

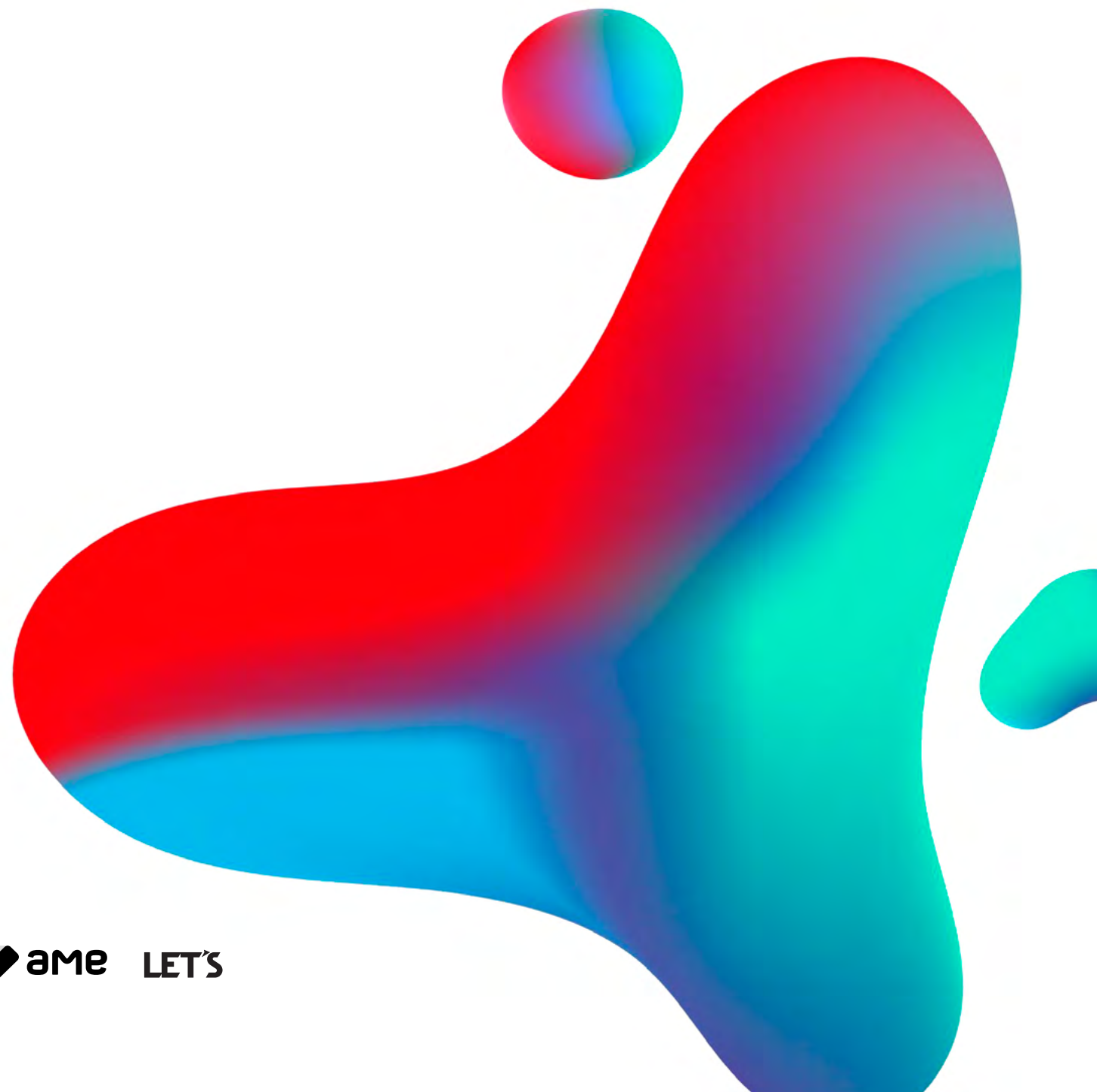
# UNIVERSO

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# AMERICANAS

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Annual Report 2019



**AMERICANAS**



**IF** INOVACAO  
& FUTURO

**ame** LET'S

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# Introduction





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# Message from the Management

GRI 102-14

The year of 2019 was special to Universo Americanas. This year, we celebrated the “90<sup>th</sup> Anniversary of Lojas Americanas”, the “20<sup>th</sup> Anniversary of Americanas and Submarino websites”, the “13<sup>th</sup> Anniversary of the creation of B2W”, the “2<sup>nd</sup> Anniversary of the creation of LET’S” and, at last, the “18-month Anniversary of Ame”.

All of these companies, with the firm inspiration and coordination of “*IF - Inovação e Futuro*” and together with our customers, sellers, merchants and suppliers, make up the Universo Americanas.

We are currently present in over 700 cities, we are more than 37 thousand associates, we work with over two thousand suppliers and with over 46.8 thousand sellers, in addition to offering over 29.5 million items to more than 38 million active customers. A Universo Americanas that works united for a greater purpose:

**“Making dreams come true and meeting people’s consumption needs, saving time and money and exceeding their expectations”.**

The date also invites us to think in retrospect. In our 90 years of life, we take pride in actively taking part in the country’s development and in society’s evolution.

We were pioneers in hiring women, we promoted social inclusion by offering great brands at fair prices, we went public in the stock exchange in 1940, we introduced the barcode in Brazil and much more. Innovation is what brought us here.



## Still in this analysis, we realized that our Universo Americanas is unique, flexible and resilient.

Unique for having been conceived from an original dream. When we created Americanas.com in 1999, we believed it was a one way road. An even in the following year, when the so-called “internet bubble” burst and many gave up, we persevered in pursuing our dreams. We have grown, learned, acquired other companies and created Brazil’s largest digital company - B2W.

In these 20 years, millions of Brazilians have had their first digital experience through our websites. Nowadays, we take pride in offering millions of items and delivering them all across Brazil through LET’S, a shared management platform for Americanas and B2W logistical assets, which now offers its services to thousands of sellers active in our Universe.

Our Universe is also flexible, because it was conceived and created from multiple and complementary businesses. Our physical and virtual stores have always been complementary, allowing the customer to choose his preferred channel option.

Currently, it has gotten even easier with the O2O (online to offline) initiatives, for there are various possible combinations of service, being up to the customer to decide on the most convenient option at the moment. In 2019, the O2O initiatives had a 153%

growth exceeding R\$ 2 billion in the GMV. It should also be noted that the Universe, in the last 20 years, has increased its product offer by more than 500 times, reaching more than 29.5 million items.

The resilience of Universo Americanas gets even more apparent, when we realize that the CAGR of the GMV in the last 20 years was of +16.6%, while the CAGR of the EBITDA in the same period was of 27.9%, reinforcing the commitment of growing with profitability. That is, there were various unique moments in the history of our country, during which our team was able to use the flexibility of our Universo Americanas to better harmonize the growth and the profitability necessary to our continuous growth.

The Universo Americanas is made up by a team of over 37 thousand associates, in which the diversity and the harmony prevail in the everyday life. Many of those who work here are in their first job, pursuing their dream of self-development and overcoming.

In the last years, we have adopted the GPTW (Great Place to Work) climate survey to perfect our relationship dynamic with the associates and, as a result, our companies were honored with the Great Place to Work seal. Our leader formation dynamics continues to improve, making our leadership 99% internally formed.

In the year of 2019, we also celebrated the conclusion of two important development cycles. The first was

the conclusion, on the physical platform, of the “85 anos em 5 – Somos mais Brasil” program, with the inauguration of 806 stores in the last five years, reaching the mark of 1,700 stores in 739 cities, which grants us a unique capillarity. The second, pursued in the last three years on the digital platform, was the accomplishment of a positive cash generation of R\$ 189.9 million in 2019, successfully concluding the transition plan of the business model to a hybrid platform with the increasingly relevant marketplace and digital services.

Furthermore, in 2019, Universo Americanas reached a R\$ 32.6 billion GMV, a R\$ 3.5 billion EBITDA, with an 18.5% ebitda margin, which led us to a net profit of R\$ 704.1 million, the highest profit in our history.

Ame has been gaining relevance in Universo Americanas and in our customers’ day-to-day lives, growing exponentially, having reached the mark of 6.5 million downloads, with over 35 active functionalities and an ambitious expansion program, both in Universo, as well as in the off-us world.

The physical and digital worlds continue changing, and in this context, we end 2019 with over 327 million transactions and over 38 million active customers, with 26 million on the physical platform, 16 million of the digital and only four million customers in common. Still, the growth has been accompanied by progressive improvement of the customer satisfaction rates, which reached an NPS (Net Promoter Score) of

80, in some months.

In 2019, we strengthened our commitment to the UN's 2030 agenda of the Sustainable Development Goals (SDGs). Following our sustainability strategy, we expanded our activities by promoting quality education, creating projects to expand the connectivity in the Amazon, as well as the development of people with school education, the correct disposal of waste and the incentive to entrepreneurship in the riverside communities.

In addition to this, we made public commitments regarding the reduction of inequalities with the Coalition of Racial and Gender Equity and the Women's Empowerment Principles by UN. It is a long journey, but we believe in the strength of our business to transform the way of thinking and alter realities.

As a vision of the future, we believe that we have built a powerful model, that we are even more qualified and, above all, excited to be more and more relevant in people's daily lives. Being relevant means being increasingly present in our customers' journeys, whether be it when he wishes to have a coffee in one of our Local stores, when he makes a transfer to a friend's Ame account, when he pays

for a drink with Ame at a Carnival parade, when he drops by at Americanas and buys a toy as a present for his son's friend's birthday party, when he finds and buys at the Americanas app that car part that he couldn't find or when the Ame Flash delivery man arrives with his cellphone, that he purchased an hour earlier.

For that, we established the motto: **“Everything. Anytime. Anywhere.”** - which will guide the decisions of our entire team to maintain our current customers, increasing the frequency of their relationship to us, and we will attract new customers, seeking to exceed their expectations.

In order to get there, we intend to: continue searching for the best talent, increase the offer of products and services, intensify the use of data analytics, increase the customer recurrence, expand the O2O initiatives, expand the Supply Chain platform, further improve the innovation environment, continue generating value and reinvesting.

We believe that all of these initiatives will lead us to a new level of operational excellence and profitability, reflected in the increase of profit by share. We are very proud of what we have already accomplished and understand that the best is yet to come.

Finally, we thank the more than 37 thousand associates, whose determination and engagement made us get here, the customers, suppliers, sellers, business partners and shareholders, who are part of these achievements. For each one of you, our Thank You. We rely on you for building our story together.

Regards,

**Miguel Gutierrez**

CEO, Universo Americanas

**“Everything. Anytime. Anywhere.”**



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# About the Report

GRI 102-50 | 102-54

The goal of the Universo Americanas Annual Report is to share the solidity of our operation between January 1<sup>st</sup> and December 31<sup>st</sup> 2019, by bringing our strategic vision and value generation.

This publication reinforces the Company's commitment to a transparent governance model.

Still, in the improvement line to communicate its performance to stakeholders, the Company has adopted, for the sixth consecutive year, the guidelines outlined by the Global Reporting Initiative (GRI), in the global disclosures model for preparing sustainability reports. The GRI Standards, Core option, was the set of standards chosen. The Report also shows actions aligned with the Global Compact universal Principles and with the Sustainable Development Goals (SDG), an initiative of the Global Agenda, of the United Nations (UN) in Brazil and in the world.



## Stay Tuned!

- Throughout the reading, whenever we use the term **“Universo Americanas”**, we will be referring to all of the companies of the group.
- On the other hand, when we mention **“Company”**, we will be talking about our parent company, Americanas.
- When dealing exclusively with the other companies of the group, we will use their names: **B2W Digital, AME, LET's and IF.**

## How to read this report?

The construction of this publication is guided by the best international practices of corporate sustainability monitoring and reporting:

### Global Reporting Initiative (GRI) Standards

We refer to the GRI indicators reported along the content with the GRI XXX-X symbol. In order to facilitate the location of these data, the table of the GRI content is on page 91, which explains every indicator and shows the page where it is in.

Learn more on:  
[www.globalreporting.org](http://www.globalreporting.org)

### Institutional Content

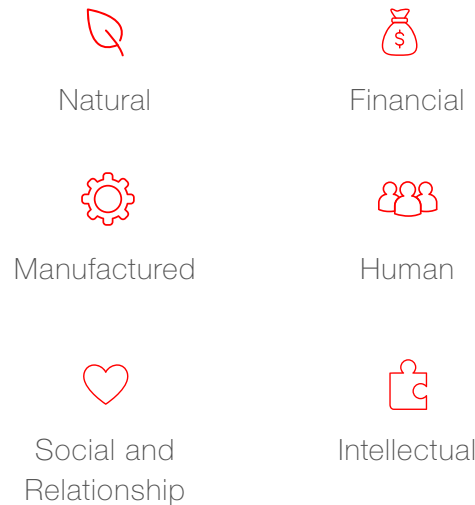
Throughout the report, we will use this symbol to show that the content of this page is the same as that presented in B2W Digital's Annual Report.

**INSTITUTIONAL CONTENT** ✓

### Integrated Report

Throughout the content, we address the different capitals that make up and support the Company's businesses in an integrated manner and use icons to show you which capital is addressed in that chapter.

On page 98, the capitals map indicates on which pages you can find information on each capital.



Learn more on:  
[relatointegradobrasil.com.br](http://relatointegradobrasil.com.br)

### Sustainable Development Goals (SDG)

As signatories of the Global Compact principles, we support the UN 2030 Agenda and we inserted, throughout the chapters, icons that show which are the main SDGs related to the practices addressed in that content.



Learn more on:  
[nacoesunidas.org/pos2015/](http://nacoesunidas.org/pos2015/)



# Our Universe



◆ Qualidade, variedade e praticidade ◆



# About us

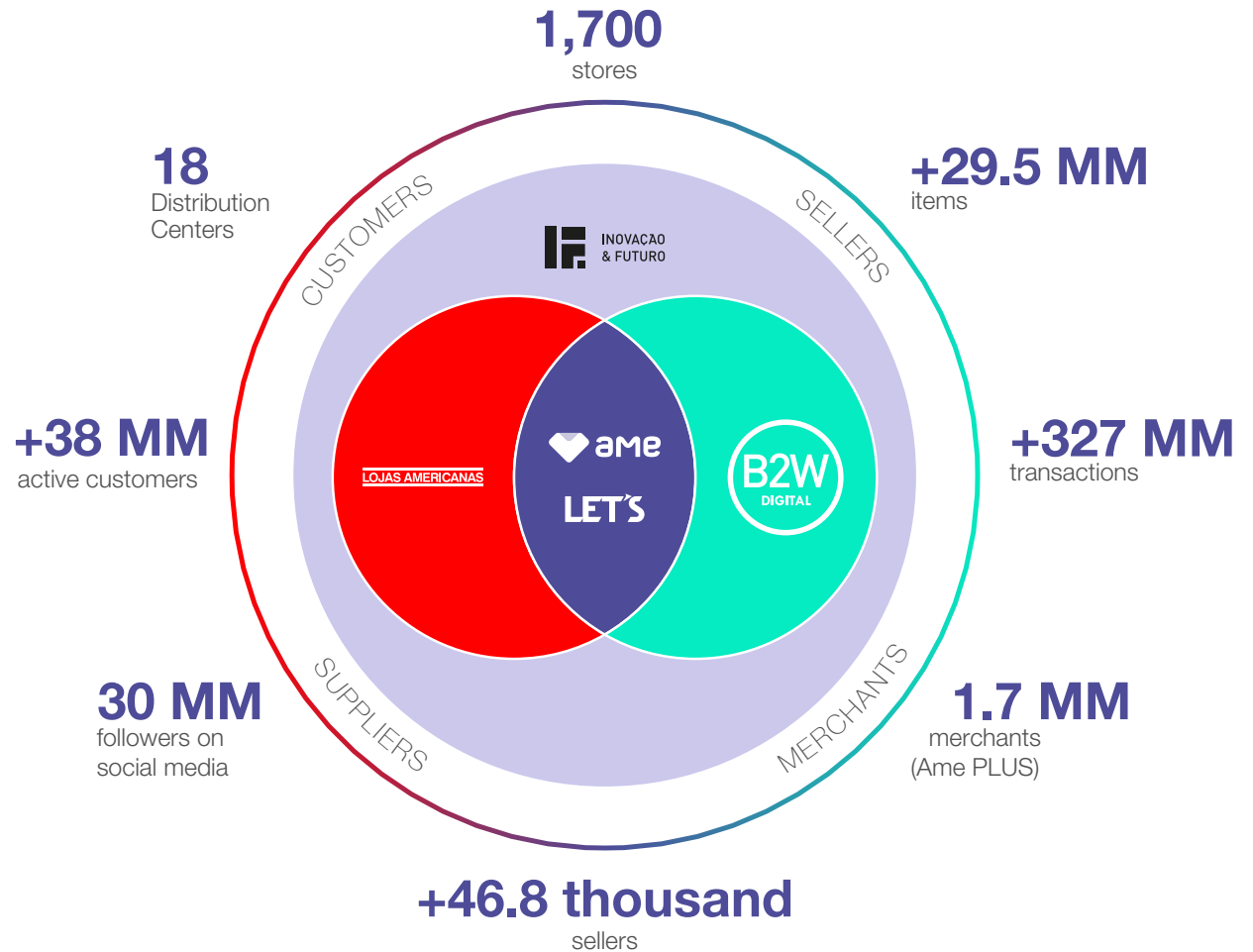
GRI 102-1 | 102-2 | 102-4 | 102-6 | 102-7 | 102-9 | 102-10 | 102-15 | 102-16

Universo Americanas is made up by a powerful combination of multiple business platforms, conceived with the ambitious purpose of offering our customer “**Everything. Anytime. Anywhere**”.

Our Universo Americanas relies on a wide physical platform, serving customers through more than 1,700 stores distributed across the Brazilian territory, a robust digital platform, through B2W Digital, and an innovation engine, through IF - *Inovação e Futuro*, LET's and Ame.

We bring 90 years of relevance from Universo Americanas which, since 1929 has expanded its presence across Brazil by means of physical stores; the pioneering spirit of B2W Digital, which wrote the e-commerce history in the country since 1999; the robustness of LET'S; and the connection to the future with Ame and IF.

Get to know below each one of the business platforms that, combined, make up Universo Americanas.





## Our Purpose

“Fulfill consumers dreams and meet the consumption needs of the people, sparing their time and money and exceeding their expectations.”



## Our Vision

“To be the best retail company in Brazil.”



To learn more, visit:

<https://ri.lasa.com.br/a-empresa/perfil>



## Our Values

- Having the best people
- Being a good “**Business Owner**”
- Seeking excellence in operation
- Focusing on the customer
- Delta - Doing more and better every day
- Being obsessed with results

## Physical platform

“Americanas is one of the largest and most traditional retailers in Brazil.” It relies on five distinct store models, which allow it to address the different occasion for customer consumption and the strategic presence in the most diverse locations.

Our stores offer a mix of over 60 thousand items, from the most diverse categories, in addition to offering insurance and services, which ensure a unique purchasing experience to our customers. Such diversity in the assortment and store formats ensure a flexible, resilient and increasingly relevant business model in the day-to-day lives of our customers.

### Performance Model

#### Stores with complementary formats and purposes

##### LOJAS AMERICANAS

- average sales area of 1,000 m<sup>2</sup>;
- automatic; replacement of inventories;
- assortment of up to 60,000 items.



- average sales area of 50 m<sup>2</sup>;
- assortment oriented to convenience;
- exclusive 100% autonomous purchase technology (learn more on page 17).

##### AMERICANAS *express*

- average sales area of 400 m<sup>2</sup>;
- just-in-time logistics;
- assortment of up to 15,000 items.



- average sales area of 100 m<sup>2</sup>;
- daily inventory replacement;
- assortment of up to 3,000 items (80% of convenience food products).

##### AMERICANAS *digital*

- average sales area of 70 m<sup>2</sup>;
- 70% of electronic products;
- focus on service offering and O2O.

### Services offering



Platform responsible for the management and promotion of Americanas services, such as:

content cards

insurance

credit

services and assisted sales

### Own brands

We offer our customers 15 own brands, designed for those who want quality and fair prices in the various day-to-day items.

There are more than seven thousand products in clothing, hygiene and personal care, wellbeing-related foods, cookies, chocolate, school and office supplies, electronics, toys, household appliances and decoration products.

