

## Environmental and Social Review Summary (ESRS) Ta-Ta - URUGUAY

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### 1. General Information of the Project and Overview of Scope of IDB Invest's Review

Ta-Ta S.A. ("Ta-Ta" or the "Company"), Uruguay's leading retailer, was founded in 1956. It is currently one of the country's largest employers as the only supermarket chain operating in all 19 departments of Uruguay. The Company has five business units: Ta-Ta (supermarkets), Multiahorro (household appliances), BAS (textiles), Frontoy (wholesale), and Baranur (online commerce). The Company has 122 locations throughout the country in its various business units, with more than 4,900 employees.

This operation (the "Operation") seeks to partially finance the Company's growth plan, the modernization of its stores, and the improvement of its logistics capacity through investment in the Operations Center ("OC"), systems, technology, and maintenance of premises, allowing the growth of the business mainly in the country's interior. Ta-Ta expects to create about a thousand new direct jobs in seven years.

The scope of IDB Invest's environmental and social review included the analysis of the Company's information and documents, as well as remote meetings with the personnel responsible for Ta-Ta's management, human resources, and operations systems, as well as some suppliers, contractors, and representatives of the communities neighboring its main Operations Center located in the department of Canelones. The Environmental and Social Due Diligence ("ESDD") process did not include visits to the Company facilities due to travel restrictions imposed as a result of the COVID-19 pandemic.

### 2. Environmental and Social Categorization and Rationale

In accordance with the IDB Invest Environmental and Social Sustainability Policy, the project has been classified as a Category B operation, given that it may generate the following impacts and risks, among others: (i) increased solid waste generation, (ii) increased energy and refrigerant gas consumption, and (iii) generation or increase of occupational safety and health risks for workers. The intensity of these impacts and risks is expected to be low.

The Performance Standards (PS) triggered by the Project are: (i) PS1 - Assessment and Management of Environmental and Social Risks and Impacts; (ii) PS2 - Labor and Working Conditions; (iii) PS3 - Resource Efficiency and Pollution Prevention, and PS4 - Community Health, Safety, and Security.

### 3. Environmental and Social Context

The Company is dedicated to the sale of food, household items, bazaar, clothing and appliances, on a self-service and wholesale basis. For its operations it has its own facilities (central office, Operations Center, and supermarket stores) and leased facilities (most of the stores and supermarkets). The Operations Center (“OC”), which has been licensed since January 2019 (Resolution 19/00649), is located in the town of Barros Blancos, in the Department of Canelones. Most of the national and imported merchandise is received there and from there it is supplied to the different stores. All the supermarkets have parking lots and loading and unloading areas within the premises. Before it is authorized, each supermarket must carry out a Traffic Impact Study<sup>1</sup>, the procedure is presented at the Traffic Engineering Service of the respective municipalities.

The Company's new premises must comply with departmental and national legislation on social and environmental issues. The OC must also comply with national regulations regarding industrial liquid effluents. As part of the authorization process, the Departmental Commissions for the Protection of Micro, Small and Medium-sized Commercial and Artisan Companies, called Mypes Units, of the municipalities where the supermarkets are located undertake a socio-economic study to determine whether the opening of a new business will lead to situations of unfair trade competition.

Under the Uruguayan legal framework, a Territorial Impact Study (“TIS”) is required for commercial premises with a sales room floor area (useful area) greater than 6,000 m<sup>2</sup>, which demands an environmental, traffic, socioeconomic, and social impact study. Premises that do not exceed this footage, and that have a sales room of more than 200 m<sup>2</sup> (according to Law No. 17.657 on Large Areas) must complete a feasibility of uses process and obtain the approvals granted by the respective Mypes Units. Montevideo is the Municipality with the most legal requirements for the authorization of premises.

The Company performed only two TISs, one for the National Distribution Center (“NDC”) warehouse where Ta-Ta's Head Office is located, and the other for the Barros Blancos OC. Both TISs have been approved, with the NDC's most recent approval being in September 2020.

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<sup>1</sup> The study consists of a critical analysis intended to determine the impact of traffic of the activity to be undertaken, considering the service capacity of the main roads within the area of influence. Likewise, the pedestrian flows in the vicinity of the establishment and the possible growth that could occur as a result of the activity should be considered (<https://montevideo.gub.uy/tramites-y-tributos/solicitud/analisis-de-impacto-de-transito>).

