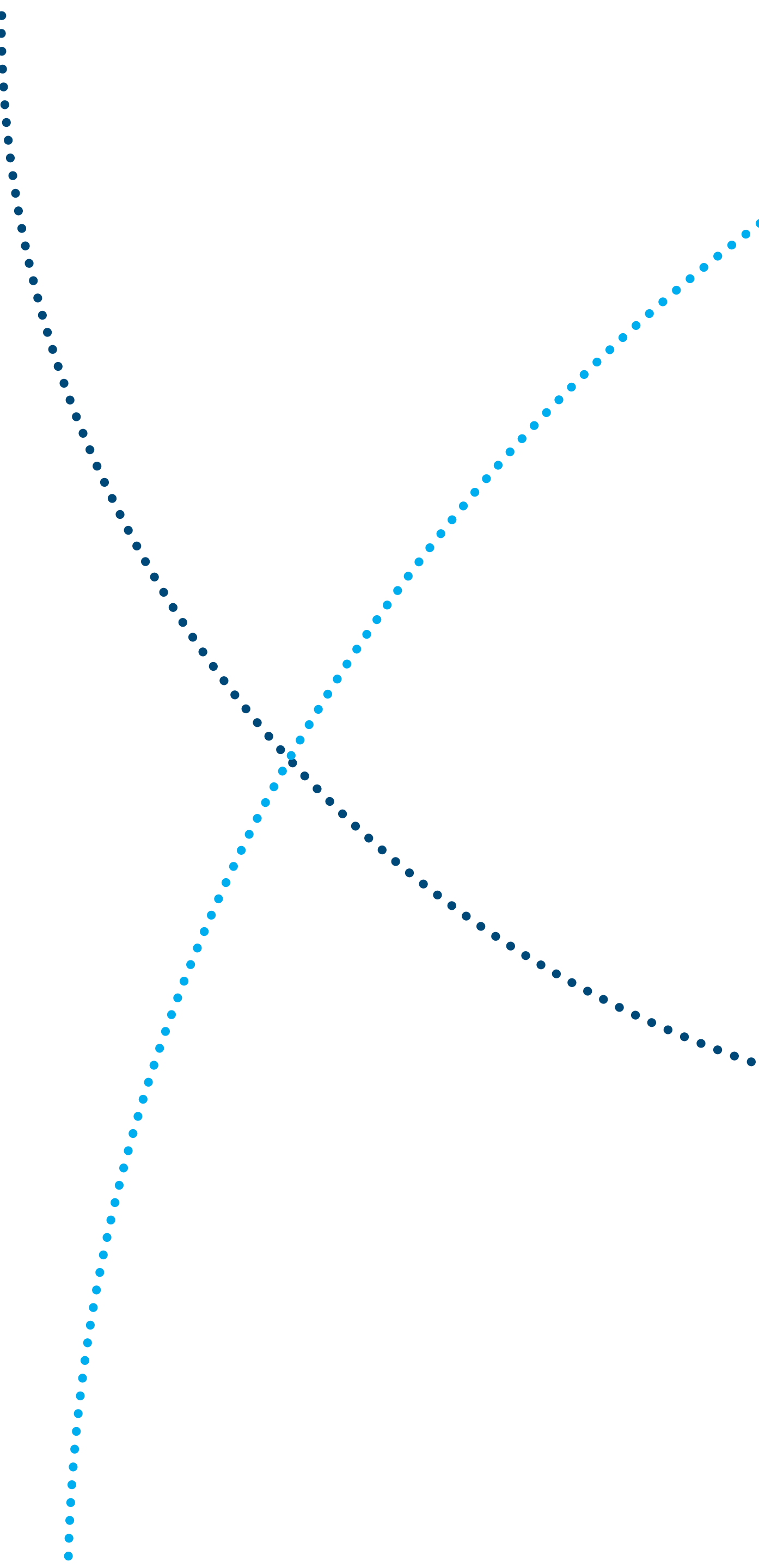


SOCIAL AND ENVIRONMENTAL **BEEF PURCHASING** POLICY



TABLE OF CONTENTS

- 1. PURPOSE3
- 2. SCOPE4
- 3. TERMS, EXPRESSIONS, AND DEFINITIONS5
- 4. GENERAL GUIDELINES.....10
 - 4.1 CONTEXT10
 - 4.2 COMMITMENTS BY GPA.....13
 - 4.2.1 COMMITMENTS IN FAVOR OF NON-DEFORESTATION AND THE PROMOTION OF HUMAN RIGHTS13
 - 4.2.2 OTHER COMMITMENTS AND TOOLS16
- 5. SPECIFIC GUIDELINES18
 - 5.1 PROCESSES THROUGHOUT GPA18
 - 5.1.1 INTERNAL ENGAGEMENT & AWARENESS18
 - 5.1.2 INCLUSION OF SUPPLIERS & REMEDIATION PROCESS19
 - 5.1.3 MONITORING & CONTROL OF POLICY IMPLEMENTATION AND COMPLIANCE BY SUPPLIERS20
 - 5.1.4 COLLABORATION BETWEEN ALL STAKEHOLDERS OF THE CHAIN.....23
 - 5.1.5 RESULTS DISCLOSURE24
 - 5.1.6 SOCIAL INVESTMENTS FOR THE PRESERVATION OF FORESTS25
 - 5.2 SUPPLIERS’ RESPONSIBILITIES26
 - 5.2.1 ADHERENCE TO THIS POLICY26
 - 5.2.2 COMPLIANCE WITH GPA’S CODE OF ETHICS26
 - 5.2.3 MONITORING PROTOCOL FOR CATTLE SUPPLIERS IN THE AMAZON29
 - 5.2.4 TRACEABILITY DOWN TO THE DIRECT ORIGIN31
 - 5.2.5 SOCIAL AND ENVIRONMENTAL MONITORING OF FARMS32
- 6. WHISTLEBLOWING CHANNEL38
- 7. REFERENCES.....39
- 8. NETWORK.....40
- 9. POLICY UPDATES41
- 10. POLICY VALIDATION41