BASIC+

BASIC+ *Life*

Levens

brink+

CHRISTMAS TRADITIONS

DENTAL CLEAR

casual HOME

D'ellicce

Pet Star

TMV

Office Basics

School Basics

HomeBasics

CLASSIC HOME

STRONG TOOLS

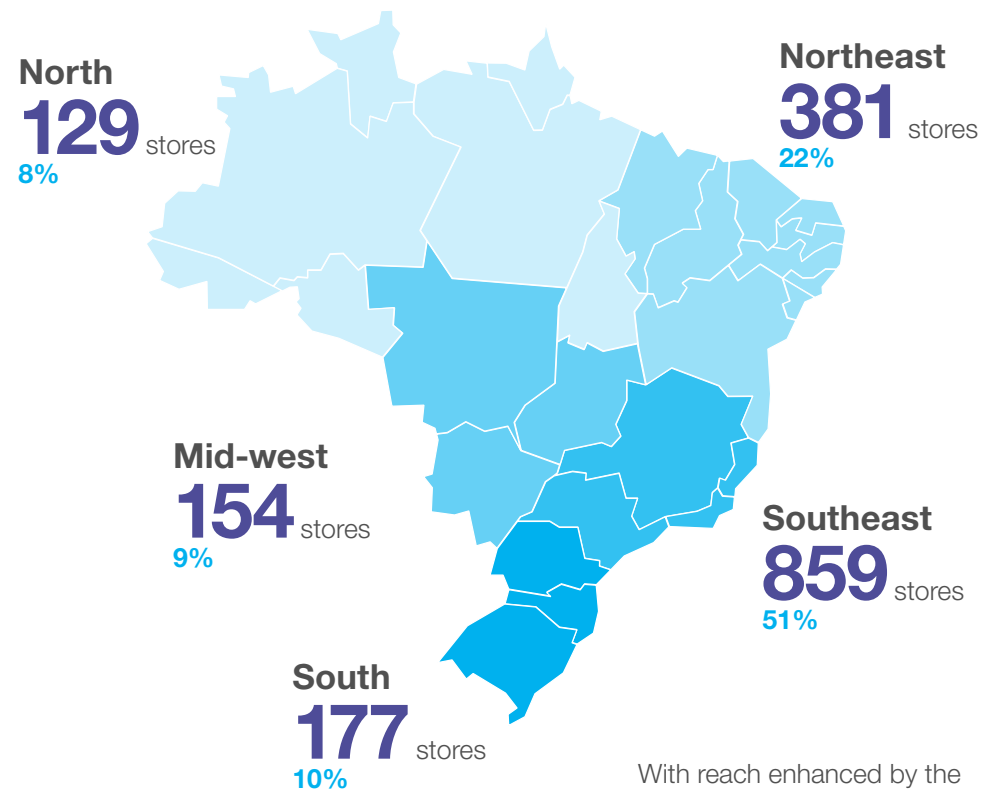
### 85 years in 5

In 2019, we concluded the greatest expansion cycle of our history, the “85 anos em 5 – SOMOS MAIS BRASIL”, started in 2015.

In 2019, we broke the record of inaugurations in a single year, with 230 new stores and, throughout the entire cycle, we inaugurated 806 stores, reaching the total of 1,700 stores distributed in 739 different municipalities, a unique capillarity in the country.

**In the last twenty years, we have expanded our store chain almost 20 times, and we went from 39 cities served (26% of the population) to 739 cities (65% of the population), which attests to the solidity of our strategy and the resilience of our business model.**

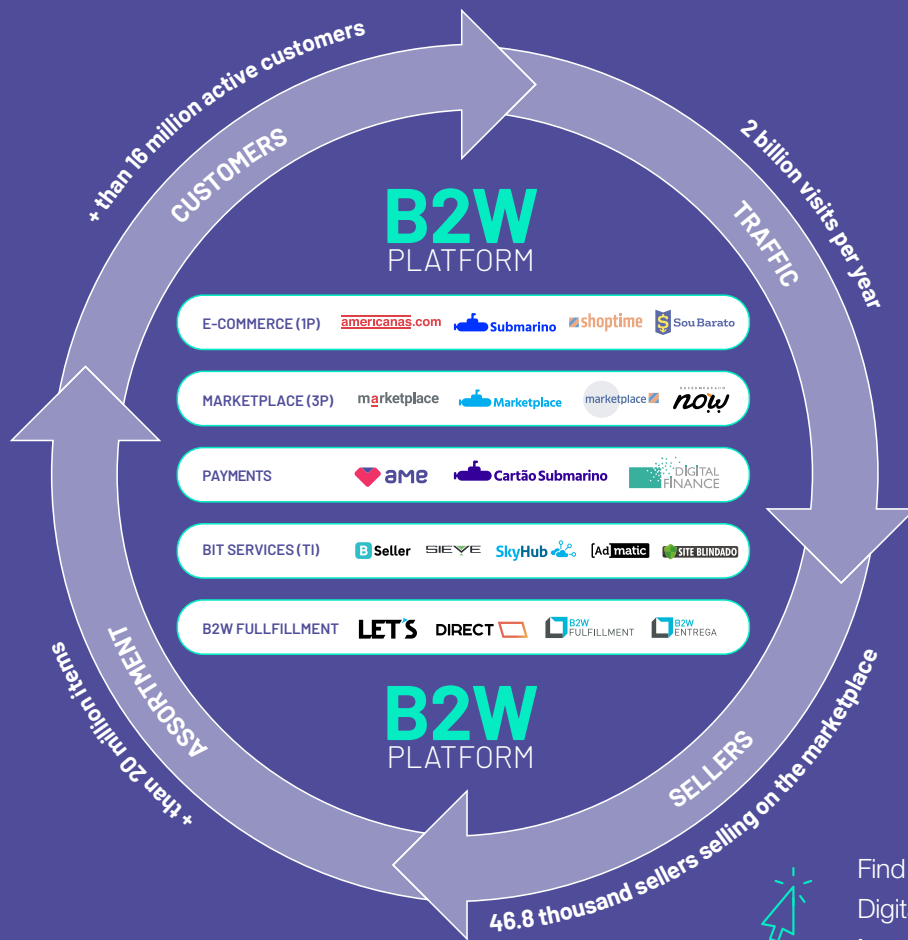
## 1,700 stores in 739 cities in Brazil



With reach enhanced by the Digital Platform of the Universe.

# Digital platform

B2W is a Digital Company, pioneer in the Brazilian e-commerce and leader in Latin America. The purpose of B2W is to connect people, businesses, products and services in the same complete digital platform, offering excellence in the entire experience cycle of the digital retail customer, by means of technology, logistics, distribution, customer service and consumer finance services.



Find out in detail the entire B2W Digital offer in its Annual Report: <https://ri.b2w.digital/informacoes-aos-investidores/relatorios-anuais>

## Hybrid model

In 2019, we concluded B2W's strategic plan, Initiated in 2017, the project developed a digital platform hybrid model.

**In 2019, our base of sellers more than doubled, connecting 24.9 thousand new partners and reaching 46.8 thousand sellers.**

To continue expanding the marketplace operation and allowing customers to buy products from all over the world, we started our *Americanas Mundo* operation in March. In rapid expansion, there are already over 13.4 million items added through this operation.

In the year, we also acquired *Supermercado Now*, an innovative e-commerce platform, with a business model that is a proven success, which allows us to expand our presence in the supermarket category, opening a new growth front and offering the customers an increasingly complete assortment.



## Innovation Engine



We live in a context with intense and accelerated transformation in physical and digital worlds and an increasingly intense connection between the two media, discovering new ways to apply technology to people's routine, bringing convenience, access, efficiency and sustainability.

IF's mission is to have a 100% focus on innovation, through an independent operation, to create disruptive businesses and boost our ability to capture opportunities.

To this end, it operates incubating new businesses, accelerating already existing initiatives, investing in startups (venture capital), prospecting new opportunities, including M&A operations and leading the O2O (online to offline) fronts.

Ame Digital, a fintech and mobile business platform, part of the Ame family and is the first IF initiative, Universo Americanas innovation engine.



Ame is the complete digital account of Universo Americanas, which may be used in any sales channel of the group and is already present in over 1.7 million establishments, generating cashback, which wins over the customer and generates greater retention.

**With little over 18 months, Ame proceeds in accelerated development.**

**+15 MM**  
transactions



**+6.5 MM**  
downloads



**+35**  
features



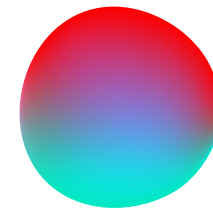
**1.7 MM**  
merchants  
(Ame PLUS)



**Fintech and Mobile Business Platform**

In 2019, there were several advances to accelerate its presence in the physical and online worlds:

- Important partnerships with acquirers, credit card brands and retail technology platforms, such as: Cielo, Stone, Mastercard, Linx, Vtex and partnership with Banco do Brasil to offer co-branded credit cards through the app;
- Continuous feature development: exclusive items for the physical and the digital world, becoming, more and more, a powerful one-stop-app with over 35 features, with the goal of simplifying the lives of the customers;
- Launch of Ame Pro, in December, a complete solution for managing storekeepers in the physical world (payments, inventory and treasury management for selling points) and native integration with Ame and B2W Marketplace; and
- Ame was the official payment method of “*Carnaval de Rua 2020 do Rio de Janeiro*”, an event during which more than ten thousand street vendors were accredited to sell with Ame, impacting millions of people.





New store format “*pegou, levou*”, launched in 2019, which offers an innovative experience with exclusive technology in Brazil, allowing customers to buy products 100% autonomously, with no lines and no checkout.

With artificial intelligence, machine learning and computer vision, refrigerators and shelves are integrated with sensors that detect when products are picked up or returned, and when the customer leaves the store, their purchases are automatically paid at Ame.

**There were three pilot stores in Rio de Janeiro and in São Paulo, one being a mobile store.**



Created in 2019, Ame Flash streamlines O2O initiatives (connection between online and offline) and expands our delivery possibilities in large urban centers with different modes.

Ame Flash connects independent couriers (motorbikes, bicycles and other modes) on B2W Digital's logistics platform, enabling the delivery of products from Americanas physical stores and physical stores from B2W Marketplace sellers to our customers within two hours.

The app already has 800 registered deliverers and serves about 300 Americanas physical stores in Rio de Janeiro and São Paulo.

**To boost Ame Flash, in December 2019 Ame acquired startups Pedala and Courri, specializing in fast and sustainable bicycle deliveries.**

**Delivery with Drones**

We are the first Brazilian retail company to conduct experimental flights for drone deliveries. Our goal is, in the future, to deliver with this innovative modality, making transportation between the Distribution Centers and Americanas physical stores.

**Americanas Lockers**

We offer customers this 100% autonomous option, which does not depend on personal interaction, for product pick up. When buying at Americanas, consumers choose which locker they want to receive their product in and have access to a QR Code for automatic opening.

Americanas Lockers will be located in stores with a large flow of people, subway / bus stations and residential condominiums. In 2019, there were five pilot lockers operating in Rio de Janeiro and São Paulo, one of which was the first with the capacity to operate 36 drawers simultaneously.

**Logistics**



In addition to promoting the continuous logistical efficiency, we are seeking new, increasingly sustainable delivery models. In 2018, we started the delivery model by bicycles, which, in addition to providing more agility and minimizing costs, mitigates greenhouse gas emissions and contributes to the urban mobility by decreasing the amount of vehicles circulating in large urban centers.

In the end of 2019, LET'S, a shared management platform of Americanas and B2W logistical assets, intensified the investment in this delivery modality after the acquisition of the startups Pedala and Courri.

There were over 370 thousand orders delivered by bicycle in the cities of São Paulo, Brasília and Rio de Janeiro, avoiding the emission of over 47 tons of CO<sub>2</sub>.

The intention to 2020 is multiplying this sort of sustainable delivery with the expansion of the operation in other capitals of Brazil.

**Bike Delivery**

<p><b>370</b> </p> <p><b>thousand orders</b></p> <p>delivered in São Paulo, Rio de Janeiro and Brasília.</p>	<p><b>47</b> </p> <p><b>tons of CO<sub>2</sub></b></p> <p>are no longer emitted.</p>
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# LET'S

LET'S is a shared management platform for the Universo Americanas logistical and distribution assets, optimizing the integration of our operations in the physical and digital platform, by means of a flexible model from the receipt of the customer's order until the final delivery, which brings us important captures of synergy and the excellence in the customer's experience.

With innovative and complete solutions, LET'S seeks to be the best and most complete logistics and distribution platform for the physical and digital retail.

Our O2O (online to offline) initiatives, in which the customer can purchase at any platform and receive the product as it is most convenient, also proceed in continuous development and innovation for an increasingly differentiated purchase experience.

## Robust Operation



**+41 MM**  
of deliveries  
per year



**+200 thousand**  
store supplies  
per year



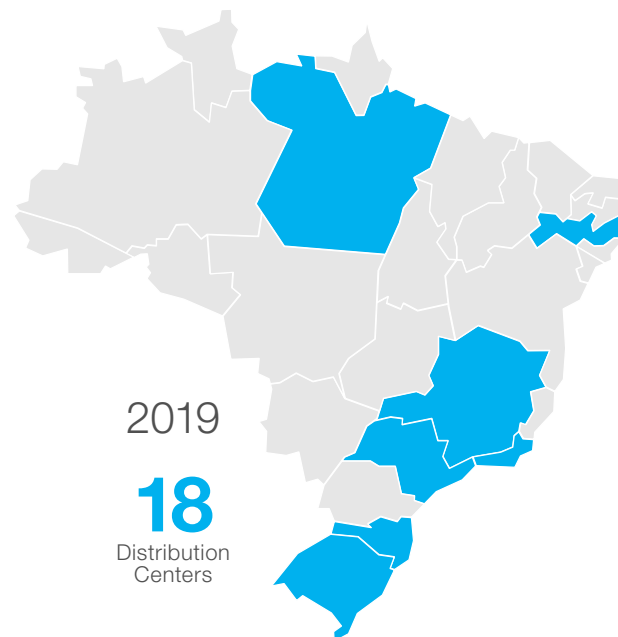
**+5 thousand**  
delivery  
vehicles/day



**200 hubs**  
to assist  
distribution

## Expanding Network

- + Closer to the customer: from 343 to 928 cities within 150 km from the DCs.
- + Faster: from 38% to 63% of the GDP covered by deliveries within 24 hours.
- + customization of the assortment in each region.







Americanas Lockers exhibition at Investor Day, 2019.

**Everything. Anytime. Anywhere.**

This is the concept that guides our O2O initiatives (online to offline) in which customers may buy on any platform and receive the product where is more convenient to them, increasing their shopping experience. In 2019, the use of O2O solutions grew 153%, exceeding the R\$ 2 billion mark in GMV. Below are the main O2O possibilities.



**LASA Seller**

Americanas physical stores are sellers in our marketplace, adding new items to the assortment, focusing on recurrence categories. In the year, the assortment grew three times and sales 2.5 times.



**Pegue na Loja Hoje**

(Click and Collect Now)

Available at all the 1,700 Americanas physical units, it enables customers to collect products in stock at the store within one hour after the online purchase, with free shipping. With rapid growth, in December it reached the mark of 100 thousand orders.



**LASA Entrega**

(Ship from Store)

Online purchase option of products from the nearest Americanas unit, with delivery within two hours to the desired address, available in 300 stores in 110 cities in 13 states.



**Pegue na Loja**

(Click and Collect)

Option in which the customer purchases online and collects at one of the eight thousand pick-up points (Universo Americanas, sellers stores and partner points) in over five thousand municipalities in Brazil, serving 99% of the Brazilian population.



**Prateleira Infinita**

Full omnichannel experience in which the Americanas physical store customer is assisted in purchasing products offered in e-commerce, combining the convenience and assortment of the digital world with the services and experience of the physical world. In the last quarter of 2019, sales showed 57% growth at the end of 2018, with an average ticket 15 times higher than that of physical stores.



**O2O for B2W Marketplace sellers**

With this option, sellers' physical stores can be product pick-up points, which allows them to expand the Click and Collect, Click and Collect Now (one hour) and Ship From Store (two hours) initiatives to more than 15,000 physical stores in B2W Marketplace sellers.

# Strategic Differentials

Our Universo is unique, flexible and resilient.

## Unique

### Unique dream

Everything. Anytime. Anywhere.

90 years of history of our physical platform with great capillarity and in all Brazilian states.



20 years of our pioneering digital platform, which provided millions of Brazilians with their first digital experience.

### Unique relationship with the customers

We are focused on the customer and we are always innovating so he can have a unique, innovative, convenient and complete experience.

### Unique technological platform

More than 90% of our processes are digitalized with sophisticated records and algorithms that allow us an intensive and differentiated use of data to better know the customer and ensure excellence in the operation.

### Unique team

Over 37 thousand associates\* make up and support our universe, with a set of skills essential to the business and 99% of the leadership are formed internally. Learn more about our actions to attract, retain and develop the best talents on page 54.

\* Throughout the report, whenever we mention "associates", we are referring to Universo Americanas employees.

## Flexible

### Multiple store formats

For various consumption occasions.

**LOJAS AMERICANAS**

**local**  
AMERICANAS

**AMERICANAS**  
express

**ameGO**

**AMERICANAS**  
digital

### Multiple brands

For various customer profiles.

**americanas.com**

**Submarino**

**shoptime**

**Sou Barato**

### Multiple purchase options

Wide range of products to meet the various needs in the day-to-day life.

**360 thousand**  
items

+ 40x

**29.5 million**  
items

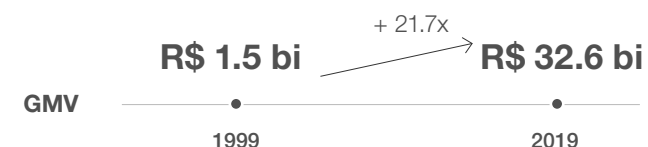
1999

2019

## Resilient

### Success in different scenarios

In the last decade, we have grown continuously and consistently, believing in our model and in Brazil, even when faced with government changes, regulatory changes and macroeconomic crises.



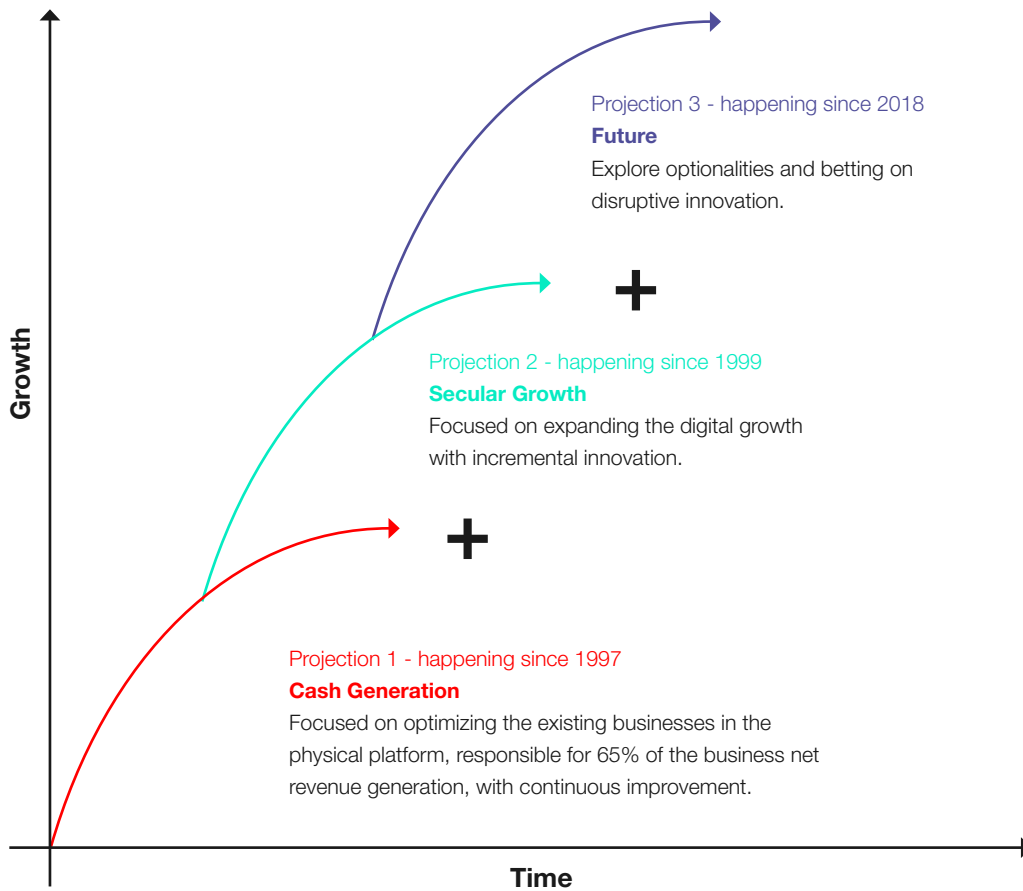
### Conquering opportunities in different consumption occasions

The flexibility of our model enables us to adapt to the diverse consumption scenarios, capturing the opportunities in every moment.