## 4. Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

### 4.1 Assessment and Management of Environmental and Social Risks and Impacts

#### 4.1.a E&S Assessment and Management System

Ta-Ta has set out to achieve B Corporation<sup>2</sup> certification in 2021 and is currently in the eligibility process to define the following steps. It has therefore planned the formulation of its Sustainability Policy and the establishment of its Management and Continuous Improvement System. Current socio-environmental management is organized on the basis of action plans and programs led by each of the Company's specialized areas in environmental, social, and health and safety issues.

#### 4.1.b Policy

Ta-Ta has developed a policy that addresses operational health and safety issues, which is in the process of internal validation. In addition, as part of the B Corporation certification process, it is defining its sustainability policy.

#### 4.1.c Identification of Risks and Impacts

The Occupational Health and Safety (“OHS”) department has consolidated the Company's operational risks into one matrix and has developed management programs based on them. Environmental and social issues are not entirely managed under a risk and impact identification approach, but in consolidated practices that respond to legal requirements (environmental) and corporate social responsibility (social). However, the Company has initiatives that seek to reorganize its management, one of which is the preparation of its first Sustainability Report. As part of this initiative, a materiality survey was conducted among some of the Company's main Stakeholders, identifying the main material issues for each group (supplier, customers-community, employees, and General Management). The results revealed 11 material issues for Ta-Ta, which were grouped into (i) critical or key management issues, (ii) mature issues to be sustained, (iii) issues for differentiation, and (iv) issues to be monitored. The work led by the Sustainability Committee is expected to consolidate the findings of the sustainability reporting process in its management areas.

#### 4.1.d Management Programs

The Company is in the process of consolidating its sustainability strategy and redefining its business practices. This process is not yet complete, but significant progress has been made. For example, the OHS department has programs and controls for identified risks, while the Energy Efficiency Team has consolidated practices for monitoring, analyzing and implementing energy improvements in stores. The latter has won awards and prizes in the sector nationwide. In addition, the social practice has programs that address aspects of corporate social responsibility through work with their communities.

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<sup>2</sup> This certification is accredited to businesses that meet high standards of social and environmental performance, public transparency, and legal accountability, balancing profit and the purpose of the business (<https://bcorporation.net/>).

#### 4.1.e Organizational Capacity and Competency

Sustainability issues are led by a newly formed committee for this purpose. Representatives from different areas of the company participate in this committee: Human Management, Social Responsibility, Internal Audits and Compliance, Operations, Marketing, Sales, Operations and Maintenance Center. The committee is currently led by the Human Management and Institutional Relations Department, which reports directly to the Company's Chief Executive Officer. In addition, since the beginning of 2020, Ta-Ta's Business Unit started working with an external consultant to diagnose sustainability issues and define its strategy in this area. The Company has decided to be part of the Business Council of Sistema B Uruguay<sup>3</sup>, actively participating through its General Manager.

#### 4.1.f Emergency Preparedness and Response

The Company has procedures for emergencies or accidents that define responsibilities; describe the steps to be taken; describe the evacuation process; contain recommendations for communication and consultation for the health and well-being of neighbors; establish guidelines for detecting changes in traffic; and provide general guidelines for action. The procedures identify the potential for emergency situations, enable response planning, and prevent and mitigate associated illnesses and injuries. They also consider the implementation of test exercises and drills, and the measurement of results to decide on improvement actions.

The Company has conducted drills at the OC and some of its premises and plans to expand the drill exercise on them by 2021. This is because in 2020 it had to prioritize certain actions in response to the COVID-19 pandemic.

Employees receive training in fire safety and use of fire extinguishers. In addition, surveys and equipment control are carried out on (i) fire detection and alarm systems, (ii) flammable gas detection and cut-off systems, and (iii) fire protection systems.<sup>4</sup> The Company has an emergency brigade for the OC whose members have received training in evacuating the facility, first aid, and firefighting.

