBITDA margin	7.0%	7.5%	7.9%	7.2%
SGA(*) (Figures as net sales %)	9.5%	9.0%	9.4%	9.5%

(\*) general and administrative sales expenses

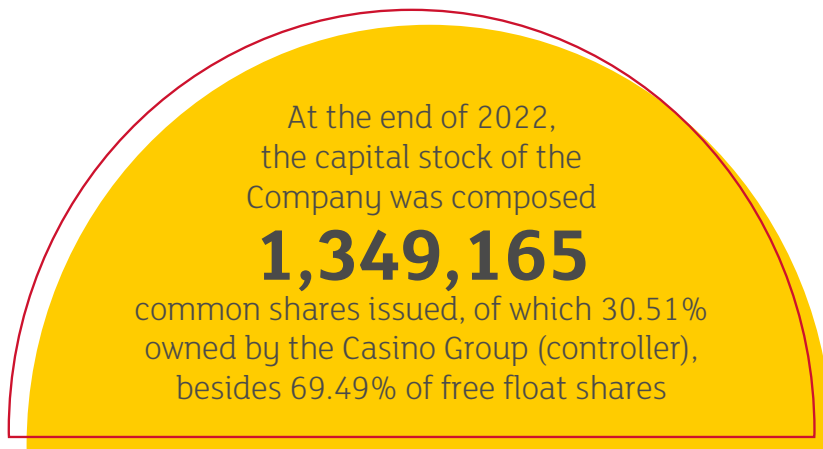


# Assaí in the securities market

## SHAREHOLDING STRUCTURE

[GRI 201-1]

Assaí's financial strength is backed by 1,349 million shares of capital stock. Free-floating shares represent 69.49% of the total shares issued.



**FitchRatings**  
10/2022

*National Long-Term Rating AAA(bra) of Sendas Distribuidora S.A. (Assaí) Expectation: stable*

## MAIN PURVIEWS OF REPRESENTATIVENESS, AND APPLICABLE ESG STRUCTURE

Since February 2021, Assaí has been listed on the Novo Mercado, which is the segment of B3 (Sao Paulo Stock Exchange) with the highest Corporate Governance standards. Therefore, we comply with a variety of corporate governance requirements set forth in the Novo Mercado Regulation, in the Brazilian corporate act, in the standards of the Brazilian Securities and Exchange Commission (CVM), as well as in our Company's Bylaws, policies, and internal charters. We also meet the standards

set forth by the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), where we are also listed since the same date.

The Brazilian corporate act requires that our directors be elected by our shareholders at a General Meeting of Shareholders and that at least two of them must be independent. Currently, our Board of Directors is composed of nine members, elected for a term of two

**ASAI3 shares ended the period (2022) at BRL19.47, which represents an appreciation of +50.2% versus 2021 and a performance +.7% higher than the Ibovespa index, which is the major market benchmark**  
**Performance at NYSE/ticker ASAI: +54.8%**

years, with re-election being allowed. In addition, the Board of Directors shall consist of three independent members. The Board is also responsible for approving the issuance of new shares, when related to the stock option plan currently in force, provided that the limit of our authorized capital is respected. However, any issue of new shares that may exceed said authorized capital is subject to the shareholders' approval.

Because of organizational adjustments due to changes in the shareholding structure, in 2022 the CEO Belmiro de Figueiredo Gomes also joined the Board of Directors of Assaí.

**|GRI 2-11|**

In November 2022, the Casino group sold part of the shares it held in Assaí and reduced its shareholding in the company from 41% to 30.51%.

Our Fiscal Council (aka Supervisory Board) operates independently of our management and our external auditors, and consists of three effective members, besides three alternate members, all of them knowledgeable in accounting and dedicated to the best practices of corporate governance, as evidenced by their involvement in influential organizations. According to CVM Instruction 324/2000, the Fiscal Council, whenever established, must be composed of at least three members and may be requested by shareholders holding at least 2% common shares.

More information about the curricula and background of the members of our Board of Directors and Statutory Executive Officers of can be found on our IR page

**The five committees of Assaí, namely the Financial Committee, People and Culture Committee, Audit Committee, Corporate Governance and Sustainability Committee, and Strategy and Investment Committee, are tasked with delivering guidelines to the senior management for them to follow**

## LISTING ORGANIZATIONS AND CONTROLLING AGENCIES (BRAZIL AND USA), RANKINGS AND RATINGS

Pursuant to our bylaws, our Company has a Statutory Audit Committee the members of which are appointed by the Board of Directors - consisting of independent members of the Board and external ones - and that is complies with (i) the mandatory requirements set forth in CVM Standard No. 308/1999; (ii) the regulatory requirements set forth by the Novo Mercado Regulations; and (iii) the regulatory standards set forth by the Securities and Exchange Commission (SEC).

The Statutory Audit Committee is vested with the same legal authority as the Fiscal Council, as dictated by the Sarbanes-Oxley Act, to adhere to the criteria for corporations listed on the NYSE.

At the end of 2022, Assai was proudly included in the B3 Corporate Sustainability Index (ISE) portfolio, a benchmark for companies that show excellence in ESG management standards. The company is also part of B3's Carbon Efficient Index, which shows the commitment made with the transparency of its emissions and its engagement in the transition to a low-carbon economy; and B3's IGPTW

index, which brings together the best companies to work for, according to a ranking of the Great Place to Work organization.

Fitch Rating renewed **Assai's AAA(bra) Long-Term National Rating** for its second

and fourth issues of debentures and the first issue of commercial notes, with a stable outlook for our Company.

Fitch Ratings is one of the world's three international credit rating agencies headquartered in New York and

London. This agency's ratings guide investors to make decisions that guarantee the preservation of asset value, as well as a steady return. Among the criteria that Fitch uses to assign notes to companies are the type of existing debt and how sensitive it is to systemic risk.

Our rating reflects the strong positioning we have in the self-service wholesale sector, in which we boast a high scalability and wide reach, as well as a successful history of both growth and profitability, plus high cash flow production







# 5

## HUMAN CAPITAL

Our People make it happen! They are the ones who support Assaí's growth and live Our Culture every day. Check out an overview of who they are, the diversity present in each one, development indicators, career and aspects about benefits, practices, policies, in addition to physical and mental health care.



Store in Barris (BA)



## BEING ASSAI IS LIKE THAT

A strong culture, lived and practiced every day by Our People. Each year, we reaffirm our values as the basis for Assaí moving forward.

Our culture is the basis of all our actions, inspiring us to be more resilient and giving us the strength and audacity to go beyond. We are unique and diverse. This is the motivation behind Our People's daily actions that promote Assaí's growth. Here, a feeling of belonging is seen in each and every corner of the country. After all, #WeAreAllAssaí

A feeling that mirrors our commitment to caring for people, to honor the human being, to ensure a safe and inclusive space, to provide chances for development and growth, and to embrace diversity and inclusion - these are all a part of our values, and something we experience in our daily lives.

Employees, customers, suppliers, and community members: when it comes to development, we are one and the same. We grow and spread prosperity for Assaí, for people, for the country. We transform for the better the reality of those who want to be entrepreneurs, produce, grow, build, share, live, and be successful. After all, our purpose is to make sure that prosperity is a reality for everyone. [\[GRI 2-7\]](#)

Our People behave based on our values— **Simplicity, Focus on customers, Passion for what we do, Commitment to Results, Care for Our People, and Ethics.** They enable that our **Being Assaí is Like That culture** be perceived and lived from north to south.

SER ASSAÍ.  
é assim

We are growing at an accelerated pace, and this pace of expansion generates dynamism, quickness, and several opportunities for our over 76 thousand employees. Ultimately, Assaí's growth propels the growth of Our People!



Our employees engage on a daily basis to provide the best shopping experience to our customers, who seek variety and savings. We are devoted to offering the highest quality at a reasonable cost, expanding possibilities for society. We work with passion to serve all: end customers, transformers, companies, besides small, medium, or large entrepreneurs. Respect, kindness, quickness, and efficiency are present in every action taken here.



### *Simplicity*

- Value our origin. We are simple and we are proud of it.
- Find ways to work objectively, clearly, practically and effectively.
- Be helpful and respectful with everybody
- Be ready to listen, empathize and collaborate in any position you serve. We are all Assai.

### *Customer Focus*

- Have in mind who we are, what we offer and who our customers are.
- Mind the customer in any decision making.
- Have sense of urgency to solve problems that affect the customer.
- Be sure to assist the customer respectfully, friendly, efficiently, and quickly.

### *Passion for what we do*

- Enjoy what you do and be glad to help.
- Seek emotional control in all situations.
- Be committed and motivated to do your best.
- Be protagonist and make the difference.

### *Commitment to results*

- Be productive and fast to solve problems, find solutions and meet goals.
- Exercise owner's attitude, critical vision and always act collaboratively. We are stronger together.
- Optimize expenses keeping low costs to offer the best price.
- Be open to changes and innovation-oriented.

### *Care for our people*

- Value our people and recognize good contributions and achievements
- Respect and value diversity and offer equal opportunities to all.
- Ensure a safe and welcoming environment that provides emotional balance and engages people.
- Offer growth and development opportunities to our people.

### *Ethics*

- Respect and observe all the laws, policies, regulations and codes of conduct.
- Be honest, ethical, and transparent in all you do.
- Act fair and impartially aiming at the best for the business sustainability.
- Fulfill what was agreed, honoring all the commitments made on behalf of the company.

Our People represents over 76 thousand associates, of which over 16,000 took advantage of Assai's growth to start a new journey in the job market. Diverse people, representing all genders, races, and generations! A myriad of stories,

with many people starting their own professional journey among over 34 thousand professionals under 30 years old or those who combine with us their careers already built to continue spreading prosperity.



\*Directors, trainees, and apprentices are not considered in this calculation

DISTRIBUTION OF EMPLOYEES  
GENDER AND AGE GROUPS

[GRI 405-1]

		<30	30-50	50+
2020	Men	13,024	10,850	1,594
		<b>27%</b>	<b>22%</b>	<b>3%</b>
	Women	9,929	12,174	1,314
		<b>20%</b>	<b>25%</b>	<b>3%</b>
2021	Men	15,849	13,214	2,039
		<b>26%</b>	<b>22%</b>	<b>3%</b>
	Women	12,138	15,162	1,718
		<b>20%</b>	<b>25%</b>	<b>3%</b>
2022	Men	19,230	16,752	2,906
		<b>25%</b>	<b>22%</b>	<b>4%</b>
	Women	15,096	19,409	2,631
		<b>20%</b>	<b>26%</b>	<b>3%</b>



As one of the largest employers in Brazil, we have numbers that we are proud of and that represent the size of our responsibility to sustain high engagement, pride in belonging and in making everyone experience and share Our Culture, which brings us many challenges, learning, and opportunities. We learn from our employees every day; we are passionate about what we do and aware of our role in society.

In 2022, the speed of our growth, enhanced by the strong expansion process, caused the strengthening of our governance, the implementation of new policies, the creation of new areas, and the alignment of processes. With this, we invested heavily in training and act oriented in the awareness-raising and acculturation of new professionals to our set of policies, especially to issues related to ethics, compliance, and our values.

The Culture Guide is under development and will align our leaders and teams, being scheduled to be disseminated in 2023 both to the newcomers to Assaí and those who were already with us on this journey, which aligns our leaders and teams to the behaviors expected by us to be translated into practice. We highlight and reinforce our culture, and clarify, in a clear and transparent way, the behaviors that we value (or not) in those professionals who

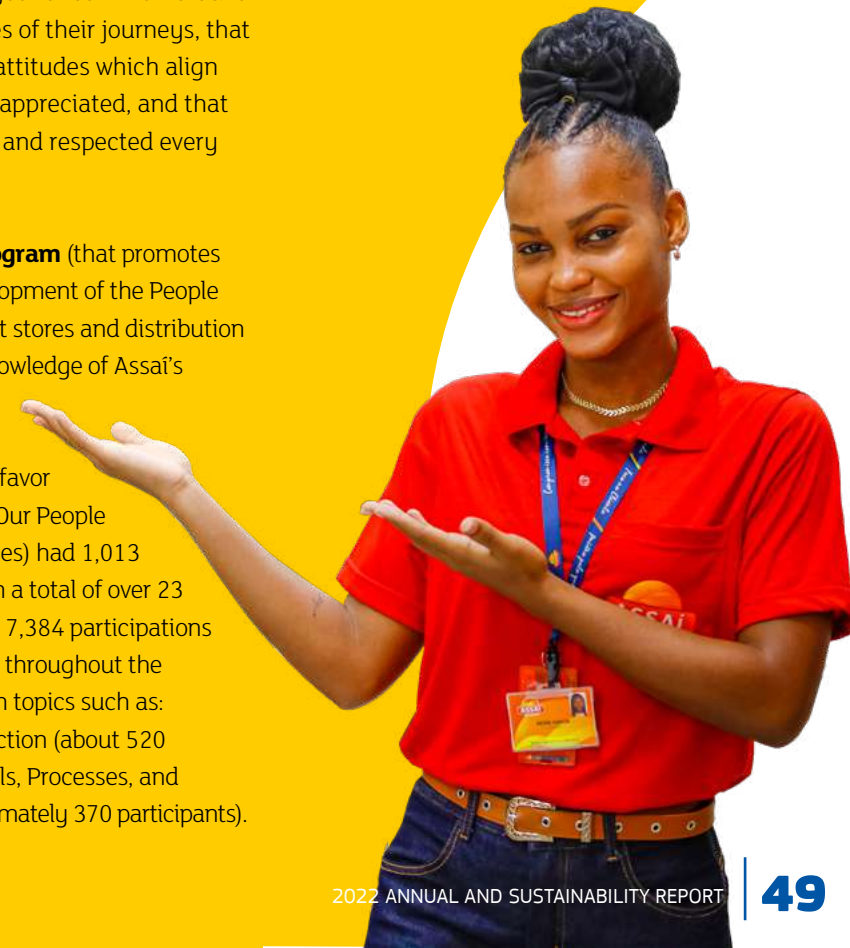
make Assaí's reputation. This Guide, which has customized versions for leaders and teams, was prepared with the participation of employees, in over 15 focus groups and interviews. In 2023, we will continue to strengthen the engagement of Our People through meetings to expand its understanding, dissemination, and training and alignment of Our People with our culture and our policies and practices.

We promote a high-quality dialogue with the unions and groups that represent our company's employees, striving for this practice to be developed constructively, considering the mutual respect and common interest of all parties. We comply with the regulations in force and provide employees' representatives and unions with reliable information in a timely manner. We do not belong to political groups or organizations, but we recognize their legitimacy. We respect the freedom of choice of our employees to join parties, unions and social movements, as long as they do not use the image or speak on behalf of Assaí.

We need qualified, trained professionals to meet the challenge of culture and people management with excellence. Care for Our People should be a daily practice, providing a positive experience on the employee's journey. To ensure all this, we keep People

Management professionals in all stores and distribution centers, who, besides ensuring legal practices and processes in compliance with internal policies, welcome our employees' issues; technical and behavioral development; human recognition and appreciation; support for local management and leadership; and the challenges brought by our expansion. We strive to ensure Our People are treated to an optimal atmosphere at our units, that they are acknowledged for commemorative dates and key phases of their journeys, that their behaviors and attitudes which align with our Culture are appreciated, and that they can feel secure and respected every single day.

The **HR Training Program** (that promotes the continuous development of the People Management team at stores and distribution centers, providing knowledge of Assaí's People Management guidelines, practices and tools, in order to favor the management of Our People in each of our branches) had 1,013 employees trained, in a total of over 23 thousand hours, with 7,384 participations in monthly meetings throughout the year, which dealt with topics such as: attractiveness & selection (about 520 participants) and Skills, Processes, and Engagement (approximately 370 participants).





# From attraction to retention

We consider that the alignment with our goals and values, the development of technical and behavioral skills, and talent retention are important strategies to maintain continuously a qualified, engaged, and leading team, with professionals able to support us in our expansion to achieve the best results and offer our customers the best shopping experience.

For that, we are based on one of our core values:

**Care for Our People.** We want to ensure that our employees have a meaningful and transforming journey from the moment they apply to work with us, all the way through their careers with us. The Care for Our People aims to ensure that each individual at Assaí is equipped with the necessary resources, feels valued, and knows their place in the larger picture, all while keeping up with the rapid expansion of our company. Year after year, we implement strategies to support all individuals in their continuous development, equal opportunities, and inclusivity, whilst also protecting their identities, safety, and well-being at work

We promote learning for human development through the Assaí University and constantly review policies to ensure the appreciation



For the first time as an independent company, we took part in the Great Place to Work survey, which assesses the relationship of trust in companies and reveals the perception of employees on the several policies and behaviors of our organization. And the perception of Our People spoke and proved: in the very first application, we won the certification! In addition, we were one of the companies in the category with the largest share in the history of GPTW: we had a record-breaking percentage of adherence, getting the answers of 92% of the invited employees, covering all our units.

As a result of this cycle, 75% of Assaí employees consider the company to be a great place to work; higher than the average rating of employees of companies in the Latin American market (70%). And more: after having all practices assessed, combining the employees' opinion, we joined the TOP 10 of the Ranking of the Best Companies to Work For, in the Retail category, among those with over 10 thousand employees.

This certification reflects our commitment to people and the recognition of Our People as regards the actions of development, respect, career, engagement, and ethics that we sustain and value daily in all our units.

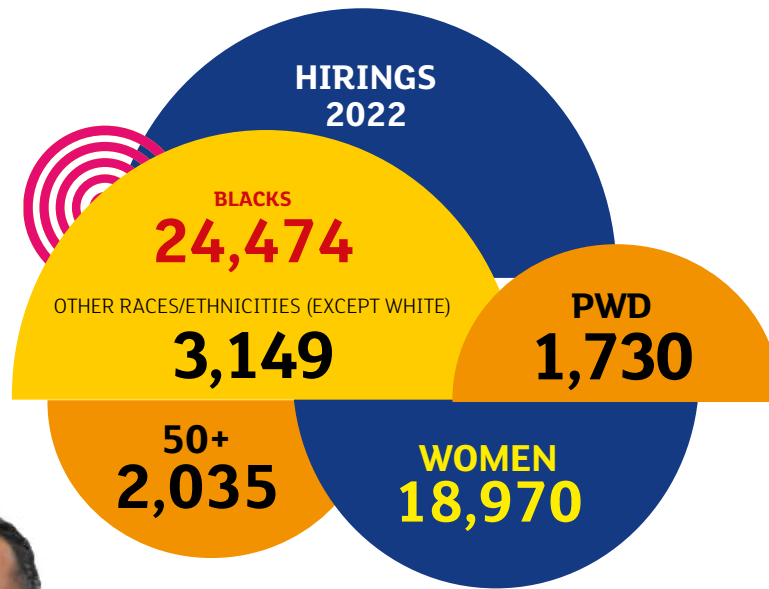
With this award by GPTW, in 2022 we were admitted to B3'S IGPTW index, which that brings together all GPTW-certified companies that have assets traded on B3, the Brazilian stock exchange, effective for the period from January to April 2023. Not only did we become more noticeable and credible in the market, but we also increased the appeal of our employer brand.



of people and an environment that is welcoming and free of any and all forms of prejudice and discrimination.

In 2022, marked by an expansion that brought a record need to attract and retain talent at an unusual speed, we worked to further strengthen the pride in belonging and our employer brand. We communicate to the market who we are, what we do, what it's like to Be Assaí—which has consolidated us as the third largest retail player on LinkedIn in number of followers (1 million), and the first in the Cash&Carry segment.

The People Management area oversees the selection process, ensuring that all applicants have the required knowledge, skills, and abilities for each position. At every new selection, we create a more diverse team with a human touch, making sure everyone is respected. We are committed to transparent and reliable communication, so we make sure to give feedback to all participants in a timely fashion.



We hope that the employee's journey across all stages is happy and reflects our care and commitment to Our People.

We furthered our hiring of minority groups by entering into an alliance with Transempregos, Mais Diversidade, EmpregueAfro and Instituto ADUS -

Instituto de Reintegração de Refugiados, and taking part in the DiverS/A fair. Integrating inclusive language into our communications and job descriptions has become a common practice. We also took part in the Incluir PCD (Include PWD) Fair, the largest online employability event connecting people with disabilities to the best opportunities in the market.

To help senior professionals become more employable, we launched the 50+ Program. It had a talent bank on Gupy and a Guidance Guide to walk them through the selection process.

As Assaí progresses, we strive to create a supportive environment for Our People to thrive. Therefore, we give opportunities and prioritize our current employees with specific selection processes, such as the so-called **Prosin: Internal Selection Program** or the career acceleration program for Trainees. This year, enrollments for Prosin became 100%

digital and with nationwide coverage, expanding access to opportunities, which resulted in an additional 34% of positions filled internally compared with the previous year.

Still as a strategy to strengthen the Expansion, within the Olimpo Project—which aimed to receive the employees of the Retail model; we created the **Assaí Acculturation Program for Leaders**, through which we disseminate Our Assaí Culture and Values, besides developing, preparing, and training leaders on the self-service wholesale business model. There were over 620 participations and 7,455 hours of training.

Due to the large number of professionals who annually join Assaí, it was necessary to create an assertive strategy for our moment of integration, called Welcome to Assaí, the company offering the best admission experience for new employees, as well as hastening the process of

absorption and understanding of their roles and challenges. We cover all the topics that are key for this initial period of the employee's tenure, emphasizing our culture, our values, the Code of Ethics, institutional and diversity knowledge, and so on. We deal with all the topics that are essential for this beginning of the employee's journey, reinforcing our culture, our values, Code of Ethics, institutional and diversity-related information, among others.

The model adopted adapts very well to our essence of agility; that is why we have a WebApp (interface of a mobile app), which provides a special track, addressing our integration (welcome to Assaí), made available to all new employees.

Everything in a gamified way that facilitates and enchants Our People throughout their Integration process in Assaí.

As a way to recognize and continue valuing each moment of the journey, the #FuiPromovido program celebrates the moment of the promotion announcement at stores and DCs in a standardized and institutional way, reinforcing the feeling of #SomosTodosAssaí and going viral on social media. In 2022, this program recognized over six thousand employees.

The historical series data of the last 3 years on turnover rates are compatible with the challenges brought by the expansion of the company's units throughout the country, especially in 2022 and, still, consistent in a positive way in terms of net turnover.

FROM ATTRACTION TO RETENTION



**Sandra Vicari**

People Management and Sustainability Officer

*“ Here at Assaí, we have been experiencing in recent years an accelerated pace of growth, inaugurations throughout Brazil, and historical achievements. We proudly stand as the sixth largest employer in the private sector of the country; notwithstanding the various challenges, we never forget our foremost priority: looking after our personnel. Our company is made up of individuals, serving the public, and embracing the Care for Our People philosophy in our culture.*

*Our People are the ones who made Assaí an excellent place to work where we offer career opportunities, development, appreciation, promotion of a diverse and inclusive environment that is respectful to everyone.* ”

## HIRINGS ABSOLUTE NUMBERS

|GRI 401-1|

	2020	2021	2022
<b>Total</b>	<b>17,554</b>	<b>26,482</b>	<b>39,648</b>
For a definite period	1,715	2,355	2,951
For an indefinite period	15,839	24,127	36,697
<b>By age groups: &gt;26</b>			
	8,569	12,344	17,260
	49%	47%	44%
<b>Per age groups: 50+</b>			
	379	860	2,035
	2%	3%	5%

## TURNOVER RATES

|GRI 401-1|

	2020	2021	2022
(accumulated)	23.8%	24.5%	29.0%
(monthly) (average)	2.0%	2.1%	2.4%
Involuntary accumulated TO	11.3%	8.4%	6.8%
Voluntary accumulated TO	12.5%	16.1%	22.2%

## NET TURNOVER\*

	2020	2021	2022
Quantity	5,083	10,709	15,904

## DISMISSALS ABSOLUTE NUMBERS

|GRI 401-1|

	2020	2021	2022
Involuntary dismissals for other reasons of people with an employment contract for an indefinite term	5,267	4,613	7,822
Dismissals of employees hired for an indefinite term	10,756	13,418	21,337

(\*) employment contracts for indefinite periods, minus dismissals

# HUMAN AND ORGANIZATIONAL DEVELOPMENT

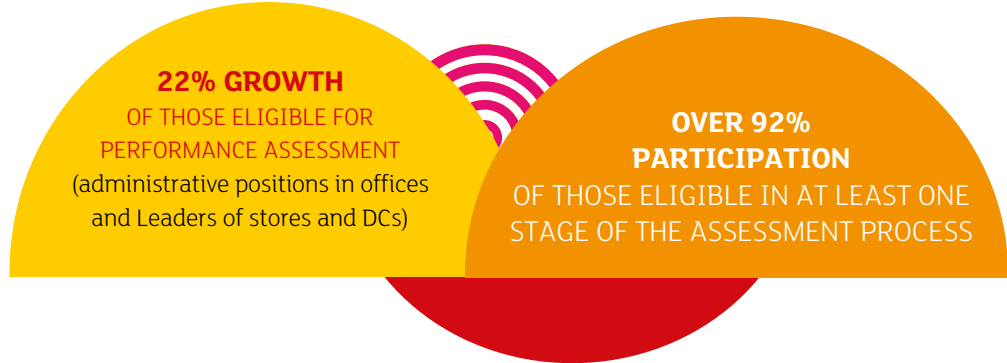
To make sure that the Assaí's growth also means the growth of Our People, we bet in a strategy to encourage personal and professional development, continuous technical and behavioral training, and career acceleration programs at Assaí University. We take after of Our People, their journey, and their career.

Assaí is committed to providing career management that follows the applicant from the first contact all the way through the employee's journey.

The Career Committee is conducted by the People Management area. It works to value our professionals—with commemorative actions for the daily performance, or in the achievement of promotions—and also allows the company to take corrective actions or carry out prevention and awareness-raising plans, in cases of challenges to be overcome. It further examines the progression of professionals and pinpoints who might step into critical leadership roles.

We use a system that manages our career management model, known as **Avance**, generating autonomy for managers and a structured method that includes competence assessment, performance mapping, adherence to culture, career conversation as well as career committees and individualized development plans, for leaders and experts.

## PERFORMANCE ASSESSMENT



THE TRAINING PROGRAMS ARE CARRIED OUT THROUGH THE ASSAÍ UNIVERSITY  
**LEARN MORE**



Corporate professionals (from assistants to officers) of our stores and distribution centers (from bosses to managers) take part in this program. We train leaders on the concepts of evaluation and how to carry out career conversations, feedback and encouragement of protagonism for our employees.

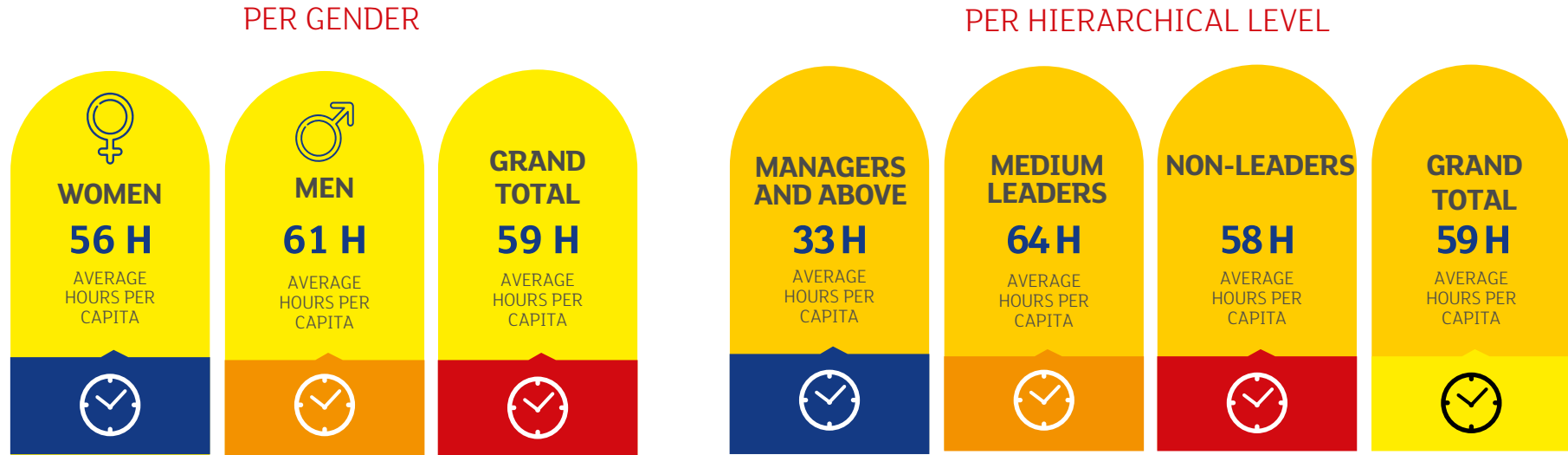
In addition, periodic mappings are made to identify successors and development plans.

We continuously invest in new technologies and equip our stores and Distribution Centers with 180 totems implemented in 2022 alone, giving our employees access to training and the company's system. Through them, employees take online courses, access the Welcome to Assaí program, the cooperative, be updated on Assaí's news on the intranet, check jobs available in Prosin and manage their career at Avance. Assaí University provides a wealth of digital learning resources accessible through its library, increasing people's access to knowledge. **[GRI 404-2]**



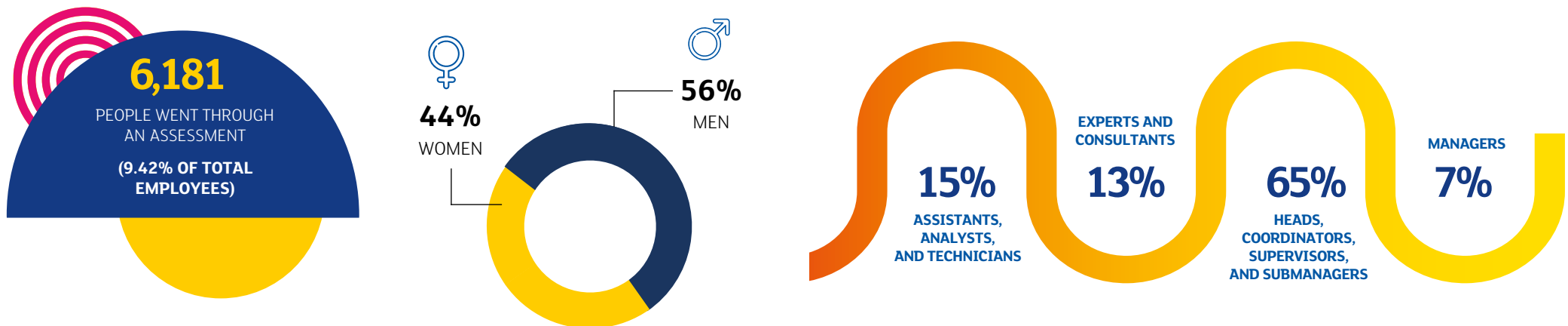
## AVERAGE HOURS OF TRAINING PERFORMED BY EMPLOYEES

|GRI 404-1|



## PERCENTAGE OF TOTAL EMPLOYEES WHO HAD THEIR PERFORMANCE AND/OR CAREER DEVELOPMENT ASSESSED DURING THE REPORTING PERIOD:

|GRI 404-3|



# Training and development for leaders

[GRI 404-2]

The subject of engagement is central to us and we are aware of how the over 498 leaders (managers and above) have significant responsibility and sway on each employee's journey. Ultimately, they are the ones who translate, practice and encourage the experience of our culture, so that strategies and initiatives get in line with our purpose to bring prosperity to all and to be guided by our values. Thus, training in management and leadership topics becomes even more essential, encouraging responsibility and the feeling of ownership

In 2022, this commitment to empower and develop was even more intense. In a context of accelerated expansion and in order to support this process, we seek to invest in training for store leaders, Distribution Centers (DCs), and Offices of Assaí.