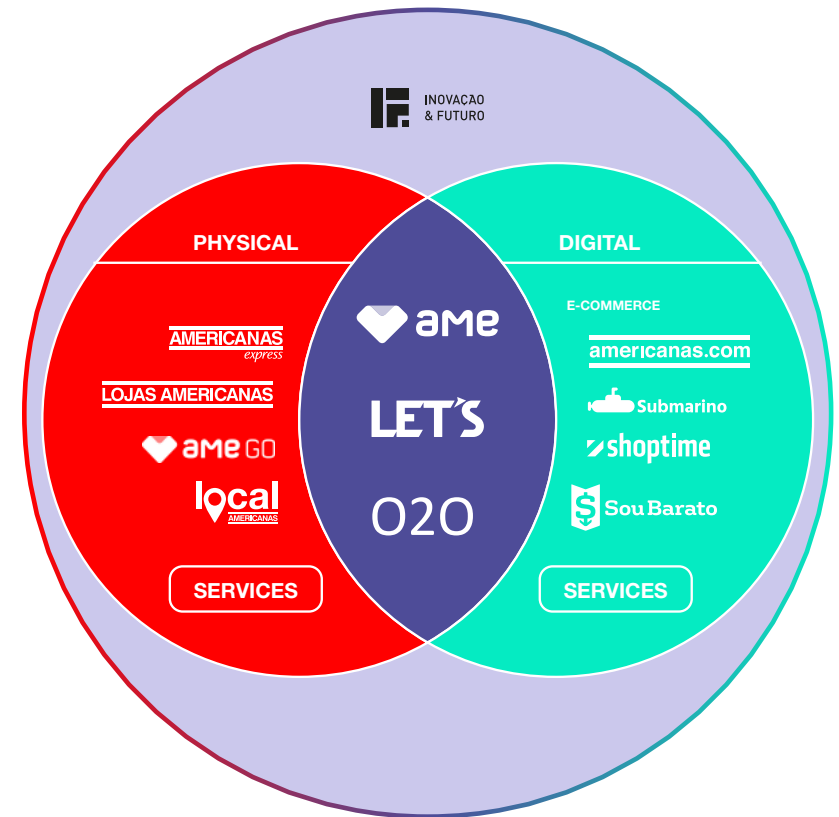
Currently, 54% of tickets are less than R\$ 25 in the consolidated, which represents an opportunity to explore new segments, such as convenience.

# Growth Projections

We have a strategic investment cycle for growth and business support aimed at capturing the opportunities in three different projections, presented below:



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# Focus on the Customer

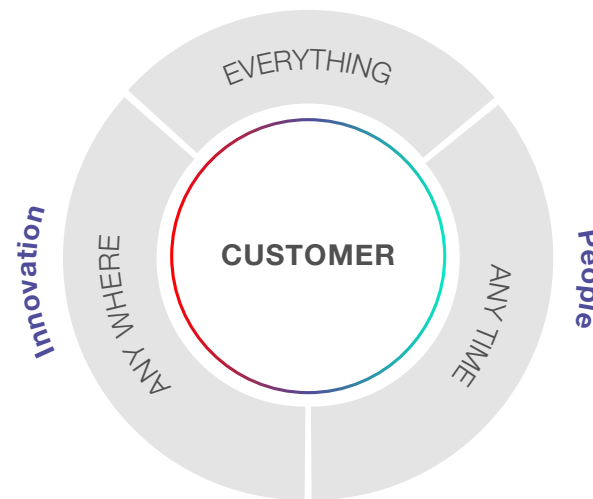
Our strategic focus for the next three years is to be even more relevant in the customers' lives, integrating innovation to serve the people with a single goal: improving the consumer experience.

To that end, following our values of focus on the customer and constant pursuit of excellence in the operations, we continuously work to improve the experience of the more than 38 million active customers of the Universo.

**In 2019, Universo Americanas reached the mark of 38 million active customers, considering those who purchased at least once in the last 12 months.**

In the previous chapters (page 10), you got to know the initiatives to expand our offer and provide **“Everything. Anytime. Anywhere”**.

Next, we present the main advances in order to simplify and automate the services, make new channels available and increase the proximity to the customers, so that our relationship provides a journey with the Universo Americanas excellence.



# Knowing the customer

## Data intelligence

We have advanced in our analytical capacity of understanding the customer, mainly in the behavior segmentations. With this further customized vision, we can direct customized marketing actions to each type of customer, at each moment of their relationship to the stores, websites and products.

In this regard, in 2019, we created a discount area in the Americanas app, the “*Aqui tem Desconto*”, where the customer can activate exclusive offers at the stores. Over 1.4 million customers activated the offers in the app, reaching approximately 17 million activations of products with discounts.

## Dialogue and proximity

We triggered over four million satisfaction surveys and intensified the presence of the Universo Americanas brands in social media, closing the year with over 27 million likes on Facebook and over 11 million followers on Instagram, generating an impact superior to ten billion views.

On the physical platform, we also measure the customer satisfaction by means of the Net Promoter Score (NPS) methodology, using survey data via e-mail, in person and by store totems.

**In 2019, there were over 700 thousand surveys, in all the stores and with more than 80% of promoter customers, who granted a satisfaction score higher than 90 points, and NPS of 80 points at the end of the period.**



In relation to Americanas, we answered 100% of the complaints on *Reclame Aqui* and got a 8.1 score.



The digital platform brands were once again a reference in customer service and reached the highest levels of evaluation of *Reclame Aqui*, with an average score of 7.6, above the average of 6.7 of competitors.



In the year of 2019, we answered 100% of the complaints on *Reclame Aqui* platform and got 8.1 as score. Our efforts are also acknowledged by our customers, who voted and honored us for the seventh consecutive time with the “*Época/Reclame Aqui - Melhores Empresas para o Consumidor*” award.



## New possibilities

We launched the new relationship channel via WhatsApp, promoting an innovative and friendly communication at the main purchase stages.

Currently, ten million customers chose to receive a communication through the app, 60% of the orders already have tracking via WhatsApp and seven million messages are sent monthly with the order follow up.

Another action to expand our service channels was the improvement of the social media (Facebook, Twitter, Instagram and Youtube) monitoring, positively impacting over 400 thousand users.

## Progress in service

During the year, we have also worked closely to improve our customer service. We created UniverSAC (University of Customer Service) to train our service team in the desired behavioral skills for this new model.

With that, we have already achieved important results. We started to serve 27% more contacts with the same workforce, registered a 15% improvement in customer satisfaction after the service and reduced our time to solve protocols by 31%.

Regarding Americanas' after-sales service, over the year we solved more than 57 thousand cases in partnership with our suppliers and more than 138 thousand solutions through our customer service channels, with an average time of two days.



**27%  
more**

services with the  
same workforce;



**15%  
improvement**

in customer satisfaction  
after service;



**31%  
reduction**

in time to resolve  
protocols.

## Information security

We have an irrevocable commitment to information security, protection of our customers' data privacy and transparency regarding good practices for storing and using this information.

In 2019, there was a change in this scenario and we are prepared to fully adapt to the General Data Protection Law that should come into force in Brazil in 2020.

# Fighting Covid-19

We are going through a challenging moment in history, which will demand from all of us a great capacity to reinvent ourselves. The moment is one of union and solidarity. And that is why **we are together**, working on new ways to be even more relevant to society.

With the onset of the pandemic, in March 2020, Universo Americanas created the Crisis Committee to promote quick actions and prioritize the necessary measures to preserve the health of associates, customers and society.

The Committee also monitors all decisions made by the Federal Government, State and Municipal Authorities, the World Health Organization (WHO) and the Ministry of Health and structures the actions in four main pillars:

- **HELPING PEOPLE**

We are taking measures to prioritize the protection of our associates and customers, such as adopting home office, making flu vaccine (Tetravalent Influenza) available to all associates, as well as intensifying the hygiene in environments, creating communication channels, measuring body temperature in areas with greater concentration and corporate travel freeze.

In addition, we distribute masks and gel alcohol to all associates in all our work units and adopt new social distance protocols.

- **OPERATIONS OPTIMIZATION**

We kept our platforms (physical and digital) up and running, to help distribute essential products and services to the population, always in compliance with the legislation established in each region. On the digital platform, we launched the *#OQueVocePrecisaAgora* (*#WhatYouNeedNow*) campaign, increasing the visibility of essential items while structuring the websites and apps' browsing to improve the customer's shopping experience.

- **SOLID CASH MANAGEMENT**

We have implemented a plan to ensure that the Company maintains a strong cash position to continue helping our customers and small partners.

- **COMMUNICATION AND COLLABORATION**

We entered into partnerships with governments and other institutions and created the voluntary participation network "*Juntos somos mais solidários*" to meet the specific needs of each region.

To date, Americanas has already donated more than **R\$ 45 million** to assist in the health and logistics of several states in the country. Some social impact partnerships with public and private entities that are being carried out are listed below:



**R\$ 20 million** in delivery and logistics services to the State of São Paulo;



**R\$ 5.7 million** transporting personal protective equipment (facemasks, gloves, etc.) to the Federal Government on two flights from China;



**R\$ 5 million** for the construction of the field hospital in Rio de Janeiro;



**R\$ 195 thousand** in 300 high performance thermometers for the Government of the State of Espírito Santo and to the City Hall of Salvador;



**10 million** facemasks to protect associates and customers;



**3 million** chocolate Easter eggs for children in orphanages, communities and hospitals in all states of the country;



**1 million** water bottles for NGOs Ação da Cidadania (Rio de Janeiro and São Paulo) and Visão Mundial (Recife and Manaus);



**50 thousand** basic-needs grocery packages for the NGO Ação da Cidadania (Rio de Janeiro); and



**1,800** diaper packs for UNICEF (United Nations Children's Fund) and Artists' Retreat.



# juntos somos mais solidários

We have also created the voluntary participation network that gave rise to **Juntos Somos Mais Solidários Institute**, a non-profit association, through which associates, suppliers, and partners in Universo Americanas may contribute to generate a positive impact on society.

In this large solidarity network, through the **Care with the Elderly** program, 1,100 homes were mapped across the country, serving more than **640** cities and 90,000 elderly people, who are receiving the donation of hygiene and personal care kits, in the amount of R\$ 75.00 per person, per month, during three months.

## Support for small businesses

We have also created the **#Apoieocomerciolocal** campaign, suggesting that people buy from small entrepreneurs, bringing the opportunity for these new storeowners to sell in one of the largest e-commerces in Brazil. On the website, the most sought after and sold products are separated by category to facilitate consumer search.

We remain firm in the belief that together we will overcome this moment and increasingly intensify our way of contributing to millions of people, whether through donations, services, or the supply of essential products.

# Awards and Recognition

## AMERICANAS

- Best retail network at *Prêmio Época Reclame Aqui*.
- 11<sup>th</sup> most valuable Brazilian brand in 2019, according to Interbrand.
- Highlighted in the Innovation and Quality category of the *Melhores da Dinheiro* award, by *IstoÉ Dinheiro*.
- 1<sup>st</sup> place in the Department Store category at *O Melhor de São Paulo da Folha* award.
- Best ranked Brazilian retailer in the General ranking of the *Poderoso do Varejo* list, by Deloitte.
- Green Seal of the Chico Mendes Socio-Environmental Award, for the 6<sup>th</sup> consecutive year, for supporting *Projeto Graal*.
- 1<sup>st</sup> place in the Department Stores, Household Goods and General Goods category of the *300 Maiores Empresas do Varejo Brasileiro da Sociedade Brasileira de Varejo e Consumo (SBVC)* award.
- 1<sup>st</sup> place in the Retail category in the Reputation Pulse ranking.
- One of the most sustainable companies in the country by *Guia Exame de Sustentabilidade*.
- **Americanas was included in the TOP 3 in all the evaluation categories of the “2020 Latin America Executive Team - Mid Cap” ranking by Institutional Investor. The publication, a global reference in the evaluation of financial market institutions and professionals, took 2019 into account.**



- Green Seal of the *Chico Mendes* Socio-Environmental Award for supporting *Projeto Graffitarte*.
- One of the most sustainable companies in the country by *Guia Exame de Sustentabilidade*.
- 1<sup>st</sup> place in the Largest of the E-commerce category in the ranking of the *300 Maiores Empresas do Varejo Brasileiro da Sociedade Brasileira de Varejo e Consumo* (SBVC) award.
- 1<sup>st</sup> place in the Omnichannel category of the LIDE de *Varejo, Consumo e Shopping Center* Award.
- PROCON-RJ Award quality seal.

## americanas.com

- Most Beloved Diamond Store by E-Bit
- 1<sup>st</sup> place in the E-Commerce Major Operations category at the *Época Reclame Aqui* Award.
- 1<sup>st</sup> place in the Shopping Sites category of the *Marcas dos Cariocas* ranking of the newspaper *O Globo*.
- 1<sup>st</sup> place in the Online Sales category in the *Marcas Mais do Estadão* ranking.
- 1<sup>st</sup> place in the Traditional Online Retail category of the *Melhores Serviços do Estadão* ranking.
- 1<sup>st</sup> place in the categories Telephony, Electronics and Informatics, Appliances and UD, and Store that makes the best Black Friday in Brazil for the *Black Friday de Verdade* award from Proxy Media and E-commerce Brazil.
- 1<sup>st</sup> place in the E-commerce category in the Most Beloved Brands ranking of *Grupo Padrão*.
- 1<sup>st</sup> place in the Credit Cards - Co-branded category to *Cartão Americanas* at the *Época Reclame Aqui* Award.

## shoptime

- 1<sup>st</sup> place in the E-Commerce - Medium Operations category at the *Época Reclame Aqui* Award.

## DIRECT

- 1<sup>st</sup> place in the Logistics and Transportation category at the *Época Reclame Aqui* Award.





# Corporate Governance



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# Overview

GRI 103-1 | 103-2

The Company's corporate structure reflects the composition of Universo Americanas, with the parent company, Americanas, representing the physical retail, and the respective controlled ones, from which we point out B2W - *Companhia* Digital, our digital platform, from which Americanas owns 61.42%\* of the share capital.

In this chapter, we will present details on the governance of the parent company, Americanas.

From 1940, when it was only 11 years old, Americanas started being listed on the stock exchange, currently B3 - *Brasil, Bolsa, Balcão*.

At the end of 2019, the share capital was composed of a total of 1,065,434,334 shares, with two classes of shares: common (LAME3) and preferred (LAME4), both with 100% tag along.

At the end of 2019, the preferred and common shares were quoted at R\$ 25.91 (+ 32.0%) and R\$ 19.70 (+ 31.8%), respectively, reaching a market value of R\$ 38.2 billion.

\*Information according to RF 2020.



To learn more about B2W's solid governance structure, visit the sustainability report:  
<https://ri.b2w.digital/informacoes-aos-investidores/relatorios-anuais>



To know all of the company's shareholdings in other companies, access section 15 of our Reference Form:  
<https://static.lasa.com.br/upload/arquivosparadownload/00009499.pdf>



# Best practices

GRI 102-5

Aiming to be acknowledged in the market as an organization of operational excellence and focus on the customer, by offering a service of excellence at fair prices, Americanas constantly works on delivering its values of ethics, reliability and transparency to all of its stakeholders, striving to be the best retail company in Brazil.

With almost eight decades of public trading, we have a robust governance model, guided by solid institutional commitments, practices that align strategy and operation to the interest of shareholders, an experienced and well-structured leadership, with the ethics imbuing all of our relations.

Also, since August 2017, the Company is part of Level 1, a special Corporate Governance segment at B3. Find out below the main best governance practices adopted.

## 100% tag along

Since 2006, Americanas has maintained in its Bylaws the commitment to grant Full Tag Along (100%) to the Company's common and preferred shares. This mechanism ensures that all of its shareholders will receive equal treatment in case the Company undergoes a change of stockholding control, with the right of selling their shares under the same conditions negotiated by the controllers being guaranteed.

## Dividend distribution

The Company's Bylaws, aligned with the principles of the current legislation, establishes the minimum value for dividends at 25% of the annual net income, after the constitution of legal reserve of 5%.

**In the year of 2019, ensuring our commitment to the Company's shareholders, we suggested the dividend distribution above the mandatory minimum. In this line, it was proposed to the shareholders the distribution of profits of R\$ 292.9 million in interest on own capital.**

# Experienced leadership

GRI 102-18

## Board of Directors

According to Company Bylaws, the Board of Directors shall be composed by a minimum of three and a maximum of ten members, elected by the General Assembly, with a unified two-year term, and reelection being allowed. The President of the body is chosen by the elected directors.

The Company has a Board of Directors made up of seven members, three of whom are independent.

### Board Composition in 2020\*

» Carlos Alberto da Veiga Sicupira  
President

» Claudio Moniz Barreto Garcia  
Director (Effective)

» Eduardo Saggiaro Garcia  
Director (Deputy)

» Paulo Alberto Lemann  
Director (Effective)

» Paulo Veiga Ferraz Pereira  
Independent Director (Effective)

» Sidney Victor da Costa Breyer  
Independent Director (Effective)

» Vanessa Claro Lopes  
Independent Director (Effective)

\* Updated April 30, 2020.

## Executive Board

The Executive Board is elected by the Board of Directors for the term of office of one year, with the right to reelection. In 2019, it was made by 12 members, one designated by the Superintendent Director.

### Executive Board Composition in 2020\*

» Miguel Gomes Pereira Sarmiento Gutierrez  
Superintendent Director

» Andrea Silva Barra  
Director

» Anna Christina Ramos Saicali  
Director

» Carlos Eduardo Rosalba Padilha  
Investor Relations Officer

» Celso Alves Ferreira Louro  
Director

» João Guerra Duarte Neto  
Director

» José Timótheo de Barros  
Director

» Marcelo Pinto  
Director

» Marcio Cruz Meirelles  
Director

» Maria Christina Ferreira Nascimento  
Director

» Milena de Andrade Sacramento  
Director

» Wellington de Almeida Souza  
Director

\* Updated on May 7, 2020.

## Committees\*

GRI 102-18 | 102-19 | 102-29 | 102-30

The Committees, composed of members of the Board of Directors and external contracted specialists, support the Board of Directors in the management of relevant themes for the business strategy and operation, analyzing good practices and offering recommendations to the Board.

They operate as workgroups with defined goals to report themes and/or situations examined by them, as well as to present their recommendation to the highest body of governance at Americanas.

The Committees meet at least once a quarter, or extraordinarily, whenever called by their Chairman, with the exception of the Sustainability Committee, which meets weekly. Find out more about the Universo Americanas' Committees, according to the 2020 composition:

**The Finance Committee's** main objective is to inform and advise the Board of Directors regarding all decisions related to the Company's financial policies, ensuring that the Company always complies with its financial obligations, policies and responsibilities.

**The People and Compensation Committee** main objective is to inform the Board of Directors regarding all decisions related to the Company's personnel and compensation policies, aiming (i) that the members of the Board of Directors, the Executive Board and all

associates to have incentives to achieve exceptional results, to be adequately rewarded; and (ii) that the Company is able to attract, retain and develop the best professionals and leaders, ensuring the succession of its main executives.

**The Digital Committee** main objective is to assist the Board of Directors in fulfilling its responsibilities of digital supervision in the areas of technology and technology involved in commerce through the internet, television, mobile telephony, directly to the consumer as well as emerging channels.

**Sustainability Committee** formalized by the Board of Directors in 2010 and made up by representatives of diverse areas of the Company, it contributes to defining the strategy for the business sustainability in order to boost our value generation to all of our relationship publics.

In addition to promoting associates' engagement, the Committee also encourages the participation of different areas through a delegation of authority process in which the Sustainability Board participates and takes the initiatives to the Board of Directors. According to the projects of interest, associates and areas are involved so that, in an integrated manner, we can develop increasingly sustainable solutions and practices.

**The Audit Committee** is included in the Company's Bylaws since 2019 General Shareholders' Meeting. The purpose of the committee is to assist the Board of Directors to monitor and control the quality of financial statements, internal controls, risk management and compliance.

**Ame Committee** Its main objective is to assist the Board of Directors in fulfilling its supervisory responsibilities related to the Ame Digital business - a mobile platform for financial products and services from Universo Americanas.

\* Updated on May 5, 2020.



In addition to the Committee, we rely on the **Sustainability Board**, responsible for conducting the **Companhia Verde Committee** and for promoting our sustainability strategy and governance, other than coordinating the environmental management and social responsibility initiatives.

Learn more about our sustainability strategy on page 66.



## Fiscal Board

The Company's Fiscal Board is a non-permanent, composed of a maximum of five effective members and their respective alternates. Currently, the Company has a Fiscal Board formed by three effective members and their respective alternates, one nominated by the controllers and two nominated by the minority shareholders, elected at the General Meeting, with a one-year term and permitted reelection.

