

# Code of Ethics and Conduct

## LETTER FROM THE BOARD OF DIRECTORS' CHAIRMAN

*Dear collaborators:*

*Magazine Luiza always valued its Code of Ethics and Conduct, making ethics, compliance and transparency to guide its actions. We were pioneer by defining the "NON-NEGOTIABLE" conduct unacceptable at the Company.*

*Amid current scenario where Brazilians are living on the edge and they understand that losses and damages caused by acts of improbity and practices of corruption, our Code of Ethics and Conduct becomes stronger.*

*Brazil, more than ever, needs entire society be ready to make integrity, ethics, transparency and compliance a priority. Thus, it so important you not only observe the rules and guidelines provided for in this Code of Ethics and Conduct, but mainly you act as guardian thereof, denouncing any violation or suspicion of breach to the rules set forth herein.*

*In view of Brazil's scenario, Magazine Luiza, pursuing continuous improvement, revised its Code of Ethics and Conduct, edited an Anticorruption Manual and in compliance with Federal Decree No. 8.420/2015, created an area concerned with its Integrity Program.*

*To ensure that our Code of Ethics and Conduct is a benchmark for society, it was revised carefully, assuring that integrity principles could be treaty simply and objectively.*

*I count on you to consolidate Magazine Luiza as Brazil's Most Ethical Company.*

*Regards,*

  
Luiza Helena Trajano



**magazineluiza**  
vem ser feliz

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# 1 – PURPOSE, VISION AND VALUES

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## Our Purpose

- Provide access of which is privilege of a few to many people.

## Our Vision

- *Become the country's most innovative retail group, offering a wide range of products and services for Brazilian households. Be present where, when and how customer desires, whether in brick-and-mortar, virtual or online stores. Always captivate customer with the best retail team, with differentiated services and competitive prices.*

## Our Values

- **CUSTOMER FIRST:** Customer comes first in all decisions thus, we seek to know him deeply. We have passion for selling and serve well our customers. We work assiduously to captivate them, and when we make a mistake, we endeavor all our efforts to win back lost customers.
- **PEOPLE WHO LIKE PEOPLE:** We work with positive energy and we praise our achievements. We praise team work, in a collaborative manner, with transparency, eye-to-eye approach, always with respect. Constructive feedbacks are stimulated and welcomed. We give autonomy with responsibility and we seek to attract, value and develop talents.
- **HANDS-ON:** We are audacious, and we do not fear making a mistake. We think outside the box and we always find ways of acting simply and creatively. We work hard, with proactivity and we solve problems even when they are not our responsibility. We make it happen quickly, we make good ideas come true, even if they are not 100%. We relentless work to always be in the frontline.
- **FOCUS ON SUSTAINABLE RESULTS:** We avoid red tape and excessive controls. We take a deeper look at decisions based on facts and data, but we are not afraid of doing it based on intuition when necessary. We face problems and we act in root causes to solve them. We are honest. We believe and practice the win-win policy.
- **OWNERSHIP ATTITUDE:** We think in the Company as a whole and in the going-concern, not only in our area or store: we do not score a "hand of God" goal. We do more with less and we can't stand wrongful acts, therefore, we are always seeking to improve and "going beyond the limits". We breath and promote our culture.

## 2 – THE NON-NEGOTIABLE CONDUCT

### What does non-negotiable conduct mean?

This refers to conduct unaccepted by Magazine Luiza, under no assumption and under no circumstance, subject to dismissal with cause.

### Why the non-negotiable conduct?

To highlight the types of behavior seriously harming Magazine Luiza's values.

### Which are the types of Non-Negotiable conduct?

- 1 – Cause harm to Customer and/or the Company
- 2 – Practices of Corruption
- 3 – Discrimination of Any Nature
- 4 - Moral and Sexual Harassment
- 5 – Conflict of Interests

#### 1 - Cause Harm to Customer and/or Company

- Intentionally cause financial damage to the Company and/or customer;
- Obtain improper advantage when performing your duties;
- Deceive customer, inducing him to error, or embed financial services without customer's previous consent;
- Alter or manipulate reports results, cash register closing, working hours and others.

#### 2 - Practices of Corruption

- Being directly or indirectly involved in practices of bribery and kickbacks, offering improper advantages and other acts of corruption with public agents (i.e., civil servants, politicians, inspectors), as well as the acceptance or offer of gifts of any nature, violating the presents, gifts and hospitality policy with suppliers, outsourced workers and other partners and third parties.
- Accept any type of favoritism in exchange of carrying out actions to jeopardize the Company's image or to trigger financial losses for Magazine Luiza.