In September, to ensure the best entry experience of Our Leadership, knowledge of Our Business, and Dissemination of Our Culture and Values, we transitioned this training to a digital format with a special app; now, 100% of Our People already joined this format.

We launched the **Regional Operations Manager Training Program** with the aim of developing and training professionals in behavioral skills, techniques, and strategic business vision, preparing them to act on the present and future challenges of our organization, with 203 participations in seven classes, in a total of 550 hours of training, an unprecedented initiative aimed at professionals who manage store groups.

Our store managers took part in the **Spokesperson Training**, whose purpose is to prepare them to act as assertive communicators in moments of spontaneous

media approach or crisis management. They also took part in the **Business Owner's** career path, which has three new modules. During this path, with 182 participations and 365 hours of training, participants could perfect their role as leaders.

We resumed the training of the Grow Program (qualification and professional development for middle-level leaders, i.e., section heads, persons in charge of Distribution Centers, and nutritionists). In 2022, the program resumed the face-to-face format for the first level of store leadership and DCs, ensuring process and culture

alignment. More than 5,778 employees were trained in almost 42 thousand hours of training.

We launched the **Mentoring Project**, which comprises one of the modules of the Grow Program, aimed at section heads and nutritionists. We plan to equip them with the skills they need to become successful leaders, so they can take the lead with a strategic mindset and thorough understanding of the organization. We also invested in mentoring actions in the Grow Program, the the Mentoring Project, to prepare and boost the careers of section heads and nutritionists, seeking greater protagonism from the first stage of leadership. With the training, participants gain comprehensive knowledge of Assaí's operations and a systemic vision of our business so that they can perform better in the selection processes of the Trainee Program. In total, we had 296 employees and over 1,200 hours of training.







Our **Trainees** go through an intense process of strengthening their technical skills, business knowledge, and leadership competencies so that they can act as Store Managers in the short and medium term.

In 2022, we had two programs in progress: the Operations Trainee and the Operations

Career, the latter aimed at people of the corporate area interested in migrating to the core area of our business.

Through the **Dialogues with Leaders**, a program that aims to ensure, through meetings, awareness content of leaders to base their decisions on Assai Culture and Values, understanding and practicing daily behaviors that impact the organization and people. This year the leaders of the headquarters and offices were trained in the Anti-Corruption topic.

Following our commitment to develop more inclusive Leaders who have raised awareness of their role as agents of inclusion, diversity, and appreciation of the human being, we constantly carry out training and awareness-raising actions, from the first leaders to senior executives (learn more on page 54).





# Recognition

Our People come together to commemorate each accomplishment of Assaí, as we recognize the unwavering dedication and effort poured into it to overcome our challenges. It is thanks to our employees that our growth is possible year after year. Therefore, we keep our

Recognition Program, **Assaí Thinking of You**, which promotes recognition actions on celebratory dates, reinforces behaviors we expect, celebrates the achievements within the journey of each one, decorates our units on special days, and also values our employees' families that support them at all times of their journey with us.

**03** The **Highlight of the Month Program** elects up to five employees in stores and DCs, and morally recognizes them for their behaviors and attitudes that are in line with our values. In 2022, over 13,000 employees were recognized in internal channels and received pins and certificates.

**01** As a way to strengthen the journey, we celebrate each promotion in the **Promoted Employee Program for Stores and DCs** by delivering a letter and a kit with a new uniform and items to use in the new routine.

**02** To recognize the dedication of each employee, we annually honor **professionals who complete company time**, starting from their 10th anniversary and every five (5) years in our company. They receive an additional bonus salary as recognition. In December 2022, 683 employees were granted this bonus.

**04** We promote actions to celebrate special dates, such as the **Father's Day**, which brought the concept of connected dad, through which we emphasize the importance of their presence in their children's lives. We distributed over 14,000 presents for all eligible ones.

**05** **Mother's Day** under the motto mother, the very first influencer, we reinforce the importance of mothers' examples, presence, and support for children at all stages of their lives. We gave presents to over 17 thousand employees.

**06** **Children's Day:** we gave presents to our employees' children up to 12 years old, distributing over 44 thousand toys chosen according to their age group. Moreover, thousands of children visited our units and could to get to know the work of their parents and have fun with interactive actions



## DIVERSITY AND INCLUSION

We believe and promote diversity and inclusion.

We strongly believe in the power of diversity and inclusion, as it adds value to our company and propels our performance and innovation. With the aim of further developing our business, we are taking conscious steps to recruit a wide variety of people with diverse talents and knowledge.

Our D&I indicators have been showing significant and consistent progress in the last three years, which demonstrates

we are on the right track. In this scenario, we live diversity and inclusion with respect, ensuring the appreciation of everyone.

**Mission in D&I (Diversity & Inclusion): to be a benchmark company in promoting diversity, inclusion and human rights, preventing any and all forms of prejudice and violence that lead to discrimination.**

Growing up, with awareness and watchful so that respect is a reality from north to South



## Diversity and Inclusion Management

Since 2016, Assai's Board of Directors has been making significant strides in embracing Diversity and Inclusion.

Accordingly, we act firmly to evolve in raising awareness and striving to eliminate biases that lead to violence and discriminatory attitudes that violate rights and generate losses in the relationship with employees, suppliers, partners, and customers.

Together we are building an environment based on valuing and respecting differences and individualities, guaranteeing human rights and equal opportunities.

Moreover, we usually map sensitive situations for preventive action, which are regularly audited to ensure sustainability and the result of actions.

We conducted **the first Diversity Census in 2022**, in partnership with the Identities of Brazil Institute (ID\_BR), a non-profit organization that assists in accelerating the promotion of racial equity in the labor market, which had the spontaneous participation of 56.4% of employees. With this knowledge, we were able to gain insight into the vast range of diversity among us in terms of origin, culture, economic/social conditions, sexual orientation, and a vast array of other demographic details. In addition, it allows us to deepen the diagnoses and map specific priorities and actions based on the contribution of the employees themselves.

We have a **Committee (named Diversity Group)** to boost dialogue and the transformation of the work environment for Diversity and Inclusion – in addition to proposing improvements considering the business vision and the reality of the business. This group consists of leaders, coordinators and managers representing each business area. For the governance of the Committee, we rely on the consulting by Mais Diversidade (More Diversity).

We have established the Diversity and Human Rights Policy, which aims to give transparency to our positions and directions aimed at an environment free of discrimination, which fosters and values respect and equal opportunities.

This Policy is in line with international human rights principles covered by the UN Universal Declaration of Human Rights.

We consider it everyone's duty to act as agents of change in order to promote respect for diversity and human rights, so we consider all the factors that involve Human Rights: in the labor relations between us and our employees, and in the links of the chain where we are connected.

In 2022, we organized our diversity and human rights actions under the concept #PessoasDiferentesOportunidadesIguais, which aligns our positioning and actions in favor of

equal rights and opportunities and respect for diversity. Granting equivalent chances to the diverse spectrum of people is encouraging the expansion of Our People across the various units and regions of the country, boosting income production and local economy, and therefore augmenting our brand and our business. Through this motto, we strengthened the commitment to ensure respect and appreciation for diversity, so that all people can be who they are and have Equal opportunities to grow, develop, and be recognized during their journey with us. To consolidate such new concept for our stakeholders, we carried out different communication and engagement actions, such as a statement video, communications on the various internal channels (TV, bulletin board, Intranet, and Social Media), the diversity page on an external website, among others.

In this process, we defined our commitment to promote Diversity and Inclusion and defined five priority topics (Race, LGBTQIA+, Gender, People with Disabilities and Generations) to strengthen policies and processes to ensure the right, respect, appreciation, and equity, considering the four fronts of Diversity & Inclusion: Governance, Brand Positioning, Inclusive Culture, and Affirmative and Inclusion Actions.

We have set goals and methodologies to follow up the indicators of the share of people with disabilities in the workforce and

to make progress with the share of women in leadership positions (managers and above). Incidentally, the indicator referring to women is one of those considered in the Sustainability and Diversity Index (ISD), which is part of the variable compensation of our executives. In addition, we monitored other indicators such as the inclusion of 50+ people, black people, and young people from the Apprentice Program, as well as the representativeness of people who prefer that their social name is used. We recognize that, in this way, we have achieved a significant step forward in our trajectory towards equity at Assai.

To cultivate an atmosphere of respect, in which individuals can be acknowledged and appreciated, with certainty of rights and equitable prospects, we launch initiatives and heighten consciousness and engagement to increase knowledge, strengthen respect, tackle ableism and capacitating attitudes in the hiring process and/or professional development.

In addition, we act as protagonists of a strategic agenda for Diversity, Inclusion, and Human Rights and in particular for the topic of non-violence in the wholesale industry. Accordingly, we are committed to engaging other companies to carry out affirmative actions and training, in order to eliminate violence motivated by discrimination.



We were admitted to the Bloomberg GEI 2023, which assesses companies for the 2023 index, based on the responses to the questionnaire in 2022 with information referring to the year 2021. It is an international index that tracks the performance of publicly traded companies committed to supporting gender equity through policy development, representativeness, and transparency. Our Policies against Sexual Harassment and Inclusive Culture had the most remarkable performances. Our opportunities for improvement are in Leadership and Talent Pipeline, as well as in Salary Equity, and External Branding.

We took part in the Ethos-MM360 Indicators to promote Gender Equity, with a score of 8 in the overall performance of the indicators, resulting from the application of the Ethos-MM360 Indicators questionnaire to promote Gender Equity by the organization itself, that is, it is the result of self-assessment.

Thus, this diagnosis does not embody the character of a certification. The aim is to provide a reflection, learning, and improvement of Corporate Social Responsibility and Sustainability practices. In the Theme Guide: Inclusion of People with Disabilities, we achieved an overall score of 7.7.



## We believe in empowering leaders to further promote diversity and inclusion

In partnership with More Diversity, a specialized consultancy, we conducted the Unconscious Bias, **Diversity and Inclusion training for Top Executives** to increase knowledge and raise awareness on the importance of this topic for employees, customers, suppliers, and shareholders. This subject was also discussed in the Grow program, focused on Store Section Heads and DC Managers, and in the training for trainees, aimed at having leaders aligned with the concepts and strategies on diversity, inclusion, and human rights. Following this same strategy, we held the Workshop with Store Managers, in the Business Owner Program, where Assai's team of D&I Experts reinforced our positioning and guidelines on what we expect and what we do not expect from the performance of these Leaders.

We have been investing heavily in training our leaders on human rights issues, so that they multiply this knowledge, do not reproduce stereotypes, and inhibit discriminatory conduct in their teams.



Our leaders are our multipliers to build an inclusive organizational culture and an environment of psychological safety for all, so it is paramount that they know, practice, and multiply our **Diversity and Human Rights Policy**.





## GENDER

We are dedicated to increasing economic equality through improved income distribution, the representativeness and participation of women in decision-making positions, contributing to equal rights and opportunities, as well as against gender prejudices and discriminatory and offensive attitudes contrary to gender equity

	MEN	WOMEN
2020	25,468	23,417
	<b>52%</b>	<b>48%</b>
2021	31,102	29,018
	<b>52%</b>	<b>48%</b>
2022	38,888	37,136
	<b>51%</b>	<b>49%</b>



**51%  
MEN**



**49%  
WOMEN**

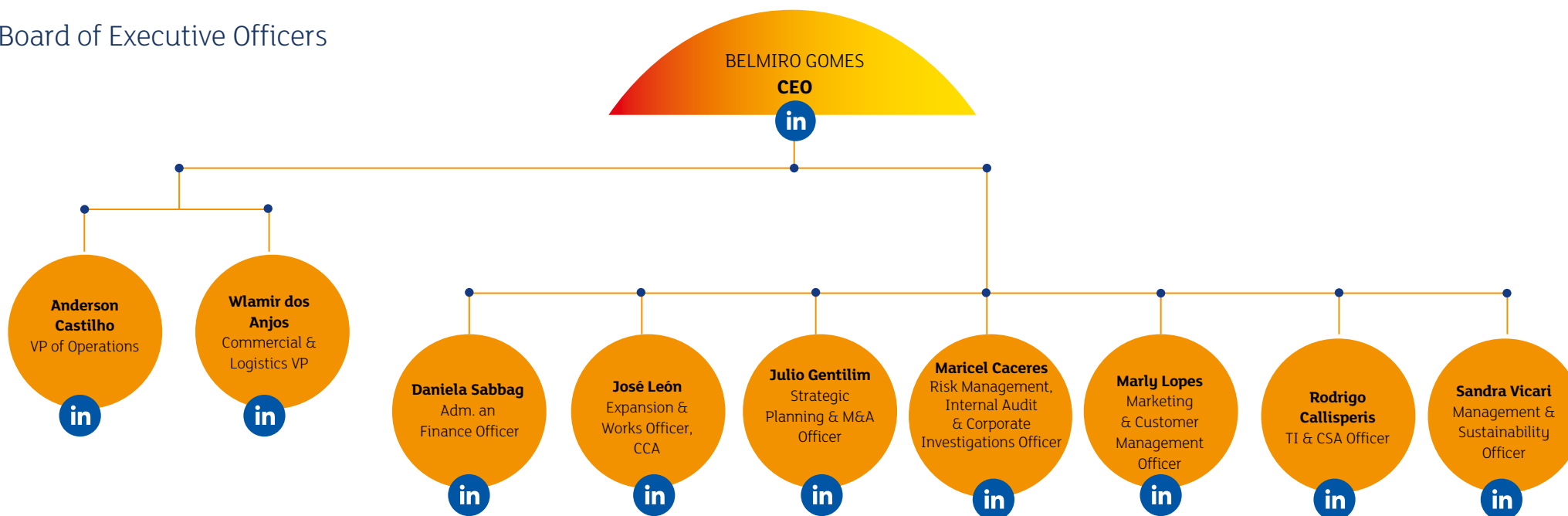


We have 25.7% of women in leadership positions (managers and above), four of which make up our board of executive officers

[GRI 405-1]

	SENIOR MANAGEMENT: BOARD			OFFICERS' BOARDS			MANAGEMENT			SUPERVISION/COORDINATION		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>TOTAL</b>	9	9	9	24	35	40	343	381	458	3,843	4,630	6,187
<b>Men</b>	8	8	8	17	26	30	265	280	340	2,310	2,777	3,528
	<b>71%</b>	<b>74%</b>	<b>89%</b>	<b>71%</b>	<b>74%</b>	<b>75%</b>	<b>77%</b>	<b>73%</b>	<b>74%</b>	<b>60%</b>	<b>60%</b>	<b>57%</b>
<b>Women</b>	1	1	1	7	9	10	78	101	118	1,533	1,853	2,659
	<b>29%</b>	<b>26%</b>	<b>11%</b>	<b>29%</b>	<b>26%</b>	<b>25%</b>	<b>23%</b>	<b>27%</b>	<b>26%</b>	<b>40%</b>	<b>40%</b>	<b>43%</b>

## Board of Executive Officers



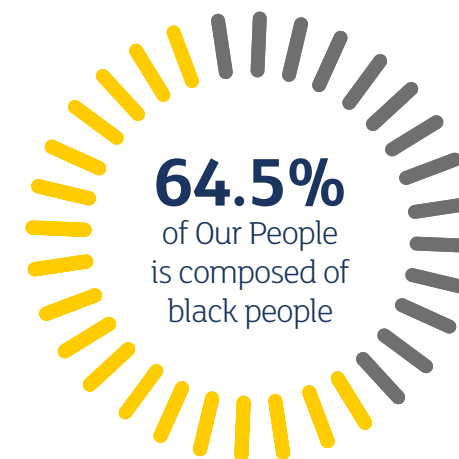
## RACIAL DIVERSITY

Our D&I values, policies, and practices are founded on the idea of creating an environment that is representative of all races and ethnic groups, where everyone is valued and granted the same rights and opportunities for career advancement.

Our positioning for in ensuring inclusion and affirmative actions allowed us to reach an average of 61.7% of hiring black people, a percentage that goes beyond the national average raised by the IBGE agency on the demographics of Brazil's black population (54%).

### RACE PROFILE

Racial I - Gender & Race/Ethnicity Headcount	2020	2021	2022
Women's headcount, per race/ethnicity (Yellow)	431	668	749
Women's headcount Female per race/ethnicity (White)	5,781	8,011	10,643
Women's headcount Female per race/ethnicity (Indigenous)	74	111	104
Women's headcount per race/ethnicity (Not reported)	4,138	1,476	1,847
Women's headcount Female per race/ethnicity (Black)	12,993	18,752	23,793
<b>TOTAL, WOMEN</b>	<b>23,417</b>	<b>29,018</b>	<b>37,136</b>
Men's headcount per race/ethnicity (Yellow)	299	487	579
Men's headcount per race/ethnicity (White)	5,824	8,178	10,635
Men's headcount per race/ethnicity (Indigenous)	145	188	225
Men's Headcount per race/ethnicity (Not reported)	5,162	1,636	2,216
Men's headcount per race/ethnicity (Black)	14,038	20,613	25,233
<b>MEN'S TOTAL</b>	<b>25,468</b>	<b>31,102</b>	<b>38,888</b>
<b>GRAND TOTAL</b>	<b>48,885</b>	<b>60,120</b>	<b>76,024</b>



**AMONG LEADERS (MANAGERS AND ABOVE),  
43.6% DECLARE THEMSELVES  
AS BLACK PEOPLE**



## BESIDES:

### [GRI 405-1]

We had 4,056 people with disabilities at the end of 2022 at our Distribution Centers, Stores, Headquarters, and Offices throughout the country, which represents 5.3% of the total number of employees (a rate higher than that required by Law: 5%). We guarantee to People with Disabilities equal access to training, development, and career opportunities. We invest in a variety of ways to make our workplace more accessible for employees with disabilities, including removing attitudinal and architectural roadblocks. We review flows and processes such as Attraction and Selection, Integration, and Development to ensure that people with disabilities have a better experience. Since 2020, we have developed the Star your Career training trail with the assistance of specialized companies, designed to be accessible and tailored.

### In terms of career progression 119 people with disabilities were promoted in 2022.

PCDs	2020	2021	2022
Total number of People with Disabilities	2,574	3,206	4,056
% of people with disabilities	5.3%	5.3%	5.3%
Total number of people with disabilities in leadership positions (managers and above)	6	7	8
% of people with disabilities in leadership positions (#PwD in leadership positions: managers and above) total # of leadership positions (managers and above)	2%	1.7%	2%



In 2022, we mapped the representativeness of employees who declare themselves immigrants and/or in a situation of refuge and we identified 509 employees. We also strengthened the partnership with Adus - Institute for Reintegrating Refugees, to make progress with projects that make it possible to offer the best hiring experience to people in refugee situations.

In 2022, we intensified training and communication actions that provided more knowledge, awareness-raising, and literacy on the LGBTQIA+ theme

We increased the representativeness of trans people at our units for 83 professionals, which means 27 additional trans people versus the same period of last year.

We supported the 5th Trans Parade, Divers/a Fair, and the LGBT+ Business and Rights Forum.





**Jackeline Andressa Lima**

Operations Trainee

“ During my transition, I went through several situations of prejudice in previous jobs for not being accepted by my gender identity. I see that here at Assaí, empathy, respect, and inclusion make all the difference and make the work environment more welcoming. Here, I have my rights guaranteed and the chance to develop and make progress in my career. Today, I am in the process of being a trainee to become a shop assistant and, undoubtedly, this professional growth is motivating and makes me feel safe, especially because I see that inclusion, diversity, and human rights are priority pillars in this Company that are also reflected in the development strategy for employees.



**Ronald Afonso da Silva**

Loss Prevention Officer

“ Our Diversity Program focuses on generating knowledge and raising awareness so that, more and more, we can have a psychologically safe space, free from any and all forms of violence and attitudes that lead to prejudice and discrimination. In 2022, we joined the Business Initiative for Racial Equality with which we reinforced our commitment to create affirmative and inclusive action strategies to encourage the professional growth of black people in all areas and relationships of Assaí, whether internal or in the hiring of suppliers and service providers. Only from this respect we can provide our customers with all the consideration and uniqueness that we value so much, also creating an environment of inclusion, respect, and appreciation of diversity.



## Featured Initiatives

- We develop and implement, in Brazil, the **Diversity Ambassadors program**, which allow stores and DCs to have employees who are representatives and allies of diversity, focused on leveraging in their corresponding units the promotion of inclusion, respect for and appreciation of diversity considering all fronts of action: LGBTQIA+, Beliefs, Culture, Race, Gender, Generations, and People with Disabilities. This initiative includes workshops and training, as well as meetings and/or guidance for people to carry out actions such as the Diversity Week, Women's Week, etc.

In all, there are 250 Diversity Ambassadors from a variety of positions.

- We also launched the 2nd module of the **Protagonize Your Career** program. Relying on various accessibility resources, including lives, videos, and e-zines, it encompassed themes such as Self-awareness, Assertive Communication, and Conflict Management. The trail is intended to the continuous development and empowerment of our employees with disabilities. In all, 511 employees with disabilities signed up.

- We held the **6th edition of the Diversity Week**, which had actions for all units in Brazil and aimed to generate knowledge and raised awareness to strengthen attitudes towards inclusion, respectful dialogue, and the appreciation of diversity present in Our People and customers. At this event, a live talk was held to highlight the subject of race, during which we recorded the relevance of Black Consciousness Day and proclaimed our devotion to the Business Initiative for Racial Equity, of which we became signatories. The Week also included training and engagement actions, focusing on literacy for all fronts of action. Over 5,800 employees took part in the Week, which had over 2,000 training hours.

We launched the training trail centered on Eradicating Violence Against Women and Girls, and the Diversity & Inclusion Primer, an online version available to all employees, through the Assai University. A physical copy was distributed to all personnel to facilitate access and comprehension, thereby enlarging knowledge of respectful and inclusive attitudes in line with our values.

- We promoted the **4th Women's Week** with actions in all Units focused on the visibility, recognition, and empowerment of women. Invited experts addressed topics such as Violence against women, Career, Visibility, and Development with specialists, from the Journey to Gender Equity trail, composed of training focused on Women's Leadership with Beta Impulse, Responsible Masculinity Path with Man's and Parenting Talk, Maternity and Paternity counting on consultants from "Filhos no Currículo" (Kids on the résumé). Leaders were present at all live shows, and their presence was a reminder of our commitment to the discussion and inclusivity. During the event, we also signed the **Women 360 Movement Commitment** (which aims to contribute to the economic empowerment of Brazilian women from a 360 degree perspective),

reinforcing our position as a transforming agent in society and strengthening the development of policies and initiatives that promote female equity and inclusion.

- We kept the constant agenda on inclusion and respect in our internal and external channels (LinkedIn, Facebook, Instagram), providing knowledge, awareness-raising, and visibility through the **Dialogues on Diversity**.



- We launched the **50+ Program**, which aims to expand the age range of inclusion and extend the program to all areas of the company. Our goal is to boost the employability of 50+ professionals, while also honing their abilities and expertise continuously. We also contribute to new opportunities, we introduced a talent bank on the Gupy platform, exclusively for 50+ talent, that incorporated an HR Guide to enhance the selection process, support career transitions and equip employees for the rapidly evolving digital environment.

- We carried out **literacy campaigns and actions**, training, sensitization, and awareness-raising initiatives, which generate learning and contribute to the eliminate prejudice and discrimination. In this way, we seek to eradicate unacceptable behaviors related to gender issues, racial discrimination, and other relevant topics.

- We conducted over 40 training classes on **Unconscious Biases and Service Protocols for all employees** of the Checkout counter, Customer Service, Loss Prevention, Security, and leaders of all sections. We intensified **training for business areas**, such as Legal, Marketing, the Press, and HR on topics such as Diversity and Unconscious Biases, and the ABC of Race. We also launched the online version of this training, with the participation of leaders from the Diversity,

Loss Prevention, and ID-BR areas to increase our reach through expansion.

- Together with Assaí University, we launched the **anti-LGBTPhobia Allies** trail, which raises the knowledge and awareness about the history, challenges, and achievements of LGBTQIA+ people.

- In partnership with Assaí University and Impulso Beta, we launched **Together to End Violence against Women and Girls**, a learning trail comprising three videos. Through the program, participants could gain insight into the various forms of violence (and how it can impact them), classify the stages of domestic violence, and above all, glean how to welcome and aid people who have been abused.



### Fernanda de Souza Alexandre

Section manager

DIVERSITY

*“ I started here at Assaí in 2016, as a store operator. At the time, I had no training or experience, but Assaí provided me with professional training. During these years that I have been working here, I took some courses at Assaí University and, after reaching a level of leadership in the company, I took part in the Grow Program. This initiative helped me a lot in my development. Today, I am head of store and I continue to do the training to make more and more progress in the Company. In this position, I always carry my legacy and Assaí’s impact on my life as a reference for the team I lead. ”*

## Learn about our commitments to promoting respect for diversity and inclusion in our country:

- We joined the **Women 360 Movement** (Business Movement for Women’s Economic Development). With this, we intend to contribute to the discussion of the agenda on gender equity and female empowerment. We reinforced our commitment to respect, appreciation, and inclusion for our employees and stakeholders.

- We are part of the **Racial Equity Corporate Initiative (ID\_BR)**, a movement composed of companies and organizations committed to racial inclusion and overcoming racism in the corporate environment. We share its work schedule stated in 10 Commitments of Companies

to the Promotion of Equity, strengthening actions for inclusion, development, and career, striving to eliminate racism inside and outside Assaí.

- We joined the **Open Letter to the Federal Executive** to sign the Convention 190 for the **Elimination of Violence and Harassment at Work**, a movement led by the Coalition to End of Violence against women and girls, of which Assaí is a signatory.

- We have partnered with the **Intercompany Project**, led by Tim and the Positive Women Movement to support the inclusion and development of women.



## AWARDS

Our diversity practices are in **3rd place in Inclusion of People with Disabilities** and above average in the retail sector of the 1st Ethos Survey/ Time of Inclusion, carried out in partnership with the Ethos Institute and Época NEGÓCIOS magazine.

This survey, which researched the best practices of diversity, equity, and inclusion of 169 Brazilian companies, nominated the top 72 companies with the best performance in favor of gender, racial, and generational equity, inclusion of people with disabilities, and promotion of LGBTQIA+ rights in our society, and Assaí is among them with practices considered above average in retail in promotion of gender equity, racial equity, LGBTQIA+ rights, and generational equity.

We conquered the third place in Highlights for the Inclusion of People with Disabilities (and the second best in the segment).

This recognition reinforces our role as a transforming agent in our society, which values and promotes a respectful, diverse, and free environment.

We won the **3rd place in the Best Companies in Diversity Practices and Actions award**, in the category “Non-Signatory Companies–Market Practices”, held by the Business Initiative for Racial Equity, which recognized our actions carried out in 2021.



# QUALITY OF LIFE

**[GRI 403-6]**

We are dedicated to promoting mental and physical wellness among Our People. Here at Assaí, we spare no effort to support, welcome, offer help, and ensure that they feel supported 24 hours a day, seven days a week.] Being Assaí is like that!

We look after Our People. We provide social and psychological support to workers and family members to maintain their psychological and physical well-being. The Social Work team is available 24 hours a day, 7 days a week to provide support for all employees and their families.

Our multidisciplinary team is composed of a wide range of specialists, including social workers, psychologists, lawyers, and social security consultants, all aiming for the same end goal.

We take a zero-tolerance stance when it comes to violence of any kind. Therefore, we welcome our employees who were victims by listening and supporting those who are going through this moment. We believe this is a very important pillar to encourage and strengthen victims of domestic violence. When we receive any report of domestic violence, we bring together experts from the social, diversity, legal and loss prevention fields to collaborate on the protocols and carry out the process. We provide all kinds of social support, and we make all our support benefits available, such as: face-to-face psychological care by the medical insurance or video consultation by the Social Work care team. Our advice service is available

24 hours/seven days per week, and those impacted can seek the support they need at any time.

To provide access to the best quality of life—physical and mental—among our employees, we offer a wide range of benefits, besides several initiatives to promote quality of life, such as:

- We encourage the adoption of healthy habits for disease prevention. Apart from stimulating educational campaigns, webinars, and lectures on nutrition, mental health, physical fitness, medicine and labor, we have associated with gyms across Brazil.

**Gym:** for employees and dependents (13 thousand users)

**Health Care:** for employees and dependents (over 94 thousand registered people)

**Dental Care:** for employees dependents (50 thousand registered people) Partnership with Gympass and TotalPass

● Adopting a healthy diet yields enhanced Quality of Life and more productivity. Thus, our nutritionists give us **insight into wise dietary habits**, advocating for a balanced and diversified menu. All our employees at stores, DCs, Administrative Offices, have our internal cafeterias for Breakfast, Lunch, and Dinner.

● A **Basic Food** Staples is provided to all employees. It is a card provided with a monthly credit for employees to purchase food products at our stores. In 2022, about 61 thousand employees were provided this benefit every month (those eligible ones).



- We also grant the **Multichecke card**, which gives employees the opportunity to buy any product in our stores with a 5% discount on the total purchase. Depending on the date of purchase, the payment can be made within sixty (60) days, deducted from the Payroll.

- We entitle mother employees to **extend Maternity Leave for an additional sixty (60) days** beyond the term granted by law, totaling one hundred and eighty (180) calendar days. This leave is extensive to adoptive children and women in same-sex marriages, under the law. About 1,000 mothers enjoyed this benefit in 2022.

- The **Mom Card** is a monthly amount granted to eligible employees who have children between 6 months and 4 years, 11 months and 29 days old. It is a credit on the card to purchase basic staples, such as nutrition and food, toiletries, diapers, wipes, among others. In 2022, we had over



4,000 children benefited, also considering children of women in same-sex marriages and adopted children.

- **Baby Clothes** is a benefit granted to our employees' newborn children. We offer a kit with all the basic items for the arrival of a baby, such as: clothes, shoes, bottle kit, socks, suitcase, baby toiletries, among others. In 2022, about 1,880 kits were provided.

- **Life Insurance** is a benefit offered for the well-being of the family, aimed at guaranteeing financial protection if the employee may be absent because of death or retirement due to disability.

- Through the closed **Private Pension Plan**, we make payments so that our managerial leaders and above have an additional investment option. With Assai Prev, employees can choose among several modalities, which have the co-participation of the company in percentages between 1% and 4%.

- We rewarded our employees by giving them 75 thousand **Christmas baskets** and Poultrys.



In partnership with a Credit Union, we **contribute and assist our employees in personal projects**. All employees are eligible (currently, 45,600 members). In this way, we encourage them

to make savings. Said Union returns to every employee 100% of the total amount invested, besides providing the following benefits:



- Payroll-deducted loan with up to 36 months to repay
- Undergraduate and postgraduate scholarships with up to 75% discount
- Partnerships with language schools
- Financial education course
- Annually, our credit union members are entitled to the Study+ benefit, which is a credit amount for each legal dependent aged between 4 and 17 years old to help cover the cost of school supplies.
- Support to purchase prescription glasses, contact lenses, orthoses, and prostheses.
- Influenza vaccination campaign

*\*We also considered Transportation Voucher, with an investment of BRL107 million*

# INTEGRATED HEALTH AND SAFETY

**[GRI 403-1, 403-3, 403-6]**

We believe that health and safety are non-negotiable and demand a thoughtful, integrated look that reflects Care for Our People. Consequently, we have tailored our approach to managing these areas to enrich the employee experience from the very beginning.

We are seek to align the set of elements established in the health policy with the objectives and processes to achieve the corporate goals of SESMT (Specialized Service in Safety and Occupational Medicine). This is one of our main goals.

By unifying SESMT actions in a shared context, we have the opportunity to optimize health resources - which provides a close welcome to employees in their individual needs, and thus, we assure employees and customers our commitment to managing Occupational Health and Safety.