1. PURPOSE

This **Social and Environmental Beef Purchasing Policy** presents general and specific guidelines on the purchase of beef by **GPA** and its chain.

It has as purpose to provide guidance on the existing relationships between **GPA** and its suppliers of beef products, in addition to presenting criteria of compliance, integrity, and sustainability required from such suppliers in view of the critical nature of this chain in terms of deforestation, working conditions and respect for land tenure.

With this Policy **GPA** sets forth commitments, performance hallmarks, and guidelines that serve as basis for the company's beef purchase process, in addition to ensuring compliance with the Brazilian Forest Code and all current legislations.

Compliance with these guidelines is mandatory for all beef suppliers and is a condition precedent for providing goods to **GPA** and maintaining long-term relationships with the Group's business units.

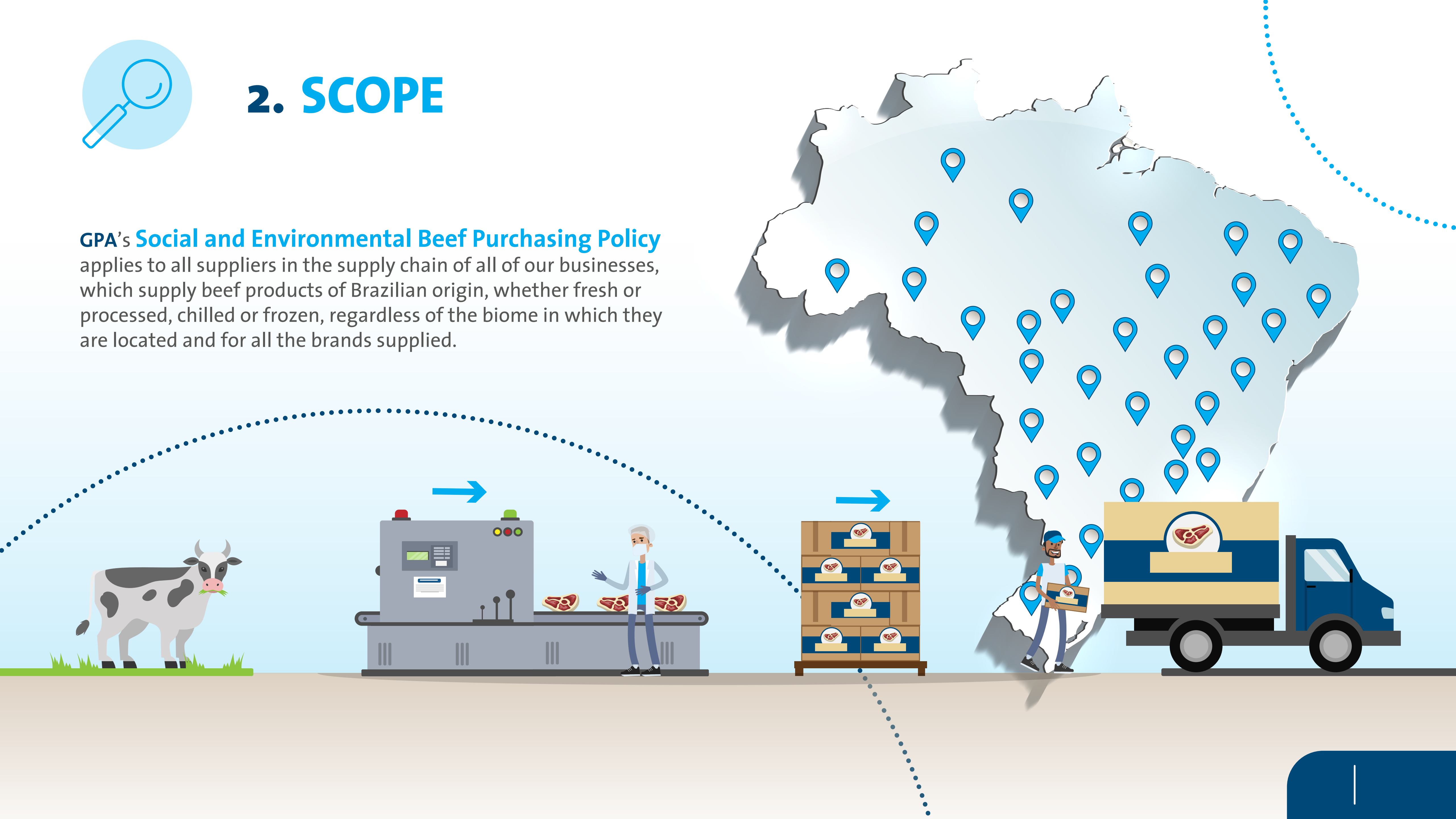
If a supplier refuses to apply these guidelines or to take the required corrective actions, **GPA** can terminate the business relationship with such supplier.





