INTRODUCTION

We are proud to present the Annual Sustainability Report featuring the consolidated economic, social and environmental information about B2W Digital’s performance in Brazil for the period comprising January 1 - December 31, 2015 [G4 -28]. This report follows the methodology and the guidelines proposed by the G4 version of the Global Reporting Initiative (GRI), linking the indicators with the principles of the Global Compact, a United Nations (UN) initiative of which we are signatories.

In 2015, B2W Digital completed the three-year business plan (2013-2015) – to build the best and most complete digital platform of Latin America - with the customer at the center of the company’s strategy. In 2015, the GMV presented growth of 22.7, reaching R$11.3 billion, compared with R$9.2 billion recorded in 2014. As a result, the company has grown above the market, which registered a growth of 15.3 in the same period (according to the eBit), and expanded its market share in 1.3 percentage points, from 24.2 in 2014 to 25.5 in 2015. This result is due to investments made mainly in logistics, technology and acquisitions experience, in order to create a platform that connects people, business, products and services.

To produce this content, leaders responsible for the Company’s different areas were interviewed, the quarterly earnings results produced by the Investor Relations department were scrutinized and an extensive search of the data available on our websites or disclosed to stakeholders was conducted. Consultation with the areas was essential to identify the material themes, highlighted in the materiality matrix.

This document demonstrates the Company’s commitment to the adoption of social and environmental practices coupled with a financial performance that is based on an increasingly more sustainable business model. Through the engagement of our associates, suppliers and partners, B2W Digital has mobilized its millions of consumers to build a more just and inclusive society. The digital market is a strong channel for the development of the economy and, consequently, for offering access to goods and services directed to all the Brazilian people.
In 2015, B2W Digital completed its three-year business plan (2013-2015) – to create the best and most complete digital platform in Latin America – with the customer at the core of the Company’s strategy. During this phase, investments were made in logistics, technology and the shopping experience, in order to develop a platform that connects people, businesses, products and services.

Since we announced the 3-year plan (2013-2015), we have grown faster than the market, quarter after quarter, and made significant gains in market share, which rose from 20% in the 1st half of 2012 to 27% in the 4th quarter 2015. During that same period, we added more than six million new clients to our customer base. Furthermore, B2W’s four websites are the only e-commerce sites in Brazil that have, since 2014, enjoyed the highest level of client service satisfaction, according to the ReclameAQUI (ComplainHERE) website and other public indicators.

Over the last three years, we have more than doubled in size, from a GMV (Gross Merchandise Volume) of R$ 5.4 billion in 2012 to R$ 11.3 billion in 2015.

Throughout the period, we made strategic acquisitions and now comprise strategic 11 companies, nine of them best-in-class in their different technology areas, as well as the two best transporters in Brazil specializing in last mile services.

The desire to get closer to our clients, backed by continual investment in building a platform that connects people, businesses, products and services, has put us in a leading position in e-commerce in Latin America.

Over the next five years (2016-2020), B2W will continue to invest in its digital platform, maximizing the return from all its business areas, with the aim of generating free cash flow and value for its shareholders.

THE MANAGEMENT
ABOUT B2W DIGITAL

B2W is a digital company, the leader in Latin America and operates on the following fronts: e-commerce through the Americanas.com, Submarino, Shoptime and Sou Barato brands; the Submarino Finance and Digital Finance consumer credit service platforms; technology platform; logistics, distribution and customer service platform; and Marketplace. [G4-3, G4-4, G4-5]

Designed to connect people, businesses, products and services on a single digital platform, B2W constantly invests in a strategy of moving ever closer to clients, offering the best shopping experience, attracting the best talent and creating barriers to new entrants.
B2W Digital’s portfolio contains the Americanas.com, Submarino, Shoptime and Sou Barato brands, offering a wide assortment of more than 1.5 million products, divided into more than 40 categories, such as games, computer products, telephones, electronics, toys, watches, perfumes, home electrical appliances, musical instruments, books, stationery, CDs, DVDs, bed and bath, video and photo, houseware, furniture, automotive products, and others and through Internet distribution channels, telephone sales, catalogues, TV and kiosk sales.

The Marketplace operation allows sellers (vendors) to market their products on the Americanas.com, Submarino and Shoptime sites. Headquartered in Rio de Janeiro, the Company also has 11 distribution centers located in the states of Minas Gerais, Pernambuco, Rio de Janeiro, Santa Catarina and São Paulo.

Lojas Americanas is the Company’s controlling shareholder, holding 55.6% of the share capital; the 44.4% remaining shares are part of the free float. The Company’s shares are traded through the BTOW3 ticker symbol on the BOVESPA, in the Novo Mercado segment, which has the highest rate of corporate governance in Brazil.

OUR BRANDS

**Americanas.com**

*The largest store. The lowest prices*

Americanas.com is the largest and most complete online store in Latin America. The brand, chosen by consumers as the number 1 in service and the Internet’s top-of-mind store, offers over a million products, divided into 36 categories, which can be purchased through the website, telesales, mobile app or the more than 900 kiosks installed within Lojas Americanas stores, as well as products from other stores available in the marketplace. The brand also uses B2B (business-to-business) and Americanas.com credit card services, which offers clients unique benefits.

**Submarino**

*The products that you enjoy and the Internet’s best service*

Submarino offers its customer the latest in technology, entertainment, culture and innovation. The broad assortment of brand products is divided into 30 categories, such as books, fashion, telecommunications, electronics, computer, games and online services, among others. The brand also has exclusive “coolstuff” areas where the most remarkable and innovative products can be found, as well as wearable tech, which consist of the most modern devices connected to the Internet to facilitate users day-to-day lives.

Recognized by clients and research institutes as the “best online store of Brazil” in 2014, Submarino offers the highest level of service through its website and mobile application, which takes the brand’s entire universe to wherever people are through a fast, responsive and secure platform. The brand also offers B2B (business-to-business), the Submarino Card (the best way to pay on the Internet), plus Submarino Prime, the newest fast delivery and unlimited free shipping service.
Exclusive products and live Demonstration

Shoptime is the largest and most appreciated home shopping channel in Brazil. Featuring specialized product demonstration programming, the channel merges the charisma of its presenters with a wide variety of categories to entertain, teach how to use and to sell the best products on the market. Operating 24 hours a day with over 10 hours of live programming, Shoptime is present through TV, the Internet, catalogues and a smartphone application. Shoptime offers exclusive brands and products designed to make the homes and the lives of its clients more practical through such own brands as Home & Comfort, Fun Kitchen, La Cuisine and Life Zone.

The Internet’s largest online Outlet

Americans.com’s outlet offers exclusive discounts and prices below the market average in new, used and repackaged products. SouBarato’s customers find products in various categories, including smartphones and mobile phones, computers, TVs, electronics, watches and perfumes, among others, with discounts of up to 70%.

MARKETPLACE EVOLUTION

The Marketplace operation allows vendors to market their products on the Americans.com, Submarino and Shoptime sites. Marketplace (3P) is an operation that is different than direct sale (1P) because it does not carry inventory and the Company receives a commission on sales and additional solutions offered. Among the benefits for sellers are access to the most cherished and Internet-leading brands and traffic leaders, and access to technology platforms and logistics, distribution and customer services. B2W’s benefits include a wider product mix (attracting more customers to the sites) and higher revenue growth and profitability.

The Marketplace (3P) plays an important role in this business model. B2W is the best option for sellers in the Marketplace (3P), who recognize it as the best place to do business on the Internet. The economies of scale realized by the sellers lead them to increasingly make use of the service platform, featuring B2W’s level of excellence. The estimate for the coming years is that the number of vendors will grow substantially — which means a wider product assortment, more traffic, more customers, higher sales and greater profitability.

OUR CONSUMER CREDIT SERVICES

Consumer credit services contribute to higher profitability to the extent that the Company offers its own cards for its four brands (Americans.com, Submarino, Shoptime and Sou Barato). Client benefits include exclusive discounts, reward programs and additional credit limits for purchases through the sites. The benefits for B2W are lower cost cards, higher frequency of purchase and a boost in the average ticket.
TECHNOLOGY AND SERVICES PLATFORM

B2W Services

B2W Services is the result of the building of a disruptive, robust and innovative technology platform to support the Company’s growth. To this end the acquisition of the nine leading technology companies in Brazil was of fundamental importance:

- **Uniconsult**
  Backoffice systems that coordinate the internal stages of the operation, including inventory control, logistics, order management, product registration, reports, payments and receipt of funds, among others.

- **Ideais**
  Front-office systems such as site architecture, usability and browsing solutions, and solutions for mobile devices such as development of apps and responsive sites.

- **Tarkena**
  A company specializing in search algorithms (Search Engine Optimization - SEO), client data management, sales forecasting systems and stock balancing between Distribution Centers.

- **E-smart**
  Leading developer of the magento platform (technology for creating online stores), the only company in this sector with "Magento's Gold Partner" certification in South America.

- **Admatic**
  Specialized in solutions that optimize and integrate virtual stores with digital marketing tools, providing the most complete software for management and automation campaigns in search engines, price comparators, retargeting and affiliates, among others.

- **Sieve**
  Specialized in price and product mix intelligence, data monitoring and dynamic pricing for e-commerce.

- **Infoprice**
  Specialized in intelligence and price research for physical retail and industry, through patented hardware for collection of prices and an artificial intelligence algorithm applied for data handling purposes.

- **Site Blindado**
  Specialized in online security solutions against intrusion, malware infections, information and credit card number theft, conferring the sites with better reputations and higher sales conversion results.

- **Skyhub**
  Specialized in the integration of online and off-line stores with the main marketplace operations and Internet price comparators, through a tool that manages product information, delivery data and applications, boosting sales, gaining scale and minimizing errors.
B2W Services offers complete solutions in vertical technology to support the operations of both Marketplace sellers and online operations of the major brand.

**INNOVATION AND TECHNOLOGY**

B2W invests in a single technology platform, creating a large competitive advantage over competitors. The Company is the leader in mobile technology, accelerating the migration of e-commerce to m-commerce (desktops and laptops to mobile devices) and delivering a superior shopping experience. This is only possible due to the acquisitions conducted, which allowed B2W to build a single digital platform with extensive use of big data and science data.

**LOGISTICS, DISTRIBUTION AND CUSTOMER SERVICE**

To enable it to move closer to the client and provide the best delivery service, B2W opened two distribution centers: Cajamar III DC, in São Paulo, which began operations in October; and the Seropédica DC, for the Rio de Janeiro Region, opened in November. With this move, the Company now has eleven DCs in operation throughout Brazil. Thus, it boosted storage capacity by 35% to a total area of 500 square meters in 2015. All of its DCs are fully customized for e-commerce operations and prepared to support B2W Digital’s operations and the Marketplace vendors.

B2W Digital reached a total of 139 hubs (merchandise transition sites, strategically positioned between the distribution centers and customers) in operation across the country. In less than two years, the Company has extended the operation from 15 to 142 hubs, reducing the distance to clients, enhancing service and assuring faster deliveries.

In 2015, the Company created the B2W Distribution Unit to provide the highest level of customer service. The B2W Distribution Unit was born from the acquisition and integration of the country’s two main e-commerce carriers: Click-Rodo (specializing in large volumes over 30 kg) and Direct (specializing in small volumes, under 30 kg). The acquisitions were aimed at improving the overall management of the delivery process, making it possible to operate with third parties.

In the same year, B2W Fulfillment (BFF) was launched, which brings together the storage, distribution and customer service for Marketplace sellers, who already recognize the Company as the best place to do business on the Internet. The economies of scale realized by the vendors lead them to increasingly use the service platform, which includes access to B2W’s level of excellence. The estimate for the coming years is that the number of vendors will grow substantially, which means greater product mix, more traffic, more customers, higher sales and greater profitability.
Freight Menu Expansion

The creation of the B2W Distribution Unit made it possible to improve the customer service level, currently offering six delivery options:

- **Same day:** Delivery within 8 hours
- **Next day:** Purchases made by 3 p.m. are delivered within one business day
- **Quick:** Delivery in 3 to 10 days
- **Economic:** Delivery within 6-20 days
- **Scheduled:** Delivery according to the date scheduled by the customer
- **Store Delivery:** Buy on the Americanas.com site and pick up the product at the most convenient Lojas Americanas store. At the end of 2015, the service was already available in 200 stores.

MISSION

Realize dreams and meet the consumption needs of the people, saving time and money and exceeding their expectations.

VISION

Getting closer to our customers will make us the largest and most beloved digital company in Latin America.

VALUES

- Having the best people
- Being a good “Business Owner”
- Pursuing excellence in operation
- Ter foco no cliente
- Delta - Make more and making it better every day
- Being obsessed with results

PURPOSE

Be the Digital Company that connects people, business, products and services.

THE GREEN COMPANY

B2W Digital continued its commitment to promote good social and environmental practices that lead to economic growth, in consonance with environmental protection and respect for human rights. The Company believes that its responsible attitude has influenced customer purchase decisions and is a decision criterion for many investors pursuant to the new global agenda.
For this reason, the Company has been implementing environmental initiatives since 2007 that strengthen the Company’s Sustainability culture, with the oversight of an in-house multidisciplinary body known as the “Green Company Committee.” During 2015, a member of the Board of Directors and an executive officer sat in on the Green Company Committee’s weekly meetings in order to monitor the progress of the initiatives taken and the adoption of good practices.

**THIS ENSURES OUR COMMITMENT TOWARDS MAKING OUR BUSINESS INCREASINGLY SUSTAINABLE.**

In the Environmental Management chapter, we present our initiatives and investments, such as electricity savings through more efficient electricity usage and the reuse and conscientious disposal of waste by our business units.

**CORPORATE SUSTAINABILITY INDEX (ISE)**

For the second consecutive year, B2W Digital, the first e-commerce company to achieve certification, remained on the sustainability index portfolio (ISE). This achievement once again reflects the organization's commitment to reconcile financial performance with a commitment to sustainable development.

