



Annual and Sustainability Report 2013



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In 2013, GPA was able to consolidate its strategies and achieve good results in all its business units.

<1.1>

It is with much pride that I present the results GPA achieved in 2013. With resilience and discipline, and thanks to the engagement and commitment of its team, GPA was able to cement its strategies and obtain good results in all its businesses.

The year 2013 was marked by the conclusion of a cycle that began in 1999, with the Casino Group's first investment in GPA. We reiterate, once again, our total confidence in Brazil, with the conviction that this is a country of great opportunities. This certainty translates into plans for the future focused on growing GPA, and continuing its history of success and our commitment to the country's development.

GPA is the largest international operation of the Casino Group, which is now one of the largest retail companies in the world. We are committed to continuous pursuit of excellence in offering products and services to our customers, supported by the skill of our professionals. It is with great satisfaction that I affirm that these results were achieved thanks to the actions of our team of coworkers, who, with determination and professionalism, made it possible for GPA to overcome the challenges.

We know that 2014 will bring new challenges, but our prospects are positive. We have complete confidence in the management ability

of the Board of Executive Officers, and we have a Board of Directors that supports GPA's strategy and looks after the interests of all stakeholders. In addition, we count on and take responsibility for more than 150,000 motivated employees who are dedicated to the Company's success.

We will remain firm in following our guideline of offering more competitive prices and keeping the customer at the center of our decisions. We will continue to take actions that are appreciated and recognized by consumers, building their loyalty to our banners and reinforcing what sets us apart from the rest of the market.

Thus, with a proactive stance, we will move ahead in our mission of providing the best shopping experience for our customers and of promoting actions that reflect the values that constitute our Group's strength.

Jean-Charles Naouri
Chairman of the Board

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Aware that the quest for sustainable management is a long lasting journey, we will continue investing in dialogue and creation of value for our stakeholders.

<1.1>

Even in a challenging macroeconomic environment, GPA demonstrated the ability and agility to adapt its strategy to the directions of the market and recorded robust performance, with gains in market share in the different businesses.

Buoyed by the communion of values with the Casino Group, and its clear business vision, the excellent results booked in 2013 reflect the evolution of our management practices and ongoing corporate governance, which, besides attesting to the determination and expertise of our professionals, is a clear demonstration of our commitment to creating value for our stakeholders.

We have delivered growth with positive results in recent years, strengthening GPA as a Group poised to grow sustainably and structured for the future, which is an important differential in the retail segment.

In 2013, we strengthened our multiformat model, with a diversified albeit converging portfolio of businesses, and amplified our competitive advantages with an absolute focus on our customers' needs. We chose, definitively, doing business through multiple channels as a strategic priority. Toward this end, we developed a series of actions with a focus on integration, capturing synergies and offering creative solutions to make the shopping experience increasingly

practical, convenient and attractive for our customers. Thus, we identified opportunities that allow us to act in a coordinated fashion to offer the best buying solution, while ensuring the alignment of processes, synergistic gains, financial discipline and, consequently, lower costs.

Over the course of the year, the Company also emphasized implementing the more competitive pricing strategy in Multivarejo, principally under the Extra banner. As a consequence, we made important strides in the flow of customers in stores, and gains in market share. The strategy is undergirded by the pursuit of gains in efficiency, which have been achieved through rationalizing operating and corporate expenses.

Investment in organic growth was another important driver affording us important sales growth during the year. GPA entered new marketplaces, principally with the Assaí model; reinforced its presence in important markets, such as the Northeast, with Via Varejo; and expanded the proximity format with Minimercado Extra, in the State of São Paulo.

Among the businesses, Assaí's performance was one of the highlights of 2013. During the year, we strengthened the new model of store and invested in organic expansion by inaugurating 14 stores and entering

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into five new states, strengthening the national footprint of the banner.

As a part of our strategy of generating greater flow and attractiveness to the stores, while boosting the Company's revenue from leasing commercial space, GPA Malls added approximately 45,000 m² of gross leasable space, closing the period with a total of 288,000 m².

For Via Varejo, the year was marked by sales growth, consolidation of the process of professionalizing the business, and taking actions focused on pursuing efficiency gains. The company's profitability grew significantly as a function of the measures implemented, and greater discipline. At the end of the year, Via Varejo effected its Public Offering of Shares, an important step toward reinforcing the presence of the leading company in the durable household goods segment in the capital markets. This Public Offering also strengthened GPA's financial structure, contributing to the reduction of the net debt position at the end of 2013.

At Nova Pontocom, we adopted a strategy also focused on pursuing competitiveness and growth, with gains in efficiency, market share and a positive return as of the 2nd quarter. In addition, we launched Extra Marketplace, a new model of sales that brings together, on a single site, offerings from different stores, in various segments, and that has allowed us to increase the assortment of products we offer to our customers considerably.

With more than 150,000 employees, we are the largest private employer in Brazil's retail sector. For this reason, we will maintain our commitment to increasing the satisfaction of our people, investing in perfecting their potentials, so that we always have people that are prepared, happy and engaged with the business and its demands for growth.

Sustainability continues to be a strategic axis at GPA, all the more so, given the size and scope of our businesses. Aware that pursuing sustainable management is a long and abiding journey, we will continue to invest in dialogue and in creating value for stakeholders, working increasingly closely with our customers, without abandoning our environmental and social pursuits, while remaining aligned with the international principles we have signed on to, such as the United Nations' Global Compact.

We are aware of our responsibilities and our role as a corporate citizen, committed to maintaining balance among the economic, social and environmental aspects of our activities.

Ronaldo Iabrudi

CEO

In 2013 we consolidated our multiformat model, with a diverse and convergent business portfolio, expanding our competitive advantages with absolute focus on the needs of our clients.

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2.8 million
SQUARE METERS
OF SALES AREA

A leader in the retail segment in Brazil, with gross revenue of R\$64.4 billion in 2013, GPA is an enterprise in the Casino Group, one of the largest global retailers.¹ <2.1 and 2.8>

659 million
OF TICKETS PER THE YEAR

Founded in 1948, in São Paulo, it maintains its administrative headquarters in São Paulo and is active in 19 Brazilian states and in the Federal District. The Company closed the year with 170 thousands employees, 1,999 points of sale with an aggregate of 2.8 million square meters of sales floor, 659 million check-outs and a logistics infrastructure formed by 58 distribution centers. <2.4, 2.5, 2.7 and 2.8>

170 thousand
EMPLOYEES

With the strategy of keeping the customer at the center of its decisions and better serving them in accordance with their profiles, at all the various times of purchase, GPA is active through multiple businesses and channels, with bricks-and-mortar stores and e-commerce operations, distributed among five business units: Multivarejo, Assaí, Via Varejo, Nova Pontocom, GPA Malls. <2.6>

Business units
<2.2, 2.3 and 2.7>

Multivarejo
Which operates the supermarket, hypermarket, minimarket, fuel stations and drugstore formats with the Pão de Açúcar and Extra brands.

Assaí
Active in the self-service wholesale segment.

Via Varejo
With bricks-and-mortar stores for durable household goods under the Casas Bahia and Pontofrio banners.

Nova Pontocom
With e-commerce operations at pontofrio.com, casabahia.com.br, extra.com.br, barateiro.com, partiuviagens.com.br and eHub.com.br.

GPA Malls
Responsible for managing the real estate assets, expansion projects and inaugurating new stores.

¹ Reference Source:
<https://www.deloitte.com/assets/Dcom-Brazil/Local%20Assets/Documents/Estudos%20e%20pesquisas/Os%20Podersos%20do%20Varejo%20Global%202013.pdf>

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To offer increasing practicality and comfort to customers, GPA strengthened the one-stop-shopping concept at its stores, adding various services like drugstores, fuel stations, restaurants, galleries of stores, etc. In 2013, this positioning was reinforced with the launch of the Conviva brand, a neighborhood shopping center format where customers can combine their daily shopping, services and food needs.

GPA's shares have been listed since 1995 on the BM&FBovespa, at Corporate Governance Level 1, and since 1997 on the New York Stock Exchange (ADR level III). In 2013, Via Varejo, the company in the Group leading Brazil's retail segment for durable household goods and furniture, completed its Public Offering of Shares, joining BM&FBovespa's Corporate Governance Level 2. <2.9>

In its day-to-day activities, GPA promotes practices and actions that reflect a business model capable of leveraging the development of the communities in which it is located, considering the human, economic, social and environmental aspects.

In 2001, it signed the United Nations' Global Compact. In addition, the Group acts directly or through associations that represent the supermarket sector, such as the Associação Brasileira de Supermercados (ABRAS), the *Associação Paulista de Supermercados* (APAS), the *Federação do Comércio de Bens, Serviços e Turismo do Estado de São Paulo* (Fecomércio) and the *Instituto para Desenvolvimento do Varejo* (IDV). <4.12 and 4.13>

GPA in Brazil

- > Leads in retail food
 - > Leads in durable household goods retailing
 - > Runner up in the self-service market¹
 - > Brazil's largest private employer in the retail sector²
-

GPA by the numbers

- > Gross revenue of **R\$64.4 billion** in 2013
 - > **2.8 million** m² of sales floor
 - > **659 million** check-outs per year
 - > **170 thousands** employees
 - > **1,999** points of sale in 19 states and the Federal District
-

¹ Ranking ABAD NIELSEN 2013

² Reference Source: <http://exame.abril.com.br/negocios/empresas/melhores-e-maiores/ranking/2013/grupos/>

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With its diversified business structure, GPA is able to serve customers at all income levels, at their various buying times.

¹ Classes A, B, C and D form part of the *Instituto Brasileiro de Geografia e Estatística* – IBGE's 5-class system based on multiples of Brazil's minimum wage, as follows: Class A – more than 20 times the minimum wage; Class B – 10 to 20 times the minimum wage; Class C – 4 to 10 times the minimum wage; Class D – 2 to 4 times the minimum wage; and Class E – up to 2 times the minimum wage; where the minimum wage in 2013 was R\$678 for a 220-hour month, climbing to R\$724 in 2014.

Multiformat Structure

Business		Banner	Public ¹	% of all sales in 2013	Stores	
Food	Multivarejo	Supermarkets	Pão de Açúcar	A/B Classes	9.7	168
			Extra	B/C/D Classes	7.8	213
		Hypermarket	Extra	A/B/C/D Classes	22.4	138
		Proximity	Minimercado Extra	A/B/C/D Classes	0.7	164
		Drugstores	Extra Pão de Açúcar	A/B/C/D Classes	2.5	157
		Gas Stations	Extra Pão de Açúcar	A/B/C/D Classes		85
	Self-service wholesale	Assaí	Assaí	> Merchants > Transformers > Users > Individuals	10.6	75
	Real Estate Businesses	GPA Malls	Conviva Shoppings	A/B/C/D Classes	–	2
	Via Varejo	Specialized Store	Casas Bahia	B/C/D Classes	29.2	602
			Pontofrio	A/B/C Classes	9.5	397
Non-Foods	Nova Pontocom	e-commerce (B2C)	pontofrio.com.br	A/B/C Classes	7.5	–
			extra.com.br			
			casasbahia.com.br			
			partiuviagens.com.br			
			barateiro.com.br			
	e-commerce (B2B)	e-hub	B2B companies			
	Wholesale activities	B2B companies				

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SHAREHOLDING STRUCTURE 12/31/2013 <2.8>

Shareholders	Common shares	%	Preferred shares	%	Total	%
Casino Group	99.6	99.9	4.9	3.0	104.5	39.5
Board of Executive and Board of Directors	-	-	0.1	0.1	0.1	0.1
Shares held in treasury	-	-	0.2	0.1	0.2	0.1
Free-Float	0.1	0.1	159.5	96.8	159.6	60.3
Total	99.7	100.0	164.8	100.0	264.5	100.0

The Casino Group is GPA's main shareholder. With 39.5% of the total capital and 99.9% of the common shares, the French retail chain became the Company's sole controlling shareholder on July 2, 2012. The transaction marked the conclusion of a process that began in 1999, when the Casino Group took its first equity interest in GPA.

The Casino Group

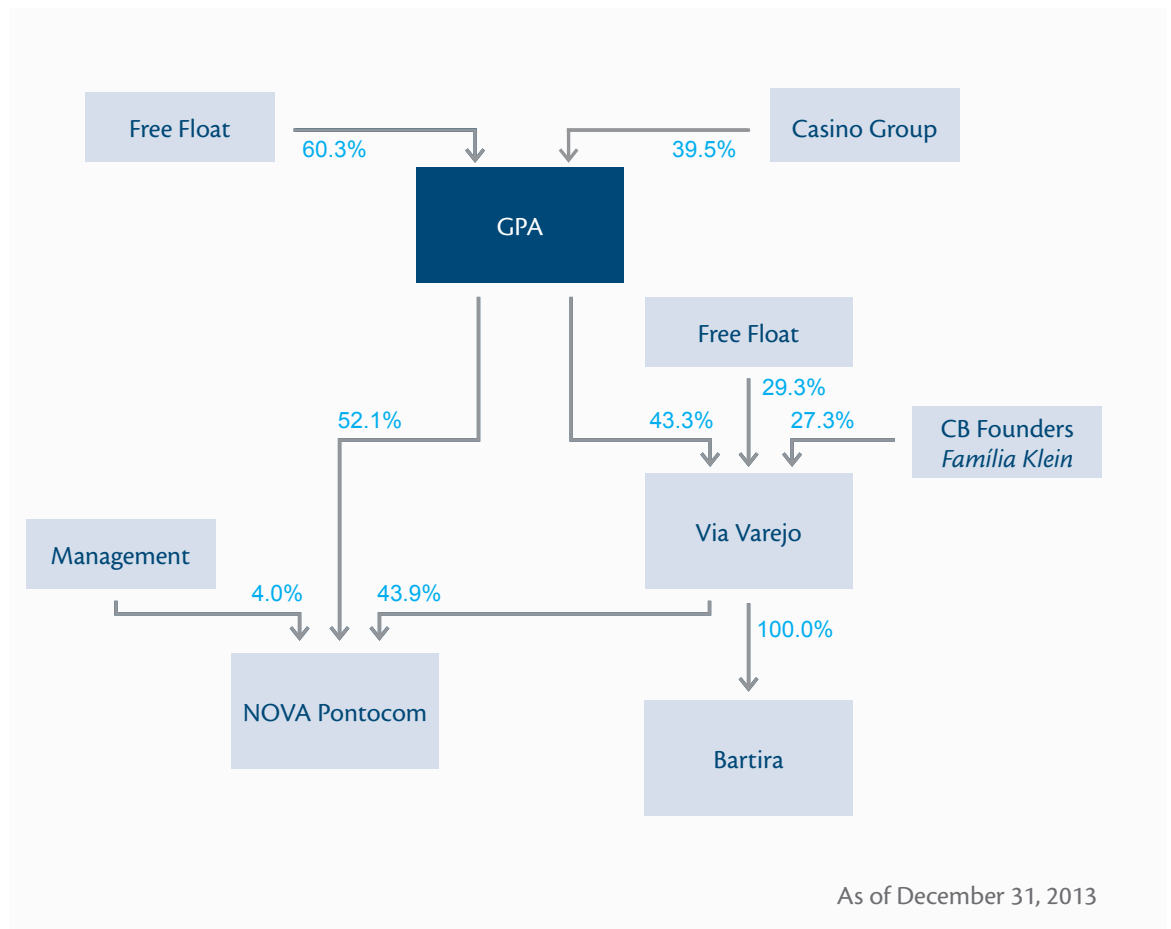
Founded in 1898 in France, the Casino Group is one of the world's leading food sellers, with annual invoicing of 48.6 billion Euros, more than 300,000 employees, and 3,500 stores in operation in several different regions: Latin America (Brazil, Argentina, Colombia and Uruguay), Southeast Asia (Thailand and Vietnam) and the Indian Ocean.

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With 43.3% of its total capital and 62.3% of the common shares, GPA is the controlling shareholder of Via Varejo, the leader of the Brazilian durable household goods and furniture market. In addition, it holds 52.1% of the capital of Nova Pontocom, the second leading company in the Brazilian e-commerce segment.

Ownership Structure



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**128
 new stores**

WERE OPENED IN 2013

7.5%

GROWTH IN GROSS
 SALES MULTIVAREJO

59 new

MINIMERCADO EXTRA STORES

**R\$ 2.845
 billion**

WAS THE PUBLIC OFFERING
 OF VIA VAREJO

- > GPA lowered operating and corporate expenses, reinvesting these gains in the competitiveness of prices.
- > The Company closed the year with 128 new stores, including 87 for GPA Food (Multivarejo and Assaí) and 41 for Via Varejo.
- > The multi-channel concept was enhanced with the dissemination of innovative actions such as the “Store Take-Out” and “Electronic Catalog.”
- > Multivarejo booked gross sales growth of 7.5% during the year, with robust gains in market share.
- > Pão de Açúcar relaxed the parameters for store formats, with smaller points of sale that make it possible to expand the brand.
- > Minimercado Extra continued to expand organically, with 59 new stores and enhanced logistical and operating efficiency.
- > Exclusive brands made gains under the Pão de Açúcar and Extra banners.
- > Assaí inaugurated 14 stores, with entry into five new states.
- > Launch of the Universidade Assaí, with five schools oriented toward training leaders and marketing teams.
- > Via Varejo completed its Public Offering of Shares, the second largest transaction in the Brazilian stock market in 2013, topping R\$2.845 billion.
- > Launch of the Via Varejo management program, with the development of goals and indicators down to the store level.
- > Nova Pontocom launched Extra Marketplace, a new sales model bringing together, on a single site, the offerings from different stores, in various segments.
- > Transformed into a business unit, GPA Malls launched the Conviva brand, with the inauguration of two neighborhood shopping centers (Rio de Janeiro and Minas Gerais).
- > Strengthening of a department of Risk Management.
- > Implementation of GPA's new Corporate Governance model, simplifying the structure to ensure greater agility and autonomy for the businesses.
- > Revision of the model for compensation and succession planning for executives.
- > Launch of the first GPA clinic in the Distribution Center for the Anhanguera Highway, in São Paulo, with capacity to attend to 4,000 employees.
- > Revitalization of the corporate brand, from *Grupo Pão de Açúcar* to GPA.
- > Partnership between the *Instituto GPA*, with the support of the Casino Group Corporate Foundation, and FGV to implement a scholarship program for promising low-income students.
- > Restructuring of the Corporate Sustainability department and creation of sustainability guidelines for all the businesses based on five commitments.

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<2.10>

> THE MOST ADMIRED COMPANIES IN BRAZIL

Carta Capital magazine

A survey of 1,300 executives. GPA won in the Supermarkets category.

> LIDE ENTREPRENEURIALISM AWARD

LIDE – Grupo de Líderes Empresariais

Pays homage to the companies and executives that have been innovative in their respective areas over the course of the last year. GPA was awarded in the Sustainable Entrepreneurship category.

> 19th ABEMD AWARD FOR DIRECT MARKETING

Associação Brasileira de Marketing Direto (Abemd)

Brazil's highest award for Direct Marketing, which awards those entered by agencies and customers with gold, silver and bronze trophies.
 > Pão de Açúcar's Fortune Cookie campaign was awarded in two categories: Campaigns/Programs (bronze trophy) and the Mail Award.
 > In the Digital/Mobile category, Pão de Açúcar's Book of Messages campaign took the gold trophy.

> TRUSTWORTHY BRANDS 2013

Seleções magazine and Ibope Inteligência

A survey of 1,500 people showing the level of trust of readers of *Seleções* magazine in relation to brands, institutions and personalities Brazilians. Extra won in the Supermarkets category.

> SOCIO-ENVIRONMENTAL RESPONSIBILITY AWARD

Câmara Municipal de São Paulo

The award pays homage to people and entities that stand out in the area of environmental technology. GPA was honored for its work since 2001 developing the Pão de Açúcar Unilever Recycling Station Program.

> THE B2C E-COMMERCE EXCELLENCE IN QUALITY AWARD

E-bit, which surveys behaviors and trends in e-commerce in Brazil

The award recognizes the best Brazilian online retailers.

- > The virtual store at *extra.com.br* received the Diamond trophy, winning Most Loved Store, by popular vote.
- > The Pão de Açúcar Delivery site received the trophy for Delivery Champion, according to the specialists.

> 3RD IBEF AWARD FOR SUSTAINABILITY

Instituto Brasileiro de Executivos de Finanças (Ibef)

Developed to orient the actuation of companies in several areas involving sustainability: environmental responsibility, social justice, economic viability, management, conflicts, governance and structure of the operation. GPA was certified in the Structure of the Operation category.

> PRÊMIO MARKETING BEST – SPECIAL EDITION 25 YEARS

Editora Referência, Mediamundomarketing and the Academia Brasileira de Marketing

The award chose the best cases of marketing over the last 25 years. GPA was among the 35 awarded in this edition.

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> THE MOST IMPORTANT IN RETAIL AWARD

Editora Padrão – Brazilian Retail Week

The award provides an overview of the most important facts in 20 segments, involving more than 400 companies. GPA took 1st place in the category for The Most Important Super- and Hypermarkets.

> 2nd CLEAN-UP AWARD

Eldorado Radio

The initiative pays homage to people, companies and institutions committed to building a better society and protecting the environment. Pão de Açúcar and Unilever won in the Corporate Citizen category, for their decade-long work together in the Recycling Station Program.

> THE BEST OF AGRIBUSINESS TROPHY

Globo Rural magazine

Selection of the 20 best companies in the agribusiness sector. GPA was 1st of The 10 Best in the Wholesale and Retail Sector.

> 5th GREAT BRANDS AWARD

Diário do Nordeste

The award pays tribute to the brands the inhabitants of Fortaleza (CE) remember most. Extra won as the Retailer Most Remembered by Fortalezans.

> TOP OF MARKETING

ADVB (Sales and Marketing Leaders Association of Brazil)

The award recognizes the successful strategies put together by companies. GPA was recognized as one of the Best Companies in Sustainability.

> TOP OF MIND – FOLHA DE S. PAULO

The Folha de S. Paulo newspaper

A wide-ranging survey of the trends in the brands consumers remember most. Extra was awarded in the Hypermarket/ Supermarket category.

> TOP OF MIND – JORNAL DE BRASÍLIA

Jornal de Brasília

The survey assesses the brands consumers remember most in 120 product and service segments. Extra was awarded in the Hypermarket/ Supermarket category.

> TOP OF MIND – RIBEIRÃO PRETO

Melhores & Cia. Group

Awarded to the brands that garner the most mentions by those interviewed in the study. Casas Bahia was awarded in the Furniture Store category.

> TOP OF MIND – SANTA CATARINA

A Notícia, of the *Grupo RBS* and the *Instituto MAPA*

Awarded to the companies and people most mentioned by consumers and executives in Santa Catarina state. Casas Bahia was awarded in the Appliance Store category.

> TOP OF MIND – SANTOS

A Tribuna newspaper in Santos

Awarded to the 40 most mentioned brands in the greater Santos metropolitan area in coastal São Paulo state. Casas Bahia was awarded in the Furniture and Appliance Store category.

> TOP OF MIND – SÃO PAULO

The Folha de S. Paulo newspaper

The survey provides an overview of the trends in the most recognized consumer brands. Casas Bahia was awarded, for the 8th consecutive year, in the Furniture and Appliance Store category.

> THE TRANSPARENCY 2013 TROPHY

ANEFAC, FIPECAFI and Serasa Experian

The award appraises the practices of transparency in companies' accounting information. GPA was among the 10 awarded in the category for Publicly-Held Companies – Invoicing above R\$5 billion.

> 6th CARIRI HIGHLIGHT TROPHY

Informativo Caririense

Homage to the professionals, companies and authorities for their work in the Cariri region. Assaí was awarded for its important work and services offered in the Cariri (CE) region.

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<4.8>

Purpose

The determination to build a better life moves us, each day, to serve and delight our customers, our people and society.

Mission

To guarantee the best buying experience for all our customers, at each of our stores.

Vision

GPA aims to expand its share of the Brazilian retail market and become the most admired company for its profitability, innovation, efficiency, sustainability and contribution to the development of Brazil.

Values

Humility

Listening with respect and interest, always being disposed to learn more and take into consideration different points of view.

Discipline

Acting with a focus on achieving objectives, and always delivering as promised.

Determination and engagement

Knowing where one wants to get and what must be done, performing all activities with great energy, always seeking to be better, with persistence.

Emotional balance

Acting calmly in all situations, with the same level of cheer and motivation.

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Our People

To continue growing as a benchmark for quality service provision, GPA believes that the success of the business is directly related to the competence, engagement and professionalism of its employees. For this reason, since 2012 it has stepped up the task of attracting and identifying the right people for the right positions, which is considered to be one of the main requirements for ensuring the high level of skill and excellence of the professionals at all the Group's companies.

With the objective of aligning the expectations of both current and new employees, GPA developed its Proposition of Value, which compiles the attributes, benefits and advantages received by employees as a return on their intellectual capital.

The "We want you to be happy here" movement represents the Group's proposition of value, maintaining the principal objective of attracting, engaging and retaining talent and putting together the team that forms "Our People."