### Composition of the Fiscal Board in 2020\*

» **Márcio Luciano Mancini**  
Effective Director (Appointed by Common Shareholders)

» **Ricardo Scalzo**  
Effective Director (Appointed by Preferred Shareholders)

» **Vicente Antonio de Castro Ferreira**  
Effective Director (Appointed by the Controller)

» **Pedro Carvalho de Mello**  
Deputy Director

» **Carlos Alberto de Souza**  
Deputy Director

» **André Amaral de Castro Leal**  
Deputy Director

\* Updated April 30, 2020.





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# Guiding principles

GRI 102-17

Universo always acts guided by ethical and behavioral principles, aiming to respect individual differences and promote an increasingly responsible and value-generating business.

To ensure the alignment of all of our associates to this ethical and responsible culture, we rely on a series of policies that guide the expected conducts in the relationships to our publics and to the environment, which are presented below.

We also rely on relevant commitments that corroborate an ethical and value-generating business and a sustainable business development, presented in the Sustainability Strategy chapter, on page 69.

## Code of Ethics and Conduct

GRI 102-16 | 205-1 | 205-2 | 205-3 | 206-1

It establishes the behaviors, values and principles to be observed by our associates regarding:

- Safety and health;
- Appreciation of diversity;
- Fighting harassment;
- Fulfillment of financial commitments;
- Fighting fraud and corruption;
- Conflicting interests;
- Use of the Company's resources;
- Information security and data manipulation; and
- Relationship to customers, suppliers and service providers, shareholders, government and society.



The Code is publicly available on our website:

<https://ri.lasa.com.br/governanca-corporativa/codigo-de-etica-e-conduta>



## Other policies and guidelines

GRI 102-11 | 102-15 | 102-25 | 205-1 | 205-3

### Risk Management Policy

In order to establish principles, guidelines and responsibilities to be observed internally, we have a robust risk management policy, covering issues such as: corruption, environment and social.

This policy applies to the Company and its subsidiaries, as well as to all associates, managers, statutory and non-statutory directors, members of the Board of Directors, members of committees, members of the Fiscal Board, when installed, representatives and third parties, directly or indirectly related to the Company and its subsidiaries.

## As a result of the good internal structure, no cases of corruption were identified in 2019.

In order to keep itself increasingly aligned with the best Corporate Governance practices, the Company also has several policies and regulations that promote the fight against corruption, transparency and equity in access to information, ethics in donations and sponsorships, conflicts of interest mitigation, the independence of auditors, among other topics.



Find out more about our policies and regulations at:

<https://ri.lasa.com.br/governanca-corporativa/estatutos-e-politicas>

## Engagement

GRI 205-2 | 205-3 | 206-1

All of our associates, upon joining our team, receive training on the Code. In addition, throughout the year, communications are made to them through the communication platform reinforcing themes related to ethics.

In 2019, there were more than 30 thousand communications on the theme and various campaigns and 20 members of the Board of Directors and Executive Board.

We also have a Corporate Risk area within the structure of Audit and Risk, focused on establishing rules for mitigating corruption risks and promoting continuous monitoring.

As a reflection of everyone's commitment to ethics in operations, in 2019 there were no lawsuits for unfair competition and no recorded cases of corruption.

## Dialogue channels

GRI 102-17

We provide an independent Reporting Channel, the Disk Alerta, managed by a specialized third party company, available 24 hours a day, seven days a week, online or by phone, so that any citizen who has a relationship with us can report cases that contradict our ethical principles.

The Channel guarantees the right to confidentiality and the preservation of the parties involved, not requiring any identification and allowing the communication with the investigator by means of a protocol number related to the report on the website.

The cases are investigated and have their dealings defined by an impartial and independent area.



### Disk Alerta Contacts:

**Website:**

<http://canaldedenuncias.com.br/lasaeb2w/>

**Phone number:** 0800 282 2550



# Financial Performance



# Scenario

The year of 2019 was marked by a gradual improvement in the economic environment, with the recovery of GDP, control of inflation and reduction in the basic interest rate (Selic), which reached the historic low of 4.5% p.a. in December.

In addition, inflation measured by the IPCA ended the year at 4.31%, 0.56 p.p. above that recorded in 2018, remaining within the target.

Throughout the year, the unemployment rate showed a downward trend, registering an average rate of 11.9% compared to 12.3% in 2018, reflecting the gradual improvement in the economy.

In line with this positive trend, the year was also marked by a recovery in retail trade, with sales volume, as measured by IBGE's Monthly Survey of Trade (PMC), rising 1.8%, which represented the third consecutive increase since 2017.



# Results

GRI 102-7

## Overview

CONSOLIDATED			FINANCIAL HIGHLIGHTS (R\$ MM)	PARENT COMPANY		
2019	2018	VAR. (%)		2019	2018	VAR. (%)
32,599.8	27,804.0	17.2%	GMV/Gross Revenue	14,006.5	12,959.5	8.1%
18,662.7	17,689.8	5.5%	Net Revenue <sup>1</sup>	12,169.0	11,350.0	7.2%
6,601.1	6,059.6	8.9%	Gross Profit <sup>1</sup>	4,736.3	4,403.9	7.5%
<b>35.4%</b>	<b>34.3%</b>	<b>+1.1 p.p.</b>	<b>Gross Margin (%RL)</b>	<b>38.9%</b>	<b>38.8%</b>	<b>+0.1 p.p.</b>
3,456.1	3,115.2	10.9%	Adjusted EBITDA <sup>1</sup>	2,859.0	2,622.0	9.0%
<b>18.5%</b>	<b>17.6%</b>	<b>+0.9 p.p.</b>	<b>Adjusted EBITDA Margin (%RL)</b>	<b>23.5%</b>	<b>23.1%</b>	<b>+0.4 p.p.</b>
505.5	305.6	65.4%	Net Result <sup>1</sup>	505.5	305.6	65.4%
<b>2.7%</b>	<b>1.7%</b>	<b>+1.0 p.p.</b>	<b>Net Result<sup>2</sup></b>	<b>2.7%</b>	<b>1.7%</b>	<b>+1.0 p.p.</b>
<b>704.1</b>	<b>305.6</b>	<b>130.4%</b>	<b>Net Margin (%RL)</b>	<b>704.1</b>	<b>305.6</b>	<b>130.4%</b>
<b>3.8%</b>	<b>1.7%</b>	<b>+2.1 p.p.</b>	<b>Margem Líquida (%RL)</b>	<b>3.8%</b>	<b>1.7%</b>	<b>+2.1 p.p.</b>

<sup>1</sup> Disregarding tax credits effects.

<sup>2</sup> Considering tax credits effects.

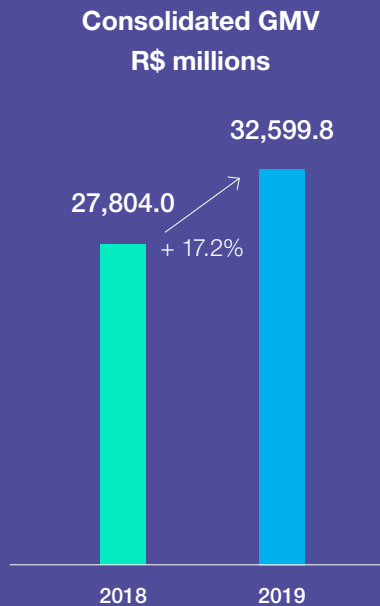
Note: According to material fact communicated to the market on 12/20/2019, Americanas and B2W were successful before the Federal Supreme Court, in actions related to the unconstitutionality to including the Tax on Circulation of Goods and Services (ICMS) in the PIS and COFINS calculation base. As a result, the 2019 result was positively impacted by tax credits, generating a non-recurring gain. In order to maintain comparability between periods, the result was presented with and without tax credits.



## Gross Merchandise Volume (GMV)

The GMV (Gross Merchandise Volume), which depicts the consolidated sales and services revenue added to the sales volume carried out at the marketplace platforms of B2W Digital, totalled R\$ 32.6 billion in 2019, a 17.2% growth compared to 2018.

Consolidated GMV continues to grow rapidly, combining an acceleration of the B2W Marketplace (GMV + 49.7%) and solid sales growth on the physical platform (Gross Revenue + 8.1%), reflecting the successful execution of the end of the year events.



### Physical platform

In 2019, sales of the physical platform showed an accelerating trend throughout the year. The good performance in the Easter, Children's Day, Red Friday and Christmas events ensured solid growth, despite the strong basis of comparison of 2018.

### Digital platform

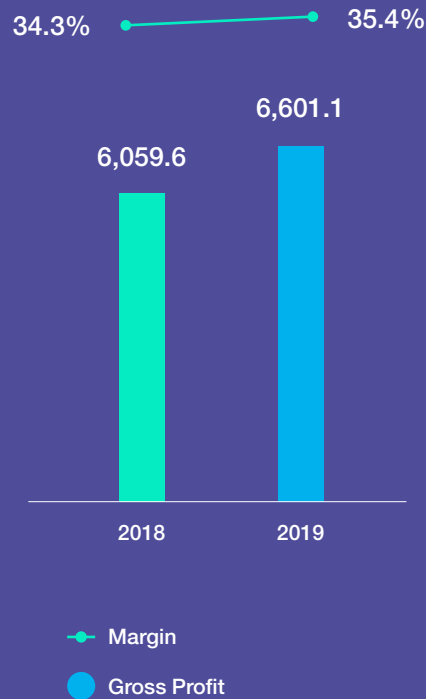
In 2019, total GMV on the digital platform reached R\$ 18.8 billion, an increase of 25.1% compared to R\$ 15.0 billion in 2018. B2W's marketplace continues to develop rapidly, representing 62% of Total GMV.

Furthermore, B2W Digital registered record sales on Black Friday. The investments made in the digital platform in recent years reflected, once again, in the traffic and sales leadership during the event. On Black Friday, we were the largest marketplace platform in Brazil and Sellers were able to scale their businesses, selling the equivalent of 53 days.

# Gross Profit and Gross Margin

In the consolidated vision, the gross profit reached R\$ 6.6 billion in 2019, a 8.9% evolution, with a gross margin of 35.4%, a 1.1 p.p growth in relation to 2018.

Gross Profit and Gross Margin  
R\$ millions



## Physical platform

In 2019, gross profit registered growth of 7.5%, with a gross margin of 38.9%. Despite a series of margin pressures, such as the end of the “Lei do Bem” and the gain in the representativeness of promotional events, such as Red Friday, the Company presented an increase of 0.1 pp. in margin due to a good calibration in the mix and categories, in addition to the advancement of strategic initiatives, such as pricing and own brands.

## Digital platform

The marketplace continued to gain relevance and improving the profitability levels of the digital platform. With B2W Marketplace setting a new record, more than doubling the Sellers base throughout the year, gross profit grew 11.1%, with a gross margin of 32.2%, an expansion of 2.5 pp. compared to the previous year.

## Sales, General and Administrative Expenses

In 2019, in the consolidated view, the selling expenses line grew by 5.0% compared to 2018, reflecting the expenses associated with opening stores. General and administrative expenses advanced, reflecting the hiring of personnel necessary to support the new businesses developed by the Company.

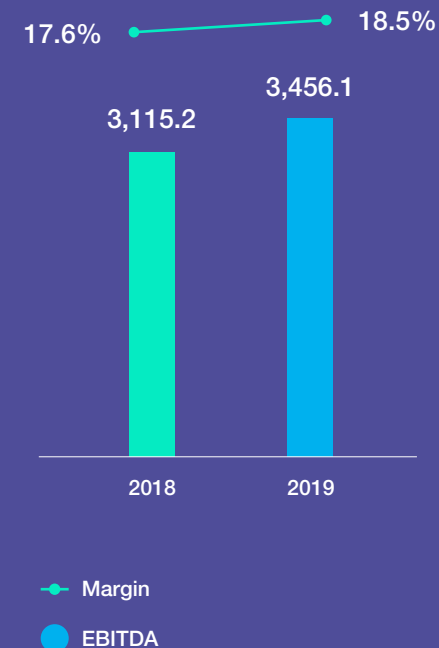
At the parent company, selling expenses expanded 5.6%, reflecting the workforce increase needed to support store expansion. General and administrative expenses advanced below inflation, reflecting efforts to control costs.

## Adjusted EBITDA and EBITDA Margin

Adjusted EBITDA grew by 10.9% with an increase of 0.9 p.p. in the EBITDA margin.

Recurring EBITDA increased due to the margin expansion on the physical platform and the progressive increase in profitability on the digital platform due to marketplace growth.

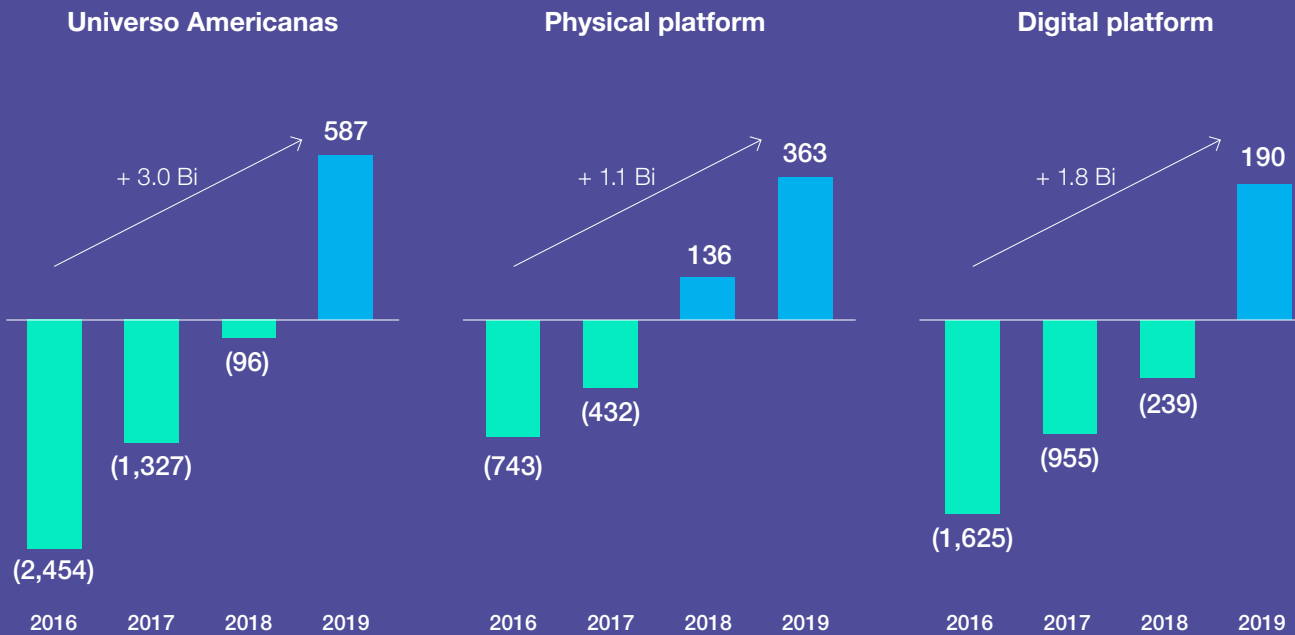
Consolidated EBITDA and EBITDA Margin  
R\$ millions and %





# Cash Generation

In the last three years, Universo Americanas showed a significant evolution in Cash Generation, allowing us to continue investing in the expansion of stores and B2W. In doing so, we speed up the growth in the physical and digital platforms.



Universo Americanas' Cash Generation increased by R\$ 3 billion in three years, from a consumption of R\$ 2.5 billion in 2016, to a cash generation of R\$ 586.8 million.

As a way of capturing all the effects, cash generation is measured by the variation in net debt, disregarding any capital increase operations.

## Physical platform

Physical platform's cash generation reached R\$ 363.4 million compared to a cash consumption of R\$ 743 million in 2016, an increase of R\$ 1.1 billion.

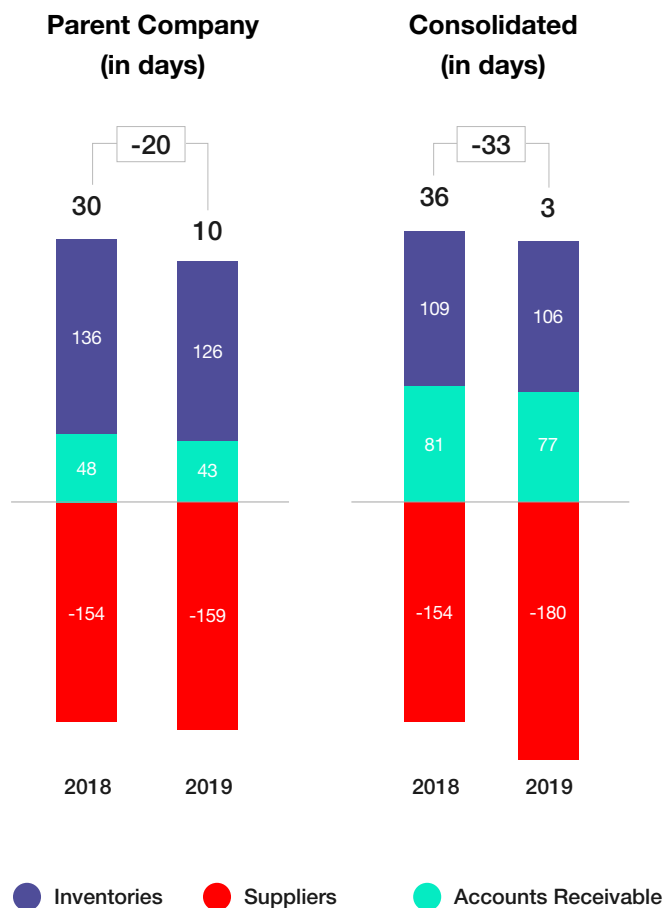
## Digital platform

In the Digital Platform, the evolution was R\$ 1.8 billion, from a cash consumption of R\$ 1.6 billion to a cash generation of R\$ 189.9 million in just three years.

## Working Capital Variation

In 2019, the parent company's net Working Capital was of ten days, representing a significant improvement of 20 days, compared to 2018. The gain was motivated by improvements in all working capital components, with emphasis on the ten days reduction in the inventory level, generated by a reduction in supply lead times and a continuous work by LET'S for greater efficiency in the distribution and assertiveness of inventories.

In the same period, the consolidated net working capital was of three days, showing a reduction of 33 days in relation to the same period in the previous year. This result reflected the process of reviewing the 1P assortment, the optimization in the purchase of merchandise planning, in addition to the increase in the participation of 3P in the total sales of the digital platform.



## Net Financial Result

In 2019, in the consolidated vision, the 2.5% decrease of the net financial result reflects the decrease, throughout the year, of the Interbank Deposit Certificate (CDI) rate, the average rate of funding through the interbank market, in addition to the capital increase effects in B2W (learn more in the B2W report).

In the parent company vision, the 4.2% reduction of the net financial result is mainly related to the drop of the CDI rate.

## Net Result

In 2019, recurring net income advanced 65.4% with a net margin of +1.0 p.p.. This growth was driven by the increase in operating income, as well as the decrease in net financial income.

Considering the tax credits, Net Income increased 130.4% in the year.

## Debt

At the end of 2019, consolidated Net Debt decreased R\$ 1,544.2 million compared to the previous year, a 0.6x improvement of the EBITDA.

The reduction of the net debt in the consolidated vision reflects the impacts of B2W Digital capital increase, with the adhesion of 100% of its shareholders, besides the cash flow generated by the physical and digital platforms.

In the parent company, the net debt increased in R\$ 1,201.0 million, a 0.4x EBITDA variation. Excluding the participation of Americanas in B2W's capital increase, the parent company's net debt would have a R\$ 363.4 million reduction, a 0.2x improvement in relation to the net debt / EBITDA (0.6x vs. 0.8x in 4Q18).

Furthermore, in 2019, the average term of the consolidated debt went from 33 to 40 months and at the parent company it went from 36 to 42 months, according to the Company's strategy of focusing on long-term opportunities.

## Accounts Receivable

Accounts receivable considers credit and debit card receivables, net of the discounted amount, which have immediate liquidity and can be considered as cash.

At the end of 2019, accounts receivable totaled R\$ 1.6 billion in the parent company and R\$ 2.3 billion in the consolidated vision.



To know our Income Statement and Balance Sheets in detail, access the income release:

<https://static.lasa.com.br/upload/arquivosparadownload/00009479.pdf>

Or the complete Financial Statements :

<https://ri.lasa.com.br/informacoes-financeiras/relatorios-anuais-trimestrais/4t19-divulgacao-de-resultados>



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# People





# Our Team

GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 401-1 | 401-2 | 405-1



People first. We believe that our success in almost a century of history is the result of the work and trust of our associates.

In line with the 2030 Agenda of the United Nations (UN) to achieve the Sustainable Development Goals (SDGs), we are committed to socio-environmental practices and maintain the commitment to generate jobs and promote the development in the areas where we operate.

For this reason, we have a management devoted to attracting and retaining talent, prioritizing local labor and offering everyone opportunities for personal and professional development, recognition and a good work environment that values their health, safety and well-being.