**AWARDS AND ACKNOWLEDGMENTS**

- B2W: 1st place in Latin America [LA 500]
- B2W: 26th place in Mobile [World 500 largest]
- Submarino.com: Best Diamond Store and Top 5
- Americanas.com: Most Beloved Diamond Store and Top 5
- Americanas.com: 1st place in the “E-Commerce - Electronics” category
- Submarino Card: 1st place in the “Banks and Financial Services - Cards - Retail” category
- Ingresso.com: 1st place in the “Internet - Services - Tickets” category
- Americanas.com: 1st place in the “Shopping Sites” category
- Submarino: 2nd place in the “Shopping Sites” category

- E-commerce:
  1st place - Americanas.com
  2nd place - Submarino

- Submarino: 1st place in the “Electronic Commerce” category

- Honored company

- Communication For Corporate Sustainability Oriented Programs category 1st place

- Green Seal Certification
· B2W: 1st place in the Top 50 E-commerce Brazilian Companies ranking

· Americanas.com: Featured Virtual Store

· Americanas.com: 1st place in the “Online Stores” category

· Americanas.com: 1st place as Preferred, in the Electronic Commerce Category

· B2W: 2nd place [Digital World]
1. TALENTS PREPARED TO GROW

To meet the rapid pace of growth of the e-commerce market in Latin America, B2W Digital increasingly has invested in improving the processes designed to attract, retain and develop its talents, along with the strengthening of its organizational culture and corporate identity. We believe that B2W Digital’s team, which is the biggest and best in Latin America, is one of the Company’s main assets, and that only clear guidelines and a well-prepared group will ensure the fulfillment of our strategic planning and the continuity of our business.

In 2015, the Company maintained all its recruitment and selection, training and skills development programs. Facing the increasing demand for qualified professionals to work in the digital market, B2W Digital has sought to both appreciate and train its in-house team to increasingly leverage results.

IN THE DIGITAL COMPANIES ACQUIRED BY B2W DIGITAL IN 2015, THE RETENTION RATE OF THE MAIN TALENTS WAS 100% — WHICH DEMONSTRATES THE COMPANY’S REPUTATION AS A MAJOR EMPLOYER OF TECHNOLOGY IN LATIN AMERICA.

We currently have a team of over 1,000 engineers specialized in the Internet and technology working exclusively on projects.

Satisfying its policy for creating jobs and encouraging local development in the regions in which it operates, B2W Digital continued implementing its strategy to hire local manpower first. Practically 100% of the technicians who work in operational areas live close to the 11 distribution centers located in the states of São Paulo, Minas Gerais, Rio de Janeiro, Santa Catarina and Pernambuco. [G4-EC6]
Expanding the new leadership development program, which until last year was restricted to the group of Company executives, was a major challenge in 2015. This year, 100 general managers were primed to assume future leadership positions. [G4-LA1]

The recruitment of new talent has been increasingly more inclusive; that is, we selected three times more apprentices and six times more people with disabilities than in 2014.

2. PROFESSIONAL PROFILE

B2W Digital’s professional staff totaled 16,862 associates at the end of the year, of which 7,716 were women (45.76%) and 9,146 men (54.24%) [G4-9; G410]. To promote equality between men and women and ensure that hiring and wage practices and promotion policies eliminate any possibility of discrimination, we use merit as the sole basis for career development. [G4-LA12] In 2015, most of our associates were women, who occupy posts from the presidency to the operational base.

All our associates, quantified by function in the table below, fulfill the legal work day hours established for their professional category: they join the Company with temporary work contracts of, at most, 90 days, after which, depending on their proficiency ratings, can have their contracts extended indefinitely.

The Company continues to implement practices that promote diversity and equal opportunities. All associates are selected solely for their characteristics and professional profile regardless of color, gender, political, religious or sexual orientation, as prescribed in the Company’s Code of Ethics and practiced at all levels. [G4-14].

In the following tables, we present the numbers for functional level and gender and by distribution in regions throughout Brazil. [G4-10]
NUMBER OF ASSOCIATES BY JOB LEVEL - 2015

<table>
<thead>
<tr>
<th>JOB LEVEL</th>
<th>EXECUTIVE OFFICERS</th>
<th>MANAGERS</th>
<th>COORDINATORS</th>
<th>TECHNICIAN/SUPERVISOR</th>
<th>ADMINISTRATIVE</th>
<th>OPERATIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>186</td>
<td>247</td>
<td>1.284</td>
<td>911</td>
<td>5.704</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>115</td>
<td>178</td>
<td></td>
<td>807</td>
<td>6,971</td>
</tr>
</tbody>
</table>

| BY GENDER | 9,146 | 7,716 | TOTAL : 16,862 |
3. OUR PRINCIPLES

People

A large and challenging dream leads everyone to row in the same direction. Good people, working as a team, growing as their talent permits and being compensated for this, represent the company’s greatest asset. Choosing people who are better than themselves, training them, challenging them and retaining them is management’s main job. Leadership by personal example is vital, both in the heroic attitudes, as well as the small gestures of day-to-day life.

Method

Staying focused is essential. It is not possible to be excellent at everything; it is necessary to concentrate on what is essential. Everything must have an owner who is responsible and authoritative. Debate is good but at the end of the day somebody must make a decision. Common sense is as good as great knowledge. What is simple is better than what is complicated.
Results

To be obsessive about costs and expenses (which are the only variables under our control) helps maintain long-term survival. Understand that speed, urgency and zero complacency are long-lasting competitive advantages. Ethics, hard work and consistency are the basis for our Company’s growth.

Propósito

Ser a Companhia Digital que conecta pessoas, negócios, produtos e serviços.

4. RECRUITMENT AND SELECTION OF TALENT
Joining the biggest and best-liked Digital Company in Latin America

B2W Digital has developed a bold plan aimed at identifying the best talents in the market related to the Company’s business functions, seeking individuals with an entrepreneurial profile and who are aligned with its values and principles.

Through the main entry points into the Company - intern, trainee and new talent programs - we recruit university students and recent graduates who identify with the “Way of Being B2W.” For its part, we use the MBA program, to recruit professionals who display academic excellence and have proven experience.

To Identify and recruit talents from the world’s business schools: this is the objective of the MBA Program, initiated in 2012, which has selected and trained the Company’s leaders in just a few years. Throughout 2015, B2W Digital remained in frequent contact with major North American and European universities. During the period, 11 professionals were hired through the program. They initiated their activities in B2W Digital with responsibilities for specific projects, with direct oversight from executive officers. [G4-LA1]

B2W Digital launched its International Summer Internship Program in 2015, recruiting students from top tier American universities to participate in innovative projects.
Lasting 12 months, the B2W Digital Trainee Program follows the job rotation line practice, which maximizes trainee utilization and learning curves within the Company. What this means is that in order to understand the Company’s processes, activities and specifics of the business, each trainee is assigned to several different areas. The program also features on-the-job training, whose purpose is to identify and develop potential talents to occupy prominent positions in the business in the future.

In all, the Company received over 25,000 applications from around the country and seven trainees were selected and hired in 2016. During the process, individual characteristics such as initiative, capacity to execute and for analysis, dynamic qualities, facility of relating to others and a taste for challenges were evaluated. [G4-LA1]

The New Talents Program was created in order to fast track newly trained professionals to be future leaders of the Company. Upon joining B2W Digital, the New Talents are assigned directly to their areas of expertise to begin their development while on the job. They also attend lectures, such as “Corporate Overview,” where they exchange experiences with managers from different divisions and conduct technical visits to some units. Thus, they acquire a macro view of the business.

Through the “Starting Off Together Holding Hands with a Young Apprentice” program, the Company is proud to contribute to the formation of citizens and not merely the development of the professional skills of the young people who are assisted. With this objective, the B2W Digital promoted improvements such as creating awareness training for managers and tutors and a development program for the Young Apprentices in the Itapevi DC (SP).

B2W Digital encouraged its associates to share their knowledge with 89 young apprentices selected to work in the administrative area in 2015. [G4-LA1] The program encompasses professional and interpersonal skills of these young people and has developed continuously, through the inclusion of live classroom training, online (e-learning) courses and other tools.
Becoming an ever more inclusive company is part of our values. Therefore, identifying talent and promoting the training of persons with disabilities (physical, hearing, speech, visual and mental) in our business units has been a great challenge, considering the rapid growth of the sector. To this end, B2W Digital continued the publicize its job vacancies through institutional channels and partnerships with municipal and specialized consulting firms for opportunities that arise in its distribution centers across the country.

In April, B2W Digital attended Reatech, Latin America’s largest event dedicated to rehabilitation, inclusion and accessibility for Persons with Disabilities.

5. TALENT DEVELOPMENT
There is no limit to growth and success

Aligned with the Company’s principles, policies and values, our development programs are based on three underpinnings: People, Method and Results. [G4-56]. In order to pursue the continuous improvement of all our professionals and contribute to excellence in our corporate human resource management processes, we offer specific training tailored for each associate’s profile and the challenge he or she have taken on.

All associates who identify with the Company’s culture, enjoy technology/the Internet and want to develop to their full potential will discover numerous opportunities within B2W Digital. Proof of this is the significant amount of training offered in 2015: 69,505 hours, including awareness, technical and behavioral training. [G4-LA9]

Due to the Company’s quick-paced growth in 2015, B2W Digital offered more than 2,600 promotions, at all levels of the Company. In terms of managerial positions, overall associates ended the year with 28.9% in positions of leadership, 26.4% were supervisors, 33.9% coordinators and 8.1% were managers. As a criteria in hiring and promotion of these professionals, the Company invests in their potential for personal development, regardless of any criteria of race, age or seniority. [G4-40]

The training is carried out in its three innovation and technology centers (BITs: B2W Innovation and Technology) and at the 11 distribution centers, spread across the country.
6. PERMANENT INVESTMENT IN TRAINING

B2W Fellows - Study Scholarship Program

The program is designed for members with two years or more time with the Company and who have been nominated by their immediate superiors based on their performance in the exercise of their duties. The aim of the Program is to promote the academic training of the participants, further qualifying them and boosting their career growth chances. For the associates who are selected, the Company offers scholarships for live undergraduate and graduate classroom courses.

Digital LAB

Continuing the activities of its Digital LABs, collaborative environments that rely on the partnership of two renowned international educational and research institutions (MIT-Massachusetts Institute of Technology and Harvard), B2W Digital launched an advanced research and innovation office at MIT, in Boston, USA. The office is designed for developing disruptive projects and moving closer to the world’s digital technology excellence centers.

HackPuc (Puc Rio)

As a stimulus to the development of entrepreneurial technological projects, we sponsored the HackPUC in PUC-Rio event, where important initiatives through a hackathon (programming marathon) were developed.
**MAIS Program**

Created in 2015 by the Integrated Quality UND (Business Unit and Distribution) area, the MAIS Program seeks to train and certify members of the Transportation division in problem analysis and implementation of solutions based on the PDCA methodology.

**UND Training**

In May, the Business and Distribution Unit (UND) conducted behavioral and technical training for drivers and helpers. Subjects introduced included the most appropriate way to handle loads, as well as an overview of the Company. In October, the focus was on the leadership area, featuring training on People Management, Self-knowledge, communication and values, among others.

**6.1. Logistics Training**

Investments in technical Logistics training and contributions to the formation of market professionals were also part of the Company’s strategic plan in 2015. Toward this goal, B2W Digital sponsored a program to Train Industrial Forklift Operators, sponsored by the Itapevi (SP) municipal government, which qualified 20 technicians. The training was conducted under the technical supervision of the National Industrial Apprenticeship Service (Senai). [G4-SO1]

**7. PERFORMANCE AND ASSESSMENT: OPPORTUNITIES FOR ALL**

One of the Company’s main goals is to attract and retain the best talents in the right positions, on a promising career path. [G4-LA11]

The recognition of the performance of its associates is essential for them to make the best of their potential. This assessment is carried out in two stages: self-evaluation and an evaluation by their specific manager. Both steps are based on meritocracy, one of the strongest guidelines of our culture, and in the commitment of its associates to a long-term vision of the Company. Each associate receives individual feedback from his or her manager to improve performance.

The evaluation process was applied in early January and extended until March, covering the analysis of the performance of 3,300 people, that is, 100% of the associates in administrative positions. [G4-LA11].

Based on the 2015 assessment, we observed that the number of women in leadership positions has grown. We obtained the following overall share of women in the same process: 49.86% are in analyst and trainee positions, 52.97% are in middle management, and 35.48% are in the executive group. Our executives conduct a 180° and lateral evaluation, assessing their peers. Moreover, the succession cycle is completed at the same time.
8. OCCUPATIONAL HEALTH AND SAFETY

The Company, in strict compliance with legal obligations, maintains an Internal Commission for Accident Prevention (CIPA) in all establishments with more than 19 associates. CIPA members are appointed by the employer and have access to mechanisms that ensure taking actions to prevent accidents and diseases deriving from the workplace environment and facilities. This ensures the representation needed to implement workplace health and safety solutions for problems that eventually are detected on the Company’s premises.

The Workplace Safety area throughout B2W Digital made great strides in trying to achieve a zero accident rate. The accident rate in 2015 improved by 13%, compared with the previous year. In addition, the Company encourages labor gymnastics, educational campaigns and disease awareness and prevention and themed events focusing on health, well being and recreation, such as “Pink October” and the “Everybody's Going” Race. The activities encourage the wise use of natural resources through actions focused on the correct disposal of waste and the conscious use of energy and water.

9. WAGE POLICY

The wage policy is based on union agreements, pursuant to collective bargaining and constant comparisons with the market standards obtained through research conducted by specialized outside consultants. [G4-52]

10. BENEFITS

B2W Digital offers its members benefits such as vouchers, life insurance, health insurance, food stamps or food in cafeterias and discount on products in Americanas.com, Submarino.com and Shoptime sites, as well as Lojas Americanas brick-and-mortar stores. We emphasize that, regardless of the type of employment contract, we do not tolerate differences between the benefits offered to associates. [G4-LA2].

11. COMMUNICATIONS CHANNEL WITH THE ASSOCIATES

All associates have a voice within the organization, regardless of whether or not they are members of committees within the Company, and can send their questions, suggestions or criticisms through the Disk-Alert internal communications channel. The complaints are analyzed and, if necessary, the Ombudsman clarifies doubts, welcomes the suggestions and fixes the flaws reported by associates. [G4-57].
1. TRANSPARENCY AND COMMITMENT TO STAKEHOLDERS

B2W is the largest digital company in Latin America and was formed in 2006 under the rules established by the São Paulo Stock Exchange (BM&FBOVESPA) and the Novo Mercado, which includes a stock ownership structure exclusively comprised of common shares and the election of independent members of the Board of Directors. [G4-7]

**Composition of shareholders**

B2W’s shares are listed on the BM&FBOVESPA and traded under ticker symbol BTOW3. On December 31, 2015, the Lojas Americanas control block consisted of 55.61% of the Company’s shares. [G4-41]

**Dividend policy**

The Company’s Bylaws, in conformity with the principles of current legislation, establish the minimum value for dividends at 25% of the net profit for any given fiscal year, adjusted in accordance with legislation in effect. In 2015, B2W did not distribute dividends to its shareholders.