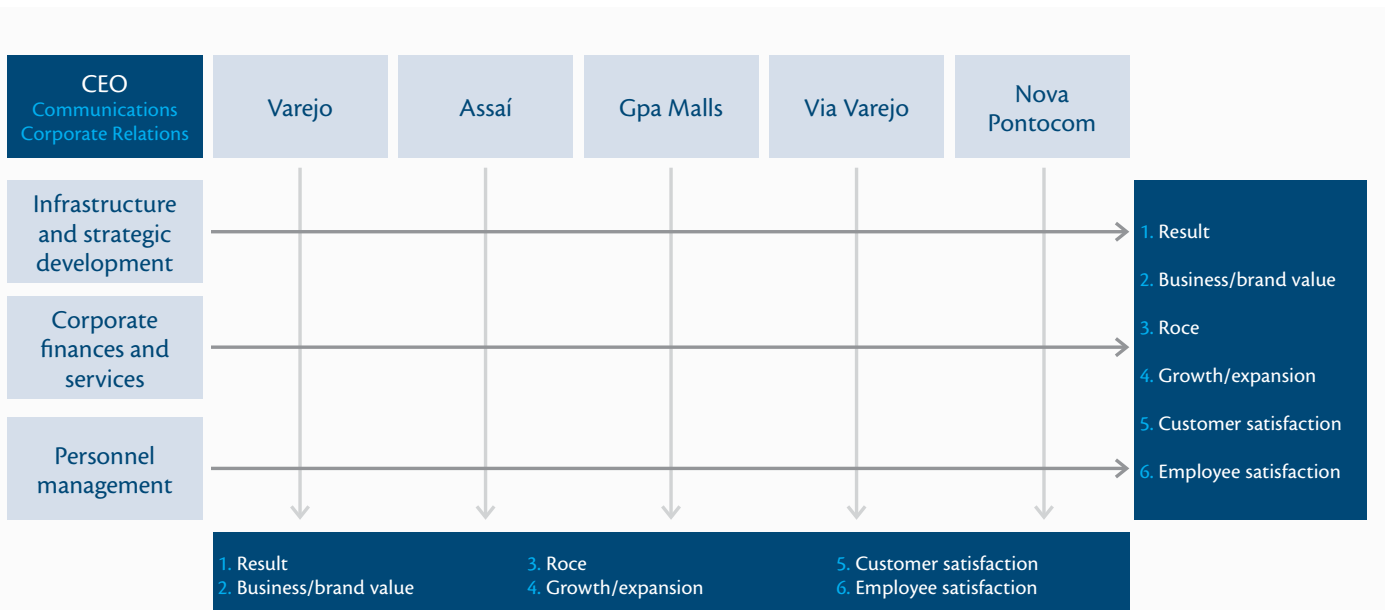
Integrated Management

To make the guidelines of its Mission and Vision a reality, and maintain the alignment with its Values, GPA relies on an integrated management matrix, which strengthens the characteristics of its multibusiness structure.

Model of Management

GPA has adopted an integrated management matrix, formed by a multibusiness structure that ensures the positioning of each business, while maintaining the corporate vision of the processes, with institutional administration in the context of the Group.

Organizational Structure



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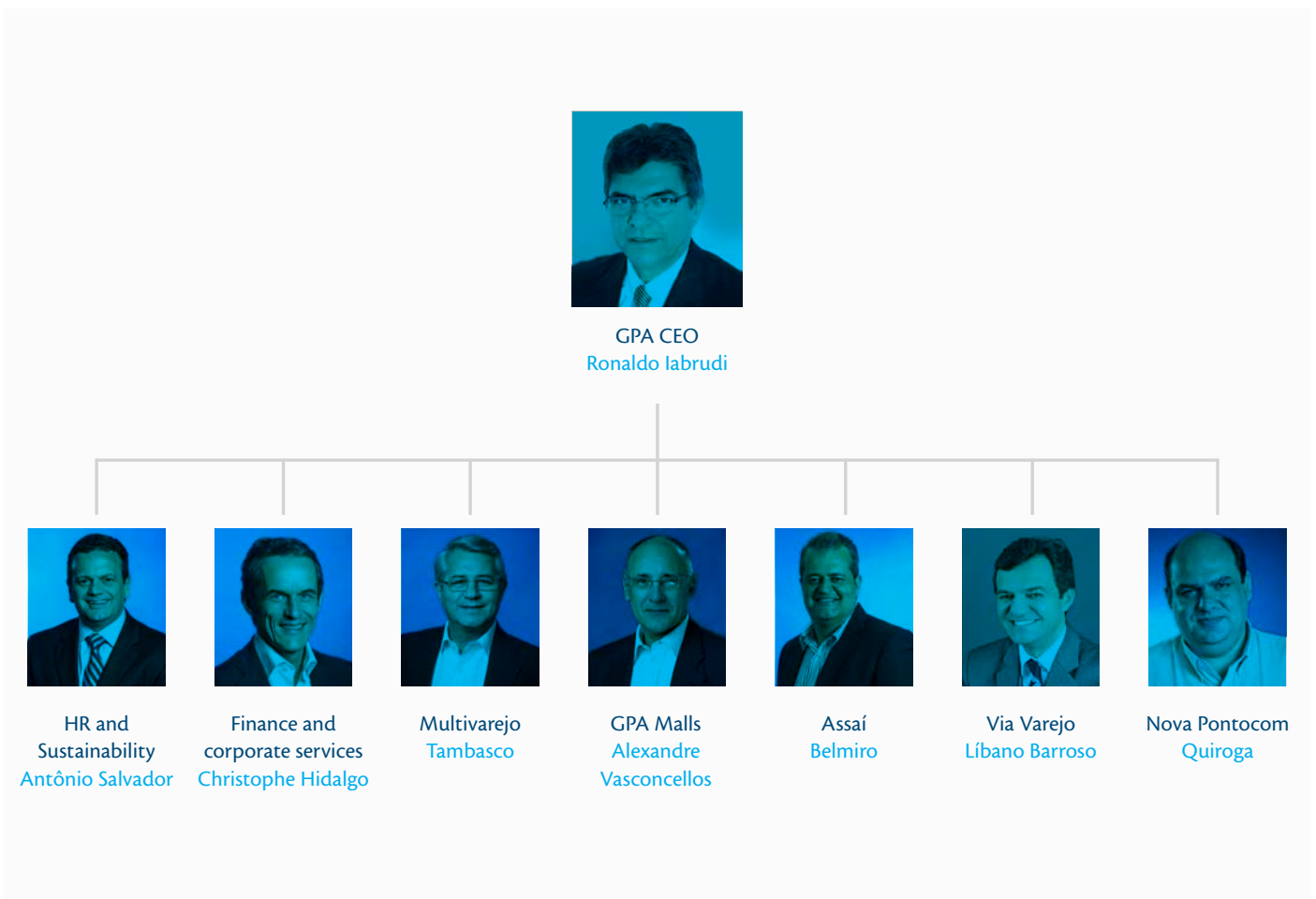
Model of Management

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With a structure composed of several businesses and activity in different regions, GPA is an agile organization, which makes decisions and follows through. Toward increasing drive and alacrity in this process, it has six performance indicators, which are valid for all executives, and which feed into the Group's variable component of compensation: result/net profit, value of the business/brand (valuation/EVA), return on capital employed (ROCE), growth and expansion, customer satisfaction and employee satisfaction.

Organization Chart



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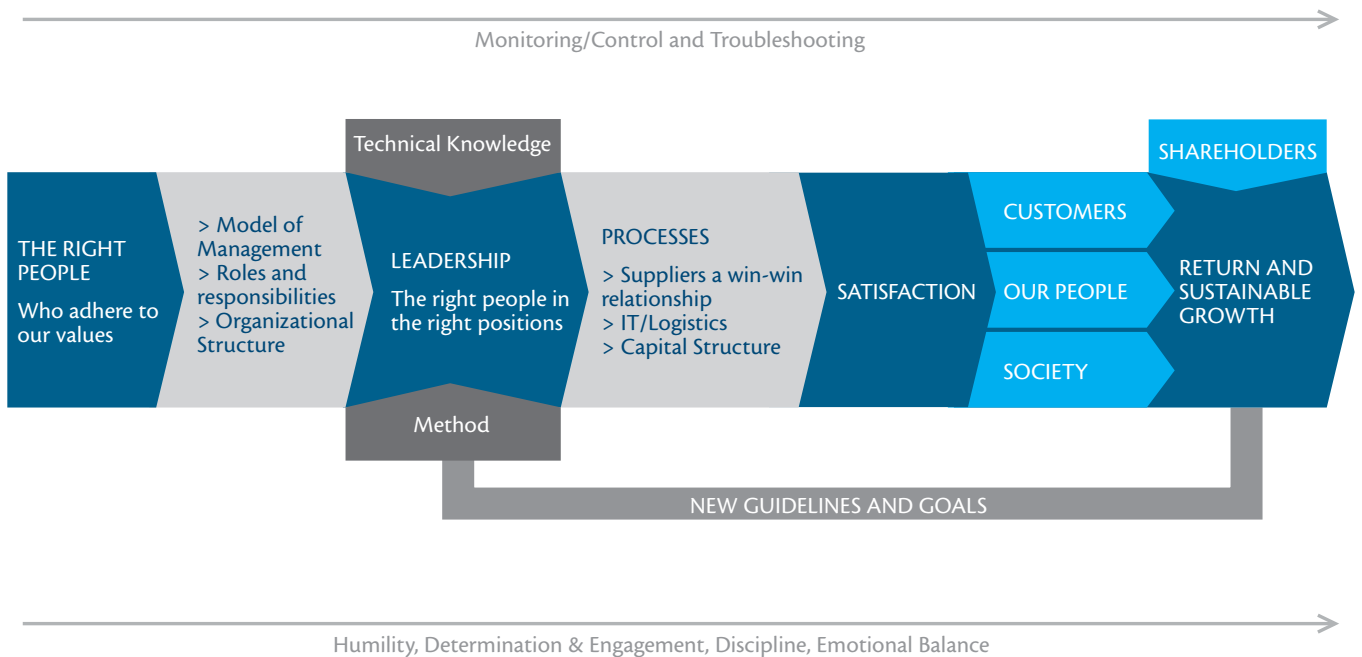
The management of the Group is also supported by a model for high performance, which indicates the skills required for each of the leadership positions, contributing to identifying and matching the executives to the posts.

This model is characterized by the appointment of people aligned with the Company's values that, with the adoption of a model of management, and of an organizational structure, result in focused leadership with the right tools: technical knowledge and method.

Other building blocks include the Group's processes to satisfy customers, employees, the society at large and, as a consequence, shareholders, which translate into the return and growth of the business. This process has a feedback loop: to attain the results and shareholder satisfaction, new guidelines and goals are established. And all this is done in a happy environment, which forms part of GPA's DNA.

Model of High Performance

GPA: PLEASURE IN SERVING, PASSION FOR DOING



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Corporate Governance

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GPA's model for corporate governance is driven by transparency in the disclosure of information, a commitment to the capital markets, and respect for shareholders and investors.

Listed on Corporate Governance Level 1 of the BM&FBovespa (Bolsa de Valores de São Paulo), the Company has adopted the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB, and follows the rules of the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM). Outside of Brazil, it is subject to the regulation of foreign companies listed in the United States, by its Securities & Exchange Commission – SEC and the New York Stock Exchange.

GPA also follows the guidelines of the Sarbanes-Oxley Act (SOX), which tries to ensure that companies maintain mechanisms for auditing and reliable controls. In addition, differentiated practices of governance beyond those required for companies listed on Corporate Governance Level 1:

- > 58% of the members of the Board of Directors are independent.
- > Five committees, the majority of which are composed by members who are external to and independent from the Company, advise the Board of Directors.
- > Dividends Policy.
- > Specific committees to discuss and resolve on compliance with the policies for Securities Trading and the Disclosure and Use of Material Information and the Guarding of Confidentiality.

Model of Governance

GPA is managed by two main bodies: the Board of Directors and the Board of Executive Officers, with established roles and responsibilities in administering the businesses. In this structure, the Board of Directors enjoys the support and advice of five committees formed by representatives of the Board of Directors and by external members specialized in their respective areas of activity. <4.1 and 4.4>

Members of the Board of Directors and the committees, including the external members, receive fixed monthly compensation, unrelated to their actual participation in meetings and adjusted annually based on market surveys and standards. <4.5>

Executive compensation is structured based on programs that monitor the achievement of the Company's pre-established goals. The evaluation of the executives follows a meritocratic model, with annual quantitative and qualitative goals, in addition to a behavioral component based on the 360° concept, which consists of a self-evaluation and evaluations by the Chief Executive Officer, subordinates and colleagues, based on the skills required by the Company and the performance expected of the position. <4.10>

The Shareholders' Meeting is the principal channel of communication between the Company's shareholders and administration. Convoked on 15 days' notice, it is a formal space for resolutions, recommendations or critiques of the Company. <4.4>

The Office of Investor Relations is another channel of communication for shareholders, who may be in contact by phone (+55 11 3886-0421) or email (gpa.ri@gpabr.com). This office promotes dialogue with shareholders, investors and market analysts, by developing a series of actions, including among others: teleconferences and publication of releases with quarterly results; investor day; presentations at public events in Brazil promoted by Brazilian and international financial institutions; etc. <4.4>

Employees, in turn, have specific channels such as the Call-for-Action (Lig-Ação), a channel for complaints about illicit acts that violate the Code of Moral Conduct, or situations involving fraud. Complaints can be made by phone during business hours (Monday through Friday, from 8 a.m. to 5:30 p.m.) or by 24-hour voice mail, at 0800-55-57-11, or by email (ligacao@multivarejo.com.br) or letter (GPA – 0800 – São Paulo – SP – CEP: 01401-999).

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Board of Directors

A collegial deliberative body responsible for the overall guidance of the businesses, the Board of Directors has 12 members, including five representatives of the controlling shareholder (the Casino Group) and seven independent directors. The members have a mandate of three years, with re-election being permitted. <4.3>

The Board's main tasks are: electing the executive officers, supervising the conduct of the business, conducting the corporate governance process, convoking Shareholders' Meetings, establishing strategies and monitoring their execution. The body is also responsible for approving the financial statements, the annual budget and investments, and the issuance of new shares pursuant to the existing stock option plan.

Meetings are held on an ordinary basis five times per year, or whenever needed. In line with the best practices of corporate governance, the chairman of the Board does not have an executive role at the Company. In 2013, there were 18 meetings, and aggregate director compensation totaled R\$6.6 million. <4.2>

Board of Executive Officers

It consists of nine market professionals specializing in their

respective areas, including one CEO, three vice-presidents and five executive officers or heads of business, all elected by the Board of Directors and having variable compensation pegged to the Company's results. In 2013, aggregate compensation of the board of executive officers was R\$43.6 million¹.

The officers are responsible for GPA's day-to-day administration, in line with the guidelines relating to managing the business established by the Board of Directors. In January of 2014, the CEO, Enéas Pestana, submitted a letter of resignation to the Board of Directors, which appointed one of its directors, Ronaldo labrudi, to assume the role.

Committees

GPA's model of governance also prizes administrative efficiency and the professionalization of its managers. In this framework, the committees, whose meetings are held with the periodicity established in each set of internal regulations, have a fundamental role in the interface between the Board of Directors and the Board of Executive Officers.

GPA has five sitting committees, which develop proposals and supply recommendations in their respective areas to the Board of Directors.

The GPA follows the guidelines of the Sarbanes-Oxley Act (SOX) to ensure the maintenance of audit mechanisms and reliable certainty in enterprises.

¹ It includes only wages.

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These committees are formed by representatives of the Board of Directors and external members, named based on the following criteria: they may not be members the Board of Directors or the Board of Executive Officers of the Group or the entities it controls; they may not be the spouses or family through the second degree of members of the Board of Directors or the Board of Executive Officers of the Group or the entities it controls; they must have knowledge and recognized experience in their respective areas; and they may not occupy positions at companies that compete with the Group and the entities it controls. <4.3 and 4.7>

statements of the Company and the entities it controls; evaluating the effectiveness and sufficiency of the structure of internal controls and the internal and independent auditing processes of the Company and the entities it controls, including in light of the dispositions of the Sarbanes-Oxley Act.

Audit Committee

Formed by three members, of whom two are external and one an independent representative of the Board of Directors, with a mandate of one year, the Audit Committee is responsible for: analyzing management's report and the financial

Audit Committee

Installed in 2013, it has a supervisory role, to ensure a tighter relationship with the Board of Directors and the adoption of procedures and controls for the effective management of the business.

Sustainability Committee <4.9>

Active since 2009, it is formed by five members, of whom one is external and others are representatives of the Board of Directors. The main tasks of the Sustainability Committee are to approve GPA's strategic guidance on sustainability, evaluate sustainable policies and practices, and promote the initiatives toward sustainability among the leadership and the Board of Directors, among others. In 2013, there were seven meetings.

implementation and realization of the annual investment plan; reviewing and recommending opportunities related to financing transactions to improve the capital structure; and reviewing cash flow. Meetings are held at least every two months. In 2013, the Finance Committee met six times.

Finance Committee

Formed by five members, including one external member and the others representing the Board of Directors. The committee is responsible for monitoring and supervising the

Corporate Governance Committee

Created in 2012, it is formed by five members, all representatives of the Board of Directors, including four independent members. Its responsibilities include, among others, ensuring the adoption of the best practices of corporate governance at the Company; and monitoring observance of the Brazilian corporate and securities laws, and the securities

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market regulators to which the Company is subject. During the year, there were eight meetings.

Human Resources and Compensation Committee

Currently consists of three members, all representatives of the Board of Directors, including two who are independent. Among other matters, it is responsible for examining candidates for becoming members of the Board of Directors and the Board of Executive Officers; reviewing and discussing the compensation of the administration and the stock option plan; proposing criteria to assess the performance of managers, as well as establishing the compensation and incentive policies; and reviewing the Company's methods of recruitment and selection. In 2013, the committee met eight times.

Fiscal Council

Formed by three sitting members and three alternates, it is responsible for supervising the acts of the administrators, analyzing the Company's financial statements, and reporting its observations to

shareholders. Installed in 2009, it should be active until its tasks are absorbed by the recently seated Audit Committee, in 2014. Under the Company's bylaws, the Fiscal Council is not a permanent body, and its installation and the election of its members has occurred annually every year since 2009.

Codes and Policies

GPA's model of corporate governance also consists of a combination of codes and policies that supply the guidelines and the procedures to be followed by all employees and other constituencies, with the objective of ensuring the sustainable practice of the Company. These documents are available for reading or downloading at www.gpari.com.br.

Policy updates

In 2013, the policies for Trading in Securities and the Disclosure and Use of Material Information and Guarding Confidentiality were reviewed and updated, with the inclusion of new control mechanisms.

A set of codes and policies ensure sustainable operations of the Company and all its employees.

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In 2013, the Group advanced in this area by reviewing and updating the Policy for the Disclosure and Use of Material Information and Guarding Confidentiality, which establishes rules for the disclosure and confidentiality of material information, and the Policy for Trading in Securities, which establishes the procedures to be followed in any trading of securities issued by the Company or referenced to them, to guarantee the adoption of good practices and avoid the improper use of confidential information.

The two policies were aligned to GPA's model of governance, with the inclusion of innovations such as the creation of specific committees responsible for monitoring the execution of each policy. Constituted by the CEO, the vice-president for Finance, the Corporate Communications officer, the Legal officer and the Investor Relations officer, these committees work with the Corporate Governance Committee to reinforce the control mechanisms and standardize the disclosure of information to the market. Committee meetings are held whenever needed.

GPA's Code of Moral Conduct was relaunched in 2011, and guides the ethical principles and standards that should orient the internal and external relationships of its employees with the company, customers, suppliers, competitors and the public in general. <4.8>

All the business units and companies are submitted to an assessment of risks relating to corruption. <SO2>

At GPA, 0.3% of managers and 36% of the other employees received training relating to corruption in 2013. At Via Varejo, 27.2% of the employees received training with a focus on corruption. The company prepares e-learning on the Code of Conduct for all employees. In addition, 23,983 employees participated in intake training, which deals with, among other matters, GPA's Code of Moral Conduct. The goal for intake training is to cover all new employees. At Nova Pontocom, 100% of employees hired at all levels in 2013 underwent intake

processes. At Assaí, all employees hired in 2013 participated in the Intake Program, which includes GPA's code of ethical conduct. The goal for 2014 is to raise consciousness through training and talks on ethics and integrity among 100% of the employees in the Marketing department and train the entire leadership cadre (managers of stores and offices) on concepts and behaviors in relation to ethics and integrity in managing the business. <SO3>

In 2013, training on the code of ethical conduct, the workday, respect for workers' rights and legal processes for personnel management were reported, totaling 42,578 hours of training for 65% of employees. At Via Varejo, 27.2% of the employees participated in 17,674 hours of trainings on policies and procedures in connection with the Code of Conduct. Employees at Assaí, due to its strong expansion in 2013 and the consequent increase in the staff, accounted for a larger percentage of the participants in attendance at trainings on human rights. As a goal, Assaí will try to implement programs and processes that permit better handling of human rights and diversity and train the leadership on the processes of managing people and dealing with human rights. In the other businesses, there is currently no training on the topic of human rights. <HR3>

External Auditing

In compliance with the standards of the CVM (*Comissão de Valores Mobiliários*), GPA has adopted a system to rotate independent auditors every five years. The Financial Statements as of and for the year ended December 31, 2013 were audited by Deloitte Touche Tohmatsu Auditores Independentes.

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Risk Management

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In 2013, GPA initiated the construction of a corporate platform to manage risks. Management of this process is under the responsibility of the recently created Department of Risks, operating on the basis of a risk methodology and gradual alignment with the Group's Strategic Planning.

The risks – financial, operational, strategic, regulatory, etc. – have been being mapped, analyzed and prioritized by category, in accordance with the degree of criticality and impact on costs and operations, considering too their economic, social and environmental aspects.

The phase for weighing risks is being finalized in 2014. These risks will then be analyzed using a routine of periodic monitoring for all the mapped items, together with their respective managers, with a focus on the following principal aspects:

- > Standardization of the information collected.
- > Group discussion of critical risks (with the participation of the Board of Executive Officers and each business).
- > Preparation of plans of action specific to the risks of each business.
- > Reinforcement of the training of the professionals involved with the matter.
- > Inclusion of the matter on the Group's agenda, as a permanent item on the docket of all the main Committees, as the basis for the internal auditing plan and as an integral part of the strategic planning process.

An effort will then be made to harmonize all the businesses, to exploit synergies in certain procedures and actions. Indicators will also be developed, using an automated management system.

The corporate risk management platform will help the company to map, monitor and analyze periodically all mapped risks.

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GPA has substantial soft capital, represented by attributes that regularly set the business apart and contribute to the baseline reliability needed for the Company to grow and expand its operations.

Exclusive Brands

A fundamental element of identity, exclusive brands predicate the assurance and exclusivity of GPA and, thus, prove to be an important competitive edge, reinforcing the Company's image and increasing the profitability of retail food sales, in addition to building loyalty among customers of the Extra and Pão de Açúcar chains.

The performance in 2013 reinforced this positioning: the relative participation of exclusive brands increased 200 basis points, to 8% of Multivarejo sales. Among the factors that contributed to this historic performance, the following stand out:

- > Relaunch of the Taeq brand, with innovation in products, aligning presentation with the positioning of being a healthy brand, relaunching the brand concept (from "life in balance" to "take charge of your life," as more in line with consumer tendencies), and new packaging.

- > Strengthened processes in the Casino brand, with work in partnership and detailed management of the portfolio, inventory, pricing and communication of the gourmet positioning of the brand. As a result, the products recorded double-digit sales growth during the year, with economies of scale.
- > Launch of the Finlandek brand, focused on bed, bath and kitchen products, which exceeded the sales targets for 2013.
- > Build-out of the smart choice positioning (chasing the brand leader, with lower prices) for the Qualitá brand, with more than 100 innovations and relaunches, in addition to a new communications campaign focused on the cost-benefit analysis and a new promotional campaign called "Great Offers."
- > Expanded portfolio of the *Club des Sommeliers* brand of wines, with the inclusion of lighter and more affordable products, in addition to items with greater value added, which contribute to strengthening its positioning as the biggest brand of wines of Brazil (by nationality and number of labels).

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Logistical Efficiency

With capacity to support the Group's growth and handle foreseeable demand throughout the supply chain, and suit the product mix to each cluster and business, logistics are a fundamental part of GPA's operations.

Over the course of the year, actions were taken to capture logistical synergies among the businesses, such as beginning to share distribution centers for bricks-and-mortar stores and e-commerce, ensuring increased productivity and reduced operating costs, and contributing to financing the level of competitiveness in pricing.

Highlights included the Minimercado Extra's initiatives to strengthen the concept of the advanced logistics unit, which funnels store supply through a hypermarket acting as a focal point for distributing merchandise. This strategy afforded more efficiency and agility, with lower costs in supplying the units.

At Nova Pontocom and Via Varejo, the challenge was integration, in pursuing logistical and operating synergies. Toward this end, one distribution center was inaugurated in Camaçari (BA), and another was built in Contagem (MG), with inauguration anticipated for 2014, both being shared by the two businesses. Nova Pontocom also consolidated three distribution centers into one in São Paulo, with the objective of improving the level of customer service, reducing delivery times and increasing operating efficiency.

FIC

For the very characteristics of the business, with two sizable partners (GPA and Itaú Unibanco) that contribute technology and expertise in their respective areas of activity (retail and financial services), FIC is another important distinguishing feature of the Group, with the capacity to attract and retain customers, and significant potential for growth going forward.

In 2013, FIC continued working to enhance efficiency in its product lines, maintain suitable control of

arrearages, with better discrimination and concession of credit.

This positioning contributed to the results for the year, which beat the performance in 2012, reinforced by maintaining the revenues and controlling the expenses of the operation.

In joint effort with GPA's Marketing department, FIC developed a series of initiatives to offer ever more tangible benefits that customers notice. Among these, the following stand out:

Rebuild of the FIC sales force at Pontofrio – the sales force was completely overhauled, involving the hiring of 1,200 people from August through November, representing an increase of 300% in the number of employees. Robust results were achieved in 2013: 100% coverage of the stores, and an increase in the penetration of FIC cards in Pontofrio sales, from 9% to 13%.

New benefits for Extra cards – At Multivarejo, the highlight was the implementation of new offers through Extra cards, sustained by offering customers more discounts and benefits. Marketing actions were undertaken to build the visibility of the benefits offered, and encourage customer use of the cards (on Extra Wednesdays, cardholders get a 12% discount on fruits, legumes and vegetables). In addition, the number of products with a discount for card purchases increased from 50 to 400 during the year.

Remodeling of the Pão de Açúcar card – The remodeling of the Pão de Açúcar card was approved during the year, to transform it into a more attractive product, with a series of benefits for customers, with implementation slated for the second half of 2014.

Building on this performance, FIC began 2014 with notable distinguishing benefits, and maintains strict control of defaults and costs, with positive expectations for sales growth over 2013, both in Retail Food and at Pontofrio.