With that in mind, we want to encourage everyone to fully reach the potential of their personal skills and competencies, supporting the constantly growing success of the Universo Americanas, by creating more than 37 thousand jobs in 2019.

**In 2019, for the second consecutive year, Americanas won the Great Place to Work Certification (GPTW), with a high participation rate of associates in answering the surveys. Also this year, B2W Digital, LET'S and Ame achieved the GPTW certification for the first time.**

# Diversity

GRI 102-8 | 102-12 | 102-13 | 405-1

Following the Company's principles and values, we provide a welcoming environment for associates and non-associates.

Due to this, we do not condone any type of gender or race distinction when offering opportunities and defining remunerations, because we believe that diversity is an opportunity to positively impact Universo Americanas and the Brazilian society.

In June 2019, we signed three voluntary compacts of great importance for the promotion of diversity and equity within the companies and their value chains.

As a result of the expansion project of Universo Americanas operation, we have also increased our workforce in 2019. Compared to 2018, we generated 3,103 additional jobs, always respecting diversity, as will be shown below.



## Business Coalition of Racial and Gender Equity

Promoted by *Instituto Ethos*, the compact has the reduction of Brazilian social inequalities as its premise, focused on racial and gender issues in the corporate world.



## Business Charter for Human Rights and the Promotion of Decent Work

This charter by *Instituto Ethos* has the promotion of decent work as its premise, strengthening the equity and the inclusion of people with disabilities (PWDs). As signatories, we commit to fight the prejudices and myths related to this public.



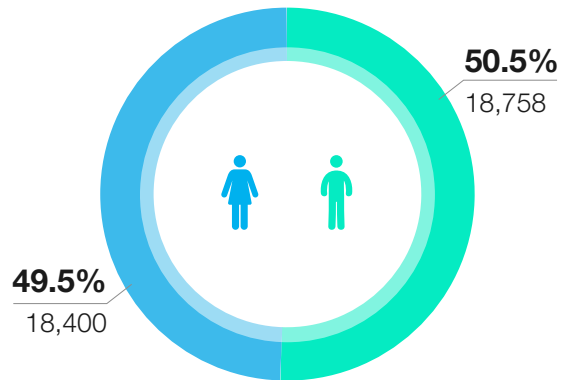
## Women's Empowerment Principles, by UN Women

Developed by UN Women, it presents seven principles to establish corporate leadership and gender equity in the companies. The goal is to treat everybody fairly at work, train and develop women professionally, in addition to following up the results obtained with the actions.

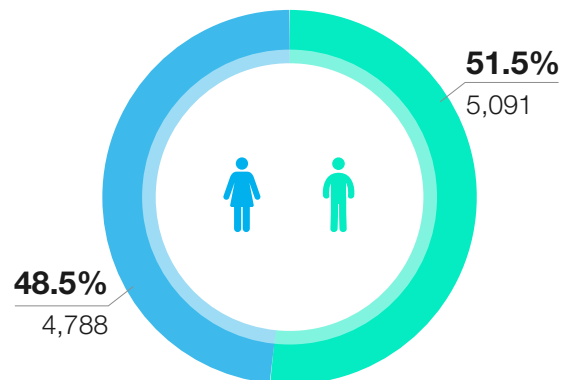


# over 37 thousand associates

Diversity by gender



Universo Americanas Promotions



Diversity at Universo Americanas - 2019

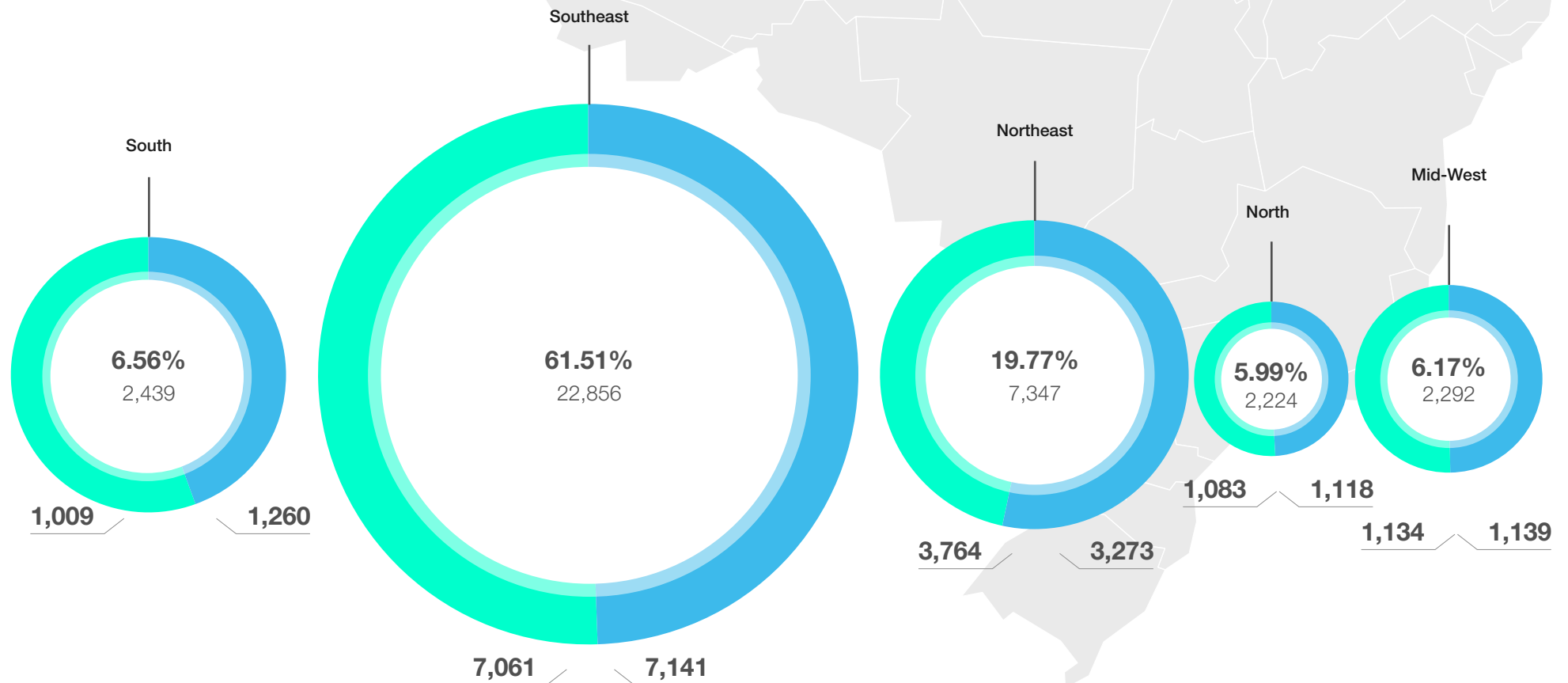
Level	Men	Women
Board of Directors	14	5
Management	867	1,143
Head/Coord	354	292
Technical/Supervision	3,286	4,139
Administrative	565	1,101
Operational	13,584	11,534
Apprentice*	44	148
Intern*	44	38
<b>Total by gender</b>	<b>18,758</b>	<b>18,400</b>

\* Apprentices and Interns referring to B2W Digital. The total number of Americanas separated by gender is not disclosed.



# Associates by region

● Female ● Male



## Gender

We hold various events on gender equity with the goal of supporting an equal distribution of opportunities, more and more.

Nowadays, we take pride in saying that this is already a reality in our personnel and we aim to bringing a 50/50 equal participation of gender in our selection processes to maintain this balance.

**In 2019, 9,879 associates were promoted at Universo and took on new positions. Of these, 48.5% are women.**

## Inclusion of PWDs

GRI 401-1

Throughout 2019, initiatives to include people with disabilities (PWDs) into our personnel have also been carried out.

This took place not only by hiring PWDs professionals, but also by means of training, awareness-raising and engagement of their co-workers for an effective inclusion.

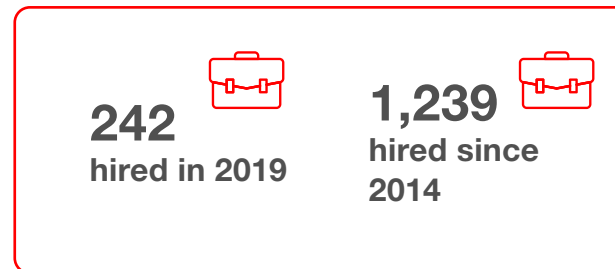
Learn more about the main initiatives:

## Programa Somar

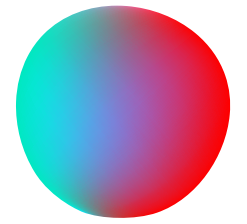
The program aims at identifying and qualifying people with disabilities (PWDs) to operate in our business units.

We work to include these talents with actions such as: manager training program, libras courses and inclusive action calendars.

Internally, we are constantly adapting processes and facilities to increase the inclusion of PWDs. In 2019, together with the five-year anniversary of *Programa Somar*, we also expanded the diffusion of existing vacancies through the institutional channels, through the partnerships with municipal offices and specialized consulting companies, in addition to the participation in job fairs dedicated to the PWDs.



**1,784 hours of training (sign language workshop and awareness lectures).**



# Attraction

GRI 401-1

Throughout the past few years, we have lived an intense cycle of expansion, which has as one of the main pillars the attraction of new talents with the competencies and skills aligned to the different activity segments of Universo Americanas.

With a strong development culture (learn more on page 57), we rely on several programs to attract talents, which open door to numerous possibilities to young people who wish to start a successful career. In 2019, by means of these programs, we hired over 560 talents. Get to know each of them below:

## Talents hired in 2019:



**567**

new talents



**250**

interns



**34**

trainees



**19**

Summer Job participants

## Programa Jovem Aprendiz

The program, exclusive to Americanas, aims to support the integration of youngsters into job market by means of new experiences that develop their technical and human competencies.

The apprentices work in administrative, sales and logistics activities in several states of the country.

## Começando Juntos Program

Specific to attract associates at B2W Digital, the program offers first job opportunity for young people.

During the period, participants perform job rotation and have the opportunity to experience various areas of the Company, in addition to skills development training.

Also through the program, we offer *Libras* (Brazilian sign language) workshops and dialogues on diversity to ensure integration with all the Company's associates. To attract talent, we participated in fairs, such as *Senac's* Open House.

**1,508**  
hired



**1,104**  
hours of  
training



## Internship Program

The programs, that in 2019 had over 70,500 subscriptions and 250 employed, the Internship in Store Program has national reach and is aimed at undergraduates who have an entrepreneurial spirit. The B2W Tech Internship Program, on the other hand, is aimed at undergraduates who have ability in technology.

During the maximum period of two years, the participants learn about Universo Americanas, in addition to experiencing the retail in practice, equipped with essential management methods and tools for their professional development.

## Trainee Program

The program is well recognized and well-attended in the corporate area, with more than 26 thousand subscribers in 2019.

During the year, the 34 participants had the chance to know the Company's operation in detail and participated in various method and management trainings, including the Green Belt qualification, whose goal is the development of improvement projects for Universo Americanas.

## New Talent Program

The program promotes the attraction of recently graduated talents and an intensive and accelerated training to transform them into future leaders in the Company.

The more than 560 approved ones in 2019 were sent to various areas of the business already on their first day of work and throughout the year, they have participated in continuous trainings held by executives, so they could have a global overview of Universo Americanas.

Currently, the program to create store leaders is also underway, taking into account their specific challenges. This is an opportunity both for new talents and as a way of stimulating those who are at headquarters to venture into stores.

The process is carried out across the country and it is seen as an opportunity to leverage the career by means of qualifying the associates.

In addition to spending some time at the store, the trainees and the new talents are sent to the DC, so they can know all of the business models

## New Talent Master Program

The program, initiated in 2018, supports the attraction of exceptional talents to tackle the Company's growth challenges.

The selection process is aimed at professionals with a completed master's degree, who must present simple solutions to complex problems.

The chosen ones start their trajectory at the Company as project coordinators, in addition to partaking in an intensive training and monitoring, being qualified to become future executives.

## Summer Job

In 2019, we received 19 students from the best national and international colleges to work together with our associates during their summer vacations.

In addition to developing projects, they participated in meetings with the Board and technical and behavioral trainings with the People & Management team.

## MBA Program

Since 2012, the program recruits talents from the best business schools in the world to work as development managers in Universo Americanas projects. The actions have the follow-up of the Company's directors.



Our Gateways can be found on the talent pages of Universo Americanas:

- <https://talentos.lasa.com.br>
- <http://somos.b2wdigital.com>
- [https://boards.greenhouse.io/amedigital?gh\\_src=27927b6d2](https://boards.greenhouse.io/amedigital?gh_src=27927b6d2)



B2W Digital has several programs aimed at creating the best tech team in Brazil. Find out more in its Annual Report:

<https://ri.b2w.digital/informacoes-aos-investidores/relatorios-anuais>

## Partnerships with education institutions

A close and present relationship in the education institutions is an important channel to attract new talent. Accordingly, in 2019, our participation in university events grew by more than 300% and we were present in several academic weeks, recruitment fairs, lectures and workshops in Brazil and abroad.

As a result, we had the opportunity of exchanging knowledge and getting closer to students, strengthening our employer mark and showing all the Universo of opportunities to start a career, which goes way beyond our stores.

**We were present at more than 135 events, such as fairs, conferences and academic weeks, lectures and working days, in addition to more than 55 meetups, totaling more than 10,000 young people directly impacted.**



Americanas People & Management teams participating in a recruitment fair.

### MIT Industrial Liaison Program

We participated in the event of the MIT Industrial Liaison Program, which has the participation of 200 of the main companies in the world and encourages partnerships to create productive interactions together with the industry, strengthening mutually beneficial relationships between MIT and corporations around the world.

### Digital LAB

Since 2014, Universo Americanas rely on the Digital Labs, collaborative spaces created in partnership with renowned education institutions, whose goal is to develop disruptive projects, getting closer to the greatest centers of excellence in digital technology of the world. Some partner institutions of Digital Labs are the Massachusetts Institute of Technology (MIT) and Harvard University.



Learn more on B2W's Annual Report:  
<https://ri.b2w.digital/informacoes-aos-investidores/relatorios-anuais>



# Development

GRI 103-1 | 103-2 | 103-3 | 404-1 | 404-2 | 404-3



As a Company in continuous growth, we believe in the training and development of our associates as the right path for the future of our business.

**We have a solid culture that supports us on the service quality and on the standard excellence experience for the customer. The almost absolute majority of our store leaders, for example, was formed internally.**

Therefore, our associates rely on various development programs to take advantage of our Universe of opportunities of career development.

## DNA Leadership Program

The DNA Leadership program has the challenge of training store managers more quickly, so that we can reach a new level in our training and development method.

The creation of the Program involved a complex work of people analytics, developed together with research professors from Harvard and West Point, which identified and statistically proved the attributes that differentiate an exceptional manager and that make him an **outstanding professional**.

Based on the 20 attributes identified in the exceptional managers, we have created a training program in five modules for our store associates, seeking to perpetuate these characteristics and promote everyone's development.

## Programa LBA (Leadership and Business Academy)

Training in partnership with HBS (Harvard Business School) to improve our leadership, given by Professor at Harvard University, Boris Groysberg. The program, which has been running at the Company since 2013, had new editions in 2019.

## Continuous Improvement Program

We carry out several projects aimed at promoting continuous business improvement, focusing mainly on process management, project development and problem solving.

A highlight in this regard is the Lean Six Sigma Program, through which we offer 17.9 thousand hours of training, qualifying 654 associates (516 yellow belts, 107 green belts, 21 black belts and 10 master black belts).

## Retail College

The Program encourages the professional development by offering scholarships to associates who stand out in their positions and have been in the Company for more than two years. With that, they can advance their academic education and expand their chances of career development.

## Americanas Development Center (CDA)

The Americanas Development Center, created in 2005, is our corporate university and offers digital qualification and face-to-face trainings, in centers spread throughout Brazil, to keep our associates always up to date and trained.

## In 2019, the trainings provided by the CDA added up to 431 thousand hours.

## Performance evaluation

Periodically, we promote the performance evaluation of all of our associates, in order to identify their development opportunities and guide their participation in training and development initiatives.



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# Communication and Engagement

Our approximately 37 thousand associates, operating throughout the country and in different segments of the retail chain, are the greatest disseminators of the values of Universo. Due to that, we have important dialogue, exchange and engagement channels together with all of them, so that the decisions are more effective and so that our culture and excellence are disseminated within the team.

## National Executive Meeting - RENAEX

With the growth of *Universo*, in 2019 we promoted five regional meeting events for leaders in the following states: Rio de Janeiro, São Paulo, Salvador, Brasília and Curitiba which allowed for an even more intense immersion and a greater approximation of the top leadership with the reality of each region.

## Tribute to 25 years

Annually, we honor the associates who complete 25 years in the Company. For the event, we gathered, in Rio de Janeiro, people from all over Brazil; we take a tour of the city and, shortly after, we present the tribute moment made by our CEOs and Directors at the Headquarters. Associates. In 2019, we had 180 associates honored.



Celebration for associates who have completed 25 years in the Company.



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# Health and Safety

GRI 102-15 | 103-1 | 103-2 | 103-3 | 403-1

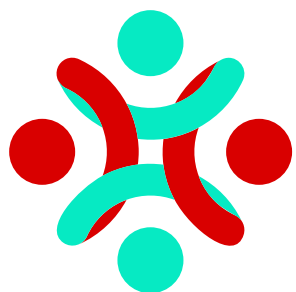
Univero Americanas has health and safety management that covers all areas, with a team that serves administrative offices, Distribution Centers and stores, presenting the procedures and instructions that regulate and preserve safety and health at work, in addition to strict compliance with the laws and regulations related to Occupational Safety and Medicine.

In addition, it has a Health, Safety and Environment Policy, in order to ensure that all its operations are carried out with the least environmental impact, to prevent accidents and ensure the associates' occupational health.



To learn more about the Health, Safety and Environment Policy, visit:

<http://www.companhiaverde.com.br/americanas/politica-ambiental>



# JUNTOS SOMOS, MAIS SAÚDE

## ***Juntos Somos Mais Saúde***

*Juntos Somos Mais Saúde* was created to manage the health of our associates and seek initiatives to ensure their quality of life and well-being. The Committee works on fixed fronts and specific campaigns during the year.

Initiatives:

- World Health Day campaign (April / 2019);
- Pregnant Women Program (fixed);
- Hospitalization Monitoring Program (fixed); and
- World Blood Donor Day campaign (June / 2019).

### **Pregnant Women Program**

The program aims to ensure that our pregnant women have access to the information necessary for an adequate and safe pregnancy. With the initiative, we provide assistance to our associates and dependents of associates, ensuring that they are adequately monitored to avoid complications in childbirth or premature births.

### **Hospitalization Monitoring Program**

The program aims to provide assistance to our associates and dependents of associates who have a Company health plan. With the initiative, a specialized medical team contacts the associate or dependent, performs the welcoming, and provides the necessary guidelines for each health case. With this closer care, we are able to better understand the situation of our associates and their families, avoiding unnecessary trauma related to hospitalizations.

We are committed in providing an increasingly safe and healthy work environment to our associates, since we consider this to be a fundamental pillar of a culture that puts people in the first place.

To that end, it is important to engage them regarding these issues, making them aware and participative in the establishment of a culture capable of multiplying positive attitudes in the work environment.

In all of the Distribution Centers, where the possible impacts are greater, we have programs and campaigns oriented towards these themes, get to know some of them and the bodies responsible:



### **Game de Segurança**

The program's goal is to evaluate the conditions of the work environment, taking into consideration the risk minimization of incidents/accidents in our operations. The periodical audits in the units are executed by the CIPA (Internal Commission of Accident Prevention) representatives and the Brigades.



### **Sempre Alerta**

The program seeks to evaluate the behavior of our associates in relation to Labor Safety. Another initiative in this regard is the organization of DDSs (Safety Dialogues), which are largely disseminated in our operations by the managers.



### **Black Seguro**

The campaign was launched during the organization of Black Friday 2019 and consists in a corporate challenge focused in the awareness-raising of the associates regarding the development of safe practices in the work environment.



We also carry out various training campaigns and awareness-raising of all of our associates to encourage them to take care of their health and wellbeing and we rely on a solid prevention structure.

## Awareness

- » **Green April**  
Aimed at engaging in the adoption of safe behavior.
- » **Yellow May**  
deals with the awareness in preventing traffic accidents.
- » **Pink October**  
seeks to alert women on the importance of prevention and early diagnosis of breast and cervical cancer.
- » **Blue November**  
Oriented towards the awareness-raising regarding male diseases, with emphasis on the prevention and early diagnosis of prostate cancer.
- » **Campaign of Prevention and Combat to Dengue**
- » **Women's Health Campaign**
- » **Prevention to STIs**  
(Sexually Transmitted Infections) Campaign.
- » **Mental Health Campaign**

- » **Internal Occupational Accident Prevention Week (SIPAT).**

- » **World Health Day**  
With activities of guided meditation, labor gymnastics and communications on subjects on the likes of anxiety, wellbeing at work, oral health, obesity and heart diseases.