Since 2019, Ta-Ta's Prevention and Loss area has a Monitoring Center, which uses video cameras to carry out control, security, direct contact, and coordination activities at all the premises in every business unit. In addition, the Company consolidated a coordination circuit with police authorities for prompt attention to occurrences of criminal acts, complementing it with formal complaints, gathering of evidence to contribute to judicial proceedings, and adding legal support to the detailed follow-up.

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<sup>3</sup> <https://consejoempresarialb.org/>.

<sup>4</sup> Includes: fire pumps and networks, status and location of fire extinguishers, automatic extinguishing system in extraction hoods.

#### 4.1.g Monitoring and Review

Ta-Ta reports on its environmental performance every year to the National Directorate for the Environment (“DINAMA” for its acronym in Spanish) and the Ministry of Industry, Energy and Mining, and the Ministry of Housing, Land Management and Environment (“MVOTMA” for its acronym in Spanish). The Company also undergoes energy management audits twice a year; the first, with an external supplier that focuses on measuring energy consumption in its premises; and the second, with the insurance company Sura, which reviews, analyzes, and evaluates the action plans established in Ta-Ta to improve its energy management.

The Company has established a mechanism to follow up on legal compliance, especially with the provisions of the National Bromatological Regulation (Decree No. 315/994), which contains hygienic requirements for food handling, storage, transport, preparation, and service, including the construction characteristics of the premises and sanitation, among the main ones. The monitoring allows to keep active and updated records of the premises and warehouses authorizations.

#### 4.1.h Stakeholder Engagement

The main target groups for Ta-Ta management are collaborators, clients, founders, the community, and suppliers. Communication channels have been defined for each of them, with those aimed at the community being: (i) social media, (ii) press releases, (iii) meetings with different organizations, and (iv) various events. For clients, who are also active members of the community, the tools of engagement are broader and more inclusive: (i) text messaging, (ii) "Community Plus" application<sup>5</sup>, (iii) phone calls, (iv) breakfast, (v) social networking, (vi) mail, (vii) website, and (viii) press releases.

The Company has conducted exercises to survey and respond to the stakeholders needs, especially with collaborators and clients, through evaluation and feedback tools. Ta-Ta seeks to know how satisfied the customer is in general with the brand and, at the same time, with some specific points of the service provided such as service at the premises and discounts, among other matters. It does this through Net Promoter Score (“NPS”) surveys implemented on a bi-monthly basis.

The Corporate Social Responsibility (“CSR”) department implements programs such as (i) *Causa Solidaria*, aimed at contributing to the development and education of children throughout the country, (ii) *Piloto de Negocios Inclusivos*, which seeks to promote the inclusion of small producers as suppliers, (iii) BAS<sup>6</sup> clothing donations to the Sewing Workshop of the National Institute of Rehabilitation (Ministry of the Interior), with the aim of supporting the training of women in a trade

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<sup>5</sup> Plus is Ta-Ta, BAS and Multi Ahorro Hogar’s free benefit program. With Plus, the Company’s customers can access differential prices, personalized discounts, and a points program.

<sup>6</sup> BAS (Textile) business unit has a donation procedure.

for their reinsertion into society, (iv) *Navidad Solidaria*, under an agreement with the Institute for Children and Adolescents of Uruguay ("INAU" for its acronym in Spanish), with the aim of delivering toys to more than 6,000 children and adolescents, (v) a relationship with School No. 178 in Barros Blancos (near the OC), and (vi) collaboration with TELETON, CEPRODIH<sup>7</sup> and UNICEF<sup>8</sup>.

The relationship established by Ta-Ta with the community of Barros Blancos, where its OC is located, has been channeled mainly through actions with the school. The Company has implemented its CSR programs there, in addition to targeted actions such as donations of clothing for children, implementation of improvements to educational infrastructure, installation and improvement of playgrounds, visits by students to the OC and calls for local labor hiring to children's parents and immediate family members.

#### 4.1.i External Communication and Grievance Mechanisms

The Company began the process of preparing its first Sustainability Report under the Global Reporting Initiative ("GRI") standards. This document, along with its continuous data collection and information generation process, will be one of the Company's main external and internal sustainability communication tools.