#### 3 - Discrimination of Any Nature

- Discriminate any person due to race, color, religious belief, sex, sexual orientation, social class or political ideals;
- Disrespect or treat employees differently due to physical characteristics and/or ideological issues.

#### 4 - Moral and Sexual Harassment

- Make use of higher hierarchical position to expose employees, third parties and outsourced workers to embarrassing, nasty situation or treating subordinates with lack of respect;
- Take advantage of occasions and/or workplace to embarrass employees seeking an opportunity of romantic or sexual relationship.

#### 5 - Conflict of Interests

- Negotiate with relatives and/or friends without previous communication with line manager;
- Maintain romantic relationship with subordinate without notifying the people management area and his/her line manager;
- Hire relatives with subordination relationship, such as permanent worker, temporary worker, outsourced worker or supplier.

*“ Magazine Luiza works so that all employees are faithful to these precepts and they are aware that the respect for this Code of Ethics and Conduct is condition to remain as employee at the Company”.*

## 3 – Behavior Guidelines

### 3.1 – Everyone’s responsibilities

- Comply with prevailing laws and the fundamental rights provided for in Federal Constitution  
[http://www.planalto.gov.br/ccivil\\_03/constituicao/constituicaocompilado.htm](http://www.planalto.gov.br/ccivil_03/constituicao/constituicaocompilado.htm);
- Comply with all the Company’s guidelines, rules and procedures referring to its operating area;
- Act as the guardian of Magazine Luiza culture and an example of ethical conduct;
- Act with honesty, frankness, loyalty and respect for colleagues, outsourced workers and business partners, in all situations;
- Act so that any illegal practices, once identified, are immediately reported to Magazine Luiza, by means of whistleblowing channels available, so that all the measures necessary are adopted;
- Perform duties with care and diligence, your actions must be concerned with social responsibility and environment;
- Respect intimacy, private life, honor and image of others;
- Look after the name and reputation of Magazine Luiza in entire society. All actions must be guided in this regard;
- Honor commitments assumed, observing terms, meeting demands and complying with agreements;
- Observe the free and loyal competition rules, i.e., you cannot directly or indirectly influence results;
- Observe the occupational safety rules and guidelines;
- Promptly inform your leader and/or integrity area on any act contrary to Magazine Luiza’s values and non-negotiable conduct;
- Inform your leader or people manager of your area always a relative applies to a vacant position at Magazine Luiza;
- Protect the Company’s assets with same care of your assets, whether these are: work equipment, trade goods, relevant and sensitive information;
- Avoid damages, prevent the misuse of the Company’s assets, prevent the illegal use and watch over loss, theft or deviation;
- Employ the Company’s resources only for Magazine Luiza’s purposes;
- Obtain results in a transparent and complete manner;

- Prepare reports, information and other documents correctly and faithful to data;
- Preserve the practice of “Rito de Comunhão” (synergy team meeting), of Luiza TV, the Council of Employees and the 10-Star Service;
- Fight against the misuse of Magazine Luiza brand, making the Company aware of any act to jeopardize its reputation;
- Seek ways of mitigating the environmental impacts of our operations and build up actions to improve the environmental conditions of our Planet. At least, all of us must comply with the laws and environmental rules effective in all locations where we operate.
- Maintain absolute confidentiality on overall information, promotional campaigns and strategies of Magazine Luiza, not providing them to third parties (press, suppliers, promoters, competitors, etc.);
- Maintain a good relationship and synergy with in-house teams and associated companies.

### 3.2 – How to Act in Certain Situations

- When recommending an applicant for a vacant position, you must inform the person in charge of selection process on the level of relationship maintained with such candidate;
- In the event of affective relationship with another employee, your direct leader and the people management area must be informed;
- Before starting your activities, you must certify that you have the Individual Protection Equipment (EPIs) necessary and use it correctly;
- When wearing uniform, bear our brands or drive a vehicle with reference to Magazine Luiza, use it carefully so that to well represent the Company;
- If you receive information on the existence of business between Magazine Luiza with one of your relatives or persons with whom your relatives maintain strict personal relationship, or even with companies in which these persons are partners, with relevant interest or performing any managerial position, you must notify your leader. Business only may proceed with previous authorization of area's executive officer and Integrity Executive Board. We understand as relatives: spouse, parents, siblings, children, nephews and cousins, until second degree, including spouse's relatives;
- Observe proper registry of working hours in compliance with labor laws;

*Overall default of these guidelines will be analyzed by Integrity Committee.*

- If you have any type of access to Magazine Luiza's financial resources or transactions, you must act with honesty, cautious and attention. Your actions must: (i) occur in accordance with the rules previously set out in the Company's policies and procedures; (ii) be compliant with your responsibilities and authority; (iii) be in line with the Company's objectives and (iv) be supported by appropriate documentation.