2. SCOPE

GPA's Social and Environmental Beef Purchasing Policy applies to all suppliers in the supply chain of all of our businesses, which supply beef products of Brazilian origin, whether fresh or processed, chilled or frozen, regardless of the biome in which they are located and for all the brands supplied.





3. TERMS, EXPRESSIONS AND DEFINITIONS

- **Amazon Biome:** forest formation that encompasses several countries in South America (Brazil, Peru, Colombia, Bolivia, Guayana etc.). In Brazil, the Amazon covers 40% of the Brazilian territory, in the States of the Legal Amazon, which is close to the Equator. This one is considered the world's most bio diverse biome.
- **Legal Amazon:** administrative geographical definition composed of all the Brazilian States of Acre, Amapá, Amazonas, Mato Grosso, Pará, Rondônia, Roraima, and Tocantins, in addition to part of the State of Maranhão. It encompasses not only the Amazon biome but also part of the so-called 'Cerrado' savanna (open pasture with patches of stunted vegetation), in addition to part of the Pantanal wetlands of Brazil (the richest biodiversity biome in South America).
- **Cerrado Biome:** composed especially of savanna, the Cerrado (open pasture with patches of stunted vegetation) biome represents the second largest vegetation formation in Brazil, with 22% of the Brazilian territory. Its continuous area covers the Brazilian states of Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Bahia, Maranhão, Piauí, Rondônia, Paraná, São Paulo, and the Federal District, as well as the enclaves in the Brazilian States of Amapá, Roraima, and Amazonas. The Cerrado vegetation does not have a single aspect, as along its extension it is possible to find several phytophysiognomies (aspects of the peculiar vegetation of a region).
- **Environmental Areas Permanently Protected (APP):** these are legally-protected areas, covered or not by native vegetation, with the environmental function of preserving water resources, landscape, geological stability and biodiversity, facilitating the genetic flow of fauna and flora, protecting the soil and ensuring the well-being of human populations.
- **Deforestation/Conversion of native vegetation:** total or partial removal of natural and/or native vegetation (in the case of Conversion of native vegetation), resulting from: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a planted forest; or (iii) severe and continuous degradation.
 - » **Legal deforestation:** vegetation suppression in rural properties under the consent of a public agency and formalized through the Consent for Suppression of Native Vegetation or another equivalent documentation.





3. TERMS, EXPRESSIONS AND DEFINITIONS



- » **Illegal deforestation:** vegetation suppression on rural properties without the legally-required prior consent from the public agency or carried out in areas that could not have been deforested.
- » **Non-deforestation (free from deforestation):** Livestock production that does not cause or contribute to deforestation.
- **Rural Environmental Registry (CAR):** electronic self-declaration public registry, mandatory for all rural properties, the purpose of which is to integrate the environmental information of rural properties and rural possessions for control, monitoring, environmental planning and fighting deforestation.
- **Brazilian Forest Act (“Código Florestal”):** a law that provides for the protection of native vegetation within the Brazilian territory. It determines the areas that must be preserved and which regions are allowed to receive different types of rural production. It sets forth the rules to be followed by rural properties for coexistence with natural resources. In particular, it defines the Legal Reserve, a mandatory portion of rural property that must be maintained with native vegetation. The area intended to such Legal Reserve depends on the geographic location of the property and the biome existing therein. Its last review was approved in May 2012.
- **Public Livestock Commitment (CPP):** an initiative led by Greenpeace in 2009 with the four largest Brazilian slaughterhouses at the time (the so-called G4). Such commitment sets forth that its signatories should not buy animals raised on properties that do not comply with the “Minimum Criteria for operations with cattle and bovine products on an industrial scale within the Amazon Biome”. Such criteria include respect for social and environmental legislation, in addition to forbidding any deforestation activity in the area, even the kind of deforestation that could count on some kind of legal consent issued by a competent environmental agency.
- **CPF/CNPJ (respectively: CPF stands for “Individual Taxpayer Registry”, while CNPJ stands for Federal Taxpayer Registry for Companies):** they are required registries kept by the Brazilian Federal Revenue for all individuals and organizations.



3. TERMS, EXPRESSIONS AND DEFINITIONS

- **Cut-off date or deadline for non-deforestation and non-conversion commitments undertaken (TACs, CPP):** date after which a deforestation or conversion makes a given area or production unit non-compliant with non-deforestation or non-conversion commitments, respectively.
- **Environmental embargo for deforestation:** sanction applied by the state or federal environmental authority due to the confirmation of a crime or environmental violation, which aims at promoting the restoration of the environment and make the recovery of the degraded area feasible. Economic activities such as raising and selling cattle in the embargoed area cannot be carried out.
- **Direct farm (Tier 2):** last farm the animal was on before it became the possession of the one who slaughtered it.
- **Indirect farm (Tier 3 or more):** cattle breeders prior to the direct farm. They are also called “indirect suppliers”.
- **Slaughterhouse (Tier 1):** production unit performing the activities of purchasing and slaughtering cattle.
- **Working Group on Indirect Suppliers (GTFI):** an initiative led by NGOs NWF and Friends of the Earth aimed at encouraging cooperation between players in the chain on the subject of indirect suppliers.
- **Animal Transportation License (GTA):** official document required by law to be issued in any case of transportation of animals between different district, cities, or states of Brazil for any purpose (slaughter, recreation, fattening, breeding, exhibition, auction, sports, and other).
- **Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA):** an agency bound to the Ministry of the Environment that is responsible for ensuring the maintenance and preservation of areas of natural wealth such as forests and rivers.