Ta-Ta has a network monitoring service for its brand through which it monitors trends and key issues, and keeps abreast of the main topics of interest, as well as the concerns and assessments of customers and the public. The concerns of the communities are channeled in person through the designated personnel in the premises of all business units, as well as through the Social Responsibility and Institutional Relations department. Ta-Ta also has a call center and e-mail dedicated to queries and grievances, complemented with an Ethics Line with an exclusive telephone number and e-mail to attend to these issues, which is available to the public.

## 4.2 Labor and Working Conditions

### 4.2.a Working Conditions and Management of Worker Relationships

Ta-Ta has 4,982 employees, of which 3,359 are women and 1,623 men. The Company prioritizes the professional development of its employees, respects equal opportunities for women and men, and encourages the inclusion of employees with disabilities. The following are some of Ta-Ta's main human management policies: (i) Loyalty Policy, (ii) Compensation Policy, (iii) Commissions Policy, (iv) Gifts Policy, (v) Talent Attraction Process, (vi) Protocol for Acting in Cases of Moral and Sexual Harassment, and (vii) Code of Ethics, recently approved, which unifies the Internal Regulations, the Disciplinary Regulations, the CÓDIGO<sup>9</sup> values, and the Habits which are the behaviors core of Ta-Ta's employees.

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<sup>7</sup> CEPRODIH is a non-profit civil association whose mission is to assist and promote the most vulnerable families, especially women with children in situations of high social risk.

<sup>8</sup> United Nations Children's Fund.

<sup>9</sup> Expected behaviors grouped in CÓDIGO include (i) commitment, (ii) customer alignment, (iii) personal and professional development, (iv) integrity, (v) change management and innovation, and (vi) result-oriented approach.

#### 4.2.a.i Working Conditions and Terms of Employment

The Company conducts its work environmental survey with Great Place to Work (“GPTW”). The most recent survey was conducted in September 2020, with 97% participation and 65% overall satisfaction. With this result, the Company is recognized as a GPTW certified company. As a result of this survey, action plans were developed for each location, OC, NDC, and offices, which were uploaded to a digital platform that allows employees to follow up on them.

The Company has an online E-learning platform to provide training to its employees in the different business units (Supermarket, BAS, Multiahorro Hogar, and Logistic Center). The platform was launched in July 2020, through the Project *Potenciate - Impulsa tu Aprendizaje*, with the purpose of strengthening and updating employees' knowledge on general operation topics, unifying customer service criteria and standards.

In terms of salaries, the Company applies commercial sector rules and the provisions set forth by the Wages Council under by Law 10449, which recognizes overtime, night work, holiday hours, annual leave payment, holiday pay, and bonuses. The settlement of salary items is carried out in compliance with national regulations. Regarding employee benefits, the Company has a Benefits Program called "*Disfrutá Más*" (Enjoy More), which consists of a set of agreements made with different companies throughout the country, through which Ta-Ta employees have access to discounts on products and services.

As for employee benefits, the company has also signed two collective agreements, one at the sector level and the other at the company level, which stipulate different benefits (e.g., school basket, year-end party prize, purchase orders at the end of the year, newborn's trousseau, special leave for the hospitalization of immediate family members, among others). In addition, the central office promotes work-life balance and the incorporation of healthy living habits by implementing: (i) flexible working hours, (ii) home office, (iii) gym classes every day of the week, (iv) free fruit, (v) day off on work holidays.

In view of the COVID-19 sanitary emergency, new actions for the benefit of employees were incorporated: (i) opening of the lunch voucher benefit, incorporating the possibility of buying all the items available in the store's assortment; (ii) payment by the Company of 75% of the purchases made by employees with the lunch voucher<sup>10</sup>; (iii) extension of the period to purchase school supplies and pay for them in installments; (iv) incorporation of "Friday off" for logistics personnel; (v) installation of the video consultation service with the emergency service provider; and (vi) flu vaccination campaign for employees and their immediate families.

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<sup>10</sup> Applicable to employees of the Supermarket Business Unit.

The Company has implemented remote work for all central office employees as of March 13, 2020. Virtual Private Networks (VPNs) were installed, and instructions were sent for remote connection; as of May 22, employees returned to the office in a semi-remote modality. In addition, as a preventive measure, the employees of the Labor Inclusion Program (at-risk population) stayed at home from March 13. Most of them have been currently reinstated based to their willingness, while others still remain at home as a preventive measure.

