

Animal Welfare Commitment in Egg Sourcing

GPA will work with the Brazilian poultry industry to sell 100% cage-free eggs in its private-labels brands by 2025

Aware of its position in the Brazilian retail sector, GPA aspires to transform society, designing better practices throughout its business. The company is invested in the value chains of the products it markets, and seeks to address the concerns about animal welfare and the reduction and mitigation of social and environmental risks related to the production and manufacture of its products.

Through the Suppliers' Charter of Ethics, GPA already defines to its business partners the principles to be followed in relation to animal welfare. In its stores, it also offers eggs coming from free-range production or organic production, husbandry systems that guarantee cage-free practices, and allow the consumer to make an environmentally-friendly choice while ensuring animal welfare. The Private-labels' eggs of the company are following these specifications. Furthermore, all suppliers of the brands Qualidade and Taeq are trained and audited regularly within the Quality Improvement Program (PEQ), which include assessment criteria such as compliance with animal welfare practices and regulations of the sector.

Through this policy, GPA is setting up the directives, goals and targets which will govern its eggs sourcing process.

GPA is committed to:

- **Work with the Brazilian poultry industry to sell, by 2025, 100% private-labels' eggs coming from cage-free systems, in respect with regulation and sector's guidelines;**
- Carry out audits and accompany Private-labels suppliers with the objective of assessing their practices in relation to animal welfare;
- Promote free-range and organic products in its stores and launch new ranges of products coming from cage-free systems
- Enhance communication on the type of products sold to the consumers in order to strengthen the access to transparent information about production methods.
- Assess with the poultry industry and stakeholders the actions that can be set up in the short term for national brands products.

The evolution of the laying hen husbandry systems in Brazil involves a complex transition, considering the current economic situation of the country, the characteristics of the productive sector with a low supply from cage-free systems. GPA represents about 1,5% of the eggs sold in Brazil and major retailing companies represents less than 10%. Also, it is worth noting that in the context of regulation, the Ministry of Agriculture (MAPA) recently confirmed that priority was given to the strengthening of bio-security concerns and hence to the practices of confining laying hens.

Through this commitment, GPA will seek collaboration with producers, representatives of trade associations, NGOs committed to promote animal welfare in Brazil and public bodies. GPA will assist in the elaboration of rules and regulations to define types of production and egg labelling in the market and seek the engagement of all actors in order to encourage the transformation of this supply chain.

GPA will design a progressive implementation plan to ensure compliance with the directives, goals and targets of this policy, always respecting the consumer's power of choice.