3. TERMS, EXPRESSIONS AND DEFINITIONS



- **Cattle Washing/ Leaking:** mispractices that allow animals from farms that do not adhere to/comply with socio-environmental criteria to be slaughtered and sold on the Brazilian market, or through an intermediate approved farm that sells to slaughterhouses that are monitored by/comply with socio-environmental criteria (cattle washing) or through slaughterhouses that do not comply with socio-environmental criteria (leak).
- **Rural Environmental License (LAR):** a document that makes part of the Brazilian National Environment Policy (PNMA) the key purpose of which is to ensure that activities meet the standards of environmental compliance, pursuant to the current laws in force.
- **Forest Management:** According to the definition of the Accountability Framework Initiative, forest management involving selective tree logging for the purpose of conserving natural ecosystems is accepted with the appropriate authorizations from the competent agency and in this case, it is not considered deforestation.
- **Cerrado Manifesto:** a letter undersigned by 40 environmental organizations that blew the whistle about the destruction of the Cerrado biome in areas transformed into agricultural activities. This initiative was supported through the Statement of Support of Cerrado Manifesto (SOS) by Brazilian and international companies, such as the Casino Group and GPA.
- **Federal Public Prosecution Service (MPF):** a public body that is part of the Federal Public of the Union led by the Attorney General of the Union of Brazil. The function of MPF is to defend the social and individual rights of citizens before the Federal Supreme Court, the Superior Court of Justice, federal regional courts and federal judges. The MPF also acts preventively, out of court, by making recommendations, holding public hearings, and executing agreements through the so-called Environmental Conduct Adjustment Agreement (TAC).
- **NGO:** non-governmental organization.
- **Processor/ Distributor/ Warehouse:** unit that transforms beef cuts into final beef products. Its activities do not include direct livestock purchasing.



3. TERMS, EXPRESSIONS AND DEFINITIONS

- **PRODES:** a project developed by INPE, the Brazilian Federal Institute for Space Research, bound to the Federal Department of Science, Technology, Innovation and Communications. This project, for Deforestation Monitoring, makes it possible to find areas deforested by clear cutting in the Amazon biome and thus know the annual deforestation rates in the region.
- **Traceability:** ability to track the production path of a product or its components, from the origin of the raw material to the final product, through information on production, processing, manufacturing and distribution.
- **Federal Inspection Service (SIF):** monitoring and inspection system of the Federal Department of Agriculture of Brazil to assess food quality and safety in facilities of products of animal origin.
- **Indigenous lands:** lands donated by third parties, acquired or expropriated by the Brazilian Federal Union, which are intended for the permanent possession by indigenous peoples. These are lands that also belong to the Union's heritage, but that are distinguished from lands of traditional occupation.
- **Slave labor/ conditions similar to slavery:** recruitment, transportation, transfer, shelter or reception of people, by means of any threat or use of force or other form of coercion, abduction, fraud, artifice, abuse of power or position of vulnerability, or delivering or receiving payments or benefits to achieve the consent of a person under the control of another person, for the purpose of exploitation.
- **Environmental conservation unit:** territorial spaces and their components, with relevant natural characteristics, legally determined by the government, with preservation/ conservation purposes and defined limits, under a special administration regime.
- **Environmental Conduct Adjustment Agreement (TAC):** out-of-court agreement executed between the government and organizations/individuals that caused damages to diffuse interests, collective interests or homogeneous individual interests. Those ones that cause damages are thereby committed to adjust their conduct to comply with the requirements of the law, being subject to sanctions.





4. GENERAL GUIDELINES



4.1 CONTEXT

Native forests and vegetation provide important ecosystem services for maintaining life: they provide habitat for half of all known plant and animal species and livelihoods for millions of people in rural and traditional communities. In addition, forests have a fundamental role in regulating the planet's climate, in guaranteeing water (distribution of rain that feeds rivers), and are an important carbon reservoir. Deforestation or transformation of native vegetation into pasture increases greenhouse gas emissions, which may contribute to triggering extreme weather events that destabilize ecosystems, threatening the survival of traditional and indigenous peoples and impacting economic activities.



4. GENERAL GUIDELINES

4.1 CONTEXT

The **Brazilian Forest Act**, revised in 2012, sets forth the rules to be followed by rural properties for coexistence with natural resources. In particular, it defines the Legal Reserve, a mandatory portion of rural property that must be maintained with native vegetation. The area intended to such Legal Reserve depends on the geographic location of the property and the biome existing therein. Accordingly, it was set forth that in the Brazilian states of the Legal Amazon, for properties containing the Amazon biome, the legal reserve must represent 80% of the rural property as stated by every owner thereof; for properties located in the Cerrado area, such legal reserve area must represent 35%; all other areas in Brazil (including areas of general fields in the Legal Amazon) must maintain 20% as Legal Reserve. The Brazilian Forest Act allowed that the Environmental Areas Permanently Protected (APP) could be considered in the calculation of the Legal Reserve (provided, however, that they are preserved and if this calculation does not result in the conversion of new areas within the property) and to be reduced due to the Ecological Economic Zoning and the presence of a certain proportion of protected areas in the corresponding municipality or State of Brazil.