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Competitive Differentials

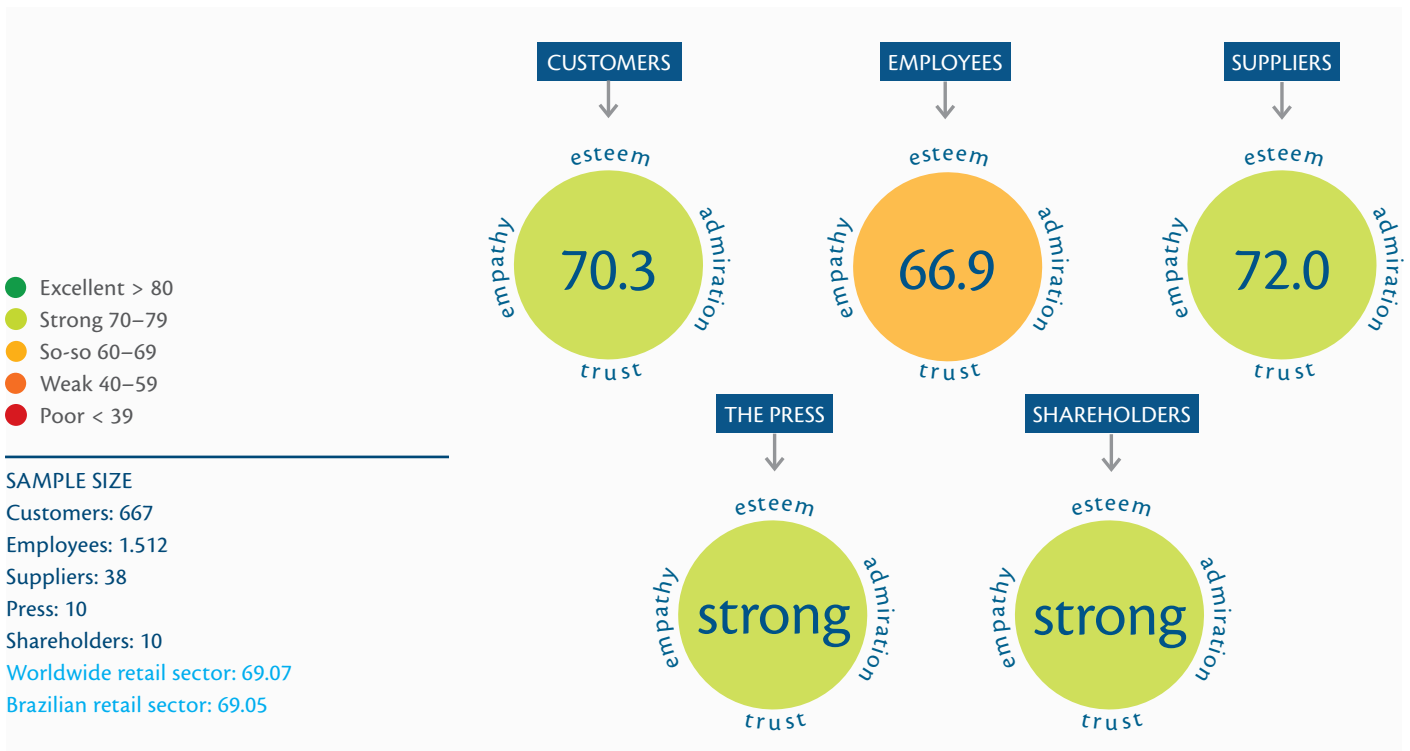
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Corporate Reputation <4.16>

In 2013, GPA's Corporate Communications department was formed to build and strengthen the reputation of the Group and its businesses among the various stakeholders.

Managing intangible assets falls within the scope of this positioning. Internal

and external surveys track these assets, highlighted by a diagnostic survey conducted by the Reputation Institute, which noted the principal drivers of GPA's reputation amongst its stakeholders: customers, employees, investors, the press and suppliers. The grading of the company's reputation is strong among all the stakeholders surveyed, as is shown below:



These indicators materialized as a reputational platform, which includes actions for internal and external constituencies, based on the following pillars:

- > Capable of serving the client in all business units and departments
- > A large group with a multi business strategy
- > Attractive and desired company to work
- > Differentiated through sustainability practices
- > Ethic and transparent in every single relation
- > Excellent in corporate governance

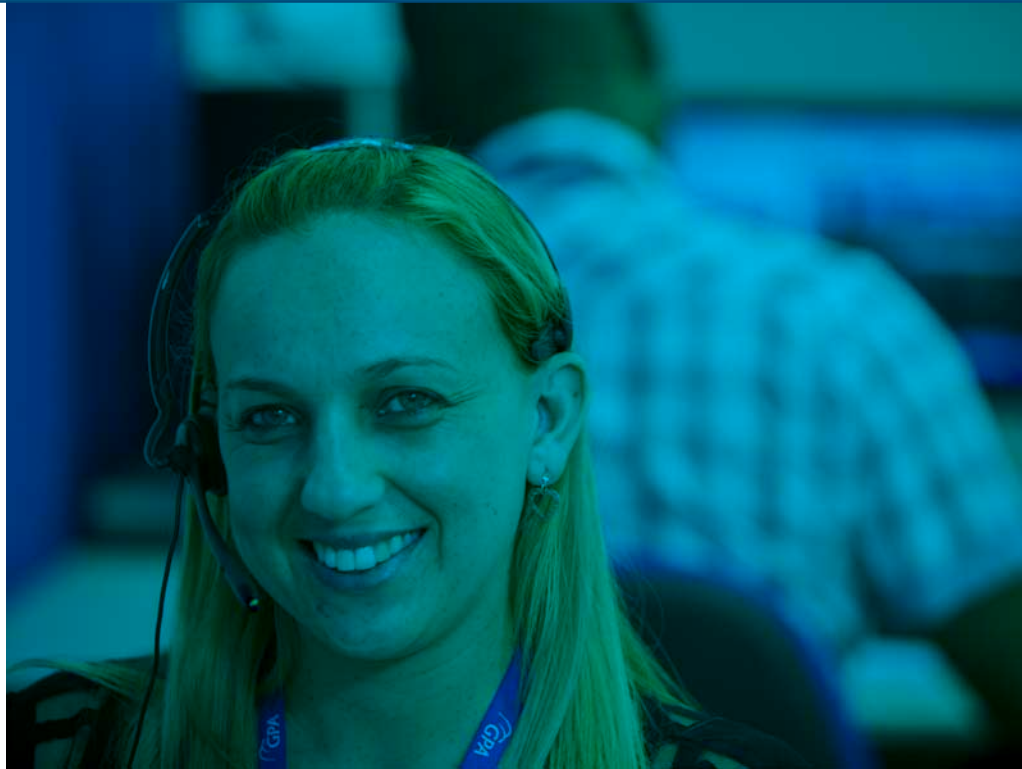
During the year, various actions were developed in line with this model, highlighted by the:

- > Creation of the GPA purpose: "The determination to build a better life moves us, each day, to serve and delight our customers, our people and society.
- > Revitalization of the brand, from "Grupo Pão de Açúcar" to "GPA," which afforded the evolution of the corporate brand, now capable of representing all the Company's business models with a single symbol.
- > Integration and exchange of best practices with Casino through internal channels of communication and forums.

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< 4.14, 4.15, 4.16 and 4.17 >

Employees

Forms of relationships and contact channels

- > The Call-for-Action (*Lig-Ação*) complaints and whistle-blowing channel (Multivarejo, Assaí, Nova Pontocom and Corporate)
- > Executive forum
- > Coffee with the president
- > Intranet
- VIA VAREJO – CASAS BAHIA AND PONTO FRIO
- > Ombudsman
- > Complaints Channel: 0800-774-3000
- > Email: ouvidoria@viavarejo.com.br, by letter (São Caetano do Sul, rua João Pessoa nº 83 / SP - zip code: 09520-010)

Corporate Sustainability
sustentabilidade@gpabr.com

Main results and initiatives in response to these demands

- > To align employee expectations, the “We want you to be happy here” pitch was created, where the primary goal is to attract, engage and retain talent.
- > Attend and listen to all our employees, to try to handle all complaints with dedication, thinking of our people in a respectful way, so that all employees are able to perform well and work in an excellent organizational climate with sustainable results in a practical and simple way, with an eye on Our Cause.

The basis for identifying stakeholders took into consideration the size of the constituency and the relationship with issues relevant to the Company’s sustainability.

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Costumers/Consumers

Forms of relationships and contact channels

MULTIVAREJO – PÃO DE AÇÚCAR, EXTRA AND ASSAÍ

- > Casa do Cliente

VIA VAREJO – CASAS BAHIA AND PONTO FRIO

1/Operational intelligence Department:

- > Casas Bahia Customer Service (Phone line: 3003-8889)
- > 3,639,270 served
- > Chat Casas Bahia: (Institutional website)
- > 20,438 served
- > Pontofrio Customer Service (Phone line: 4002-3388)
- > 920,290 served
- > Chat Pontofrio (Institutional website)
- > 71,842 uses

2/ Ombudsman

- > Complaints Channel: 0800-774-3000
- > Email: ouvidoria@viavarejo.com.br, by letter (São Caetano do Sul, rua João Pessoa nº 83 / SP - zip code: 09520-010)

Main results and initiatives in response to these demands

- > 90% customer satisfaction with the retail food brands, services and products.
- > Attend and listen to all our clients to deal with any complaints with dedication so that we can realize their dreams, attaining sustainable results in a practical and simple way, with an eye on Our Cause.

Community/Society

Forms of relationships and contact channels

> EXTERNAL COMMUNICATIONS DEPARTMENT

> CORPORATE RELATIONS DEPARTMENT

VIA VAREJO – CASAS BAHIA AND PONTO FRIO

1/ Institutional and external communication department

- > imprensa@viavarejo.com.br
- 55 11 4225 6323

2/ Ombudsman

- > Channel Denunciation: 0800-774-3000
- > Email: ouvidoria@viavarejo.com.br, for letter (São Caetano do Sul, rua João Pessoa nº 83 / SP - zip code: 09520-010)

Corporate Sustainability:
sustentabilidade@gpabr.com

Main results and initiatives in response to these demands

- > Relationships with the press, management of the corporate reputation and brand.
- > Work with entities, NGOs, professional associations, institutes and other associations, in formulating sectoral accords and suggesting and changing Public Policies.
- > Anticipating movements and trends that impact the business and defending the company's interests within the principles of the Group's code of ethics and values.
- > Attending and listen to a society to deal with any denunciation with dedication, and sense of responsibility in the communities reaching sustainable results in a practical and simple way to respect Our Cause.

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Suppliers

Forms of relationships and contact channels

VIA VAREJO – CASAS BAHIA AND PONTO FRIO

1/ Ombudsman

> Complaints Channel: 0800-774-3000,
 > Email: ouvidoria@viavarejo.com.br,
 by letter (São Caetano do Sul, rua João Pessoa nº 83 / SP - zip code: 09520-010)

Main results and initiatives in response to these demands

> Attend and listen to all our suppliers, to deal with all complaints with dedication, maintaining good relationships, seeking sustainable results that contribute to the perpetuation of Via Varejo in a practical and simple way, with an eye on Our Cause.

Shareholders/Investors

Forms of relationships and contact channels

Investor Relations Department
 > GPAPhone: + 55 11 3886-0421
 Fax:+55113884-2677 gpa.ri@gpabr.com
www.gpari.com.br
 > Via Varejo
 Phone + 55 11 4225-9516
 Fax:+ 55 11 4225-9596
ri@viavarejo.com.br
www.viavarejo.com.br/ri

Main results and initiatives in response to these demands

> Provide the Group's financial, operational and strategic information to the Financial Markets, seeking to add value to this constituency, and that allows the assessment of the shares at a fair market value.

90%

CUSTOMER SATISFACTION RATING IN FOOD RETAILING

3,639,270

ATTENDANCES AT CONSUMER CARE CENTER AT CASAS BAHIA

920,290

ATTENDANCES AT CARE SERVICE CONSUMER PONTO FRIO

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The knowledge gained in years of relation with the customers is one of the main intangible assets GPA.

Knowledge of the Consumer

In an age in which consumption patterns have become sophisticated and the consumer is increasingly active, with ease of access to technologies and knowledge, the levels of demand are higher and, largely, require multiple responses.

The knowledge GPA has acquired over the years in relation to its customers, whether through market surveys or internal studies, is an important intangible asset that permits an outstanding position in the retail segment, which has traditionally been marked by a more empirical and less analytic approach.

Customers are the main source of relationships, the generation of value and results, in addition to being half of the equation for the company's reputation (credibility and image). In line with this positioning, the Group has prepared itself so that the businesses make their decisions centered on the customers, understanding that they are the fundamental asset and real source of its growth.

To reinforce this relationship, GPA tries to interact with excellence over the entire life cycle of each customer, respecting particularities, and generating more value for the different businesses, brands and banners. Toward this end, the Group works at each model by offering the most suitable assortment, service, convenience and price in accordance with the pitch for each business, trying to maximize the preference and satisfaction of each client and the results and reputation of the companies.



BOLDNESS THAT INSPIRES

Strategic Approach

Strategic Approach
 GPA Businesses
 Economic and Financial Performance
 Investments
 Capital Markets
 Prospects



To ensure the development of the business while creating value for shareholders, commercial partners and employees, GPA's strategic approach is focused on four main axes:

- > Growth
- > Operational excellence
- > Innovation and sustainability
- > People and management

This orientation is established based on an analysis of macroeconomic data and ongoing market studies, which make it possible to assess the current environment, identify market opportunities, understand the real needs and aspirations of consumers and, thus, develop more specific and bolder strategic actions.

Strategic Drivers 2013 <1.2>

- > Maximum diligence in investments – priority for legal compliance, maintenance of the assets and expansion.
 - > Focus on efficiency gains and structured cost reduction, as a basis for improving market competitiveness.
 - > Gains in market share at all the businesses, based on improving the competitiveness of pricing and increasing customer flow and loyalty.
 - > Strengthening the multiple channel nature of the businesses and the synergies among them.
-

BOLDNESS THAT INSPIRES

Strategic Approach

Strategic Approach

GPA Businesses
 Economic and Financial Performance
 Investments
 Capital Markets
 Prospects

Competitiveness

The positive environment at the end of 2012 gave way to more challenges in 2013. As such, the word of the year was competitiveness, to increase the flow of customers in the stores and, thus, win gains in market share.

With initiatives to optimize expenses toward gains in efficiency at all the businesses, the fruits were reinvested in the competitiveness of prices, principally at retail food, with a structured movement to reduce prices throughout the mix (notable, monitorable and, for the first time, in the other products that make up the mix), generating positive perceptions among consumers.

The investment in organic growth also was an important strategic driver during the year, which allowed GPA to enter into new marketplaces, principally with Assaf's self-service wholesale format, and expand Minimercado Extra's proximity format in the city of São Paulo.

As a result, the Group was able, notwithstanding the harsher environment, to meet the challenges and attain gains in efficiency, broadening its footprint in various regions of the country and capturing market share in the different businesses.

The multi-channel approach

Beyond making good on its strategy of gains through competitiveness, GPA in 2013 definitively reinforced its multi-channel approach as a strategic priority for the Company's sustainable growth.

During the year, it took a series of actions toward integrating the businesses, pursuing synergies and creative solutions to make consumer's shopping experiences increasingly practical and convenient.

The results attained during the year reflect the boldness of the strategies that were adopted and positioned GPA as a pioneer of the multi-channel approach in Brazil, with consistent and growing results.

Another initiative was the formation of an executive office oriented toward consolidating the multi-channel concept among the Group's different businesses, strengthening synergies, profitability and the benefits for customers, with cross-cutting actions in four areas: Marketing; Logistics; Information Technology and Strategic Planning.

In addition to making it possible to capture synergies at each business, the goal is to pursue Group-wide gains in operating efficiency, which permit funding the implementation of an aggressive growth strategy, based on a series of initiatives:

- > Combined procurement with economies of scale.
- > Shared logistics assets and infrastructure.
- > Integrated marketing.
- > Dissemination of innovative actions such as the "Store Take-Out" and "Electronic Catalog," facilitating consumer access to the products marketed through the Group's different formats.

Strategic Vision

To be the largest and best distribution group in Brazil, generating growth, higher asset values and above-average returns for our shareholders, and sustaining results through satisfying our customers, our people and society.

BOLDNESS THAT INSPIRES

Strategic Approach

- Strategic Approach
- GPA Businesses
- Economic and Financial Performance
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- Capital Markets
- Prospects

Strategic challenges going forward <1.2>

GROWTH

- > Multivarejo
Focus on expanding the proximity and self-service wholesale formats.
- > Via Varejo
Protect and strengthen the footprint in the markets in which it is present and enter into states with strong growth potential.
- > Nova Pontocom
Strengthening the multi-channel platform for growing e-commerce (market place).
- > GPA Malls
Robust expansion of gross leasable space, with increased recurring revenue from leasing commercial space.

OPERATIONAL EXCELLENCE

- > Multivarejo
Increased competitiveness of prices, supported by gains in efficiency and rationalization of operating expenses.
- > Via Varejo
Continuing the efficiencies effort. Implementation of synergies and best practices among the businesses. Increased efficiency in managing working capital.

PEOPLE AND MANAGEMENT

- > Increased productivity with customer focus.
- > Development of leaders and the succession plan.
- > Revision of incentives and the variable compensation plan, reinforcing meritocracy.
- > Continued increase in engagement.
- > Reduction of turnover.

INNOVATION AND SUSTAINABILITY

- > Multi-channel approach.
- > New formats.
- > New equipment and methods for building stores.
- > Increased energy efficiency.
- > Automation and intelligence in the operations.
- > Transformation of the chain of value.
- > Conscientious consumption and supply.



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WERE OPENED IN
 MULTIVAREJO

27.5
thousand m²
 OF SALES AREA WERE ADDED



Multivarejo¹

Pão de Açúcar and Extra

Multivarejo is the new brand for the retail business model for GPA food, which operates in the hyper- and supermarket segments under the Extra banner; in supermarkets and food delivery, under the Pão de Açúcar banner; the Minimercado Extra proximity stores; and fuel stations and drugstores.

In 2013, to gain market share, GPA adopted a strategy focused on increasing competitiveness by reducing prices, supported by improving efficiency and reducing expenses, with the objective of increasing customer flows. This positioning had an impact principally in the businesses that form part of Multivarejo.

Initiated in the 2nd quarter of the year, this directive had a plan to rationalize expenses, where the principal initiatives were: store operating efficiency, back-office optimization and synergies, and reduced corporate expenses. The gains were passed along to consumers through lower prices. One of the differences of this strategy is that, for the first time, price competitiveness had broader scope.

This positioning had a positive impact on all the formats, if especially the hypermarket, which saw sales growth that beat inflation. The performance in non-foods over the course of the year was positive, with more visible results at year-end, complemented by positive performance in foods, highlighted by perishables (fruits, legumes, vegetables and seafood), which enjoyed double-digit growth during the year.

In line with this strategy, promotional activities were also intensified, with an enhanced presence in the media and in the area of influence of the stores. Thus, the results in terms of competitiveness were accelerated, with an increase in the volume of sales (7.5% over 2012); a recovery in the flow of customers in the stores, and gains in market share, where the gain in the last period was 100 basis points.

The number of stores also increased at the same clip, with 70 inaugurations in Multivarejo, including 59 new Minimercado Extra stores, in addition to 5 for Pão de Açúcar, and 6 for Extra Super, adding aggregate sales floors of 27,500 square meters.

¹ The Multivarejo brand was launched in 2014 and is therefore a subsequent event presented in this report.

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The GPA ended the year with 85 gas stations and 157 drugstores in operation.

Pão de Açúcar

Characterized by being a model known for innovation and strengthened by its resilience, Pão de Açúcar in 2013 recorded the best performance among the Multivarejo banners, with uniform growth throughout Brazil and an increase of 10.7% in sales in relation to 2012.

To increase the penetration of the format and thus secure its expansion, a process of relaxing the parameters for store size was initiated during the year, exploring more compact units that afford the banner profitable and agile expansion.

During the year, the chain opened 5 stores, with expansion in new marketplaces, and strengthened its positioning in cities that are growing.

Extra

In addition to the successful strategy of more competitive pricing, which permitted an increase of 5.5% in the volume of sales over 2012, the stores under the Extra banner also achieved robust gains with the intensification of the synergies and integration with the virtual world.

During the year, pilot services were launched in partnership with e-commerce operations, such as the “Store Take-Out” and “Electronic Catalog,” permitting supermarkets to make use of the benefits of the multi-channel approach, increasing customer flow and enhancing the supply of in-store services.

Proximity Stores

As one of GPA’s focal points for expansion going forward, proximity stores, which currently operate under the Minimercado Extra banner, maintained their accelerated pace of inaugurations, opening 59 stores, closing the year with 164 units, representing growth of 87.7% over 2012.

In addition to expanding their actuation in cities where they were already present (such as Campinas, Santos, São Paulo state’s ABC region

and Osasco), the model also entered into new marketplaces (Sorocaba, Guarulhos and Praia Grande), reinforcing its presence in the State of São Paulo.

Together with aggressive growth, the challenge to the Minimercado in 2013 was to guarantee logistical and operational efficiency – key characteristics in supporting the growth of the business and guaranteeing the success of the model. Along these lines, the actions undertaken during the year were oriented toward investments in:

- > training the workforce;
- > information systems;
- > infrastructure and logistics to undergird the strong expansion seen in 2013 and the growth projected going forward.

Drugstores and Gas Stations

With 157 stores in operation, drugstores were restructured in 2013, culminating in the remodeling of 7 stores. The changes were focused on expanding sales floors, which went from 30/40 square meters to stores with 100 m², and emphasizing skin products and cosmetics, which can contribute higher margins to the business. As a result of this new positioning, all the drugstores remodeled during the year have already enjoyed gains in profitability.

In fuel stations, the Group closed the year with 85 units, maintaining the elements that set this segment apart: trustworthy brands, better deals with the distributors, the best prices in the region, transference of the low-price image to the store, and increased customer flow.

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IN 2013 GROSS REVENUE OF

R\$ 6.8 billion

75 stores Assaí

14 OPENED IN 2013

Assaí

For Assaí, 2013 was a year of sales growth, consolidation of a new model of store, and strong organic expansion, with the entry into five new states in Brazil, which reinforces its national footprint and consolidates the current store model, which is more suitable for the profile of priority customers: resellers, transformers, and users.

Gross revenue for the year was R\$6.8 billion, an increase of 34.1% over the year prior. Roughly 63.8% of this amount was due to sales at stores inaugurated during 2013 and that, as

such, doesn't yet represent performance for a full year. Same-store growth was 13.5%, sustained principally by increased customer flows.

Stores

Assaí's strategy to expand to new marketplaces seeks to enhance the chain's presence in Brazil, increasing its participation in states where it had not been present. One of the strengths of this strategy is the deployment of a new model of store, which functions as a mini distribution center (thanks to increases in sales floors and storage areas) and thus does not depend on logistical infrastructure, since deliveries are made directly by the supplier.

Assaí closed 2013 with a total of 75 stores, of which 14 were inaugurated during the year – totaling 20 with the new store model – and 55 with the old model, of which 14 were remodeled using a series of initiatives to modernize them.

With the new model of store, the banner entered into five states (Alagoas, Bahia, Mato Grosso, Mato Grosso do Sul, and Paraná), increasing its capillarity at the national level. With approximately 180,000 m2 of buildings, these units

Partnership with the industry

Assaí functions as a supplemental distributor for mid-sized producers, which recognize in the model an important tool for expanding their presence in various regions of the country, and use the chain's geographic footprint and capillarity of distribution to reinforce the positioning of their products and brands.

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are characterized by having longer aisles and high ceilings, which facilitate loading, and increase by up to six times the capacity to stock merchandise.

better suited to the chain's target customers, and generated the increase in the number of customers.

Another marked characteristic of the new model is the store setting, which has covered parking, air conditioning and natural light. This package of initiatives resulted in stores that are

Target customers

Assai's new model of store is oriented toward meeting the demands of four main clientele.

> **Individual consumers**

> **Entities:**

> Transformers (restaurants, pizzerias, diners)

> Resellers (neighborhood grocers and supermarkets)

> Users (schools, small companies, churches, hospitals)



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Via Varejo

The year 2013 was a decisive one for consolidating the management model for Via Varejo, leader of the Brazilian retail sector for durable household goods and furniture. The company efficiently executed a strategic plan anchored in sustainable actions to capture synergies, gains in efficiency, operational improvements and expansion of the Casas Bahia and Pontofrio banners. These are strong brands, with capillarity and a complete offering of durable household goods and furniture capable of serving all of Brazil's social classes.

Via Varejo's leadership is confirmed by its 26.0% market share among retailers specialized in durable household goods, and 18.7% market share among general retailers (hypermarkets/supermarkets, department stores, and e-commerce) in November of 2013, according to data from the consultant GFK.

The regular and continuing increase in the specialized market share, of roughly 220 basis points over the period from November of 2012 through November of 2013, demonstrates the force of the business, with 999 Casas Bahia and Pontofrio stores in 18 Brazilian states and the

Federal District, whose economies accounted for more than 90% of GDP (IBGE 2010). In 2013, the expansion plan saw the inauguration of 41 stores, and entry into two new states: Alagoas and Paraíba.

With more than 60 years of history and tradition in the market for electronics and furniture, the retail chain has roughly 67,500 employees and is a great creator of jobs. In 2013 alone, 2,500 positions were created for new stores and other postings, and training programs were undertaken to develop leadership and enhance engagement, productivity and the quality of service. There were 632,000 hours of training for 97,000 participants over the course of the year. The projects should expand, including to foment the presence of women in leadership positions.

Logistics

Efficiency gains were obtained through changing processes, seeking out synergies and using technology, in each case contemplating increasingly better customer service throughout Brazil.

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For logistics in 2013, three distribution centers and depots were inaugurated, thus increasing the numbers to 14 distribution centers with aggregate space of 852,000 square meters, and 9 depots strategically located to regionalize deliveries, both to supply stores and to deliver to customer homes.

Consumers' buying experiences only end when they receive the product, within the agreed-upon time and in perfect condition. Toward this end, there were simultaneous investments in technology to ensure lower cost and greater agility to meet the average demand of 1.2 million deliveries per month.

One of the tools that was adopted was to send a text message to the customer's cell phone on the eve of delivering the merchandise, to guarantee the presence a responsible person at the agreed-upon address. With this action, there was a 25% decrease in the number of failed deliveries due to absence, and an increase in customer satisfaction. Technology also was deployed in the routine for assembling furniture. The teams receive tablets to use the check-list for services, solicit materials and reschedule timetables, ensuring better quality for the average of 700,000 assemblies per month.

In order to offer a great variety of products and services at prices that attract the different social classes, Via Varejo maintains tight relationships with its suppliers, including banks and financial and other service companies, and the industry.

The pursuit of synergies also extends to the associated company Nova Pontocom, the second largest company in the Brazilian e-commerce sector, with a market share of 17% at December 31, 2012, according to data from E-bit. Actuation in partnership in such areas as logistics and marketing brings greater efficiency to the businesses and optimizes the growth both of bricks-and-mortar stores on streets and in shopping centers, and e-commerce, reinforcing the multi-channel concept.