#### 4.2.a.ii Workers' Organizations

The trade unions operating in the Company are (i) SUNTT - *Sindicato Único Nacional de Trabajadores de Ta-Ta*, with 668 members, (ii) SUM - *Sindicato Único de Multiahorro*, with 593 members, and (iii) SUTCRA - *Sindicato Único del Transporte de Carga y Ramas Afines*, with 41 members. The relationship with the different union organizations is fluid and has different communication and meeting channels (telephone communications, bipartite and tripartite meetings). In Ta-Ta, all employees have the same benefits, whether they are part of any of the active unions or not.

Formal agreements between the Company and the union regarding safety and health are regulated mainly under Law 5,032 (occupational accidents, prevention measures) and Decree 406/88 (occupational safety and hygiene in industry and commerce). Due to COVID-19, the agreements with the Unions that were due to expire in June 2020 were extended, with the agreement of all parties, until June 30, 2021.

#### 4.2.a.iii Non-discrimination and Equal Opportunity

Ta-Ta does not have an age limit for recruiting personnel, the only limitation is that they must be of legal age (18 years old) or over 15 years old with a work permit. The Company also has a Labor Inclusion Program that aims to contribute to the integration and labor development of people with disabilities through quality jobs. This program, which has been implemented for 20 years and currently has 36 people, has made Ta-Ta one of the largest employers of people with Down syndrome in the country.

The Company actively participates in DERES<sup>11</sup> as part of working groups on the inclusion of people with disabilities in the workplace and the environment. As part of this group, it has been involved in the development of a Guide to Workplace Inclusion for People with Disabilities in four areas: awareness, interpretation of the law, barriers to inclusion, and the benefits of inclusion.

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<sup>11</sup> DERES is a nonprofit business organization that brings together the main companies in Uruguay, which seeks to develop Corporate Social Responsibility (CSR) and Sustainable Development, both from the conceptual point of view and from its practical application.

The Company has also implemented an internship program in the form of Simple Internships and Dual Training Internships<sup>12</sup> for populations in vulnerable situations. The latter are managed through the civil associations *Gurises Unidos* and *Centro de Participación Popular*, and are coordinated with the Ministry of Social Development (“MDS” for its acronym in Spanish), the Ministry of Labor and Social Security (“MTSS” for its acronym in Spanish) and the National Institute of Employment and Vocational Training (“INEFOP” for its acronym in Spanish).

#### 4.2.a.iv Grievance Mechanism

The Company has an Internal Ethics Committee that evaluates the queries and grievances received through the different communication channels. In the first instance, the Ethics Committee consists of the Human Management and Internal Audit and Compliance managers, but depending on the issue to be addressed, managers from areas related to the grievances are appointed.

The Company has open and dedicated communication channels to listen to its collaborators such as: meetings (results, monthly, daily), monthly newsletter, email, WhatsApp, *Contacta* network<sup>13</sup>, and local information boards. In addition, employees have the possibility of raising their concerns, doubts or grievances through various channels: (i) direct managers, (ii) dedicated telephone number, (iii) e-mail: [etica@tata.com.uy](mailto:etica@tata.com.uy), (iv) Regional Human Management Managers, and (iv) different areas of Human Management.

The Internal Work Regulations include the so-called Procedure for Claims of Harassment, which is complemented by a "Protocol for Action in Cases of Sexual Harassment". The Company investigates claims of possible workplace harassment and discrimination that are triggered by a written complaint. All claims made by employees are received and responded to, and can be made directly by the employee or through the union. When the grievance involves labor issues, the investigation process considers that, before applying any disciplinary or resolution measure, the rights of defense or release of the persons involved must be respected.

The Company has also responded to, investigated, and resolved labor and harassment claims that are filed in legal offices and with the Ministry of Labor.

#### 4.2.b Protecting the Workforce

Ta-Ta recognizes access to work as a fundamental human right. It also recognizes the protection of child labor and equal opportunity without discrimination of any kind. In addition, it applies the guidelines of several international conventions ratified by Uruguay referred to (i) working hours, (ii) overtime, (iii) breaks and weekly rest, (iv) wages, (v) child labor, (vi) unions and freedom of association, (vii) employment contracts, (viii) sexual harassment, non-discrimination, and equal opportunity, (ix) women's work, (x) occupational accidents, (xi) annual leave, (xii) collective bargaining, (xiii) worker health and safety, (xiv) occupational health services, and (xv) night work.