In addition to ensuring full compliance with legislation, care is focused on developing action plans that ensure the reduction in the severity of different work events, based on the analysis of data and indicators for the construction of a vision capable of mitigating occupational risks, reduce occupational disease events and work accidents.

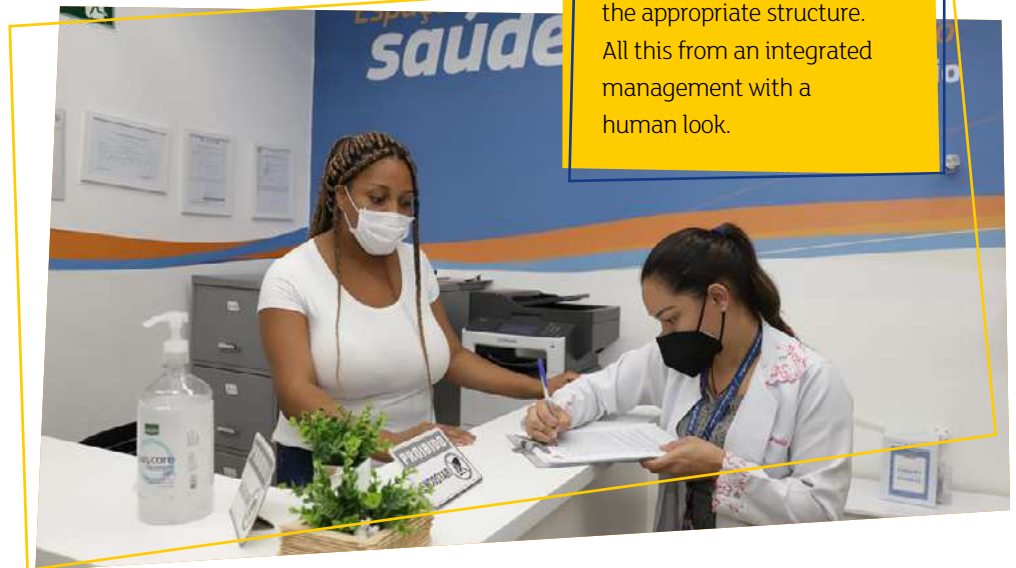
We seek to develop and qualify our employees through training, communication, awareness-raising, and challenging targets to achieve excellence in our operations. excellence in our operations.

This method allows us to gain greater insight into our culture of continuous improvement and its impact on the health care we provide.

We implemented the Health Circuit in the administrative and corporate areas, which tracks and maps the health profile of Our People. The focus of screening broadens to include the search for metabolic disorders such as hypertension and diabetes, which can be identified through analysis tools. Over one thousand employees took part in this screening.

Through the different monitoring channels, over 1,400 employees were directed to health programs of health care operators: about 370 for the monitoring of Nutritional health; 260 for Cardiology, over 310 for Endocrinology.

Taking care of the health and safety of Our People is to be close, understand their needs at each moment of the journey, and enable the appropriate structure. All this from an integrated management with a human look.



## OUTPATIENT CLINICS THROUGHOUT BRAZIL

We have two medium complexity outpatient clinics, located at our administrative headquarters in São Paulo and at the Cajamar Distribution Center. We implemented 12 occupational outpatient clinics, installed in the capitals Belém, Campo Grande, Cajamar, Cuiabá, Fortaleza, Goiânia, Recife, Rio de Janeiro (two units) Salvador and São Paulo (two units). Every unit makes available an occupational physician and an occupational

nursing technician to supply more close and warm occupational medical care. We worked hard in 2022, providing over seven thousand medical appointments to those in need.

In partnership with health care companies, we expanded care in 2022 by following up over 3,000 beneficiaries admitted to hospitals, with about 930 cases in a medical clinic to meet the most diverse needs.

Another point standing out in our health care is our nursing professionals, who are fully qualified to perform screening and

application of intravenous and intramuscular medication. Featuring a distinct and inviting service, our outpatient clinics rendered approximately 26 thousand services in 2022.

We look after the mental wellness of our staff with various initiatives, such as one-on-one outpatient care, emotional guidance courses, and partnerships with external experts. As for the Mental Health Program, individual therapies with a psychologist, group therapies, and care with a psychiatrist welcomed over 1,500 employees in 2022.

The changes brought by the pandemic changed some social and family contexts, and this brought a reflection of new needs felt in this area of care. The Medical team worked to welcome over 11,000 employees to provide them with care, including video consultations, advice, prescribing therapeutic conducts and directing them to programs provided by the internal Health Team and health care companies.





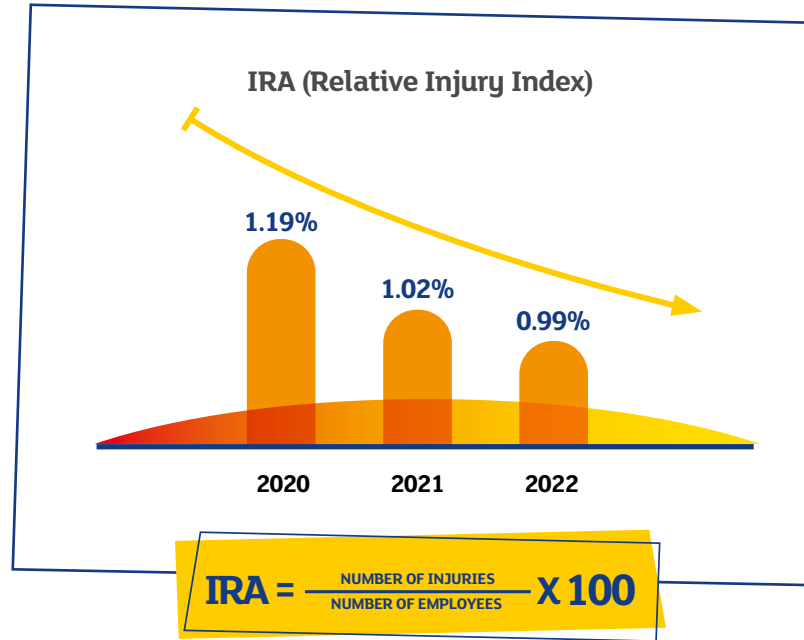
# Occupational Safety

[GRI 403-2, 403-4]

We look after Our People, their health and their safety. Therefore, they are non-negotiable and spare topics for us. With the expansion of our stores and the rapid growth of the number of employees throughout Brazil, we have been keeping a strategic focus on safety issues, acting firmly on the pillars of prevention, control, and monitoring/ measurement.

We perform field safety inspections to identify risks in our operations. We have the support of a customized checklist application, encompassing 20 safety topics, ranging from legal documentation to preventive actions. Through it, we map risks; we monitor the Relative Injury Index (IRA) indicator that measures the injury rate of a company, which is regulated by the Department of Labor; then, we recommend preventive and corrective actions.

Our IRA rate has been decreasing year after year, showing that we are on the right track for Management and Control of occupational injury rates.



**Checklist:**  
 over 10 thousand applications of the easy-to-use checklist safety inspection tool at stores and DCs. It is used to check conformities in operations of stores and Distribution Centers (DCs).

**Average of 78.93 points**  
 of compliant items at stores and DCs

Our operational processes and controls ensure compliance with current regulatory standards: with 100% compliance with the Risk Management Program (PGR), the Internal Committee to prevent Occupational Hazards (CIPA), besides our Fire Protection, Emergency Response and Ergonomic job analysis programs.

The Anhanguera, Arujá, and Cajamar Distribution Centers were also included in the risk mapping actions, with a major focus on identifying risks present in each activity and in the environment and proposing control and protection measures.

We carry out Safety Dialogues in a structured way at all Assaí units, which use QR Code technology to standardize and streamline our communication, in addition to monitoring the attendance.

### Number of hours dedicated to Safety Dialogues and fieldwork (Stores and DCs)

2020	2021	2022
86,856 HOURS	96,096 HOURS	100,000 HOURS

## Occupational safety in numbers

### [GRI 403-4, 403-5]

Safety Dialogue: over 100,000 hours of guidance on safety actions in stores, distribution centers and offices, with the approach of over 200 topics

Over 5,000 training hours on CIPA (Internal Committee to prevent Occupational Hazards)

Implementation of the PAE (Emergency Response Plan) in over 240 units: stores, distribution centers, and headquarters

Over 10,000 hours of training with the Emergency Brigade, with the training of over 10,000 employees ready to act in any emergency

In 2022, among our new businesses, we paid special attention to the butcher shops. We invested in training and qualification, especially in compliance with NR 12, regarding occupational safety in machinery and equipment. Among the special actions carried out during the year is the implementation of face-to-face training for butcher's professionals (at all units). We delivered more than 900 primers (for butchers and butcher heads) in order to ensure full performance and compliance with regulatory standards. **[GRI 403-5]**

We also took care of the accident prevention in the operation of machinery and equipment, ensuring the training and qualification of machinery and equipment operators that assist in the transport and movement of loads in all our units. We have prepared and distributed more than three thousand "Safety Primers for cargo handling equipment", which were delivered in the integration of Forklift and Electric Pallet Truck Operators that standardizes the safety procedures that must be adopted.

### **[GRI 403-5]**



## Multiplying information and knowledge



**Green April Campaign:** it aims to raise awareness among the population about the risks of occupational accidents and diseases and their forms of prevention. Through Safety Dialogues structured with our employees in Stores, Distribution Centers, and Offices, we support the National Campaign and contribute to raise Our People's awareness of accident prevention. We had more than two thousand hours of dialogues.



**Yellow May Campaign:** it brings society's attention to the alarming rate of deaths and injuries related to traffic globally. At Assaí, we focus on raising awareness on commuting accidents, involving all our units. We provided two thousand hours of communication on this topic to raise our team's awareness.

# MESPAT

[GRI 403-7]

The MESPAT (Month to raise awareness of and prevent Occupational Injuries) reflects the care we take with Our People. We put our employees' welfare first, and guarantee the maintenance of a safe and sanitary workplace. The event took place in our stores, distribution centers, and offices. We sought to inform our employees, guide them and make them aware of the occupational risks to which they are exposed, and the preventive measures to be adopted. The topics covered each week were customized, considering the characteristics of each operation and its particularities in the Stores, Distribution Centers, and offices. We also reinforced the main practices of the company to aligned among everyone, thus minimizing or eliminating accidents and occupational diseases.

We performed over 500 hours of awareness-raising activities in stores, distribution centers, and offices. We have professionals participating in CIPA and safety technicians to reinforce messages in Stores and Distribution Centers, as well as the use of visual materials, with the distribution of stickers in the environments.



# Extending the health care provided to Our People.

[GRI 403-3, 403-6]

During MESPAT, we partnered with an optician chain to perform visual acuity tests. At the conclusion of the test, our employees had the privilege to procure glasses with diverse lenses and frames, at discounted costs and advantageous payment conditions.

We carry out the flu vaccination campaign with voluntary participation over the months of May to June 2022, when we had an outbreak of influenza caused by the H3N2 virus. We immunized 40% of our employees, i.e., about 23 thousand people.

Since 2022, our employees from other states no longer need to travel to Sao Paulo city to take part in our check-up program. We decentralized the program and, in partnership with suppliers from Belo Horizonte (Minas Gerais), Cuiabá (Mato Grosso), Federal District, Fortaleza (Ceará), Recife (Pernambuco), Rio de Janeiro, Salvador (Bahia) and São Paulo (São Paulo), we increased the participation in the program by 30%, in addition to reducing the time spent for this service.

The health care also extends to our employees' dependents. Among the main actions performed, we highlight the service at elective and emergency consultations, complementary examinations, therapies, and diagnoses.



# COVID-19

The Covid-19 pandemic affected thousands of professionals in the scope of social, family and personal behavior; and this took place at Assaí as well. Concerned about this issue, the medical area implemented at the administrative headquarters a program that aims to take care of our employees' mental health. Hence, we have two professional psychologists who are present every day during business hours, delivering in excess of 300 consultations each month.

With the care we provide to our employees by means of our SESMTs, outpatient clinics and mental health program, we are able to map all the issues that impact the health of our employees, whether occupational, care, or mental and thus ensure alternatives to improve quality of life for everyone.

We work with continuous testing for Covid-19 In our outpatient clinics and, in 2022, over twelve thousand tests were performed. With this testing action and with the resources we made available, it was possible to avoid that several employees needed to seek external care.

During the peak of the pandemic, from January to March 2022, we worked with

doctors trained for online care (video consultation). According to our protocol, during the period of infection and at the end of the leave, all our employees passed through this experience to make sure they were fit for return to work. This strategy provided safety and well-being to over 1,200 employees.

Another differential of our Covid-19 program – started in 2020 and that is still active – was the monitoring of employees who needed hospitalization. We worked with our health care providers to ensure the availability of beds and ICUs, in addition to a daily follow-up carried out by our doctors for employees who were in this situation. We also facilitated the medical care of employees and their families, especially in cities where there was a lack of hospital beds. We also work directly with health care providers to expedite removals, when a more specialized care was needed.

We provide psychological and social care for relatives of our hospitalized employees, through our medical team and social service, interfacing with the hospital to get information about the patient's health

status and thus reassure family members, considering the difficulty that hospitals had in passing on information, in addition to the impossibility of companions.

In the event of an employee's passing, the social service area supplied psychological assistance to their family, and facilitated the funeral proceedings as well as the insurance payout.



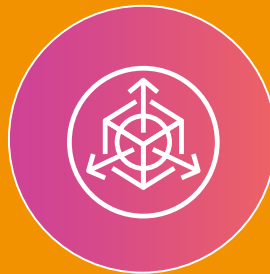
Our employees' physical and mental health is of utmost importance to us





# 6

## MANUFACTURED CAPITAL



We watch over our operating model and our approach to doing business, our network of stores and distribution channels, plus the specifics of our growth and expansion procedure.



# Our way of doing business is

Assaí Atacadista: a bustling self-service wholesaler (cash&carry) that is one of the most prominent employers in the country. We hired over **16,000 people** in 2022. We are present in **23 states and the Federal District**, with 263 stores, 12 Distribution Centers, and 11 Regional Offices. We are considered as one of the **15 Most Valuable Brands in Brazil**, according to the Brand Finance annual ranking.

**Flexible.** We have a model that adjusts to the cultural nuances of Brazil's diverse audiences.

**Region-oriented.** Brazil is a continental country full of distinct cultures, customs, and particularities, and we do our best to address the desires and requirements of all these differences.

**With a decentralized logistics.** Our products are stocked in local stores, helping to ensure a speedy delivery of

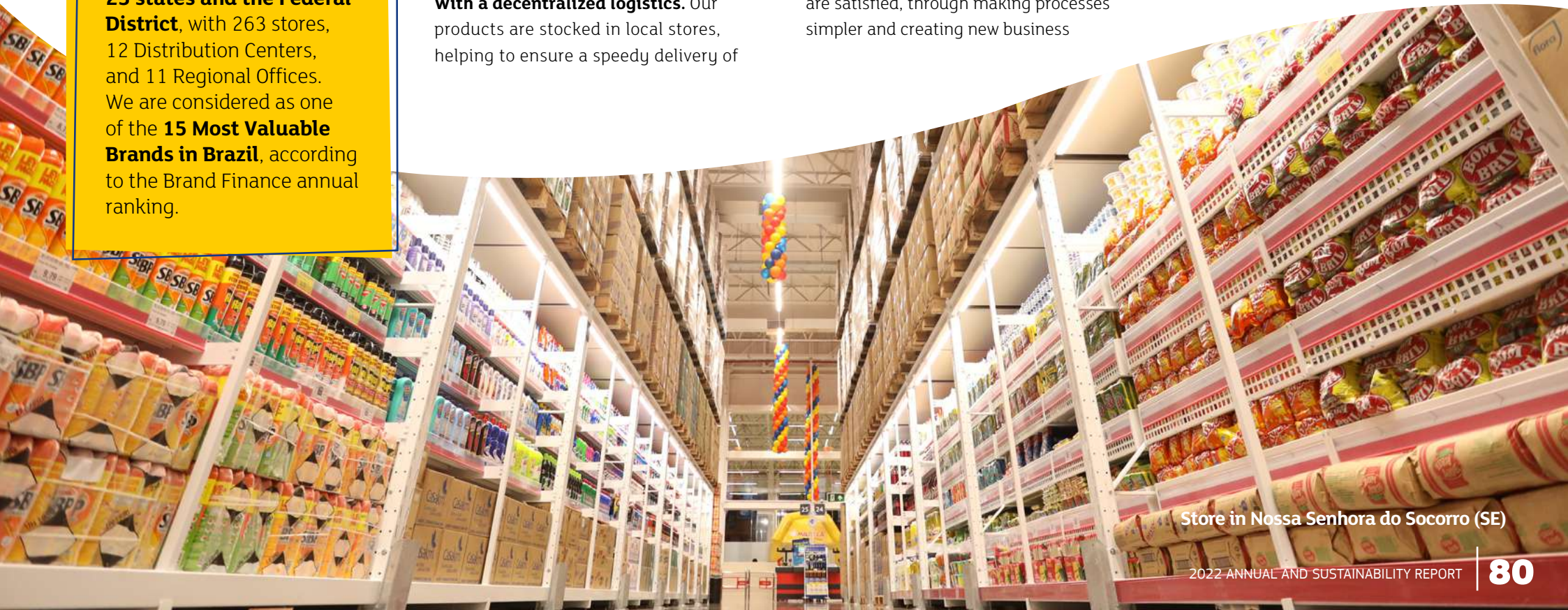
goods and a robust selection suited to the region.

**Efficient and productive.** We have a low-cost, efficient structure that offers a shopping experience focused on quality and savings.

**Financial services made easier.** Our priority is to make sure our customers are satisfied, through making processes simpler and creating new business

opportunities. In 2022, more than two million Passaí cards were issued, representing about 6% of gross sales of our stores.

**Accessed with ease.** Our consumers buy from Assaí in person or remotely, at points of sale in physical stores, telesales (with in-store pickup), and on "last mile" applications.



Store in Nossa Senhora do Socorro (SE)

## We, expanding

The year was distinguished by the enforcement of our expansion plan. Although we experienced a difficult economic period marked by a lack of resources, high interest rates and inflation, We managed to sustain a strong growth process, combining the renovation of purchased buildings and organic stores with stringent financial oversight.



In 2022, 47 stores were opened through conversions of hypermarket stores purchased in 2021 and 13 new organic stores, with a 36% increase in sales floor. This was possible with a focus and discipline in fulfilling our long-term strategic planning, which led us to expand and strengthen our presence in regions with high growth potential, such as the North and Northeast regions of the country, and in important cities such as Ribeirao Preto (SP) and Betim (MG). Currently, there are 263 stores in 23 states plus the Federal District, 139 in the Southeast region.

The expansion has also generated over 16 thousand people hired, which also increased the number of employees, which already totals over 76 thousand.

Our expansion plan is premised on combining the schedule of purchased store conversions with organic expansion, with the goal of reaching R\$100 billion in sales in 2024.

The additional stores escalate the offer of assortments and services, which contribute additional convenience and fulfill the habitual shopping basket of our customers, adjusting our business model to the current Brazilian reality. We created gourmet shops, butcher shops, cold cuts shops, and coffee shops. This process was started some time ago because of the changes in food consumption habits of our customers, who consume more at home, along with the search for better prices. The

installation of butcher shops that started at the end of 2020, was consolidated, and in 2022 we added over 150 units in our stores; cold cuts shops are present in approximately 50 stores.

To adapt the stores, we negotiated with property owners and got the licensing for the works, besides developing projects that required changes to adjust the buildings to the wholesale structure. We endeavored to match the most advantageous design in the least time possible while verifying high safety and sustainability standards.

With the 60th opening of 2022 the Campinas Abolição store – we reached a total of 100 stores in the State of Sao Paulo. With this record, stores in the State of SP.



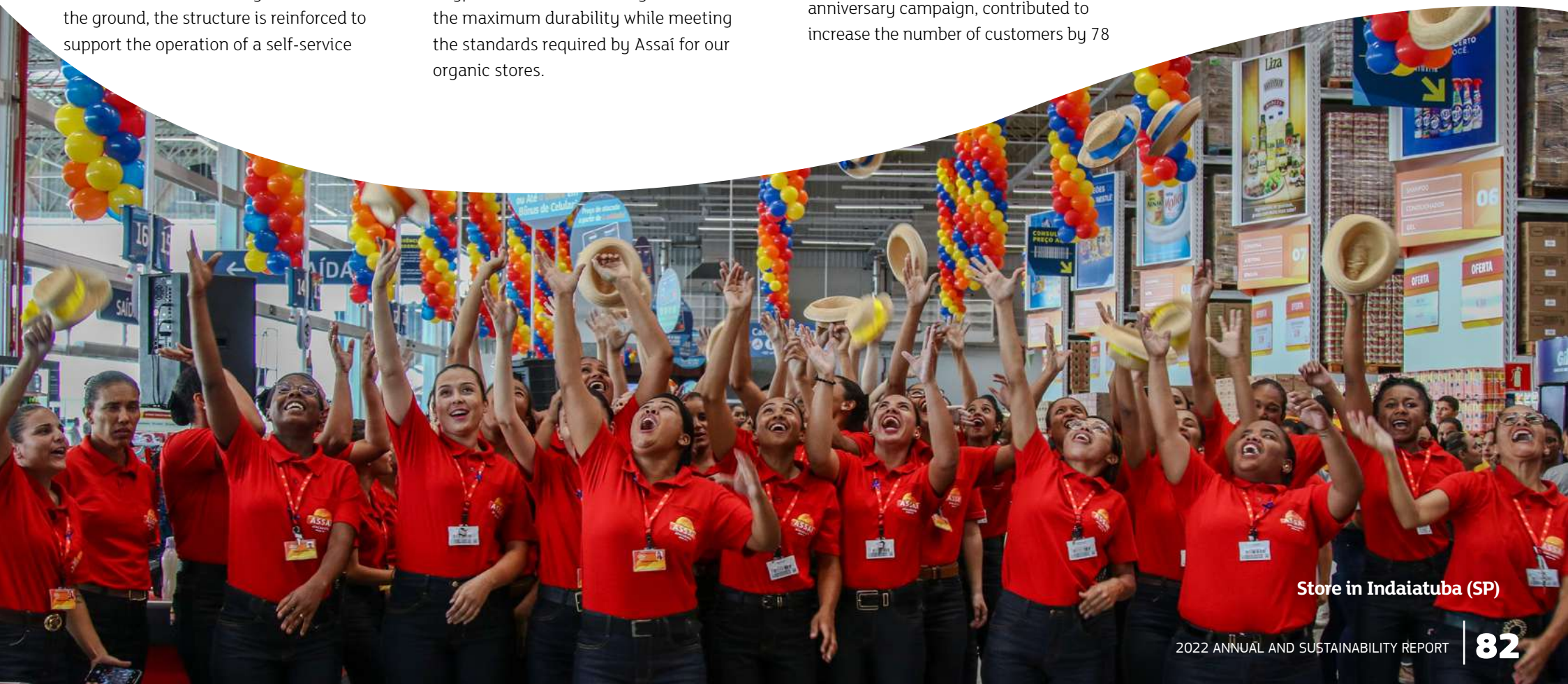
All units inaugurated—whether converted or organic—are part of the most modern generation of stores in the company. The model is based on an improved shopping experience for customers in view of the high demand of people's circulation; every month, Assai receives over 30 million customers throughout the country. Accordingly, the purchased units that were converted into Assai stores were fully renovated. On the ground, the structure is reinforced to support the operation of a self-service

wholesaler, or cash & carry (with a storage of products about three times larger than that of a hypermarket) and the paving of the floors is redone from scratch. Inside, the sales floor, administrative rooms, and docks were completely renovated as well. The façade was updated with a fresh coat of paint, a totem with a rising sun display that represents the company's brand, and a Brazilian flag proudly flying on the new flagpole. Solutions are designed to have the maximum durability while meeting the standards required by Assai for our organic stores.

Each of the new stores is stocked with appropriate assortments directed to the local demand of consumers in order to bring our business model to more and more people, reducing the need for displacements so that customers can buy everything they need at lower prices and a great variety of products.

This scenario, combined with investment in successful campaigns, such as the 48th anniversary campaign, contributed to increase the number of customers by 78

million (reaching 134 million), besides a 23% growth of our stores' average ticket, which receive every month over 30 million customers. These indicators are a resounding testament of how assertive our strategies are and our potential for accomplishment.



Store in Indaiatuba (SP)



# Impact management

[GRI 2-25]

We are committed to full compliance with all environmental legislation and providing compensation that exceeds standards of sustainability. The records detailing the work carried out are strictly adhering to the disposal regulations. We strive to maintain the permeability of areas as required by city halls and the Department of the Environment. All materials employed meet a sustainability criterion, and likewise the machinery, especially the refrigeration machinery, which is totally fresh and energy-efficient in terms of energy expenditure. There is a heightened awareness of energy efficiency, LED lighting, the building of artesian wells, and air conditioning.

We are persistently mindful of the neighborhoods so as to not make noise, adhere to the timetables of the works, and create less disruption, particularly in heavily populated urban areas.

## Building Together

In 2022, we designed and implemented the Building Together project. Through it, we opened a dialogue channel with the community surrounding the construction sites, which involved several audiences,

such as residents, associations, and even the local press.

We anticipated the hiring of over 150 administrative heads of priority units, who also started to act as a focal point in our relationship with the neighborhood. These employees were provided with an Administrative Support Guide, created to advise and support them with good practices among the residents of the surroundings of the works. They were also provided with online training to strengthen this knowledge.

During the construction of the stores, our project team surveyed the neighborhoods and formulated plans for each unit with the inhabitants' characteristics in mind. We invited residents to take part in a group, in which they could clarify questions, give their suggestions, and share information such as: project of the future new store; benefits and facilities implemented; selection process for hiring employees; besides data on the work itself, such as days and times of activities and the total progress of the process.

Learn more about our sustainability policies, procedures, and indicators in the chapter on Natural Capital



Store in Lauro de Freitas city (BA)

# Excellence in Operations and Services

## |GRI 2-6|

With a focus on regionalization, we now have 11 regional boards managed by our leaders, who have autonomy in making decisions. There are 116 stores in the North, Northeast, and Midwest regions and 147 stores in the South and Southeast regions, all with regional supply, selected considering the local consumer profile. Furthermore, marketing efforts are geared exclusively towards the local population through an intimate communication strategy. Our stores are nested close to the bustling cities, making it easy for people to come in and find what they need.

For purchases, we always seek to improve our customers' experience by offering, on average, over eight thousand SKUs – an acronym that means Stock Keeping Unit, including a large assortment of fruits, vegetables, and greens; over 150 butcher shops in operation, featuring automation, air-conditioning, and well-lit environments, wi-fi connection available at all stores, cashiers serving B2C and B2B (concepts that define the profile of the company's target audience), combined with large parking lots.

Our butcher shops offer several options for beef, pork, and poultry cuts;

combined with a specialized service so that customers can choose cuts and/or ground meat as they prefer, which makes a lot of difference for the purchase of small entrepreneurs and food businesses, for example. Exclusive novelties include the Gourmet Shop of Cold cuts—with a selection of sausages and domestic and imported cheeses, as well as slicing service and options of codfish and olives in bulk. Our coffee shops offer several options of fresh and tasty coffees, sweets, desserts, and snacks for those who want a relaxing pause while doing their shopping.

We vary our investments in larger stores based on the local demand and the profile of the audience around each store, providing a selection of premium meats, barbecue section, imported wines, olive oils, and cheeses. This larger selection of services offered enhances our sales and reduces the overall cost.

We came to the conclusion that this improved model of stores does not impact their profitability, as we invested in better locations, lighting, air conditioning, modern equipment, automation of processes, increased assortment and inclusion of services, and we found

that such improvements result in high productivity, with gross sales/sq. m of the company in 2022 of R\$4.7 thousand (R\$4.5 thousand in 2021) without changing the level of expenses as a percentage of income. In we had the highest sales growth among Cash&Carry players (22.7%).



For shopping, we are always striving to improve our customers' experience

# 7

## INTELLECTUAL CAPITAL



It concerns the use of technology and digital transformation in our business and relationships, as well as our educational, training and knowledge-sharing activities.



## TECHNOLOGY AND DIGITAL TRANSFORMATION

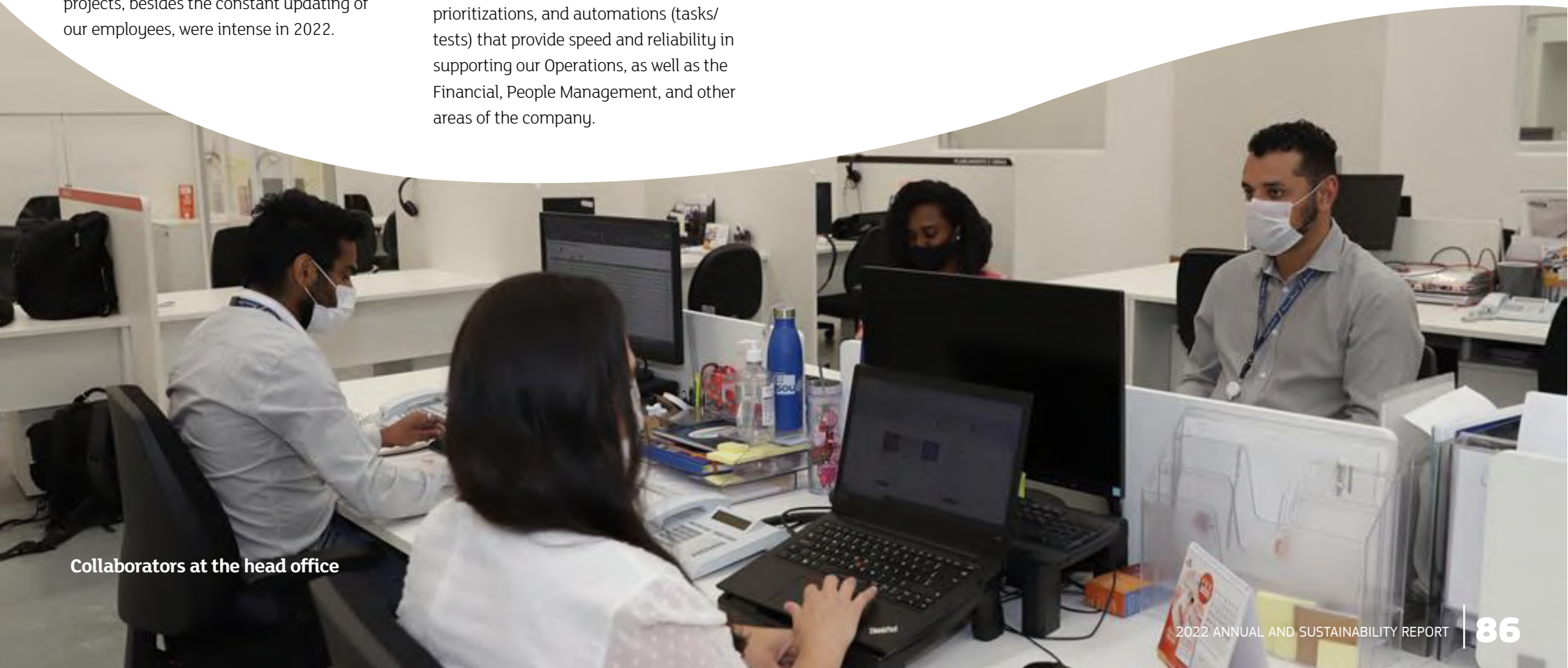
In recent years, we have been experiencing a real digital transformation in our company, a process that has resulted in gains in agility, assertiveness, and proximity to Our People. We use cutting-edge digital technologies to streamline our workflows.

Modernization and implementation of new projects, besides the constant updating of our employees, were intense in 2022.