- » **Workplace Exercise**  
During the World Health Day week, we carried out some initiatives with the objective of stimulating a better quality of life for our associates, such as workplace exercises and guided meditation. The result was so positive that we adopted workplace exercise to our routine.

On the other hand, our associates in stores and offices exercise every week. Seeking a lighter and more pleasant work environment, exercises makes us more proactive and prepared for the week's activities.

- » **Incentive campaign to World Blood Donor Day**

## Trainings

- » **Training for all associates** who are voluntary members of the Fire Brigades for Emergency Action. More than 60 associates had the opportunity to learn details about fire prevention and fighting;
- » **Training for safety technicians** throughout Brazil on environmental aspects, such as Solid Waste and Recycling, Environmental Auditing, Environmental Preservation and Sustainability;
- » **NR 35 course, for working at a height**, clarifying the standard requirements and guiding the correct use of personal protective equipment and collective protection measures at work and vertical rescue; and
- » **Various training courses on subjects relevant to the health and safety culture**, such as Ergonomics, Building Inspection, Civil and Criminal Liability related to Work Accidents and the OBSEG Program (Behavioral Program for Observing Unsafe Practices).

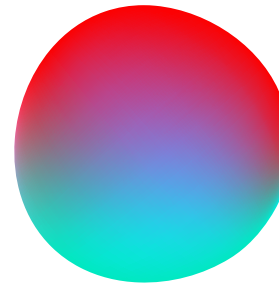
## Prevention

In all of our units with more than 50 associates, we maintain a CIPA (Internal Commission for Accident Prevention), which assists the Occupational Safety team in occupational health and safety matters, and Fire Brigades.

In 2019, we also started to promote Workplace Exercises and improve work furniture for better ergonomics and prevention of occupational diseases.

Another breakthrough in the year was the implementation of the SOC System, a Occupational Health and Safety (OSH) management software that complies with government rules, in accordance with ordinance No. 3,214/78 on the topic and unites the PPRAs (Environmental Risk Prevention Program) carried out annually in all units.

In order to generate the documentation, we comply with regulatory standards, such as the existence of the Internal Accident Prevention Commission (CIPA), the use of Personal Protective Equipment (PPE) and medical examinations.







# Positive Impact





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# Sustainability strategy

GRI 103-1

We are committed to the sustainable development of our business, enhancing our generation of value.

With this in mind, in 2007, we created our Sustainability Committee (*Comitê Companhia Verde*), supporting senior leadership in the management of strategic aspects for sustainable development and promoting the engagement of our stakeholders in adopting sustainable practices.

For conducting *Companhia Verde*, assisting in the sustainability strategy and governance and coordinating the environmental management and social responsibility initiatives, we also rely on the Sustainability Board of Universo Americanas.

**For the 6<sup>th</sup> consecutive year, we were selected for the ISE portfolio, B3's Corporate Sustainability Index, which assesses companies' commitments to sustainable development, recognizing those that promote best practices.**

# Dialogue with Stakeholders

GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-47

We believe that promoting sustainability is a purpose to be realized in a collaborative and collective manner. Due to that, we maintain a constant dialogue with our stakeholders and associations oriented towards the promotion of sustainability in the Company.

In order to understand the interests of our stakeholders in relation to sustainability, we maintain a continuous process of survey and definition of the topics that have the greatest potential to generate risks or opportunities for the achievement of the Company's strategy, the material topics.

This Report is based on the most relevant themes for the support of Universo Americanas' value chain, identified in the materiality study conducted in 2019.

These consultations held with customers, suppliers, associates, investors, among other stakeholders every two years, have also been carried out through detailed interviews with executives and specialists from Instituto Akatu, Associação Paulista de Supermercados (Apas) and Centro de Excelência em Varejo da FGV (GVcev). Internal documents and national and international sectoral studies, as well as benchmarking, prioritization and analysis have also been taken into consideration.



Based on these researches, material topics for the business were defined, which are the base of our sustainability strategy and are addressed throughout this Report:

- 1<sup>th</sup> Relationship and Customer Experience;
- 2<sup>th</sup> Privacy of Customer Information;
- 3<sup>th</sup> Customer Health and Safety;
- 4<sup>th</sup> Associates' Training and Development;
- 5<sup>th</sup> Job Creation;
- 6<sup>th</sup> Associates' Wages and Benefits;
- 7<sup>th</sup> Management Transparency and Communication;
- 8<sup>o</sup> Health and Safety At Work;
- 9<sup>th</sup> Innovation and Automation;
- 10<sup>th</sup> Diversity and Inclusion in the Work Environment;
- 11<sup>th</sup> Corporate Governance;
- 12<sup>th</sup> Economic-Financial Performance;
- 13<sup>th</sup> Affordable Prices;
- 14<sup>th</sup> Responsible Chain; and
- 15<sup>th</sup> Presence in the Market.

## Generation of value



Present in 739 cities in every state of the country (77% of the GDP), we provide millions of Brazilians with the diverse assortment and fair price of the physical stores.



We are committed to excellence when serving our customers, generating a differentiated purchase and relationship experience.



We create around 37 thousand direct jobs and an estimate of more than 110 thousand indirect jobs, taking career opportunities to hundreds of municipalities across Brazil.

When opening new stores, we prioritize the admission in the local communities of leaderships to be trained, generating development and access, not only to jobs, but also to the possibility of career development.



With 100% of the Brazilian municipalities covered by our digital channels, customers located in any place have access to over 29 million products, including international ones, with excellence in the purchase experience and fair price.



By means of the B2W Digital marketplace, more than 46 thousand sellers, from which over 40% small entrepreneurs, can develop their businesses relying in the reputation of our brands, a highly qualified customer traffic to boost their sales, an experienced commercial team and various services of the B2W platform (learn more on page 14).



We support several social projects, cultural sponsorships and a volunteer program that support the development of groups in situations of vulnerability.

## Compacts and commitments

GRI 102-12 | 102-13

We reinforce our commitment by means of a dialogue and collaboration process together with our stakeholders and associations oriented towards the promotion of sustainability.

- » Since 2013, we have been signatories of the United Nations (UN) Global Compact, which proposes to companies the alignment of their strategies and operations to universal principles in the areas of Human Rights, Work, Environment and Anti-corruption.

In 2019, once again, we reaffirmed our commitment to the Global Compact and presented, throughout this entire report, the initiatives to move the commitments made forward.

- » As signatories of the Global Compact, we support UN's 2030 Agenda, which proposes 17 Sustainable Development Goals (SDGs) to be pursued by countries and organizations to face the main challenges to sustainability in the next few years.

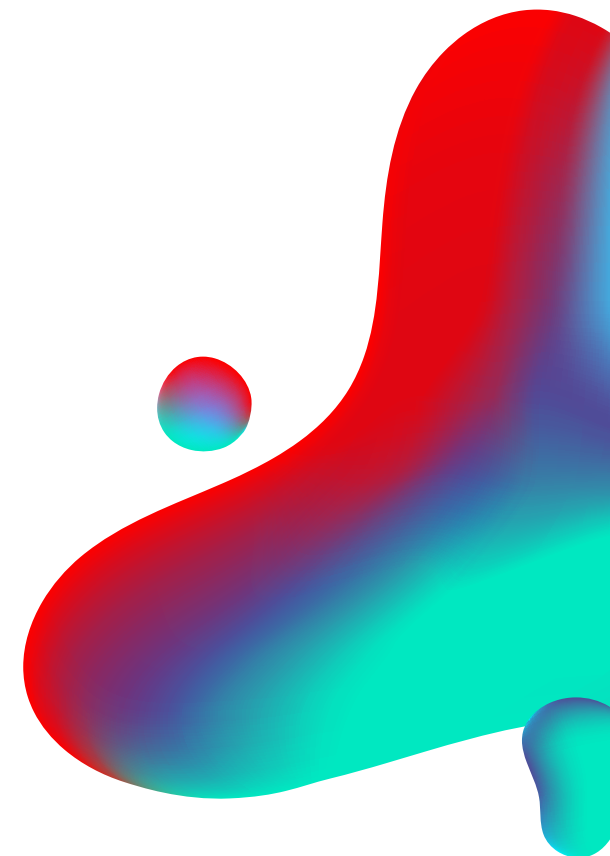
- » Since 2018, we have been associated to *Instituto Ethos de Empresas e Responsabilidade Social*, OSCIP (Civil Society Organization of Public Interest) which works to mobilize, raise the awareness and help companies manage their businesses in a socially responsible manner.

- » In 2019, we joined the Business Coalition of Racial and Gender Equity, promoted by *Instituto Ethos*, that has the reduction of Brazilian social inequalities as its goal, with emphasis on racial and gender issues in the corporate world.

- » In 2019, we also adhered to the Women's Empowerment Principles by UN Women, which aid the business community in incorporating values and practices in their businesses which are aimed at gender equity and women's empowerment.

- » Also in 2019, we signed the Business Charter for Human Rights and the Promotion of Decent Work, by *Instituto Ethos*, which reinforces the equity and the inclusion of people with disabilities (PWDs) and the combat of prejudices and myths related to this public.

In the following subchapters, you can get to know more about the main initiatives developed together with our diverse publics, which are aimed at expanding our generation of positive impact.





# Social relevance

## Associates engagement

GRI 103-1 | 103-2 | 103-3

### Suppliers

GRI 102-9 | 102-15 | 103-2 | 103-3 | 408-1 | 409-1 | 414-1 | 417-1

In order to meet our customers' needs with a diverse assortment, Universo relies on more than two thousand national and international suppliers.

The Company promotes the dissemination of principles of protection and appreciation of the Human Rights among its partners, highlighting these terms in commercial contracts with the purpose of collaborating with the eradication of forced labor and in the combat to any practice that does not respect the Principle of Human Dignity in the productive value chain.

All of our contracts impose specific punitive clauses, such as the prevision of fines and immediate loss of accreditation, in case of irregularities.

All of our suppliers must adopt strict quality and labeling standards in accordance with the Code of Ethics and Conduct (learn more on page 37). For our private label brands, we require the adoption of norms and regulations that are good practices in the different segments presented below.

Every year, suppliers of own brands and textiles are audited on-site, they are classified in a specific group where they are monitored for the risks of possible social, environmental or reputational impacts.

In addition, all of them also go through a document analysis process before signing the contract, when issues related to the regularity of the CNPJ, taxation, permits, tax and labor debts, as well as civil and criminal actions of the company and its partners are evaluated at the state and federal levels.

» In 2019, we conducted the training in "Certification of Textile Suppliers" with the support of ABVTEX (Brazilian Textile Retail Association), a partner of the Universo Americanas.

Two editions were held, one in Rio de Janeiro and the other in São Paulo, with the purpose of transmitting the guidelines of Universo Americanas for good practices in supply chains, in defense of a more sustainable environment and with decent working conditions..




The main criteria assessed in the audits are: compliance to current legislation, compliance with processes in the face of working conditions and human rights, social responsibility and quality of the final product.

### Supplier Policy

All suppliers must comply with the requirements set out in our Supplier Policy, in order to build a healthy and long-lasting relationship, based on ethics and transparency.

Among the requirements in the document, there are certifications from competent bodies, such as the National Health Surveillance Agency (Anvisa) and the National Metrology, Quality and Technology Institute (Inmetro), compliance with the laws in force in Brazil; and respect for data and information confidentiality, for example.



 To learn more about the Supplier Policy, visit: <http://www.companhiaverde.com.br/americanas/forneedores>

## Sellers

Through our marketplace, we generate positive impact by allowing that, many times, small entrepreneurs can develop their businesses relying on our brands' reputation.

In addition to this, the marketplace offers them a highly qualified customer traffic to boost their sales, an experienced commercial team, the convenience of B2W *Entrega*, which controls and operates deliveries and all the additional services of B2W Marketplace.

We also offer loans to our 46.8 thousand sellers in a rapid, safe, simple and 100% online way, with the option of payment in up to 24 installments, or full payment in up to 60 days and extended payment of the first installment in 30 or 45 days beyond the due date.

The Seller Credit can also be used as a means of payment when hiring our advertising services on B2WAds platform.

This solution brings important advantages to the business and its partners:

- Since we know the sales history of the sellers at our marketplace, we are able to provide more precision to our credit risk analysis and offer a new source of financing more profitable than the traditional options in the market;
- With access to resources, the Sellers can invest more in inventory, competitiveness and advertising, expanding their sales in our marketplace; and
- In 2019, we held the **B2W Marketplace Summit 2019**, a two-day event with lectures on innovation, management, e-commerce, retail and marketplaces, bringing sellers relevant content, learning and networking to boost the results in their businesses.

# Associates engagement

GRI 103-1 | 103-2

We believe that engaging our associates in sustainable development causes helps enhancing the business' positive impact.



For this reason, we have a corporate volunteering program, *Vivenciar – Conexões Transformadoras*, which contributes to the development of a more just and egalitarian society while raising awareness among members through the various social and cultural experiences lived in the program.

In 2019, there were over 600 hours of volunteer work of more than 200 associates, who benefited around 3,000 people served by the seven supported projects.

## Learn more about the projects supported below:



### Donations

Throughout the year, our associates united in various initiatives to raise donations, which resulted in the donation of 230 books for the moving library of *Projeto Livros Nas Praças*, more than 324 boxes of chocolate during the Easter campaign for partner NGOS, more than 600 pieces of winter clothing for *Campanha do Agasalho*, more than 200 Christmas presents for children of the NGO *Sonhar Acordado* in Rio de Janeiro and in São Paulo, and 121 blood bags for *Hemorio*, where we were honored, by Americanas and B2W Digital, as two of the companies that contributed the most to replenish the supplies.



### Garbage Collection on the Beach

In honor of the International Coastal Cleaning Day, in partnership with the NGO Esmeralda, volunteers collected more than 15 kg of garbage from Copacabana Beach.



Volunteer associates participating in the garbage collection action on Copacabana beach.



### **Sonhar Acordado**

Over 30 associates volunteered at the *Dia do Sonho* of *Sonhar Acordado*, a Universo Americanas partner NGO that works with institutions, orphanages, group homes and hospitals and seeks to transform the lives of needy children through a friendly relationship with the young volunteer. The parties took place in Rio de Janeiro and São Paulo and accumulated almost 400 hours of volunteer work.



### **Grafitarte**

Through *Grafitarte*, a project sponsored by Submarino which organizes graffiti workshops for public school students in the State of Rio de Janeiro, voluntary associates, together with students, painted the wall of General Euclides de Figueiredo Municipal School, in Tijuca (RJ).



### **Support to the *Natal Sem Fome* campaign**

Since 2017, Universo Americanas takes part in the *Natal Sem Fome* campaign, of the NGO *Ação da Cidadania* through the donation of 20 tons of food.

In 2019, to increase our support, 30 tons of food were donated by means of the physical and digital platforms. One part of this amount was the result of donations made by customers, who contributed with a plate of food (equivalent to R\$ 2), in the Christmas action “*Prato de Comida Virtual*”.

Further reinforcing the partnership with the NGO *Ação da Cidadania*, Ame Digital made the “donation” feature available, allowing customers to donate any value through the app. Last year alone, the tool accounted for the donation of tens of tons of food.

# Social projects

GRI 103-1 | 103-2 | 103-3

Alinhados aos Princípios Universais do Pacto Global e Aligned with the Universal Principles of the Global Compact and the Sustainable Development Goals (SDGs) of the United Nations' (UN) 2030 Agenda, Universo Americanas has made, throughout the year of 2019, a new cycle of investments in social projects, donations and cultural sponsorships aimed at collaborating and developing a sustainable society, balancing the environmental, social and economic pillars.



## Donations

As of the main retailers in the country, we enhanced our positive impact in society by means of donations to institutions that support the social development. Learn more about the main donations in 2019 below:



We donated food on commemorative dates to the NGOs *Ação Cidadania*, *Riso* and *Sonhar Acordado* Rio, in addition to actions for the National Museum.

As for the *Campanha de Inverno*, we donated coats for the Brazilian Red Cross, in addition to spreading the word about the collection points of the initiative on TV Shoptime. The goal was to encourage, in addition to our associates, also the donation by the viewers.

We also serve other audiences with the donation of hygiene and beauty items to the NGO *Rio Solidário*, which helps women in socially vulnerable situations, and the donation of infant and geriatric diapers at *Instituto da Criança* and *Retiro dos Artistas*, respectively.

Another initiative was to make the “Donations” function available in the Ame app, allowing customers to make donations directly to registered NGOs, such as the AACD, Ação da Cidadania, Cão Sem dono, Fundação Amazonas Sustentável (FAS) and Fundação Laço Rosa. Throughout the year, Ame held several cashback campaigns as a way to encourage the initiative.



## Livros nas Praças

For six years, Universo Americanas has supported the Livros nas Praças project, which aims to make literature increasingly accessible to residents of different regions of the cities of Rio de Janeiro and São Paulo.



Contributing to SDG 4, Quality Education, and SDG 10, Reduction of Inequalities, the library-bus project provides free loans from a collection of around two thousand copies, including children's, youth and adult books.

To make it an increasingly inclusive project, books in Braille are also available for children and adults, as well as publications with an expanded font for people with low vision and audiobooks for the visually impaired.



Livros nas Praças project bus.

Also, the bus is equipped with a transfer chair, suitable for wheelchair users and elderly people with mobility difficulties. It also has a bathroom and mineral water for visitors. This year, the project circulated for 28 weeks and participated in the country's largest literary event, the XIX Book Biennial in Rio de Janeiro.

**In relation to 2018, the projected presented an increase of almost 65% in visits, totaling 100 thousand visitors to Livros nas Praças throughout the years.**





O Dia Seguinte exhibition at Cidade das Artes.



### O Dia Seguinte Exhibition

In line with our commitment to SDG 13, we sponsored the O Dia Seguinte exhibition which, in a single month, gathered over 30 thousand visitors in Cidade das Artes, in Rio de Janeiro. Through an immersive experience of the climate impacts on cities and on the day-to-day life, the visitors were encouraged to reflect on the opportunities of having a fairer and more balanced life, with sustainable and inclusive cities for all of its inhabitants.

Univero Americanas had an exclusive space with the distribution of seedlings for planting and a panel in which the visitors were able to interact and color, building their ideal city for the future.



### Todo Mundo Vai Circuit

For the sixth consecutive year, we sponsored the running and walking circuit “*Todo Mundo Vai*”, whose focus is to encourage life quality and wellbeing through physical exercises. The initiative reinforces the Company’s commitment to the 2030 Agenda, contemplating SDG 3, Health and Wellbeing.