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<sup>12</sup> Dual Training is a model that aims to professionally train students in a mixed regime, combining the education of students at school and training in the company (work activity paid through a training and apprenticeship contract).

<sup>13</sup> Digital space of Ta-Ta's human management and internal communication programs, aimed at consolidating the corporate culture and aligning it with the organizational values. The platform channels the exchange of information, the coordination of training and development activities, the management of employee benefits, the organization of internal events, and the launch of communication campaigns, among other functions.

#### 4.2.b.i Child Labor

The Company does not hire personnel, whether employees or workers engaged by third parties, who are minors and who are not authorized under the respective national and international regulations. If hired, minors must be over 15 years of age and have a work permit issued by the Uruguayan Institute for Children and Adolescents ("INAU" for its acronym in Spanish). However, there are currently no children under the age of 18 on Ta-Ta's payroll.

#### 4.2.c Occupational Health and Safety

At the management level, Ta-Ta has a Health and Safety Committee ("HSC") that meets periodically. This committee, which is advised by a team of health and safety professionals, consists of directors and managers from the operational departments (General Management, Operations, Logistics, Loss Prevention, and Human Management). In keeping with local legislation<sup>14</sup>, the HSC has a Two-Party Safety and Health Commission ("BHSC") comprised of representatives from the Unions (SUNTT and SUM) and company representatives from the Occupational Health and Safety and Human Management areas.

The BHSC, together with union representatives, visits premises to identify the various hazards, assess the work-related risks, and then plan for their prevention. Occupational Health and Safety ("OHS") issues are addressed with employees through inductions, trainings, and activities to promote knowledge and raise awareness for the adoption of safe and healthy practices. In addition, there are instances of participation and consultation with union delegates to strengthen the relationship and promote preventive management.

As part of its response to COVID-19, the Company developed an Action Protocol for suspicious or confirmed cases, which applies to all its operations. Some of the main measures implemented refer to avoiding crowds, both during rest hours and in cafeterias and parking areas; controlling entry to changing rooms by shifts; cleaning facilities; and installing screens at checkouts. Employability has remained stable during the pandemic and, at present, despite having been authorized to return to the office, the dynamics of teleworking and flexible hours for administrative staff continue.

The main types of accidents that occur in the Company are: cuts, blows, and falls from the same or different heights. Since 2017, Ta-Ta has implemented the "*Yo me cuido*" (I take care of myself) campaign targeted at the areas with the highest frequency of cutting incidents (Butcher's and Delicatessen), emphasizing workplace discussions to foment the use of personal protection elements, the use of protection for work tools, and machinery cleaning protocols.

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<sup>14</sup> Decree 291/2007, which regulates International Labor Convention No. 155 on prevention and protection against risks arising from any activity.

#### 4.2.d Workers Engaged by Third Parties

The corrective actions for claims linked to reports of harassment or discrimination include all workers, whether they are employees or workers engaged by third parties. The Outsourcing Law provides for the joint and several liability of the employer who hires a service for all the labor obligations of the workers who are hired under this modality (outsourced workers), as well as the liability for special social security payments, and the premium for occupational accidents or diseases. The Company complies with all applicable labor regulations.

The Company verifies that all Security Plans of its suppliers comply with the requirements of Uruguayan regulations. In this sense, Ta-Ta requests the following documentation from its contractors: (i) salary receipts, (ii) unified payroll (including registrations with the Social Welfare Agency and the Ministry of Labor), and (iii) certificate of being up to date with the Social Welfare Bank and the State Insurance Bank (coverage premium for occupational accidents). The Company is authorized to withhold credits for invoicing services rendered by the contracted company in those cases in which, after the pertinent controls have been carried out, any breach is detected. This withholding is intended for the payment of salary items or social security contributions that have been verified as not being complied with.