Leveraging Assaí's vigorous expansion, we had the chance to analyze our systems and enhance our qualification, optimization, efficiency, and performance in technological milieus with new solutions to engender this growth. We adopted processes and tools that support the delivery of new stores, which contribute to anticipating activities, prioritizations, and automations (tasks/ tests) that provide speed and reliability in supporting our Operations, as well as the Financial, People Management, and other areas of the company.

We have also been investing in integrating the shopping experience with investments in Wi-Fi infrastructure across all stores, self checkout, and digital sales through partnerships with last-mile operators. In 2023, we intend to deploy a Customer Relationship Management (CRM)

technology across Brazil, which will be incorporated into the Meu Assaí application, will allow us to gain a deeper understanding of the purchasing behavior of our customers.



Collaborators at the head office

## The digital world in the shopping experience

The social isolation resulting from the Covid-19 pandemic has brought changes in the profile of consumers, which has been migrating from hypermarkets and supermarkets to self-service wholesale, aka cash&carry, in search for lower prices and products to be consumed at home. To this end, our New Business area is dedicated to thinking about the **Wholesale of the Future**, that is, the combination of the digital and the physical world, creating a Phygital experience committed to retain customers for the quality of services and not only for competitive prices.

We also launched a new functionality on the **Meu Assaí** application that comprises the activation of discounts, with special offers in six states of Brazil since it was launched in July 2022.

The app is available for Android and iOS systems and seeks to enhance our customers' journey with the brand, integrating physical stores and services with digital customized offers and activation of discounts, which guarantee lower prices for the users. With the creation of these new features, it is possible to customize

the offers and carry out exclusive campaigns for the most consumed items according to the purchase profile of our customers.

Through the Meu Assaí app, we are increasingly closer to customers, producing varied and relevant content for our customers' daily lives, such as exclusive recipes, and music on the Assaí radio.

With these actions, we seek the continuous improvement of customer relationship, with the possibility of offering a variety of day-to-day business opportunities in terms of sales,



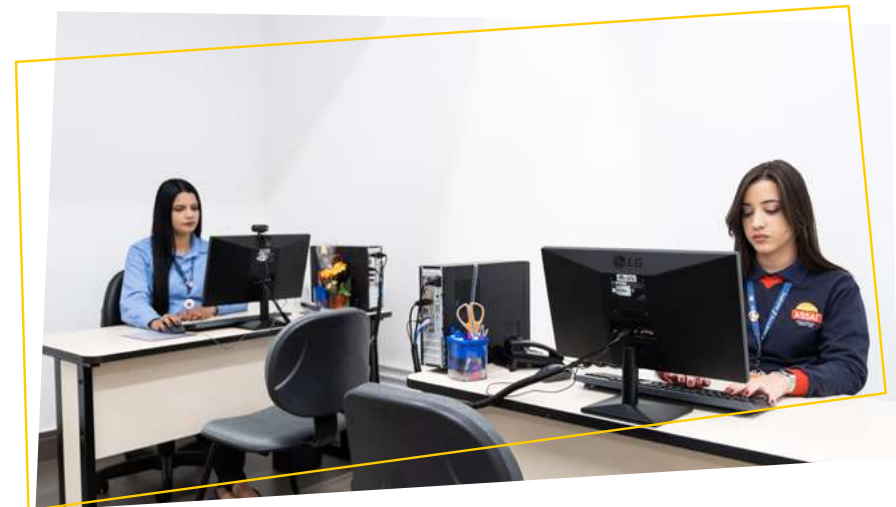
besides a greater visibility on consumption habits and consequent identification of new features within the app to continue engaging our customers and improve their in-store experience.

## Technology & sustainability

Regarding hardware, we had the approval of corporate desktops certified with two relevant eco-labels: EPEAT (Global Council of Electronics), and Energy Star (International Standard for Efficient Energy Consumption). In addition, the disposal or donation of equipment, such as laptops and desktops will be performed under the directions made by the

Assaí Institute together with Assaí's Sustainability area.

In 2022, we achieved a 55% reduction (Oct. 2021 to Sep. 2022) of toner consumption. Moreover, our printing services partner develops a reverse logistics program, collecting cartridges to preserve the environment.



# ASSAÍ UNIVERSITY

## [GRI 404-2]

Our company's continual growth is based on the development of our team, training and courses that are part of our regular activities, as we are convinced that Our People will only succeed when they grow in unison. The learning culture is also one of the pillars of our company's success, which encourages the protagonism and development of employees, giving opportunity for growth and fostering a sense of belonging among the team.

We have been investing in our structured model of corporate education, the **Assaí University (UA)**, since 2013, as part of our strategy to foster the development and sustained growth of our team, in tandem with the strong growth of our business.

The knowledge disseminated at Assaí University generates value for people and society because, for us, knowledge transforms people and multiplies in the lives of employees and between their connections. We foster the growth of both technical and behavioral expertise. It is knowledge that we add to the various business partners that we have agreements with, a knowledge that we produce, process, disseminate, and multiply through employees; a knowledge that empowers people.

The university has a physical structure with classrooms, besides an online platform that uses Artificial Intelligence aimed at offering an intuitive and easily accessible portal. The UA comprises five training schools: Wholesale, Leadership, Operations, Commercial, and Technical and Behavioral Development, besides over 3,600 courses and customized trails according to each area, trajectory, and development needs of each employee, covering from the basic levels of store to the board of officers.

The actions implemented by Assaí University in 2022 allowed us to have people even more prepared to support our business growth, who are also in line with our culture and governance model.

Currently, the Assaí University offers over 50 training programs and 3,600 courses covering topics from governance, ethics, compliance, knowledge of our business and our operating model, training of leaders at all levels, technical training for stores and DCs, mandatory courses and training, basic school training and continuing education courses, besides all topics of sustainability, diversity, customer service, and many other technical and behavioral ones.



**Michele Rangel Castro**  
Global Chief Operating Officer,  
Crossknowledge

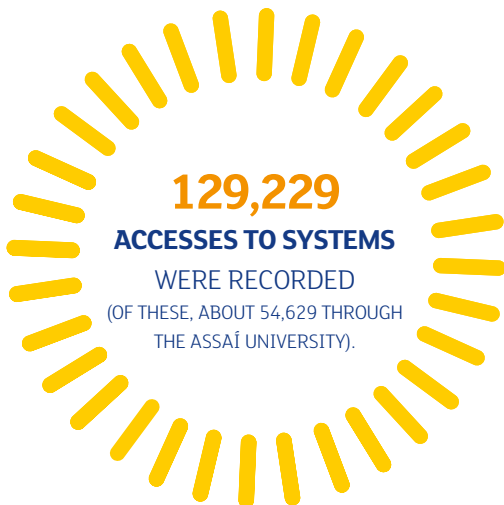
*Our partnership with the Assaí University seeks to create a 100% digital learning environment, with a solution focused on the employee experience. We provide an affordable corporate education format. In line with Assaí's strong business expansion scenario, working together with Crossknowledge, Assaí invested in an app, artificial intelligence, learning communities, and other training formats that, supported by technology, provide employees with a tailored self-development experience.*

ASSAÍ UNIVERSITY



Caring for our employees, immersing them in our culture, and investing in their continual education are strategic goals for the Assai University. Get to know our key initiatives in 2022:

- **Through the so-called Assai Thinking of You self-service totems that were implemented at all our stores and DCs,** we offer structure for access to information, request for HR services, and the various contents of the Assai University. These technological resources broaden the chances for digital access for numerous of our staff—even if situated in a limited broadband coverage region—supplying them with self-sufficiency to research for news, gain access to payroll, and receive remote education.



- **Strengthening the ZapUA:** a channel for information and interaction with our employees. It has a virtual learning assistant, Maia (the Smart Learning Multiplier of Assai University), a humanized robot that monitors interests and levels of knowledge to offer different paths and feedback to learners, thus encouraging our employees, in a closer and humanized way, to develop and grow. It also combines content pills, artificial intelligence, conversation platforms (WhatsApp), and decision trees to support learning programs. Everything is crafted in a nimble and straightforward manner. In addition, through a conversation, Maia shares content on Diversity, with a focus on generating knowledge, promoting inclusion and respect, eliminating any form of prejudice and discrimination, and still provides advice on the prevention and care against Covid-19 through the **Learning to Care program**.



- **New Information Security (IS) trail:** Our People were trained in the topics of Data Leak, Information Classification, Phishing, and Information Security in order to promote the correct use of tools and resources of Our Assai.



- **Productivity and safety:** this training is legally required, but it is also part of our culture to take good care of Our People.

To ensure training and comply with current standards and legislation, we provide training on Regulatory Standards (NRs), which comprise guidelines on the occupational risks of our business and define the procedures that must be applied to protect our employees' health and safety. At Assai, we work with 10 (ten) NR standards, the training for which is provided both online and face-to-face.

We embedded six (6) online NR training into the onboarding so that employees start in their role only after knowing the key operational risks of their position. In addition, we updated the indicator dashboard,



## ASSAI UNIVERSITY TRAINING AND DEVELOPMENT

	2020	2021	2022
<b>Training hours</b>	<b>1,487,395.47</b>	<b>2,359,292.90</b>	<b>5,258,225</b>
<b>Total employees trained</b>	<b>38,601</b>	<b>67,392</b>	<b>88,640</b>
Total # of managers and above trained in the year	341	473	536
Meddle-level leaders trained in the year	4,049	5,121	6,818
Trained non-leaders	34,211	61,809	81,994

After the critical period of the Covid 19 pandemic with vaccination, we are working on the return of training with an hybrid format (online and face-to-face).

making it easier to read and identify the NR standards that need to be refreshed in stores and DCs. In this way, we enable agile and effective decision making by managers of the People and Management areas to deploy action plans and mitigate risks.”

Gente e Gestão para o estabelecimento de planos de ação e mitigação de riscos.

- Over 600 employees took part in the **Internal Multiplier Training Program:** it aims to train employees who support us to disseminate technical knowledge to our people through the development programs of Assai University. Over 597 hits to digital content were provided.

- **Technical Training:** train the operations team in the operational processes of the area. We had 42,000 participations and over 39,000 hours of training on all subjects. On the Quality Talk (“Papo de Qualidade”), for example, we must show the good

practices and foster a Food Safety culture with employees who handle food. About 18 thousand participations in almost 9,500 hours of training.

- **Training for the People Management team, Expansion:** Promote the continuous development of the People Management team for Expansion, through direct connections



between their actions and the expected results, maximizing performance, focusing on continuous behavior change sustained by learning, and with the required support to apply knowledge in their daily lives.

- **Behavioral training for the Loss Prevention team:** we improved personal skills that enhance individual performance, and improve the quality of interactions with colleagues, leaders, and customers, working on topics such as Ethics, Culture, Values, Diversity, Conflict Management, and Customer Service. We launched this program for all stores (eligible loss prevention team), with the participation of the National Loss Prevention Management.

● **Digital Literacy Program**, aimed at preparing our people for digital transformation, as well as to enable them to keep track of the evolution of our business.

● As an emotional support and guarantee of help in an emotionally safe environment, we maintained for our over 76 thousand employees in the **Emotion Management program**.

● **Aprende+ Corporate Program:** continuous training and capacity building actions with the corporate team. Provide the employees of the Administrative Center, Regional and Corporate Offices, and DCs, with training on technical and behavioral skills that are critical to their functions and areas of operation. Technical training of employees with topics such as the GTD (Getting Things Done) method, MS Excel, Power Point; enhancement of interpersonal skills, seeking to develop among them Communication, Negotiation, Emotional Intelligence, Empathy, and Mental Health. We had a significant increase in engagement and participation in events. We work on specific topics for leaders, supporting them with their existing challenges and needs.



### UAINDICA

UAINDICA ("UA RECOMMENDS"): a customized content curation, segmented for leaders and other employees. This platform suggests topics that may be of interest to employees.. The following contents are among the twelve topics suggested by employees:

- How to create a culture of innovation
- Collaborative teams
- MS Office Tools
- Agile leader
- Agile methodologies
- Connect to the digital world
- Lean thinking
- Connectivity and behavior on social media.





# 8

## SOCIAL AND RELATIONSHIP CAPITAL



This chapter outlines our principles, initiatives, and commitments to our customers, communities, value chain, and details our engagement in partnerships and organizations that are addressing public issues relevant to our society.

## NEW CUSTOMERS, NEW CHALLENGES

With our expansion process in full swing, we have been tracking the varying customer profiles, needs, and expectations in the numerous regions we operate in. To keep up with the influx of customers, we broadened our buyer profiles.

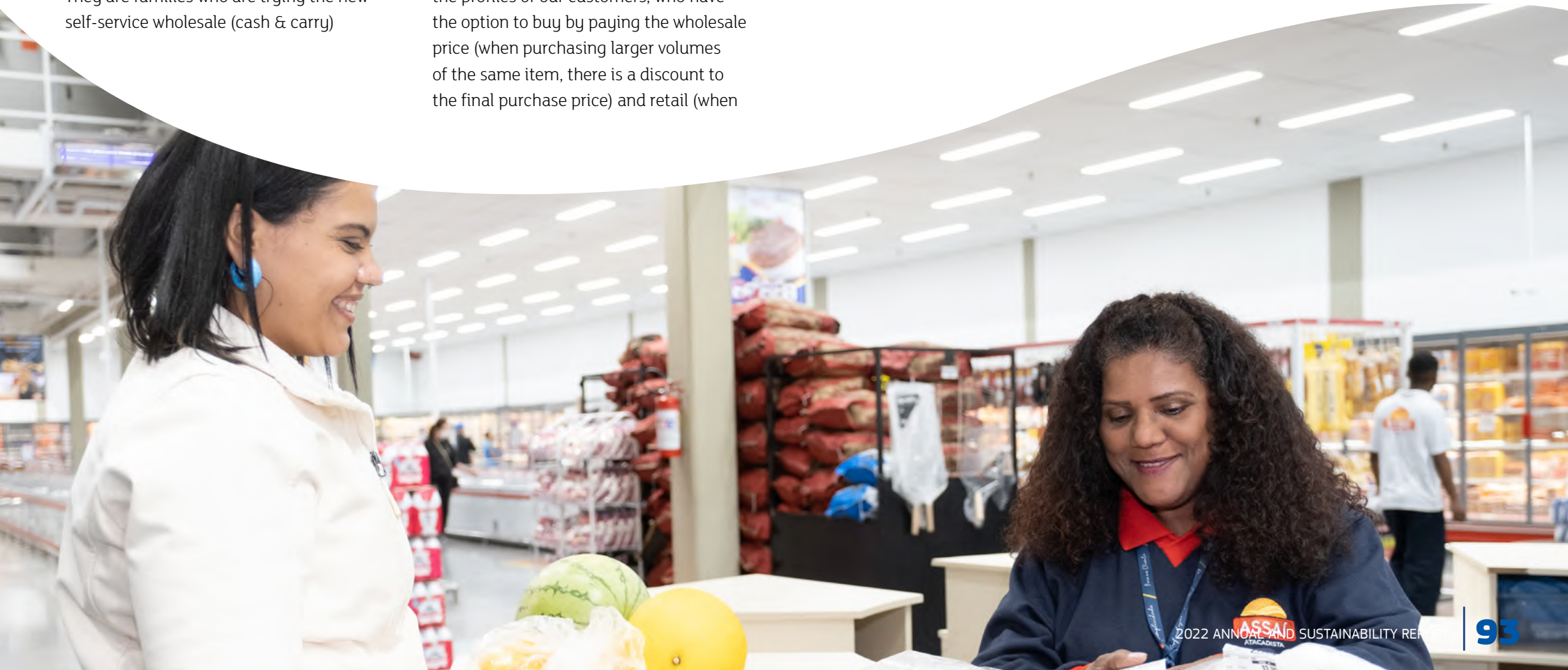
They are families who are trying the new self-service wholesale (cash & carry)

experience at our stores, in a search for our value proposition of product variety combined with actual savings.

We operate in a business model of low operating cost, with competitive prices, products and volume of goods suitable to the profiles of our customers, who have the option to buy by paying the wholesale price (when purchasing larger volumes of the same item, there is a discount to the final purchase price) and retail (when

buying smaller quantities). Besides serving end customers in search for low price and variety, Assaí is the sweet spot for food retailers (such as restaurants, pizzerias, and diners) and conventional retailers (local grocery stores

and supermarkets). The Company sells its products in physical stores, telesales (with in-store pickup), and through delivery partner apps (such as Cornershop by Uber, **Clubbi**, and Rappi).



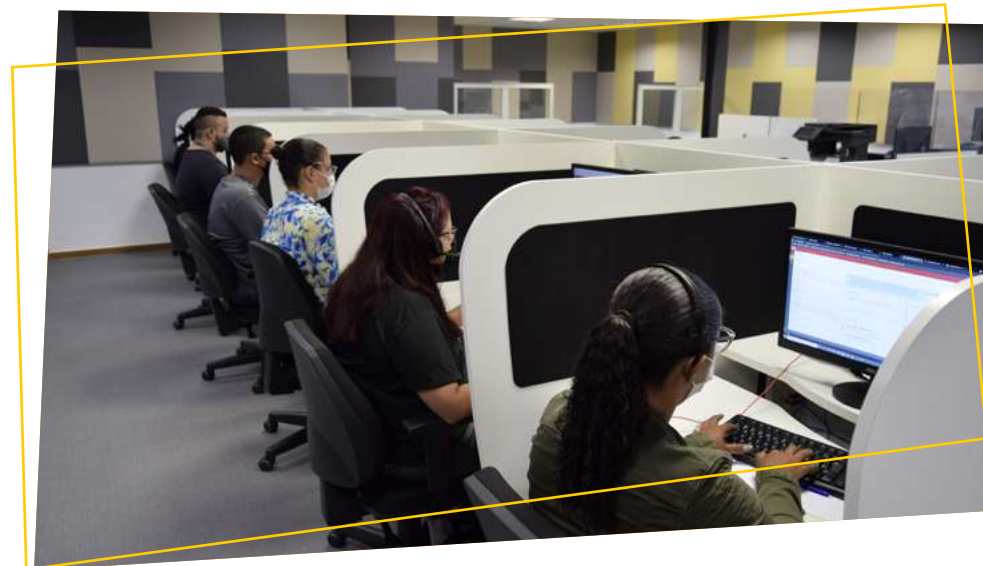
## COMMUNICATION WITH CUSTOMERS

### Customer's Channel

We are investing in technology to improve our customer service, offering more flexibility for those looking for information about our stores, products and services. In 2021, we created the Customer Space area and self-service channels, such as WhatsApp and electronic URA.

The technology that we use in our Center allows us to calibrate quickly our service capacity, according to the volume. In this way, we were able to serve the customer with the same efficiency, even with the strong expansion of stores that we had in 2022.

In the same year, we increase 3 times more in volume of contacts, compared to the previous year. Through the SOL, the virtual assistant, whose name is a tribute to our brand (Assaí means “rising sun” in Japanese), more than 80% of self-service cases are resolved; the others are resolved by the internal team.





# Customer Satisfaction Indicators

Our reputation in the last 12 months on the Reclame Aqui platform is considered excellent. With a satisfaction index of 8.1, the indicator contributed to that recorded in our satisfaction surveys carried out in our service channels. This reflects confidence and seriousness in resolving conflicts with customers.



Internally, we also measure the satisfaction of customers who have visited our service channels through an internal survey, which makes our Customer Focus philosophy tangible and strengthens our credibility.

It is carried out after telephone contact with the customer, who is invited to assign a score from zero to ten to the service received. In 2022, we obtained an average score of 9.38 (above the market index, which is above 7.0).

Customer perception also ensured, for the third time, recognition through the Reclame Aqui award. We were elected by popular vote, in the Supermarkets and Wholesale category, running with 14 other brands.



**Marly Lopes**  
Marketing & Customer Management Officer

“ I am very proud of the continued growth of our company and the fundamental role that the Customer Management area played in this process. In the last year, we opened 60 new stores throughout Brazil, while investing and improving our customer service channels. It is a great honor that the area’s work has been recognized by several awards, including Reclame Aqui. We are committed to continuing to provide excellent customer service and strengthening our relationships with our customers as we continue to grow as a Company.





## Our commitments to society

|GRI 2-24, 2-28|

We want to contribute to the sustainable development by leveraging our impact through active engagement on critical issues important to our stakeholders and society as a whole.

We are signatories of initiatives and movements that aim to contribute to a more responsible and inclusive society and so that we can implement the best practices in the retail industry in economic, environmental, social, and governance terms.

### Environmental Agreement of Sao Paulo

It encourages companies, associations, and city halls to make voluntary commitments to reduce greenhouse gas emissions to contain global warming below 1.5°C, in line with the international effort set forth in the Paris Agreement in 2015 and endorsed at COP 26 in Glasgow, held in 2021.



### Unstereotype Alliance

Since 2019, we have been part of the Unstereotype Alliance, a UN program. It brings together market-leading companies with the common goal of eliminating gender stereotypes from their advertising.



### Brazilian Association of Self-Service Wholesalers (ABAAS)

We have been a member of it since its foundation in 2014. ABAAS represents the wholesale sector and acts on specific demands with the private sector, industrial sector, customers and public agencies, whether municipal, state, or federal.



### Brazilian Association of Supermarkets (ABRAS)

We have been a member of this entity since its foundation in 2009. ABRAS represents, integrates, and drives the development of the supermarket industry in Brazil, maintaining an open dialogue in negotiations with local, state, and federal governments.



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

Since 2007, we are members of ABVTEX, which promotes the defense of the interests of manufacturers and sellers of textile and clothing goods.



### Supermarket Association of the State of Sao Paulo (APAS)

We have been a member of this Association since 2009, committed to its purpose of bringing together supermarket entrepreneurs from the State of Sao Paulo to integrate its entire supply chain.



### Brazilian Business Council for Sustainable Development (CEBDS)

This year, we became a member of this entity, which is a non-profit civil association that promotes sustainable development through articulation with governments and civil society, besides disseminating the most current concepts and practices on this subject. Through research and tools, this association provides companies with inputs that assist in decision-making on sustainability. Moreover, it promotes the performance of companies in a network format, with the aim of influencing public policies.



### Brazil Climate, Forestry, and Agriculture Coalition

It aims to address issues arising from climate change through concrete proposals to end deforestation and illegal logging, the recovery of degraded areas, land management, social protection of communities, as well as encouraging competitive and sustainable production of food, forest products and bioenergy.



### Commercial Federation of Goods, Services, and Tourism of the State of Sao Paulo (FECOMERCIO)

We have been a member of Fecomercio/SP since 2009. This entity represents the interests of companies in the sector and develops actions aimed at fostering the economic growth in Brazil.



### Ethos Institute of Business and Social Responsibility

This organization is an OSCIP that has been working for over 20 years to contribute to a more just, diverse, inclusive, and sustainable society. Through the association, the Ethos Institute supports Assaí in improving its social and environmental policies and practices.



### Business Coalition to End Violence Against Women and Girls

Aimed at giving greater visibility to the theme and make progress with the agenda on violence against women, we adhered to the commitment that mobilizes over 130 Brazilian companies in the promotion of actions that enable them to generate transformations in the varied spaces of society.



### Institute for Retail Development (IDV)

Since 2009, we have been a member of IDV, which aims to strengthen the representativeness of retail companies from different sectors operating nationwide.



### LGBTI+ Business and Rights Forum

We joined the LGBTI+ Business and Rights Forum. This forum is a mobilization of companies committed to recognizing and promoting the rights of LGBTQIA+ people.



### Adherence to the Women's Empowerment Principles (WEPs)

These Principles, drafted by UN Women and the UN Global Compact, provide guidelines to further strengthening our gender equity practices for our people and society as a whole.



### Sustainable Livestock Working Group (GTPS)

It brings together representatives of various links in the livestock-related production chain. As members, we reinforce our articulation within the beef chain, which is a priority for us, aiming at continuous improvement of the activity and adoption of good practices.



### Business Network for Social Inclusion (REIS)

It disseminates good practices for inclusion in the workplace by adding and combining different initiatives from society that promote employability of people with disabilities.



### Indirect Suppliers Working Group (GTFI)

This is the main forum for discussions on tracking, monitoring, and transparency solutions focused on controlling deforestation in indirect suppliers.



### Pact for the Eradication of Slave Labor

We assume the formal commitment not to keep in our production chains those who use slave-like or forced labor.

## Actions to transform, opportunities to grow

|GRI 413-1|

Foster opportunities and paths of prosperity for people and communities: from this purpose, Assaí Atacadista launched, in 2022, the Assaí Institute, an independent, non-profit organization, becomes dependable for the company's social investment to further its engagement with the development of people and communities across Brazil.

The creation of the Institute reflects the relevance we give to the corporate Social Responsibility agenda and our commitment to the positive social impact we intend to cause by 2025. In addition, it marks the maturing and evolution of our consolidated social performance after the spn-off with the Pão de Açúcar Group (GPA), therefore, with guidelines and strategies defined from the characteristics, values, and the

way of being Assaí. With the alignment of purposes between the Assaí Institute and the company, our growth is consolidated with the growth of Our People and the regions where we operate.

**We strengthen our positive impact with our culture, promoting care for Our People and the development of communities.**

**CHECK OUT THE VIDEO.**

## MANIFESTO

The wish to benefit people and communities has unceasingly been embedded in our lives.

Through our business, we have already managed to impact many lives, but we want to go further.

This is how the Assaí Institute was born. Our institute. With empathy, ethics, and respect.

We will work autonomously or join forces in partnerships, promoting initiatives in Entrepreneurship, Food and nourishment, and sports.

Always with a focus on creating possibilities for people who strive for a better life. Those who want to see their dreams come true through their efforts.

Our ambitious vision is fueled by our passionate commitment to the work we do.

After all, we are driven by a purpose: Promoting Opportunities and Paths of Prosperity for People and Communities.

*We are certain that, with an earnest dedication to society, we will be able to accomplish our mission.*



# Design process

The proposal for creating the Assaí Institute was carried out through a collaborative and co-creation process. Within our purpose, we believe in the power of the Assaí Institute to promote transformations in society, multiplying the possibilities of growth and opportunities for people.

The Institute is devoted to creating meaningful connections to maximize positive impacts, knowing that true action comes with increased awareness, engagement, and collaboration. Thus, by forming strong bonds with customers, suppliers, employees, other companies and civil society organizations, the strategic focus is to broaden the reach of the programs and benefit more people.

Based on the macro drivers such as purpose, vision, mission, values, and the action fronts (entrepreneurship, food and nourishing, sport) defined in 2021, we started, in 2022, the strategic planning process to define how we will contribute to these topics. For that, we did a research and diagnosis of the situation and needs in each topic through a benchmarking in the industry and interviews with over 30 experts, three workshops involving different areas of Assaí, and we reached a conclusion as to the major lines of investment on each of these fronts.

Thus, 2022 was the year we acted in the unfolding of the new programs and projects to meet the social demands of each of our fronts, contributing to a greater number of people benefited and the locations served.

Offer opportunities that impact the development of people and communities through initiatives focused on entrepreneurship, food & nourishment, and sports, whether autonomously or in partnerships

Contribute effectively to social development, transforming people's lives to achieve their dreams and prosperity.



## Governance

With Assaí as the main supporting organization, the management structure of the Institute consists of a Decision-Making Board, an Audit Committee (3 effective members) and an executive board, under responsibility of Sandra Vicari, a professional appointed at the General Meeting and Assaí's Chief People & Sustainability Officer.

Annually, the members meet at the General Meeting led by the Chairman of the Decision-Making Board, Belmiro de Figueiredo Gomes, CEO of Assaí. The Decision-Making Board is the Institute's higher decision-making and advisory body, whose priority activities are to provide general and strategic advice and resource investment guidelines for the Institute.

The Institute boasts a talented team of experts, diligently working to develop its projects and programs.

### Areas of action

The Assaí Institute allows us to act in an even more focused and structured way on three fronts: Entrepreneurship, Food & nourishing, and Sports, guided by the following UN Sustainable Development Goals:

They are in line with the commitment of social actions that we had already established in previous years, and with the strategic planning of the Assaí Institute, with reach until 2025.



## FRONT Entrepreneurship

Promotion of food and nourishing entrepreneurship, with supportive actions through the Assaí Academy, which since 2017 has been working with micro and small entrepreneurs in the food area – such as enabling access to knowledge, as well as to financial resources and markets on a continuous basis.

■ The Assaí Academy, a social initiative of Assaí since 2017 that is a reference in supporting entrepreneurs becomes part of the Assaí Institute's programs.

It is a social investment program that supports micro and small entrepreneurs from different food business fields, developing their skills, sharing specific knowledge of the food & nourishment industry and providing exchange of experiences and practices to increase their business. Acti by fostering the generation of work and income through courses, dissemination of free and high-quality content, events, and various supports.

We also hold, annually, the Assaí Academy Award, to contribute and value entrepreneurs in the food and nourishing area.

In 2022, we started an impact assessment process of the Academy, considering the results since when the activities began through Assaí. This will be the basis for the validation, adjustments, and progress of the Academy now under the management of the Assaí Institute, with a focus on enhancing the initiatives that generate more impact for entrepreneurs and the society.



**Adriana Barbosa**  
CEO of Plataforma PretaHub and President of the Feira Preta (Black Fair) Institute

“ Last year, we gathered together over 40,000 people, who could to enjoy a month-long schedule of activities that took place in a decentralized manner. From the outskirts to the central region of Sao Paulo city. At Casa Pretahub, we have also been receiving several entrepreneurs who see our facilities as a place to create, produce, communicate, and sell their produce. All this power or mobilization, articulation of a variety of players, and social impact would not be possible without the support of the Assaí Institute, which is a longstanding partner and is committed to a change with structuring impacts.

”

## Strategic Directions of the Entrepreneurship Front for 2023-25

Expanding this program to provide 1 million entrepreneurs with information and training on a regular basis.

Continue the financial support to entrepreneurs in the food & nourishment industry, and contribute to the access to different sales strategies.

Support social organizations that work in strengthening entrepreneurs – focus of the Assai Institute.

Establish and expand actions with rural entrepreneurs, supporting the development of economic models. With this, we aim to establish a connection between family farming and our stores – through resale in the shelves or the use of fruits, vegetables, and greens (FLV) in our cafeterias.

Lead movements with the market and public authorities so that the purchase of family farming production by private markets becomes a public policy

### 2022 JOURNEY: INITIATIVES, PARTNERSHIPS, AND ENGAGEMENT

We have formed two critical strategic partnerships with influential industry organizations to manage our actions and strengthen the entrepreneurship-related ecosystem:

**Entrepreneurial Alliance:** it provides training and advocacy for entrepreneurs.

**Pretahub:** hub of black-related creativity, inventiveness, and trends, respecting the existence of the black people as a creative and entrepreneurial power. It strengthens our face-to-face activities in its two Casa Pretahub units, in Sao Paulo (State of Sao Paulo) and Cachoeira (State of Bahia), focused on accelerating black entrepreneurship.