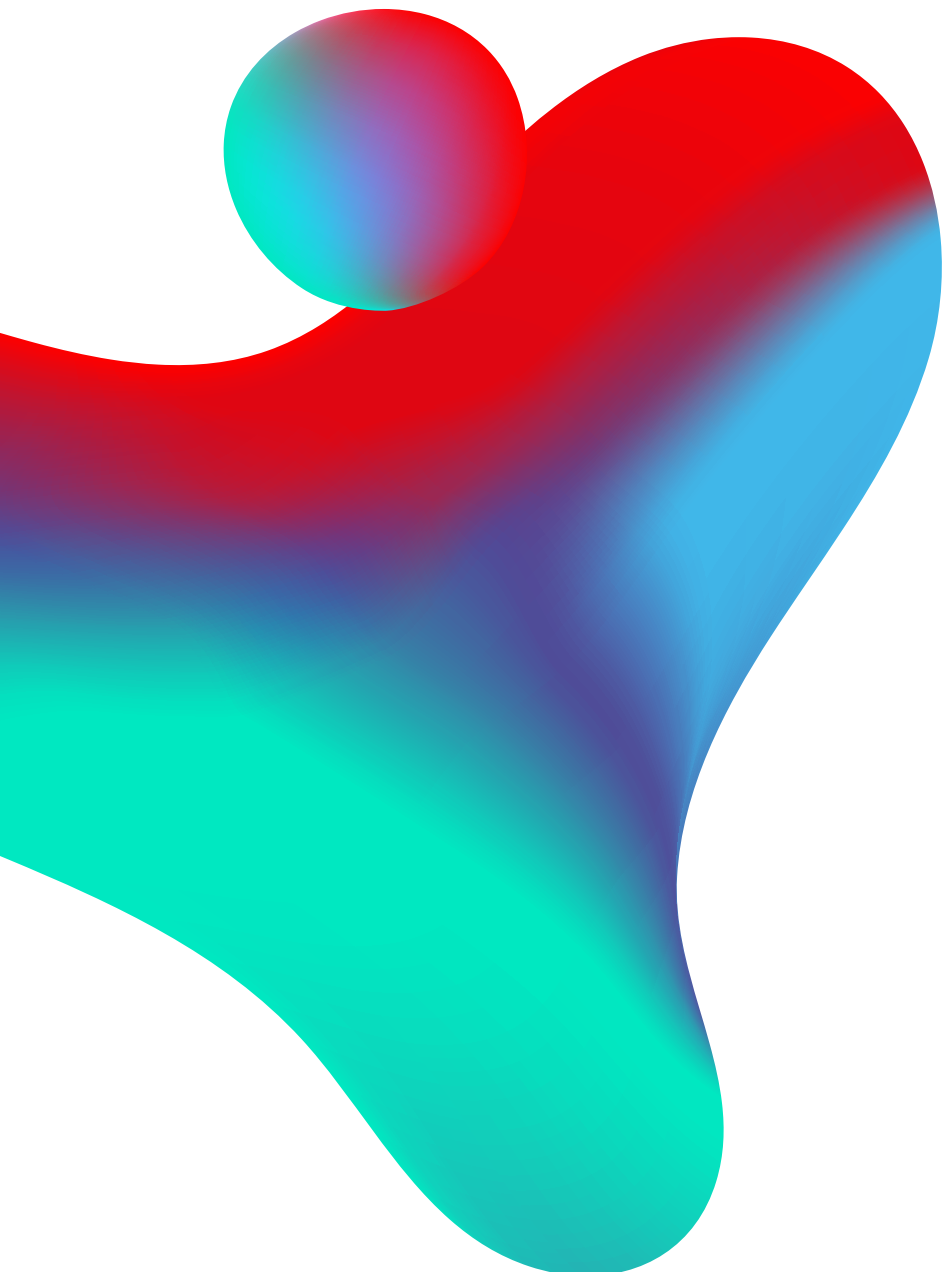
As a novelty, in 2019 the project reached five new locations - Niteroi, Brasília, Petrópolis, Porto Alegre and Búzios, in addition to the traditional stage in Rio de Janeiro. The project also relies on volunteer associates. The circuit, which occurred in celebration to the 90th anniversary of Americanas and the 20th anniversary of Americanas.com had approximately 15 thousand participants in all stages.

Contributing to an even more inclusive race, the Leven own brand promoted a volunteer action through Time Leven, in which more than 30 volunteer members participated in the stages of Rio de Janeiro, Niterói, Porto Alegre and Brasília accompanying people with disabilities that are part of the projects: *Correndo por Eles*, *Empresto Minhas Pernas*, *AEEP-DF* and *Rosto ao Vento*.



Associates volunteers from Time Leven and athletes from the *Empresto Minhas Pernas* project during the Niterói stage of the *Todo Mundo Vai* Circuit.





### Socio-Environmental Stock Exchange

Univero Americanas also maintained its support for social projects sponsored by B3 Investimento Social's Social and Environmental Exchange (BVSA). The initiatives focused on themes such as education, professional training, income generation and gender equality. In 2019, 11 projects were accelerated.



### Projeto Grael

Working in conjunction with *Instituto Rumo Náutico - Projeto Grael*, Univero Americanas has been striving, since 2016, to democratize the access to sports practice, such as sailing, for youngsters in socially vulnerable situations.



The initiative also developed the “Retail Operations” course, with the support of *Banco Nacional de Desenvolvimento Social* (BNDES) and *Senac*, to increase the employment rates among youngsters between 17 and 29 years old in socially vulnerable situations.

Over six months, the students are provided with technical qualification in retail combined with the sailing practice, valuing socio-environmental aspects inherent to the sport, such as respect to the environment, leadership, human relations and sense of civility. Volunteers also partake in the project organizing workshops.

**In 2019, 65 students were trained by the project.**



Projeto Graef students during training activity at Senac's retail laboratory.



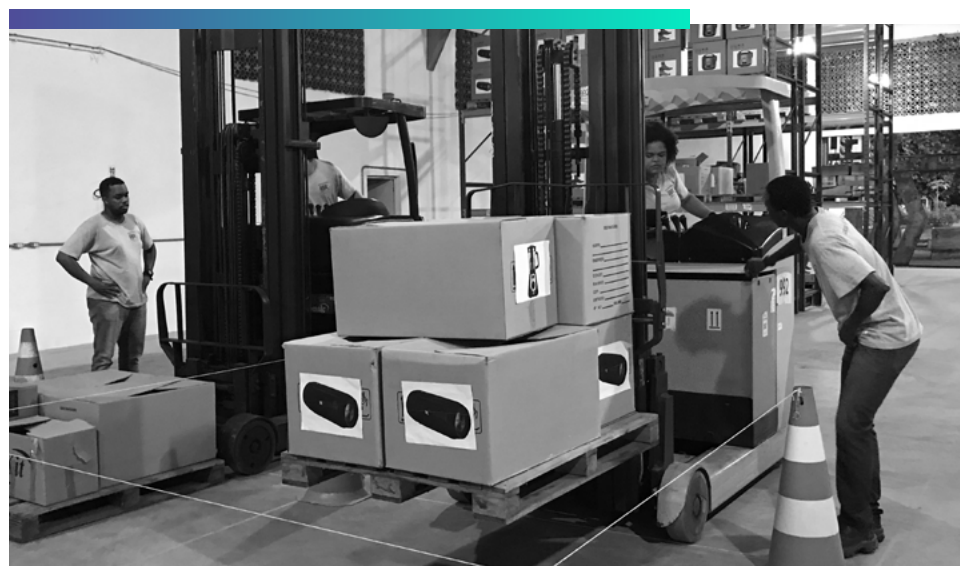
### **Galpão Aplauso**

Since 2015, the partnership between Universo Americanas and *Galpão Aplauso*, with the support of *Banco Nacional de Desenvolvimento Social* (BNDES), has developed the employment of youngsters between 17 and 29 years old in socially vulnerable situations in the port region of Rio de Janeiro. In 2019, the initiative trained over 95 students.



Over six months of course, the youngsters have the opportunity to experience the practice of activities in a mini Distribution Center, in addition to having access to contents that allow the social development by means of the humanistic formation, non-violent communication, values and virtues.

**70% of the more than 520 youngsters trained since 2015 entered the job market.**



Students of the *Galpão Aplauso* project in a hands on forklift operator class at the Mini Distribution Center.

## Fundação Amazonas Sustentável (FAS)

Honoring our commitment to the SDGs, we conducted various initiatives in conjunction with *Fundação Amazonas Sustentável* for promoting the continuous improvement in the life quality of the riverside and indigenous communities in the Amazon.



### Environmental Education and Waste Management



We are supporting the environmental education and solid waste management of FAS, in partnership with *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES). Through these educational activities

and reverse logistical structuring, we execute the collection, transportation and proper disposal of waste to cooperatives in Manaus.

Two complementary workshops were conducted with 115 people having been sensitized and over one ton of waste was collected over the year.



### Digital Inclusion and Technological Qualification



We are investing in the adaptation of nine Conservation and Sustainability Centers of FAS to bring access to connectivity, digital inclusion and technological qualification, shortening the physical distances between these communities and the large centers.

We have already concluded the implementation of five computer labs, taking the first internet access to the residents, impacting over 650 people with content and information and developing the local entrepreneurship. Our goal for 2020 is to connect people even more with the project.



Residents of the Riverside and Indigenous Communities of the Amazon accessing the internet for the first time through the computer lab.



### Promotion of Entrepreneurship



We have qualified over 70 people in professional qualification programs on topics oriented towards the interests of the local production chains, which encourage the entrepreneurship among youngsters and adults, such as Touristic Service Design, Regional Cuisine and Entrepreneurial Leadership.

The lectures have been held together with institutions aimed at entrepreneurship and the Center of Technological Education in the State of Amazonas (CETAM).



### Literacy Improvement



In partnership with FAS and the municipal offices of Education, we promoted the literacy of residents of the local communities by means of the continuous education of elementary school teachers and school managers. Overall, there are more than 50 trained teachers with two applied training.

Diagnostics are also carried out with more than 610 students, aged between four and 12 years old, for a continuous improvement of learning, social development and protection of their rights, enabling new perspectives and opportunities. Thus, based on the Statute of the Child and Adolescent, an Interdisciplinary Intervention Plan has been created, an instrument utilized by teachers contemplating students, parents and the communities.





Manual work by the Surisawa handicraft group from the Nova Esperança indigenous community, located in the Puranga Conquista Sustainable Development Reserve in the Amazon.

# JIRAU DA AMAZÔNIA



## *Jirau da Amazônia*



We created the “*Jirau da Amazônia*” marketplace in partnership with the Amazonas Sustainable Foundation (FAS), on the Americanas.com website, where artisans and entrepreneurs from traditional and indigenous populations in the countryside of Amazon may sell their products throughout Brazil having 100% of sales revenue reverted for the development of the project.

The handicrafts for sale at “*Jirau*” are composed of products that respect the sustainability concept through natural materials that value the standing forest.

The project contributes to leveraging community entrepreneurship, generating income for populations whose livelihood depends on handicrafts in communities located in Conservation Units (UC) in Amazonas. This business model practices fair and solidary trade, which respects the communities’ production capacity and the daily life of the region, promoting positive socio-environmental impacts.

Since the beginning of the project, in June 2019, there has been an exponential growth in sales and the assortment of the *Jirau* hotspot has doubled. Currently, there are more than 150 Amazon products available for purchase on the Americanas.com website.

During the year, the project had our participation in two events:

» **B2W Marketplace Summit 2019**

At B2W Marketplace Summit 2019 (learn more on page 72), entrepreneurs of the *Jirau da Amazônia* project, such as an artisan of the *Nova Esperança* indigenous community, told their stories at the “Transformative businesses: the marketplace as a tool of positive social impact” panel.

» **Brazilian Conference on Climate Change**

The *Jirau da Amazônia* project has also been presented at Brazilian Conference on Climate Change.

At the panel, B2W Digital and the artisan Joarlison spoke about how the private initiative can contribute to the conservation of the forest by means of positive social impact.

» ***Jirau da Amazônia* Exhibition**

With the end of the project’s expedition, very rich materials were collected and turned into a photographic exhibition and a documentary, both made available to the Company’s associates.

The materials show details about the communities’ history, their culture and work with crafts that generates income and transmits the values that sustain the legacy.



Exhibition about the *Jirau da Amazônia* project, so that the Company’s associates could get to know the reality of the region more closely and how the project has made a difference for the productive groups in the region.



### **DICARA project**

Americanas, in partnership with FAS (*Fundação Amazonas Sustentável*), sponsors the *DICARA* project, which is aimed at providing participation and prominence in the defense of children's and adolescents' rights in the state of Amazonas.



In 2019, the project took place in the municipality of Eirunepé, where several activities were developed with the following focuses: educommunication, youth leadership, information technology, sports, music, theater and environmental education.

Children between the ages of seven and 12 were contemplated with complementary education by local educators, who were also benefited with qualification courses. In addition, socio-educational activities were carried out with pertinent and little addressed themes in these communities, with the aim of providing guidance on issues such as sexual abuse, pregnancy, alcohol and drug use.

All the children and teenagers served by the project are also monitored by the socio-assistance service, in which house visits in the urban and rural area are made.

**Overall, around 167 children and adolescents were covered by the project in 2019, in addition to 22 educators from public schools of the 16 riverside communities, who partook in the qualification program promoted this year.**



# Environmental Management

GRI 102-15

Our environmental management follows the commitment to sustainable development, seeking to reduce impacts on the environment and the balance between social responsibility and economic development, focusing on efficiency in the consumption of natural resources, waste management and reduction, adaptation and mitigation of climate changes.

The Sustainability area manages and monitors the main environmental indicators, seeking to reduce consumption and use resources more and more efficiently, in accordance with our Sustainability Policy.

Learn more about the main initiatives and performance in managing the environmental aspects of our operation:

## Sustainability Policy

In order to formalize our commitment to sustainability, we also have a Policy in which we present the guidelines to be observed within the scope of the Company, as well as in the relationship with other stakeholders, whether customers, shareholders/investors, associates, suppliers and society.



To learn more about our Sustainability Policy, visit:  
<http://www.companhiaverde.com.br/americanas/politica-sustentabilidade>

# Climate change

GRI 103-1 | 103-2 | 103-3

## Emissions

GRI 305-1 | 305-3 | 305-4 | 305-5

The sustainability board is responsible for measuring data, reporting indicators and raising awareness among associates, acting in a multidisciplinary manner, in order to minimize the intensity of greenhouse gas emissions in the business.

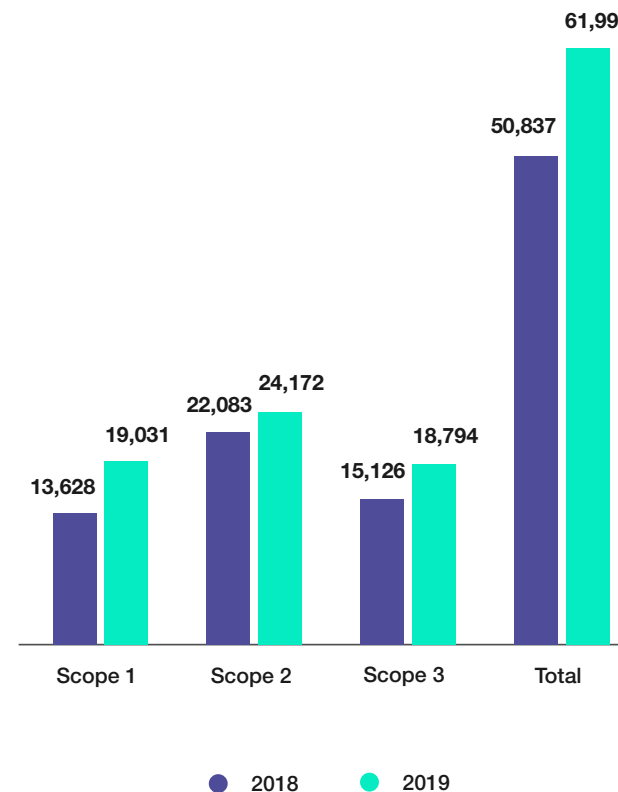
In line with our commitment to fight the climate change, for the tenth consecutive year, we carried out an greenhouse gas emissions inventory, following the guidelines of the Brazilian GHG Protocol Program.

For emissions evaluation, we monitor the indicators compiled by the Sustainability team, trained for this purpose on a monthly basis. We annually compare emissions, assessing whether the actions implemented over the period were efficient, in addition to the elaboration of an improvement action plan for the following year.

In order to reduce emissions, everyone in the Company shares the same commitment through the optimization of logistical processes and energy efficiency.

Next, we present the emission data for 2019 compared to the previous year.

Total Emissions (tCO<sub>2</sub>e)



**For the fourth consecutive year, our inventory went through external verification, which attest to the veracity and accuracy of the data, in line with our commitment to information transparency and quality.**

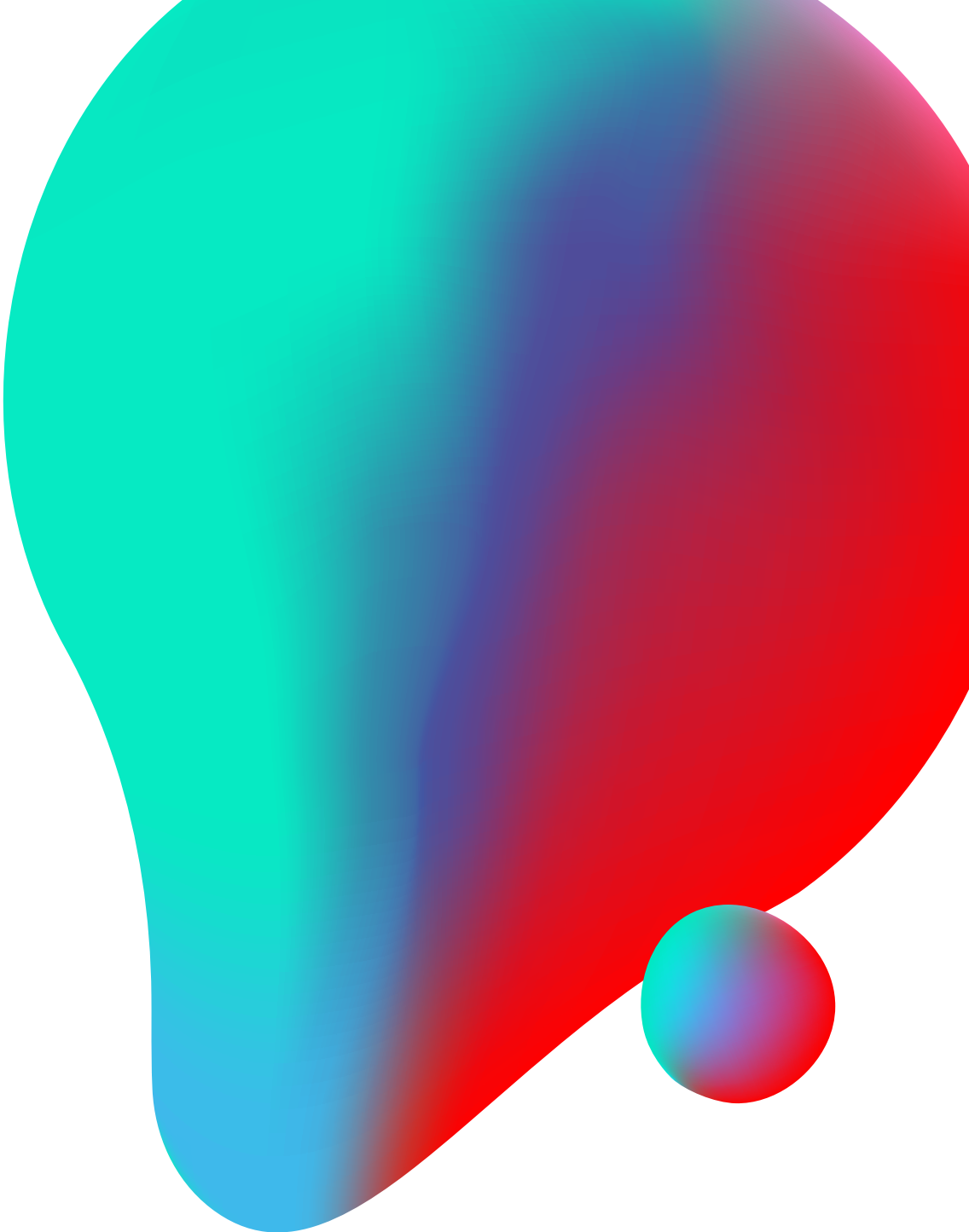
In our direct emissions (Scope 1), whose main source is the consumption of gasoline and diesel referring to the Fleet Direct, responsible for deliveries, we had an increase of 40%, due to the 141% increase in the base of sellers served at B2W Delivery, representing our commitment to the efficiency and logistics processes optimization.

In 2019, 230 new stores were opened, representing an increase of 16% over the last year. Even so, we had an increase of only 9% in energy consumption and indirect emissions (Scope 2), which demonstrates our progress with energy efficiency projects.

Regarding Scope 3, from our outsourced logistics fleet, responsible for supplying stores and business trips, in which we calculate our associates' trips by plane and car, we had an increase of 24%, mainly in line with the opening of new stores.

**Energy efficiency:**

In addition to the absolute values for Scope 1, Scope 2 and Scope 3, we also monitor the total emission value of tCO<sub>2</sub>e per net revenue, which in 2019 totaled 3.32 tCO<sub>2</sub>e/million revenue.





Amazonian Forest Region served by the REDD+ Jari-Pará Project.

## Compensation

GRI 305-1 | 305-2 | 305-3 | 305-5



As a way to contribute to SDG 13 and fight climate change, Universo Americanas offset its greenhouse gas (GHG) emissions, in relation to Scope 1 and 2 of the year of 2018, making its operations “carbon neutral”.

Overall, Universo Americanas contributed to avoid 1.4 million tCO<sub>2</sub>eq of emission per year and it will support the conservation of 1.1 million hectares in the Amazon Forest.

The offset of greenhouse gas was carried out in partnership with Biofílica, a company specialized in the conservation of forests, through the acquisition of carbon credits from REDD+ (Reducing Emissions from Deforestation and Degradation) Jari-Pará projects located in the Amazon Rainforest.

In addition to including the conservation of forest carbon stocks, the projects also provide for sustainable forest management.



To learn more about the initiative, visit: <https://www.biofilica.com.br/creditos-de-carbono/>

With these actions, the sustainability strategy of Universo Americanas aligns with the Paris Agreement, whose measures and goals become effective in 2020.