**Shares**

The Company’s common shares are part of the Special Tag Along Stock Index (ITAG). This indicator consists of shares of companies that offer the same conditions to minority shareholders in the event of change of ownership control. The Company is also part of other important indices, such as Icon, IGC and MSCI.
**Financial risk management**

Like other companies operating in the Brazilian market, B2W Digital and its subsidiaries are exposed to market risks arising from its operations. To this end, strict control of the management of financial risks is necessary, whatever their nature. Within the Company, this process is handled in a fully transparent manner, making use of a number of hedging instruments to minimize such risks, such as swap contracts to protect against foreign exchange rate fluctuations. All actions are monitored under the management of the executive officers and with Board of Directors oversight. [G4-14]

**Capital Management**

The objective of the Company and its subsidiaries for managing capital is to continually strive for an optimal capital structure to reduce the associated costs and ensure continuity of operations to offer returns for shareholders and benefits for other stakeholders.

**Adherence to the Arbitration Panel**

B2W chose mediation as a means of resolving conflicts of interest between partners and managers and between them and the Company. If no agreement can be reached, B2W, its shareholders and administrators are required to resolve, through arbitration, any and all disputes or controversies that may arise among them, related to or resulting from, especially, the application, validity, effectiveness, interpretation, violation and effects of the provisions contained in the Bylaws, the provisions of Brazilian Law 6.404/1976, the rules issued by Brazil's National Monetary Council, the Central Bank of Brazil and the Securities Exchange Commission of Brazil (CVM), and other rules applicable to market securities in general, as well as those in the Novo Mercado Listing Rules, the Novo Mercado Participation Agreement, the Arbitration Rules of the Market Arbitration Panel Rules and, especially, the Voting Agreement and Assumption of Obligations ("Voting Terms") entered into on December 13, 2006 and filed at the Company’s headquarters. B2W also is linked to the Market Arbitration Panel.

Any claim can be heard by this entity, established by BM&FBOVESPA in accordance with the regulations of the aforementioned panel, and the parties may, in accordance with Chapter 12 of those regulations, agree on a different arbitration panel or center to resolve their disputes.

**Independent Auditors**

In accordance with CVM Instruction No. 381, B2W Digital reports that its independent auditors, PricewaterhouseCoopers (PwC), were hired in 2015 and received total fees of R$ 829,000.00 and R$ 646,364.44 for consulting work. These services have already been rendered and do not conflict with the rules related to the independence of the independent auditors.

The Company’s policy regarding contracting independent auditors for other services, which are not external audits in nature, ensures there is no conflict of interest, loss of independence or objectivity on the part of these independent auditors. [G4-41]
2. GOVERNANCE STRUCTURE

Board of Directors and Executive Management

B2W’s Board of Directors consists of seven members and adopts a series of initiatives that go beyond what the Novo Mercado requires, such as the participation of independent members on the Board of Directors in a number that is higher than the minimum required.

The evaluation of members is based on the financial and operational targets set the previous year. Each year, the Board meets quarterly or whenever necessary, convened by its Chairman.

The Executive Management Board is a collective body responsible for exercising the attributions conferred by the law, the Bylaws and the Board of Directors for the performance of the acts necessary to the regular operation of the Company. [G4-35; G4-42; G4-44]

**Independent members**

- Luiz Carlos Di Sessa Filippetti
- Mauro Muratorio Not
- Paulo Antunes Veras

**Representatives of the Parent Company and members of the Board of Directors**

- Celso Alves Ferreira Louro
- Jorge Felipe Lemann
- Miguel Gomes Pereira Sarmiento Gutierrez
- André Street de Aguiar

**B2W Digital Executive Management [G4-34]**

- Anna Christina Ramos Saicali – President / CEO
- Carlos Eduardo Rosalba Padilha – COO
- Carlos Henrique de Lucca Fortes Gatto – COO
- Flávio de Almeida Serapião – COO
- Fabio da Silva Abrate – CFO/IRO
- Jean Pierre Lessa e Santos Ferreira – COO
- José Timotheo Barros – COO
- Marcio Cruz Meirelles – Commercial Officer
- Thiago Mendes Barreira – Commercial Officer
2.1. THE ROLES OF THE COMMITTEES

**Audit Committee**

The Audit Committee consists of three members who serve for a term coinciding with the term of office of members of the Board of Directors, reelection being permitted.

The members eligible for the Audit Committee are appointed by the Board of Directors, exclusively from its Independent Directors. Among the committee’s other functions, it reviews the annual and quarterly financial statements, reporting its findings periodically, every quarter, to the Board of Directors. [G4-38]

**Nominating Committee**

The Nominating Committee consists of four members of the Board of Directors, of which at least two must always be independent, for a period to coincide with the term of office of members of the Board of Directors, reelection being permitted.

The Nominating Committee recommends candidates to the Board of Directors, whose names are then to be submitted to the Company’s General Shareholders Meeting for election as members of its Board of Directors. [G4-38]

**Sustainability Committee**

Known as Green Company, the Sustainability Committee has included the participation of a member of the Board of Directors in its meetings over the course of 2015. Comprised of members of Executive Management and executives from its different divisions, the Committee brings a multidisciplinary approach to the Company and its activities and strives towards promoting best management practices, based on the balance between economic, environmental and social underpinnings.

The committee is responsible for preparing the consolidated Annual and Sustainability Report, whose final approval rests with the CEO. The Director of Institutional Relations is responsible for matters relating to Sustainability management and reports directly to the CEO. [G4-36; G4-43; G4-48]
3. POLICIES AND REGULATIONS

Throughout 2015, B2W upheld its commitment to combat corruption and promote ethical behavior in the relationship with all its stakeholders. In addition to its Code of Ethics and Conduct, approved by the Board of Directors and Executive Management, the Company has a Compliance and Anti-Corruption Policy paper that is available on its Green Company website (www.companhiaverde.com.br). Upon admission, all members receive a copy of the Code of Ethics and Conduct, signing a term of cognizance and agreement. [G4-56; G4-SO4]

The Company’s policies establish strict rules and harsh punishments for offenders and those who engage in fraudulent acts. We value ethical behavior, transparency and solidarity and, since 2014, promote aspects of the Anti-Corruption Law (12.846/13), which contains new views about corporate responsibility with regard to conduct that is harmful to public administration. Various policies contribute to the governance process, including the Disclosure and Use of Information Policy.

3.1. JOINING THE GLOBAL COMPACT

A signatory of the Global Compact of the United Nations (UN) since 2013, B2W has worked to strengthen the sustainability of management processes in the company and across the supply chain. The Global Compact is an initiative that brings together thousands of companies around the world that are committed to the best corporate practices with regard to human rights, especially in relation to labor issues, as well as the environment and business ethics.

To this end, we promote and value the sharing of protection principles and the development of human rights, featuring these terms in our commercial contracts, being committed to the eradication of all forms of forced labor and to combat any and all practices that do not respect the Human Dignity Principle throughout its value chain. [G4-41] All our contracts impose specific punitive clauses including fines and disqualification in the event of irregularities.

THE COMPANY SUPPORTS SEVERAL INITIATIVES BY ENTITIES, BOTH PUBLIC AND PRIVATE, WHICH ARE ENGAGED IN THE IDENTIFICATION OF THE POTENTIAL RISKS AND IMPACTS OF HUMAN RIGHTS VIOLATIONS THAT MAY BE ASSOCIATED WITH ITS ACTIVITIES. [G4-HR10].

3.2. REMUNERATION POLICY

The Company’s compensation strategy is based on a transparent policy based entirely on merit. The main objective of remuneration policy is to apply a compensation system for management that fosters a culture of surpassing targeted results by hiring and retaining the best people, always aligned with the shareholders’ interests.
Board of Directors

The remuneration of the members of the Board of Directors is split between fixed compensation, which is in line with the market averages, and long-term variable incentives under a stock option plan. For the members of the Board of Directors, in 2015, fixed remuneration amounted to 100% of total remuneration. [G4-51]

Executive Management

Statutory and Non-statutory Officers are entitled to fixed and variable compensation, with the fixed component in line with the market average, while the main focus is on variable remuneration. In addition, Executive Officers also receive long-term incentives through a stock option plan.

In the case of the Executive Officers, in 2015, fixed remuneration accounted for 73% and variable incentives 27% of total compensation, including the amount corresponding to the incentive to the benefit deriving from stock option awards. By option, the Statutory Officers have the right to a corporate health plan, life insurance and group dental care. [G4-51]

Fiscal Council

Members of the Fiscal Council receive fixed remuneration, which is equivalent to at least the legal minimum and may not be lower, for each full member, than 10% of the average that is attributed to each officer, excluding variable remuneration.

In addition, the members of the Fiscal Council must be reimbursed for travel and accommodation expenses necessary for the performance of their duties. For the members of the Fiscal Council, the fixed remuneration corresponds to 100% of total compensation.

Audit and Nominating Committees

The members of the Audit and Nominating Committee are all executive officers who do not receive specific remuneration. Members eligible for the Audit Committee are exclusively from the ranks of its Independent members, appointed by the Board of Directors. The Nominating Committee consists of four members, two of whom are Independent Members.
4. STAKEHOLDER ENGAGEMENT

All stakeholder engagement activities are premised on the material themes identified by the Company in 2013, during the process of the preparation of the Sustainability Report’s Materiality Matrix. At that time, each stakeholder’s impact was identified using criteria set by the AA 1000 standard — responsibility, influence, proximity, dependence, representation and strategic and political interaction, using the GRI guidelines.

4.1. SUPPLIER RELATIONS

B2W Digital has strict controls when it comes to the selection of suppliers in its production chain and understands that it is responsible for the choice of these partners. Accordingly, the Company emphasizes the importance of only entering into close partnerships, including those involving the marketplace, with its contracts containing a number of clauses addressing responsible ethical behavior. Sanctions and penalties are also foreseen for partners who break these clauses. The intention is to ensure that B2W’s value chain is consistent with its values and ethical and legal principles.

Among the instruments of control, we can mention the preliminary documentary analysis of 100% of suppliers, evaluation of their registration in the database and audit by a third party. The audit is essential to contribute to the assessment of those considered critical in our internal analysis, which takes into account a number of issues. We also encourage internal and external inspections to inhibit any practices contrary to the expectations of other stakeholders related to our business. [G4-14; G4-HR10]

4.2. CONFLICT RESOLUTION

B2W Digital has an ombudsman’s office that works to offer changes in processes to better serve customers. In addition to customer service telephone numbers, the Company also is in touch with its customers via social media. In other words, clients can choose the channel through which they wish to be helped. In 2015, the company continued to have the best customer service ratings in the problem-solving category. [G4-57]

Communication with associates

Disk-Alert is a corporate communications tool, publicized on the Company’s bulletin boards, which encourages the reporting of cases of corruption, bullying, criticism or even suggestions for enhancing its processes. All reports are anonymous, confidential and handled with discretion, so that the complainant does not feel intimidated. The service is available 24 hours a day. [G4-58]
RESULTS OVERVIEW

GENERAL CONSIDERATIONS

The accounting information that forms the basis for the comments below is in compliance with the international financial reporting standards (IFRS), with the rules issued by the Brazilian Securities Commission (CVM) and with the listing regulations of the Novo Mercado (New Market) and is stated in Brazilian reais (R$). The following analyses refer to the consolidated results and comparisons relate to the 4th quarter of 2015 (4Q15) and the full year 2015, except where otherwise indicated.

<table>
<thead>
<tr>
<th>LEADING INDICATORS</th>
<th>4Q15</th>
<th>4Q14</th>
<th>DELTA</th>
<th>2015</th>
<th>2014</th>
<th>DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>GMV (% OF GMV)</td>
<td>3,749</td>
<td>3,164</td>
<td>18.5%</td>
<td>11,266</td>
<td>9,179</td>
<td>22.7%</td>
</tr>
<tr>
<td>MARKET SHARE</td>
<td>26.8%</td>
<td>26.1%</td>
<td>+0.7 p.p.</td>
<td>25.5%</td>
<td>24.2%</td>
<td>+1.2 p.p.</td>
</tr>
<tr>
<td>MARKETPLACE (R$ MM)</td>
<td>359</td>
<td>53</td>
<td>581.7%</td>
<td>860</td>
<td>96</td>
<td>798.6%</td>
</tr>
<tr>
<td>MARKETPLACE (% DO GMV)</td>
<td>9.6%</td>
<td>1.7%</td>
<td>+7.9 p.p.</td>
<td>7.6%</td>
<td>1.0%</td>
<td>+6.6 p.p.</td>
</tr>
<tr>
<td>MOBILE (% OF TRAFFIC)</td>
<td>38.7%</td>
<td>24.4%</td>
<td>+14.3 p.p.</td>
<td>34.3%</td>
<td>19.5%</td>
<td>+14.8 p.p.</td>
</tr>
<tr>
<td>NEW CLIENTS (THOUSAND)</td>
<td>1,583</td>
<td>1,872</td>
<td>n.a.</td>
<td>1,583</td>
<td>1,872</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

GMV

In 4Q15, the GMV (Gross Merchandise Volume) grew by 18.5% to R$ 3,749.4 million, compared to R$ 3,164.3 million in 4Q14. In 2015, the GMV grew by 22.7% to R$ 11,266.5 million, compared to the R$ 9,178.9 million recorded in 2014.
NET REVENUE

In 4Q15, the net revenue totaled R$ 2,907.8 million, compared to R$ 2,745.7 million in 4Q14, an increase of 5.9%.

In 2015, the net revenue totaled R$ 9,013.8 million, compared to the R$ 7,963.8 million recorded in 2014, representing an increase of 13.2%. [G4-EC1]

EFFECTS OF CONSOLIDATION ON B2W DIGITAL’S TRANSPORT SUBSIDIARIES

Click-Rodo and Direct (B2W Digital subsidiaries) provide goods distribution services for the Company and their results are offset in the consolidation of the gross revenues and selling, general and administrative expenses (distribution cost), in accordance with the prevailing accounting rules.

The consolidated gross profit is reduced in proportion to the positive effect on the selling, general and administrative expenses, but there is no effect on the Adjusted EBITDA and Adjusted EBITDA Margin.