## Academia Assaí



We develop skills, share knowledge, and provide exchange of experiences





**THE ASSAÍ ACADEMY TARGETS ITS INITIATIVES AT:**



**1 Information and training**

Conducting training actions in business management

**2 Boosting, recognition, and appreciation**

Financial support bound to the strengthening of business and promotion of actions for recognition and appreciation

**3 Support for other initiatives in the entrepreneurial area**

Financial support to expand initiatives that strengthen micro and small entrepreneurs

**4 Solutions for the ecosystem**

Contribute with solutions to strengthen entrepreneurs in the food sector

**TRAINING AND INFORMATION**

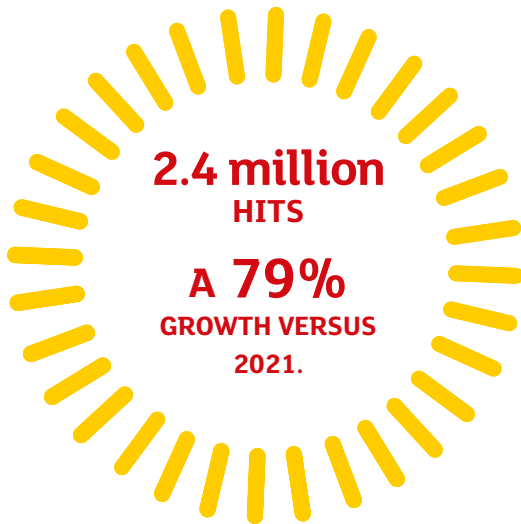
Through a on online platform, we spread free and personalized content about the food & nourishment industry in 2022:

The training is held in face-to-face or online format, with recorded and live classes. In 2022, we also introduced new topics in the recorded courses to cover more entrepreneurs and more effectively: Street Vendors and Cake Makers, Snack Makers, Restaurants, Bakeries, and Confectioneries, in addition to other segments already established. We offer 17 courses on the online platform, besides other live courses, such as those offered in partnership with Sebrae (Brazilian Small Business Support Service).

**RECOGNITION AND AWARDS TO ENTREPRENEURS**

Since 2018, we have been holding the Assaí Academy Award that is aimed at strengthening and recognizing entrepreneurs from all over the country who work in the food & nourishment industry, helping them financially and offering tools to support them in the development of their business.

The selection process takes into consideration the socioeconomic profile of the participants, with a greater preference for those more vulnerable.



### SUPPORT FOR OTHER INITIATIVES IN THE AREA OF ENTREPRENEURSHIP

Since 2018, we have been providing financial support to several projects and social organizations that work with the promotion and training of micro and small entrepreneurs throughout Brazil. The figure invested results from the capitalization of the monetary return acquired from the sale of plastic bags from our stores.

In 2022, we supported 16 institutions (in the states of Amazonas, Bahia, Minas Gerais, Rio de Janeiro and Sao Paulo), which benefited over 1,400 entrepreneurs in the food and nourishing industry.



#### Luis Coelho e Jennifer Rodrigues Founders of Empreende Aí


















*The partnership with Assaí is of strategic importance to us at Empreende AÍ. It offers us the chance of joining forces with a company that is truly committed to social impact in the life of small entrepreneurs in the gastronomy area. In 2022, we had the opportunity, together, to train entrepreneurs from all over Brazil and provide some of them with financial reward so that they could improve their business and expand their operations in their territories.*



ASSAÍ ACADEMY

## SUPPORT FOR OTHER INITIATIVES IN THE AREA OF ENTREPRENEURSHIP

PARTNER ORGANIZATION	PROJECT	ABOUT THE PROJECT
Ciclos 	Gastronomic Accelerator of Ilhéus Ilhéus - BA	This project seeks to reinforce the production and sales structure of informal food & nourishment entrepreneurs in the region and give them access to resources in order to gain fair income and competitiveness. It empowers participants for financial education, consolidates marketing networks and creates a business accelerator
Empodera Institute 	Muses cycle: Celebrate and nourish. Sorocaba, SP	It supports groups in coping with the pandemic, creating ties, weaving affective networks among people from different regions of Brazil, and expanding the look at possibilities and opportunities.
Redes da Maré 	Maré de Sabores, Rio de Janeiro, RJ	This project offers professional qualification in gastronomy for women from Maré and carries out other actions generating sustainability for the training activities of Casa das Mulheres da Maré.
Arrastão Project 	Sustainable Periphery, Arrastart São Paulo, SP	It contributes to the socioeconomic development of the southern region of the Sao Paulo city, with support for market expansion and business sustainability in the area of healthy, safe, and affordable food. It promotes training and mentoring activities, performing the pre-acceleration of gastronomy businesses.
Asplande 	Flavors of Rio. Niterói, RJ	It contributes to qualify and promote the entrepreneurial performance of women who work in the gastronomy industry in regions where the association operates.
Vale do Dendê 	Food Business Acceleration. Salvador, BA	Through the project, a request for proposals of acceleration of food & nourishment businesses is carried out, through training, consulting and mentoring with topics focused on the management and development of the enterprises.
Firgun 	Periferia Empreendedora Fund - Brazil	It supports small entrepreneurs during and after the pandemic period through loans for their business, and offers training and a relationship community to expand their market.
Peabiru 	Products from the Amazon; Belém, PA	It maintains both a physical facility and an online channel to support the sale of products from micro and small entrepreneurs of socio-biodiversity products from the Amazon, in addition to offering technical support to special bee breeding families in the cities of Curuçã and Monte Alegre.

PARTNER ORGANIZATION	PROJECT	ABOUT THE PROJECT
Empreende Aí 	Awakening Gastronomy Entrepreneurs. Brazil	It promotes the Awakening the Gastronomy Entrepreneur course in online format. The course that serves entrepreneurs in the food & nourishment industry throughout Brazil has relevant content to manage a business and develop the entrepreneurial profile.
Aliança Empreendedora 	Institutional Support. Curitiba, PR	The institutional support to this organization aims to strengthen the work carried out by it in support and free training of formal and informal small entrepreneurs in low-income communities nationwide.
Centro Educacional Profissional do Coroadinho 	Window to the Future. Sao Luis, MA	It trains young people and adults in gastronomy courses in the areas of bakery, confectionery and sweets and snacks, with subjects on entrepreneurship and IT. It contributes to an increased income generation and jobs.
Anjos da tia Stellinha 	Professional Qualification. Rio de Janeiro, RJ	It promotes free professional qualification courses in topics such as: bread, homemade cake and desserts. It contributes to an increased income generation and jobs.
Associação Educadora e Beneficente (CESPROM) 	Training Courses. Jundiaí, SP	It promotes training courses in baking, confectionery, and kitchen assistant. It contributes to an increased income generation and jobs.
União da Saúde sem Fronteiras (UNISF) 	Income Generation. Mauá, SP	The income generation workshop prepares participants to gain skills, abilities, practices and technical and behavioral knowledge necessary for the exercise of an activity and for entrepreneurship. It focuses on strengthening black women, refugees and women in situations of domestic violence.
Ação Moradia 	2E: Empower and Entrepreneur. Uberlândia, MG	It offers professional training in vegetable production and functional cooking, advice and support to women under a situation of social and/or financial vulnerability.
Pretahub Institute 	Pretahub: Cachoeira, BA and Sao Paulo, SP	Social impact and communication plan to strengthen black entrepreneurship in Brazil. The Pretahub Institute proposes social impact actions through education, credit, digitization, content and communication that aims to: Support the empowerment of black, peripheral and LGBTQIA+ entrepreneurs, in the processes of creation, production, distribution and consumption.



The **5th Assai Academy's Award 2022** distributed over R\$850 thousand in prizes to the participants, who could register in three categories: on-demand Sales; Fixed point of sale; and street vendor. During the Covid-19 pandemic, when business in general was strongly impacted, we increased the number of awardees from 15 to 150 (2019/2020), expanding our support and contribution to entrepreneurs. By understanding even more and recognizing the consequences of this scenario, in 2021 we expanded our coverage to 1,500 awardees.

In 2022, we had strong mobilization and engagement of our employees for the dissemination of the Award, which reinforces the potential of our people to make a difference in our social actions.

**1,500**  
ENTREPRENEURS AWARDED IN 2022  
10 times more than in 2020  
100 times more than in 2019

**Over 30 thousand**  
registrations in all regions  
of Brazil: 82% growth  
(versus 2021)



**Over 70%**  
of the awardees declared  
themselves as female  
and black.

## AWARDS

### Stage 1

- 1,350 people received BRL 300 + an online training workshop
- 150 people received BRL 2,000 + BRL 500 in Assaí vouchers + tailored advice to develop their business + a week of training and competed for Stage 2 awards.

### Stage 2

15 entrepreneurs received an additional prize of BRL 2 thousand + a mobile phone + trip to Sao Paulo city to take part in the immersion program to develop their business and competed for the prize of the Final Stage

### Final Stage

3 winners received a financial contribution of 10 thousand Brazilian Reals.



### Grazielle Ferreira da Silva

Veganos & Especiais Inclusive Cooking (Niterói, RJ)

Winner of the On-demand Sales category,  
Southeast region



*It all started in October 2018 when my son Nickolas was diagnosed with food allergies. From this moment our lives changed radically and we had to get used to the various restrictions. In this process I came to know vegetarianism and veganism where I rediscovered myself! With the lack of options and guarantee of 100% reliable products, I started to reinvent myself in the kitchen and create my recipes, and inclusive cooking became part of my heart. This Prize is incredibly meaningful to me and symbolizes the representation of those with dietary restrictions and people from my community. This money will help me to make more improvements to my business and to make my goal of having a physical store a reality*



### Josenilda Silva dos Santos

Manã da Nilda, street vendor (Salvador, BA)

National winner in the street vendor category.

Josenilda started selling and delivering lunch boxes to the residents of her neighborhood, and her work became the family's livelihood. She was more excited than ever to take part in the Assaí Academy Contest and Immersion Week, and the thrill of the experience was further heightened by the loud hum of the airplane engine as she flew for the first time in her life to Sao Paulo.



*The Assaí Academy gave me a moment of transcendent delight. I'm overjoyed with what is taking place. Winning as a standout and being recognized for my work, besides representing the Northeast region, is thrilling for me.*



### Felipe Rossini Carvalho

Pão do Rei (Curitiba, PR)

National winner, in the fixed  
point of sale category

Felipe reinvented himself in times of need. He, who had never made bread, sought recipes from the internet and discovered a new talent.



*Making bread was a passion that I discovered and that I will never let go of. The Assaí Academy award is the recognition of all our effort and encourages micro and small entrepreneur not to give up on their dreams*



■ Under the theme ‘**The Black Future is Made Today**’, the Feira Preta (Black Fair) Festival celebrated its 20th anniversary the largest black culture and entrepreneurship event in Latin America and has been supported by Assaí since 2018. We took part in it for the fifth year in a row as sponsors and supporters of the gastronomic front of this event.

This festival innovated with the SPerifas project, which promoted a decentralization

of the programming to the outskirts of Sao Paulo capital city, which counted on the participation of the Assaí Institute in gastronomic workshops given by recognized professionals in each region.

Another novelty was the “social ticket” in the form of food donation. The Assaí Institute doubled the volume collected in donations (3.57 tons) of food as part of our commitment to prevent food insecurity.

**GENERATED OVER  
500 JOBS**  
both direct  
and indirect

**audience present:  
over  
40,000  
PEOPLE**

**It was attended  
by over  
260  
ENTREPRENEURS**

**It promoted a monetary turnover  
of over 6 million Reals  
(when accounting for  
the hiring of artists, suppliers, and  
technical professionals,  
and the sale of products,  
services, and food)**





## FRONT: Food & nourishing

Eliminating food insecurity through the access to food and resources to buy them.

### 2022 JOURNEY: INITIATIVES, PARTNERSHIPS, AND ENGAGEMENT

■ The Assaí Institute's strategy to eliminate food insecurity is now supported by three pillars:

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Direct food donation and collection campaigns

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Community Kitchens

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Card for Basic food staples

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### 2023-25 Goals

Strengthen community kitchens structure new ones and support existing ones.


Establish partnerships to create an income transfer program for food, together with food and nutritional education initiatives, ensuring the power of better choice to supported families.

Engage our customers to our cause of eliminating hunger, through the mobilization to donate food to people in social vulnerability.

Mobilize other partner companies and industries to increase by 50% the impact of the program.

Consolidate the systematic participation of customers and employees in this program.

Monitor the social impact of the families served.



We support people in a social vulnerable situation through the donation of food in partnership with social organizations



- **Food donations:** basic food staples were donated by Assaí.

Through the Institute, in 2022, we donated over 242.7 tons of food, benefitting over 25,000 families in Brazil, through partnerships with over 209 partner social organizations that work with communities.

- We promote emergency campaigns, mobilizing customers to donate food and other products to support people affected by heavy rains or other natural disasters in the states of Alagoas, Bahia, Pernambuco, Rio de Janeiro, and Sao Paulo and over 55 tons of products were collected and distributed to social organizations operating in the affected regions

- We mobilize and engage our customers, providers and suppliers so that, together, we can support people in situation of vulnerability. Thus, our stores served as collection points for the campaigns we carried out throughout the country, through which we boosted the donation of food and other essential items for these people. This action is performed by means of selected social organizations that provide social support to the needy population in every region.



In view of the impacts caused by the COVID-19 pandemic, the Institute expanded fundraising campaigns and increased the support to social organizations with a large demand to care for families. Even after the most critical period of the pandemic, the Assaí Institute kept its commitment to supporting people in situation of social vulnerability by donating food and/or through partnerships with social organizations.

FOOD SECURITY FRONT: DONATIONS



**Evaldo Almeida**  
Executive Officer of MEAP

“*The Challenges of an effective job in the traditional riverside and fishermen communities in Brazil, which needs to be supported since an emergency relief and livelihood support, to initiatives fostering family income generation and sustainability, it is only possible to be achieved with the strength and commitment of partners such as the Assaí Institute that, together with MEAP, has contributed with the donation of food to families living in remote locations on the Brazilian coast and Amazon rivers.*”



- **Community Kitchens:** definition of the operation model and launch of the first kitchen
- **Basic food staples Card** transfer of income: project definitions, articulation of partnerships for distribution of basic food staples cards
- The **Destino Certo (Right Destination) Program** was created to bring together all Assaí's actions to reduce waste through the donation of food (fruits, vegetables, and greens) that do not have the desirable commercial aesthetic characteristics. Donations are made through the careful prospecting and evaluation of the organizations

specialized in supporting and welcoming people in vulnerable situations.

In 2022, this initiative underwent a broad program of expansion and strengthening of communication (both internal and external). Then, we increased from 101 donor stores (September 2021), to 182 in the same period of 2022.

Through this Program, Assaí donated 1,700 tons of perishable FLVs (fruits, vegetables and greens), which are unfit for sale but suitable for consumption (44% increase - ref. 2021).

As a result, landfill diversions have allowed reductions in emissions of gases, such as methane, by about 31,490 tons of CO2e.



**Alcione Pereira**  
Founder and CEO of Connecting Food

DESTINO CERTO

“The “Destino Certo” (Right Destination) Program is an initiative connected to today’s major humanitarian and climate causes, a testament to the practice of ESG strategic guidelines. By promoting food donation in all its stores, Assaí Wholesaler promotes the reduction of food waste and its environmental impacts, contributes to minimize the impacts of hunger of vulnerable populations, and sets as an example on how corporate practices can leverage the sustainable development of society.



■ To strengthen and expand the actions to eliminate hunger, in July the Assaí Institute adhered to the **15 by 15 Pact**, an action developed by the “Ação da Cidadania” (Citizenship Action) organization with the purpose of bringing food to the 33 million people who are currently starving in the country. Assaí was a pioneer in the industry by announcing it joined the 15 by 15 Pact. As a commitment, we are committed to serving 15 new civil society organizations per month, from August to December 2022, with the donation of surplus fruits, vegetables, and greens of the operation.

■ Assaí Customers took part in the **2022 Solidarity Campaign** (We should share our food) for the donation of non-perishable food, with collection points at all our stores. In 2022, over 47 tons of products were delivered to local organizations in the surroundings of Assaí stores.

The mobilization during the Christmas season takes place annually, and has become part of the Assaí Institute’s initiatives on the Food Security front. It is a nationwide campaign to collect items of the basic food staples in all Assaí stores, carried out in partnership with more than 70 registered social organizations, which distribute the items collected to thousands of people assisted by their projects. The “**Alimento a Gente Compartilha** (Food we share)” Campaign, which took place in December, was supported by volunteers (customers, employees and suppliers) from Assaí stores. It contributed to mobilize 378,000 tons of food, bringing more prosperity to the beneficiary families. We donated another 15% of the total raised during the campaign.





## FRONT: Sports

Strengthen small organizations to promote sports activities

### 2022 JOURNEY: INITIATIVES, PARTNERSHIPS, AND ENGAGEMENT

- Planning and mapping organizations for support and partnerships
- Since 2019, we have been sponsoring sporting events with social purpose, such as the Taça das Favelas de São Paulo. The sponsorship signals our belief in the power of shantytowns, and in sports as an important tool for the promotion of citizenship. We went beyond brand activations: through the Assaí Institute we promoted development actions for entrepreneurs who work in the shantytowns taking part in the tournament, providing online training promoted by the Assaí Academy.

### 2023-25 Goals

Create a program to support and strengthen social organizations that work to promote physical and sports activities in our communities.

Our target by 2025: to act in 15 communities in the North and Northeast regions of the country, promoting perennial activities and contributing to the ancillary activities of these organizations.

By 2025, five supported institutions are expected to be structured with some level of autonomy, mobilizing new resources and with greater engagement and retention of the public served.

Within 10 years,  
the championship has brought  
together over  
**5,000 shantytowns**  
across the country, mobilizing  
over 800,000 young people.





Our goal is to train, inform, guide, and contribute to the development of skills and competences of those entrepreneurs. In addition, entrepreneurs who completed the training received a financial support of BRL 300.00 in Assaí vouchers to invest in their businesses.

As a support to this championship players, the 4 finalist teams (both male and female) were granted an award of BRL 7 thousand each through cards for basic food staples in the amount of BRL200 for the teams members to use at our stores.

We also donated a ton of food to the communities of the players of the teams that played the final match.

■ We were considered the Official Wholesaler for the Taça das Favelas (Shantytowns Cup) in Sao Paulo city. This competition is held by the Central Única das Favelas (CUFA), and is the world's largest soccer championship between shantytowns.

■ We were also sponsors of the Nationwide **Taça das Favelas (Shantitowns' Cup)**.

■ Together with the sponsorship of sports marketing on the “**Brasileirão**” soccer cup, we carried out a social action in

April 2022 with the teams and players. One player featured each month in the Championship is chosen by a group of experts (journalists and coaches).

He/she appoints a social organization from his/her state of origin to receive a ton of food donated by the Assaí Institute. Nine social organizations joined by the end of the year, with the distribution of nine tons of food to the families served.



## Other initiatives carried out in 2022

We **provided resources to social organizations dedicated to health promotion**, helping to sustain their activities. The investment is made with the value of the profit from the sale of plastic bags in our stores. Since 2007, when we started this project, the value exceeds BRL38 million.

The Coat Campaign (halted for two years because of the COVID-19 pandemic) was resumed in 2022. Over 215 Assaí stores took part in this campaign as collection points, which totaled 23 tons of clothes, sweaters and blankets, delivered to partner social institutions and to the homeless population.

38 social organizations supported all over Brazil in 2022. Among them: AACD, GRENDACC, Casa Hope, APAEs



## VALUE CHAIN

# Sustainable Development

In line with our purpose of making supply chains more responsible and sustainable, at Assaí, we work constantly so that the relationship with our suppliers—of direct and indirect products and services and of the most varied sizes—is guided by ethical conduct and compliant with the best social, environmental, and economic practices. We are committed to offering products that contribute to a more conscious supply and consumption; we seek to enhance the positive impacts and mitigate any socio-environmental risks in the stages of extraction of raw materials and production until such product arrives at our stores.

### Critical chain risk management

In 2021, we updated the study of critical chains, which aimed to prepare a socio-environmental risk matrix of value chain, relating critical chains and the major risks (such as working conditions, animal welfare, deforestation and biodiversity),

where we contemplate 14 additional chains compared with the first study conducted in 2018, totaling 28 most critical chains in the stages of cultivation, production, or transformation of the products we sell at our stores. In the end, 13 product chains/categories were prioritized.

In 2022, we started to deploy this matrix from the construction of strategies and action plans for each of the identified and prioritized chains, always together with our internal teams, experts, and suppliers. From such actions, we seek more robust processes of development, ratification, tracking, and monitoring. We incorporated into our management the monitoring of indicators and establishment of targets, also working on training and awareness-raising initiatives for a greater engagement of our internal and external teams. All these actions and initiatives are followed up by internal groups, experts, and the Assaí Sustainability Committee.

**PRIORITY CHAINS**

- SUGAR
- BANANA
- COCOA
- COFFEE
- BEEF
- PORK
- BROILER
- MILK
- CORN
- EGGS
- PALM
- FISH
- SOYBEAN
- TEXTILE

**PRIORITY CRITICAL RISKS**

- ANIMAL WELFARE
- ELIMINATION OF DEFORESTATION
- WORK CONDITIONS
- SUSTAINABLE USE OF BIODIVERSITY (EXTINCTION OF SPECIES AND LAND USE)

In 2022, we also started to diagnose our relationship with small suppliers and locations aiming to identify the major challenges faced to build business relationships with Assaí and map opportunities to improve our practices and processes.

To this end, we invited strategic suppliers to set new strategies and guidelines in partnership with our teams, thus boosting this relationship. Completion of this diagnosis is planned for when we will build action plans and define strategies so that we can collaborate in the development of suppliers, as we contribute to reducing the related socio-environmental risks.

All our initiatives and commitments reinforce our transparent relationship with our customers and partners, based on solid principles and in line with the most advanced practices adopted worldwide. We seek to review and improve our policies and commitments and join associations and coalitions committed to socio-environmental development that enhance our goals.





## MANAGEMENT OF SUPPLIERS

|GRI 308-1, 414-1|

Our relationship with suppliers and with the chain is guided by principles that guarantee the promotion of human rights, occupational safety and health, food safety, anti-corruption practices, protection of biodiversity and the environment. These subjects are found in documents that guide our commitments, such as the Ethics Charter for Suppliers, Assaí Code of Ethics, Diversity and Human Rights Policy, Environmental Management Policy, Social and Environmental Beef Purchasing Policy, among others.

Learn more about our set of compliance policies and documents here



### Ethics Charter for suppliers

All Suppliers of Assaí must adhere to the commitments undertaken in the Ethics Charter for Suppliers to develop a business environment favorable to the development of ethical and socially responsible standards within the supply chain of Assaí, its subsidiaries, and subcontractors. In addition, all suppliers must comply with the current specific laws, principles, regulations, and standards.

In 2022, we updated our Ethics Charter for Suppliers by adding contents such as repudiation and striving to eliminate any type of sexual exploitation of children and teenagers, respect for the United Nations Declaration on the Rights of Indigenous Peoples and Traditional Communities, tackling climate change by engaging the value chain on this topic—in line with the Science-Based Targets Initiative—SBTi), and commitment to the Protecting Native Forests and Vegetations, in line with the Casino Group's Ethics Charter.

CHAIN



**Elevate consultoria**  
Beat Grüninger, Senior Officer, ELEVATE

“ The supply chain is one of the major challenges and at the same implementing sustainable practices with the commercial and sustainability team of Assaí, we had the chance to build a partnership and develop a responsible purchasing program, assessing the major risks of this chain and engaging the commercial team through training and awareness-raising actions. We are sure that the program will have great impact on creating value for suppliers, besides assuring consumers that the products offered by Assaí comply with all social and environmental requirements and standards to monitor their chain. ”

## ACTION PILLARS

We are committed to advancing environmental and biodiversity protection, respect for people, and the assurance of human rights across our entire value chain.

## STRIVE TO ELIMINATE DEFORESTATION

### |GRI 414-2|

Preserving forests is indispensable for maintaining the planet's climate balance, providing water, and functioning as a major carbon reservoir. Deforestation and conversion of forest areas increases greenhouse gas emissions, causes extreme weather events, and endangers biodiversity and the survival of traditional and indigenous peoples.

Assai has as commitments to eliminate deforestation and the conversion of native vegetation in their supply chains, to promote the protection of native biomes and the Brazilian cultural heritage, and to boost respect for the International Declaration of Human

Rights and the rights and way of life of indigenous peoples, traditional communities, and workers.

As a strategy of our commitment to protect native forests and vegetation, we have added our commitments both to our Environmental Management Policy and the Ethics Charter for Suppliers. All our environmental projects, actions, and programs follow the best market practices and environmental policies in force and all the criteria established by the international laws and agreements which Brazil joined. We have also been working together with suppliers, governments, supervisory institutions, and civil society organizations to implement and improve the best socio-environmental practices for these chains.

We identified the development of supply chains of beef and palm oil as one of the priority topics to manage the sustainability of our business, because of the representativeness they have over the products we sell. For over ten years, Assai has been continuously making progress in the development of policies and processes for approval and monitoring of its suppliers, establishing action plans and commitments in the short, medium, and long term to ensure that negative impacts of these chains are reduced.



## BEEF CATTLE BREEDING

### |GRI 414-2|

The risk of deforestation has been discussed widely by several players involved in the beef chain, which has been requiring increasingly rigorous monitoring and tracking actions. In this scenario of growing concern, our major goal is to ensure the construction of a deforestation-free chain through internal policies for supply, structured processes, and engagement of all links.

The beef category is relevant in our value chain. Assaí stores sell meat from suppliers of domestic brands, and there is not any private label of our Company for this category: 100% of beef products sold have brands from processors and meat-packing plants. However, Assaí represents a small part of the entire Brazilian beef market.

Since 2016, we have a Social and Environmental Beef Purchasing Policy that sets forth a specific process for new suppliers to be approved and ensures the monitoring of the chain, besides meeting the criteria in it.

All meatpackers and processors must be approved and compliant with the Group's social and environmental commitments, by providing evidence showing their compliance and adherence.

That Policy aims to ensure the transparency of the beef production and supply chain,

covering details of the route and origin of the slaughter to the direct farm to ensure that cattle do not come from areas that have socio-environmental noncompliances.

Since 2020, in order to establish commercial relations with Assaí, all meat packers are required to adopt the criteria of the so-called "Beef on Track" ("Boi na Linha") protocol and to provide evidence that they are compliant with current legislation. We require everyone to be committed that their chain process is:

- Free of deforestation and conversion of native vegetation
- Free of conditions similar to slave/child labor
- Free of environmental embargoes because of deforestation
- Free of invasions of indigenous lands and Quilombo territories
- Free of invasions in areas of environmental conservation
- Registered with CAR (Rural Environmental) Registry and environmental permit, if applicable



**Our Social and Environmental Beef Purchasing Policy can be read here.**

### Cerrado biome Protocol

To keep our Policy updated and in line with technical processes, as well as meet market demands and comply with current laws and protocols, in 2022 we updated our Social and Environmental Beef Purchasing Policy, considering the new Voluntary Protocol for Monitoring Cattle Suppliers in the Cerrado biome, led by the organizations Proforest and Imaflora.

Based on this Voluntary Monitoring Protocol, we carried out a pilot project with beef suppliers that are related to the Cerrado biome to test the monitoring criteria set forth in the Voluntary Protocol. As a result, it was possible to assess the impact of direct farms located in this biome and identify the representativeness of non-compliances related to deforestation and opportunities for justifications to avoid future blocking after the formal implementation of the Voluntary Protocol, which is expected for 2023. We have been carrying out awareness-raising agendas with all meat packers that are our suppliers, with the participation of Proforest and Imaflora organizations, besides periodic monitoring for directions on the assessments to be carried out by geotracking companies and definition of monitoring standards.

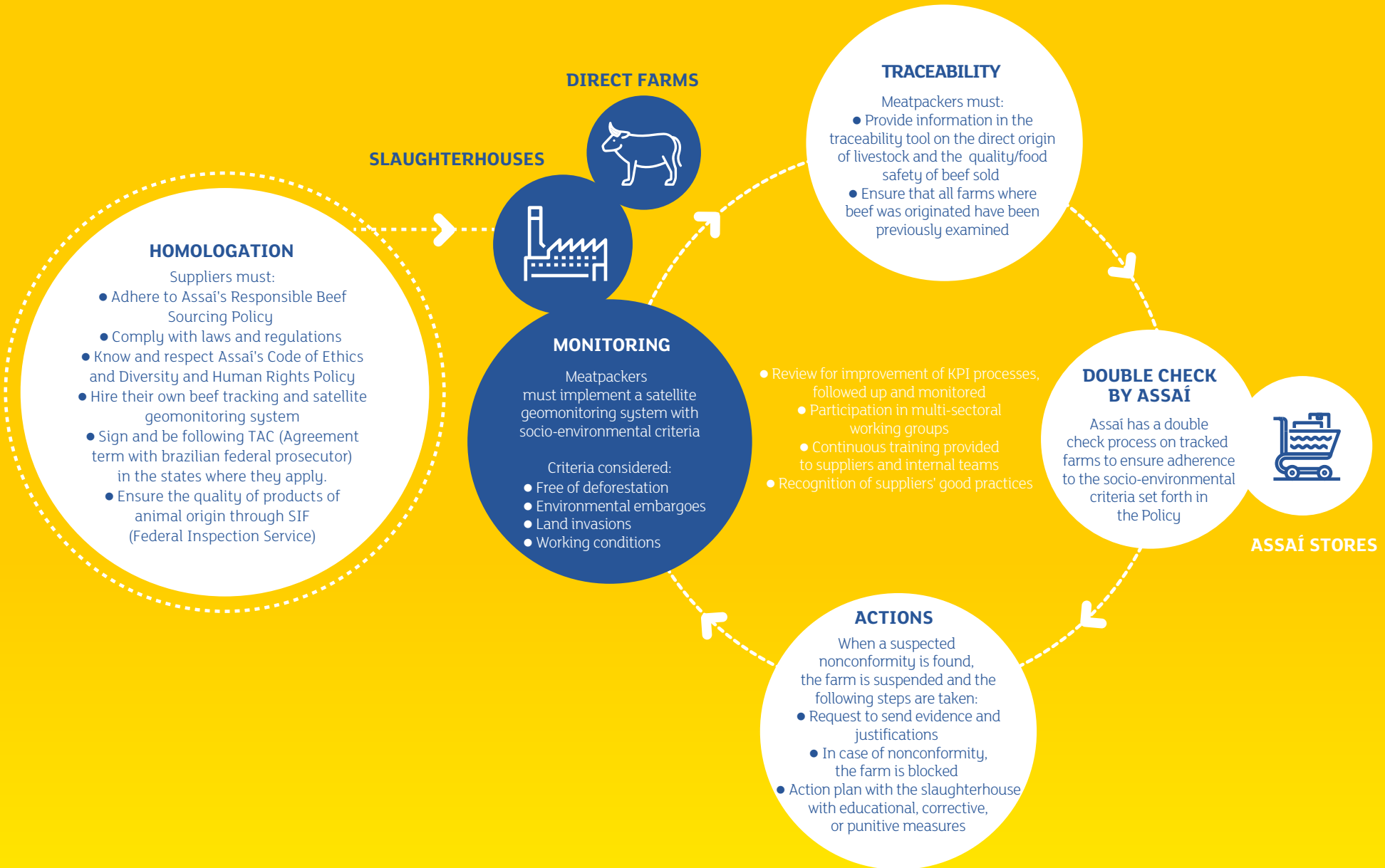


**Isabella Freire**  
Officer, Proforest Latin America

“Assaí makes significant contributions to the livestock sector by taking part in the development of the Voluntary Monitoring Protocol for Suppliers of Beef in the Cerrado biome, and by reporting the results of the pilot implementation of the criteria in its chain of suppliers. This was an essential step in 2022 to ensure that these criteria can be put into practice by companies that may adopt this protocol to monitor suppliers and consider the potential impact on blocking those who have any irregularities. The constant transparency of companies is critical, and actions in this regard must be expanded and serve as an inspiration for other companies in the sector.”

CHAIN





## STAGES OF THE SOCIAL AND ENVIRONMENTAL BEEF PURCHASING POLICY

**Homologation:** Being approved is the first stage of the process in which minimum criteria are established for every supplier to be able to start selling products with Assaí. Besides having a stage of awareness-raising and sensitization of suppliers on our socio-environmental commitments, evidence is required to prove the alignment with, commitment, and adherence to the potential supplier to Assaí's commitments.