Shares on the BM&FBovespa

On December 16, 2013, Via Varejo went public with its Public Offering on the BM&FBovespa (VVAR11), becoming the 21st company to join the Level 2 corporate governance segment. The deal topped R\$2.845 billion, constituting the year's second largest offering in the Brazilian stock market.

Another strategic action was the acquisition of shareholding control of Móveis Bartira, the exclusive provider of furniture for Casas Bahia and Pontofrio. With this deal, Bartira became the first industry in the GPA business portfolio. The idea is to optimize production to ensure good results in marketing residential furniture.

Via Varejo, despite the challenging macroeconomic environment, consolidated its leadership and generated sustainable results. All the actions were effected with dedication, and aligned with the company's cause: to make the dreams of customers and employees come true, while respecting human and business values.

Via Varejo by the numbers

- > R\$25.0 billion in gross sales
 - > Via Varejo 26.0% market share in the specialized segment
 - > 602 Casa Bahia stores and 397 Pontofrio stores
 - > Footprint in 18 Brazilian states + the Federal District
 - > 14 Distribution Centers and 10 depots
 - > 1.2 million deliveries to customers per month
-

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Nova Pontocom

E-commerce in Brazil, which in 2013 topped R\$31 billion, according to ABComm (*Associação Brasileira de Comércio Eletrônico*) continues to grow at accelerated rates, and Nova Pontocom, the umbrella for GPA's e-commerce operations (www.extra.com.br, www.casasbahia.com.br, www.pontofrio.com.br, www.barateiro.com.br and www.partiuviagens.com.br, in addition to Pontofrio Atacado, Soluções B2B and e-Hub) is one of the companies best prepared to lead this sector.

In 2013, Nova Pontocom again proved its potential, adopting a strategy focused on gains in competitiveness and gearing to accelerate its growth. In line with GPA's positioning during the year, the savings generated by revising processes and reducing expenses were reinvested in the competitiveness of prices, which contributed to increased customer flow, an increased conversion rate and gains in market share.

Attentive to the market functionalities and opportunity, Nova Pontocom in 2013 launched Extra Marketplace, a sales model that brings together on a single site the offerings from different

28.5%

INCREASE IN GROSS REVENUE
COMPARED TO 2012

MORE THAN

250

RETAILERS REGISTERED

400,000

NEW ITEMS REGISTERED

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stores, in various segments. The model, until now unprecedented in Brazil, entered into operation in the 2nd quarter of 2013 and closed the year with significant results: more than 250 vendors and 400,000 new items registered.

Along the same lines, the e-Hub business unit was strengthened, winning the technology and logistics operations for Nike's online sales in Brazil (www.nike.com.br). For the volume of sales and the importance of the brand, the new account became the main business of the unit, which has other contracts with companies like Amazon (to market Kindle in Brazil), Microsoft, HP and Clinique (cosmetics), among others.

With its customer's best shopping experience in mind, GPA has parlayed integrating e-commerce operations with the physical world, promoting initiatives with multiple channels and capturing synergies among the businesses.

In 2013, pilot services such as the "Store Take-Out" and "Electronic Catalog" were launched, guaranteeing more comfort and consumer access to the products marketed in the different formats. A distribution center for Nova

Pontocom was also inaugurated in Camaçari (BA) in partnership with Via Varejo, reducing logistics costs and perfecting the level of service offered to customers in the region.

In addition, attentive to the strong growth of smart phones and to the growing share of sales through mobile devices in global e-commerce, Nova Pontocom redesigned its mobile sales structure, perfecting its consumers' shopping experiences through this channel.

As a result, gross sales increased 28.5% over 2012, with improving performance each quarter – highlighted by the 2nd half of the year, when growth accelerated and a new sales record was set on Black Friday – which cemented Nova Pontocom as the runner up in the Brazilian e-commerce segment. In addition, the company's results reached the break-even point in the 4Q13, guaranteeing robust cash generation during the year.

In 2013, the Nova Pontocom proved once again their potential, adopting a strategy focused on competitiveness gains.

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GPA Malls

The year 2013 saw a strategic change in positioning for GPA Malls, which attained the status of a business unit of the Group, ceasing to have a profile directed only toward executing projects, in favor of positioning focused on the conception and management of commercial spaces.

This movement was consolidated in 2013 with the contracting of a team of professionals with expertise in different business segments: the real estate market, shopping centers, franchises, etc. In all, six departments were structured to meet the different and new demands arising from the new positioning.

The projects developed during the year were forged with an emphasis on three axes that came to drive GPA Malls:

- > cost gains, with a focus on developing efficient solutions and a better financial return;
- > the pursuit of quality in projects and the assets built, in relation to efficiency, durability, attractiveness to the consumer and innovation; and;
- > a distinctive look for the real estate market, with the development of

projects capable of generating more traffic and higher profitability.

The result of this strategic change was the delivery of more than 40,000 square meters of gross leasable space during the year, which permitted GPA to close 2013 with 286,000 m² of gross leasable space, an increase of 18.4% in relation to 2012.

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The focus on expanding gross leasable space reinforces the multibusiness positioning of the Group, with activity in a market with profit levels in excess of the national average for retail. During the year, the work was focused on identifying spaces among the current galleries that would facilitate more efficient utilization of the existing asset. New approaches were also tested, culminating in the development of a new brand and an innovative business model.



Neighborhood shopping centers

The main initiative pursued during the year was the creation of the Conviva brand, utilized to give name to a model GPA introduced to Brazil: the neighborhood shopping center.

Standing for the concepts of conviviality and convenience, two establishments with these characteristics were inaugurated: Conviva Américas, in Rio de Janeiro, and Conviva Minas, in Belo Horizonte.

This business model allows customers to have their daily shopping, services and food needs met at a single location. At both, the highlight is the establishment of partnerships with large retail players, which unlocks complementarities among the categories with the objective of forming a multiuse complex to meet consumer demand, and creating special attractions and spaces for interacting with the community.



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<2.8>

Revenue

In 2013, GPA's net revenue grew 13.4%, to R\$57.73 billion. This performance was driven by same-store sales, which reached 9.0% growth, 300 basis points above IPCA inflation, closing the year with growth in each business.

At Multivarejo, growth accelerated under all the banners, highlighted by Minimercado Extra, which continues to present above-average same-store growth, and Assaí, which continued to grow at an elevated pace.

Nova Pontocom growth outpaced the market, with gains in market share. This performance was driven by the acceleration of growth over the course of the year, especially as of the 3Q13, when gains in efficiency in processes, strategic investments and advances in the level of service were cemented.

At Via Varejo, there was double-digit sales growth and important gains in market share. Highlights included the wireless and computer categories, which continued the trend of accelerated sales, confirming the continued cycle of technology consumption in the country.

REVENUE

R\$ – Million	2013	2012	Δ
Gross Revenue	64,405	57,234	12.5%
Net Revenue	57,730	50,924	13.4%
Same-Store Sales Growth	9.0%	6.5%	250 bps

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Gross Profit

Gross profit grew 9.2%, from R\$13.757 billion in 2012 to R\$15.026 billion in 2013. Gross margin fell 100 basis points to 26.0% in 2013, due mainly to the investment strategy of reducing prices in Retail Food, supported by the reduction of selling and general and administrative expenses.

Gross margin was also impacted by Black Friday promotions at Via Varejo and Nova Pontocom at year-end, in addition to the increased share of sales for the e-commerce channel, whose business model operates with lower margins than bricks-and-mortar stores.

GROSS PROFIT

R\$ – Million	2013	2012	Δ
Net Revenue	57,730	50,924	13.4%
Gross Profit	15,026	13,757	9.2%
Gross Margin	26.0%	27.0%	-100 bps
Selling Expenses	(9,180)	(8,360)	9.8%
General and Administrative Expenses	(1,485)	(1,754)	-15.3%
Equity Income	47	11	337.3%
Other Operating Revenue (Expenses)	(673)	(33)	-
Total Operating Expenses	(11,291)	(10,136)	11.4%
% Net Sales Expenses	19.6%	19.9%	-30 bps
Earnings before Interest, Taxes, Depreciation, Amortization – EBITDA	3,814	3,703	3.0%
EBITDA Margin	6.6%	7.3%	-70 bps

Operating Expenses

Operating expenses increased 11.4%, from R\$10.136 billion in 2012 to R\$11.291 billion in 2013. The ratio of selling and general and administrative expenses to net revenue decreased from 19.9% in 2012 to 18.5% in 2013, mainly as a result of reduced corporate expenses and control of selling expenses at Multivarejo, in addition to gains in operating efficiency at Via Varejo.

Financial Result

The net financial expense in 2013 was R\$1.193 billion, the same level as in 2012. The ratio of the net financial expense to net revenue decreased from 2.3% in 2012 to 2.1% in 2013, due mainly to the improved financial result at Via Varejo.

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FINANCIAL RESULT

R\$ – Million	2013	2012	Δ
Financial Revenue	643	593	8.3%
Financial Expenses	(1,836)	(1,786)	2.8%
Net Financial Revenue	(1,193)	(1,193)	0%
% of Net Revenue	2.1%	2.3%	-20 bps
Charges on Net Bank Debt	(224)	(238)	-5.6%
Cost of Discount of Receivables of Payment Book	(268)	(282)	-5.1%
Cost of Discount of Receivables of Credit Card	(618)	(497)	24.3%
Restatement of Other Assets and Liabilities	(83)	(176)	-52.6%
Net Financial Revenue	(1,193)	(1,193)	0%

Indebtedness

Net debt, including Viavarejo's paymentbook operation, totaled R\$ 1.102 billion at the end of December 2013. The reduced level of debt was mainly due to higher cash generation in the period, driven by efforts to improve working capital.

In addition, the gross inflow of R\$896 million from Via Varejo's Public Offering also contributed to the lower debt position.

The ratio of Net Debt/EBITDA, including the consumer financing payment vouchers, fell to 0.29x at the end of 2013, significantly lower than the figure in 2012.

The Company's cash reserves at the end of December of 2013 amounted to approximately R\$8.4 billion.

SHORT TERM DEBT

R\$ – Million	12.31.2013	12.31.2012
Short Term Debt	(2,445)	(1,712)
Loans and Financing	(1,200)	(1,044)
Debentures	(1,245)	(668)
Long Term Debt	(4,181)	(6,151)
Loans and Financing	(1,583)	(2,409)
Debentures	(2,599)	(3,741)
Total Gross Debt	(6,626)	(7,863)
Cash⁽¹⁾	8,392	7,086
Net Cash (Debt)	1,765	(777)
EBITDA⁽¹⁾	3,814	3,703
Net Debt/EBITDA⁽¹⁾	N/A⁽²⁾	0.21x
Payment book – short term	(2,726)	(2,499)
Payment book – long term	(141)	(130)
Net Debt with payment book	(1,102)	(3,406)
Net Debt/EBITDA⁽¹⁾	0.29x	0.91x

¹ Include real estate projects. EBITDA for the last 12 months.

² Net cash position higher than gross debt.

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Net Income

Net income increased 20.7% to R\$1.396 billion in 2013. Net margin grew 10 basis points, from 2.3% in 2012 to 2.4% in 2013.

Cash flow

At December 31, 2013, GPA's cash position was R\$8.367 billion. The increase of R\$1.281 billion in relation to December 31, 2012 was due mainly to the gross influx of R\$896 million in cash from Via Varejo's Public Offering. The Company did not need to refinance or take on new debt in 2013.

SIMPLIFIED CASH FLOW

R\$ – Million	GPA Consolidated	
	2013	2012
Cash Balance at beginning of period	7,086	4,970
Cash Flow from operating activities	4,892	5,299
EBITDA	3,814	3,703
Cost of Discount of Receivables	(886)	(780)
Working Capital	1,355	2,243
Assets and Liabilities Variation	609	133
Cash Flow from Investment Activities	(2,027)	(1,339)
Net Investment	(1,752)	(1,306)
Acquisitions and Others	(275)	(33)
Change on net cash after investments	2,865	3,960
Cash Flow from Financing Activities	(1,584)	(1,844)
Dividends Payments and Others	(453)	(186)
Net Proceeds	(1,132)	(1,658)
Change on net cash	1,281	2,116
Cash Balance at end of period	8,367	7,086

Statement of Value Added <EC1>

In 2013, the wealth generated by GPA totaled R\$64.4 billion, an increase of 12.5% in relation to 2012 (R\$57.2 billion). The net value added available to the Company grew 11.7% over the year prior, totaling R\$14.1 billion for the year. These funds were distributed as follows:

- > R\$5.8 billion – to pay employees;
- > R\$3.8 billion – to pay taxes and fees;

> R\$3.2 billion – to pay interest on bank loans, to pay indexing on tax installment payments and contingencies to the government, and to pay rent;

> R\$1.3 billion – to pay dividends and to be retained and incorporated into shareholders' equity.

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In 2013, GPA invested R\$1.850 billion, 32.8% more than in 2012 (R\$1.393 billion) and one of the largest amounts for the Group ever.

The funds were mainly allocated to opening new stores and acquiring land, in line with the Company's strategy of accelerating organic growth.

During the year, 128 stores were inaugurated, increasing the aggregate sales floors 54%, to 2.8 million square meters. The highlight was the

significant expansion of Minimercado Extra and Assaí, with 59 and 14 inaugurations, respectively. Under the other banners, the inaugurations totaled:

- 6 – Extra Super
- 5 – Pão de Açúcar
- 36 – Casas Bahia
- 5 – Pontofrio
- 1 – Gas Station
- 2 – Drugstores

Investments

(in millions of R\$)

2009 – 723

2010 – 1,191

2011 – 1,583

2012 – 1,393

2013 – 1,850

Distribution of the Investments in 2013

- > New stores and land purchases – 42%
- > Stores remodeling and conversions – 26%
- > Infrastructure and others – 32%

INVESTMENTS (IN MILLIONS OF R\$)

	2013	2012	% increase (decrease)
New stores and land purchases	785	703	11.8
Store remodeling and conversions	477	433	10.4
Infrastructure and others	628	385	63.3
Financing of fixed assets and Leasing	(41)	(127)	(67.6)
Total	1,850	1,393	32.8

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In 2013, GPA's share price increased 17.1%, closing the year at R\$104.91 on the BM&FBovespa. The result outpaced the performance of the Ibovespa, the index of the stocks with the highest trading volumes on the *Bolsa de Valores de São Paulo*, which fell 15.5% during the year.

The trading volume of preferred shares in 2013 was R\$20.6 billion, an increase of 96.1% over 2012, with an average daily trading volume of R\$83.1 million (+94.5% over 2012). The earnings per share in 2013 was R\$3.98.

The ADRs (level III) closed the year trading at US\$44.67, up 1.6%, in keeping with the positive performance

of the Dow Jones Industrial Average, which was up 29.6% in 2013. The trading volume on the New York Stock Exchange (NYSE) was US\$6.6 billion (+32.7% over 2012). The average daily trading volume was US\$26.8 million, 34.3% higher than the year prior.

The Company's shares were traded on 100% of the trading days of the BM&FBovespa and the NYSE. At year end, GPA's market capitalization was R\$27.7 billion, representing 2.2 times its shareholders' equity.

CBD x DOW JONES

(100 base = 12/31/2007)



PCAR4 x IBOVESPA

(100 base = 12/31/2007)



Dividends

GPA's Board of Directors approved dividends of R\$150.5 million for 2013, representing R\$0.535395 per common share and R\$0.588935 per preferred share.

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Given a macroeconomic environment characterized by increasing competition and increasingly demanding and selective consumers, GPA will remain focused on its strategy of operational excellence, gains in efficiency and cost reduction.

Its resources will be steered to ensure the aggressive organic growth foreseen by the Company, which will be sustained, principally, by expansion of the Minimercado Extra, Assaí and Casas Bahia banners.

The strong expansion of proximity stores will be facilitated by building models that are appropriate for the various consumer profiles, like the development of more compact stores under the Pão de Açúcar banner.

The multi-channel approach of the businesses will be reinforced with the dissemination of innovative initiatives, facilitating consumer access to the products marketed through the Group's different formats.

The concept will be enabled further by strengthening Nova Pontocom's e-commerce operations, which are an important strategic axis for solidifying

The future of the businesses

Multivarejo

Focus on maintaining the strategy of competitiveness and on increasing the flow of customers, while maintaining the level of profitability.

Assaí

Expansion will continue, seeking to reinforce the national footprint of the banner and attain EBITDA margin of 5% in 2016.

Via Varejo

Ongoing pursuit of efficiency and gains in margin/growth.

Nova Pontocom

Pursuit of gains in market share, with balance between sales growth and profitability, strengthening synergies and the multi-channel approach.

GPA Malls

Expansion of gross leasable space, with a focus on enhancing the attractiveness of the Group's stores.

BOLDNESS THAT INSPIRES

Prospects

Strategic Approach
GPA Businesses
Economic and Financial Performance
Investments
Capital Markets
Prospects

and disseminating synergies among the different businesses and formats.

Synergies with the Casino Group will also be probed and expanded, with the development of initiatives linked to operating proximity stores, a segment in which Casino operates more than 6,500 units in France, and global bargaining, toward offering better products at the best prices, among other efforts.

The Company will move forward with its policies for socio-environmental responsibility and with a structured program focused on the sustainable management of its operations, focusing increasingly on the question of sustainability, both at the corporate level, in establishing guidelines and policies, and in the context of each business.

Priorities going forward

- > Competitiveness supported by gains in efficiency.
 - > Deepening or reaching market leadership in each business segment.
 - > Organic growth, with significant investments in opening stores.
 - > Reinforcing the multi-channel approach.
 - > Growth with discipline of processes and optimization and control of expenses.
 - > Financial discipline with working capital and investment.
 - > Perfecting working methods and plans of action, with the definition of goals and discipline in following through.
 - > Continuing focus on the quality of customer service.
 - > Increased engagement and reduced turnover.
 - > Transformation of the chain of value.
 - > Conscientious consumption and supply.
 - > Valuing our people.
-

A FOCUS ON SUSTAINABILITY

Guidelines for Sustainability

Guidelines for Sustainability

- Valuing our People
- Conscientious Consumption and Supply
- Transformation in the Chain of Value
- Managing Environmental Impact
- Engagement with Society



Sustainability pervades GPA's strategy. The Company controls and monitors its products and services, toward improving them and thus reducing the environmental and social impacts of its operations, and acts as a multiplier of good socio-environmental practices, with educational programs that emphasize conscientious consumption and disposal. The objective is to propagate concrete actions for sustainable growth among all its stakeholders (employees, communities, society, customers, shareholders and suppliers). <4.14>

To perfect its performance in matters relating to the environment and society, GPA's sustainability department was restructured at the end of 2013 (for more information, see *Governance for Sustainability*). This process resulted in the establishment of sustainability guidelines for the Company and all its businesses.

In the new format, each company in the Group should follow the corporate guidance in its strategic planning and in establishing goals for sustainability. The corporate team is responsible for monitoring the actions, ensuring that

the companies have a synergistic relationship with GPA's sustainability guidelines.

To put the aspiration of being an agent for social change through sustainability in practice, creating best practices for its businesses, in 2013, GPA also redefined its strategy and grounded its socio-environmental principles in accordance with the specificities of each of the Group's business units in five transformative vectors:

- > Valuing our people
- > Conscientious consumption & supply
- > Transformation in the chain of value
- > Managing environmental impact
- > Engagement with society

Commitments

<SO5, 4.12 and 4.13>

To strengthen its positioning in relation to sustainability, GPA assumes commitments and is a signatory to principles and pacts developed by national and international institutions. In addition, it participates in discussion groups and forms partnerships to promote socio-environmental actions with the communities where it is active.

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THE GLOBAL COMPACT

In 2001, GPA associated itself with the Global Compact, a United Nations initiative that encourages the business community to adopt, in its business practices, fundamental and internationally accepted values in the areas of human rights, labor relations, the environment and the fight against corruption, among other areas.

NATIONAL PACT TO ERADICATE SLAVE LABOR

In 2005, the Group signed this accord that brings together Brazilian and multinational companies through the commitment to abolish from their chains of production suppliers and partners that utilize slave labor.

INSTITUTO ETHOS

In 1999, GPA joined the *Instituto Ethos*, whose mission is to mobilize, sensitize and help companies manage their business in a socially responsible manner, making them partners in building a just and sustainable society.

CEMPRE

The Group is associated with the Business Commitment to Recycling (*Compromisso Empresarial para Reciclagem* - CEMPRE), which works to raise consciousness on reducing, reutilizing and recycling trash through publications, technical surveys, seminars and databanks.

ABVTEX

GPA participates in the *Associação Brasileira do Varejo Têxtil*, an entity constituted by the principal companies in the clothing and accessories segment, whose objective is to promote the industry's interests.

INSTITUTO AKATU

Since 2003, GPA has been one of the strategic partners of the *Instituto Akatu*, an NGO that works to raise consciousness and mobilize society for Conscientious Consumption.

PACT ON THE RIGHT WAY

GPA supports the initiative, promoted by Childhood Brasil and the *Instituto Ethos de Empresas e Responsabilidade Social* with the objective of encouraging companies

to publically commit to engage in actions to fight the sexual exploitation of children and adolescents along Brazilian highways.

GPA also participates in entities and organizations that work in favor of its line of business (ABRAS and APAS) and maintains a link with the *Associação Comercial de São Paulo*, the *Instituto para Desenvolvimento do Varejo* (IDV) and the *Associação Brasileira das Indústrias de Equipamentos, Ingredientes e Acessórios para Alimentos* (ABIEPAN).

ABRAS

The Group maintains a solid partnership with the *Associação Brasileira de Supermercados*, which works to represent, defend, integrate, drive and develop Brazil's supermarket sector, maintaining an open dialogue in negotiations with municipal, state and federal governments.

APAS

GPA participates in the *Associação Paulista de Supermercados*, a trade group that brings together supermarket businesspeople in the state of São Paulo with the objectives of integrating the entire chain of supply, professionalizing the sector, attending to consumer concerns, pursuing operational excellence, noting retail trends and defending social justice and sustainability.

To follow the discussions and applicable law, the Company has a Corporate Relations department, which participates actively in preparing, coordinating and monitoring union negotiations, bills, decrees, ordinances and technical cooperation agreements, commitments, and rectifying conduct, among other matters. Relationships with governments are handled directly or through associations. In 2013, GPA did not make financial contributions to political parties, politicians or related institutions. <S06>

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Governance for Sustainability

In the 2nd half of 2013, the Sustainability department was restructured, culminating in the creation of a corporate department that reports directly to the office of the vice-president of Personnel Management. Its responsibilities include:

- > Supporting the definition of strategy, goals and objectives for the sustainability of the businesses, in keeping with the corporate strategy;
- > Consolidating non-financial information on sustainability for external stakeholders;
- > Monitoring environmental policies and laws, and their application;
- > Leading the governance for sustainability throughout the Group;
- > Disseminating the concept of sustainability at the Company;
- > Analyzing trends and new topics to guide the creation of projects that meet society's expectations.

To make these objectives a reality and cause GPA's corporate sustainability guidelines to permeate the entire Organization, the department has focal points at each business, who take responsibility for establishing work plans in accordance with the sustainability guidelines; determine the operational points of contact; and evaluate and monitor the initiatives, goals and indicators; among other tasks.

A FOCUS ON SUSTAINABILITY

Valuing our people

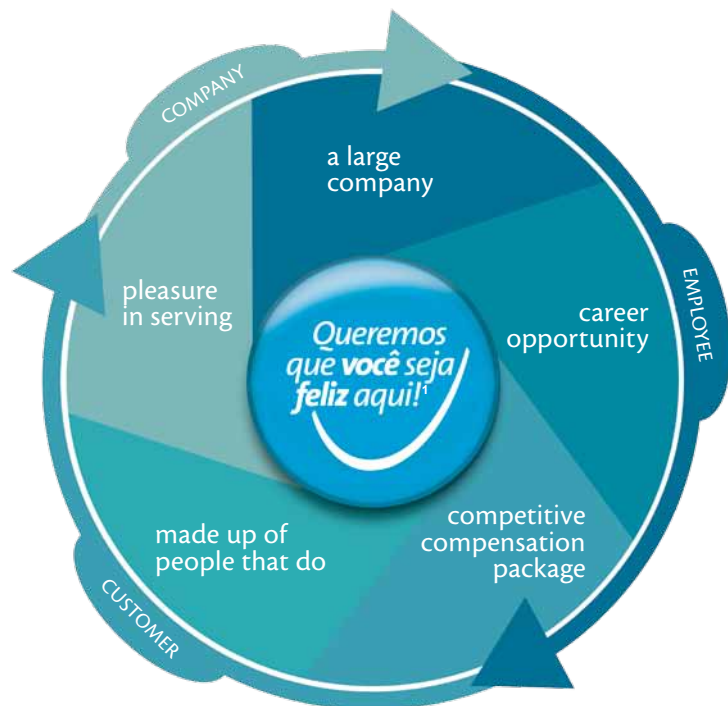
- Guidelines for Sustainability
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In 65 years, GPA has consolidated itself as the largest distribution company in South America.

An integral part of the strategy for sustainability, valuing and developing employees is one of GPA's foci going forward. Complying with health and safety law, promoting the inclusion of people with special needs, women and youth, and disseminating the concept of sustainability among all employees are some of the strategic objectives the Company has mapped out.

In line with this positioning, the Group developed its proposition of value, materialized in the "We want you to be happy here" movement that seeks to enhance the conditions of happiness in the workplace.



¹ We want you to be happy here!

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A large company – With 65 years of history, GPA is the largest South American distribution company, with the best reputation in the segment. Leading or on the way to occupying the top spot in all the segments in which it is active, the Group is the benchmark in the adoption of best practices, a company that is solid, ethical, innovative and committed to the growth of a just, humane and healthy society.

GPA is respected and admired for excellence in leadership, the quality of the products and services at the points of sale, the scope and impact of its activity, the agility of management, and its consistent results.

The diversity of the businesses forms a solid, robust and sustainable whole. For all these reasons, the Group plays an important role in Brazil's economy, always trying to minimize environmental impacts and encouraging conscientious consumption, promoting the well being of the entire society and contributing to the development of Brazil.

Pleasure in serving – A company where employees are passionate about what they do. The work is intense and replete with achievement. Employees find satisfaction in the good service they provide every day to millions of customers. Even with the day-to-day pressure, GPA believes in and promotes an environment that prizes respect, ethics and team spirit, spreading internal enjoyment. With the belief that people dedicate their technical skill, and fulfill themselves professionally.