#### 4.2.e Supply Chain

The Company is in the process of reviewing the supplier selection criteria to define social and environmental aspects that may be considered and weighted in the possible business relationship. Currently, the only social issues considered when hiring suppliers are those related to labor issues. Although there is no defined policy for the inclusion of environmental and social issues in the value chain, the Company always gives priority to hiring local labor from the communities in the area of influence of the location where it will be operating.

Ta-Ta works with micro, small and medium sized companies, having more than 200 suppliers in the SME category. It also prioritizes working with manufacturers that offer national products. This is reflected in the "Uruguay First" Program, through which Ta-Ta promotes the development of national outputs and fosters job creation. The intention is to promote the development of small local producers who are also committed to the empowerment of women and the inclusion of people with disabilities.

As for environmental issues, for "Own Brand" products, national and regional suppliers are requested to (i) have adequate waste management (solid and effluent); (ii) carry out sustainable management of water resources; and (iii) issue an Affidavit of Packaging indicating its adherence to applicable national or international regulations.

On the other hand, Ta-Ta inspects 100% of the fleet of transport vehicles that carry goods from the OC to the premises, generating a matrix with the characteristics of each vehicle.

The matrix contains the information by license plate of: (i) the qualifications and validity of each vehicle (bromatological, National Meat Institute -if applicable-); (ii) the validity of its Certificate of Technical Aptitude; (iii) the characterization of the vehicle in terms of its structural conditions (type of floor, walls, number of doors, closures, presence of ramp, curtains, insulating screens); (iv) the dimensions and maximum load capacity; and (v) the availability of cooling equipment and temperature sensors.

### 4.3 Resource Efficiency and Pollution Prevention

#### 4.3.a Resource Efficiency

The Company is supplied with electricity through the public grid (95% from renewable energy). In case of emergencies, the vast majority of the business units use backup generators that operate on fossil fuels. However, one of the main focuses of the Company's work is energy efficiency, which seeks to integrate energy saving measures in its three main areas of consumption: commercial refrigeration, air conditioning, and lighting. Through constant monitoring, Ta-Ta identifies the highest energy consumption of the premises, reviews and analyzes the data obtained, and generates and implements opportunities for improvement.

The improvements implemented in commercial refrigeration include the incorporation of freezer wells, investment in refrigerators with doors, and renewal of equipment to increase efficiency. As for the air conditioning equipment, it was updated in the new business units with Inverter<sup>15</sup> engines that ensure greater energy efficiency. As far as lighting is concerned, LED lights were installed in all the Company's premises and facilities to improve energy efficiency and reduce consumption.

The installation of solar panels will start in April 2021 at the Ta-Ta Supermarkets business unit. In the OC, the loading efficiency of the trucks was increased in order to reduce the number of trips. This reduced the emissions generated by the transportation of goods.

With respect to the main water source, this comes from the state water company. The OC has two groundwater extraction wells that supply the fire safety system and the irrigation system. The authorization for the use of both wells is under review by the National Water Directorate ("DINAGUA" for its acronym in Spanish). The OC also holds an Industrial Drainage Authorization.

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<sup>15</sup> Inverter technology regulates the voltage, current, and frequency of a device, thus inducing energy savings and a longer life for the equipment.

#### 4.3.b Pollution Prevention

Ta-Ta employees are trained in: (i) daily use techniques to reduce breakdowns, food and packaging deterioration; and (ii) the responsible use of disposable food packaging, especially nylon and plastic film.<sup>16</sup>

More than 10% of the Company's premises have begun a trial period to replace the use of plastic bags with paper bags. The Company has launched a plan called "Carro de Oportunidades" (Cart of Opportunities) that implements offers of up to 70% over the sales price in products that are about to expire. This reduces the discarding of products due to expiration, as well as losses due to damage, and produces a positive impact on customers who can obtain products in good condition at low prices.

Ta-Ta's OC has a wastewater collection and treatment system in optional maturation lagoons<sup>17</sup> located within the property's limits.

Multiahorro Hogar implements the Recambio plan, which aims to give a second life to household appliances, incorporating a social value in the process. The plan includes a workshop for the repair of used appliances that customers deliver as part of the business activities. The INEFOP selects people who are on unemployment insurance to train them in kitchen and refrigerator repair. The appliances repaired by this means obtain the category of "second-hand guaranteed" and are then donated in optimal conditions to organizations that work with vulnerable populations.