Failure to comply with such **Brazilian Forest Act** can subject violators to fines, embargoes from areas or production units, and damage to the companies' reputation. Thus, in a preventive and out-of-court manner, many meatpacking companies have executed such Environmental Conduct Adjustment Agreement (TACs) with the Federal Public Prosecution Service (MPF), undertaking the commitment in 2008 not to buy from farms located in the Amazon biome that do not comply with all legal and socio-environmental requirements. In addition, in 2009, some meatpacking companies decided to adopt voluntary commitments, called "Public Livestock Commitments", which consider the same criteria as those so-called TACs, but which additionally, as regards deforestation, include the commitment of not buying from farms, not only with illegal deforestation but also with legal deforestation in the Amazon biome, as of the year it was executed.





4. GENERAL GUIDELINES

4.1 CONTEXT

The livestock activity involves several stages, often with more than one farm and rancher, according to the simplified process below.



In spite of the progress made in the traceability of this chain, tracing the origin and monitoring the indirect farms are still complex challenges for meatpacking plants, considering that there is a vast number of potential indirect farms in Brazil.

GPA believes that native vegetation and forests should be protected. For this reason, in the last 10 years its policies and processes for monitoring the beef production chain supplied by slaughterhouses have been continuously evolving, in addition to dialoguing jointly with suppliers, governments, inspection agencies, social organizations, among others in the search for practices and available and accessible technology for greater control of such production chain. We understand that the participation and commitment of everyone, especially our suppliers, is indispensable to contribute positively in this scenario.

*A processor is not mandatory in the supply chain.



4. GENERAL GUIDELINES

4.2 COMMITMENTS BY GPA

GPA, aware of its role in the Brazilian market, seeks to be a transformative agent of society, adopting the best practices in its businesses. In line with its purpose of making supply chains more responsible, it seeks to cooperate to mitigate social and environmental risks and build a relationship of trust with our customers and stakeholders. Based on that, it sets forth a **Social and Environmental Policy for the Purchase of Beef** for all its suppliers of fresh or processed, chilled or frozen beef.



4.2.1 Commitments in favor of non-deforestation and the promotion of human rights

GPA aims at **fighting deforestation** and the conversion of native vegetation into pastures in its supply chains, promoting the long-term **protection of native biomes** and the Brazilian cultural heritage, promoting the **respect for the International Declaration of Human Rights**, and respecting the rights and way of life of indigenous peoples, local communities and workers.



4. GENERAL GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.1 Commitments in favor of non-deforestation and the promotion of human rights

For that reason, in the beef production chain, **GPA** and **its suppliers** that sell beef of Brazilian origin must respect the following principles, applicable for the entire production of our suppliers' plants:

- Free from deforestation and conversion of native vegetation,
- Free from conditions similar to slave/ child labor,
- Free from environmental embargoes due to deforestation,
- Free from invasions of indigenous lands,
- Free from invasions in environmental conservation areas, and,
- They should be registered with CAR (Rural Environmental Registry) and hold an environmental license, when applicable.

Such principles guide the operational standards set forth by the **Monitoring Protocol for Cattle Suppliers in the Amazon** as detailed in paragraph **5.2.5 Social and environmental monitoring of farms**, which all suppliers must respect and comply with.





4. GENERAL GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.1 Commitments in favor of non-deforestation and the promotion of human rights

This commitment supplements the commitments that had already been undertaken by **GPA** in favor of respecting international workers' rights, as set forth by the *Suppliers' Charter of Ethics*.

Thus, **GPA** is committed to contributing to responsible and sustainable livestock farming in Brazil, as well as conducting business with integrity, compliance and transparency, respecting the laws in force, in all its business units.

In addition, by virtue of its own Policy, **GPA** only purchases beef from suppliers with the Federal Inspection Service (SIF) inspection seal, which is bound to the Brazilian Federal Department of Agriculture, responsible for ensuring the quality of products of animal origin and ensuring traceability and quality for consumers, complying with the current domestic and international laws.





4. GENERAL GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.2 Other commitments and tools

In addition to such commitments, our work in the Transformation of the Value Chain is based on some guiding and normative documents of the partner associations or of which we are signatories:

- Principles of the United Nations Organization (UN);
- 17 UN Sustainable Development Goals (SDGs);
- Federal Pact for the Eradication of Slave Labour in Brazil;
- UN Declaration on the Rights of Indigenous Peoples;
- UN Guiding Principles on Business and Human Rights;
- The fundamental human rights described in the UN International Human Rights Charter (which consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights);
- Eight fundamental Conventions of the International Labor Organization (ILO);
- Declaration of Fundamental Principles and Rights at Work by the International Labor Organization (ILO);
- Registration Tool for Employers that have kept workers under conditions similar to slavery - “Dirty List” (Interministerial Ordinance MTE/SDH number 2/2011).