ADJUSTED GROSS PROFIT AND ADJUSTED GROSS MARGIN

In 4Q15, the adjusted gross profit, excluding the effects of the consolidation of the transport subsidiaries, changed by -2.5% to R$ 630.7 million, compared to R$ 646.9 million in 4Q14. As a result, the adjusted gross margin changed by -1.9 p.p., from 23.6% in 4Q14 to 21.7% in 4Q15.

In 2015, the adjusted gross profit, excluding the effects of the consolidation of the transport subsidiaries, increased by 9.5% to R$ 2,111.0 million, compared to R$ 1,928.5 million in 2014. Consequently, the adjusted gross margin changed by -0.8 p.p., from 24.2% in 2014 to 23.4% in 2015.

ADJUSTED SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In 4Q15, the adjusted S,G&A expenses, excluding the effects of the consolidation of the transport subsidiaries, totaled R$ 418.2 million, equivalent to 14.4% of the net revenue, a reduction of 2.1 p.p compared to 4Q14.

In 2015, the adjusted SG&A expenses, excluding the effects of the consolidation of the transport subsidiaries, amounted to R$ 1,500.8 million, equivalent to 16.7% of the net revenue, which was 0.6 p.p lower than in 2014.
ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

In 4Q15, the adjusted EBITDA came to R$ 212.5 million, which was up by 10.2% compared to the R$ 192.9 million recorded in 4Q14. During the same period, the adjusted EBITDA margin was 7.3%, an increase of 0.3 p.p. in relation to the same period of the previous year.

In 2015, the adjusted EBITDA amounted to R$ 610.2 million, up 9.7% compared to the R$ 556.0 million recorded in 2014. During the period, the adjusted EBITDA margin was 6.8%, a change of -0.2 p.p. compared to the previous year.

EBITDA (CVM INSTRUCTION Nº 527/12)

On October 4, 2012, the Brazilian Securities Commission (CVM) issued Instruction 527/12, which provides for the voluntary disclosure of information of a non-accounting nature, such as the EBITDA. The purpose of the Instruction was to standardize the disclosure of such information, in order to improve the understanding of such data and to ensure comparability between the listed companies.

With a view to providing consistency and comparability with previous periods, we present the following reconciliation of the EBITDA figures.

In 4Q15, the adjusted EBITDA amounted to R$ 212.5 million. Including the EBITDA from discontinued operations and other operating income and expenses, according to CVM Instruction 527/12, the EBITDA would be R$ 313.4 million in 4Q15, equivalent to 10.8% of the net revenue. In 2015, the adjusted EBITDA came to R$ 610.2 million. Including the EBITDA from discontinued operations and other operating income and expenses, according to CVM Instruction 527/12, the full year EBITDA would be R$ 652.1 million in 2015, equivalent to 7.2% of the net revenue.

NET FINANCIAL INCOME / EXPENSES

In 4Q15, the net financial income was R$ 269.8 million, an increase of 95.8% over the R$ 137.8 million recorded in 4Q14.

In 2015, the net financial income was R$ 818.3 million, an increase of 25.8% over the R$ 650.5 million recorded in 2014. [G4-EC1]

EFFECT OF THE REVERSAL OF PART OF THE BALANCE OF THE DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

In December 2006, B2W was formed from the merger of Americanas.com and Submarino, bringing together the websites of Americanas.com, Submarino, Shoptime and other business lines. B2W came about as the largest e-commerce company in Latin America and has maintained its market leadership until today.
Following the merger, B2W began to integrate the operations and to build a single platform to deal with the challenges of e-commerce in Brazil. At the end of that phase, in 2012, B2W Digital put together a three-year business plan (2013-2015), which included a new investment cycle. The main focus of the plan was the customer, the centerpiece of the Company’s strategy.

The platform developed over the previous years readied B2W to take advantage of the growth opportunities in the e-commerce market and enabled the Company to consolidate into a digital platform where the Marketplace operations and digital services would gain increasing importance and make a significant contribution to the profitability of all the Company’s business lines.

In line with the evolution of its operations and expectations for the future performance of the e-commerce market, which is still in the early stages of development in Brazil, and as already disclosed in previous financial statements, the Company has produced internal forecasts of its growth and evolution of its margins that support the expectation of being able to fully realize the deferred income tax and social contribution, between 2017 and 2021.

At the end of 2015, faced with a more challenging macroeconomic scenario, the Company conducted sensitivity analyses using much more conservative growth assumptions, with sales growth merely accompanying the forecast inflation index (in other words, without any real growth) and keeping the same gross margin until 2018. The scenario was submitted to an impairment test conducted by independent outside experts. As a consequence, adopting a conservative posture, on December 31, 2015, the Company reversed the amount of R$ 143.8 million, which is not to be used until 2025, according to the prevailing accounting rules.

This reversal of deferred income tax and social contribution is merely an accounting adjustment, with no effect on the Company’s cash position or its fiscal situation; the tax credit is unchanged.

The Company’s management reaffirms its confidence in its Business Plan and will continue to monitor the internal and external indicators, in order to better evaluate its estimates in relation to developments.

**ADJUSTED NET INCOME/EXPENSES**

In 4Q15, the adjusted net income/expenses, excluding the effect of the reversal of part of the balance of the deferred income tax and social contribution, came to R$ -17.2 million, a net expense, compared to a net income of R$ 20.9 million in 4Q14.

In 2015, the adjusted net income/expenses, excluding the effect of the reversal of part of the balance of the deferred income tax and social contribution, amounted to R$ -274.6 million, a net expense, compared to R$ -163.3 million, the net expense recorded in 2014.

Considering the effect of the reversal of part of the balance of the deferred income tax and social contribution, the net results were R$ -161.1 million in 4Q15 and R$ -418.4 million in 2015.
INDEBTEDNESS

B2W uses its cash flow to give priority to investments that generate the best returns for the shareholders. Thus, in 2015, the consolidated investments in fixed and intangible assets (developing websites and systems) amounted to R$ 808 million.

B2W’s cash position on December 31, 2015 totaled R$ 3,282.5 million, 5.9 times the Company’s short-term debt, which amounted to R$ 554.6 million. During 4Q15, B2W reduced its leverage level (defined as Net Debt / Adjusted EBITDA over the last 12 months) from 2.5x, on September 30, 2015, to 1.5x on December 31, 2015.

<table>
<thead>
<tr>
<th>CONSOLIDATED DEBT - R$ M</th>
<th>31/12/2015</th>
<th>30/09/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHORT TERM LOANS AND FINANCING</td>
<td>353.8</td>
<td>515.1</td>
</tr>
<tr>
<td>SHORT TERM DEBENTURES</td>
<td>200.7</td>
<td>22.1</td>
</tr>
<tr>
<td>SHORT TERM DEBT</td>
<td>554.6</td>
<td>537.2</td>
</tr>
<tr>
<td>LONG TERM LOANS AND FINANCING</td>
<td>3,646.6</td>
<td>2,446.9</td>
</tr>
<tr>
<td>LONG TERM DEBENTURES</td>
<td>-</td>
<td>200.0</td>
</tr>
<tr>
<td>LONG TERM DEBT</td>
<td>3,646.6</td>
<td>2,646.9</td>
</tr>
<tr>
<td>GROSS DEBT (1)</td>
<td>4,201.2</td>
<td>3,184.1</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS</td>
<td>2,568.6</td>
<td>1,208.3</td>
</tr>
<tr>
<td>CREDIT CARD ACCOUNTS RECEIVABLE, NET OF DISCOUNTS</td>
<td>713.8</td>
<td>456.1</td>
</tr>
<tr>
<td>TOTAL CASH (2)</td>
<td>3,282.5</td>
<td>1,664.4</td>
</tr>
<tr>
<td>NET DEBT (CASH) (2) - (1)</td>
<td>918.7</td>
<td>1,519.7</td>
</tr>
<tr>
<td>NET DEBT (CASH) / ADJUSTED EBITDA (LAST 12 MONTHS)</td>
<td>1.5</td>
<td>2.5</td>
</tr>
<tr>
<td>AVERAGE DEBT MATURITY (DAYS)</td>
<td>998</td>
<td>902</td>
</tr>
</tbody>
</table>

Adjusted EBITDA: Operational earnings before the deduction of interest, taxes, depreciation and amortization and excluding other operating income/expenses and equity accounting results.

The accounts receivable from customers mainly comprises credit card receivables, net of discounts, which are highly liquid and can be considered as cash equivalents. The breakdown of B2W’s accounts receivable is shown in the following table:
ABSENCE OF EXCHANGE RATE EXPOSURE

B2W Digital’s balance sheet of December 31, 2015 contains debts denominated in foreign currency. However, these obligations are fully protected against any foreign exchange fluctuations by means of derivative transactions (swaps) that replace the exchange rate risk with the variations in the Brazilian interbank deposit certificate rate (CDI).

NET WORKING CAPITAL

The Company’s net working capital, expressed in days, at the end of December 2015 was 30 days (the same level as at the end of December 2014). When compared to the end of December 2012, when the Company’s 3-year Investment Plan was announced, the working capital evolved 44 days (vs. 74 days).

This result is a reflection of the Company’s efforts in managing the major working capital variables and of its commitment to generating value for the shareholders.
### INCOME STATEMENTS

<table>
<thead>
<tr>
<th>INCOME STATEMENTS</th>
<th>CONSOLIDATED PERIODS ENDED ON DECEMBER 31</th>
<th>CONSOLIDATED PERIODS ENDED ON DECEMBER 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(R$ MILLION)</td>
<td>CHANGE</td>
</tr>
<tr>
<td>GROSS MERCHANDISE VOLUME (GMV)</td>
<td>3,749.4</td>
<td>3,164.3</td>
</tr>
<tr>
<td>GROSS REVENUE FROM SALES AND SERVICES RENDERED</td>
<td>3,434.5</td>
<td>3,119.3</td>
</tr>
<tr>
<td>TAXES ON SALES AND SERVICES</td>
<td>(526.7)</td>
<td>(373.6)</td>
</tr>
<tr>
<td>NET REVENUE FROM SALES AND SERVICES RENDERED</td>
<td>2,907.8</td>
<td>2,745.7</td>
</tr>
<tr>
<td>COST OF GOODS SOLD AND SERVICES RENDERED</td>
<td>(2,277.1)</td>
<td>(2,098.8)</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>630.7</td>
<td>646.9</td>
</tr>
<tr>
<td>GROSS MARGIN (% NR)</td>
<td>21.7%</td>
<td>23.6%</td>
</tr>
<tr>
<td>OPERATING INCOME (EXPENSES)</td>
<td>(482.1)</td>
<td>(497.5)</td>
</tr>
<tr>
<td>SELLING</td>
<td>(386.6)</td>
<td>(415.1)</td>
</tr>
<tr>
<td>GENERAL AND ADMINISTRATIVE</td>
<td>(31.6)</td>
<td>(38.9)</td>
</tr>
<tr>
<td>DEPRECIATION AND AMORTIZATION</td>
<td>(63.9)</td>
<td>(43.4)</td>
</tr>
<tr>
<td>OPERATING RESULT BEFORE THE FINANCIAL RESULT AND EQUITY ACCOUNTING</td>
<td>148.6</td>
<td>149.5</td>
</tr>
<tr>
<td>NET FINANCIAL INCOME (EXPENSES)</td>
<td>(269.8)</td>
<td>(137.8)</td>
</tr>
<tr>
<td>FINANCIAL INCOME</td>
<td>131.9</td>
<td>22.0</td>
</tr>
<tr>
<td>FINANCIAL EXPENSES</td>
<td>(401.7)</td>
<td>(159.8)</td>
</tr>
<tr>
<td>OTHER OPERATING INCOME (EXPENSES)</td>
<td>100.9</td>
<td>(13.1)</td>
</tr>
<tr>
<td>INCOME TAX AND SOCIAL CONTRIBUTION</td>
<td>3.0</td>
<td>22.4</td>
</tr>
<tr>
<td>NET INCOME (EXPENSES)</td>
<td>(17.2)</td>
<td>20.9</td>
</tr>
<tr>
<td>NET MARGIN (% NR)</td>
<td>-0.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>ADJUSTED EBITDA</td>
<td>212.5</td>
<td>192.9</td>
</tr>
<tr>
<td>ADJUSTED EBITDA MARGIN (% NR)</td>
<td>7.3%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

B: Effects of the reversal of part of the balance of the deferred income tax and social contribution, amounting to R$ 143.8 m (4Q15 and 2015).
## UNADJUSTED INCOME STATEMENTS

<table>
<thead>
<tr>
<th>Income Statements</th>
<th>CONSOLIDATED PERIODS ENDED ON DECEMBER 31</th>
<th>CONSOLIDATED PERIODS ENDED ON DECEMBER 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>(R$ Million)</td>
<td>4Q15</td>
<td>4Q14</td>
</tr>
<tr>
<td></td>
<td>CHANGE</td>
<td>2015</td>
</tr>
<tr>
<td>Gross Merchandise Volume (GMV)</td>
<td>3,749.4</td>
<td>3,164.3</td>
</tr>
<tr>
<td>Gross Revenue from Sales and Services Rendered</td>
<td>3,434.5</td>
<td>3,119.3</td>
</tr>
<tr>
<td>Taxes on Sales and Services</td>
<td>(526.7)</td>
<td>(373.6)</td>
</tr>
<tr>
<td>Net Revenue from Sales and Services Rendered</td>
<td>2,907.8</td>
<td>2,745.7</td>
</tr>
<tr>
<td>Cost of Goods Sold and Services Rendered</td>
<td>(2,391.4)</td>
<td>(2,098.8)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>516.4</td>
<td>646.9</td>
</tr>
<tr>
<td>Gross Margin (% NR)</td>
<td>17.8%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Operating Income (Expenses)</td>
<td>(367.8)</td>
<td>(497.5)</td>
</tr>
<tr>
<td>Selling</td>
<td>(272.3)</td>
<td>(415.1)</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>(31.6)</td>
<td>(38.9)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>(63.9)</td>
<td>(43.4)</td>
</tr>
<tr>
<td>Operating Result Before the Financial Result and Equity Accounting</td>
<td>148.6</td>
<td>149.5</td>
</tr>
<tr>
<td>Net Financial Income (Expenses)</td>
<td>(269.8)</td>
<td>(137.8)</td>
</tr>
<tr>
<td>Financial Income</td>
<td>131.9</td>
<td>22.0</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>131.9</td>
<td>22.0</td>
</tr>
<tr>
<td>Other Operating Income (Expenses)</td>
<td>(401.7)</td>
<td>(159.8)</td>
</tr>
<tr>
<td>Income Tax and Social Contribution</td>
<td>(140.8)</td>
<td>22.4</td>
</tr>
<tr>
<td>Net Income (Expenses)</td>
<td>(161.1)</td>
<td>20.9</td>
</tr>
<tr>
<td>Net Margin (% NR)</td>
<td>-5.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>212.5</td>
<td>192.9</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin (% NR)</td>
<td>7.3%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>
DEFINITION OF TERMS

· **Working Capital**
Calculated by the number of days of accounts receivable from customers (using GMV as the base) plus days of inventory, minus the number of days in relation to suppliers, considering the GMV and CMV over the last 12 months.