To learn more about Universo Americanas offset, visit:

<https://bit.ly/3e13hJV>  
<https://bit.ly/2AF1yeK>  
<https://bit.ly/2Zn9CuU>



## Fórum Clima

Universeo Americanas partakes in *Fórum Clima*, an *Instituto Ethos* initiative, made up by companies that believe that the business sector can contribute for the world to make the necessary transition to a low carbon economy, taking advantage of new business opportunities and significantly reducing the negative impacts of climate change.

In this movement, the Company adhered to the 2015 Open Letter to Brazil on Climate Change.

## Logistics



With the development of the Ame Flash initiative to deliver by bicycle in the cities of São Paulo and Rio de Janeiro, we reinforced our commitment to mitigating greenhouse gases and avoided the emission of more than 47 tons of CO<sub>2</sub>.

Learn more about the initiative on page 18.

## Renewable energies

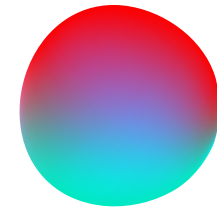
In 2019, we continued with the project to expand free market and distributed generation operations, increasing the use of renewable energy in the physical stores that are part of the project, reducing greenhouse gas emissions.

To this end, since 2016 we have been operating in the free energy market as special customers, which means that our energy is exclusively generated by sources arising from natural resources of low socio-environmental impact, such as wind, solar, biomass thermal, small hydroelectric plants (PCHs).

Additionally, since 2017 we have been using distributed generation - in which we are responsible for the energy generation that will be compensated at physical stores, that are part of the project.

We currently lease five Hydroelectric Generating Plants (CGHs) that supply stores in Rio de Janeiro, Niterói and Minas Gerais.

As a result, we have 220 stores supplied with renewable and low impact energies, which corresponds to 25% of the total consumption. We have 100 stores operating in the free market and 120 stores operating in the distributed generation modality.



## Ecoefficiency

GRI 103-1 | 103-2 | 103-3

Universo Americanas environmental management follows the commitment to sustainable development, seeking to reduce impacts on the environment, with a focus on efficiency in the consumption of natural resources, waste management and the reduction, adaptation and mitigation of climate change.

We carry out the control and monitoring of energy, water and waste indicators internally, seeking to mitigate impacts on the environment while using natural resources in an increasingly efficient manner, following the guidelines of our Sustainability and Health, Safety and Environment policy.



Find out more about our policies at:  
<http://www.companhiaverde.com.br/americanas/home>

### Constructions

B2W Digital was the first Brazilian e-commerce Company to receive the LEED - Leadership in Energy and Environmental Design seal, granted by the United States Green Building Council (GBC).

Our B2W Innovation and Technology (BIT) building received the seal, which is the main certification of sustainable construction, for having been built with sustainable premises, such as the use of recycled materials, efficient water and electrical energy systems and a bicycle stand, which encourages the sustainable transportation, mitigating the consumption of fuels and greenhouse gas emissions and the practice of physical activities by the associates.

With the ecoefficiency learnings in constructions, our headquarters in São Paulo also went through upgrades, such as the installation of CO<sub>2</sub> sensors to control the air quality in the interior of the building and the use of economic bulbs, which collaborates with the reduction of the environmental impact.



## Waste

In accordance with the social and environmental roles and responsibilities of the sustainability board, present on the Sustainability Policy, we have a duty to evolve in the Company's waste management, promoting the proper destination, such as recycling.

Our Distribution Centers (DCs), the operation stage concentrating the greatest generation of waste, and our administrative headquarters, promote the environmentally appropriate final destination of its waste, especially cardboard; the main recyclable material discarded and destined for recycling.

### **In June, we promoted a Campaign for the Environment Week, addressing themes such as the conscious use of expendable plastics and the incentive to the use of sustainable alternatives.**

The physical stores participated by offering customers a returnable bag as an alternative to the plastic bag.

Aware of our responsibility in relation to the reduction of waste production and aligned with the operation benefits, we developed the "Zero Cardboard" project. Instead of using the cardboard box which takes the items from the Distribution Centers to the stores, we started to use polypropylene containers, a polymer free of BPA, a chemical that has harmful effects on health.

These containers are resistant, durable, facilitate the movement of goods and each unit substitutes around 1.8 kg of cardboard boxes.

The first step of the project closed the year covering all the stores served by the Rio de Janeiro DC. In 2019, over 55 thousand containers have been delivered, which represents a replacement of 100 tons of cardboard.

This initiative will continue to be developed during 2020, which will allow for an extension to more stores. We also continually raise awareness among our associates to promote the correct disposal of waste, allowing for selective collection and greater disposal for recycling.

## Water

The nature of our business does not promote direct impact on this natural resource. Even so, we have adopted technology to rationalize consumption, such as flushing with lower flow activation options and taps with flow reducers and automatic closing, both at the headquarters and at the DCs.

We also raise our associates' awareness, by means of actions and campaigns, to adopt simple practices to avoid waste.



# Attachments



# GRI Content Table

GRI 102-55

## General Content

## Reference (page) / Direct Answer

» GRI 101: Foundation 2016 - Universal Standards

### Organizational Profile

102-1	Name of the organization	Page 10
102-2	Main activities, brands, products and/or services	Page 10
102-3	Headquarters location	102, Sacadura Cabral Street - Saúde. ZIPCODE: 20081-902. Rio de Janeiro - RJ.
102-4	Number of countries in which the organization operates	Page 10
102-5	Type and legal nature of ownership	Page 33
102-6	Markets served	Page 10
102-7	Size of the organization	Page 10, 41 and 49
102-8	Profile of employees and other workers	Page 49 and 50
102-9	Description of the Company's supply chain	Page 10 and 70
102-10	Main changes in the company's structure and in the supply chain during the covered period	Page 10
102-11	Explanation of if and how the organization applies the precautionary principle	It does not adopt it formally, but it relies on a robust risk management system.

<b>General Content</b>		<b>Reference (page) / Direct Answer</b>
102-12	Letters, principles or other initiatives developed externally of an economic, environmental and social nature, which the organization subscribes to or endorses	Pages 50 and 69
102-13	Main memberships in national/international defense associations and/or organizations	Page 69
<b>Strategy and analysis</b>		
102-14	Statement by the most senior decision maker on the relevance of sustainability to the organization	Page 4
102-15	Description of the main impacts, risks and opportunities	Pages 10, 38, 60, 70 and 83
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behavior of the organization, such as codes of conduct and ethics	Pages 10 and 37
102-17	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in accordance with the law, such as relationship channels (e.g. ombudsman)	Pages 37 and 38
<b>Governance</b>		
102-18	Governance structure, including committees	Page 34
102-19	Process of delegating authority over economic, environmental and social topics by the highest governance body for executives and employees	Page 35
102-25	Processes utilized by the highest governance body to prevent and manage conflicting interests	Page 38
102-29	Role played by the highest governance body in identifying and managing topics and their impacts, risks and opportunities arising from economic, environmental and social issues	Page 35
102-30	Role played by the highest governance body in analyzing the efficiency of the risk management process of the organization on economic, environmental and social topics	Page 35

## General Content

## Reference (page) / Direct Answer

### Stakeholder Engagement

102-40	List of stakeholders engaged by the organization	Customers, associates, investors, suppliers, sellers, governments, civil society, community and NGOs (interactions with Sustainability).
102-41	Percentage of employees covered by collective bargaining	100%
102-42	Base used to identify and select stakeholders for engagement	Page 67
102-43	Approach adopted by the Company to engage stakeholders and engagement frequency	Page 67
102-44	Main topics raised during the engagement of stakeholders and measures adopted by the Company to address them	Page 67

### GRI Standards Foundation 2016: Reporting Practices

102-45	List of entities included in the financial statements	<a href="https://static.lasa.com.br/upload/arquivosparadownload/00009488.pdf">https://static.lasa.com.br/upload/arquivosparadownload/00009488.pdf</a>
102-46	Process for defining the content and limit of the report	Page 67
102-47	List of material aspects identified in the process of defining the content	Page 67
102-48	Restatements of information given in previous reports, and the reasons for such restatements	There were no restatements.
102-49	Significant changes compared to previous years with regard to the list of material topics, limit of topics covered	None.
102-50	Period covered by the report	Page 7
102-51	Date of most recent previous report	2018
102-52	Reporting cycle	Annual
102-53	Contact details for questions regarding the report	<a href="mailto:sustentabilidade@lasa.com.br">sustentabilidade@lasa.com.br</a>
102-54	Reporting premises according to the GRI Standards	Page 7

## General Content

## Reference (page) / Direct Answer

102-55	Summary of GRI Content	Page 91
102-56	External verification	This reporting cycle, based on the Integrated Reporting and GRI models, relies on an external audit of SGS ICS Certificadora S.A. The financial information is audited by KPMG Auditores Independentes and PricewaterhouseCoopers and information on Atmospheric Emissions is verified by SGS ICS Certificadora S.A.

## Management approach

103-1	Explanation of material themes and their limits	Pages 32, 49, 57, 60, 66, 70, 73, 75, 84 and 88
103-2	Management on the material theme	Pages 32, 49, 57, 60, 70, 73, 75, 84 and 88
103-3	Management evolution	Pages 49, 57, 60, 70, 75, 84 and 88

## Specific Content

## Reference (page) / Direct Answer

### » GRI Standards 2016: Economic Disclosures

## Anti-corruption

205-1	Percentage and total number of operations submitted to risk assessments related to corruption and the significant risks identified	Pages 37 and 38
205-2	Communication and training in policies and procedures to fight corruption	Pages 37 and 38
205-3	Confirmed cases of corruption and measures taken	Pages 37 and 38

## Anti-competitive Behavior

206-1	Total number of lawsuits for unfair competition, anti-trust and monopoly practices and their results	Pages 37 and 38
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## Specific Content

## Reference (page) / Direct Answer

### » GRI Standards 2016: Environmental Disclosures

#### Emissions

305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	More information about our emissions can be found in the Public Emissions Registry: <a href="https://www.registropublicodeemissoes.com.br/participants/2023">https://www.registropublicodeemissoes.com.br/participants/2023</a>
305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)	
305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)	
305-4	GHG emissions intensity	Page 84
305-5	Reduction of greenhouse gas (GHG) emissions	More information about our emissions can be found in the Public Emissions Registry: <a href="https://www.registropublicodeemissoes.com.br/participantes/2023">https://www.registropublicodeemissoes.com.br/participantes/2023</a>

#### Environmental Compliance

307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	There were no significant fines or sanctions during the period.
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### » Social Disclosures

#### GRI Standards 2016: Employment

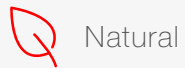
401-1	Total and rates of new employee admissions and turnover by age group, gender and region	The Companies discloses the turnover rate annually in its Reference Form: <a href="https://ri.lasa.com.br/informacoes-financeiras/relatorios-cvm?ano=2020">https://ri.lasa.com.br/informacoes-financeiras/relatorios-cvm?ano=2020</a> The turnover rate segmented by gender and by job is measured and treated internally.
401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees, discriminated by major operations	All of our associates are governed by the CLT, being entitled to practices provided by law, in addition to a wide range of benefits, whatever the positions they occupy in the Company, except for temporary ones. Among the benefits we mention: transportation ticket, life insurance, health insurance, dental assistance, meal or food vouchers in cafeterias, discounts on product purchases at Americanas and on Americanas.com, Submarino and Shoptime websites and discounts at gyms, language schools and universities.

Specific Content		Reference (page) / Direct Answer
401-3	Return to work and retention rates after maternity/paternity leave, discriminated by gender	All associates are governed by the country's consolidated labor laws (CLT), having the right to maternity / paternity leave. Return to work and retention rates are not publicly available.
<b>GRI Standards 2016: Labor/Management Relations</b>		
402-1	Minimum notice period for operational changes and whether they are specified in collective bargaining agreements	The company is in agreement with the CLT and follows the guidelines of the unions.
<b>GRI Standards 2018: Occupational Health and Safety</b>		
403-1	Occupational health and safety management system implemented	Page 60
<b>GRI Standards 2016: Training and Education</b>		
404-1	Average hours of training per year, per employee, discriminated by gender and job category	The companies only disclose the total number of hours of training and the average number of hours of training carried out by associates. The average number of hours of training carried out by associates separated by gender and functional category is treated internally.
404-2	Knowledge management and continuous learning program	Page 57
404-3	Percentage of employees receiving regular performance and career development assessments	The percentage was not calculated in 2019, due to the restructuring of the model.
<b>GRI Standards 2016: Diversity and Equal Opportunity</b>		
405-1	Diversity of employees and governance bodies, with percentages by gender, age group, minority groups and other indicators	Pages 49 and 50
407-1	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and the measures taken to support this right.	There were none.
<b>GRI Standards 2016: Child Labor</b>		
408-1	Own and supplier operations where significant risk of child labor was identified and measures taken to contribute to the abolition of child labor	None.

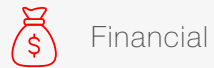
Specific Content		Reference (page) / Direct Answer
<b>GRI Standards 2016: Forced or Compulsory Labor</b>		
409-1	Own and supplier operations where a significant risk of occurrence of forced or slave-like labor was identified and the measures taken to contribute to the elimination of forced or slave-like labor	There were no significant fines or sanctions during the period.
<b>GRI Standards 2016: Supplier Social Assessment</b>		
414-1	Percentage of new suppliers selected based on human rights criteria	Page 70
<b>GRI Standards 2016: Public Policy</b>		
415-1	Total value of financial contributions to political parties and politicians discriminated by country and recipient/beneficiary.	No political donations were made.
<b>GRI Standards 2016: Marketing and Labeling</b>		
417-1	Type of information about products and services required by labeling procedures, and the percentage of products and services subject to such requirements	Page 70
417-2	Total number of cases of non-compliance with regulations and/or voluntary codes related to information and labeling of products and services, discriminated by type of result	There were no cases of non-compliance.
417-3	Total number of cases of non-compliance with regulations and/or voluntary codes related to marketing communications, including advertising, promotion and sponsorship, discriminated by type of result	There were no cases of non-compliance.
<b>GRI Standards 2016: Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	There was no record of complaints.
<b>GRI Standards 2016: Socioeconomic Compliance</b>		
419-1	Non-compliance with laws and regulations in the social and economic area.	Nothing significant was identified and eventual cases were identified and resolved in accordance with the Company's legal requirements and values.

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# Capitals Map



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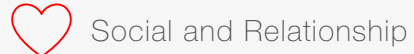
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# Assurance Letter

## **STATEMENT BY SGS ICS CERTIFICADORA LTDA. (SGS) REGARDING THE SUSTAINABILITY ACTIVITIES PROVIDED IN “SUSTAINABILITY REPORT 2019” GIVEN TO LOJAS AMERICANAS S.A.**

### **NATURE AND SCOPE OF ASSURANCE**

The SGS was hired by LOJAS AMERICANAS S.A. to carry out the third-party assurance of their Sustainability Report 2019. The assurance scope, based on assurance methodology of sustainability reports of SGS, comprises the disclosure verification under GRI standards in 2019.

The information provided in “SUSTAINABILITY REPORT 2019” and its presentation is a sole responsibility of LOJAS AMERICANAS S.A. management structure. The SGS is not involved in the preparation of any material, including the in the said report, such as risk analysis, materiality tests and other critical issues that may affect severally the LOJAS AMERICANAS S.A. business. We are liable for giving our opinion of the GRI disclosures and their texting, data, charts and statement within the assurance scope in order to keep the LOJAS AMERICANAS S.A. stakeholders informed.

The SGS Group has developed a set of assurance protocols for Sustainability Communication based on the best practices provided in GRI Sustainability Reporting Standards and the assurance standard - ISAE3000. Such protocols offer different assurance levels depending on context and capacity of organization, in this case LOJAS AMERICANAS S.A.

This report was assured considering our protocols to assess the content authenticity and its alignment with the requirements of GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and the requirements of Topic-specific Standards (GRI 200, GRI 300 and GRI 400) according to the material issues identified by LOJAS AMERICANAS S.A. through our process detailed herein. Based on this context, the “SUSTAINABILITY REPORT 2019” is considered as “Core option”.

The assurance process comprised (i) the disclosure review, information and data provided in sustainability draft; (ii) interviews with strategic employees, both to understand the report data and to understand the management process connected with the material issues and; (iii) desktop review of the documents forwarded by LOJAS AMERICANAS S.A. to SGS. The accounting information and Greenhouse gases inventory - GHG (audited by SGS in another process) concerning to “The 2018 Sustainability Report” of LOJAS AMERICANAS S.A. was not assessed as part of this assurance process. So, both pieces of information were assessed in different audit process. The “SUSTAINABILITY REPORT 2019” index was not assessed as part of this assurance process.

The team of SGS and LOJAS AMERICANAS S.A., following the recommendations of the World Health Organization (WHO) and respecting the quarantine period due to the Covid-19 pandemic, conducted the assurance process remotely

### **IMPARTIALITY AND COMPETENCE STATEMENT**

The SGS Group is global lead in inspection, analysis and verifications services, operating in more than 140 countries and rendering services that includes management system certification, audits and trainings on quality, environmental, social and ethic segments, sustainability assurance reports and greenhouse gases verification. The SGS attests your independence against LOJAS AMERICANAS S.A., stating that is exempt from interest conflict with the organization, their subsidiary and stakeholders.

The assurance team was composed according to members’ expertise, experience and competence for this activity, the team is composed of:

- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs and Environmental Management, a Lead Assessor of Greenhouse Gases (GHG), Lead auditor on RenovaBio Program.
- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs, a Lead Assessor of Greenhouse Gases (GHG), Lead auditor on RenovaBio Program.

### **ASSURANCE OPINION**

A broad assurance was ordered, and the work performed was sufficient and adequate for a solid assurance. Regarding the verification performed on methodology, process and data provided by LOJAS AMERICANAS S.A., we attest the information and data provided on disclosures of “SUSTAINABILITY REPORT 2019” are reliable and a true and accurate representation of the sustainability activities performed by LOJAS AMERICANAS S.A. in reference year 2019. The assurance team thinks the report can be used by company’s stakeholders as part of their processes of company evaluation. The organization has opted for the assurance level based on the requirements of the GRI Sustainability Reporting Standards, Essential option, according to its needs.

In our opinion, based on what was found in company units and on documents provided by LOJAS AMERICANAS S.A., the report content meets the GRI standard requirements.



## RECOMMENDATIONS, FINDINGS AND CONCLUSIONS OF ASSURANCE

The disclosures of LOJAS AMERICANAS S.A. Report, "SUSTAINABILITY REPORT 2019", is aligned with GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and with the requirements of Topic-specific Standards (GRI 200, GRI 300 and GRI 400), however, not all mandatory disclosures for the Core option are fully reported. It is important to highlight the subject matters and its limits were dully set in accordance with the Reporting Principles and indicated over the report and/or reference list.

We recognized LOJAS AMERICANAS S.A.'s commitment and efforts in releasing the Sustainability Report in based with the GRI Sustainability Reporting Standards, (Universal Standards 101, 102 and 103) and with the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400), and has the opportunity to improve in more detail the management of each material topic in the next sustainability report (Universal Standards 103). For disclosures 401-1, 401-3, 404-1, 405-1 the organization has also opted for partial reporting, as justified in the reference list.

It is important to mention that for the following disclosures 307-1, 417-2, 417-3 and 419-1 it was not possible to verify the evidence of the statements made in the "SUSTAINABILITY REPORT 2019" with the heads of the areas in view of the fact that the audit was carried out remotely due to the COVID-19 pandemic, therefore, some areas and processes were not able to meet the assurance process.

As for the contribution to the improvement in the preparation of future sustainability report and greater efficiency in the assurance process, we recommend LOJAS AMERICANAS S.A. to

1. Disclose the objectives and goals of all material topics. The report may become a major source of sustainability information for all stakeholders and support them in making decisions and raising new concerns.
2. Develop better internal dissemination and use of lessons learned from the new materiality process to mature points of contact with areas responding to the disclosures. This practice will allow an increasingly complete, accurate and transparent reporting.
3. For the reporting context, continue searching for a summarized report, without poor content. Try to highlight the important gains of the sustainability area that consolidate itself against the management and strategy every year.
4. Consider the disclosure of other disclosures not reported, but which organization has management (Health and Safety, Eco-efficiency, among others).

Finally, SGS congratulates LOJAS AMERICANAS S.A. for the initiative of carrying out the assurance of their report, for the historical commitment to sustainability and hopes that the significant advances in the issue that the company has been achieving in recent years will continue.

**May 29th, 2020**

**Executed by and on behalf of SGS**



**Fabian Peres Gonçalves**  
**Business Manager - Sustainability**



**Caio César Ferreira de Faria**  
**Lead Auditor for Sustaianbility Report**

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# Credits

## Coordination

Communication and Sustainability Board  
Investor Relations Board

## Writing, Gri Consulting, Graphic Design and Diagramation

Ricca Sustentabilidade

## Contact

[sustentabilidade@lasa.com.br](mailto:sustentabilidade@lasa.com.br)



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