4. GENERAL GUIDELINES

4.2 COMMITMENTS BY GPA

4.2.2 Other commitments and tools

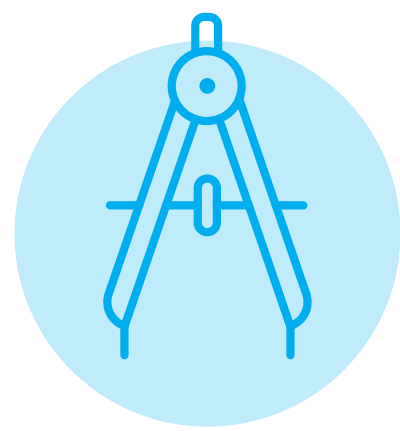
Focus n°1: Sustainable Development Goals (SDGs) - United Nations

The Policy is in line with **Goal No. 15 - TERRESTRIAL LIFE** as defined by the United Nations: protect, recover and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt the loss of biodiversity.

The other sustainable development Goals can be found *here*.



To reinforce our position we have also undertaken public commitments in favor of Sustainability, which can be checked on our institutional website: <https://www.gpabr.com/en/sustainability/commitments/>



5. SPECIFIC GUIDELINES

GPA seeks to establish a solid and well-defined governance for a transparent and consistent management, setting forth clear and objective rules, as well as guidelines and procedures in line with best practices and prioritizing improvements in controls.

5.1 PROCESSES THROUGHOUT GPA

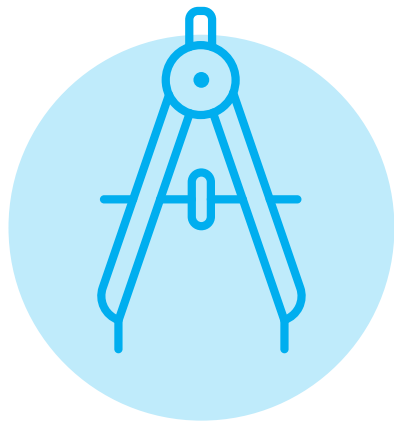
To implement this Policy in its businesses, **GPA** has set forth the following processes over its entire operating strategy:

5.1.1 Internal Engagement & Awareness



GPA understands that the implementation of and compliance with the Policy depends on the engagement of internal teams, from team leaders to operational areas. Thus, all the Group's associates involved in the beef purchase process are annually trained and updated on procedures to comply with this Policy, and are aware of their role and responsibilities in its implementation, in following up and monitoring suppliers, and in the engagement and awareness of our service providers, suppliers and customers, providing transparency about the origin of the meat sold.





5. SPECIFIC GUIDELINES

5.1 PROCESSES THROUGHOUT GPA

5.1.2 Inclusion of Suppliers & Remediation Process

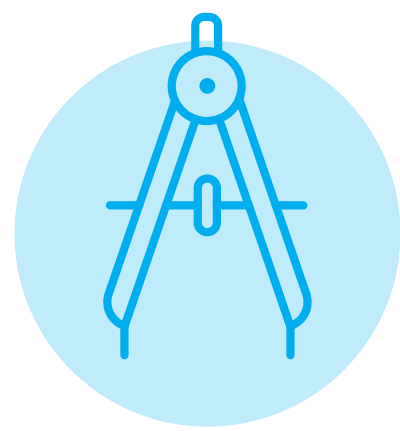
Since the first version of the Policy was published in 2016, **GPA** has always sought to support its suppliers to improve themselves, regardless of their size, so that they could meet this Policy requirements (according to [section 5.2](#)), and thus guarantee the positive evolution of the sector's practices.

For every new supplier, **GPA** makes available and provides training able to support it in adhering to the Group's guidelines. The potential supplier must fully comply with the Policy to start supplying to **GPA** or keep being its supplier. Suppliers that refuse to comply with such implementation or monitoring requirements are blocked and cannot supply to any business unit in the Group.

The supplier that ceases supplying to **GPA** for noncompliance with the Policy and that wishes to resume supplying, must show all pieces of evidence to be readmitted as a business partner.

GPA encourages its meatpacking suppliers or processors that have blocked livestock suppliers due to any noncompliance to be transparent with their suppliers, explaining the reasons for their blocking and encouraging them to adapt themselves to the corresponding requirements and performing the required forest restoration of the deforested area, when applicable.





5. SPECIFIC GUIDELINES

5.1 PROCESSES THROUGHOUT GPA

5.1.3 Monitoring & control of policy implementation and compliance by suppliers

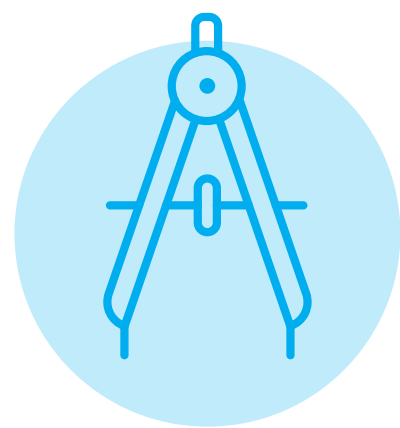
GPA sets forth the suppliers' responsibilities in **section 5.2**. The company strictly monitors its suppliers to verify whether they are complying with the Policy through visits, internal or external audits, controls, and monitoring of suppliers' data.