Driven by customer needs, the Group maintains an environment that stimulates creativity, the exchange of information and the integration of professionals with different profiles: a diversity of skills to attend to different customers.

Transparent, ethical and responsible partnership forms the GPA way of being and working, and permeates the environment, the corporative universe,

and relationships with customers, suppliers and stakeholders.

Career opportunity – In a year, 20% of GPA's roughly 160,000 employees evolve in their careers, whether toward higher posts in the hierarchy or in positions in different departments or businesses. A career journey that the Group believes is also worth it personally.

Much more than just a big company, GPA is also a partner – it believes in people, knows the importance of its role in their success, the contribution of its employees in each new conquest. It is a company that always tries to understand needs and expectations, and seeks to meet them. As one of the largest employers in South America, it can be seen as one of the largest providers of opportunities to those who want to develop.

Competitive compensation package – GPA offers competitive and meritocratic compensation at all its businesses, and benefits packages appropriate to each function, from offering baskets of basic goods and health plans with quality coverage and service, to programs that look after the quality of life and well being of its people.

Made up of people that do – Employees are the main asset at GPA, which invests in the value of human potential. The Group invests in training and developing its professionals, since it believes that its own growth depends on the daily development of each individual.

GPA cultivates skills that drive each business and enhance shopping experiences. Our People are a team of specialists that ensure focused management, facilitating the best possible results, today and in the future – for each segment of activity and for the entire Company.

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Profile of the employee

<LA1, LA2 and EC7>

GPA's practice is to hire people who reside near or in the same cities as its stores. In 2013, of the 1,140 employees who live in metropolitan regions, approximately 30% live nearby. The Group has

a Transfer Assistance policy to support employees with moving costs and rent. In 2013, 74.7% of senior managers were from local communities, higher than the 52% figure for 2012. For other roles, the percentage was 61.97%.

NUMBER OF EMPLOYEES BY FUNCTIONAL LEVEL¹

<LA1>	2013	
	Men	Women
Executive officers	89	15
General managers	1,859	519
Departmental managers/coordinators	2,962	1,586
Technicians/supervisors	1,964	328
Administrative	6,164	7,698
Operational	58,630	54,885
Sales	16,166	13,817
Apprentices	1,741	1,536
Total by gender	89,575	80,384
Total	169,959	

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT¹

< LA1>	2013	
	Men	Women
Temporary hires	1,741	1,536
Permanent hires	87,834	78,848
Total by gender	89,575	80,384
Total	169,959	

NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT¹

< LA1>	2013	
	Men	Women
Full time	46,589	52,136
Part time	42,986	28,248
Total by gender	89,575	80,384
Total	169,959	

¹ Were considered direct contract employees. Were not considered athletes, trainees, service providers and third parties.

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GPA HAD

169,959

EMPLOYEES

89,575

MEN

80,384

WOMEN

35,842

WAS THE TOTAL NUMBER OF EMPLOYEES WHO LEFT THE ORGANIZATION

30%

OF GPA EMPLOYEES LIVE AROUND THEIR WORKPLACES

NUMBER OF EMPLOYEES BY REGION¹

<LA1>	2013	
	Men	Women
South	3,549	2,470
Southeast	69,297	64,927
Central-West	7,281	6,235
Northeast	9,173	6,507
North	275	245
Total by gender	89,575	80,384
Total	169,959	

NUMBER OF EMPLOYEES BY BUSINESS UNIT¹

<LA1>	2013	
	Men	Women
Stores	70,748	72,033
Distribution centers	14,536	3,203
Corporate	4,291	5,148
Total by gender	89,575	80,384
Total	169,959	

¹ Contemplates only employees under the Consolidated Labor Laws regime. Does not contemplate athletes, interns, service providers and outsourced labor.

TOTAL NUMBER OF WORKERS THAT LEFT THE ORGANIZATION

<LA2>	2013	
	Men	Women
Total by gender	21,323	14,519
Total	35,842	

DEPARTURE RATE BY GENDER (%)^{1,2}

<LA2>	2013	
	Men	Women
Total by gender	24	18
Total	21	

¹ Fires/total employees at period end.

² Departure rates do not contemplate apprentices.

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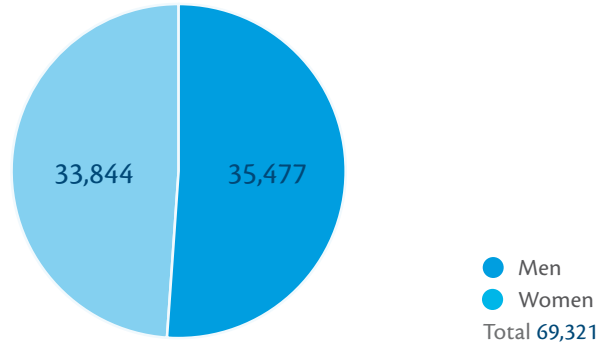
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TOTAL WORKERS HIRED 2013

By gender <LA2>



HIRE RATES BY GENDER (%)¹

<LA2>	2013	
	Men	Women
Total by gender	40	42
Total	41	

¹ Hires/total employees at period end.

NUMBER OF HIRES BY REGION

<LA2>	2013	
	Men	Women
South	1,532	1,382
Southeast	26,135	26,400
Central-West	3,631	3,472
Northeast	4,031	2,459
North	148	131
Total by gender	35,477	33,844
Total	69,321	

HIRE RATES BY REGION (%)¹

<LA2>	2013	
	Men	Women
South	43	56
Southeast	38	41
Central-West	50	56
Northeast	44	38
North	54	53
Total by gender	40	42
Total	41	

¹ Hires/total employees at period end.

NUMBER OF DEPARTURES BY REGION¹

<LA2>	2013	
	Men	Women
South	1,132	666
Southeast	16,357	11,487
Central-West	1,864	1,315
Northeast	1,885	993
North	85	58
Total by gender	21,323	14,519
Total	35,842	

¹ Departure do not contemplate apprentices.

DEPARTURES RATE BY REGION (%)^{1,2}

<LA2>	2013	
	Men	Women
South	32	27
Southeast	24	18
Central-West	26	21
Northeast	21	15
North	31	24
Total by gender	24	18
Total	21	

¹ Fires/total employees at period end.

² Departure rates do not contemplate apprentices.

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Cycle of People <LA12>

Developed for all the businesses, the Cycle of People Program occurs annually and evaluates employees based on criteria such as: fulfillment of goals, feedback on the results, performance evaluation, career path

and individual development plans. Executives also undergo a 360° evaluation, a process that includes self-evaluation and evaluations by supervisors, colleagues and subordinates.

Performance Evaluation MultiVarejo

At Multivarejo, 96% of the employees eligible for the performance evaluation and development process were evaluated during 2013.

Personnel development

<LA10 and LA11>

All of GPA's business units offer career opportunities to their employees, prioritizing internal personnel for filling positions. External professionals are only sought when the internal candidates don't fit the required profile.

In 2013, Assaí launched Universidade Assaí, a concept for corporate education that supports the sustainable growth and expansion of the business. With the challenge of stimulating knowledge of the management model and self-service wholesale operations, Universidade Assaí is divided into five schools (Wholesale; Leadership; Operations; Marketing; and Technical and Interpersonal Development), with teaching methodologies that permit the alignment of programs, courses and training with the demands and strategic objectives of the business. In 2013 alone, attendance numbers exceeded 22,000, totaling approximately 643,000 hours of training.

As highlights for 2013, more than 700 leaders were trained throughout Brazil through the Leadership School. Arrangements were also made for the second cohort for the Operations Trainee Program. Currently, 42

trainees are being prepared to become store submanagers. In the Operations School, a package of trainings including on service, knowledge of the business, and operational standards was created, toward preparing the professionals who will assume functions in new stores. In all, there were 233,000 hours of training for new employees.

With a focus on developing people, Nova Pontocom promotes the Talent of the Future Program, where participation is voluntary. The trainings are for operational personnel that are not yet in the leadership ranks. Launched in 2012, more than 780 employees have been trained.

The company also has a Leadership Development Program with the objective of disseminating GPA's values and Nova Pontocom's strategies, contributing to developing professional skills and training supervisors, managers and leaders in the practices of participative management and teamwork. The program trained 300 leaders in three years.

In October of 2013, Via Varejo began to change its management by deploying a tool for results-

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driven management. The new model reinforces Via Varejo's attributes, by promoting sustainable results and giving more autonomy to managers. As of February of 2014, the manager can do the monthly monitoring of indicators and goals.

As a first step, 1,201 leaders were trained and indicators were established with points of control. In 2014, all store managers will be trained. Other programs also stood out in 2013 at Via Varejo, including:

THE LEADERS OF THE FUTURE PROGRAM

Initiated in 2011, it is intended to train store managers. In 2013 alone,

there were 1,320 hours of training for 98 employees. Since inception, it has developed 266 store managers and submanagers, who previously acted as salespeople, administrative consultants and sales training coordinators.

THE CASAS BAHIA SALES TRAINING PROGRAM (PROVE)

The program imparts the best sales practices, so that salespeople can improve results and attain goals. Initiated in 2004, Prove has trained 70% of the employees. In 2013, there were a total of 85,308 attendees in 558,942 hours of training.

HOURS OF TRAINING IN 2013 <LA10>

Functional Category	Indicators	2013
Executive Officers	Total hours	577
	Total employees in the category	104
	Hours per employee in the category	5.5
General Managers	Total hours	33,930
	Total employees in the category	2,378
	Hours per employee in the category	14.3
Departmental Managers/ Coordinators	Total hours	322,466
	Total employees in the category	4,548
	Hours per employee in the category	70.9
Technicians/Supervisors	Total hours	15,905
	Total employees in the category	2,292
	Hours per employee in the category	6.9
Administrative	Total hours	295,825
	Total employees in the category	13,862
	Hours per employee in the category	21.3
Operational	Total hours	990,902
	Total employees in the category	113,515
	Hours per employee in the category	8.7
Sales	Total hours	309,142
	Total employees in the category	29,983
	Hours per employee in the category	10.3
Apprentices	Total hours	4,178
	Total employees in the category	3,277
	Hours per employee in the category	1.3
Total	Total hours	1,972,925
	Total employees	169,959
	Hours per employee	11.6

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Compacts on education

<LA10 and LA11>

GPA has agreements with educational institutions that offer discounts for employees and their families, throughout Brazil. There are also selective half-scholarships offered for undergraduate and language study. During 2013, 133,000 scholarships were offered to employees at GPA, which also invested approximately R\$16 million on internal programs for its team.

Compensation and benefits

<EC5>

In 2013, the position with the lowest compensation at GPA was part-time, earning half of the minimum wage of R\$678.00. In 2012, the lowest wage was equivalent to the national minimum (R\$622.00).

Nova Pontocom took 4th place, in the category for 2,001 to 4,000 employees, in the survey on engagement conducted in 2013 by *Valor Econômico* newspaper and Aon Hewitt, which identified best practices for personnel management in the Brazilian market.

Focus on communication

With the objective of innovating and facilitating internal communication, Nova Pontocom created internal radio so that employees can follow the company's news and benefits.

Assai launched an internal magazine ('Our Assai') that, in addition to presenting the company's corporate profile, deals with such topics as operations, processes, career, and best practices in business. In 2014, the objective is to strengthen direct channels of communication, toward tightening the relationships between the leadership and their teams.

AVERAGE COMPENSATION BY FUNCTIONAL CATEGORY (R\$)

<LA14>	2013		
	Men	Women	Proportion w/m (%)
Executive officers	R\$ 43,776.10	R\$ 35,100.19	80.2
General managers	R\$ 8,707.52	R\$ 9,576.53	110.0
Departmental managers and coordinators	R\$ 4,814.17	R\$ 4,856.45	100.9
Technicians/supervisors	R\$ 1,467.89	R\$ 3,020.81	205.8
Administrative	R\$ 2,866.44	R\$ 2,287.08	79.8
Operational technicians	R\$ 979.33	R\$ 1,012.64	103.4
Sales	R\$ 1,450.39	R\$ 1,333.08	91.9
Apprentices	R\$ 437.05	R\$ 427.57	97.8

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BENEFITS OFFERED TO EMPLOYEES, BROKEN DOWN BY SIGNIFICANT OPERATING UNIT¹

<LA3>	Number of employees benefitted	Observations (Via Varejo)
Food voucher	6,309	Branch FTEs ²
Transport voucher	104,812	All FTEs
Life insurance	103,469	Corporate FTEs
Health plan	256,573	All FTEs
Maternity/paternity leave	516	Half of corporate
Retirement fund	921	-
Basket of basic goods	55,377	All FTEs
Gym	1,073	Corporate FTEs
Wedding gift	503 (R\$ 41,960.94)	All FTEs
Ticket car ³	150	All FTEs
Check-up	39 (Annual Cost 45,352.48)	Corporate FTEs
Private pension plan	34	Corporate FTEs
Vehicle	43	Corporate FTEs
Meal vouchers (eligible positions)	11,024	All FTEs

¹ GPA: There is no coverage for disability/impairment nor a stock option plan.

² Via Varejo:

FTE= Full-Time Employees

The amounts denoted All FTEs refer to the sum for corporate, distribution center(s) and branches. When they correspond only to one of these, it is so noted at the side.

At Via Varejo there is no: coverage for disability/impairment, retirement fund or stock option plan.

Ticket car:

73 corporate FTEs, credit card – R\$43,720.00

35 distribution center FTEs, credit card – R\$39,376.00

42 branch FTEs, credit card – R\$23,540.00

Pension plan <EC3>

GPA maintains a voluntary private pension plan, based on defined contributions varying from 2-8%, depending on the employee's salary and age. Program participants are entitled to the Company's counterpart, which is equivalent to 100% of the employee's contribution.

The defined contribution benefit is sourced to a private pension plan administrator, without GPA involvement in future obligations. In 2013, the annual cost of plan was R\$514,329.32.

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Collective bargaining

<LA4 and LA5>

All GPA employees are hired under the Consolidated Labor Laws regime (CLT). The Collective Bargaining Agreement provides that two or more unions, together with the Group's professionals, stipulate the applicable working conditions. Notices of possible operational changes relating to labor relations are provided considering the provisions of the Collective Bargaining Agreement and applicable labor law.

Matters such as safety and health are not covered by the union agreements, but GPA stresses the requirement of complying with the Normative Regulations (NR), relating to occupational health and safety.

Diversity <HR4>

The Company respects diversity, without discrimination of any kind (race, gender, religion, sexual orientation, physical characteristics, nationality or socio-economic level), which values are contained in its Code of Moral Conduct. In cases of violations of these rights, GPA has reporting mechanisms such as the Channel for Complaints and an Office of the Ombudsman.

The Code of Moral Conduct also provides for an investigation and possible punishment in cases of discriminatory conduct. For such matters, the Personnel Management department, together with legal and the respective manager, are responsible for analyzing and monitoring possible occurrences. More complex situations may require the involvement of the Special Operations department.

In 2013, GPA continued several programs of a social nature. Through the People with a Future, Third Age, First Job and Young Apprentice initiatives, the Group tries to promote social inclusion and the professional training of youth and people aged 56 and up (Learn more in the box on Other initiatives).

The Personnel Management department was restructured in 2013;

one of the objectives of this change was to improve the Company's record in hiring and retaining people with special needs. One of the highlights in this new format was the contracting of three external consultancies, which mapped the profiles of the candidates, followed by a proposal to attract and select people and raise consciousness among leaders. The last stage, of training the leadership, will occur in 2014.

GPA also reinforced its efforts to include people with special needs, fomenting a culture of perennial diversity, providing increasing opportunities to these professionals.

To make this a reality, programs such as Refer a Special Needs Friend and Family, with employee participation, were created, and Case Histories of Success were promoted bringing together testimonials of leaders and colleagues from work with positive stories about the work of employees with special needs. This material was utilized in several trainings, including to facilitate the development of the managers.

At Assaí, there were a variety of actions focused on generating job opportunities for people with special needs. At the stores, vacant positions were allocated for hiring people with special needs. Recruitment began to be done through specialized consultancies, and partnerships were signed with institutions, NGOs, churches and governmental entities that serve people with special needs and their families, aiming at the possibility of hiring trained labor. A variety of channels of communication with customers were utilized to advertise job openings. In 2014, the Diversity Management Program, to raise consciousness within the organization, train the leaderships and develop actions that will help retain and engage these employees will be rolled out.

Via Varejo has begun to revise and draft policies for new rounds for hiring people with special needs, which will be implemented in 2014.

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INDICATORS OF DIVERSITY <LA13>

GENDER (%)

<LA13>	Via Varejo		GPA ¹	
	Men	Women	Men	Women
Executive officers	87.5	12.5	84.7	15.3
General managers	79	21	77.2	22.8
Departmental managers and coordinators	64.5	35.5	65.2	34.8
Technicians/supervisors	86.5	13.5	84.6	15.4
Administrative	25.7	74.3	55.4	44.6
Operational	71.6	28.4	44.1	55.9
Sales	53.4	46.6	59.6	40.4
Apprentices	49.2	50.8	54.5	45.5

BLACKS (%)

<LA13>	Via Varejo		GPA ¹	
	Men	Women	Men	Women
Executive officers	3.8	0	0	0
General managers	1.9	0.4	21.9	14.5
Departmental managers and coordinators	2.9	0	43.3	38.4
Technicians/supervisors	5.6	0.4	53.3	41.7
Administrative	1.3	5	43.6	39.1
Operational	7	2.2	68.8	68.8
Sales	2.6	1.9	67.9	62.4
Apprentices	3.3	2.7	88.8	87.9

¹ The GPA cluster contemplates Nova Pontocom, Multivarejo, Assaí, GPA Malls and Corporate.

Other initiatives

GPA fomenta a series of programs dedicated to promoting diversity and inclusion, such as:

First Job

Oriented toward youth aged 16 and up searching for their first job. The objective is to prepare them for the labor market, so that they can in the future build a career in the Group. In 2013, 9,186 youth were hired under the program, with registry on a Work Card.

Young Apprentice

The program selects youth aged 14-24. The training lasts approximately one year and is intended to train, involve and promote the professional development of the apprentices. Courses administered by the *Serviço {Nacional} de Aprendizagem Comercial* (SENAC) also complement the program. In 2013, 1,976 youth participated in the program.

People with a Future

The program, conducted in partnership with *Fundação Casa*, hires youth that have completed social education programs (community service, probation or halfway houses), toward inclusion and reintegration. In 2013, six youth (from an initial cohort of 25 participants) were trained by the program.

GPA for All

This program promotes the inclusion of people with special needs. In 2013, 113 people were hired.

Third Age

Work opportunities for people aged 56 and up, to value the contributions and experience of this group throughout the business. In 2013, 424 people were hired under the program.

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PEOPLE WITH SPECIAL NEEDS (%)

<LA13>	Via Varejo		GPA ¹	
	Men	Women	Men	Women
Executive officers	0	0	0	0
General managers	0.08	0.32	0.1	0.4
Departmental managers and coordinators	0	0	0.1	0.1
Technicians/supervisors	0.15	0.76	0.1	0
Administrative	1.43	0.96	0.3	0.2
Operational	1.23	1.94	1.7	0.8
Sales	0.25	0.49	0.1	0.1
Apprentices	0	0	0	0

AGE GROUP (%)

<LA13>	Via Varejo			GPA ¹		
	Under 30	30-50	Above 50	Under 30	30-50	Above 50
Executive officers	0	87.5	12.5	0	77.8	22.2
General managers	8.9	83.7	7.5	1.3	82.2	16.5
Departmental managers and coordinators	13.9	76.1	10	15.3	77.2	7.5
Technicians/supervisors	12.9	78.5	8.5	23.8	61.1	15
Administrative	31.2	65	3.8	23.5	69.7	6.8
Operational	38.1	55.7	6.3	49.1	43.1	7.8
Sales	30.6	62.1	7.2	35.6	56.9	7.6
Apprentices	99.6	0.4	0	100	0	0

¹ The GPA cluster contemplates Nova Pontocom, Multivarejo, Assaí, GPA Malls and Corporate.

Occupational health and safety <LA6 and LA9>

Commissions for In-House Prevention of Accidents (CIPAs) are responsible for identifying risks in the workplace and raising professionals' consciousness on safe behaviors. There are currently CIPAs at 570 GPA units, representing approximately 85% of the staff. At year-end, 364 Via Varejo units had commissions, covering approximately 63% of the staff.

Occupational health and safety is governed by the Ministry of Labor's Regulatory Norms, which deal with: the use of individual safety equipment; ergonomics; occupational exams; and good working conditions, among other matters. These standards are eventually reinforced in collective bargaining agreements. Violations of the laws entail the applicable penalties.

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Programs for risk education, prevention and control <LA8>

GPA has programs for the prevention and treatment of serious diseases for its employees and their families, providing general clinical and medical specialist assistance. It also has a flu vaccination campaign, a pre-natal care program, anti-smoking and chemical dependence initiatives and consciousness-raising campaigns on such topics as hypertension, diabetes, and healthy nutrition.

GPA'S HEALTH AND SAFETY INDICATORS¹ <LA7>

GPA and Via Varejo	Injury rate		Occupational disease rate		Total days lost ²		Rate of absenteeism ³	
	Female	Male	Female	Male	Female	Male	Female	Male
Central-West	1.24	1.18	0.06	0.08	2775	1759	51.16	26.86
Northeast	1.11	1.53	0	0.04	2652	2679	44.70	32.69
Southeast ⁴	1.01	1.71	0.04	0.33	19525	40556	29.53	55.90
North	0	0	0	0	0	0	0	0
South	0.66	1.20	0	0	539	1538	29.45	52.54

¹ The consolidated indicator includes Nova Pontocom, Multivarejo, Assaí, GPA Malls, Corporate and Via Varejo.

² Days lost refers to calendar days following the accident. The basis for calculating this indicator differs from 2012, frustrating comparison.

³ Does not include data for Via Varejo.

⁴ There were two deaths in the Southeast region.

Focus on Quality of Life <LA8 and SO1>

Through its Sports Program, GPA tries to promote social change and mobilization, providing incentives for the quality of life and the well-being of employees and their families. The initiatives are oriented towards holding events on healthy habits, physical training and nutritional advice. The program is divided into three pillars – GPA Club, GPA Gym and GPA Nutrition – which are described below:

GPA Club

Maintained since 1993, it offers physical activities such as walking, running, biking and dance classes. Approximately 2,000 employees participate in São Paulo (SP), Campinas (SP), Brasília (DF), Rio de Janeiro (RJ), Goiânia (GO), Fortaleza (CE), Recife (PE), and Belo Horizonte (MG).

GPA Gym

Since the inauguration of the first unit in 1998, GPA Gym has grown to 19 units at stores and distribution centers in São Paulo

state, the Federal District (DF), Ceará (CE), and Rio de Janeiro (RJ), in addition to a unit at the Group's headquarters in São Paulo (the Brigadeiro Complex). In 2013, there were 7,500 employee beneficiaries who also received professional assistance and services such as gymnastics for the workplace (18 GPA Gym units and three administrative departments) and gymnastics for customers (eight Pão de Açúcar stores in São Paulo).

GPA Nutrition

GPA offers personalized nutritional guidance to employees, with the objective of contributing to a healthier lifestyle and providing nutritional technical support. In all, four nutritionists, including two at headquarters, one for the distribution centers in São Paulo and one in Fortaleza (CE), provided more than 3,000 sessions to employees during the year.

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The Akatu Partnership

Through a partnership with the *Instituto Akatu*, an NGO that works to raise consciousness and mobilize society on conscientious consumption, pointers are publicized from time to time for consumers at Extra and Pão de Açúcar. This shows how it is possible to inject sustainability into the communications planning for the brands, raising consciousness on conscientious consumption on an ongoing basis.

Pão de Açúcar produces Flavors of the Week magazine, which includes tips on sustainable consumption, recycling and how to use water, energy and other resources conscientiously. Extra supplies insights through the sound systems at the stores, pamphlets, and the social networks.

Conscientious Consumption and Supply

One of the pillars of GPA's sustainability strategy is to encourage conscientious consumption and supply. This positioning translates into complying with all sanitation law, encouraging conscientious consumption and implementing and disseminating the guidelines from the National Policy on Solid Wastes (*Política Nacional de Resíduos Sólidos -PNRS*).

At Multivarejo, following the establishment of the corporate sustainability guidelines, three fronts were opened: healthy, natural and organic products; trackability of products; and education for sustainability. Based on a diagnosis, the Group set goals for 2014 that include increased marketing of organic products; developing healthier and

more natural products in exclusive brands; initiatives to track products; and ensuring effective periodic communications on conscientious consumption.

In 2013, the main actions toward sustainability were also focused on waste management. The stores function as points to dispose of paper, plastic, aluminum, glass, cooking oil, batteries, cell phones, expired or out-of-use medications and pre-consumption packaging. These programs have demonstrated significant growth, showing the effect of adhering to small sustainable actions in consumers' daily lives. But the challenge remains to engage consumers further, and thus efforts toward effective communications and consumer engagement in existing initiatives will be developed in 2014.

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National Policy on Solid Wastes

<S05>

GPA's socio-environmental programs are in harmony with the National Policy on Solid Wastes, which posits that all those that participate in the chain of production (manufacturers, importers, distributors, marketers and citizens) are responsible for the correct disposal of packaging and post-consumption materials.

Through the Ministry of the Environment's competitiveness group, GPA has participated in discussions relating to the PNRS.

Through the Associação Brasileira de Supermercados, the Instituto para Desenvolvimento do Varejo and the Compromisso Empresarial para Reciclagem, the Company remains active in technical working groups created to debate topics proposed under the National Policy on Solid Wastes. At bimonthly meetings, these working groups have been discussing sectoral agreements, to be presented to the Ministry for the Environment, in five areas: packaging, durable household goods, lighting, batteries and medications.

Although these debates are still taking shape in Brazil, GPA already has real examples of how it has increasingly expanded the number of actions that are in accord with the PNRS, to make good on its commitment to society and the environment, as is the case in the reverse logistics in its operations and other initiatives like:

RECYCLING OF LIGHT BULBS

A Pão de Açúcar store located on Av. Cerro Corá in São Paulo collects light bulbs from customers and disposes of them correctly. In 2013, 4,182 intact light bulbs and 30 kilos broken light bulbs were collected.

ELECTRONIC TRASH

This initiative, in effect since 2011 in partnership with the *Associação Brasileira de Empresas de Limpeza Pública* (ABRELPE), encourages the correct disposal of electronics, one of the cornerstones of the PNRS. Collection sites were installed at four

Extra stores and one Pão de Açúcar store, where customers can take microwaves, printers, televisions, computers and other items. In 2013, 3.8 metric tons of equipment was collected.