### 3.3 – You must never

- Receive, allow others to receive or offer, grant to third parties, gifts, presents and hospitality, before obtaining authorization from your leader and/or integrity executive board. All restriction guidelines are included in the Anticorruption Manual and in the Presents, Gifts and Hospitality Policy;
- Use or provide Magazine Luiza's private, available information without prior authorization. The awareness on the Company's strategies or internal decisions shall not be used improperly;
- Maintain and/or consume illegal drugs and alcohol during working hours. The consumption of alcohol in workplace celebrations, dinners or events may be allowed, as long as previously and expressly authorized by your leader and people management area.
- Carry weapons, of any type or nature, unless by those expressly authorized, in charge of security of other Company's employees and assets;
- Improperly use your position at Magazine Luiza to obtain any type of advantage;
- Use for private purposes, or not transferring to anyone, technology, brands, methodologies and any information pertaining to Magazine Luiza, even if obtained or developed by you, and you shall maintain total and absolute confidentiality of all operating methods and routines, as well as business and tax procedures, under the penalty of civil and criminal liability, even after your withdrawal from staff;
- Embed financial services without customer's prior awareness and authorization;
- Perform activities during working hours not related to Magazine Luiza's interests.

## 4 – Leader's Responsibility

### The Specific Role of Leaders

Magazine Luiza's Leaders must:

- Ensure that their subordinates are aware of and apply the precepts of this Code, as well as offer to the Committee of Ethics and Conduct and to integrity area the support necessary to develop your work and to disseminate a culture of compliance, ethics and transparency;
- Respect employees or third parties with whom you maintain relationship and abstain from any conduct which may be characterized as abuse of authority, moral or sexual harassment;
- Promote a very compelling and inclusive workplace and do not make any differentiation due to personal characteristic of customers, employees, candidates or third parties;
- Preserve the integrity of information with whom you maintain contact due to your position and never use such information to your own benefit;
- Make decisions and employ resources or tangible and intangible assets of Magazine Luiza according to the rules previously established and the Company's business objectives, abstaining from any action due to relationship or any type of favoritism;
- Abstain from any practice of bribery or public and private corruption and act for this to not occur.



*Magazine Luiza has a specific procurement policy. Employees when making any purchase and/or contracting services on behalf of Magazine Luiza, must observe the criteria defined in referred policy.*

## 5 – Relationship with Third Parties

### 5.1 – Relationship Guidelines

- Partners and shareholders relationship shall be based on ethics, respect and transparency.
- We will only maintain business with partners which fight against child, forced, slave labor or under conditions similar to slavery.
- Entities and/or organizations which do not repudiate prejudice or discrimination of any nature cannot be our partners.
- Our partners shall be selected from objective and fair selection criteria. Any personal relationship which may exist between employees and partners must be evidenced and notified to the area's executive officer.
- Any attitude to depreciate the image of our partner companies is not allowed.

### Donation of Product and Support to Projects

- Donations of products for people or social institutions must observe the Company's Donation of Products Policy.
- Sponsorship requests for social and/or environmental projects, even when these may benefit from tax incentives, must be sent to the Institutional Relations and Sustainability Area, which will assess eventual sponsorship for Board of Executive Officers' approval.
- Sponsorships in general must have authorization from the Marketing Executive Board and Board of Executive Officers and must be directly connected with Magazine Luiza's interests, benefiting community and valuing the Company's image.

### 5.2 – Supplier Relationship Guidelines

- All suppliers must be treated with respect and loyalty, but without favoritism.
- Information on our suppliers must be treated with cautious and confidentiality.
- All the Company's suppliers must comply with legal, labor and environmental laws, adopt anticorruption measures, besides enjoying good reputation.