· **Adjusted Selling, General and Administrative (SG&A) Expenses**
The SG&A expenses, excluding the effects of the consolidation of the B2W Digital transport subsidiaries.

· **Net Debt (Cash)**
Calculated by the sum of the short and long term debt, less cash and credit card accounts receivable, net of discounts.

· **Adjusted EBITDA**
Operational earnings before the deduction of interest, taxes, depreciation and amortization and excluding other operating income/expenses and equity accounting results.

· **GMV (Gross Merchandise Volume)**
Sales of company merchandise, Marketplace sales and other revenue (excluding Marketplace sales commissions), less returns and including taxes.

· **Adjusted Gross Profit**
Gross profit, excluding the effects of the consolidation of the B2W Digital transport subsidiaries.

· **Market Share**
Total sales on B2W websites, including Marketplace sales, divided by the total sales of the market (source: eBit).

· **Market Share of Traffic**
Total visits to B2W websites, divided by the total visits to the websites of the major players in e-commerce in Brazil (source: ComScore).

· **New Customers**
Increase in the active customer base over the last 12 months.

· **Marketplace participation**
Marketplace sales, divided by the total consolidated GMV.

· **Adjusted Net Result**
Net result of income less expenses, excluding the effect of the reversal of part of the balance of the deferred income tax and social contribution, amounting to R$ 143.8 m (4Q15 and 2015).
ENVIRONMENTAL MANAGEMENT

SUSTAINABILITY FOR GROWTH

The leader in Latin America, B2W Digital recognizes that to maintain its rapid growth and expand its market share, it is increasingly necessary to engage with its associates and maintain a constant dialogue with its clients, suppliers and investors, demonstrating that commitment to social and environmental issues is at the core of the Company’s strategic planning.

Many of the achievements in 2015 were based on our pursuit of innovation and continuous improvement, as well as in the improvement of our policies and standards for the management of environmental issues. The firm’s Sustainability Policy was updated to formalize material matters for the Company, such as community relations, social investment guidelines and the roles we must play and our responsibilities in relation to our stakeholders. We have expanded our Environmental Policy in the areas of Health and Safety, transforming it into a Health, Safety and Environmental Policy, demonstrating the seriousness with which we are approaching this subject.

Since 2010, senior management has provided ongoing oversight to the activities of the Sustainability area. This was the same year in which the firm created its Sustainability/Green Company Committee, as detailed in the chapter on Governance.

OUR AIM IS TO MAINTAIN FINANCIAL PERFORMANCE WHILE TAKING PART IN AND IMPLEMENTING SOCIAL RESPONSIBILITY ACTIVITIES, AS WELL AS IMPROVEMENTS TO REDUCE ENVIRONMENTAL IMPACTS IN ALL OUR BUSINESS UNITS.
To accomplish this, all our associates are motivated to be active participants and our results demonstrate that we are on the right track. [G4-34]

B2W Digital understands that all its stakeholders should be encouraged to participate in the sustainable development of the Company and society. For this reason, clients, shareholders, suppliers, governments, non-governmental organizations and communities are also being continuously engaged to participate and contribute to the evolution of our social and environmental practices. [G4-24] Our guidelines, policies and key activities in the area of Sustainability are available at www.companhiaverde.com.br. For more information, please send an e-mail to cia.verde@b2wdigital.com. [G4-31]

7.2. CORPORATE CITIZENSHIP

Corporate citizenship has guided the “Way to be B2W” and its approach to doing business. The implementation of social responsibility initiatives, for internal and external audiences, combined with the adoption of best sustainable management practices has garnered benefits for both the company and society at large. In this context, in 2015 B2W has continued to sponsor cultural and social projects in the fields of sports, education, digital inclusion and dissemination of Brazilian culture, always valuing regional diversity.

Alongside mobilization initiatives associated with several campaigns, the Company has contributed to the promotion of the welfare and leisure of people and healthier consumer habits. For the second consecutive year, the Company has engaged in consciousness-raising initiatives and offered products and activities, such as the Todo mundo vai [All In] Run/Walk event.

Consumer Awareness Campaign

With its embrace of all stakeholders and in line with the Company’s Environmental and Sustainability policies, B2W Digital launched the Conscious Consumption campaign in June 2015 in partnership with Brazilian cartoonist Ziraldo, which was intended for all Americanas.com brand customers.

A pioneer in Brazilian e-commerce, this B2W initiative to raise awareness about responsible water and energy use was developed in conjunction with the parent company, Lojas Americanas, and whose impact was multiplied through its exposure on social networks.

Americanas.com’s Facebook fanpage (www.facebook.com/americanascom/videos) featured original, animated versions of Ziraldo’s Turma do Pererê comics, which, in a good-humored and entertaining way, offered environmental education messages for the page’s four million fans and followers. [G4-SO1]

In addition to Facebook followers, between June 26 and July 27, 2015, the campaign, reached five million Lojas Americanas customers through the distribution of five brochures that advertised the Turma do Pererê comics. The stories alerted citizens to the negative impacts of human activities on nature and contained simple tips for saving natural resources, which could easily be incorporated into the daily lives of Brazilians.
The creation of the campaign was driven by concerns about an extended period of drought and the water and energy crisis that the country faced during the year. As a result, the Company received the 2015 Brazilian Association of Corporate Communication (ABERJE) Rio de Janeiro/Espírito Santo award in the “Corporate Sustainability Communication Programs” category.

In addition to its communications with the general public, the Company also improved its oversight of responsible water and electricity use in all of its business units.

"Todo mundo vai" (All In) Run/Walk

To encourage its customers and associates to participate in physical activities, for the second consecutive year Americanas.com – together with Lojas Americanas – promoted the Todo mundo vai (All In) 4km and 8km Run/Walk event. Held in Rio de Janeiro, it took place in the Flamengo neighborhood and registered the participation of 5,000 people. In its first year, the event took place in Belo Horizonte, in the state of Minas Gerais, where 2,500 people ran/walked a course around that city’s Pampulha Lagoon.

Along the two stages of the course, over a thousand people took advantage of the opportunity to obtain physical evaluations and massages, and tips from experts. [G4-S01]

Launched in May 2014, this activity’s affordable participation prices were made possible through Brazil’s Sports Incentive Law. All participants received exclusive kits that contained an official event t-shirt, sports drink, sunscreen and other products.

World Health Day

To commemorate the date, April 7, B2W Digital promoted an awareness campaign on the adoption of habits to improve quality of life and health among its associates, such as physical exercise.

Throughout the year, the Company also issued preventive measures to combat the mosquito that transmits the dengue, Chikungunya and Zika viruses, and reinforced disinsectization efforts in its corporate spaces.

World Environment Day

Through internal communication vehicles, during the week of World Environment Day, June 5, the Company strengthened the awareness environmental protection in the use of natural resources.

Other efforts fortified these concepts throughout the year, such as the Company’s support, since 2013, for “Earth Hour,” a global, energy saving initiative promoted by the World Wide Fund for Nature (WWF), which is better known in North America as the World Wildlife Fund. Thus, the Company encourages its associates to reflect on caring of the environment and the significance of natural resources throughout the year.
**Donation of Books**

To encourage reading, a book donation campaign was another social responsibility activity that took place in 2015. B2W Digital donated 5,000 books, on various subjects, to the Biblioteca Parque Estadual (State Park Library), located in downtown Rio de Janeiro, whose patrons number 1.5 million annually. [G4-SO1] Associates donated an additional 1,100 books as part of the “Books in Squares” project, which was carried out in partnership with Lojas Americanas.

**Pink October**

In 2015, the Americanas.com, Submarino and Shoptime brands continued to encourage their clients to think about breast cancer prevention and care. Each organized activities on their websites as a means of drawing attention to the campaign.

In particular, Americanas.com and Submarino developed special hot sites to raise awareness during Breast Cancer Awareness Month. Known worldwide as “Pink October,” this initiative attracted more than 15,000 people to these sites.

B2W associates were also encouraged to visit with specialists, while Company doctors were made available to answer questions.

**World Water Day**

In celebration of World Water Day, March 22, Submarino.com launched its “Aqua-Friendly” hot site, which offered water savings solutions and tips. There, customers were able to learn about, for example, water-efficient showerheads, which use about 65% less water and energy. Other recommendations related to dishwashers, which suggested options that have recorded an 80% savings of water compared to washing dishes by hand.

**Guanabara “Discoveries”**

Americanas.com participated in the “Guanabara Discoveries” campaign, whose objective was to raise awareness about irresponsible waste disposal, the environmental damage it causes and the costs of cleaning and recovery of the oceans.

After collecting a variety of objects from Rio de Janeiro’s Guanabara Bay, some of these became “products” for symbolic sale on the brand’s website. Prices, which were set by a biologist according to the size of the damage caused, ranged between R$ 13,000 and R$ 600,000.

The idea was to demonstrate just how much is spent to clean up our waterways. A photo exhibition, staged in a Rio de Janeiro mall, also showed the types of products that were “discovered” in Guanabara Bay.
**Toys Donation**

To make the Christmas season just a little happier for hundreds of children, B2W, in partnership with Lojas Americanas, promoted a campaign in Rio de Janeiro to collect toys for the NGO Sonhar Acordado (Daydreaming).

A Christmas tree at the Company’s headquarters featured more than 300 cards from needy children with their requests to Santa Claus. Through this engagement with its associates, these children saw their dreams come true as a result of the donation of more than 400 toys. [G4-SO1]

**PRIVATE SOCIAL INVESTMENT**

*Books in the Squares*

In 2015, the “Books in Squares” bookmobile project continued to delight. Americanas.com, in partnership with Lojas Americanas, renewed its sponsorship of this mobile library initiative, expanding the project by bringing it to São Paulo squares for the first time. As well, the municipalities of Itapevi and Osasco, where the Company’s distribution centers are located, were able to participate in reading activities during the month of August.

In the state of Rio de Janeiro (RJ), the bookmobile began its activities in March and visited the communities of Saúde, Belford Roxo, Vidigal, Leme, Realengo, Anil, Acari, Caxias, Bangu, Tijuca, and Nova Iguaçu, and ended its activities for the year, on November 20, 2015, in Madureira Park (RJ).

Throughout the year, 10 communities were offered access to a varied collection of books for children, young adults and adults, in addition to 32 literary activities. A total of 1,311 books were loaned out, with 1,191 being returned (i.e., 9.1% non-returns). There were also 520 new registrations and an audience of 19,570 visitor-readers. This represented a record number of visits, over 140% compared to the previous year, with the number of books on loan having been more than doubled. [G4-SO1]

“Books in Squares” also featured Braille and large print items, audio-books and 18 titles that were in accordance with Brazilian Law 1354/88, whose aim is to expand access to authors whose works focus on Afro-Brazilian and Indigenous cultural history. Literary activities and conversations with authors, including Ziraldo – who spent time with students of the São Tomás Aquino Municipal School (RJ) – were part of the project calendar. Our associates, in partnership with Lojas Americanas, also donated 1,100 books to the project.

*Socio-Environmental Values Fund*

B2W supported the development of six project initiatives of the BOVESPA Institute’s Socio-Environmental Values Fund (BVSA), which are focused on education policies, vocational training and income generation. All projects are in keeping with the United Nations Millennium Development Goals and were developed in areas of influence of B2W Digital, in the States of Ceará, Pernambuco, Sergipe and Bahia. In 2016, four new projects will be selected that are aligned with the UN Development Programme’s Sustainable Development Goals (SDGs), otherwise known as the Global Goals. [G4-EC7]
In partnership with the Committee for the Democratization of Information Technology (CDI) and with support from the State of Rio de Janeiro’s Department of Education (SEEDUC), B2W Digital launched “TecEscola,” an innovative project to train:

150 teachers from 50 state system schools.

Launched in June 2015, TecEscola encourages teachers to incorporate technology in their planning and teaching practice through a modern, collaborative online platform in order to benefit approximately 15,000 students. [G4-SO1, G4-EC7]

The 50 schools were selected primarily from the Center and North Zone sections of the city of Rio de Janeiro, which are areas where the most socially disadvantaged of the citizenry reside. Thirty of these schools are located in communities that feature the presence of Pacification Police Units (UPPs). The TecEscola project also serves communities in the Greater Rio de Janeiro metropolitan area, including Bangu, Realengo and Duque de Caxias.

With the objective of training young people who would then be empowered to transform the reality of the communities in which they live, TecEscola also trained 30 professionals known as “technology intermediaries” as a means of multiplying the methodology across the Rio school system, which enjoys the support of principals of the participating schools.

Throughout the year, events were promoted, such as the “TecLab Experience” in which 120 teachers and educational leaders were able to develop app prototypes as a means of bringing improvements to the daily challenges of education in the state. In total, teachers received four hours of monthly training in the methodology, which corresponded to 25% of the monthly, 16-hour period that the state of Rio de Janeiro sets aside for teacher training. The goal is to double the number of hours of training in 2016, bringing the total to eight hours per month.

The social investment made in 2015 shows that the Company is right on track, helping to foster relationships with public, private and non-profit sector entities as a means of constructing public policies that increase the quality of public education in the state.

IN 2016, IT IS ANTICIPATED THAT 1,500 YOUNG PEOPLE WILL BE TRAINED IN TECHNOLOGY COURSES FOR PROFESSIONAL PURPOSES, WHILE TRAINING WILL BE OFFERED TO 150 OF THEM IN WEB DESIGN AND 50 IN AN INTRODUCTION TO JAVA LANGUAGE COURSE.

Next year, B2W Digital will also mobilize its associates in the area of technology, such that they will be able to work as volunteer trainers for young people in the language of programming and web design tools. [G4-SO1, G4-EC7]
EXPERIMENTATION AND TECHNOLOGY

In addition to working diligently to offer its customers the best shopping experience possible, B2W’s brands have also promoted spaces that offer consumers opportunities for experimentation, entertainment and technological interaction. To maintain its commitment to promote reading, for the fifth consecutive year, Submarino participated, as the sole e-commerce sponsor, in 2015’s 18th Rio Book Biennial.