BATTERY COLLECTION

The project, developed in conjunction with the *Associação Brasileira da Indústria Elétrica e Eletrônica* (ABINEE), collects batteries from consumers in Pão de Açúcar, Extra Hipermercado, Extra Supermercado, Minimercado Extra, Assaí, Pontofrio and Casas Bahia stores. In 2013, 7,993.2 kilos of batteries were disposed of correctly.

HELLO RECYCLE

Instituted in 2010 in partnership with Nokia do Brasil, the program provides reverse logistics for cell phones, batteries and accessories. All collected material is sent for recycling, and may be reutilized, for example, for making toys, electronic devices or dental products. In 2013, 2,380 kilos of materials were collected.

PROPER DISPOSAL OF MEDICATIONS

Maintained since 2010 in partnership with Laboratórios Eurofarma, the initiative seeks to raise consumer consciousness on the importance of proper disposal of expired or out-of-use medications and sharp articles like needles and ampoules. This material is collected at 27 Extra stores and four Pão de Açúcar stores. In 2013, 6,430 kilos of medications were collected.

GREEN BOX

The program, initiated in 2008, encourages pre-consumption disposal of packaging, to raise consumer consciousness on proper waste disposal. Toward this end, all Pão de Açúcar stores have bins so that product packaging can be discarded instead of being taken home. All collected material is donated to recycling cooperatives that partner with the Group. In 2013, 1,328,722 pieces of packaging were donated. In 2013, the initiative had a strong campaign with the comedian Clarisse Falcão. The video had more than 2.8 million hits

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on YouTube, resulting in a 25% increase in the volume collected, as compared to the year prior.

ECOAMPLA

The project, inaugurated in 2012 by Assaí in Alcântara in Rio de Janeiro state, encourages the disposal of recyclable materials delivered voluntarily by consumers in exchange for a discount on their electricity bill. In 2013, 170,827 kilos were collected.

FRIENDS OF THE PLANET

Via Varejo's recycling and reverse logistics program at its units and 200 stores. The initiative involves the collection, segregation and recycling of packaging and products sold. Since inception in 2008, through December of 2013, more than 60,000 metric tons of materials have been recycled. In 2013 alone, there were 11,000 metric tons of materials.

Recycling Stations

GPA was the first retail company in Brazil to offer its consumers the opportunity to voluntarily deliver recyclable materials to store parking lots. Currently, more than 253 of the Group's stores offer this option to consumers. Since inception in 2001, the program has collected and steered more than 35,000 metric tons of recyclable materials to partnering cooperatives.

PÃO DE AÇÚCAR UNILEVER RECYCLING STATIONS

Since 2001, in partnership with Unilever, Pão de Açúcar stores have had voluntary stations for recyclable materials like paper, plastic, metal, glass and used cooking oil. In 2013, 10,948 metric tons of recyclable materials were collected, and 328,571.8 liters of cooking oil were donated to 34 recycling cooperatives that partner with the program.



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EXTRA P&G RECYCLING STATIONS

The program, in effect since 2007 at Extra stores, has voluntary stations for recyclable materials like paper, plastic, metal, glass, cardboard and used cooking oil. In 2012, Procter & Gamble began to partner with the initiative. Bins at 126 stores collected 3,471 metric tons of materials and 164,462.9 liters of used cooking oil in 2013, which were donated to 43 recycling cooperatives that partner with the project.

Recycle More, Pay Less <S01>

In May of 2013, Assaí signed a partnership with AES Eletropaulo to create the “**Recycle More, Pay Less**” program, which consists of trading in recyclable materials for discounts on electricity bills. Materials are collected at the Guaianases store in São Paulo. During the year, 144 consumers registered and donated 3,746.36 kilos of materials to a cooperative. For 2014, the objective is to add another two collection sites at new Assaí stores.



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<PR3>

GPA tries to act as an agent for change in the chain of value, developing initiatives that generate real value and permit the dissemination of concepts of sustainability among its principal stakeholders.

To support this work, the Group has a Quality Assurance department active in three areas: developing trusted suppliers; quality control; and food security.

The department is also responsible for inspecting the factories of industrial partners. At Distribution Centers throughout Brazil, there is a control process for deliveries, toward mitigating risks relating to quality and failures to comply with legal and food safety requirements. This work is based on GPA's internal norms and standards as well as applicable law.

Aspects like safety, integrity of the consumer, sustainability and social responsibility are also monitored in non-food products, to ensure customer satisfaction and brand integrity. All imported products are mapped and submitted to the Quality Assurance department's development and control process.

Product quality – Multivarejo

Before arriving on supermarket shelves, all products undergo risk evaluations for ingredients and legal aspects, to comply with Brazilian regulatory standards (ANVISA and Ministry of Agriculture) and validate labeling to ensure consumer health, integrity and well-being.

For exclusive brands like Taeq and Qualitá, and for our import process, this work commences at product development. Labeling content follows applicable law and the standards that govern each type of product, with instructions on use, information on handling and preservation, explanations of the outsourcing of certain components and descriptions of substances that may have socio-environmental impacts and effects on consumer health and safety.

The Group is also directly responsible for complying with the standards applicable to non-food products: outsourcing of product components or services, substances that may generate an environmental or social impact, safe use of the product or service, product disposal, nutritional labeling, additional nutritional information, consumer alerts,

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information on allergens and product registration with the applicable regulatory agency.

Suppliers

<HR1, HR2, HR6 and HR7>

In keeping with its sustainability guidelines, all GPA contracts with service providers include a clause with a commitment to execute the services in accord with the applicable legal, normative and administrative provisions of the cities, states and country. Furthermore, pursuant to its Code of Moral Conduct and the principles it stands for, it requires service providers (that employ labor) not to use child or forced labor and to distance themselves entirely from companies that do. Violations may result in breach of contract with any company in the Group.

In 2013, none of the food or other suppliers inspected by GPA presented any irregularity that could run counter to the labor law of each country or the Universal Declaration of Human Rights.

For foods, nine suppliers were assessed with a focus on human rights; although the questions associated with these factors are not included in contractual provisions, they are part of the Group's risk mapping. For 2014, the expectation is to increase the number of suppliers controlled and audited by 5% and remain 100% in compliance on matters of this nature.

In Retail, through the ABVTEX Program to Certify Suppliers, all textile suppliers are audited using criteria developed by ABVTEX, obtaining approval to continue to supply GPA. Proof of maintenance of the certification is solicited periodically. Every month, the commercial team monitors the activity of companies in this segment.

In 2013, the Group fulfilled the goals of 100% of suppliers outside the state of São Paulo having ABVTEX certification and 100% maintenance of the certification after two years. For 2014, the objective is to continue to monitor the audits of the textile sector

Stages of evaluation

<PR1 and PR2>

Before being marketed in Group stores, imported foods and other products are submitted to evaluations, including:

Research and development

Applicable to durable household goods (representing less than 5% of the overall mix). All imported foods have health and safety assessments (such as information on allergens and nutritional labeling).

Certification

Inspection of toys, school materials, party items, tires, appliances, baby strollers, batteries and telecommunications items, which represent roughly 30% of all products.

Product manufacture

Applicable to all imported products (foods and non-foods), primary chain suppliers and high risk national products, which account for less than 5% of all products.

Storage, distribution and supply

Applicable to all imports (foods and non-foods), primary chain suppliers and high risk national products, whose share of the Group's sales is less than 5%.

GPA's goal is to ensure maintenance of the levels of control and compliance for 100% of the items imported.

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and its respective recertification, and monitor ABVTEX's plan to certify other categories that are not currently covered by the program, such as accessories and shoes.

Quality from the Source

Considered one of GPA's most important programs for monitoring product quality, Quality from the Source covers the chain of suppliers of fruits, legumes, vegetables and eggs. The main objectives of this initiative are to develop suppliers' chains of production, train them to comply with applicable law, improve the system of production and orient consumers, providing a higher level of trustworthiness at the time of purchase.

Quality from the Source monitors good agricultural practices, strictly controls the use of pesticides in all product processes, and checks the physical and visual condition of the products. This work is done by companies certified by the *Instituto Nacional de Metrologia, Normalização e Qualidade Industrial* (INMETRO). In addition, the program is aligned with the *Programa de Análises de Resíduos de Agrotóxicos* (PARA), of the *Agência de Vigilância Sanitária* (ANVISA), which constantly measures pesticide levels in foods.

Suppliers can follow the results through an online platform. At the site, it is possible to access information such as the audit score, the grade on the inspection at arrival and results of the analysis of

pesticide residues when the products arrive at the Group's distribution centers. Whenever necessary, work to develop a supplier is undertaken with the help of a technical team that handles the interface between clients, retailers and producers.

Participation in Quality from the Source is voluntary; by the end of 2013, 626 suppliers participated. Social and environmental criteria will also be assessed, to encourage suppliers to continue to improve their production processes and promote actions that are reflected in the quality of life of the workers.

Recognition

Thanks to the effort to track and control of toxic residues in the products, the Quality from the Source Program is recognized by ANVISA as a model for quality in retail. In addition, its procurement of fruits, legumes and vegetables has been approved by ISO 9001, one of the most important certifications in the world for managing quality.

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Quality from the Source for beef

The Quality from the Source Program for beef was initiated on the ranches that partner with GPA that raise Galician Blond cattle. The work starts with selecting ranches and meatpackers, making it possible to track the entire cycle: insemination, birthing, animal well-being, industry and transport to the stores.

Partners are encouraged to assume the commitment to and responsibility for people and animals. Proof that it is possible to produce tender, high-quality meat, mitigating risks to the environment.

With the success of the program, the initiative was expanded to other kinds of beef. Toward this end, GPA has involved all its suppliers, monitoring for tenderness, microbiological quality and residues. All the processes are audited.

Exclusive brands <EC6>

Attentive to the level of excellence of its exclusive brands – Taeq, Qualitá, Casino, Club des Sommeliers and Finlandek –, the Group monitors consumer feedback at the points of sale and inspects products at the distribution centers.

The items in the Casino and Club des Sommeliers lines are also controlled by Casino in France. Finlandek (bazaar items and textiles) is monitored by the Quality Assurance team, which follows all the requirements for quality and standards established by GPA.

In 2013, the Next Steps in Quality Program was initiated with 120 suppliers that produce processed foods. The objective is to improve the supply chain through the continual evolution of the suppliers, so that they reach international levels of certification and meet the Group's quality and safety standards. Divided into three stages, the program will go into effect in 2014 with suppliers of fruits, legumes and vegetables.

Caras do Brasil (Faces of Brazil)

<EC6, EC9, HR2, HR6 and HR7>

Since 2002, GPA's *Caras do Brasil* program has encouraged the development of sustainable management at small producers, fair trade, income generation, respect for the environment and social inclusion. As of 2014, the program will expand to cover the suppliers of the Group's exclusive brands.

The objective of *Caras do Brasil* is to value local culture by marketing products developed by communities and organizations throughout Brazil (artisans, cooperatives or associations). The line consists of foods, decorative objects and artisanal pieces sold at 107 Pão de Açúcar, Pão de Açúcar Delivery and Extra Delivery stores, with roughly 10 items in the testing phase.

The program has roughly 140 products from 12 states in Brazil, predominantly in rural areas. The requirements for participating in the initiative are: complying with the applicable health and sanitation laws, being in good standing with the tax authorities, issuing proper sales receipts, and producing through sustainable practice. Candidates that want to participate in *Caras do Brasil* can register directly on the program's site (www.carasdobrasil.com.br, under the link "Be a Supplier"). Periodically, consultants conduct Eligibility visits to attest to the sustainable production of the products. At such time, a questionnaire covering social, economic and environmental matters is conducted, and its results are applied to improve production, toward fomenting local economies, with the development of small businesspeople. For 2014, the goal is to conduct Eligibility Assessments at 40% of the active suppliers and 100% of the new suppliers.

Also in 2014, the Group intends to extend the sale of the products to all Pão de Açúcar stores and increase the number of suppliers by 10%, so as not to overload the existing ones. One of GPA's policies is to limit its purchases to 70% of the material produced, so that the producer establishes other commercial relationships and thus

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expands its chain. Over the long term, another goal of the program is to expand sales of program products to other stores in the Group.

SUPPLIER DEVELOPMENT

In 2013, the work of Supplier Development and Quality Assurance in the food sector was restructured. By the end of 2013, the initiative covered nine primary suppliers. In non-foods, this process has been in place since 2011.

VIA VAREJO

Through the Third Party Management program, Via Varejo tries to mitigate the risks of labor claims and ensure operational efficiency. In hiring suppliers, the company evaluates economic, asset and financial aspects of the service providers, and requests labor and social security certificates, balance sheets and information on the financial dependence of clients. After finalizing the contract, Via Varejo demands all the pertinent documents to ensure contractual protection, and starts checking the working conditions of the suppliers, avoiding slave-like labor and ensuring that all labor and human rights aspects are in order.

ASSAÍ <HR8>

In 2013, 15% of the security team received human rights training. For 2014, the goal is to develop

a publication on training in Loss Prevention, in addition to training bosses, inspectors and other store employees on proper procedures.

FREEDOM OF ASSOCIATION <HR5>

The freedom of labor association is guaranteed under the Constitution (article 8, CF/88), and extends to suppliers. GPA complies in full with this requirement, in permitting, whenever asked, union campaigns at its branches. The types of operations in which there is known risk that this right may be availed of are the primary chain, small suppliers, textiles, electronics and bazaar goods imported from emerging regions.

LOCAL CONTRACTING

GPA invests in developing a more sustainable chain of value, with the utilization of local labor, so that logistics are more efficient and have lower costs. This commitment has contributed to regional development and job creation. In addition, the Group develops programs to support local producers, helping them to structure their business and encourage the sale of their products in its stores.

Customers

GPA believes that the success of the business is directly linked to its relationships with customers. Accordingly, meeting the expectations of this constituency and placing the consumer at the center of its strategic decisions is one of the Company's guidelines, which tries to maintain effective communications with consumers, through exclusive channels, opinion surveys and the development of new products.

For Extra and Pão de Açúcar, quantitative research is conducted to assess customer satisfaction with prices, forms of payment, promotions and deals, product quality, service, and the store environment and structure. In 2013, approximately 5,500 interviews were conducted in the most important markets for each banner: Extra Hiper (São Paulo, Rio de Janeiro, the Federal District and Recife), Extra Super (São Paulo and Rio de Janeiro), Minimercado

Local Suppliers <EC6>

The GPA policy prioritizes the relationship with suppliers who preferably have factories in the country. Among the non-food suppliers, 73% of the budget was allocated to the purchase of items produced by local companies. In the non-food segment, the goal is to reduce direct imports, currently made by the GPA itself.

In Via Varejo, 98.98% of purchases come from local suppliers, that is, of Brazilian origin - representing 99.39% of company revenues. For Assaí, 99% of the budget was allocated to hiring local companies (operating in national territory) and the Nova Pontocom 95%.

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Extra (São Paulo) and Pão de Açúcar (São Paulo, Rio de Janeiro, the Federal District and Fortaleza).

Assaí tries to understand better the opinions and levels of satisfaction of its customers in all the channels, including online. For 2014, digital channels will be structured to observe consumer behaviors and identify their main demands and questions on the company's products and services. At Nova Pontocom, customers can describe their experiences at the site itself: 89.51% would buy at the company again, exceeding the goal of 85%.

Channels for relationships

<PR5 and PR8>

Casa do Cliente, which is an interactive channel for consumer contact, serves GPA's retail food operations in the relationship with Pão de Açúcar and Extra customers in all their formats, as well as Assaí self-service wholesale consumers. The channel's objective is to increase customer satisfaction, guarantee effective service and correct any problems. It can be accessed for criticisms, suggestions, questions, requests or comments by telephone, email or social networks. In 2013, *Casa do Cliente* was contacted 327,321 times, and brought forward 100% customer satisfaction. The methodology for measuring satisfaction follows the Customer Relationship Manager (CRM) standards.

Being a group with multiple brands, customer satisfaction can also be measured through an analysis of the organizational image and reputation. In 2013, effective feedback loops were structured such that customers are surveyed for satisfaction on all the services provided.

There were no complaints through any channel about violations of privacy or loss of customer data, nor leaks of data, thefts or losses of customer data on *Casa do Cliente*'s database.

Communications and Marketing

<PR6>

GPA's commitment to consumers is marked by truth in information and compliance with Brazilian advertising laws and standards.

All communications and marketing is in compliance with the guidelines established by the *Caixa Econômica Federal* and the *Secretaria de Acompanhamento Econômico*, the sector's regulatory agencies. In addition, the Group reports to the *Escritório Central de Arrecadação e Distribuição de Direitos Autorais (ECAD)* whenever it uses music in its campaigns, and pays the fees provided in Law nº 9.610/98, on Copyrights.

GPA is affiliated with the *Associação Brasileira de Marketing Direto (ABEMD)*, which regulates direct marketing. Marketing via print and digital media, television or radio follow the rules of the *Código Brasileiro de Autorregulamentação Publicitária (CONAR)*.

Any production, purchase or use of photos on the part of the Company respects copyrights, and contracts with youth under age 18 are signed by the parents.

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GPA's sustainability strategy is guided by eco-efficiency in construction and in the management of the day-to-day operations. Environmental impacts are monitored, to create initiatives to mitigate them and make the activities more sustainable.

At Extra and Pão de Açúcar stores, efforts are focused on reducing greenhouse gas emissions, energy consumption and the risks of transporting products. Green Yellow, Casino's arm specialized on energy performance, developed a plan for Extra stores, and expects decreases in energy use of up to 25% per store (learn more at Green Yellow).

In logistics, the Backhaul initiative, which optimizes processes for distributing products, by having trucks not return empty after delivering products, but loaded with articles from some supplier, continued. In addition to productivity gains, the

action also reduces the number of kilometers travelled and, consequently, lowers CO₂ emissions. In 2013, 54 suppliers participated in the initiative, totaling 44,475 trips to collect products from the suppliers, an increase of 25% over 2012. For 2014, the goal is to decrease the number of kilometers traveled by more than 1,800, to reduce CO₂ emissions by 1.4 metric tons. <EN29>

At Assaí, electricity consumption decreased with the deployment of glass facades, which entail benefits such as thermal and visual comfort, ease of access in rainy periods and reduced generator and air conditioning noise. For 2014, the objective is to more intensively exploit the roof to generate energy and reuse stored rainwater. During the year, studies were initiated to assess the feasibility of deploying systems for reusing rainwater and using solar panels and wind power, among other systems, in at least two new stores in 2014.

REDUCTION OF CO₂ EMISSIONS AND KILOMETERS TRAVELLED IN THE BACKHAUL PROJECT

<EN29>	2011	2012	2013
Kilometers travelled (thousands)	669	937	1,619
CO ₂ emissions (t)	701	719	1,247

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Initiatives to mitigate environmental impacts in 2013 <EN26, EN7 and EN5>

Energy <EN5>

Multivarejo

- > Deployment at 65 stores of more efficient lighting systems – including three with LED.
- > Dedicated automation for the food cooler in the Extra Penha store, obtaining a reduction of 14%.
- > Replacing the electric air conditioning system with a natural gas one in the Extra Aeroporto and Extra Morumbi stores.
- > Adding 19 stores to the process of purchasing renewable energy, now totaling 112 stores. The volume of renewable energy contracted in 2013 was 4.9 average MW, totaling 48 average MW.

Via Varejo

- > Automation of lighting and replacement of two floors of lighting with LED lighting, with a reduction of 16% in the load used.
- > Retrofitting lighting on six floors of the administrative headquarters, changing the type of fluorescent bulb (from HO to T5), reducing energy use by 17%.

Assaí

- > Utilization of enclosed refrigerated displays that evaporate residual condensation, eliminating the need for drains, avoiding water discharge to the sewage system, generating better use of the equipment and reducing energy consumption.
- > Skylights and glass facades, to increase natural lighting in the store during the day, decreasing light bulb use and, consequently, reducing the consumption of electricity.

Water use

Multivarejo

- > Capturing water from condensation in the air conditioning and rainwater for use in toilets (at the Extra Ribeirão Preto store) reduced water consumption at this store by approximately 19%.

Via Varejo

—

Assaí

- > Utilization of rainwater storage containers to slow the volume that flows into the sewers, and avoiding flooding.

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Emissions

Multivarejo

> Steps forward in the Backhaul program, which since 2006 has sought to decrease CO₂ emissions and guarantee more efficiency to logistics, reduced emissions by 781 metric tons and distance travelled by 1,009 kilometers.

Via Varejo

—

Assaí

> Utilization of cold water air conditioning systems, contributing to reduced greenhouse gas emissions.

Wastes

Multivarejo

> Management of the generation of organic, paper and plastic trash at operations. The number of stores with integrated waste management multiplied, from 38 in 2012 to 79 in 2013 – 25 for Pão de Açúcar; 20 for Extra Hiper and Super; and 34 for Minimercado Extra.

Via Varejo

> Waste recycling program at headquarters, 200 branches in São Paulo and six distribution centers. In 2013, roughly 11,000 metric tons of packaging for office materials and durable household goods was recycled.

Assaí

> Runoff treatment plant, decreasing the volume of sewage discharged to the public systems.

Noise

Multivarejo

—

Via Varejo

—

Assaí

> Utilization of silent generators, diminishing the noise in the equipment area of the store, without bothering the neighbors.

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Green stores

With the commitment to enable the expansion of Multivarejo by using innovative solutions, GPA Malls parlays building stores with exceptional design features, like low operating costs, quicker project approval, more comfortable ambient temperatures and higher market value. Currently, there are green stores in seven locations, including three that are certified by Leadership in Energy and Environmental Design, which recognizes buildings using eco-efficient materials and technologies and sustainable construction methods. Among the things that make green stores stand out are:

- > Waste management starting with construction
- > Paints and adhesives with low emissions of volatile organic compounds
- > Low CO₂ emissions
- > Utilization of certified wood only
- > Bike rack
- > Carts made from PET bottles
- > 20% recycled material
- > Use of regional materials
- > Native vegetation in green spaces
- > Reutilization of rainwater for irrigation and cleaning garages
- > Automated lighting
- > Efficient air conditioning use
- > Refrigeration free of CFC and HCFC utilization

Emissions

With the support of an external consultant, GPA has developed, since 2010, its inventory of carbon emissions, following the specifications of the *Programa Brasileiro GHG Protocol*. Qualifying emissions as direct and indirect within scopes 1, 2 and 3 utilizes the methodologies of the

Intergovernmental Panel on Climate Change (IPCC- 2006 and IPCC 2000, for the generation of electricity, other combustion processes, transport of materials and products and wastes), the Department for Environment, Food and Rural Affairs (DEFRA), for air travel, and the World Resource Institute (WRI/WBCSD GHG Protocol Initiative), for electricity purchases.

For other combustion processes, emissions from the fleet of utility vehicles was included. In 2013, Via Varejo automobiles also began to be contemplated, increasing the coverage of the accounting. For the transport of materials, the large decrease in emissions was mainly due to the migration to outsourced transport. In relation to the emissions from gas leaks, the increase was proportional to the growth of the stores, which utilize refrigerants, and also to replacing gases that destroy the ozone layer with harmless gases. With the Group's expansion, energy consumption increased 7%. In addition, the use of thermoelectric power plants (which burn fossil fuel) was higher in 2013 than in 2012, increasing the Group's emissions by 18%.<EN18>

Indirect emissions include transport by light vehicle, the fleet of outsourced vehicles, employee transport, taxi use, executive air travel, the treatment of solid waste, composting, and paper consumption at the office and in advertising. The large change at the beginning of 2013 is explained by the inclusion of Via Varejo's outsourced fleet.

INVENTORY OF EMISSIONS

	2013
Scope 1 (Kyoto Protocol)	73,497
Scope 1 (Montreal Protocol)	341,572
Scope 2 (Kyoto Protocol)	141,211
Scope 3 (Kyoto Protocol)	164,363
Total	720,644

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DIRECT EMISSIONS GREENHOUSE GASSES BY SOURCE (IN METRIC TONS OF CO₂ EQUIVALENTS)¹

<EN16>	2011	2012	2013	Variation (%)
Generation of electricity, heat or steam	39,336.08	37,555.33	32,308.54	-13.97
Other combustion processes	503.98	3,990.68	5,056.38	26.70
Physical-chemical beneficiation	-	-	-	-
Transport of materials, products and wastes	58,158.22	47,340.72	31,640.73	-33.16
Opening vents	-	-	-	-
Leaks	-	2,976.77	4,491.73	50.89

INDIRECT EMISSIONS (IN METRIC TONS OF CO₂ EQUIVALENTS)²

<EN16>	2011	2012	2013	Variation (%)
Generation of electricity, heat or steam that is bought	35,508.01	90,163.82	141,210.89	56.62
Total direct and indirect emissions	133,506.29	182,027.31	214,708.27	17.95

¹ Includes GPA, GPA distribution centers, Extra Hiper, Extra Super, Minimercado Extra, Pão de Açúcar, GPA fuel stations, GPA drugstores, Assaí, Assaí distribution centers, NovaPontoCom distribution centers, Nova Pontocom, Via Varejo, Via Varejo distribution centers, Casas Bahia and Pontofrio.

² Does not include emissions caused by travel.

INDIRECT EMISSIONS OF GREENHOUSE GASSES BY SOURCE (IN METRIC TONS OF CO₂ EQUIVALENTS)¹

<EN17>	2011	2012	2013	Variation (%)
Employee transport	-	-	705.71	-
Business trips	2,838.06	3,521.59	3,498.	-0.67
Other emissions	46,610.78	70,041.88	160,159.39	128.66
Total direct and indirect emissions (in metric tons of CO₂)	49,448.84	73,563.47	164,363.1	123.43

¹ Includes GPA, GPA distribution centers, Extra Hiper, Extra Super, Minimercado Extra, Pão de Açúcar, GPA fuel stations, GPA drugstores, Assaí, Assaí distribution centers, NovaPontoCom distribution centers, Nova Pontocom, Via Varejo, Via Varejo distribution centers, Casas Bahia and Pontofrio.

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The GPA seeks solutions to reduce emissions of greenhouse gases, by exchanging by other types of gases that are not destructive to the ozone layer.