For each supplier, **GPA** keeps updated documentation regarding compliance with the Policy, the business agreement containing the **Suppliers' Charter of Ethics**, and evidence of compliance with the corresponding traceability and geomonitoring tools.

Regarding traceability, **GPA** has adopted its own traceability tool in which data of direct origin and data of goods dispatch are made available by suppliers. Thus, **GPA** can continuously check the data transferred with the criteria set forth in **paragraph 5.2.2**.

As regards socio-environmental monitoring, every supplier that buys livestock has the obligation to adhere to a geomonitoring tool (as set forth in **paragraph 5.2.3**) and the homologation data of the farms must be integrated into **GPA's** specific traceability tool. With each purchase of livestock it is confirmed that the socio-environmental monitoring of the farms has been carried out and that it is compliant with the Policy.





5. SPECIFIC GUIDELINES

5.1 PROCESSES THROUGHOUT GPA

5.1.3 Monitoring & control of policy implementation and compliance by suppliers

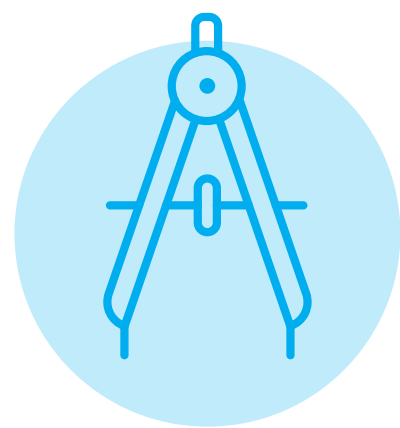
Aiming at checking if such data are compliant and controlling whether the information was received, **GPA** has a random quarterly internal audit process to check the correct input and accuracy of all data and compliance with the Policy.

As **GPA** is a co-developer of some tools and user of the Platform of the **Beef On Track Project**, from the **NGO Imaflora** (see table in **section 5.2.1**), it requires its suppliers to be transparent about the results of independent third-party audits, according to the **Audit Protocol for Livestock Suppliers in the Amazon**, and it takes consequential measures if the results show a lack of compliance with the Policy.

GPA develops quantitative and qualitative **Key Performance Indicators (KPIs)** for the quarterly monitoring of compliance with the Policy and of the suppliers themselves, in order to compare the performance between all suppliers, thus allowing the valuation of those having better rates, which will be entitled, for example, to priority in purchases, including:

- % of supplying farms with CAR (Rural Environmental Registry)
- % of suppliers that are compliant with the Policy
- % of volume of beef purchased that is compliant with the Policy
- % of farms monitored by suppliers
- % of suppliers that meet the No-Deforestation criteria
- % of invoices with direct source data provided and bound to our purchases
- % of meat volume from suppliers using geomonitoring system





5. SPECIFIC GUIDELINES

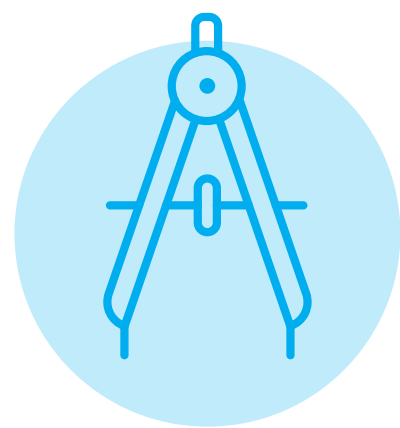
5.1 PROCESSES THROUGHOUT GPA

5.1.3 Monitoring & control of policy implementation and compliance by suppliers

GPA seeks to follow up its suppliers' compliance with its Policy as well as the implementation of its Policy and its own compliance with its commitments.

When technologies evolve or new information becomes available, **GPA** adjusts its monitoring program, as well as its controls, in a process of continuous improvement.