This step is valid for all beef products of Brazilian origin, whether fresh or processed, chilled or frozen, resold by us. During the approval process, suppliers shall:

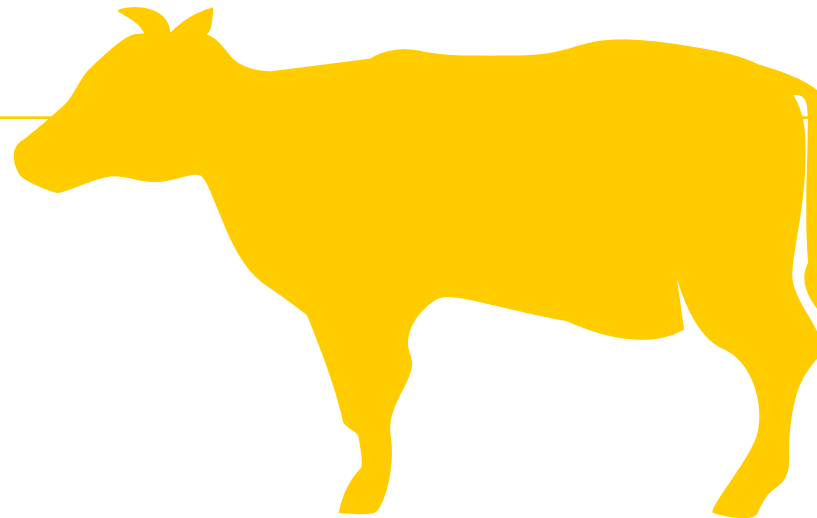
1. Confirm they know and agree to our Social and Environmental Beef Purchasing Policy and Ethics Charter for Suppliers by signing and committing to comply with it.
2. Be a user of the Beef on Track (Boi na Linha) Protocol and ensure that direct farms are compliant with the criteria required in their livestock purchasing process.
3. Prove having or contracting an exclusive satellite tracking and geomonitoring system and commit to carry out socio-environmental

due diligences of the farms with which it is interested in purchasing animals for slaughter (to be performed before livestock is purchased).

4. Comply with current laws and regulations, know the values and respect the ethical principles set forth in Assaí's Code of Ethics.
5. Undertake to submit the information on the origin of all farms, per batch, sent to Assaí through our tracking system.
6. Acknowledge and agree to the fact Assaí will double check all farms. In case of any

suspicion of non-compliance, meat packers have to show the false positive or block the farms.

7. Submit the applicable Consent Decree (TAC) entered with the Federal Prosecution Office in the states where they apply.
8. Ensure the quality of products of animal origin through the Federal Inspection Service (SIF).



This stage has as purpose to ensure that every supplier is aware of and committed to adhering to Assaí's requirements, as well as complying with the established socio-environmental criteria, besides complying with the Forest Code, the applicable legislation in force, and product quality standards.

Suppliers that do not comply with the Social and Environmental Beef Purchase Policy and/or do not comply with these criteria at any time of the business relationship with us are subject to disciplinary measures, including blocking and being forbidden to sale to Assaí until they make the relevant adjustments.

**Monitoring cattle purchases by meat packers:** Beef suppliers that are owners of slaughterhouses must have their own satellite geotracking system that allows them to check socio-environmental risks from the location of farms and by crossing with public data.

All suppliers that have slaughtering activity must use this geotracking tool, regardless of the geographical location of their units. They must also ensure that all batches of livestock purchased comply with the criteria of the Assaí Policy. Every supplier can choose the tool to be used, but

it must ensure that the system applies the same criteria set forth in the Policy.

Currently, 100% of our direct beef suppliers have a socio-environmental geotracking system and send tracking information to Assaí.

**Tracking and transparency of suppliers' purchase information:** at each batch purchased by Assaí, suppliers must feed the tracking tool with information on the direct origin of cattle (data of the farm of origin, batch numbers, Animal Transportation Record (GTA), SIF of the slaughtering meat packer, and socio-environmental information of the direct farms), and food safety and quality (cutting standard, packaging integrity, labeling, and production date) for each batch purchased.

**Double check of the Social and Environmental Analysis Geotracking by Assaí:** to assess the compliance with and accuracy of the monitoring process carried out by supplying meat packers, Assaí double checks the purchased batches of direct farms, verifying if they comply with the criteria set forth with the Policy. This double check process assesses the same criteria from the perspective of the protocol used for all meat packers. When there are suspicions of any non-compliance, the farm is suspended and the supplier is asked to

send evidence of false-positive so that the justifications are checked by Assaí. In case a non-compliance is confirmed, the farm is blocked and an action plan is made with the meat packer with educational, corrective, and/or punitive measures.

**Negotiations:** All meat packers and processors must fully comply with the Social and Environmental Beef Purchasing Policy to remain as Assaí suppliers. Those who refuse to comply with the implementation and/or monitoring requirements are subject to disciplinary measures, being subject to blocking and not providing to any business unit of the Company until becoming compliant.

In parallel to this process, we periodically hold individual meetings with suppliers to monitor and support the improvement of their practices, and give support at internal business meetings to strengthen training and disseminate the requirements of our Policy in order to encourage a more sustainable livestock industry. From these results, we have determined continuous improvement action plans that involve working with suppliers. The highest governance and monitoring body for the Social and Environmental Beef Purchasing Policy is the Sustainability and Governance Committee, which advises the Board of Directors.

Since 2017, 30 domestic suppliers showed non-compliances and were blocked; out of these, 5 met the adjustment plans, and 25 remain blocked (status as of December 31, 2022).



Beef suppliers that are owners of slaughterhouses supplying to Assaí must have their own satellite geotracking system since 2017

## SOYBEAN CHAIN

### |GRI 308-2, 414-2|

Brazil stands out among the world's leading producers and exporters of soybean. The expansion of this crop, which occupies most of the area intended for agriculture in Brazil, is associated with some negative social and environmental impacts, including land grabbing, water and soil pollution, and the rates of deforestation and conversion of native vegetation, so it

is a critical topic identified in our chains, associated mainly as a feed ingredient in the animal production process.

In 2022, we started a project to diagnose the soybean supply chain for suppliers of our Private Label products. The project was led by an NGO and by Rever Consulting with objective of identifying best practices and opportunities for improvement in management of the soy supply chain with focus on combating deforestation.

## PALM CHAIN

### |GRI 308-2, 414-2|

Palm oil is the most used vegetable oil worldwide and is present in several products—food and non-food.

To ensure that our Private-Label products with palm oil derivatives meet sustainable production criteria, which aim to mitigate potential risks of deforestation and unsuitable working conditions, we are

committed to identifying 100% of the origin of the palm oil used to make our products.

In 2022, we achieved our target of 100% palm oil with origin identified and certified under the Roundtable on Sustainable Palm Oil (RSPO) seal used in our Private Label products.





## COLLABORATION

In 2022, we maintained active participation in the working groups that seek solutions and involve all links of the cattle chain, in which we had dialogues about solutions for bovine tracking and the strive to eliminate deforestation together with the civil society, the public sector, and factories. As members, we reinforced one of our priorities, which is the articulation within the beef chain, in search of continuous improvement of the activity and adoption of good practices with producers and suppliers. We support and collaborate with the different network initiatives:

- Beef on Track (Boi Na Linha)/ Imaflora;
- Coalizão Brasil Clima;
- Consumer Positive Forest Coalition Goods Forum;
- Collaboration for Forests and Agriculture (CFA);
- Indirect Suppliers Working Group (GTFI);
- Sustainable Livestock Working Group (GTPS);
- World Wildlife Fund (WWF-Brazil) Platform for suppliers of deforestation-free meat in their supply chains.

## POSITIVE FOREST COALITION

In view of the complexity of the beef production chain and the number of players involved, the Casino Group and Assaí believe collaborative solutions are required for a more effective performance. Hence, the Casino Group is a co-leader of the Beef Working Group created by the Positive Forest Coalition of the Consumer Goods Forum (CGF).

This Group aims to mobilize all players who buy beef from Brazil to strengthen and improve collectively the tools and actions for monitoring this production chain in the country. Facilitated by the Proforest institution, it aims to determine a framework of common assumptions to be applied by members of their beef suppliers in Brazil.

In 2021, Casino attended and co-organized over ten meetings of the working group. As reported by the Positive Forest Coalition, this group assessed the best practices of 20 Brazilian meat packers that, together, operate and supply over 100 slaughterhouses in the Amazon and Cerrado biomes. In early 2022, guidelines were published for beef suppliers to ensure that the farms they work with are not related to deforestation in Brazil.

## RESULTS

- 22 active suppliers on Dec. 31, 2022.
- 20,650 farms underwent a double check under the Assaí's social and environmental criteria (Geotracking System).
- 100% of direct suppliers of beef are compliant with the Social and Environmental Beef Purchasing Policy of Assaí.
- 100% of meat packers have an exclusive geotracking system
- 100% of tracked information on the origin of direct farms.
- 30 beef suppliers had non-conformities and have been blocked (from 2017 until Dec. 31, 2022).
- 5 blocked suppliers submitted action plans, and resumed supplying to Assaí (from 2017 until Dec. 31, 2022).
- 25 suppliers remain blocked (from 2017 until Dec. 31, 2022).

## PUBLIC COMMITMENTS

100% of our suppliers joined our Social and Environmental Beef Purchasing Policy.

Achieving 100% of the volume of beef purchased from suppliers with a geotracking system.

# Human Rights: safe and respectful working conditions

[GRI 408-1, 409-1]

For us, respect for human rights, diversity, and inclusion are strategic topics and a core part of valuing Our People. We have the goal of developing an inclusive culture, valuing diversity and human rights in order to create an environment of respect and well-being for our employees, customers, suppliers, and for the communities affected by our business and activities. For this reason, complying with these guidelines is, besides being mandatory, a condition precedent for supplying products to Assaí and maintaining long-term relationships.

Our **Diversity and Human Rights Policy**, published in 2021, considers compliance with human rights parameters in labor relations—both in our units and in our value chain. We also reaffirm our defense of labor relations based on respect for international legislation and conventions that sets forth the prohibition of child labor, protection of the rights of children and adolescents, prohibition of forced or slave-like labor. Issues related to disciplinary measures in cases of harassment and abuse, freedom of union association, collective bargaining,

occupational health and safety are also part of this document.

All our commitments to human rights are based on established international documents such as the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO), the Sustainable Development Goals (SDGs), and the International Convention on the Rights of the Child of the Global Compact, as well as national and international standards and documents.

Our commitment to diversity and inclusion does not accept any forms of discrimination by age, gender, sexual orientation, gender identity, gender expression, race, color, disability, religion, marital status, national origin, or other identity markers.

To assess the social compliance of our suppliers, we perform face-to-face audits in factories located in places of higher risk and vulnerability of labor practices, including all products of our Private Labels. Such audits are carried out by third parties (specialized auditors).



## **Initiative for Compliance and Sustainability (ICS)**

In 2022, we continued to carry out social audits of working conditions at our suppliers of Private Labels and international brands from critical countries, according to the protocol of the Initiative for Compliance and Sustainability (ICS), of which we are members.

This methodology provides for visits to the factories and document analysis, besides conducting anonymous interviews with employees on the following topics: forced labor; trafficking of people and immigrant workers; child labor; freedom of association; right to collective bargaining; discrimination; occupational health and safety; abuse and harassment; compensation and benefits; hours worked and overtime.

Every ICS audit issues a report with the points discovered by the supplier in the assessment. This score determines whether the supplier is able to establish a business relationship with the Group.

25 audits were carried out at the factories of our national Exclusive Brand suppliers, 20 of which were homologation audits and five maintenance audits. We ended the year with 96.2% of Exclusive Brand suppliers with valid ICS audits.

As for international suppliers, there were five audits in the period, closing

the indicator at 100% of audits in international suppliers in countries with social vulnerability, reaching the 100% established as a commitment.

In 2023, we will start the ICS audit process for fruit and vegetable producers. Our goal is to ensure that good labor practices, legal compliance, and respect for human rights are guaranteed to all suppliers and workers with activities in the field, reinforcing our commitments set forth in our Diversity and Human Rights Policy, Assaí's Code of Ethics, and the Ethics Charter for Suppliers.

## ICS AUDIT FLOW

### THE AUDIT PROCESS FOLLOWS THE STEPS BELOW:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>● Registration of suppliers with ICS and checking of previous audits</li> <li>● The audit is carried out in a semi-announced way, in a window of predetermined audit</li> <li>● Analysis of the results by Assaí and, if necessary, we suggest an action plan</li> <li>● Release of the audit results, action plan, and whether or not the supply is allowed</li> </ul> | <p><b>Therefore, the supplier may be:</b></p> <ul style="list-style-type: none"> <li>● Allowed to supply</li> <li>● Allowed to supply under an action plan to be completed within six months</li> <li>● Allowed to supply, being required to undergo an audit for follow-up within up to six months</li> <li>● Not be allowed to supply until a follow-up audit is performed</li> <li>● not allowed to supply, and have the factory blocked for supply</li> </ul> |
|--|---|



**Wlamir dos Anjos**  
Vice President, Commercial & Logistics

“ A productive value chain is one that involves employees, suppliers, and consumers, and encourages good practices in each link. Therefore, here at Assaí, we engage the organizations and people involved in these links to develop responsible and ethical relationships, focusing on Striving to eliminate deforestation; promoting appropriate Working Conditions, the Sustainable Use of Biodiversity, and Animal Welfare. ”





# 9

# CAPITAL NATURAL



We report data on our management, initiatives, responsibilities and commitments to the environment, climate change, and use of renewable and non-renewable resources to protect the delicate balance of nature in our country and the world.



## THE ENVIRONMENT

Preserving the environment is one of the priorities of our work.

Topics related to growth and sustainable development, especially those related to climate impacts, are incorporated into our strategies and projects, reducing the environmental impact of our operations and making our activities more responsible.

The 27th United Nations Conference on Climate Change (COP 27) held in November 2022 in Egypt showed that the actions of developed countries, together with the interests of a new class of investors, have been increasing the relevance of environmental topics. In view of this fact, we have been expanding more and more our scope of action to address the significant challenge posed by climate change and meet the targets set out in the Paris Agreement.

We seek to work together with other industries in the search for best practices and processes, besides acting in forums, initiatives, and voluntary and recognized

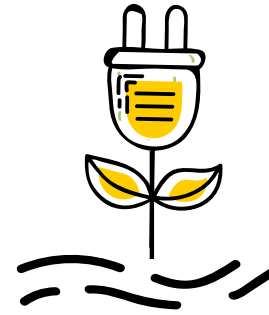
In the environmental management process, we seek to identify risks and opportunities in the climate transition, promoting the required adaptations in three key directions that guide our actions. They unfold into plans with targets, which are constantly monitored and improved:

**1 - reduction of greenhouse gas (GHG) emissions**

**2 - reduction of the volume generated and increase waste recovery rate**

**3 - ensuring the sustainable use of natural resources**

commitments, such as ETHOS, CDP, Global Compact, among others. We executed the Sao Paulo Environmental Agreement with Cetesb (Environmental Company of the State of Sao Paulo), which provides for cooperation between the signatory companies on strategies to tackle climate change. Our set of actions on renewable energy led to the publication of an environmental case in the book Cases of Success, launched during COP 27.



We work with excellence regarding the regulatory and market obligations. To this end, we adopt auditing practices at sensitive points across our supply chain, as well as review critically all our suppliers and partners through **risk assessment and approval**.

Our rapid pace of expansion was also accompanied of an extensive environmental licensing process for the store renovation works, an effort both for new organic stores and those that were purchased and converted into the Assaí model [stores that replaced the former operations of purchased stores]. Between 2021 and 2022, we increased investments in specialized consulting and environmental compensation by 20%, such as tree planting, for example.

Currently, the specific boards of officers also have performance indicators for the environmental management system, such as waste recovery rates per store, per region, and for the entire Brazil.

For the first time we won the Gold Seal in the Public Registry of Emissions of the Brazilian GHG Protocol Program, granted only for companies that report their emissions in full and audited by an independent third party.

The Gold Seal is the highest level of recognition for companies able to prove compliance with all transparency criteria in reporting publicly their Greenhouse Gas Inventory (GHG) data.

With the improved actions aimed at emission reduction targets, indicators began to be monitored and reported monthly to the responsible areas, which carry out the established action plans. Periodically, we provide courses and workshops via the Assaí University on the key environmental topics with the corporate and operational areas. In this way, engagement levels have improved in 2022.

# Reduction of GHG emissions

## |GRI 305-5|

Our environmental management has as its main axis the strive to cope with climate change by setting voluntary targets for reducing greenhouse gas emissions—which are pegged to the variable compensation of middle- and high-level leaders (CEO, officers, and the positions of consultants, coordinators, and managers of stores, Distribution Centers, and headquarters):

**By 2030:**  
38% reduction in gross emissions from Scopes 1 and 2 (baseline: 2015)

This is an initiative to promote the engagement and commitment of all employees to the challenges of the ESG agenda, which are transversal to all areas. We are in line with the global goals set for 2030 and 2050, according to the recommendations established at COP21 and by the IPCC

(Intergovernmental Panel on Climate Change).

The first inventory of Assaí, after its spin-off from GPA, was complete, encompassing the three scopes and audited by a third party. Thus, we were awarded the gold seal from the Brazilian GHG Protocol Program. With this achievement, the company is positioned publicly in reporting its data and tackling climate change.

The major source of scope 1 emissions is concentrated in the category of fugitive emissions, generated by refrigerant gases used in refrigeration and air-conditioning operations. On this front, we have been focusing both on the replacement of gases that have high GWP (global warming potential) and the elimination of gases regulated by the Montreal Protocol, which deplete the ozone layer.

About 85% of Scope 1 emissions originate in fugitive emissions of refrigerant gases – scope 1 emissions represent 74.5% of scope 1 and 2 emissions combined. Although Scope 3 emissions are reported in the inventory, they are still undergoing a process of mapping and materiality study.



We have achieved regulatory progress related to the use of refrigerant gases. In 2022, we continued with pilot projects in 11 stores aimed at replacing R-22 gas with other applicable technologies. It is worth highlighting that this gas is composed by hydrogen, chlorine, fluorine, and carbon atoms (HCFC), which depletes the ozone layer and the use of which has been banned by the European Union, the United States, and other developed countries. For developing countries, such as Brazil, its elimination will be carried out gradually by 2040, when it should be fully banned.

We reduced the use of R-22 by 20.3%\* versus 2021, and progressively pursued economically feasible actions, which involves replacing (retrofitting) old refrigeration systems with chillers that do not operate with the R-22, besides leak hunting operations.

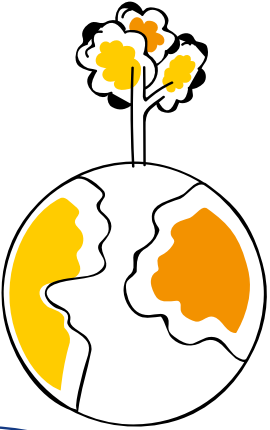
We have also been investing in the conversion of all our operations to the free energy market to reduce scope 2 emissions, focusing on prioritizing the consumption of renewable energy.

In 2022, even in a record-breaking expansion scenario, we reduced our scope 1 and 2 emissions by 12.3% versus 2021. As for scope 2, we had a more significant reduction, particularly for emissions related to electricity consumption, with a 31.3% decrease versus those recorded in the same period of the previous year. As for scope 1, on the other hand, we had a 2.4% reduction of fugitive emissions (refrigerant gases) and combustion (mobile and stationary).

At Assai, we also invest in solar plants for the self-generation of distributed energy, by using available areas, such as store roofs, thus increasing our independence from local energy suppliers in the States of RJ, GO, PR, and MT.



We reduced GHG emissions by 12% in 2022 (versus 2021)



**98.1%**  
of the stores  
IN THE FREE ENERGY MARKET

<sup>1</sup> The Free Energy Market is a competitive electricity trading system in which participants can freely negotiate all commercial conditions, such as the supplier, price, amount of energy contracted, period of supply, payment, among others.

\*Casino method, considering the period from Oct. 2021 to Sep. 2022, 190 stores.

It is also worth mentioning the investments in the structures of new stores, which have eco-efficiency features such as charging stations for electric vehicles and 100% LED lighting. Besides, we certified part of the renewable energy consumed in 2021 with I-REC (International Renewable Energy Certificate) that ensure part of the energy consumed in our operations and contributed to our strategy for reducing emissions.

IN 2022,  
**21 stores**  
were equipped with  
electric vehicle  
chargers installed



Data have not been audited because of the publication timing of this report. Audited data are available at:  
[www.assai.com.br/sustentabilidade](http://www.assai.com.br/sustentabilidade)

Our new stores are built considering environmental impact and eco-efficiency

For scope 3, our actions focus on efficient waste management and dedicated fleets, through composting and logistics solutions, respectively.

In addition to scopes 1 and 2, we started the process of estimating and evaluating scope 3 emissions of products sold in stores. We are working to improve this measurement and studying the emission factors for products sold. In the next two years we will deepen our actions aimed at mapping our scope 3 emissions to the logistics chain and displacement of employees.



CLIMATE CHANGE



**Anderson Castilho**  
VP of Operations at Assaí Atacadista

“ Climate change mitigation is an important pillar of our business. At Assaí, we peg the target to reduce our emissions with the variable compensation of our executive officers, which reinforces the Company’s commitment to this agenda. We know the extent of our challenge, since the company has been growing significantly, but our expansion plan follows this commitment; new stores, for example, are built considering the concepts of eco-efficiency and investment in innovation to minimize the environmental impact of our operations.

”



**Marco Aurélio Zaccaria**  
Stores and DCs Maintenance Officer

“ We are committed to the climate agenda and we work with a plan to modernize our operations to reduce scope 1 emissions. One of the major fronts was to replace old refrigeration systems with most modern machines that do not use R-22. In practice, this replacement allowed the Company to use gases having less environmental impact. Bound to this subject, we also have transcritical and subcritical systems, which use natural gases options that, besides replacing artificial refrigerants with a natural fluid also provides an energy optimization of stores.

”

FUGITIVE EMISSIONS

# Waste reduction and recovery

In 2022, we increased the waste recovery rate from 40% to 42%, despite a scenario of an increased number of stores, that is, we managed to increase the recovery rate even with additional waste in the company's overall calculation. Besides this data, we have improved our efficiency, as the generation of waste per square meter of sales floor area was reduced by 11.1% in 2022 versus 2021.

We made progress in waste treatment processes through composting and waste reduction, which also helps us to reduce the environmental impact, with the food donation program known as "Destino Certo". With this initiative, we mapped and established partnerships with social organizations of food banks to receive donations of fruits, vegetables, and greens that are not aesthetically attractive for sale but that are totally suitable for consumption. Landfill diversions allowed reductions in emissions of gases, such as methane, by about 40,742 tons of CO<sub>2</sub>e because of internal negotiations that enabled the expansion of the programs in line with the company's rapid pace of growth.

These results show all the efforts of the loss prevention teams, which work in the daily life of stores seeking viable ways to

reduce the loss of products. Regarding the increase in waste recovery rates, we increased the scope of some projects, such as waste composting and recycling, as well as food donations, within the context of the Destino Certo Program and the mapping of other possibilities to recover materials, such as sales of butcher's waste to companies specialized in fat rendering.

In December, we increased from 26 to 39 stores taking part in this program. Therefore, we could increase in 13.5% the

composting volume (from 1,307 tons to 1,511 tons), achieving 759 tons of CO<sub>2</sub>e avoided. By April 2023, we intend to add 30 additional stores in the renewables program through the Company.

In 2022, we started the zero-landfill pilot project in a standard store with the purpose of studying the feasibility for a large zero-landfill program for the company's waste as a whole. This project will show the feasibility of replicating improvements in technologies and processes for all our operations in Brazil.



Landfill diversions allowed reductions in emissions of gases, such as methane, by about 40,742 tons of CO<sub>2</sub>e

We achieved positive results in progressive diversion of waste from landfills through the increase in the recovery rates of waste materials generated in our operations. Throughout 2022, we ensured the preparation of PGRS (Solid Waste Management Plans) for 100% of our operations, progress that, added to the establishment of internal procedures for implementing action plans and internal audits, raised the compliance level of our operations for waste management.

We have taken a significant step in reverse logistics with implementing a pilot project that comprises reducing the company's regulatory risk by insourcing our reverse logistics operations, thus reducing the dependence on external agents, and these actions that will allow us more agility to meet the demands of the company's expansion process as a whole. We implemented PEVs (Spots for Voluntary Disposal of Recyclable Waste) in five selected stores in three states: Sao Paulo, Paraná, and Maranhao. With this project, besides reducing risks, we will contribute to the reverse logistics chain as a whole by providing more options for the correct disposal of packaging and other post-consumer products with customers and the society in general.

Thus, we went from 31 to 36 active PEVs (Spots for Voluntary Disposal of Recyclable Waste), which is an increase of 58% in the period versus 2021 (when we had only 21 active PEVs). The amount collected in 2022 increased by 53%, with 445 tons versus 316 tons collected throughout 2021. The main types of waste collected were paper, cardboard, plastic, metals in general, glass, long-life boxes, electronics and used vegetable oil. We count on fixed and itinerant PEV models, whether they are subsidized or not.

We entered into partnerships with companies and/or cooperatives that enable the operation of our Recycling Stations, responsible for promoting recycling through reverse logistics and encouraging more conscious practices with our customers. In them, the customer can deposit their recyclable materials at specific collection points, which have partnerships with several entities that manage certain classes of waste, including hazardous ones (batteries and bulbs), of which 18.0 tons and 13.1 tons were collected in 2022, respectively.

*Casino method, considering the period from Oct. 2021 to Sep. 2022, 190 stores.*





Some PEVs offer bonuses to participants, which may be discounts on electricity bills or basic basket items and courses, among other items.

Throughout 2023, the bulb collection program will be expanded to all stores, as already happens with batteries. All store sites feature the sustainability equipment/items.

We have also been working on building a strategy aimed at reducing the generation of non-recyclable waste, so that we can contribute to the chain with a positive impact. In 2022, we completed the diagnosis regarding the recyclability of packaging of private-label products. The results show that 64% of the packaging volume is 100% recyclable, 25% is partially recyclable, and only 11% cannot be recycled. This study points out the possibility of eliminating non-recyclable packaging in the short term. In this sense, a broad action plan is under construction with our areas and suppliers, so that the possibilities for implementing the action plan are evaluated and implemented in 2023.

Still as a way of raising awareness to our customers (or consumers), we encourage

the use of returnable bags and provide cardboard boxes from the products offered on the shelves for customers to carry their purchases.

### SUSTAINABLE USE OF NATURAL RESOURCES

Considering the context of water scarcity recorded in some regions of Brazil in 2021, we started in 2022 a diagnostic study on the management of water resources across the entire company. This study, which is ongoing, covers the following axes: regulatory compliance, besides water efficiency and safety. As the major product of the study, we began to understand our level of maturity in water resources management to outline action plans focused on the continuous improvement of the processes involved in this issue and on reducing the related environmental impacts.

We also developed water eco-efficiency projects at 54 stores, with saving devices like air blockers; flow reducers in taps, leak hunters, adjustment of the water tank (in two-piece toilets) and in the level control of water tanks.