2011 <EN19>

Type of gas	Consumption (metric tons)	Ozone Depletion Potential	Metric tons eq of CFC11
R-22	180.14	0.055	9.91

2012 <EN19>

Type of gas	Consumption (metric tons)	Ozone Depletion Potential	Metric tons eq of CFC11
R-12	0.27	1	0.27
R-141 B	0.22	0.033	0.01
R-22	200.27	0.11	22.03
R-124	0.04	0.02	0.001

2013 <EN19>

Type of gas	Consumption (metric tons)	Ozone Depletion Potential (ODP) ¹	Metric tons eq of CFC11
R-12	0.034	1	0.34
R-141 B	0.016	0.033	0.01
R-22 ²	186.6	0.11	20.53
R-124	0.02	0.02	0.0004

¹ ODP source: www.epa.gov/ozone/snap/subsgwps.html
 Includes GPA, GPA distribution centers, Extra Hiper, Extra Super, Minimercado Extra, Pão de Açúcar, GPA fuel stations, GPA drugstores, Assaí, Assaí distribution centers, NovaPontoCom distribution centers, Nova Pontocom, Via Varejo, Via Varejo distribution centers, Casas Bahia and Pontofrio.

² R-22 gas is the one most utilized by the Group. Nonetheless, we have seen as of 2013 a drop in its use due to replacements with other types of gas that do not destroy the ozone layer, including for example HFCs.

Energy Consumption
 <EN3, EN4 and EN5>

GPA maintains ongoing programs to reduce energy consumption at its operations. Since 2011, the Company has had an Internal Commission on Energy Consumption, which identifies actions with this focus. In 2013, GPA saved 17,272 GJ of energy from the initiatives – Replacing the lighting systems with more efficient lighting at 65 stores (3 with LED illumination)

and dedicated automation for food coolers in an Extra store.

In addition, other energy-saving initiatives we implemented – Replacing electric air conditioning with air conditioning powered by natural gas at 2 stores, replacing LPG with natural gas at 1 store, and buying renewable energy in the free energy market at another 19 stores, totaling 112 units.

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DIRECT NON-RENEWABLE ENERGY (GJ)¹

	2012	2013
Natural gas	57,942.00	83,709.69
Liquefied Petroleum Gas (LPG)	289,721.00	267,992.23 ²
Diesel	95,040.00	505,070.40
Total non-renewable energy	442,703	856,772.32

¹ The information reported does not include direct energy in relation to our own fleet.

² The significant increase in energy consumption was due to the commencement of Via Varejo's use of LPG in 2013.

ELECTRICITY, HEATING AND REFRIGERATION FROM NON-RENEWABLE SOURCES THAT IS BOUGHT AND CONSUMED (GJ)

	2012	2013
Electricity	2,845,044.00	2,759,601.02
Total non-renewable energy purchased (GJ)	2,845,044.00	2,759,601.02

ELECTRICITY, HEATING AND REFRIGERATION FROM RENEWABLE SOURCES THAT IS BOUGHT AND CONSUMED (GJ)

Renewable sources (mixed source)	454,636.00	796,578.04
Hydroelectric	124,603.00	764,180.79
Biomass	609,862.00	575,244.84
Total renewable energy purchased (GJ)	1,189,101.00	2,136,003.66
Total energy purchased (GJ)	4,034,145.00	4,895,604.68

Green Yellow

In 2013, GPA introduced an energy efficiency program developed by a company in the Casino Group, Green Yellow. Created in 2008, Green Yellow is active in hypermarkets in France and Colombia, with solar panel and energy efficiency projects.

Testing began at the end of 2013 at three Extra hypermarkets in the Mooca, Freguesia do Ó, and Ricardo Jafet neighborhoods in São Paulo. The objective is to evaluate consumption at the stores and their potential to reduce and identify suppliers and partners that can add to the development of the project.

In the end, Green Yellow will present intelligent solutions to GPA that should pay for themselves, given the energy savings. The Company expects to reduce store consumption 25%, i.e. at the same levels seen in France and Colombia. The goal for 2014 is to take the project to 30 stores in the Group.

Green Yellow's initial focus is the energy efficiency program, but the possibility of installing solar panels on the roofs and parking lots of Group stores is being studied.

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Integrated waste management

One of GPA's preoccupations is minimizing environmental impacts at its operations. Accordingly, the Company has worked in partnership with other companies to deploy initiatives in line with the National Policy on Solid Wastes. At retail, the objective is to send the least amount of waste possible to landfills, and diminish impact.

The first action was taken in 2008, in partnership with a national supplier, with a pilot in the first Pão de Açúcar green store, in Indaiatuba (SP). Currently, the initiative serves 25 Pão de Açúcar stores and 56 Extra stores. The process consists of segregating four types of materials: recyclables (paper, plastic),

organics, wood and other refuse. The recyclable materials are sent to be recycled, the organic wastes to produce animal feed and compost, and the wood is transformed into furniture. Only other refuse is sent to licensed landfills.

In 2012, one of Brazil's largest environmental services companies also became a partner, with the mission of developing a project that facilitates Company compliance with the requirements of the PNRS. The company is active at seven distribution centers, 301 retail stores, 2 idle asset and equipment management units and 37 drugstores.

NON-HAZARDOUS WASTE (T)¹ <EN22 and EN24>

	2013
Compost	9,285.00
Recycling ²	82,887
Recuperation (including energy recuperation)	38.10
Landfill ²	743,416
Total	835,626.1

HAZARDOUS WASTE (T)^{1,3}

	2013
Recycling	79.31
Recuperation (including energy recuperation)	10.77
Incineration (burning mass)	20.71
Landfill	9.60
Total	120.39

¹ Numbers include Retail Food, Via Varejo, Assaí and Nova Pontocom.

² The values of recycling and landfill were not insured.

³ In 2013, GPA transported 38 metric tons of hazardous waste (batteries, light bulbs and medicines).

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Water <EN8, EN9 and EN10>

The water consumed at the Group's stores and headquarters comes from the public system. At the Via Varejo distribution center in Jundiaí, the water comes from wells and the capture of rainwater. In 2013, the Company reutilized approximately 1% of all water consumed, through treatment of the runoff, the reuse of water from the air conditioning tower, and rain capture.

WATER CONSUMPTION

Volumn (m³)	2013
Surface	284
Ground	156,921
Rain collection	1,091
Other sources (recycled)	30,216
Public utility/supply company	4,118,221
Total	4,306,733

WATER DISPOSAL <EN21>

Volumn (m³)	2012	2013
Public sewage system	2,302,812	2,161,454.55
Sewage treatment station	445,785	535,460.38
Discharge directly into rivers or other bodies of water	479,789	491,444.25

Packaging <EN2>

In 2013, the quantity of recycled materials used in packaging diminished, due to changes in the portfolio and launches of new products – with other packaging formats. For 2014, the objective is to increase the utilization of pulp-based materials by 10%, to contribute to manufacturing recycled cardboard, the raw material required for packaging exclusive brand products. The program, formerly called the Green Cycle, is now called "New (re)New" (*Novo de Novo*) and was expanded to all exclusive brand products (learn more at the New (re)New Program).

The New (re)New Program

In 2009, GPA initiated a program to reutilize packaging, based on the reverse logistics concept. Initially called the Taeq Green Cycle, the principal objective was to launch products whose packaging would utilize some of the material collected at the Group's stores. The program also motivates customers to contribute to recycling stations, through a sustainable and innovative waste management model led by the Group's exclusive brands.

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The process involves purchasing pulp-based materials from cooperatives registered with the Group and transforming them through recycling. The packaging is delivered to the manufacturers, which deliver to GPA stores.

Since program inception, more than 1,000 metric tons of recyclable pulp-based materials have been transformed into raw materials for packaging. In 2013, the initiative was expanded to all exclusive brand products, and laminated carton packaging known as “Long-Life Packaging” was added to the pulp-based packaging in the program. The first products packaged with paperboard from the recycled long-life packaging arrived on the shelves in November, with Taeq Teas and the Qualitá Kids Jelly.

MATERIAL COLLECTED BY THE COOPERATIVES AND SENT TO THE PROGRAM

Year	2010	2011	2012	2013
Metric tons	400	450	307	710

Impacts on biodiversity

<EN11, EN12 and EN14>

The impacts on biodiversity resulting from the process of building stores generally involve only the suppression of the local flora at the time the units are installed. The Group has adopted operational controls for each environmental aspect arising from its activities, through monitoring and management, in accordance with applicable environmental law and standards.

In other cases, it forms agreements with local governments, requesting authorization to remove trees from the property and plant other species, as a form of environmental offset.

After installing the stores, the Group considers environmental impacts in its decisions in connection with creating and maintaining the structure needed to make ongoing improvements and implement and revise the established goals and objectives. In addition, it seeks to continue to improve and prevent through Environmental Management Programs, and keep teams ready to conduct environmental analyses for projects.

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<EC8 and SO1>

Through a variety of partnerships, GPA seeks to collaborate toward socio-environmental and economic improvement of the communities in which it does business, and to promote health through sports.

One example of this is at Pão de Açúcar, which held four relay marathons and four children's runs, and invested in 79 professional athletes. In 2013, the Pão de Açúcar Relay Marathon involved 7,000 participants in Brasília, 11,000 in Rio de Janeiro, 12,000 in Fortaleza and 36,000 in São Paulo. The Pão de Açúcar Kids Runs involved 5,000 children in São Paulo, 1,200 in Fortaleza, 1,200 in Brasília and 1,200 in Rio de Janeiro.

Extra promotes monthly bike rides that involved a total of 4,000 people in 2013. The *Núcleo de Alto Rendimento* (NAR) evaluates athletes and had 390 new athletes and 817 consultations last year.

Both the bike rides and the relay marathons are eco-friendly, stimulating the use of pollution-free transport, neutralizing carbon emissions through segregated collection and recycling

materials that are collected at the events and donated to cooperatives (500 kilos in 2013 alone).

For 2014, the objective is to increase the number of participants in the Pão de Açúcar kids runs in Rio de Janeiro, the Federal District and Fortaleza by 10%, and to increase the number of bike rides by 10%, while expanding to other regions, such as Campinas and Ribeirão Preto, in São Paulo state.

In addition, to back its positioning, GPA is the principal sponsor of the Instituto GPA, which manages the Company's private social investments.

Instituto GPA was created in 1998 to promote the development of youth and children, through educational, social and cultural activities – one of the Group's commitments. Its initiatives are oriented toward fomenting and developing people's potential, providing better conditions for health, housing, education, training and professional specialization. *Instituto GPA* believes that economic growth translates into improvements in everyone's living conditions.

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In this transformative process, education is the principal tool for building concrete civic actions and fighting for a more just society. Educational programs that stimulate employability and entrepreneurialism are offered free of charge. It is focused on Osasco and Santos in São Paulo state, Rio de Janeiro and São Gonçalo in the state of Rio de Janeiro, and Brasília.

INSTITUTO GPA'S TWO FRONTS ARE:

EDUCATION

High school education integrated with professional technical training courses.

MOBILIZATION FOR THE GROUP'S SOCIAL ACTIONS

With actions to encourage voluntarism and social campaigns.

Initiatives of the Instituto GPA

- > The *Instituto GPA* Music & Orchestra Program
- > Advanced Nucleus in Food Technology (NATA)
- > Program for retail training (cashiers and stockers)
- > Call center computing course
- > Online English course
- > Panis Et Lactis' Technological Convention
- > Day of solidarity
- > Campaigns to collect books, toys, clothes and coats
- > Volunteerism
- > The Prosper Program

IN 2013, GPA INVESTED

R\$
7,297,568
 IN THE *INSTITUTO GPA*



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Mission

To promote employability and entrepreneurialism through educational social actions oriented towards the communities surrounding GPA's units.

Vision

To be recognized as an agent for change, to improve human development in the communities where GPA is active.

The Instituto GPA Music & Orchestra Program <SO1>

Created in 1999, the program offers 2-year courses for strings, wind instruments and percussion for youth aged 10-18. In addition to learning about music and culture, students develop discipline, culture, concentration, team spirit and civic virtue.

The program, which in 2013 was approved under the federal government's Rouanet Support for Culture Law, is conducted at four of the *Instituto's Casas*, in Osasco (SP), Santos (SP), Rio de Janeiro (RJ) and Brasília (DF). Outstanding talent joins the *Instituto GPA* Orchestras until they turn 21. During the year, there were 13 music classes, and for 2014, the objective is to create two new classes in the city of São Paulo. The highlights for 2013 were:

- > Eight members of Instituto GPA Orchestra participated in a music course in partnership with the Berklee College of Music in Boston, Massachusetts.
- > Students aged 11-17 participated in the 4th *Iguazú en Concierto*, the international festival for children's and youth orchestras and choirs, in Puerto Iguazú, Argentina, where they performed four times for an audience of 8,000 people.

> 25 youth from the *Instituto GPA* Orchestra toured in France, where they participated in the Casino award ceremony and played for employees at the national headquarters.

Advanced Nucleus in Food Technology (NATA) <SO1>

The result of a partnership between Rio's Department of Education (*Secretaria de Estado de Educação do Rio de Janeiro - SEEDUC/RJ*), the Department of Fishing and Supply (*Secretaria de Agricultura, Pecuária, Pesca e Abastecimento do Rio de Janeiro - SEAPPA/RJ*), GPA and the *Instituto GPA*, NATA offers a high school education integrated with professional technical training.

Developed at the *Colégio Estadual Comendador Valentim dos Santos Diniz*, the disciplines of high school are mixed with technical and professional skills. The school was built in May of 2009, and has two benchmark technical training programs: Milk & Dairy Products and Baking. With capacity for 600 students, the complex has 20 classrooms, two libraries (general and technical), four labs for microbiological and chemical analyses, and two pilot plants equipped for practical application of what is learned in the classroom.

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Day of Solidarity <S01>

Created by the *Instituto GPA* with support from the Casino Group Corporate Foundation, the Day of Solidarity tries to raise social consciousness on hunger and poverty in Brazil. In 2013, all Pão de Açúcar, Extra and Assaí stores participated in collecting non-perishable foods that were distributed to thousands of low-income families. Partner institutions helped mobilize to collect and distribute food throughout the country.

The Day of Solidarity was November 30 at 100 stores and December 7 at all Pão de Açúcar, Extra and Assaí stores. Three hundred 300 metric tons were collected – 200 at stores and 100 donated by the *Instituto GPA*.

Social mobilization <S01>

Over the course of the year, the *Instituto GPA* has a variety of collection campaigns in partnership with the companies in the Group, which function as collection points for donations of coats, books and toys. Materials collected at Extra, Assaí, Pão de Açúcar, Casas Bahia and Pontofrio stores from customers and employees are sent to 300 institutions located near the stores and that are pre-selected by the *Instituto GPA*. In 2013, 545,921 books, 489,450 coats and 647,870 toys were collected.

Voluntarism <S01>

Two volunteer actions by the *Instituto GPA* were highlights in 2013: Easter in Solidarity, involving donations of Easter eggs to low-income children, and the Charity Tree, in which employees at all the GPA businesses donate toys, clothes and shoes to children, most from shelters. In 2013, more than a thousand children were involved in the initiative. The Volunteer program involved 1,562 employees (Easter in Solidarity, Charity Tree and Santa's Workshop) and 3,211 volunteers from partner institutions through the Day of Solidarity.

Training courses

<S01>

Program for retail training
 Prepares professionals to act in retail functions. Two courses are provided, for cashiers and stockers. It is a continuing education program focused on initial professional training, to improve job opportunities. Youth 19 and up who are in or have completed high school participate. In 2013, the course was held in several communities in São Paulo, serving 670 students and employing 49 people with the Company. For 2014, the objective is to expand the partnerships and form 10 new classes.

Call center computer course
 the objective is to develop new talent for customer service. To intensify the training, the *Instituto* relies on the expertise of the *Comitê para Democratização da Informática* (CDI), the principal partner in the project. Youth 19 and up participate in the course, and in 2013, 134 people were trained. The courses are held at *Instituto GPA's* Casas in Osasco and Rio de Janeiro, at the *Fundação Via Varejo* in Rio de Janeiro, and at the NGO *Espaço Aberto* in São Paulo.

Online English course
 Scholarships offered by the *Instituto GPA* to youth 19 and up. The methodology of the online English course is developed by EF - Education First, in collaboration with the University of Cambridge, and follows the premise that learning can happen at any time. At the end of the course, students receive a certificate from Hult International Business School. The principal characteristics of the course are conversation classes, which focus on developing communication skills, and content that awakens interest to learn a new language. In 2013, 126 people benefitted.

Panis Et Lactis Technological Convention
 The 2nd Panis Et Lactis Technological Convention was held in 2013 at the NATA in Vila Isabel (RJ), with 875 participants, including dairy and bakery specialists and professionals, professors, students and former students of the NATA.

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The Prosper Program <SO1>

In December of 2013, the *Instituto GPA*, with support from the Casino Group Corporate Foundation, formalized a partnership with the *Fundação Getúlio Vargas* to implement, in 2014, a scholarship program for promising low-income students for whom universities are not otherwise accessible for financial reasons. As of 2014, the Prosper Program will grant 10 scholarships a year for undergraduate programs in business administration or public

administration. It is a social incentive program for education, without linkages with the Company. GPA executives will volunteer in the program to mentor these youth, to help coach and guide them based on their experiences. In addition to the scholarships, every semester, the *Instituto GPA* will provide financial help for purchasing didactic materials, transportation, food and housing, if the student is not from the city of São Paulo.

Actions in partnership with the *Instituto GPA* <SO1>

Partnership against waste

GPA stores donate foods that are not in ideal condition for display, but good for consumption, to partner institutions. In 2013, the Group signed a partnership with *Mesa Brasil*, a SESC initiative against hunger and waste, at 12 stores under the Extra banner (4 Hipermercados, 4 Supermercados and 4 Minimercados). The socio-educational action has a strategic system for transporting foods, establishing a connection between the companies that donate and the institutions that receive. The organ also holds classes and presentations on hygiene, conservation, and meal preparation for the beneficiary institutions.

Food collections

At 18 Extra Hipermercado stores, volunteers from the NGO *Amigos do Bem* collect non-perishable foods from consumers at certain times of the year and deliver them to families in the semi-arid zone in the Brazilian Northeast. The initiative collected 619 metric tons of food in 2013.

In November of 2013, Cia. das Obras undertook the National Food Collection at 39 Extra stores, with the objective of meeting the needs of nutritional programs established by the beneficiary institutions and contributing to a balanced diet, while avoiding waste. The foods collected were donated to local food banks responsible for distributing these foods to registered

entities and monitoring them to avoid poor distribution or wastage.

AACD Telethon

In 2013, GPA donated R\$755,000 to the *Associação de Assistência à Criança Deficiente* (AACD) for children with special needs, representing 1% of the income from sales of the panettones it makes and markets in Pão de Açúcar and Extra stores, in addition to sales of Assaí bags and the money from cash collection coffers placed at Extra checkout counters.

Por Exemplo Magazine

In 2013, R\$449,027.11 from sales of *Por Exemplo* magazine, which is marketed exclusively at Extra Hiper stores, Extra Supermercados and drugstores, was donated to the NGOs *Amigos do Bem*, *Casa do Zezinho*, AACD, *Movimento Todos Pela Educação* and *Parceiros da Educação*.

Casa de David

The 'Goody bag: give a gift that does good the whole year' campaign collected kits consisting of sheets, bath towels, t-shirts, underwear and socks, products that are in high demand at the institution called *Casa de David*. In all, 123 goody bags were collected and Extra donated 500 goody bags and R\$4,920 (corresponding to the 123 donations) to the institution to purchase foods and hygiene goods.

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Others initiatives <S01>

Assaí sends all net proceeds from plastic bags to charities spread throughout Brazil, including *Casa Hope*, *Casa da Esperança* and the *Associação de Pais e Amigos dos Excepcionais* (APAE). In 2013, more than R\$1,133,136.69 was donated.

In partnership with Itaú, Assaí provides microcredit to low income merchants, to help them develop their businesses. The program is present at 17 of the chain's stores, and in 2013 benefited six merchant customers.

Assaí, in partnership with the *Serviço Brasileiro de Apoio às Micro e Pequenas Empresas* (SEBRAE), participates in the SEBRAE Mobile program, supporting micro- and small businesspeople. A travelling office with technical people from the institution parks beside the stores, offering guidance to local merchants on business planning, cash flow and publicity. More than 50% of Assaí stores are visited by a SEBRAE Mobile unit. Publicized over Assaí airwaves, the project provided more than 3,000 consultations at the chain's stores in 2013 alone.

Actions of the Via Varejo Foundation <S01>

In 2013, the *Fundação Pontofrio* was renamed the *Fundação Via Varejo* and, as of 2014, will have new lines of actuation. In 2013, the highlights were:

THE YOUTH PROJECT

Undertaken in Irajá (RJ), the project has been in place for 13 years and has now received the 2nd generation of students for classes on soccer, volleyball, futsal, beginning sports and judo. The objective is to promote, through sport and educational activities, the social inclusion and the physical, intellectual and cultural development of less fortunate children and adolescents. In 2013, 500 youth aged 6–17 participated.

SMALL RECYCLING

Tries to promote environmental education through recycling materials gathered by the community. Activities include encouraging recycling, workshops on environmental education and gymkhanas to collect materials. In 2013, 2,727 children, youth and adults participated in the initiative.

SOCIAL ACTION WITH THE SESC

More than 2,000 people participated of in the social action held in October, in Irajá (RJ), through a partnership between the Via Varejo Foundation and the SESC, schools in the region, the Secretaria de Saúde and other public agencies. There were workshops on kites and jewelry, talks on dengue, STDs and drugs, blood pressure and glucose checks and soccer and volleyball matches, among other activities.

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Friends of the Planet

Friends of the Planet at School
 an incentive program for reading, health, environmental education and culture in Brazilian schools. Since inception in 2009, 1.3 million people at 256 schools in 19 municipalities have benefitted from projects in the areas of health, arts, education, communication and the environment. Highlights include the 134% increase in the number of books checked out by students, teachers and other visitors to the libraries at the 12 public schools involved, and an improvement of 7.3% in the grades of the students at these institutions.

Friends of the Planet - Digital Inclusion
 A mobile van offers free classes on computing and professional training. Since 2009, it has been present in seven cities and has had more than 6,300 enrollments.

PRINCIPAL INITIATIVES AND SOCIAL INVESTMENTS OF THE *INSTITUTO GPA* IN 2013 <EC8>

Project and activity	Actual or expected impacts
Music & Orchestra Program	In 2013, there were 590 students in the Music & Orchestra Program. The goal for 2014 is to field two new classes.
Courses for Cashiers, Stockers and Perishable Goods Assistants	In 2013, there were 670 students, of which 49 were employed with the Group. For 2014, the goal is to serve 1,300 students.
Call Center Computing Course	134 students trained in 2013. The goal for 2014 is to have four cycles of classes year round, benefiting 300 students.
Online English Course	126 students benefitted
Advanced Nucleus in Food Technology (NATA)	332 students benefitted
Panis Et Lactis Seminar	875 people participated
Campaigns to Collect Books, Coats and Toys	> Collection of 545,921 books, 489,450 coats and 647,870 toys. > Total institutions benefitting: 981
Day of Solidarity	A total of 300 metric tons of foods collected: 200 metric tons collected at stores and 100 metric tons donated by the <i>Instituto GPA</i> .
Voluntarism	N ^o s of Volunteers > Easter in Solidarity: 309 > Charity Tree: 1,147 > Santa's Workshop: 47 > Day of Solidarity: 3,270

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PRINCIPAL INITIATIVES AND SOCIAL INVESTMENTS OF THE *INSTITUTO GPA* IN 2013

Partnership Against Waste	Donation of 2,094 metric tons of food.
Food collections	Food collections (in metric tons): > <i>Amigos do Bem</i> : 619 > <i>Cia. das Obras</i> : 19
AACD Telethon	> Assaí Bags – R\$ 422,089.18 > GPA brand panettone – R\$ 210,416.66 > Coffers – R\$ 34,540.34 > <i>Por exemplo</i> magazine – R\$ 86,660.80 > <i>Instituto GPA</i> top off – R\$ 1,293.02
Goody Bags - <i>Casa de David</i>	Extra donated 500 kits and R\$4,920 in purchases. People benefitted: 330

PRINCIPAL INITIATIVES AND SOCIAL INVESTMENTS OF THE *INSTITUTO GPA* IN 2013

Project and activity	Actual or expected impacts
Donation to build and maintain the surrounding road system – Maceió/AL	Return to Assaí customers
Donation of 2,300 seedlings, planting of 7,700 seedlings on surrounding land, in the parking lot, along the pavement and road signage around Assaí – Maringá/PR	Improvements for society and the environment
Roofing a mortuary chapel, building access to the road, remodeling a nearby school and donating 778 seedlings – Londrina/PR	Improvements for society and the environment, benefits for Assaí customers
Surrounding road system and for the local Hospital das Clínicas – Suzano/SP	Return to Assaí customers and access to the Hospital for society

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[<3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11 and 3.13>](#)

For the sixth consecutive year, GPA is publishing its Annual and Sustainability Report based on the indicators of the Global Reporting Initiative (GRI), a model utilized by companies around the world to report on economic, social and environmental performance. The GRI guidelines are cross-referenced to the Global Compact Principles and to the ISO 26000 guidelines on social responsibility. GPA annual report and sustainability level reached B + of GRI application.

The topics addressed in the document are directed toward the Company's stakeholders: analysts and investors, customers, suppliers, employees and representatives of sectoral and socio-environmental institutions. To put together the content, 30 interviews with the professionals responsible for the companies and business units that form the Group, and the management departments for personnel, risk management, corporate relations, corporate governance, investor relations, corporate sustainability, operations, strategic planning, and marketing, among others, were conducted.

The information refers to the Group's performance during 2013, and was gathered and integrated with the support of the offices of the CEO, the vice-presidencies, executive officers and employees of the main areas. The Offices of Investor Relations and Corporate Communications

coordinated the effort with the Corporate Sustainability Department, which crunched all the data, and which can be contacted through its email (sustentabilidade@gpabr.com) regarding any questions about this document. Changes to previously disclosed data are indicated throughout the document. This year, the scope of the report was broader, since information from all of the Company's business units was considered.

The consolidated operating and financial data include in full the results of Assaí Atacadista and Via Varejo S.A. The financial information complies with the International Financial Reporting Standards – IFRS, as established in CVM Instructions 457/07 and 485/10, and was audited by Deloitte Touche Tohmatsu Auditores Independentes.