Held in August, the event is the most significant literary event in Brazil. Spread across nine distinct spaces, over 720,000 people attended. As part of the cultural panorama on display, Submarino offered a diversified agenda in a booth that featured discussions with authors, cultural competitions and audiobook presentations.

Attuned to the importance of constantly investing in innovation and technology, Submarino also served as an official sponsor of the Campus Party, which promoted a robust drone competition piloted via wi-fi, which executed acrobatic flights and flew through obstacle courses. Another area featured an armored arena, which saw the

2nd edition of the Ultimate Robot Combat, where 12 robotics teams from across Brazil put 28 robots to the test.

In November 2015, B2W Digital sponsored the EmTech (Emerging Technologies), the most important date in the world about emerging technologies and innovation. The event, organized by the MIT Technology Review magazine, happened at Cidade das Artes, in Rio de Janeiro and met 1600 participants among scientists, businessmen, young innovators, researchers and entrepreneurs. B2W Digital was also part of the jury of the “Innovative Award with less than 35 years EmTech Brazil”. The award is considered the largest world reference in the discovery of talents and projects that use technology to solve the major problems of society.

SOCIAL INVESTMENT USE - B2W

<table>
<thead>
<tr>
<th>Activities</th>
<th>Beneficiaries</th>
<th>Projects</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational Training / Generation of Employment and Income for Youths</td>
<td>800</td>
<td>3</td>
<td>Ceará, Sergipe, Pernambuco</td>
</tr>
<tr>
<td>Professional Training of Public School Teachers</td>
<td>150</td>
<td>1</td>
<td>Rio de Janeiro</td>
</tr>
<tr>
<td>Community Development</td>
<td>350</td>
<td>2</td>
<td>Ceará</td>
</tr>
<tr>
<td>Generation of Jobs and Income for Women</td>
<td>140</td>
<td>1</td>
<td>Bahia</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,440</strong></td>
<td><strong>7</strong></td>
<td></td>
</tr>
</tbody>
</table>
GREEN ARCHITECTURE

B2W Digital is dedicated to the advancement of sustainable models of green buildings. Since 2013, when B2W’s Innovation and Technology (BIT) building opened in Rio de Janeiro, the Company has been expanding its adoption “green” measures to transform its workplace spaces and logistical operations, which decrease impacts on the environment. In its administrative units and its distribution centers, improvements were made to reduce the consumption of natural resources.

The BIT was designed to be totally sustainable. Built with recycled materials and equipped with water savings and energy efficient systems, the building also features a bike rack (which encourages its associates to opt for alternative means of transport) and other initiatives aimed at sustainability. From this effort, the Company earned Leadership in Energy and Environmental Design (LEED) certification in the Silver category from the United States Green Building Council (GBC), the highest global sustainability certification available for buildings. B2W was the first Brazilian digital company to receive such certification. [G4-EN10]

In 2014, the Company invested in an already LEED-certified property in São Paulo, which ensures that B2W is continuing to execute its sustainability strategy in this administrative unit. The building uses energy saving light bulbs, as well as CO2 sensors, which control air quality inside the building’s spaces. In the same year, B2W installed yet another administrative unit in Rio de Janeiro in an environmentally adapted structure.

In 2015, B2W continued to plan for the reform of all of its administrative units and distribution centers, which maintains a preference for low environmental impact materials and technologies, and generating a reduction in operating costs. Since 2014, B2W has installed aerator and restricted flow faucets in its facilities, which use only 6 liters per minute versus the 12 liters that were used by the older model faucets. In its bathrooms, the Company has been gradually installing dual-flush model toilets, which reduce water consumption by offering the option for a 3 or 6-liter flush, depending on necessity. By comparison, the single option, older models consumed 18 liters per flush. [EN-10, EN-27]

In May 2015, the Company opened a new office in São Paulo. The 1,500m² space in the Villa Olímpia Corporate building has LEED Gold certification and has many environmentally friendly features. To receive this certification, the GBC evaluates five criteria: sustainable space; sensible water use; energy efficiency; reduction, reuse and recycling of materials and resources; and quality of internal environments. [EN6]

In practice, green architecture offers many benefits. We can cite the installation, implementation and use of flow regulator and flow control faucets, dual-flow flush toilets, R2 gas air conditioning systems, energy efficient lighting, waste separation/collection on every floor, signage made from reforested Medium Density Fiberboard (MDF), paints that are low in volatile organic compounds (VOCs), auto-off light sensors, and real-time energy consumption meters, as well as the replacement of more common cleaning products with those that are more environmentally friendly and the construction of a rainfall-capture cistern whose water can be used in the building.

THE DISTRIBUTION CENTER (DC) IN UBERLÂNDIA, MINAS GERAIS, ADOPTED GREEN CONCEPTS IN ITS DESIGN AND FEATURES EFFICIENT LIGHTING, PARTIAL REUSE OF WATER, WASTE SEPARATION/COLLECTION AND A CENTRALLY SITUATED GARDEN TO OPTIMIZE AIR CIRCULATION.
Within its first six months, the energy savings initiative achieved a 31% reduction in impacts, economizing a total of 215,043 KWh in the period. In Recife, Pernambuco, the distribution center has been completely renovated to provide access for individuals with special mobility needs. The inclusion of wheelchair ramps there has allowed the Company to hire more persons with disabilities, making the unit more inclusive and valuing local diversity.

CONSCIOUS CONSUMPTION OF NATURAL RESOURCES

B2W is tireless in its efforts to reduce the consumption of natural resources, as well as materials. Through awareness campaigns, the Company motivates its associates to economize electricity and office supplies, reduce their volume of printing, and avoid waste in the use of hygienic materials. See below for more information on these initiatives.

Doing Our Part

Implemented in July of last year, the “Fazendo o Nosso Papel” (Doing Our Part) initiative, which was created by B2W Digital’s Finance division, has saved over 106,780 sheets of paper. It also generated significant savings in resources, including almost 51,000 liters of water and 2,535 kW of power during the second half of 2015. The change took place as a result of a restructuring of the Company’s payment system, in which all Finance division documents are now sent electronically. The idea is to extend these measures to all subsidiaries in 2016.

Energy Consumption

Small changes make big differences. From this premise, over the course of 2015 B2W created several initiatives to reduce energy consumption in both its administrative units and its DCs.

Among the main activities were replacing generators with models that are more efficient and produce lower environmental impacts (which is the result of planning activities carried out in the previous year), modernizing lighting fixtures as a means of reducing energy loss and using more energy-saving and LED model light bulbs in place of fluorescent bulbs.
Ecological Disposal

Understanding that this is also a part of its societal obligations, in 2015, B2W introduced an ecological disposal service for computer products, handheld devices, electronics, automobiles and furniture. Available to consumers from all over Brazil, the initiative provides a suitable final destination for items such as computers, TVs, home theaters, sofas, refrigerators, stereos, mobile phones, tires and microwaves. Since November, the service has been promoted by Submarino, Americanas.com and Shoptime.

With the new service, B2W is contributing to product disposal awareness and facilitating the collection and shipment of these materials to an appropriate destination.

Selective Collection

B2W maintains partnerships with non-governmental organizations for the disposal of cardboard and recycling of selective collection materials from its administrative units.

In all DCs, 100% of waste is properly disposed of and collection is carried out by companies that maintain their environmental licenses in accordance with current legislation. [G4-EN2]

GHG EMISSIONS INVENTORY

B2W, in accordance with its Sustainability Policy, annually measures and monitors its emissions of greenhouse gases (GHGs). Always attentive to ways to reduce or mitigate environmental impacts generated by its operations, since 2010, the Company has adopted the methodology of the Brazilian GHG Protocol Program, which aims to encourage companies to quantify and report their GHG inventories. All of this work has been carried out by the members of the Green Company Committee, who were trained to use this tool, which was adapted from the international GHG Protocol methodology.

In 2015, in line with the policy of its parent company, Lojas Americanas, B2W Digital dedicated itself to the reduction of its relative direct emissions. Analyzing net revenue data, the Company grew by 13.18% in relation to 2014, while its direct emissions (Scope 1) rose 7.78%.

This value reaffirms B2W Digital’s commitment to continually seek solutions that reconcile economic performance with positive activities that enable sustainable business growth.

Regarding direct emissions related to scope 2, the Company had an organic structural growth of 22.23% through the opening of two more distribution centers, which compares with a 10.03% increase in its emissions over the previous year, which came about as a result of the increased purchase of electricity.
Indirect Emissions (Scope 3)

With regard to indirect emissions, emissions of atmospheric gases arising from business travel, the Company showed a decrease in 2015 compared to the previous year. This result demonstrates the effectiveness of our strategy to group as many associates as is possible on the same flights, as a means of minimizing indirect emissions.

The Company’s major effort regarding scope 3 was in its reduction in the number of envelopes used in the packaging of products. B2W Digital significantly decreased the use of these envelopes, reviewing its processes in filling orders, making increased use of the original boxes in which products are packaged and adjusting them to standardized package sizes, thereby reducing emissions related to envelopes by 67.88%
EXCELLENCE IN WORKPLACE SAFETY

To ensure workplace safety for 100% of its associates and employees, B2W constantly monitors the use of Personal Protective Equipment (PPE), in their specific functions as required by law, at its nine distribution centers, always under the supervision of the Internal Committee for Accident Prevention (CIPA).

CIPA's 104 participants receive training in the Fire Prevention and Fire Fighting Course, as prescribed by Brazil’s Ministry of Labor. The course was developed by the Department of Workplace Health, Safety and Medicine (SESMT) and directed toward work safety technicians and CIPA members.

In 2015, B2W Digital held 508 mandatory safety training sessions for 100% of the Company’s safety technicians, totaling 1,954 hours of training for 10,490 associates. [G4-LA-5; G4-HR7]

CUSTOMER SERVICE CHAMPIONS

The Company is constantly investing to improve the way its services are delivered, making their execution speedier and more reliable. During 2015, B2W worked tirelessly to ensure that it was delivering the best online shopping experience to its customers and solving post-sale complaint situations.

This effort led to awards recognition for Americana.com when it was selected, by popular vote, as the winner in the “Electronics E-Commerce - Large Operations” category as part of Época magazine’s Complain Here Award (Prêmio Época Reclame Aqui). The same award saw the Submarino card voted as best in “Banks and Financial Services – Cards – Retail” category.

Of the total number of consumer affairs contacts that were made last year, 56% were made by phone and 44% via e-mail. To monitor its progress in this area, B2W carried out an unprecedented satisfaction survey in 2015. During the year, there were no incidents in which the data or the privacy of our customers, as a result of their online purchases, was violated. This demonstrates the Company’s commitment to the confidentiality of data and overall security throughout the purchasing process. [PR5-G4, G4-PR8]

BLACK FRIDAY

One of the most important dates for e-commerce, Black Friday 2015 was a time to enhance customer service processes. We gathered the entire SAC team for a motivational event to present key indicators and targets. The Company spared no effort to make the day an unforgettable moment for the clients’ shopping experience while service staff monitored and responded to all incoming contacts.
1. ECONOMIC SCENARIO

In 2015, despite the macroeconomic challenges – with inflation, as measured by the IPCA (Broad Index of Consumer Prices) registering an accumulated annual rate of 10.67% and the country’s GDP (Gross Domestic Product) showing negative growth of -3.8% (according to the IBGE) – the e-commerce sector achieved a turnover of R$ 41.3 billion, representing an increase of 15.3% compared to 2014. The market growth is sustained by the constant expansion of the internet user base and, consequently, by the increased number of e-consumers, as well as the development of new technologies.

HENCE, B2W DIGITAL REAFFIRMS ITS CONFIDENCE AND ITS POSITIVE EXPECTATIONS FOR THE FUTURE, BOTH IN TERMS OF THE COUNTRY’S DEVELOPMENT AND IN THE GROWTH OPPORTUNITIES FOR THE INTERNET AND E-COMMERCE.

The Company continues to focus on providing the best shopping experience, with expansion of the businesses and the products and services offered, while seeing a growing number of e-commerce users and increasing online retail penetration of total retail turnover in Brazil.

*Sources: IBGE (Brazilian Institute for Geography and Statistics), Brazilian Central Bank and eBit.*
2. STRATEGY

In 2012, Digital B2W established a three-year business plan (2013-2015) that included a new investment cycle. Getting closer to the customer, improving the shopping experience and resuming the growth trajectory were key components of this phase. The main pillars of the business plan, to overcome the challenges of e-commerce in Latin America, were Logistics, Distribution and Technology.

The B2W Digital business plan was supported by the launching of the Marketplace (3P) operation, which enables vendors to sell their products on the Americanas.com, Submarino and Shoptime websites. Marketplace (3P) is different to direct selling (1P), because it does not carry stock and the Company receives a commission on sales and any additional solutions provided. Among the benefits for the sellers are access to the most popular brands and leaders in Internet traffic, access to technology and logistics platforms, distribution and customer services. The benefits for B2W include a wider range of products (attracting more customers to the sites) and faster growth in revenue and profitability. The last three years have prepared B2W Digital for an even greater growth cycle and the generation of future free cash flow.

B2W has more than a thousand Internet/technology engineers working exclusively on B2W Digital projects and will continue to invest in attracting the best people and becoming known for nurturing talent. With its innovative culture, B2W is increasingly showing itself capable of attracting creative people with the ability to learn and move fast, to be flexible and to make the right decisions, always with a view to the growth of the business.

The B2W technology platform, which is both unique and comprehensive, provides a significant competitive advantage over its rivals. The Company is a mobile technology leader, accelerating the migration of e-commerce to m-commerce (from desktops and laptops to mobile devices) and delivering a superior shopping experience. That was only possible due to the acquisitions, which enabled B2W to build a single digital platform, with extensive use of big data and data science.

Marketplace (3P) is an important part of the business model and B2W is recognized as the best option for Marketplace sellers doing business on the Internet.

The economies of scale obtained by the sellers are increasingly leading them to use the platform of services, backed by the excellent standards of B2W. The estimate for the coming years is that the number of sellers will grow significantly, which means increased choice, more traffic, more customers, higher sales and greater profitability.

3. STRATEGIC INITIATIVES TO LEVERAGE THE DIGITAL PLATFORM

Commercial and Marketing

· For the 14th consecutive quarter, B2W Digital has grown faster than the market as a whole, bringing market share gains and consolidating its leadership position in Latin America. Since its investment plan was introduced, B2W’s market share has grown by 6.9 p.p., from 19.9% in the 1H12 to 26.8% in 4Q15.
Leader in traffic, with a visitor market share during 4Q15 of 32.7%, an increase of 1.4 p.p. compared to 4Q14.