#### 4.3.b.i Wastes

The waste generated by the Company is mainly packaging materials (pallets, film, paper, boxes), discontinued or expired products, spill containment waste, personal protection items (gloves, face masks, disposable tunics), office and cafeteria waste, and edible oils used in fryers. These are classified, conditioned in enclosures, and separated into three main waste categories: (i) wet, which includes organic waste from the fresh and dining sections, (ii) dry, which includes containers and packaging, mainly cardboard and plastics, and (iii) liquid, specifically oil used in fryers.

The Montevideo premises of the Company's three business units (Supermercado Tata, BAS, and Multiahorro Hogar) send their solid waste (paper, plastics, bottles, bags, cardboard, film, organics, toner cartridges) for final disposal through Aborgama, a service provider authorized for this purpose. In the OC and Multiahorro Hogar warehouse, solid waste (paper, cardboard, and plastic film) is sent to the Pedernal Warehouse for recycling. All waste management and disposal suppliers used by the Company are authorized by the competent authorities. Some suppliers buy surplus cardboard and film for reuse. The film supplier removes approximately 5% of the waste generated for recycling.

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<sup>16</sup> "Stretch film" is a palletizable film, commonly made of linear low-density polyethylene (LLDPE); special for wrapping and grouping articles.

<sup>17</sup> Authorized by the DINAMA in 2012.

The hazardous materials used in the Company's operations are: oil, natural gas, refrigerant gases, and fuels. The handling of refrigerant gases is performed by specialized suppliers. The Company has set up collection points for post-consumer products such as lamps from its customers at its different locations and has committed to import zero lamps containing mercury.

When equipment on the premises is changed due to remodeling, the refrigerators are taken to the workshop and refurbished; however, if they are not useful, they are sold as decommissioned equipment. Refrigerant gases are handled by outsourced collaborators and Electrical and Electronic Equipment Waste ("EEEW") is sent to the NDC and sold as scrap.

#### **4.4 Community Health, Safety and Security**

##### 4.4.a Community Health and Safety

The Company carries out a continuous process of surveying, inspecting, and auditing the infrastructure and the health and safety conditions of the premises. In addition, it uses posters and social media to disseminate health and safety practices. On the other hand, all Ta-Ta facilities have an automatic external defibrillator ("AED"), which, on several occasions, has been made available for emergencies in the community. As for the transport of goods, the transport contractors in charge of delivering products to the supermarkets are equipped with GPS in order to control their movements and speed.

The Company has fire safety equipment control procedures, which are reviewed regularly (smoke, gas, and fire pump systems) to ensure their functionality. Fire safety measures are based on the provisions of national regulations (regulated by the National Fire Department) whose reference for drafting is the National Fire Protection Association (NFPA).

The Company has people trained in basic cardiac resuscitation in its premises, as well as personnel trained in fire safety, fire detection, alarm and protection systems, and flammable gas detection and cut-off systems. In the case of the OC, the communities in its area of influence are involved in processes of notification of drills by the Company.

##### 4.4.b Security Personnel

The security personnel assigned to the Company's premises are not armed and are authorized by the National Security Institute. According to Uruguayan legislation, such personnel must take and pass a 20-hour training course given by the Ministry of the Interior, which includes topics related to the constitutional rights of individuals and ways of interacting with the community. Security personnel must also pass a psychological exam every three years and have a valid criminal record certificate.

Ta-Ta internally controls each of the guards before they enter its facilities. The Company has remote video surveillance and security guards are included in customer service training.

#### **4.5 Land Acquisition and Involuntary Resettlement**

The Operation does not consider land acquisition or the involuntary physical or economic relocation of any person.

#### **4.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The operation will have no impact on biodiversity or living natural resources.

#### **4.7 Indigenous Peoples**

The operation will not generate impacts on any indigenous peoples.

#### **4.8 Cultural Heritage**

The Operation does not foresee impacts on cultural heritage.

### **5. Local Access of Project Documentation**

The documentation related to the project can be accessed at the following links:

<https://www.tata.com.uy>, <https://www.bas.com.uy>, <https://www.multiahorro.com.uy/>