*Magazine Luiza makes available a direct and exclusive channel of communication for its customers, the “Luiza Atende” via toll free number 0800 34 4000.*

### 5.3 – Customer Relationship Guidelines

Customer is the reason of our existence; therefore, we must adopt attitudes to prioritize customers' needs, answering their requests, making them happy and dazzle.

When contacting our customers, employees must:

- Offer the 10-star service, treating customers with care and respect, without discrimination and seeking to build truthful and long-standing relationship, irrespective of gender, age, physical or financial condition;
- Sell products and services with honesty and transparency, respecting customers' rights and giving clear and reliable guidelines and information;
- Prevent the disclosure of misleading or abusive information to customers;
- Provide accurate and transparent information during entire relationship with customers;
- Pursue customers' satisfaction and fascination, receiving their opinion to improve services and committed to deliver products and services with quality and safety within agreed terms and conditions;
- Reinforce customer relationship offering complementary services so that to create value in your relationship with customer.

*In the event of violations to prevailing laws, Magazine Luiza will inform and fully cooperate with appropriate authorities.*

## 6 – Channel of Communication

We must treat our concerns at the company, solving doubts and informing the Company on any acts practiced in disagreement with prevailing laws, this Code of Ethics and Conduct, the Anticorruption Manual, Magazine Luiza's policies and procedures, by means of the following:

- Your leader – for concerns and problems referring to processes, procedures and work strategy. If necessary, look for his/her immediate superior.
- The people management area of your unit for issues referring to workplace and work conditions, relationship, personal demands, for instance;
- The integrity area for doubts on criteria defined in the Code of Ethics and Conduct, in the Anticorruption Manual, in Magazine Luiza's policies and procedures;
- The Whistleblowing Channel, the Integrity Executive Board or the direct channel with Presidency, if the issue refers to breaches to the laws, the Code of Ethics and Conduct, the Anticorruption Manual, Magazine Luiza's policies and procedures.

### Whistleblowing Channel

This Channel is a confidential tool which is available 24 hours/day, during entire year. Contact must be identified, since we ensure the confidentiality of whistleblower's identity. Exceptionally, anonymous whistleblowing may be accepted. All the efforts are endeavored to ensure the reports confidentiality.

**Dial Presidency:** (16) 3711-2068

**E-mail:** [luizahelena@magazineluiza.com.br](mailto:luizahelena@magazineluiza.com.br)

**CONFIDENTIAL CHANNEL:** [www.disquedenunciamagazineluiza.com](http://www.disquedenunciamagazineluiza.com) and 0800 792 1007

Magazine Luiza will not tolerate any type of retaliation to good-faith whistleblower and will attempt in all forms to avoid this type of conduct.

*The Code of Ethics and Conduct is one of the main documents of the Company's Integrity Program.*

## 7 – Miscellaneous

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- The Code of Ethics and Conduct unrestrictedly shall apply to all employees, shareholders and partners of Magazine Luiza. The precepts set forth herein shall be observed by everyone in all professional relationships maintained with customers, suppliers, partners and governmental agents.
- All employees must read and understand the guidelines and rules established herein. After reading and understanding thereof, employees must sign the Statement of Commitment and Acceptance (Attachment I) available at “Portal Luiza”.
- In case of doubts on any issue to be treated herein, employee shall request assistance to his/her leader and/or integrity area.
- Upon admission of new employee, the Statement of Commitment and Acceptance must be signed. This procedure must be renewed during annual campaign of acceptance with electronic signature at “Portal Luiza”.
- This Code of Ethics and Conduct is effective as of the date of its approval and disclosure by the Company's Board of Directors.
- To ensure applicability and continuous evolution, the Board of Directors will revise this Code of Ethics and Conduct whenever this is necessary.
- The Code of Ethics and Conduct is one of the main documents of the Company's Integrity Program.
- In the event of violations to this Code, Magazine Luiza will adopt disciplinary measures, which may include from a verbal warning until dismissal with cause, not excluding, when reasonable, the adoption of legal measures, by means of civil and/or criminal proceedings.
- In the event of breaches to the laws, Magazine Luiza will inform and fully cooperate with appropriate authorities.

## Attachment I

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### Statement of Commitment and Acceptance

I declare I have accessed and entirely read the Code of Ethics and Conduct of Magazine Luiza, I affirm to have understood my responsibilities as employee, in order to comply with the rules and precepts contained in referred document.

I am aware that, in case of any doubt on the correct conduct or attitude to adopt, I will immediately contact my leader or the integrity area to solve this doubt.

Date:

Full name:

Signature:

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