B2W’s strong sales performance is due to its standards of excellence in operations and management of the commercial variables. The sales success, particularly on major occasions such as Black Friday and Christmas, is down to a number of factors, like the customer’s desired choices, adequate inventory levels, payment terms and formats, and delivery period, among others. Below, we highlight some of 4Q15’s indicators:

- **Inventory management**: B2W works with a stock-out index of less than 10% and recorded an 8% improvement in this indicator in 4Q15, compared to 4Q14.
- **Increased variety**: +60% compared to 4Q14.
- **Delivery efficiency**: 11% gain in productivity at the DCs in 4Q15, due to process improvements and the implementation of automatic billing, which resulted in shorter delivery times for the customers.

In December 2015, the Company launched Submarino Prime, offering customers a superior purchasing experience for a fixed annual sum. With Submarino Prime, the customer can purchase from over 100,000 items, with free and fast delivery, as often as he or she wants.

Furthermore, he or she will participate in exclusive promotional events and enjoy dedicated service. The service, in a beta version, is available to the city of São Paulo, at a promotional launch price of R$ 79.90.

**Marketplace evolution**

- **2,500 sellers after just two years**

Marketplace continues to develop rapidly, attaining a base of more than 2,500 sellers after just two years in operation.

- **In 4Q15, B2W Digital established important new partnerships with Samsung, Acer, Vaio, Claro, Época Cosméticos, Spicy and PetLove.**

- **On the 2015 Black Friday, Marketplace put in a strong performance, with 700% growth in relation to the previous year and achieving a GMV during the event that was equivalent to 15 days’ worth of sales.**
· With the Shopgram platform, B2W’s Marketplace sellers can now conduct their sales over new channels: Whatsapp and Instagram. Moreover, the Shopgram sellers can also make their products available through the biggest and most popular Brazilian Internet brands: Americanas.com, Submarino and Shoptime.

· In order to help the sellers to achieve ever-increasing sales via Marketplace, B2W has launched a complete development program, involving frequent workshops, to provide diverse training aimed at commercial and operational enhancement.

**Logistics and Operations**

**11 Distribution Centers**  
B2W Digital has a total of 11 Distribution Centers (DCs) in Brazil, providing a total storage area of over 500,000 square meters, 35% more than at the end of 2014.

**142 Hubs**  
B2W Digital opened 3 more hubs in 4Q15, bringing the total to 142 hubs (+49% vs 2014), strategically located to support the Company’s distribution system.

**has grown from -5% to 70%**  
After two years in operation, the participation of the B2W Distribution Area in the Company’s total deliveries has grown from less than 5% to 70% at the end of 2015.

**TMS New Transport Software**  
During 4Q15, B2W developed a new transport software (TMS) that has enhanced its technological capacity for tracking the merchandise sold and improving the communication of the delivery process to the customer, from the placing of the order to the arrival of the product at its destination.

**Up to 6 delivery options**  
Verticalization of the distribution made it possible to draw up a Delivery Menu in the 3Q14, offering up to six delivery options throughout the country: Same Day, Next Day, Fast, Economical, Scheduled and Delivery at the Store (available at 203 stores).

**5x deliveries per day under the “Next Day” option**  
The Delivery Menu has been a huge success with the customers. During 2015, the number of deliveries per day under the “Next Day” option increased fivefold compared to 2014, benefiting the customer, who receives the product more quickly, and raising B2W’s delivery coverage index (delivery fees divided by delivery expenses).
The new rule governing the payment of ICMS (Value-Added Tax on Goods and Services), which came into effect at the beginning of 2016, added further complexity to e-commerce operations in Brazil. As a result, during 4Q15, B2W implemented a new billing system, developed in-house, enabling B2W to align itself with the new rule without any impact on the Company’s operations. Moreover, the new system was also made available to Marketplace sellers who use the [B] Seller solution.

**Mobile and Technology**

Traffic using mobile devices accounted for 38.7% of the total visits in 4Q15, an increase of 14.3 p.p. in relation to 4Q14.

During Black Friday, the Americanas.com app had the highest number of downloads from the App Store and Google Play and, in November, all the Company’s apps were downloaded a combined total of around 1 million times (four times more than in the previous month).

During 4Q15, the number of B2W app downloads grew by over 280% in relation to 4Q14.

During Black Friday and Christmas 2015, the Company registered uptime (time during which the server is on the air) of 100% across all its systems, despite recording a volume of visits, which was 15 times greater than on a normal day.

The Company continues to augment its use of big data and data science, generating important gains in the dynamic pricing and intelligent planning of purchases.

**Digital Services**

- Following our acquisition of 11 companies (nine “best in class” technology companies and the two leading transporters in Brazil specializing in e-commerce), B2W Services is able to offer complete technology and logistics solutions in support of the Marketplace sellers’ transactions and the online operations of major brands, including [B] Seller (webstore and ERP services) and [BFF] B2W Fulfillment (storage, distribution and customer service).

- With the setting up of B2W Services, B2W now has a variety of gateways for companies and brands seeking technology, logistics and distribution solutions. Consequently, during the second half of the year, the level of cross-selling (providing more than one service from the B2W portfolio to the same partner) in B2W Services doubled.
Another outcome of setting up B2W Services was the engaging, during 2015, of these integrated company solutions by major brands, as shown below:

- **Sieve**: Ambev, L’Oréal, Apple, Microsoft and Johnson&Johnson.
- **Admatic**: Fnac, Sephora, Pirelli, Salfer, Drogaria Onofre, DPaschoal and Wine.
- **Site Blindado**: Technos, Ambev and C&A.

The online advertising service, enabling major brands to take advantage of the traffic and reputation of the B2W websites to access millions of customers, is still booming, doubling its turnover in 4Q15 in relation to that of 4Q14.

B2B’s complete solutions (storage, distribution and customer service) continue to attract the major brands. Recently, B2W was chosen to operate the online store for Lenovo VIBE, the brand’s smartphone line, launched in Brazil in December 2015. Other major brands that already use B2W’s solutions are Ambev, BRF, Motorola, KM de Vantagens (Ipiranga service stations) and NET, among others.

**Financial Services**

- **R$2.5 billion in approved transactions**
  - During 2015, B2W’s credit card operations (Submarino Finance and Digital Finance) registered the volume of R$ 2.5 billion in approved transactions, an increase of 50% in relation to 2014. [G4-EC7]

- **Portfolio of receivables passed the figure of R$1.0 billion**
  - Also in 2015, the portfolio of receivables passed the figure of R$ 1.0 billion, representing growth of 40% in comparison with 2014.

- **1.9 million cards issued**
  - At the end of 2015, the operations registered a total of 1.9 million cards issued:
    - **Submarino Finance**: 1.5 million cards issued and a 35% share in sales on the Submarino.com website in 2015.
    - **Digital Finance**: In operation for a little over a year, Digital Finance has already issued more than 350,000 credit cards.

The advantages for customers who have B2W credit cards include exclusive discounts, reward programs and a special credit limit for purchases on the websites. On the other hand, the advantages for B2W are: lower merchant discount rates (MDR), increased customer loyalty (2.1 times higher purchase frequency) and higher average ticket (22% higher).
In line with its innovative and pioneering characteristics, B2W launched Insurance and Services for products sold by third parties, offering its range of insurance and services for items purchased from Marketplace sellers and other market participants.

The expertise acquired through Submarino Finance, over the course of 10 years in operation, accelerated the learning curve for Digital Finance, bringing about a more rapid return. The financial activation indices for the Digital Finance customer base have already reached a level that is 75% higher than was observed in the early stages of Submarino Finance’s operations.

In 2015, the Insurance and Services platform gained momentum from the consolidated supply of consumer insurance (Extended Warranty and Robbery, Theft and Accidental Damage Insurance) and the increased provision of services such as air conditioning installation, green waste disposal, digital photo printing and pet care.

Customer Service

B2W Digital's four brands are regarded as benchmarks in customer service and since 2014 have been awarded the RA 1000 Seal, the highest assessment level of the ReclameAQUI Consumer Complaints Website.

- The average rating awarded by customers through ReclameAQUI for the B2W brands is 7.0, while rival brands have an average rating of 5.2.

- In the last three years, when the Company has been investing in getting closer to the customer, the average rating of B2W brands has improved from 6.0 (end of 2012) to 7.0 (end of 2015).

- 76% of clients registered with ReclameAQUI state they intend to make more purchases through the B2W brands, while only 53% of customers affirmed they intended to buy again through rival websites.

- In 4Q15, B2W Digital was once again presented with several awards for customer/e-commerce service (e.g.: Época ReclameAQUI, Marcas Cariocas and Marcas Mais).

4. INVESTMENT

Over the last three years, we have adopted an investment plan whose main aim was to facilitate the growth and improvement of our operations. In 2015, the last year of the plan, we invested R$ 808 million, mainly in logistics, distribution, technology and innovation. [G4-EC7]
1. ABOUT THE REPORT

B2W Digital announces its consolidated Annual and Sustainability Report for the second consecutive year, based on the G4 guidelines of the Global Reporting Initiative (GRI), which has its focus on material issues, making the reporting more relevant and reliable. This content refers to the Company’s financial performance and social and environmental themes for the period from January 1 to December 31, 2015. [G4-28]

The decision to draw up a single document to communicate the initiatives for environmental protection and its economic results to all stakeholders demonstrates the Company’s commitment to present, with greater transparency, the importance of sustainability for its business. B2W Digital understands that the continuity of its operations increasingly is linked to the good sustainable management practices, generating even more value for shareholders. [G4-29; G4-30]

For the second consecutive year, we celebrate the Company’s entry into the BM&FBOVESPA’s Corporate Sustainability Index (ISE). In 2015, we were the only e-commerce enterprise to be included in this select portfolio and we renewed our commitment to it in 2016. This achievement is a source of pride for all of our associates, who remain dedicated for the purpose of improving our management indicators, observing their economic, social and environmental impacts.

To report the sustainability results, which include all socio-environmental operations, B2W Digital adopted the Essential Option of the GRI G4 version. The application of each indicator carefully observed the information gathered from the various corporate areas, extensive research and the collection of data from the quarterly earnings reports to the market, internal and external communication and information available on the website. [G4-32]

The engagement of executive managers in the process of calculating the data was critical to the production of this content. The CEO approved the final document and the Executive Board was involved in the process. To obtain the ten most material themes for the B2W Digital’s business, a survey of the Company’s internal and external stakeholders was carried out. The result enabled the creation of the materiality matrix presented below.
Application Level

In fulfilling the requirements of the GRI, version G4 Essential, we offered answers to the general content of G4-1 through G4-34, as well as G4-56, as specified in the GRI Index and indicated in brackets at the end of corresponding responses. Similarly, in relation to specific contents, for each material aspect we have correlated responses to our indicators, which are also detailed in the GRI table. [G4-32]

Materiality as a guideline

The Principle of Materiality is one of the most important guidelines promulgated by the GRI and another international organization, AccountAbility — both of which set international benchmarks for corporate sustainability. As this tool assists in the identification of the most relevant issues related to a company’s business, from the point of view of its main stakeholders, we decided to maintain our Materiality Matrix to guide this 2nd consolidated Annual and Sustainability Report. [G4-18]

We had the opportunity to further advance the debate of the issue with our stakeholders in 2014, considering that the first consultation with e-commerce experts and sustainability was held in 2012 and raised in the first sustainability report, which we published in accordance with the GRI - G3 version guidelines. Their results also were subject to a review. To continue with the dialogue strategies that had been initiated, we believe that we evolved towards understanding the perception of our internal and external stakeholders regarding priority issues for the operation of our business.

To progress the survey of the perceptions of society about our activities on behalf of sustainability and to define the strategic themes for our business, an online survey was conducted with clients, suppliers and associates. Eight in-depth interviews were conducted — four with Company executives and four with experts on the topic of sustainability from the Akatu Institute, the São Paulo Association of Supermarkets (Apas), and the Getúlio Vargas Foundation’s Center for Retail Excellence (GVcev). [G4-24; G4-25; G4-26].

In addition to conducting interviews and consultations to reach the results and recommendations that were presented, internal documents of the Company and domestic and international sector studies were analyzed, developed by recognized organizations such as AccountAbility, Apas, the Dom Cabral Foundation and Akatu. The GRI-G4 guidelines, combined with international standards of AccountAbility (AA1000) focused on stakeholder engagement were also key elements to the process.