**10**

**ATTACHED  
CONTENTS**

## IMPACT MANAGEMENT

	MATERIAL TOPICS	COMMITMENT	TERM
<i>Valuing our people</i>	People development Diversity and elimination of discrimination Wellbeing, health, and safety	100% of service providers trained in Diversity	annual
		Provide information and training to 1 MM entrepreneurs on a recurring basis	2025
<i>Engagement with society</i>	Local development	Support 10 communities/organizations in the North and Northeast regions, promoting perennial sports activities and contributing to activities among these organizations	2025
		Strengthen 10 community kitchens, promoting the distribution of over 500 thousand meals	2023
<i>Integrated management and transparency</i>	Ethical and Transparent Relationships Corporate Governance best practices Data privacy and protection	100% of employees trained in ethics and compliance	annual
		Maintain 100% due diligence for service providers	annual
<i>Tackling climate change</i>	Climate change Preventing food waste Waste and reverse logistics	38% reduction in Scope 1 and 2 emissions (base year 2015)	2030
		100% of stores allocating FLV (fruits and veggies) to Food Banks	2025
<i>Transformation in the value chain</i>	Responsible supply chain	100% of the slaughterhouses complying with the Socio-environmental Beef Purchasing Policy	annual
		100% of international suppliers audited for working conditions	annual
		100% of exclusive brand suppliers audited for working conditions	annual
		100% of our textile suppliers with ABVTEX certification	annual
		100% of palm oil with origin identified in the Exclusive Brands products	annual

## AWARDS

YEAR	MONTH	AWARD	DESCRIPTION	RANKING	CATEGORY	AWARDEE	AWARDING ENTITY/ COMPANY	RELEVANCE
2022	April	Melhores do Ano ABRAS	Recognizes leading professionals in Brazil, considering self-service formats, supermarkets, hypermarkets, wholesale, proximity, and convenience stores.	1st place	Legal Board	Sadik Sarkis (Chief Legal and Compliance Officer)	Abras	Nationwide coverage
2022	April	Melhores do Ano ABRAS	Recognizes leading professionals in Brazil, considering self-service formats, supermarkets, hypermarkets, wholesale, proximity, and convenience stores.	1st place	Operations Manager	Fábio Cesar (Assaí Mangabeiras store manager)	Abras	Nationwide coverage
2022	April	Melhores do Ano ABRAS	Recognizes leading professionals in Brazil, considering self-service formats, supermarkets, hypermarkets, wholesale, proximity, and convenience stores.	1st place	Expansion, Works, and Engineering Board of Officers	Armando Boudoux (Expansion Officer of Assaí Atacadista)	Abras	Nationwide coverage
2022	April	ABRAS Ranking	The largest panorama of the supermarket sector in Brazil. This is the most important measurement for the government and society to assess the breadth and strength of this segment.	2nd place	General	Assaí Atacadista)	ABRAS and SuperHiper magazine	Nationwide coverage
2022	May	Melhores de São Paulo	The best services in the city by category, based on the perception of citizens from Sao Paulo city.   Elected for the seventh time in a row the Best Wholesaler in Sao Paulo city.	1st place	Wholesaler	Assaí Atacadista	Folha de São Paulo newspaper	SP - São Paulo
2022	May	Consumidor Moderno de Excelência em Serviços ao Cliente	Analysis of the structures of customer relationship centers, assessment of service, and study of companies' strategies to achieve excellence in the services provided.	1st place	Cash & carry	Assaí Atacadista	Grupo Padrão	Nationwide coverage
2022	May	Survey: Diversidade e Inclusão	It assesses and distinguishes publicly the best diversity and inclusion practices adopted by companies operating in Brazil.	3rd place	Featured for including people with disabilities	Assaí Atacadista	Época Negócios magazine, and Ethos	Nationwide coverage
2022	May	Melhores Empresas em Práticas e Ações da Diversidade	It gives visibility to the anti-racism and diversity promotion practices carried out by companies and organizations, which have had a significant impact and relevant results in updating and improving speeches, behaviors, and realities in favor of ethnic and racial diversity.	3rd place	Category 8 (Non-signatory companies: a category intended for general market practices)	Assaí Atacadista	ID_BR + Istoé Dinheiro	Nationwide coverage
2022	May	Ranking BrandZ – As Marcas Brasileiras Mais Valiosas	Ranking of the Most Valuable Brazilian Brands of 2021/2022   We were ranked in the 24th position with a brand value of US\$924 million	24th place	General	Assaí Atacadista	Kantar and WPP	Nationwide coverage
2022	June	Consumidor Moderno de Excelência em Serviços ao Cliente	Recognized by popular vote as the executive officer who most excelled in leading business management strategies focused on customer experience.	1st place	CEO of the Year	Belmiro Gomes	Grupo Padrão	Nationwide coverage
2022	June	Cliente SA	It recognizes the best practices of companies in their relationship with customers.	2nd place	The Leader in Operational Intelligence Project	Assaí Atacadista	Cliente SA magazine	Nationwide coverage

YEAR	MONTH	AWARD	DESCRIPTION	RANKING	CATEGORY	AWARDEE	AWARDING ENTITY/ COMPANY	RELEVANCE
2022	June	As Marcas Mais Valiosas do Brasil	This ranking provides the complete evaluation of brands according to consumers' values and perception (understanding of factors such as identity, positioning, and brand perception).   Atacadão was in 10th place.	18th place	General	Assaí Atacadista	IstoÉ Dinheiro + WPP BAV + TM20	Nationwide coverage
2022	July	Survey: O Melhor da Internet no Brasil	Unprecedented study on the Internet in Brazil, including the best sectors/brands on the Internet, based on the perception of the population   We had a technical tie with the Atacadão stores, as both brands had the same percentage of 8% in the Wholesaler category.	1st place	Wholesaler	Assaí Atacadista	Folha de São Paulo newspaper	Nationwide coverage
2022	July	Top of Mind Ceará Yearbook	It recognizes the most remembered brands of products and services in 23 categories, besides the Top of the Top brand (the most remembered among all products and services).	3rd place	Retail; Supermarket	Assaí Atacadista	Yearbook of the State of Ceará - O Povo newspaper	Regional
2022	July	GPTW Seal	Recognition for an excellent work environment.	Seal	Seal	Assaí Atacadista	GPTW	Nationwide coverage
2022	August	IBEVAR-FIA ranking	Retail brands most admired by Brazilians	1st place	Wholesale	Assaí Atacadista	IBEVAR-FIA	Nationwide coverage
2022	August	IBEVAR-FIA ranking	Ranking of retailers with the highest income.   Ranking: 1st place Carrefour Group (R\$81.1 billion in revenues); 2nd place Assaí Atacadista (R\$45.6 billion in revenues).	2nd place	General	Assaí Atacadista	IBEVAR-FIA	Nationwide coverage
2022	August	300 Maiores Empresas do Varejo Brasileiro ranking	Ranking of the 300 Largest Brazilian Retail Companies   Assaí was in 2nd place with revenues of R\$45.6 billion (We were only behind the Carrefour Brazil Group where all its brands were considered).	2nd place	General	Assaí Atacadista	SBVC	Nationwide coverage
2022	August	Brandon Hall Group Excellence Awards	Considered the "Oscar of People Management," this award is one of the most prestigious in the industry   The Assai University case, entered together with our partner CrossKnowledge, won a silver medal.	2nd place	Best Strategy For a Corporate Learning University	Assaí Atacadista	Brandon Hall	International
2022	August	Brand Finance Ranking (Most Valuable Brands in Brazil)	The 100 Most Valuable and Strongest Brazilian Brands   Ranking: 15th place - Most Valuable Brand in Brazil; 3rd place - Brand that became most valuable; and 2nd place - Brand that became stronger the most;   Assai Brand Value: R\$5.83 Bi, and 112.3% Growth   Atacadão was in 18th place	15th, 3rd, and 2nd places	Most Valuable Brand	Assaí Atacadista	Brand Finance	Nationwide coverage
2022	September	NPS Awards	Recognizes the brands with the best NPS in Brazil in their segments, gaining a high power of recommendation from customers.	1st place	Wholesale and Cash & Carry o	Assaí Atacadista	Exame and SoluCX	Nationwide coverage
2022	September	"Melhores e Maiores" (Best and Largest)	The most traditional and recognized award of the Brazilian economy.   Ranking of the LARGEST: 21st position in the General category (by revenues); 2nd position in the Wholesale and Retail category   Ranking of the BEST: 9th position in the Wholesale and Retail category.	21st and 9th places	General; Wholesale and Retail;	Assaí Atacadista	Exame Magazine	Nationwide coverage



YEAR	MONTH	AWARD	DESCRIPTION	RANKING	CATEGORY	AWARDEE	AWARDING ENTITY/ COMPANY	RELEVANCE
2022	September	Preferência do Consumidor (IPCon)	Exclusive study that reviews Brazilian supermarket chains of nationwide and regional sizes on physical and digital retail, assessing the ability of these companies to meet the needs of their customers in tangible and emotional aspects.   Results: 1st place in the category "Store with the highest frequency of purchase" (11% of mentions); 1st place in "Most visited stores by region - Northeast and Southeast"; 2nd place in the Midwest and 3rd place in the North region; 2nd place in the "Top 10 Retailers", according to the companies preferred by consumers; 2nd place in the categories "Top 3 in the Price and Promotion Pillar", "Retailers featured for price attributes" and "Retailer featured for special prices".	1st place	Store with higher frequency of purchase	Assaí Atacadista	Dunnhumby	Nationwide coverage
2022	September	The 1,000 Largest Companies in Brazil - Valor 1000	Rankings of the 1000 largest companies in the country and the 50 largest by region with unique evaluation indicators.   Ranking: 25th place in the overall ranking   22nd place in the 50 largest in the Southeast Region   and 1st place as Best Company in the Retail Trade sector.	25th place in the overall ranking; 1st place in the retail trade sector	Operations Manager	Assaí Atacadista	Abras	Nationwide coverage
2022	October	Top of Mind - Folha newspaper	Discloses which are the brands most remembered by Brazilians citizens   Top of mind in the category "Wholesaler" (we had a technical tie with Atacadão stores) and "Supermarket" (we had a technical tie with 3 more brands).	1st place	Wholesaler	Assaí Atacadista	Folha de São Paulo newspaper	Nationwide coverage
2022	October	As Melhores Da Dinheiro	Recognition for the best companies operating in Brazil.   Top Ranking: 23rd place overall, by revenue; Ranking of the Best: 3rd place in Financial Sustainability; 3rd place in Human Resources, and 3rd place in Corporate Governance.	23rd place	General	Assaí Atacadista	IstoÉ Dinheiro magazine	Nationwide coverage
2022	October	Época Negócios 360º	Analysis of the Brazilian companies' performance with the aim of identifying and disseminating the best business practices in Brazil.   Top 500 Largest Ranking: 26th place   Rankings of the 418 Best Companies, People category: 2nd place   ESG/Social and environmental category: 3rd place   ESG/Governance category: 4th place.	26th place	General	Assaí Atacadista	Época Negócios and Fundação Dom Cabral	Nationwide coverage
2022	October	Best Performance	Recognition of best practices and revolutionary ideas aimed at Innovation industries.	2nd place	Excellence in Customer/Consumer Digital Service focused on Customer Experience and User Experience	Assaí Atacadista	CMS Group and Televidas & Cobrança Blog	Nationwide coverage
2022	November	Empresas que mais respeitam o Consumidor	Recognizes the major companies that have attributes that final consumers deem as signs of respect.	1st place	Wholesale	Assaí Atacadista	Grupo Padrão	Nationwide coverage

YEAR	MONTH	AWARD	DESCRIPTION	RANKING	CATEGORY	AWARDEE	AWARDING ENTITY/ COMPANY	RELEVANCE
2022	November	Empresas que mais respeitam o Consumidor	The award given by Grupo Padrão comes from the Study Companies that Most Respect the Consumer, which is carried out by CX Brain, in partnership with the research company, OpinionBox. Its methodology is based on an online quantitative research, using a structured questionnaire with closed questions to the interviewees and considers the sample of respondents from classes A, B and C, nationwide with cuts by region/state.	1st place	Wholesale	Assaí Atacadista	Grupo Padrão	Nationwide coverage
2022	November	Marcas Mais	Estadão Marcas Mais is produced in partnership with TroianoBranding. The objective of this analysis of product and service brands is to identify those with which consumers show greater involvement – it is important to emphasize that involvement is not a direct indicator of market share or market penetration, but rather an indicator of potential interest in the brand.	1st place	Cash & carry	Assaí Atacadista	Estadão	Nationwide coverage
2022	November	BRAND DX	The study reveals the 200 most valuable brands in the country, in a survey based on 24,000 interviews conducted directly with consumers in 11 states, out of a total of 2,000 initial brands.	28th place	Supermarkets	Assaí Atacadista	Meio & Mensagem	Nationwide coverage
2022	December	Empresas Mais	Country economic ranking, which presents the companies with the best economic performance in 26 sectors – and those that stood out with Corporate Governance practices, Innovation and Sustainability Policies in the last year.	2nd place	Retail	Assaí Atacadista	Estadão	Nationwide coverage
2022	December	Reclame Aqui	The companies with the best reputations on the Reclame AQUI consumer website are nominated. And, through the popular vote, those having the best service in the opinion of consumers are chosen. Subsequently, they are awarded in their corresponding business category.	1st place	Supermarkets and Wholesale	Assaí Atacadista	Reclame Aqui	Nationwide coverage
2022	December	Super Destaque Trophy	The trophy was awarded to us, as well as other local companies from the State of Alagoas. There is no ranking.		There is no category determined	Assaí Atacadista	There is no media bound to it	Regional (Alagoas)
2022	December	Campeão da Amizade Trophy		1st place	There is no category determined	Fábio Santos (Diretor Regional do Assaí Atacadista)	There is no media bound to it	Regional (Bahia)
2022	December	Empresa Completa, Empresa que Inclui	The seal “Complete Company, Company that Includes” was awarded to 14 institutions located in Ceará that stood out in the inclusion of people with disabilities in their staff. The tribute was an initiative of the Government of Ceará, through the Secretariat for Economic Development and Labor (Sedet) and the Institute for Labor Development (IDT).	2nd place	General	Assaí Atacadista	There is no media bound to it	Regional (Ceará)
2022	December	Marcas Cariocas	Research carried out in partnership with the branding consultancy Troiano, which aims to elect brands that understand the way of being from Rio and have won the preference of those who live in the city.   Assaí appears in 2nd place, behind Guanabara and ahead of Mundial (in 2021 we got the 2nd position).	2nd place	Supermarkets	Assaí Atacadista	O Globo newspaper	Rio de Janeiro

## GRI Summary

Statement of use	Assai Wholesaler reported in a referenced manner under the GRI Standards for the period from January 1st to December 31, 2022
GRI 1	GRI 1: 2021 Fundamentals
Applicable GRI Sectoral Standard	None

GRI STANDARD	CONTENTS	ANSWER	OMISSION			GRI SECTORAL STANDARD
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 2: 2021 General Contents	2-1 Organization's details	Assai Atacadista is a Brazilian self-service wholesale (Cash&Carry) company that belongs to the Casino Group. It is the only company in the segment listed on the Sao Paulo Stock Exchange (B3) under the ticker ASAI3. It is also traded on the New York Stock Exchange (NYSE). Headquartered in São Paulo (SP), it operates in 23 Brazilian states and the Federal District.				
	2-2 Entities added to the sustainability report of the organization	Page 9.				
	2-3 Reporting period, frequency, and point of contact	Page 9.				
	2-4 Reformulations of information	There were none.				
	2-5 External check	The external assurance "KPMG Auditores Externos" was only for the Casino Group CSR Program indicators, therefore, it did not include the GRI indicators or any other reporting standard mentioned in the Annual and Sustainability Report.				
	2-6 Activities, value chain, and other business relationships	Page 16, 35 e 86.				
	2-7 Employees	Page 46 e 48.				
	2-9 Governance structure and its composition	Page 23.				
	2-11 Chairperson of the highest governance body	Page 43.				
	2-13 Delegation of responsibility for impact management	Page 23.				
	2-14 Role played by the highest governance body in the sustainability report	Page 9.				
	2-22 Statement on the Sustainable Development Strategy	Page 152.				
	2-23 Policy commitments	Page 25.				
	2-24 Incorporation of policy commitments	Page 25, 29 e 99.				
	2-25 Processes for repairing negative impacts	Page 83				

## GRI Summary

GRI STANDARD	CONTENTS	ANSWER	OMISSION			GRI SECTORAL STANDARD
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 2: 2021 General Contents	2-26 Mechanisms for advice and presentation of concerns	Page 28.				-
	2-28 Membership in associations	Page 99.				-
<b>MATERIAL TOPICS</b>						
GRI 3: 2021 Material Topics	3-1 Process of defining material topics	Page 12.				-
	3-2 List of material topics	Page 12.				-
GRI 201: 2016 Economic Performance	201-1 Direct economic value generated and distributed	Page 41.				
GRI 305: 2016 Emissions	305-5 Reduction of greenhouse gas (GHG) emissions	Page 134.				-
GRI 308: 2016 Environmental Assessment of Suppliers	308-1 New suppliers that were screened using environmental criteria	Page 122.				
	308-2 Negative environmental impacts on the supply chain and actions taken	Page 121.				
GRI 401: Employment 2016	401-1 New employee hires and turnover	Page 52 e 53.				
GRI 403: 2018 Occupational Health and Safety	403-1 Occupational health and safety management system	Page 74.				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 76.				
	403-3 Occupational health services	Page 74 e 78.				
	403-4 Worker participation, consultation and reporting to workers concerning occupational health and safety issues	Page 76 e 77.				
	403-5 Training of workers in occupational health	Page 77.				
	403-5 Training of workers in occupational health and safety	Page 72, 74 e 78.				
	403-6 Promotion of workers' health	Page 78.				
GRI 404: 2016 Training and Education	404-1 Average hours of training per year, per employee	Page 56, 58 e 90.				
	404-2 Programs for upgrading employees' skills, and support for career transition	Page 57.				
	404-3 Percentage of employees receiving regular performance and career development assessments					



## GRI Summary

GRI STANDARD	CONTENTS	ANSWER	OMISSION			GRI SECTORAL STANDARD
			REQUIREMENT OMITTED	REASON	EXPLANATION	
GRI 404: 2016 Training and Education	405-1 Diversity in governance bodies and employees	Page 48, 65 e 67.				
GRI 408: 2016 Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 130.				
GRI 409: Forced or slave-like labor, 2016	409-1 Operations and suppliers at significant risk for incidents of forced or slave-like labor	Page 130.				
GRI 413: Local communities, 2016	413-1 Operations with engagement, impact assessments, and development programs aimed at the local community	Page 101.				
GRI 414: Social Assessment of Suppliers, 2016	414-1 New suppliers that were screened using social criteria	Page 122.				
	414-2 Negative social impacts on the supply chain, and actions taken	Page 121, 123 e 124.				

## SASB SUMMARY

SASB THEME	CODE	ACCOUNTING METRICS	RESPONSE
Accounting topics and metrics for sustainability disclosure   Sector: Consumer Goods   Industry: Retailers & Distributors			
Energy management in retail & distribution	CG-MR-130a.1	1) Total energy consumed, (2) percentage of electricity grid, (3) renewable percentage	157
Data security	CG-MR-230a.1	Description of the approach to identify and address data security risks	33
	CG-MR-230a.2	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	None
Labor practices	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for store employees	158
Diversity and inclusion among employees	CG-MR-330a.1	Gender and racial/ethnic group representativeness among (1) directors and officers, and (2) other employees	159
	CG-MR-330a.1	Total amount of monetary losses resulting from legal proceedings connected to discrimination of employees	None
Products, sourcing, packaging & marketing	CG-MR-410a.3	Strategies to reduce the environmental impact of packaging	In 2021, we started and, in 2022, we maintained the environmental impact diagnosis of our private label packaging after consumption, to develop, from its results, strategies to make these products increasingly efficient. The medium-term goal is to ensure that 100% of private-label packaging is recyclable, compostable, or reusable. We quantified the volume of packaging generated and evaluated it taking into account: components, performance in the recycling chain, cooperatives, recyclers, and packaging factories, and understanding of regulations related to the subject. We found the percentage of products with a high, medium, or low performance related to the post-consumer recycling chain and identified the opportunities to exchange components for materials with a higher recycling potential, to optimize the use of raw materials, reduce the use of plastic, and increase the use of materials with high biodegradation potential. We also checked the possibility to adopt new business models, such as bulk.
Activity metrics	CG-MR-000.A	Number of: (1) retail locations, and (2) distribution centers	17
	CG-MR-000.B	Total floor of: (1) retail space, and (2) Distribution Centers	1,306,593 million sq. m of stores, and 257,675.20 sq. m of floor of Distribution Centers.

# PERFORMANCE INDICATORS

These indicators follow the assumptions of Casino's methodology.

Indicator	Audited Indicator	Unit	2020	2021	2022
Number of own stores opened over 12 months <sup>2</sup>		Number	153	175	190
Sales area of own units opened within 12 months <sup>2</sup>		sq. m	643,234	759,920	844,272
<b>Valuing Our People</b>					
Headcounts, turnover, and hiring	Audited Indicator	Unit	2020	2021	2022
Headcounts found on Dec. 31, N	✓	Number	48,885	60,120	76,024
Full-time headcount on 12/31/N	✓	Number	46,964	57,316	72,632
Full-time headcount on Dec. 31, N	✓	%	96%	95.3%	95.5%
Part-time headcount on 12/31/N	✓	Number	1,921	2,804	3,392
Part-time headcount on Dec. 31, N	✓	%	3.9%	4.7%	4.5%
Female headcount on Dec. 31, N	✓	Number	23,417	29,018	37,136
Female headcount on Dec. 31, N	✓	%	47.9%	48.3%	48.8%
Male headcount on Dec. 31, N	✓	Number	25,468	31,102	38,888
Male headcount on Dec. 31, N	✓	%	52.1%	51.7%	51.2%
Headcount < 30 years old on Dec. 31, N	✓	Number	22,953	27,987	34,326
Headcount < 30 years old on Dec. 31, N	✓	%	47.0%	46.6%	45.2%
Headcounts with ages between 30-50 years old on Dec. 31, N	✓	Number	23,456	28,376	36,161
Headcounts with ages between 30-50 years old on Dec. 31, N	✓	%	48.0%	47.2%	47.6%
Headcount with ages > 50 years old on Dec. 31, N	✓	Number	2,476	3,757	5,537
Headcount with ages > 50 years old on Dec. 31, N	✓	%	5.1%	6.2%	7.3%
Headcount by race/ethnicity Black men and women	✓	Number	27,031	39,365	49,026
Headcount by race/ethnicity Black men and women	✓	%	55.3%	65.5%	64.5%
Headcount by race/ethnicity White men and women	✓	Number	11,605	16,189	21,278
Headcount by race/ethnicity White men and women	✓	%	23.7%	26.9%	28.0%
Headcount by race/ethnicity Other ethnicities	✓	Number	10,249	4,566	5,720
Headcount by race/ethnicity Other ethnicities	✓	%	21.0%	7.6%	7.5%
Headcounts in positions of manager and above on Dec. 31, N	✓	Number	343	416	498

Indicator	Audited Indicator	Unit	2020	2021	2022
<b>Valuing Our People</b>					
<i>Headcounts, turnover, and hiring</i>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Male headcount in management positions and above on 12/31/N	✓	Number	265	306	370
Male headcount in management positions and above on 12/31/N	✓	%	77.3%	73.6%	74.3%
Female headcount in management positions and above on 12/31/N	✓	Number	78	110	128
Female headcount in management positions and above on 12/31/N	✓	%	23.0%	26.4%	25.7%
Headcount of black female employees by management positions and above on 12/31/N	✓	Number	23	37	43
Headcount of black female employees by management positions and above on 12/31/N	✓	%	6.7%	8.9%	8.6%
Headcount by race/ethnicity Black men and women in management positions and above on 12/31/N	✓	Number	140	186	217
Headcount by race/ethnicity Black men and women in management positions and above on 12/31/N	✓	%	40.8%	44.7%	43.6%
Headcount by race/ethnicity White men and women in management positions and above on 12/31/N	✓	Number	174	211	259
Headcount by race/ethnicity White men and women in management positions and above on 12/31/N	✓	%	50.7%	50.7%	52.0%
Headcount by race/ethnicity Other ethnicities in management positions and above on 12/31/N	✓	Number	29	19	22
Headcount by race/ethnicity Other ethnicities in management positions and above on 12/31/N	✓	%	8.5%	4.6%	4.4%
Headcount in senior management on Dec. 12, N		Number	24	35	40
Headcount by race/ethnicity Black men and women in senior management on 12/31/N		%	8.3%	11.4%	12.5%
Female headcount in senior management on 31/12/N		%	29.2%	25.7%	25.0%
Headcount of black female employees in senior management on 12/31/N		%	0%	0%	0%
Number of people with disabilities in the company on Dec. 31, N	✓	Number	2,574	3,206	4,056
People with disabilities on Dec. 31, N	✓	%	5.3%	5.3%	5.3%
Alternating students (vocational education) and apprentices on Dec. 31, N	✓	Number	1,500	1,964	2,352
Alternating students (professional education) and apprentices on 12/31/N	✓	%	3.1%	3.1%	3.1%
Turnover	✓	%	-	24.5%	29.0%
Accumulated involuntary TO %	✓	%	-	-	6.8%
Accumulated voluntary TO %	✓	%	-	-	22.2%



Indicator	Audited Indicator	Unit	2020	2021	2022
Number of women who returned from SCI and had involuntary termination within 12 months of returning	✓	Number	-	-	246
% of women who returned from maternity leave and had involuntary termination within 12 months after returning	✓	%	-	-	20.8%
Number of women who returned from SCI and had voluntary termination within 12 months of returning	✓	Number	-	-	90
% of women who returned from maternity leave and had voluntary termination within 12 months after returning	✓	%	-	-	7.6%
<b>Occupational health and safety</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Occupational injuries with leave of at least 1 day	✓	Number	459	607	771
Days of leave because of an occupational injury	✓	Days	28,943	20,356	7,697
Total number of hours absent due to occupational injuries, ordinary illness, and occupational diseases	✓	Hours	6,883,681	8,504,434	10,105,123
Frequency rate of occupational injuries with leave of at least 1 day - based on total actual hours worked	✓	%	4.0%	4.6%	4.8%
Absenteeism rate because of occupational injury and illness, based on total hours worked	✓	%	5.7%	6.1%	5.9%
Number of fatal accidents in the year	✓	Number	-	0	0
<b>Training programs</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
"Total hours of employee training"	✓	Hours	1,487,395	2,359,293	5,258,225
"Hours of training, per employee"	✓	Hours	32	45	59
Total amount invested by the company in training		BRL	17,953,139	24,740,450	30,180,780
"Average amount spent on training per employee, Equivalent to Full Time"		BRL	372	418	416
Number of employees who completed training on Diversity and Human Rights	✓	Number	-	47,881	49,918
Number of employees who completed training on Diversity and Human Rights	✓	%	-	-	56.4%
Number of hours of Diversity training	✓	Hours	-	44,480	81,468
Number of employees who underwent training on Compliance	✓	Number	-	51,292	47,766
Number of employees who underwent training on Compliance	✓	%	-	-	54.0%
Number of employees who underwent training on LGPD	✓	Number	-	37,268	24,281
Number of employees who underwent training on LGPD	✓	%	-	-	27.4%
Number of employees who underwent training on Ethics and Integrity	✓	Number	-	29,639	31,031
Number of employees who underwent training on Ethics and Integrity	✓	%	-	-	35.1%
Number of employees who attended training on Combating Corruption	✓	Number	-	2,039	6,388

Indicator	Audited Indicator	Unit	2020	2021	2022
Number of employees who attended training on Combating Corruption	✓	%	-	-	7.2%
Number of employees who completed training on Regulatory Issues	✓	Number	-	2,596	1,672
Number of employees who completed training on Regulatory Issues	✓	%	-	-	1.9%
Whistleblowing Office					
Complaints	Audited Indicator	Unit	2020	2021	2022
% of complaints in the Whistleblowing channels related to ethics, treated and completed	✓	%	100%	100%	100%
Products/Portfolio sold	Audited Indicator	Unit	2020	2021	2022
% of the turnover achieved from the sale of cage-free eggs, free-range, and organic eggs of national brands (regarding total sale of eggs)	✓	%	-	2.67%	4.40%
Private-label (Exclusive Brand) Food Products	✓	Number	-	25	36
Number of non-food products, including DPH, of Private-Label products	✓	Number	-	33	26
Number of organic products from domestic brands	✓	Number	-	177	214
Social audits	Audited Indicator	Unit	2020	2021	2022
Number of social/working conditions audits of international suppliers with factories in countries with social vulnerability	✓	Number	-	4	5
Number of factories of international suppliers audited in working conditions	✓	%	-	-	71%
Number of social/working conditions audits at exclusive brand supplier factories located in Brazil	✓	Number	-	4	25
Number of factories of exclusive brand suppliers audited in working conditions	✓	%	-	-	96,2%
Tackling climate change <sup>4</sup>					
Water	Audited Indicator	Unit	2020	2021	2022
Total potable water in the system	✓	m <sup>3</sup>	912,036	1,320,091	1,011,583
Water consumption from concessionaires per m <sup>2</sup> /store	✓	m <sup>3</sup> /sq. m	2.2	1.7	1.9
Energy consumption	Audited Indicator	Unit	2020	2021	2022
Total energy consumed	✓	MWh	392,160	488,044	559,165
Electricity consumption per sq. m/Store	✓	kWh/sq. m	610	642	588
Self-generation energy consumption + Green energy consumption	✓	MWh	111,428	421,688	548,221
Proportion of other renewable sources (free market and self-generation)		%	28%	86%	98%
Sites with self-consumption of energy produced (photovoltaic solar plants)		Number	-	7	6
Natural gas consumption	✓	MWh PCI	364	424	665
Liquefied Petroleum Gas (LPG) consumption	✓	MWh PCI	16,455	19,266	22,197
Consumption of diesel oil for generator	✓	Liters (l)	6,944,551	2,810,159	2,367,832

Indicator	Audited Indicator	Unit	2020	2021	2022
Gasoline consumption	✓	Liters (l)	1,027.08	648.52	942.97
Ethanol consumption	✓	Liters (l)	287.94	643.34	26.39
Diesel consumption (fleet)	✓	Liters (l)	-	-	-
Biodiesel consumption (fleet)	✓	Liters (l)	-	-	-
<b>Maintenance</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Total number of stores with refrigeration system using natural refrigerant gases	✓	Number	-	-	-
Number of stores that implemented refrigeration systems that use natural refrigerant gases in year N	✓	Number	-	-	2
Number of stores that performed retrofit (replacement) of equipment with R22 gas consumption in year N	✓	Number	-	-	11
<b>Refrigerant gas consumption: air-conditioning</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
R404A	✓	kg	55	356	179
R134A	✓	kg	476	506	231
R22	✓	kg	722	1,310	938
R410A	✓	kg	804	843	1,379
Other air-conditioning fluids	✓	kg	198	188	165
<b>Consumption of refrigerant fluids; food cooling</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
R404A (refrigerant)	✓	kg	3191	5,038	5,024
R134A	✓	kg	3123	1,886	4,015
R22	✓	kg	35,454	35,454	18,720
R410A	✓	kg	295	521	370.51
Other refrigerants	✓	kg	119	1,261	309
<b>Waste from operations</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cardboard for recycling	✓	ton	32,907	36,125	40,774
Plastic for recycling	✓	ton	4,865	5,996	6,841
Organic waste for composting	✓	ton	1,102	1,250	1,613
Scrap and Metal for Recycling	✓	ton	567	1,887	797
Others for Recycling	✓	ton	375	0	0
Tailings (landfill)	✓	ton	62,245	70,479	72,770
Used cooking oil for recycling	✓	ton	-	104	113
Total weight of food and volumes of waste used for alternative purposes (composting + donation)	✓	ton	3,352	2,476	3,384
Reused waste rate (% recovery)	✓	%	39	40	42

Indicator	Audited Indicator	Unit	2020	2021	2022
<b>Customer waste</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Volume of waste discarded at Recycling Stations - customers	✓	Ton	462	328	445
Batteries	✓	Ton		17.6	18.0
Low-consumption bulbs	✓	Ton		14.1	13.1
Consumer electronics waste	✓	Ton		4.9	9.2
Plastic materials	✓	Ton		56.7	48.3
Papers	✓	Ton		154.5	254.9
Scrap metal	✓	Ton		10.0	20.7
Glass	✓	Ton		50.5	61.6
Other customer waste	✓	Ton		20	19.3
<b>Food donations ("Destino Certo" Program)</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Volume of FLV donations – Fruits and Vegetables (direct donations and the Destino Certo Program)	✓	ton	2,150	1,226	1,771
Number of stores having an agreement with a food bank	✓	Number	100	102	182
<b>Scope of emissions<sup>4</sup></b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Carbon emissions - Scope 1		tCO2e	110,274	87,415	84,640.94
Carbon emissions - Scope 2		tCO2e	30,869	69,558	28.951 <sup>2</sup>
Carbon emissions - Scope 3		tCO2e	60,622	69,238	360,582.31
<b>Engagement with society</b>					
<b>Social investment</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Volume of food donated, in tons (staple food baskets)	✓	Ton	-	1,374.0	242.7
Number of beneficiaries of actions from foundations or solidarity partnerships	✓	Number	176	1,278	13,118
Number of organizations benefited	✓	Number	-	-	209
Investment in donations	✓	BRL	-	-	7,954,883.0
Investment through incentive laws		BRL	-	0	0
<b>'Assai Bons Negócios' Academy</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Academy: number of certified people	✓	Number	-	8,014	13,043



Indicator	Audited Indicator	Unit	2020	2021	2022
<b>Other social indicators</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Contributions to Professional Associations		BRL	-	119,724	110,542
<i>Net Promoter Score</i>	✓	Índice NPS	-	53	69
Number of active beef suppliers on 12/31/N (suppliers of slaughterhouses and processors)	✓	Number	-	-	22
Number of suppliers adhering to the Beef Purchasing Policy (approval) (suppliers of slaughterhouses and processors)	✓	Number	-	-	22
Number of suppliers adhering to the Beef Purchasing Policy (approval) (suppliers of slaughterhouses and processors)	✓	%	-	-	100%
Number of direct beef suppliers with their own geomonitoring system and active traceability (suppliers of slaughterhouses)	✓	Number	-	-	9
Number of direct beef suppliers with their own geomonitoring system and active traceability (suppliers of slaughterhouses)	✓	%	-	-	100%
Number of beef farms that were reanalyzed (double-check) - Geomonitoring System	✓	Number	-	-	20,650
Number of national suppliers that presented non-compliance and were blocked (suppliers of cold stores and processors) - accumulated up to N	✓	Number	-	-	30
Number of beef suppliers blocked - remain blocked 12/31/2022	✓	Number	-	-	25
Number of beef suppliers that presented non-compliance and action plans, and returned to supply to ASSAÍ (suppliers of slaughterhouses and processors) - accumulated up to N	✓	Number	-	-	5
% of beef volume with traceability	✓	%	-	-	100%
<b>Trainings</b>	<b>Audited Indicator</b>	<b>Unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Distribution of hours of training by female employee	✓	Hours	-	-	56
Distribution of hours of training by male employee gender	✓	Hours	-	-	61
Distribution of training hours by position of employees - managers and above	✓	Hours	-	-	33
Distribution of training hours by position of employees - middle leadership	✓	Hours	-	-	64
Distribution of training hours by position of employees - non-leaders	✓	Hours	-	-	58

**Notes:**

1. The indicators in this table follow the Casino Group's own methodology, except for Assaí's specific control indicators.
2. Sales areas refer to the Company's own units (owned and under operational control) that had some activity between October 1 of one year and September 30 of the subsequent year (for example: period between Oct. 1st, 2020 and Sep. 30, 2021). All establishments purchased, opened, or closed during the period are not considered.
3. All environmental indicators, except those of GHG emissions, are included in the Casino Group's own methodology, considering the same assumptions provided in note 2 (sales areas). The administrative office is considered whenever applicable.
4. Emissions data for the 2022 base-year are subject to change after completion of the third party due diligence and will be available on the website <https://registropublicodeemissoes.fgv.br/>



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### Independent auditors' limited assurance report on non-financial information included in the Annual and Sustainability Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders  
 Sendas Distribuidora S.A.  
 Rio de Janeiro – RJ

#### Introduction

We have been engaged by Sendas Distribuidora S.A. ("Sendas" and/or "Assai" or "Company") to present our limited assurance report on the non-financial information included in Assai's 2022 Annual and Sustainability Report the year ended December 31<sup>st</sup>, 2022.

Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the Assai's 2022 Annual and Sustainability Report, including any embedded images, audio files or videos.

#### Responsibilities of Sendas's management

The management of Sendas is responsible for:

- select and establish appropriate criteria for the elaboration of the information contained in the Report;
- prepare the information in accordance with the Casino Group methodology and Assai's own methodology, as well as the internal control over information relevant to the preparation of Annual and Sustainability Report that is free from material misstatement, whether due to fraud or error.

#### Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the Assai's 2022 Annual and Sustainability Report, based on the limited assurance engagement which was prepared based on NBC TO 3000 (Assurance Engagements other than Audits and Reviews) issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the Assai's 2022 Annual and Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to Sendas's management and other Sendas's professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation of the information aligned to Casino's methodology contained in the Report, where material misstatements could exist. The procedures comprised, among others:

- (a) planning the work, considering the volume of quantitative and qualitative information and the operating systems and internal controls that served as the basis for preparing the Report. This analysis defined the indicators to be tested in detail
- (b) the understanding of the Casino calculation methodology and the procedures for compiling the indicators through inquiries with the managers responsible for preparing the information;
- (c) the application of analytical procedures on the quantitative information and inquiries about the qualitative information and its correlation with the Casino indicators disclosed in the information contained in the Assai's 2022 Annual and Sustainability Report;
- (d) for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records;
- (e) analysis of the processes for preparing the Report and its structure and content, based on the criteria defined by Sendas;
- (f) evaluation of the following contracted indicators:

- Reused waste rate (% recovery)
- % of complaints in the Whistleblowing channels related to ethics, treated and completed
- % of the turnover achieved from the sale of cage-free eggs, free-range, and organic eggs of national brands (regarding total sale of eggs)
- % of beef volume with traceability
- Academy: number of certified people
- Water consumption from concessionaires per m<sup>2</sup>/store
- Biodiesel consumption (fleet)
- Diesel consumption (fleet)
- Self-generation energy consumption + Green energy consumption

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- Electricity consumption per sq. m/Store
- Ethanol consumption (fleet)
- Gasoline consumption (fleet)
- Consumption of diesel oil for generator
- Natural gas consumption
- Liquefied Petroleum Gas (LPG) consumption
- Headcounts in positions of manager and above on Dec. 31, N
- Headcount and % by race/ethnicity in management positions and above on Dec. 31, N
- Headcount and % of alternating students (vocational education) and apprentices on Dec. 31, N
- Headcount and % of black female employees by management positions and above on Dec. 31, N
- Headcount and % of People with disabilities on Dec. 31, N
- Headcount and % of age groups (< 30 years, de 30 to 50 years and > 50 years) on Dec. 31, N
- Headcount and % in management positions and above by gender on Dec. 31, N
- Headcount and % by race/ethnicity on Dec. 31, N
- Part-time headcount and % on Dec. 31, N
- Full-time headcount and % on Dec. 31,
- Female headcount and % on Dec. 31, N
- Female headcount on Dec. 31, N
- Assai Institute: Investment in donations
- Assai Institute: Number of beneficiaries of actions from foundations or solidarity partnerships
- Assai Institute: Number of organizations benefited
- Assai Institute: Number of stores having an agreement with a food bank
- Assai Institute: Volume of food donated, in tons (staple food baskets)
- NPS - Net Promoter Score
- Occupational injuries with leave of at least 1 day
- Number of fatal accidents in the year
- Days of leave because of an occupational injury
- Number of beef farms that were reanalyzed (double-check) - Geomonitoring System
- Number of active beef suppliers on Dec. 31, N (suppliers of slaughterhouses and processors)
- Number of beef suppliers blocked - remain blocked Dec. 31, 2022
- Number of beef suppliers that presented non-compliance and action plans, and returned to supply to ASSAI (suppliers of slaughterhouses and processors) - accumulated up to N
- Number of national suppliers that presented non-compliance and were blocked (suppliers of cold stores and processors) - accumulated up to N

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- Hours of training, per employee
- Number of hours of Diversity training
- Number of stores that implemented refrigeration systems that use natural refrigerant gases in year N
- Number of stores that performed retrofit (replacement) of equipment with R22 gas consumption in year N
- Private-label (Exclusive Brand) Food Products
- Number of non-food products, including DPH, of Private-Label products
- Number of organic products from domestic brands
- Number and % of employees who attended training on Combating Corruption
- Number and % of employees who underwent training on Compliance
- Number and % of employees who completed training on Diversity and Human Rights
- Number and % of employees who underwent training on Ethics and Integrity
- Number and % of employees who underwent training on LGPD
- Number and % of employees who completed training on Regulatory Issues
- Number and % of factories of exclusive brand suppliers audited in working conditions
- Number and % of factories of international suppliers audited in working conditions
- Number and % of suppliers adhering to the Beef Purchasing Policy (approval) (suppliers of slaughterhouses and processors)
- Number and % of direct beef suppliers with their own geomonitoring system and active traceability (suppliers of slaughterhouses)
- Number and % of women who returned from SCI and had involuntary termination within 12 months of returning
- Number and % of women who returned from SCI and had voluntary termination within 12 months of returning
- Total number of hours absent due to occupational injuries, ordinary illness, and occupational diseases
- Total hours of employee training
- Total number of stores with refrigeration system using natural refrigerant gases
- Used cooking oil for recycling
- Others for Recycling
- Cardboard for recycling
- Total weight of food and volumes of waste used for alternative purposes (composting + donation)
- Plastic for recycling
- Tailings (landfill)
- Organic waste for composting
- Scrap and Metal for Recycling
- Absenteeism rate because of occupational injury and illness, based on total hours worked

- Frequency rate of occupational injuries with leave of at least 1 day - based on total actual hours worked
- Refrigerant gas consumption: air-conditioning
- Consumption of refrigerant fluids; food cooling
- Total potable water in the system
- Total energy consumed
- Turnover
- Accumulated involuntary TO %
- Accumulated voluntary TO %
- Volume of FLV donations – Fruits and Vegetables (direct donations and the Destino Certo Program)
- Cardboard for recycling
- Number of social/working conditions audits of international suppliers with factories in countries with social vulnerability
- Number of social/working conditions audits at exclusive brand supplier factories located in Brazil
- Distribution of hours of training by gender of employees
- Distribution of training hours by position of employees

(g) the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**Scope and limitations**

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The information evaluated was limited to the indicators reported according to Casino's methodology and Assai's own methodology, not being part of the scope the analysis of the information preparation in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), materiality, analysis of the reasonableness of the

justifications for the omissions of performance indicators associated with aspects and topics identified as material in the Company's materiality analysis and other reporting standards mentioned in the Report.

**Conclusion**

Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Assai's 2022 Annual and Sustainability Report for the year ended December 31, 2022 of Sendas, have not been prepared, in all material respects, in accordance with the Casino Group's methodology and with the records and files that served as the basis for its preparation.

São Paulo, April 13<sup>th</sup>, 2023

KPMG Auditores Independentes Ltda.  
CRC 2SP014428/O-6

*Original report in Portuguese signed by*  
Sebastian Yoshizato Soares  
Accountant CRC 1SP257710/O-4

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## 1) Total energy consumed, (2) electricity grid percentage, (3) renewable percentage |SASBCG-MR-130a.1|

	2020	2021	2022
Total energy consumption (GJ)	2,035,744.16	2,118,447.61	2,467,725.53
Percentage of electricity consumed from the grid (%)	57%	10%	5%
Percentage of renewable energy consumed* (%)	43%	90%	95%

\*Considers only renewable energy with certificate (IREC) or guarantee of origin. A conversion factor of 1 megawatt-hour equivalent to 3.6 giga joules was used.

## (1) Voluntary and (2) involuntary turnover rate for store employees \* |SASB CG-MR-310a.2|

	2020	2021	2022
Voluntary turnover rate = total empl. voluntary dismissed/ total employees	12.3%	15.9%	19.4%
Involuntary turnover rate = total involuntary dismissals/ total employees	11.7%	8.2%	11.2%

The scope of disclosure excludes corporate employees and executive officers. All calculations are based on the number of employees of stores and Distribution Centers from January to December.



## Gender and racial/ethnic group representativeness among (1) administrators, and (2) other employees | SASB CG-MR-330a.1

	2020	2021	2022
Total number of employees - management	343	416	498
Number of employees - women - management	78	110	128
Number of employees - men - management	265	306	370
Percentage of women in management positions	22.7%	26.4%	25.7%
Percentage of men in management positions	77.3%	73.6%	74.3%
Total number of employees - other	48,542	59,704	75,526
Number of employees - women - other positions	23,339	28,908	37,008
Number of employees - men - other positions	25,203	30,796	38,518
Percentage of women - other positions	48.1%	48.4%	49.0%
Percentage of men - other positions	51.9%	51.6%	51.0%
Total number of black employees - management	140	186	174
Percentage of black employees - management	41%	45%	35%
Total number of black women employees - management	23	37	43
Percentage of black employees women - management	7%	9%	9%

## TCFD Structure

TCFD RECOMMENDATIONS	ANSWER
Governance	
Disclose the Company's governance on risks and opportunities related to climate change	
<p>a) Please describe how the Board oversees the risks and opportunities related to climate change</p>	<p>Our sustainability strategy integrates the priority themes for the strategic planning and development of the business. These topics are assessed and prioritized with stakeholders during the materiality review (the most recent process was conducted in 2022) and annually in the risk analysis. The materiality consultation was based on qualitative interviews and quantitative surveys with stakeholders. For each material topic, a strategy was established, as well as public commitments that were validated by the Corporate Governance and Sustainability Committee.</p> <p>In addition, through six lines of action connected to the CRS Program, which is a program of the Casino Group (controller of Assai), we define and follow up guidelines for mitigating social and environmental risks, and we also direct and enhance the creation of positive value for our stakeholders. The risks, responsibilities, and action plans assessed by the CRS Program are presented to the Governance and Sustainability Committee, to the Audit Committee, and approved by the Board of Directors every year.</p> <p>Since 2021, after it spun-off of from GPA, Assai has established its own Corporate Governance and Sustainability Committee, an advisory body to the Board of Directors responsible for providing advice, recommending, and ensuring the adoption of best sustainability practices, promoting discussions on new social and environmental agendas, commitments, policies, and initiatives for sustainable development at Senior Management levels, monitoring the main ESG indicators (including GHG emissions) and reviewing policies and practices on critical high-impact issues identified in the risk matrix and materiality matrix. The monitoring of the sustainability strategy is carried out by the Corporate Governance and Sustainability Committee for all ESG topics.</p> <p>This committee is also responsible for monitoring the compliance with the requirements of Brazilian legislation and other market inspection bodies and encourage the company to make progress on the commitments, practices, and processes adopted, such as the reduction of GHG emissions and the agenda of mobilization and institutional positioning on the climate emergency.</p> <p>Periodically, the Corporate Governance and Sustainability Committee holds pre-scheduled meetings that aim to question, recommend, and guide the long-term and medium-term strategies and positions of the agendas previously diagnosed as critical for climate change. Therefore, the Committee encourages the improvement of the practices and processes adopted by the company related to the reduction of GHG emissions, protection of biodiversity and institutional positioning towards climate change, such as actions on refrigerant gases, energy efficiency, waste, packaging, food waste, among others. Once the strategy is approved, we have the responsibility to monitor the progress of impacts through the targets and commitments undertaken.</p>
<p>b) Describe the role of the Board in assessing and managing related risks and opportunities to tackle climate change.</p>	<p>The Board of Directors, which the company's highest governance body, is responsible, according to its Charter, for approving the sustainability strategy, including climate-related issues. Through its advisory bodies, it monitors updates and recommendations for the climate agenda to be analyzed from various points of view, such as impact on the chain, physical and financial risks, regulatory perspectives, and adherence to the company's culture. In addition, the Board of Directors is the body responsible for directing the company to medium and long-term plans adhering to the transformation with the climate agenda.</p> <p>The Board of Directors counts on the advice of the Audit Committee, responsible for monitoring the risks and the respective action plans through strategic KPIs directed to the sponsors of each subject. It is from the analysis of this committee that the action plans are prepared, which will be validated with the corresponding areas at the time of risk mapping, in an integrated process, which is validated and followed up by the Board of Directors. The committee assesses risks, performance of KPIs, the alignment and effectiveness of actions to the company's policies, targets, commitments, and the strategic financial planning. Together with the Audit Committee and the Risk Committee, the Corporate Governance and Sustainability Committee discusses how climate and socio-environmental risks may affect the Company's strategy. Together, they assess, monitor, and sensitize the Board of Directors.</p> <p>In 2020, the company set forth a GHG reduction goal of 38% by 2030, considering scopes 1 and 2 (30% by 2025, base year 2015), and the annual goals related to such target became one of the indicators pegged to the variable compensation of eligible positions from 2021 on.</p>

TCFD RECOMMENDATIONS	ANSWER
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Strategy

Disclosing the actual and potential effects of risks and opportunities related to climate change on the organization's business, strategy, and financial planning, whenever such information is relevant.

a) Please describe the risks and opportunities connected to climate change that the organization has identified in the short, medium, and long term.

The process of mapping risks and opportunities follows the protocols and methods set forth by Casino Group, which practices comply with international standards and include the regular improvement of internal control mechanisms and their actions to prevent and mitigate effects. Assai has been including socio-environmental risks and opportunities in the Company's strategic and financial planning.

Mapped risks and opportunities served as the basis for reviewing the Environmental Policy, as well as helped to set targets and commitments. Based on the mapping, actions to reduce risk are determined, as well as indicators to monitor performance, these initiatives are monitored by the Sustainability and Governance Committee, by the Audit Committee, and reported to the Board of Directors.

Time horizons for retail and wholesale sectors are quite short, and even the longest ones are often short compared with other industries. The short-term horizon adopted is up to one year, while the medium-term horizon ranges from one to two years, and the long-term horizon ranges from two to ten years. Please see below some examples of risks and opportunities and the measures taken to mitigate risks and explore opportunities. In the short term, for example, there is monthly monitoring of strategic KPIs related to the climate agenda, as the absolute reduction of greenhouse gases from scopes 1 and 2—the 2022 annual target was achieved, with a 12.3% reduction versus the previous year (2021 vs. 2020); increased waste recovery, with a greater volume diverted from the landfill: an 11.1% reduction in volume per meter (kg/sq. m) between 2021 and 2022; increased consumption of renewable energy in our operations—which means an obvious progress every month, reaching a total of 258 stores in the free energy market at the end of 2022, representing 98.1% of the total store park.

We monitor, through annual targets, the progress of equipment modernization to reduce greenhouse gases from refrigeration, migration of the consumption matrix to cleaner energy sources, eco-efficiency of stores and distribution centers, and appropriate waste management. Such mapping follows the protocols and methods set forth by Casino Group, which practices comply with international standards and include the regular improvement of internal control mechanisms and their actions to prevent and mitigate effects. In the medium term, the accumulated results are measured in terms of: reduction of emissions, increase of renewable energies in the consumption matrix, modernization of equipment, and elimination of critical refrigerants, improvement of Scope 3 control, among others, in order to create the best actions that suit each scenario projected for the coming years.

This monitoring also meets the long-term target that aims to reduce Scope 1 and 2 emissions by at least 38% by 2030, considering 2015 as the base year.

In order to reinforce the scientific basis in our climate strategy, we have a study prepared by the Casino Group with the support of AXA Climate to assess the impacts of physical climate risks of the operations of all business units in Latin America, including Assai. The study classifies the risks of our units throughout Brazil, including stores and distribution centers, assessed in the 2030 and 2050 horizons under the conditions of the IPCC RCP 4.5\* and RCP 8.5\* climate scenarios

\*Representative Concentration Path (RCP): 4.5 or 8.5 values refer to the average concentrations of carbon dioxide corresponding to radiative forcings at a global average of 4.5 or 8.5, respectively, watts per square meter, respectively representing a global average warming of 2.1 to 3.5°C (RCP 4.5) and 3.3 to 5.7°C (RCP 8.5) by the end of the 21st century.

TCFD RECOMMENDATIONS	ANSWER
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## Strategy

Please disclose the actual and potential effects of risks and opportunities related to climate change on the organization's business, strategy, and financial planning, whenever such information is relevant.

b) Please describe the effects of risks and opportunities related to climate change on the organization's business, strategy, and financial planning

**Risk 1**  
 Increase in the cost of raw materials. In recent years, we have been observing in Brazil an increase in the intensity and occurrence of droughts and water scarcity, and several studies already point to a connection of these events with the increase in temperature caused by human action. These physical risks (acute and chronic) related to climate change that impact the production and availability of products and materials that supply stores, generate increased market costs of these items, and affect the company's supply and/or financial result. Services may also be affected, such as the price of electricity purchased by the company, which may increase, for example, in case of prolonged droughts that affect hydroelectric generation capacity, and result in greater obligation to purchase other energy sources with higher production costs. For Assai, this scenario is no different. In the context of energy supply, for example, we check whether potential water crises can become more recurrent. We have already noticed the gradual impact, given the increase in energy costs for the business. During the period of water scarcity in Brazil, in 2021, we estimate that about BRL2 million was spent with the increased cost of electricity. Based on this evidence and future scenarios, we seek to develop mitigation interventions, contributing to the reduction of waste and the expansion of the use of low-impact renewable energy. Assai established the ISD (Sustainability and Diversity Index), which integrates the variable compensation of eligible employees—coordinators to senior management—which takes into account an indicator pegged to an absolute carbon reduction (scopes 1 + 2, base year 2015). There is also an environmental and financial strategy to migrate the purchase of energy to the Free Energy Market, in which it is possible to buy energy from clean generation sources, which has tax benefits.

**Risk 2**  
 Carbon pricing mechanisms transition—a risk related to a potential carbon taxation in Brazil. We have already identified the predominant use of high global warming potential (GWP) gases in a significant part of our stores in refrigeration systems as a relevant risk, and we understand that carbon pricing studies allow us to subsidize a (voluntary) emission mitigation strategy and identify and measure social and environmental externalities. We monitor the market in relation to potential fees to be charged on carbon emissions in Brazil, since this subject has been gaining relevance in the regulatory scope. For our specific context, it is necessary to deepen the understanding of the impact of carbon pricing, seeking to map which areas of the business will be affected and how these costs can be mitigated.

**Risk 3**  
 Mandates and regulation of existing products and services. We consider as a relevant risk the predominance of the use of refrigerant gas (R-22) and other hydrofluorocarbons of high global warming potential (GWP) in a significant part of the stores in refrigeration systems, since the Brazilian HCFC Elimination Program sets forth the elimination of the consumption of hydrochlorofluorocarbons by year 2040 in Brazil. The adaptation and modernization of equipment to meet the purpose of replacing the gas will generate a financial impact. However, non-adaptation can also lead to a high cost in the medium and long term, due to the payment of fines for non-compliance with current standards and legislation or even for difficulty and scarcity in purchasing products that are no longer sold and used. In our risk management process, we are monitoring the preventive and periodic maintenance processes, following up the consumption of refrigerant gases in leaks, and carrying out feasible studies to reduce and/or exchange fluids aiming at reducing GHG emissions.

**Risk 4**  
 Floods and physical climate-related risks  
 The increase in temperature combined with human action has generated a greater occurrence of storms. With a significant volume of rainfall in a brief time span, cities have been suffering from flooding and may have their effects on logistical processes, mostly carried out by road, of the products sold by Assai. Failure to transport products affects directly its consumer sales.

**Opportunities**  
 Energy source: we identified that investing in photovoltaic solar energy is a feasible strategy that has a guaranteed return for units that install them. Using the roofs of our stores to install solar panels is an opportunity for the Company. Besides enjoying clean and renewable energy, there is the benefit of reducing the dependence of energy supplying companies, especially as regards to the so-called "flag rate" system in force in Brazil, which tends to increase in critical periods of drought, increasing the Company's independence in the purchase of electricity and helps in mitigating the risk caused by water scarcity. The company also identified great benefits in joining the Free Energy Market, such as financial savings for reducing negotiation costs and, from the point of view of sustainability, the chance of contracting energy with benefits as an incentive to expanding renewable generation sources, such as solar, wind, small hydroelectric plants and biomass. In this category, buyers get discounts on the usual tariffs charged from energy utilities, resulting in financial savings and greener energy purchases. Besides reducing the cost of purchasing electricity, these measures reduce the emission of scope 2 greenhouse gases.



TCFD RECOMMENDATIONS	ANSWER
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## Strategy

Please disclose the actual and potential effects of risks and opportunities related to climate change on the organization's business, strategy, and financial planning, whenever such information is relevant.

<p>b) Please describe the effects of risks and opportunities related to climate change on the organization's business, strategy, and financial planning</p>	<p>We also understand that all food production, transportation, and handling generates significant CO2 emissions and, when food ends up in landfills, they generate methane, a powerful GHG. Thus, the destination of fruits, vegetables, and greens (FLV) lacking aesthetic appeal for sale, but still fully suitable for consumption, helps to reduce the environmental impact (avoiding new volumes sent to landfills), and is in line with the company's social responsibility agenda (contribute as a food and nutritional supplement for part of the population in a situation of food insecurity). In addition, organic waste is diverted from landfills by the composting process. Currently, 24 stores send this waste to companies specialized in composting.</p> <p>In terms of internal carbon price, we have been maturing the discussion of this topic internally and developing benchmark studies to help assess risks and opportunities related to a mandatory pricing scenario in the future, aiming to subsidize a strategy to mitigate (voluntary) emissions and assist in the identification and measurement of socio-environmental externalities.</p>
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<p>c) Please describe the resilience of the organization's strategy, considering different climate change scenarios, including a scenario of 2 °C or less.</p>	<p>Our internal targets and goals are in line with the Casino Group, and have a deadline of reach, in general, between 2020 and 2025. In addition, we follow the broadly defined global targets for 2030 and 2050 according to COP 21 and the Intergovernmental Panel on Climate Change (IPCC). We have long-term targets submitted at group level to SBTi for 2 °C and we plan to update the targets to 1.5 °C.</p>
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## Risk management

Please disclose how the organization identifies, assesses, and manages risks related to climate change

<p>a) Please describe the processes used by the organization to identify and assess the risks related to climate change</p>	<p>Our risk management guidelines and structure follow international practices and standards, with integrated and comprehensive performance of all processes seeking to ensure the continuity of activities, the generation of value for the entire chain, and the dissemination of the risk management culture among employees. Risks are analyzed, assessed, and treated complying with the Casino Group Risk Solution (CRS) and Enterprise Risk Management (COSO) methodologies, resulting in a risk matrix composed of risks of high, medium, and low criticality, of which we elect ten risks of high criticality that are part of the Casino Risk Solution (CRS) matrix. We monitor it based on the high and medium risks for each business of the Group, set with the key executives and based on the quantification of the Top 10 Main Risks to be monitored with C-Levels, their direct superiors, and by the Audit Committee and the Board of Directors.</p> <p>The cycle of evaluations (identification) is carried out annually based on self-assessment, through interviews with all key executives to have a vision of the goals and targets in order to identify the risks and exposures that may compromise our strategy. This assessment is submitted to the Risk Committee and the Corporate Governance and Sustainability Committee, to be subsequently approved by the Board of Directors.</p> <p>Moreover, in 2021, we updated the study of critical chains to identify a social and environmental risk matrix of the value chain, listing raw materials and risks (such as working conditions, animal welfare, deforestation, and biodiversity). 28 additional critical chains of social and environmental risks were mapped in the stages of cultivation, production, or transformation of products sold in our stores. From a prioritization, 14 additional chains were contemplated compared with the chains of the first study carried out in 2018. Biodiversity issues were also considered, with an approach to effects on sustainable extraction and extinction of species. In the end, 13 product chains/categories were prioritized: cocoa, coffee, sugarcane, beef, pork, broilers, milk, corn, eggs, palm, soy and fish, which is subdivided into the categories called aquaculture, extraction, and harvesting. To achieve this result, the review underwent an analysis of internal and external data (public sources and documents) of the primary chains that allowed to cross the levels of social and environmental risks with relevance of these products/categories in relation to the volume and origin of purchases of products associated with these networks, rating them as low, medium, and high.</p> <p>In 2022, reinforcing the scientific basis in our climate strategy, the Casino Group, with the support of AXA Climate, carried out a study to assess the impacts of physical climate risks of Assai operations, including the analysis of impacts from floods, water shortages, among others, with the aim of structuring mitigation and adaptation actions. The study classifies the risks of stores and distribution centers in the horizons of 2030 and 2050 in the IPCC RCP 4.5 and RCP 8.5 climate scenarios. Physical climate risks that could impact operations were evaluated, such as coastal and river floods, heat, duration of drought periods and heat waves, etc., with worsening in 2050. Each unit is classified according to the assessed risks, allowing to assess potential consequences for operations and propose guidelines that consider the identified risks.</p>
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TCFD RECOMMENDATIONS	ANSWER
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## Risk management

Please disclose how the organization identifies, assesses, and manages risks related to climate change

<p>b) Describe the processes used by the organization to manage the risks related to climate change</p>	<p>The risk management process is carried out in an integrated manner, in compliance with the Casino Group's protocols, whose practices adopted are in compliance with international good practices, such as the COSO ERM framework and ISO 31000:2018, and include the frequent improvement of internal control mechanisms and their risk prevention and mitigation actions.</p> <p>After prioritizing the risks, the company identifies the actions that can be taken to mitigate the effects or prevent them to occur. These actions are listed by the company's risk area and discussed with the Sustainability Committee and Board to decide, based on the information mapped in terms of costs and scope of measures, which should be the path to be taken.</p> <p>The established process ensures that all risks have executives with the role of owners who are responsible for their management, monitoring the progress of exposure indicators and their respective action plans.</p> <p>As a reflection of our commitment to managing risks related to climate change, we have incorporated climate risk into our Risk Management Policy and established the Social and Environmental Beef Purchasing Policy.</p>
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<p>c) Describe how the processes used by the organization to identify, assess, and manage climate change-related risks are integrated into the organization's overall risk management</p>	<p>Assai's matrix is composed of risks having high, medium, and low criticality, of which ten priority risks are part of the Casino Risk Solution (CRS) matrix, and five priority risks of the ESG agenda are part of the Corporate Social Responsibility (CSR) matrix. The Risk Management area performs periodic management rituals with key executives, with all areas involved in the context, and maintains reporting to the Board of Directors through the Audit Committee; it also reports to the Corporate Governance and Sustainability Committee, especially with regard to ESG risks, including climate risks.</p> <p>We also carry out a broad process of mapping and prioritizing product categories sold in our stores related to the identified production chains to set an action plan with a medium-term horizon to be approached proactively. We work from three priority risks of the company: Working conditions, Eliminating Deforestation, and Biodiversity. This process identified 28 production chains from the four priority risks set in 2017. The analysis and prioritization of this survey considered aspects such as the representativeness in sales, the existence and relevance of Exclusive Brand products in each group, and the percentage of raw material present in the product. From this study, we direct the actions and guidelines, making diagnoses about the situation of each of these chains, working with our internal teams and suppliers to raise awareness and build a more responsible operation, ensuring that the products sold in our stores are manufactured in a way that respects the environment and human rights.</p>
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## Metrics and targets

Disclose the metrics and targets used to assess and manage risks related to climate change and opportunities, whenever such information is relevant

<p>a) Provide the metrics used by the organization to assess the risks and opportunities related to climate change according to its strategy and its risk management process</p>	<p>We have established an integrated strategic planning across several areas, including Sustainability and Operations, and with a constant alignment with the Board of Directors to define carbon reduction guidelines (in tCO2e) and encourage the purchase of renewable energy, aiming at an energy consumption from clean and low environmental impact matrices. This document considers financial factors in line with the climate agenda, aiming for horizons ranging from the short to the long term.</p> <p>Besides, we report annually its greenhouse gas inventory following the GHG Protocol methodology, which is audited by a third party that is a company accredited by Inmetro, which guarantees the Company the Gold Seal in the Public Emissions Registry of the Brazilian GHG Protocol Program. The progress in achieving the commitments and targets undertaken by the Company is reported periodically in our Annual Sustainability Report.</p>
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TCFD RECOMMENDATIONS	ANSWER
<b>Metrics and targets</b>	
Disclose the metrics and targets used to assess and manage risks related to climate change and opportunities, whenever such information is relevant	
<p>b) Report Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions, and the risks related to them</p>	<p>In 2022, the company's total scope 1 emissions totaled 85,287.8 tCO<sub>2</sub>e, and comprise the following emission sources: refrigerant gases, forklifts, generators, own fleet, stoves, and equipment and machinery. Indirect GHG emissions from energy acquisition (scope 2) were 28,950.8 tCO<sub>2</sub>e. Much of Assai's operation is supplied through the Free Energy Market, where there is a choice for renewable sources of energy production, with a lower emission factor in relation to the National Interconnected Grid (SIN).</p> <p>The other gross indirect GHG emissions (scope 3) totaled 80,950.6 tCO<sub>2</sub>e in the categories reported in the Public Emissions Registry.</p> <p>As of the 2022 cycle (inventories as of fiscal year 2021), the Brazilian GHG Protocol Program adopted the values described in the Fifth IPCC Annual Report - AR5 as reference values for the Global Warming Potential (GWP), in compliance with the Paris Agreement and associated regulations, in particular Decision 18/CMA 1, paragraph 37. In 2021, the inventory emissions were changed with the reported Scope 2, Market Based category, with the purchase of I-REC certificates. There was an increase in Scope 1 data, including category change and land use. In 2021, a sampling of logistical issues and respective Scope 3 emissions was carried out. The inventory was audited by an independent third party and submitted for publication of the GHG Protocol. The emission accounting platform remained the same as previously used.</p> <p>For 2022, the purchase of I-REC certificates is being evaluated.</p>
<p>c) Describe the goals used by the organization to manage the risks and opportunities related to climate change, and the performance against those targets</p>	<p>Our target is reducing at least 38% of scope 1 and 2 emissions (base year 2015) by 2030. Such target is bound to the variable compensation of middle-level and senior leaders, including the CEO and executive officers, besides the positions of consultants, coordinators, and managers and officers of stores, Distribution Centers, and headquarters.</p> <p>To this end, committed to the energy transition of operations aimed at a cleaner consumption matrix, in 2021, Assai has as guideline to migrate 100% of the store park in 2020 (184 stores) to the Free Energy Market (or Free Contracting Environment - ACL). With this migration, the company will purchase cleaner energy from sources such as wind, solar, biomass, and small hydroelectric plants. Unlike the conventional procurement model in which energy is supplied by the National Interconnected System (or Grid), the Free Energy Market offers a competitive trading environment that allows consumers to negotiate energy procurement conditions in a more personalized way. Besides financial savings, there are also benefits to the climate agenda by the chance of purchasing carbon certificates (I-RECs) that prove the origin of the generated energy.</p> <p>As for the reduction of emissions related to refrigerant gases (scope 1), the implementation of a plan regarding the use of fluids in our operation is underway, considering the regulatory context and projection of expansion of new stores, strategic recommendations and a technology transition roadmap approved by the Corporate Governance and Sustainability Committee, bound to the Board of Directors.</p>

## Credits

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Coordination of the ASSAÍ project  
People and Sustainability Management Board  
Investor Relations Board  
Press and Communication

Consulting, Project Management, Content Curation, Writing:  
Global Conteúdo Estratégico

### Graphic design and layout:

Fábio Francisco

### Photography

Assaí Collection  
Filipe Photos

If you have any questions, comments, or suggestions about Assaí's 2022 Annual and Sustainability Report, please email:

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