The socio-environmental information includes data from Pão de Açúcar, Extra, Assaí, Nova Pontocom and Via Varejo (Pontofrio and Casas Bahia). KPMG audited the non-financial information, based on the requirements of the NBC TO 3000 and ISAE 3000 standards, both for assurance engagements that are not audits or reviews of historical financial data.

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PROFILE INFORMATION

Strategy and analysis

Indicator	Description	Reported	Page	ISO 26000 Chapter	Global Compact Principle
1.1	Message from the president	Complete	3	6.2	
1.2	Description of key impacts, risks and opportunities	Complete	30	6.2	

Organizational profile

Indicator	Description	Reported	Page	ISO 26000 Chapter	Global Compact Principle
2.1	Name of the organization	Complete	5		
2.2	Primary brands, products and/or services	Complete	5		
2.3	Operational structure of the organization	Complete	5	6.2	
2.4	Location of the organization's headquarters	Complete	5		
2.5	Countries where the organization operates and in which its main operations are located	Complete	5		
2.6	Nature of ownership and legal form	Complete Publicly-held corporation (<i>sociedade anônima</i>).	5		
2.7	Markets served	Complete	5		
2.8	Size of the organization	Complete	5, 8, 43		
2.9	Significant changes during the reporting period	Complete	6		
2.10	Awards received in the reporting period	Complete	11		

Report parameters

Indicator	Description	Reported	Page	ISO 26000 Chapter	Global Compact Principle
3.1	Reporting period for the information provided	Complete	95		
3.2	Date of the most recent previous report	Complete	95		
3.3	Reporting cycle	Complete	95		
3.4	Contact point for questions regarding the report or its contents	Complete	95		
3.5	Process for defining report content	Complete	95		

3.6	Boundaries for the report	Complete	95		
3.7	Statement on any specific limitations on the scope or boundaries of the report	Complete	95		
3.8	Basis for reporting	Complete	95		
3.9	Data measurement techniques and the bases of calculations	Complete	95		
3.10	Restatements of information provided in earlier reports	Complete	95		
3.11	Significant changes in the report's scope, boundaries or methods of measurement	Complete	95		
3.12	Table identifying the location of the Standard Disclosures in the report	Complete	95		
3.13	Current policy and practice on seeking external assurance for the report	Complete	95	7.5.3	

Governance, commitments and engagement

Indicator	Description	Reported	Page	ISO 26000 Chapter	Global Compact Principle
4.1	Governance structure of the organization, including committees of the highest organ of governance	Complete	17	6.2	1 to 10
4.2	Chairmanship of the highest organ of governance	Complete	18	6.2	1 to 10
4.3	Independent or non-executive members of the highest governing body	Complete	18, 19	6.2	1 to 10
4.4	Mechanisms for shareholders and employees to make recommendations	Complete	17	6.2	1 to 10
4.5	Linkage between compensation and organizational performance (including social and environmental)	Complete	17	6.2	1 to 10
4.6	Processes for avoiding conflicts of interest	Complete	not available	6.2	1 to 10
4.7	Qualifications of the members of the highest governance body	Complete	19	6.2	1 to 10
4.8	Internally developed statements of mission or values, codes of conduct and material principles	Partial	13, 21	6.2	1 to 10
4.9	Responsibilities for implementing economic, environmental and social policies	Complete	19	6.2	1 to 10
4.10	Processes for evaluating the highest governance body's own performance	Complete	17	6.2	1 to 10
4.11	Explanation of whether and how the organization applies the precautionary principle	-	Confidential information	6.2	7
4.12	Externally developed charters, principles or other initiatives	Complete	6, 51	6.2	
4.13	Membership in associations and/or national/international organizations	Complete	6, 51	6.2	

4.14	List of stakeholder groups engaged by the organization	Complete	26, 51	6.2
4.15	Basis for identifying and selecting stakeholders with whom to engage	Complete	26	6.2
4.16	Approaches to stakeholder engagement	Partial	25, 26	6.2
4.17	Key topics and concerns that have been raised through of stakeholder engagement	Complete	26	6.2

MANAGEMENT APPROACH

Indicator	Reported	Page	ISO 26000 Chapter	Global Compact Principle
Economic performance			6.2, 6.8	1, 4, 6 and 7
Economic performance	Partial	46, 62		
Market presence	Complete	56, 61, 74, 75		
Indirect economic impacts	Partial	74, 87, 93		
Environmental Performance				7, 8 and 9
Materials	Partial	85		
Energy	Complete	78, 82		
Water	Complete	82, 85		
Biodiversity	Partial	86		
Emissions, effluents and wastes	Complete	80, 81, 85		
Products and services	Partial	78		
Transport	Complete	77		
Social Performance – labor practices and decent work				1, 3 and 6
Employment	Complete	56, 57, 58, 62		
Relations between labor and management	Complete	63		
Occupational health and safety	Complete	65, 66		
Training and education	Complete	59, 60, 61		
Diversity and equal opportunity	Complete	61, 64, 65		
Equality of compensation for men and women	Complete	61		

Social performance – human rights

6.2, 6.3

1, 2, 3, 4, 5 and 6

Procurement practices	Complete	21, 72, 74
Non-discrimination	Complete	63
Freedom of association	Complete	75
Child labor	Complete	72, 74
Forced/slave labor	Complete	72, 74
Security practices	Complete	75

Social performance - society

6.2, 6.6, 6.8

10

Community	Complete	66, 70, 87, 89, 90, 91, 92
Corruption	Complete	21
Public policy	Complete	51, 52, 68
Anti-competitive behavior	Complete	Information not available
Compliance	Complete	51, 68

Social performance – responsibility for the product

1 and 8

Consumer health and safety	Complete	72
Labeling of products and services	Complete	71, 76
Communications and Marketing	Complete	76
Customer privacy	Complete	76

PERFORMANCE INDICATORS

Indicator	Reported	Page	ISO 26000 Chapter	Global Compact Principle	Global Compact Principle
Economic performance					
EC1	Direct economic value generated and distributed	Partial	46	6.8, 6.8.3, 6.8.7, 6.8.9	
EC3	Coverage of the organization's pension plan	Complete	62		

Market presence

EC5	Variation of the proportion of the lowest wage compared to the local minimum wage, by gender, at important operating units	Complete	61	6.3.7, 6.4.4, 6.8	1
EC6	Policies, practices and proportion of spending on local suppliers	Complete	74, 75	6.6.6, 6.8, 6.8.5, 6.8.7	
EC7	Local hiring	Complete	56	6.8, 6.8.5, 6.8.7	6

Indirect economic impacts

EC8	Impact of infrastructure investments provided for public benefit	Partial	87, 93	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9	
EC9	Description of significant indirect economic impacts	Complete	74	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9	

ENVIRONMENTAL PERFORMANCE

Materials

EN2	Percentage of recycled input materials	Complete	85	6.5, 6.5.4	8, 9
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Energy

EN3	Direct energy consumption by primary source of energy	Complete	82	6.5, 6.5.4	8
EN4	Indirect energy consumption by primary source	Complete	82	6.5, 6.5.4	8
EN5	Energy saved due to improvements in conservation and efficiency	Partial	78, 82	6.5, 6.5.4	8 and 9
EN7	Initiatives to reduce indirect energy consumption, and reductions achieved	Partial	78	6.5, 6.5.4	8 and 9

Water

EN8	Total water draw by source	Complete	85	6.5, 6.5.4	8
EN9	Water sources significantly affected by water draw	Complete	85	6.5, 6.5.4	8
EN10	Percentage and total volume of water recycled and reused	Complete	85	6.5, 6.5.4	8 and 9

Biodiversity						
EN11	Location and size land owned	Complete	86	6.5, 6.5.6		8
EN12	Significant impacts of activities, products and services on biodiversity	Partial	86	6.5, 6.5.6		8
EN14	Strategies for managing impacts on biodiversity	Complete	86	6.5, 6.5.6		
Emissions, effluents and wastes						
EN16	TI direct and indirect greenhouse gas emissions	Complete	81	6.5, 6.5.5		8
EN17	Other relevant indirect greenhouse gas emissions	Complete	81	6.5, 6.5.5		8
EN18	Initiatives to reduce greenhouse gas emissions, and reductions achieved	Complete	80	6.5, 6.5.5		7, 8 and 9
EN19	Emissions of ozone-depleting substances	Complete	82	6.5, 6.5.5		7, 8 and 9
EN21	Total water discharge, by quality and destination	Complete	85	6.5, 6.5.3		8
EN22	Total weight of waste by type and disposal method	Complete	84	6.5, 6.5.3		8
EN23	Total number and volume of significant spills	Complete	In 2013, there were no spills.	6.5, 6.5.3		8
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Complete	84	6.5, 6.5.3		8
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Complete	There are no bodies of water affected by significant discharges of water and runoff.	6.5, 6.5.3		8
Products and services						
EN26	Initiatives to mitigate environmental impacts	Complete	78	6.5, 6.5.4, 6.6.6, 6.7.5		7, 8 and 9
Transport						
EN29	Environmental impacts of transporting products and members of the workforce	Complete	77	6.5, 6.5.4, 6.6.6		8
SOCIAL PERFORMANCE– LABOR PRACTICES AND DECENT WORK						
Employment						
LA1	Total workforce by type of employment, labor contract and region, broken down by gender	Complete	56	6.4, 6.4.3		
LA2	Total number and rate of employee turnover by age group, gender and region	Complete	56, 57, 58	6.4, 6.4.3		6

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operations	Complete	62	6.4, 6.4.3, 6.4.4	
Relations between labor and management					
LA4	Percentage of employees covered by collective bargaining	Complete	63	6.3.10, 6.4, 6.4.3, 6.4.4, 6.4.5	1 and 3
LA5	Description of notifications (periods and procedures)	Complete	63	6.4, 6.4.3, 6.4.4, 6.4.5	1
Occupational health and safety					
LA6	Percentage of employees represented in formal health and safety committees	Complete	65	6.4, 6.4.6	1
LA7	Rates of injury, occupational diseases, days lost, absenteeism and work-related fatalities, by region	Complete	66	6.4, 6.4.6	1
LA8	Education, prevention and risk-control programs	Complete	66	6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8	1
LA9	Health and safety topics covered in formal agreements with unions	Complete	65	6.4, 6.4.6	1
Training and education					
LA10	Average hours of training per year, per employee, by gender and employee category	Complete	59, 60, 61	6.4, 6.4.7	
LA11	Programs for skills management and continued education	Complete	59, 61	6.4, 6.4.7, 6.8.5	
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Complete	59	6.4, 6.4.7	
Diversity and equal opportunity					
LA13	Composition of corporate governance bodies and breakdown of employees per category according to gender, age group, minority group membership, or other indicators of diversity	Complete	64, 65	6.3.7, 6.3.10, 6.4, 6.4.3	1 and 6
LA14	Ratio of base salary and compensation of women in relation to men, by employee category and significant operating locations	Complete	61	6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4	1 and 6

SOCIAL PERFORMANCE– HUMAN RIGHTS

Procurement process

HR1	Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screenings	Complete	72	6.3, 6.3.3	1, 2, 3, 4, 5 and 6
HR2	Percentage of significant suppliers, contractors and business partners that have undergone screening on human rights, and actions taken	Complete	72, 74	6.3, 6.3.3	1, 2, 3, 4, 5 and 6
HR3	Hours of employee training on policies and procedures concerning human rights, including the percentage of employees trained	Complete	21	6.3	1, 2, 3, 4, 5 and 6

Non-discrimination

HR4	Total number of incidents of discrimination and corrective actions taken	Partial	63	6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3	1, 2 and 6
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Freedom of association

HR5	Significant operations and suppliers identified in which the right to exercise the freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Complete	75	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	1, 2 and 3
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Child labor

HR6	Significant operations and suppliers identified as having significant risk for incidents of child labor, and the measures taken to contribute to a elimination of child labor	Complete	72, 74	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6	1, 2 and 5
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Forced/slave labor

HR7	Significant operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and the measures that contribute to the elimination of all forms of forced or compulsory labor	Complete	72, 74	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6	1, 2 and 4
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Security practices

HR8	Percentage of security personnel trained in human rights	Complete	75	6.3, 6.3.5, 6.4.3, 6.6.6	1 and 2
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SOCIAL PERFORMANCE- SOCIETY

Community

SO1	Percentage of operations with actions to engage the local community, impact assessments and development programs	Partial	66, 70, 87, 89, 90, 91, 92	6.3.9, 6.8, 6.8.3, 6.8.9	
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Corruption

SO2	Units analyzed for risks relating to corruption	Complete	21	6.6, 6.6.3	10
SO3	Percentage of employees trained in anti-corruption policies and procedures	Complete	21	6.6, 6.6.3	10
Public policies					
SO5	Public policy positions	Partial	51, 68	6.6, 6.6.4, 6.8.3	1 to 10
SO6	Policies on financial contributions to political parties, politicians and institutions	Complete	52	6.6, 6.6.4, 6.8.3	10
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Complete		The company has no judicial actions for anti-competitive behavior, anti-trust or monopolistic practices. 6.6, 6.6.5, 6.6.7	<u>10</u>

SOCIAL PERFORMANCE– RESPONSIBILITY FOR THE PRODUCT

Customer health and safety					
PR1	Health and safety impact assessment during the life cycle of products and services	Complete	72	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	1
PR2	Non-compliance relating to health and safety impacts of products and services	Complete	72	6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5	1
Labeling for products and services					
PR3	Type of product and service information required by labeling procedures	Complete	71	6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9	8
PR5	Practices related to customer satisfaction, including study results	Complete	76	6.7, 6.7.4, 6.7.5, 6.7.6, 6.7.8, 6.7.9	
Communications and marketing					
PR6	Programs for adherence to laws, standards and voluntary codes	Complete	76	6.7, 6.7.3, 6.7.6, 6.7.9	
PR8	Substantiated complaints regarding breaches of customer privacy	Complete	76	6.7, 6.7.7	1

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ANNUAL SOCIAL BALANCE SHEET / 2013
 (Unaudited supplemental information)

1 – Denominators	2013 Amount (in thousands of reais)			2012 Amount (in thousands of reais)		
Net Revenue (NR)	57,730,262			50,924,461		
Operating Result (OR)	1,052,495			1,051,181		
Gross Payroll (GP)	5,242,985			5,184,147		
2 – Internal Social Indicators	Amount (in thousands of reais)	% of GP	% of NR	Amount (in thousands of reais)	% of GP	% of NR
Food	295,276	6%	1%	329,130	6%	1%
Mandatory social charges	1,072,662	20%	2%	1,159,316	22%	2%
Private pension	3,770	0%	0%	3,964	0%	0%
Health	244,695	5%	0%	216,787	4%	0%
Occupational safety and health	17,973	0%	0%	21,332	0%	0%
Education	8,948	0%	0%	2,946	0%	0%
Culture	0	0%	0%	0	0%	0%
Training and professional development	24,955	0%	0%	30,998	1%	0%
Daycare or daycare stipend	809	0%	0%	726	0%	0%
Profit sharing	165,419	3%	0%	157,377	3%	0%
Others	191,592	4%	0%	203,107	4%	0%
Total – Internal social indicators	2,026,100	39%	4%	2,125,683	41%	4%
3 – External Social Indicators	Amount (in thousands of reais)	% of OR	% of NR	Amount (in thousands of reais)	% of OR	% of NR
Education	8,683	1%	0%	7,416	1%	0%
Culture	2,992	0%	0%	3,115	0%	0%
Health and sanitation	0	0%	0%	0	0%	0%
Sports	8,814	1%	0%	7,978	1%	0%
Combating hunger and food insecurity	6,048	1%	0%	6,103	1%	0%
Others	9,080	1%	0%	3,033	0%	0%
Total contributions to society	35,616	3%	0%	27,645	3%	0%
Taxes (excluding social charges) (1)	4,494,188	427%	8%	3,665,882	349%	7%
Total – External social indicators	4,529,804	430%	7%	3,693,527	351%	7%

4 - Environmental Indicators	Amount (in thousands of reais)	% of OR	% of NR	Amount (in thousands of reais)	% of OR	% of NR
Investments related to the company's production/ operations	0	0%	0%	0	0%	0%
Investments in external programs and/or projects	12,686	1%	0%	11,150	1%	0%
Total investments in the environment	12,686	1%	0%	11,150	1%	0%
With respect to establishing "annual targets" to minimize wastes, overall consumption in production/operations and using natural resources more efficiently, the company	<input type="checkbox"/> had no targets <input type="checkbox"/> achieved 51-75% <input checked="" type="checkbox"/> achieved 0-50% <input type="checkbox"/> achieved 75-100%		<input type="checkbox"/> had no targets <input checked="" type="checkbox"/> achieved 51-75% <input type="checkbox"/> achieved 0-50% <input type="checkbox"/> achieved 75-100%			
5 – Indicators on the Staff {N.B. – many of the 2013 numbers in this section don't match those in the tables in the document}			2013			2012
Number of employees at period end*			160,660			158,509
Number of new employees during the period			71,830			60,279
Number of outsourced employees			1,064			930
Number of interns			154			195
Number of employees over 45 years old			22,523			18,585
Number of women working at the company			78,211			72,213
% of leadership positions occupied by women			37.46%			30.10%
Number of blacks working at the company			67,525			61,588
% of leadership positions occupied by blacks			32.99%			32.50%
Number of disabled people or people with special needs			2,445			2,363
6 – Significant information with respect to the exercise of corporate citizenship			2013			Goals for 2014
Ratio between the highest and the lowest compensation at the company			200 times			200 times
Total number of accidents at work			1195			1076

The social and environmental projects developed by the company were established by:	() executive officers	(X) executive officers and department heads	() all employees	() executive officers	(X) executive officers and department heads	() all employees
The safety and health standards for the work environment were established by:	(X) executive officers and department heads	() all employees	(X) all + Commission for In-house Prevention of Accidents	(X) executive officers and department heads	() all employees	(X) all + Commission for In-house Prevention of Accidents
With respect to the right to form unions, the right of collective bargaining and internal labor representation, the company:	() did not get involved	(X) follows the IPO standards	() encouraged and followed the ILO	() did not get involved	(X) follows the IPO standards	() encouraged and followed the ILO
Private pensions are available to:	() executive officers	() executive officers and department heads	(X) all employees	() executive officers	() executive officers and department heads	(X) all employees
Profit-sharing is available to:	() executive officers	() executive officers and department heads	(X) all employees	() executive officers	() executive officers and department heads	(X) all employees
In selecting suppliers, the same standards of ethics and social and environmental responsibility adopted by the company:	() were not considered	() were suggested	(x) were required	() were not considered	() were suggested	(x) were required
With respect to employee participation in voluntary work programs, the company:	() did not get involved	() supported	(X) organized and encouraged	() did not get involved	() supported	(X) organized and encouraged
Total number of consumer complaints and criticisms:	at the company 70,053	at Procon 70,215	in court 59,231	at the company there is no established goal	at Procon -3%	in court there is no established goal
% of complaints and criticisms addressed or resolved:	at the company 98%	at Procon 99%	in court 100%	at the company 98%	at Procon -99%	in court there is no established goal
Total value added to distribute (in thousands of R\$):	In 2013:	14,362,784		In 2012:	12,931,898	
Distribution of the Value Added (Statement of Value Added):	26.6% Government	40.7% Employees		23.3% Government	46.4% Employees	
	4.2% Shareholders	22.8% Third Parties	5.7% Retained	1.5% Shareholders	27.0% Third Parties	4.9% Retained

7 – Other information

“GPA does not use child or slave labor, is not involved in prostitution or sexual exploitation of children or adolescents, and is not involved in corruption.”

Our company values and respects diversity inside and outside the organization.

Contact for clarification on the information declared: Laura Pires - E-mail: sustentabilidade@gpabr.com

*Under the Ibase methodology, the total number of employees does not contemplate those on leave.



KPMG Risk Advisory Services Ltda.

R. Dr. Renato Paes de Barros, 33
04530-904 - São Paulo, SP - Brasil
Caixa Postal 2467
01060-970 - São Paulo, SP - Brasil

Central Tel 55 (11) 2183-3000
Fax Nacional 55 (11) 2183-3001
Internacional 55 (11) 2183-3034
Internet www.kpmg.com.br

Limited assurance report issued by independent auditors

To The Chief Executive Officer, Directors and Other Stakeholders of
Companhia Brasileira de Distribuição
São Paulo - SP

Introduction

We have been engaged by Companhia Brasileira de Distribuição ("Company") to apply limited assurance procedures on the sustainability information disclosed in Grupo Pão de Açúcar's 2013 Annual and Sustainability Report, related to the year ended December 31st, 2013.

Responsibilities of Companhia Brasileira de Distribuição Management

The management of Companhia Brasileira de Distribuição is responsible for preparing and adequately presenting the sustainability information in the 2013 Annual and Sustainability Report in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G3)* and by the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the 2013 Annual and Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared upon NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted to provide limited assurance that the information in the Grupo Pão de Açúcar's 2013 Annual and Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly in questions and interviews with the management of Companhia Brasileira de Distribuição and other professionals of the Company involved in the preparation of the information disclosed in the 2013 Annual and Sustainability Report and applying analytical procedures to obtain evidence that allows us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which lead them to believe that the information disclosed in the 2013 Annual and Sustainability Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2013 Annual and Sustainability Report, on other engagement circumstances and also on our considerations

regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a)! planning, considering the material aspects and topics of Companhia Brasileira de Distribuição activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Grupo Pão de Açúcar's 2013 Annual and Sustainability Report;
- (b)! understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
- (c)! understanding of the reporting processes and management approaches of material aspects and performance indicators;
- (d)! application of analytical procedures on data and interviews on the qualitative information and their correlation with indicators disclosed in the 2013 Annual and Sustainability Report;
- (e)! analysis of evidence supporting the quantitative and qualitative information disclosed in the 2013 Annual and Sustainability Report;
- (f)! analysis of processes for the preparation of the 2013 Annual and Sustainability Report and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G3)*;
- (g)! visits to Grupo Pão de Açúcar's offices for application of the procedures (b), (c), (d), (e) and (f);
- (h)! comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement. Therefore, we cannot ensure we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2013 Annual and Sustainability Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subject to individual presumptions and judgments. Additionally we did not examine data regarding prior periods, assess the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described in this report, we have not identified any relevant information that leads us to believe that the information in Grupo Pão de Açúcar's 2013 Annual and Sustainability Report is not fairly stated in all material respects in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G3)* and with its source records and files.

São Paulo, May 23rd, 2014

KPMG Risk Advisory Services Ltda.
CRC 2SP023233/O-4



Eduardo V. Cipullo
Contador CRC 1SP135597/O-6

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Board of Directors

Chairman

Jean-Charles Naouri

Vice-Chairman

Arnaud Daniel Charles Walter Joachim Strasser

Directors

Antoine Marie Remi Lazars Giscard D'Estaing

Eleazar de Carvalho Filho

Fábio Schvartsman

Guilherme Affonso Ferreira

Luiz Augusto de Castro Neves

Maria Helena dos Santos Fernandes Santana

Pedro Henrique Chermont de Miranda

Roberto Oliveira de Lima

Ronaldo Iabrudi

Ulisses Kameyama

Board of Executive Officers

Chief Executive Officer

Ronaldo Iabrudi

Vice-President for Retail Business

José Roberto Coimbra Tambasco

Vice-President for Strategic Development

Líbano Miranda Barroso

Vice-President for Finance

Christophe Jose Hidalgo

GPA Wholesale Businesses Officer and President of the Assaí Chain

Belmiro Gomes

Real Estate Businesses Officer

Alexandre Gonçalves de Vasconcellos

Vice-President for Personnel Management and Sustainability

Antonio Salvador

Fiscal Council

President

Fernando Maida Dall'Acqua

Councilors

Mario Probst

Raimundo Lourenço Maria Christians

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Committees <4.1>**Audit Committee**

Eleazar de Carvalho Filho
Nelson Carvalho
Pedro Oliva Marcilio de Sousa

Finance Committee

Antonie Marie Remi Lazars Giscard d'Estaing
Arnaud Daniel Charles Walter Joachim Strasser
Eleazar de Carvalho Filho
Fábio Barbosa
Pedro Henrique Chermont de Miranda

Human Resources and Compensation Committee

Arnaud Daniel Charles Walter Joachim Strasser
Guilherme Affonso Ferreira
Roberto Oliveira de Lima

Sustainable Development Committee

Guilherme Affonso Ferreira
Helio Mattar
Luiz Augusto de Castro Neves
Roberto Oliveira de Lima
Ulisses Kameyama

Corporate Governance Committee

Arnaud Daniel Charles Walter Joachim Strasser
Guilherme Affonso Ferreira
Luiz Augusto de Castro Neves
Maria Helena dos Santos Fernandes Santana
Roberto Oliveira de Lima

Address

Av. Brigadeiro Luís Antônio, 3.235
Jardim Paulista – CEP: 01402-901
São Paulo – SP – Brasil
Tel.: 55 11 3886-0533
e-mail: gpa.ri@gpabr.com

The publications on quarterly results, quarterly sales performance, annual reports, the *formulário de referência* and Form 20-F may be requested from the Office of Investor Relations or accessed at GPA's IR website (www.gpari.com.br).

Investor Relations Consulting

MZ Consult

Ticker Symbols

BM&FBovespa: PCAR4
Nyse (ADR Nível III): CBD

Independent Auditors

Deloitte Touche Tohmatsu Auditores Independentes

Depositary Banks

Banco Itaú S.A.
The Bank of New York Mellon

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Contacts <3.4>

Additional information and clarification on this Report or any part of its contents may be requested through the following channels of communication:

Operating and Financial Data

Site: www.gpari.com.br
e-mail: gpa.ri@gpabr.com
Tel.: 5511 3886-0421

Information on Sustainability

Site: www.gpabr.com/sustentabilidade
e-mail: sustentabilidade@gpabr.com
Tel.: 55 11 3886-3684

Communications and Press

Site: www.gpabr.com
e-mail: imprensa@gpabr.com
Tel.: 55 11 3886-0533

Credits

General coordination
Office of Corporate Communications
Office of Investor Relations
Corporate Sustainability Management

Editorial supervision, redaction and final editing
Gatopardo Comunicação – Silvia Martinelli

Technical supervision of the GRI indicators and text
Report Sustentabilidade

Team
Luana Bessa (project management and relationship), Paula Andreghetto (publishing), Graciana Feitosa (writing), Guilherme Falcão (graphic design), Flavia Ocaranza (typesetting)

Photos
Marcelo Min

Review
Assertiva Produções Editoriais

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Cronos MM, Robert Slimbach, 2001
Arial, Robin Nicholas e Patricia Saunders, 1982

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