The following are the ten most important themes for B2W’s business, from the point of view of internal and external audiences that were consulted. The results of the identification and prioritization of issues considered to be strategic were analyzed and compared to generate the materiality matrix, also shown below in this chapter. [G4-19; G4-27].
<table>
<thead>
<tr>
<th>MATERIAL THEME</th>
<th>EXTENSION OF THE IMPACTS’ WITHIN THE BUSINESS</th>
<th>EXTENSION OF THE IMPACTS’ IN THE VALUE CHAIN</th>
<th>GRI-RELATED ASPECTS/CHAPTER ADDRESSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUALITY IN CUSTOMER RELATIONSHIP (CUSTOMER SERVICE, WARRANTY SERVICES AND CONSUMER RIGHTS)</td>
<td>Associates and top management</td>
<td>Suppliers in general and Customers</td>
<td>Customers’ health and safety; Labeling of products and services; Sales &amp; marketing communications; Customer privacy / Governance</td>
</tr>
<tr>
<td>CONSUMER EDUCATION</td>
<td>Associates and top management</td>
<td>Suppliers in general and Customers</td>
<td>Customers’ health and safety; Labeling of products and services; Sales &amp; marketing communications; Customer privacy / Governance</td>
</tr>
<tr>
<td>AFTER-SALES SERVICE</td>
<td>Associates and top management</td>
<td>Suppliers in general and Customers</td>
<td>Customers’ health and safety; Labeling of products and services; Sales &amp; marketing communications; Customer privacy / Governance</td>
</tr>
<tr>
<td>WORKING CONDITIONS AND EMPLOYEE DEVELOPMENT</td>
<td>Associates and top management</td>
<td>Investors, suppliers in general and customers</td>
<td>Employment; Workplace health and safety; Human resources management; Training and education / Management of People</td>
</tr>
<tr>
<td>INVESTOR RETURNS AND FINANCIAL HEALTH OF THE BUSINESS</td>
<td>Associates and top management</td>
<td>Investors, suppliers in general and customers</td>
<td>Economic performance / Economic performance</td>
</tr>
<tr>
<td>SUPPLIER ENGAGEMENT AND DEVELOPMENT</td>
<td>Associates and top management</td>
<td>Suppliers across Brazil and near the corporate HQ and distribution centers</td>
<td>Compulsory labor; Human rights evaluation of suppliers - Relationship Management / Governance</td>
</tr>
<tr>
<td>MONITORING SUPPLIER PRACTICES</td>
<td>Associates and top management</td>
<td>Fornecedores de todo o país, sede e Centros de Distribuição</td>
<td>Compulsory labor; Human rights evaluation of suppliers - Relationship Management / Governance</td>
</tr>
<tr>
<td>DISPOSAL OF PRODUCTS AND PACKAGING</td>
<td>Associates and top management</td>
<td>Communities nearby the corporate HQ and distribution centers; Suppliers in general; Customers</td>
<td>Economic performance; Energy; Emissions; Effluent and waste; Products and services; Transportation; General; GHG Emissions profile; Eco-efficiency opportunities / Environment and Social</td>
</tr>
<tr>
<td>SUSTAINABLE BUILDINGS AND OPERATIONS</td>
<td>Associates and top management</td>
<td>Communities nearby the corporate HQ and distribution centers; Suppliers in general; Customers</td>
<td>Economic performance; Energy; Emissions; Effluent and waste; Products and services; Transportation; General; GHG Emissions profile; Eco-efficiency opportunities / Environment and Social</td>
</tr>
<tr>
<td>REDUCTION OF ENVIRONMENTAL IMPACTS AND THE EFFICIENT USE OF RESOURCES</td>
<td>Associates and top management</td>
<td>Communities nearby the corporate HQ and distribution centers; Suppliers in general; Customers</td>
<td>Economic performance; Energy; Emissions; Effluent and waste; Products and services; Transportation; General; GHG Emissions profile; Eco-efficiency opportunities / Environment and Social</td>
</tr>
</tbody>
</table>

* The extension of the impacts indicates the location and main audiences, inside and outside of our indirect operations, for which our material themes are most critical.
The extension of the impacts indicates the location and main audiences, inside and outside of our indirect operations, for which our material themes are most critical.

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>DESCRIPTION</th>
<th>CHAPTER/RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STRATEGY AND ANALYSIS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-1</td>
<td>Message from the President</td>
<td>Message from Management Strategy and Investment Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-2</td>
<td>Description of main impacts, risks and opportunities</td>
<td>Message from Management</td>
</tr>
<tr>
<td><strong>PERFIL ORGANIZACIONAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-3</td>
<td>Name of the Organization</td>
<td>Organizational Profile</td>
</tr>
<tr>
<td>G4-4</td>
<td>Primary brands, products and/or services</td>
<td>Organizational Profile</td>
</tr>
<tr>
<td>G4-5</td>
<td>Location of organization’s headquarters</td>
<td>Organizational Profile</td>
</tr>
<tr>
<td>G4-6</td>
<td>Countries where the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.</td>
<td>Organizational Profile</td>
</tr>
<tr>
<td>G4-7</td>
<td>Nature of ownership and legal form</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-8</td>
<td>Markets the organization serves</td>
<td>Organizational / Socio-environmental Profile</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>G4-9</td>
<td>Scale of the Organization</td>
<td>Profile / People Management / Socio-environmental Management</td>
</tr>
<tr>
<td>G4-10 (UNGC - PRINCIPLE 6)</td>
<td>Employee Profile</td>
<td>People Management</td>
</tr>
<tr>
<td>G4-11 (UNGC-PRINCIPLE 3)</td>
<td>Percentage of jobs covered by collective bargaining agreements</td>
<td>We will continue maintaining our associates covered by collective bargaining agreements.</td>
</tr>
<tr>
<td>G4-12</td>
<td>Description of the organization’s supply chain</td>
<td>Organizational Profile</td>
</tr>
<tr>
<td>G4-13</td>
<td>Significant changes in the size, structure, ownership or its supply chain.</td>
<td>Strategy and Investment</td>
</tr>
<tr>
<td>G4-14</td>
<td>Description of how the organization applies the precautionary principle</td>
<td>Perfil Organizacional</td>
</tr>
<tr>
<td>G4-15</td>
<td>Charters, principles or other externally developed initiatives</td>
<td>Governance / Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-16</td>
<td>Participation in domestic/international associations and/or organizations</td>
<td>Profile / Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-17</td>
<td>Entities included in the consolidated financial statements and entities not covered by the report</td>
<td>GRI Content</td>
</tr>
<tr>
<td>G4-20</td>
<td>Report the aspect boundary, within the organization, of each material aspect</td>
<td>GRI Content</td>
</tr>
<tr>
<td>G4-21</td>
<td>Report the limit, within the organization, of each Aspect boundary</td>
<td>GRI Content</td>
</tr>
</tbody>
</table>

**MATERIAL ASPECTS IDENTIFIED AND LIMITS**

<table>
<thead>
<tr>
<th>G4-18</th>
<th>Process for definition of report content</th>
<th>Conteúdo GRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-19</td>
<td>List of material Aspects</td>
<td>Conteúdo GRI</td>
</tr>
<tr>
<td>G4-22</td>
<td>Restatements of information provided in previous reports</td>
<td>There were no restatements of information contained in the 2014 report.</td>
</tr>
<tr>
<td>G4-23</td>
<td>Significant changes in the scope and material aspect boundaries from previous reporting periods</td>
<td>The process of materiality was completed in 2013, and therefore there has been no change of scope and limits in relation to earlier reports.</td>
</tr>
<tr>
<td><strong>STAKEHOLDER ENGAGEMENT</strong></td>
<td></td>
<td><strong>Governance / Socio-Environmental Management / GRI Content</strong></td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>G4-24</td>
<td>List of stakeholder groups engaged by the organization</td>
<td></td>
</tr>
<tr>
<td>G4-25</td>
<td>Basis used for the identification and selection of stakeholders with whom to engage</td>
<td>GRI Content</td>
</tr>
<tr>
<td>G4-26</td>
<td>Approach to stakeholder engagement</td>
<td>GRI Content</td>
</tr>
<tr>
<td>G4-27</td>
<td>Key topics and concerns raised through stakeholder engagement, per stakeholder group</td>
<td>GRI Content</td>
</tr>
<tr>
<td><strong>REPORT PROFILE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-28</td>
<td>Period covered by the report</td>
<td>Conteúdo GRI / Apresentação</td>
</tr>
<tr>
<td>G4-29</td>
<td>Date of most recent previous report</td>
<td>Conteúdo GRI</td>
</tr>
<tr>
<td>G4-30</td>
<td>Reporting cycle</td>
<td>Conteúdo GRI</td>
</tr>
<tr>
<td>G4-31</td>
<td>Contact point for questions regarding the report or its contents</td>
<td>Conteúdo GRI</td>
</tr>
<tr>
<td>G4-32</td>
<td>&quot;In accordance&quot; option chosen</td>
<td>Conteúdo GRI</td>
</tr>
<tr>
<td>G4-33</td>
<td>Organization's policy and current practice with regard to seeking external assurance for the report</td>
<td>This fourth reporting cycle, based on the GRI model, was not subject to external audit</td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-34</td>
<td>Organization's governance structure</td>
<td>Organizational / Governance / Profile Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-35</td>
<td>Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-36</td>
<td>Report whether the organization has appointed one or more executive-level positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-38</td>
<td>Report the composition of the highest governing body and its committees.</td>
<td>Governance</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>G4-40</td>
<td>Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-41</td>
<td>Avoidance of conflicts of interest</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-42</td>
<td>Report the roles played by the highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-43</td>
<td>Report the measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social topics.</td>
<td>Organizational / Governance Profile</td>
</tr>
<tr>
<td>G4-44</td>
<td>a. Report the processes for evaluation of the highest governance body’s performance with respect to governance of economic, environmental and social topics.</td>
<td>Governance</td>
</tr>
<tr>
<td></td>
<td>b. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</td>
<td></td>
</tr>
<tr>
<td>G4-52</td>
<td>Report the process for determining remuneration.</td>
<td>People Management/Governance</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>ETHICS AND INTEGRITY</strong></td>
<td><strong>G4-56 (UNGCP-PRINCÍPIO 10)</strong></td>
<td>The organization’s values, principles, standards and norms of behavior.</td>
</tr>
<tr>
<td><strong>G4-57</strong></td>
<td>Report the internal and external mechanisms adopted for seeking advice on ethical and lawful behavior, such as helplines or advice lines (ex.: ombudsman)</td>
<td>People Management/Governance</td>
</tr>
<tr>
<td><strong>G4-58</strong></td>
<td>Communication of unethical behavior</td>
<td>Governance</td>
</tr>
<tr>
<td><strong>SOCIAL PERFORMANCE</strong></td>
<td><strong>SOCIAL CATEGORY - LABOR PRACTICES AND DECENT WORK</strong></td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA1</strong></td>
<td>a. List total number and rates of new employee hires during the period covered by the report by age group, gender and region.</td>
<td>People Management</td>
</tr>
<tr>
<td></td>
<td>b. List total number of and turnover rate of employees during the period covered by the report by age group, gender and region.</td>
<td></td>
</tr>
<tr>
<td><strong>G4-LA2</strong></td>
<td>Report the benefits which are standard for full-time employees of the organization but are not provided to part-time employees</td>
<td>People Management</td>
</tr>
<tr>
<td><strong>G4-LA5</strong></td>
<td>Percentage of total workforce represented in formal health and safety committees</td>
<td>People Management</td>
</tr>
<tr>
<td><strong>G4-LA9 (UNGCP-PRINCÍPIO 6)</strong></td>
<td>Average training hours per year</td>
<td>People Management</td>
</tr>
<tr>
<td><strong>G4-LA11 (UNGCP-PRINCÍPIO 6)</strong></td>
<td>Percentage of employees receiving performance reviews</td>
<td>People Management</td>
</tr>
<tr>
<td><strong>G4-LA12</strong></td>
<td>Employee category by gender</td>
<td>People Management</td>
</tr>
<tr>
<td><strong>G4-LA14</strong></td>
<td>Suppliers using labor practices criteria.</td>
<td>Governance/Socio-Environmental Management</td>
</tr>
<tr>
<td><strong>G4-DMA</strong></td>
<td>Employment</td>
<td>People Management</td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Occupational Health and Safety</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>G4-DMA</td>
<td>Training and Education</td>
<td>People Management</td>
</tr>
</tbody>
</table>

**SOCIAL CATEGORY - HUMAN RIGHTS**

<table>
<thead>
<tr>
<th>G4-HR1</th>
<th>Percentage and total number of significant investment agreements and contracts that include clauses for the integration of human rights concerns.</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-HR7</td>
<td>Report the percentage of security personnel who have received training in the organization’s Human Rights policies</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-HR10 (UNGC - PRINCIPLE 2)</td>
<td>100% of new suppliers in 2015 were selected based on human rights criteria</td>
<td>Governance</td>
</tr>
</tbody>
</table>

**ENVIRONMENTAL PERFORMANCE**

<table>
<thead>
<tr>
<th>G4-EN1</th>
<th>Materials used, by weight or volume</th>
<th>Socio-Environmental Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN2</td>
<td>Percentage of materials used deriving from recycling</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-EN6 (UNGC PRINCIPLES 8 AND 9)</td>
<td>Reduction of energy consumption</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-EN10 (UNGC-PRINCIPLE 8)</td>
<td>Report the standards, methodologies and assumptions adopted</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-EN12 (UNGC-PRINCIPLE 8)</td>
<td>Significant direct and indirect impacts on biodiversity of activities, products and services</td>
<td>The Company’s stores, distribution centers and administrative buildings are not within protected areas and/or adjacent to areas of high biodiversity value. Thus, the business does not have significant impacts on biodiversity.</td>
</tr>
<tr>
<td>G4-EN15 (UNGC-PRINCIPLES 7 AND 8)</td>
<td>Direct greenhouse gas emissions</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-EN16 (UNGC-PRINCIPLES 7 AND 8)</td>
<td>Energy indirect greenhouse gas emissions from the acquisition of energy</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-EN17 (UNGCPRINCIPLES 7 AND 8)</td>
<td>Other indirect greenhouse gas emissions</td>
<td>Socio-Environmental Management</td>
</tr>
</tbody>
</table>
|---------------------------------|----------------------------------------|---------------------------------
| G4-EN21 (UNGCPRINCIPLES 7 AND 8) | NOx, SOx and other significant air emissions | The Company’s operations do not generate air emissions (volatile organic pollutants, fugitive emissions, hazardous air pollutants, Particulate materials, etc.) in significant quantities. |
| G4-EN26 (UNGCPRINCIPLE 8) | Protection and biodiversity index of bodies of water and habitats | All water used by the organization is discarded in sewage treatment networks, with no discharges that significantly affect the related water bodies and habitats. |
| G4-EN29 (UNGCPRINCIPLE 8) | Value and total number of sanctions resulting from non-compliance with laws | In 2015, there were no significant fines or penalties (considered those over 10,000 reals) for environmental non-compliance |
| G4-IN (UNGCPRINCIPLE 8) | Significant environmental impacts of transporting products and members of the workforce | Socio-Environmental Management |
| G4-EMA | Energy | Socio-Environmental Management |
| G4-EMA | Emissions | Socio-Environmental Management |

**ECONOMIC PERFORMANCE**

| G4-EC1 | Direct economic value generated and distributed | Economic Performance / Investment Strategy |
| G4-EC6 (UNGCPRINCIPLE 6) | Local hiring | People Management |
| G4-EC7 | Impact of investments in infrastructure offered for public benefit | People Management / Socio-Environmental Management |
| G4-EC8 | Description of significant indirect economic impacts | Environmental Management / Strategy and Investment |

**SOCIAL CATEGORY**

<p>| G4-SO1 | Engagement programs with the local community | Socio-Environmental Management |</p>
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO4</td>
<td>Report the total number and percentage of employees that have received training on anti-corruption, broken down by job category and function.</td>
<td>Governance</td>
</tr>
<tr>
<td>G4-SO11</td>
<td>Grievances about impacts on society reported</td>
<td>Socio-Environmental Management</td>
</tr>
<tr>
<td>G4-PR8</td>
<td>Total number of substantiated complaints received concerning breaches of customer privacy and loss of data</td>
<td>Socio-Environmental Management</td>
</tr>
</tbody>
</table>