5. SPECIFIC GUIDELINES

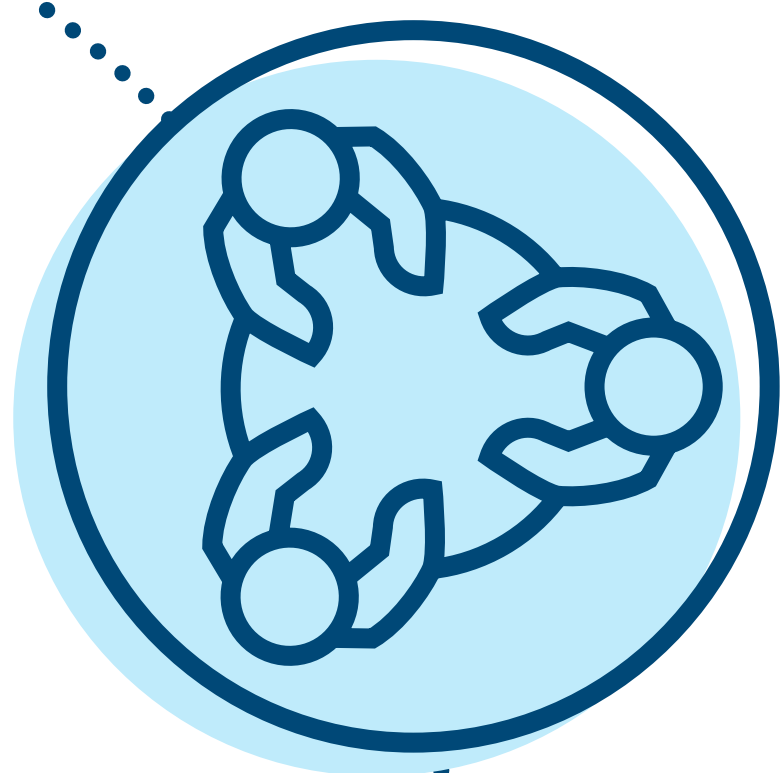
5.1 PROCESSES THROUGHOUT GPA

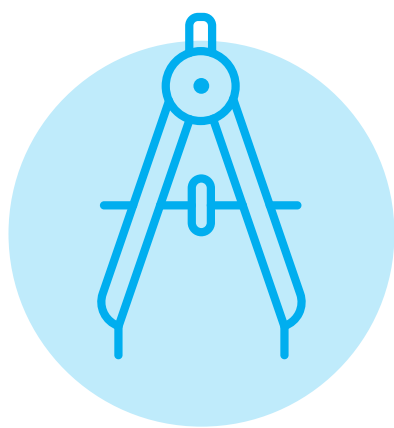
5.1.4 Collaboration between all stakeholders of the chain

To achieve continuous improvement and contribute to sustainable livestock breeding in Brazil, **GPA** understands that the work must be carried out collaboratively through the active and effective engagement of all stakeholders, such as suppliers, civil society, representatives of producers, competitors, governments, and customers.

In particular, **GPA** seeks to:

1. Strengthen the alignment of all players in the sector in relevant forums for the nationwide and state wholesale and retail sectors in order to encourage the adoption of common meat-purchase criteria among companies in the sector;
2. Act in favor of a cooperation between companies to reinforce the final Policy goals, such as: geomonitoring process of slaughterhouses, independent verification process of geomonitoring systems, and reintegration of livestock suppliers that were blocked by the systems;
3. Conduct diagnostics and pilot initiatives to strengthen their processes in identifying indirect farms and finding a solution to enable slaughterhouses to monitor them;
4. Strengthen and support initiatives that aim at reintegrating blocked farms so that the chain has the possibility to remedy non-conformities and adapt to and comply with socio-environmental criteria;
5. Monitor and contribute to discussions and developments on monitoring other biomes.





5. SPECIFIC GUIDELINES

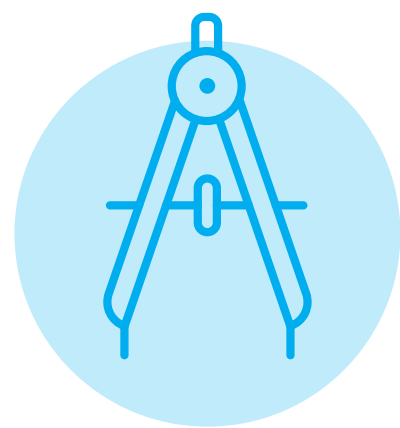
5.1 PROCESSES THROUGHOUT GPA

5.1.5 Results Disclosure

The disclosure of results connected to the actions and projects of Transformation of the Value Chain is particularly performed on the ***Annual and Sustainability Report***. GPA cares about the agility and consistency in the disclosure of information, its commitment to the securities and exchange market and its respect to shareholders and investors.

As regards activities connected to the implementation of the Social and Environmental Beef Purchasing Policy, GPA understands the importance of sharing its advances, challenges and achievements and, therefore, undertakes to publicly report the Policy, the implementation plans and the reports of progress related thereto, including the publication of KPIs. Thus reflecting the advances of our suppliers regarding compliance with the Policy and seeking independent checking of its implementation progress. GPA is also committed to setting goals, deadlines, and results on its ***Annual and Sustainability Report***, also through extraordinary reports whenever necessary, ensuring transparency with its consumers and other stakeholders regarding the monitoring of purchased meat.





5. SPECIFIC GUIDELINES

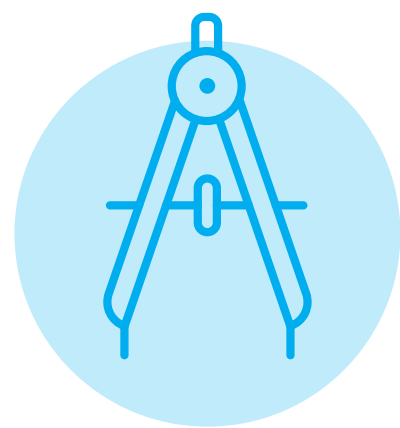
5.1 PROCESSES THROUGHOUT GPA

5.1.6 Social investments for the preservation of forests

GPA aims at being a transformative agent of society, positively impacting the entire chain. It understands the importance of small producers and family farming in the preservation and conservation of environmental resources such as Brazilian forests. Accordingly, its brands, through the **GPA Institute**, develop projects that seek to value the small producer and thus contribute to the long-term protection of native forests.

To learn more about **GPA Institute**'s initiatives, please visit:
<http://institutogpa.org.br/en/home-2/>





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

Suppliers are key actors and are primarily responsible for this Policy to be complied with.

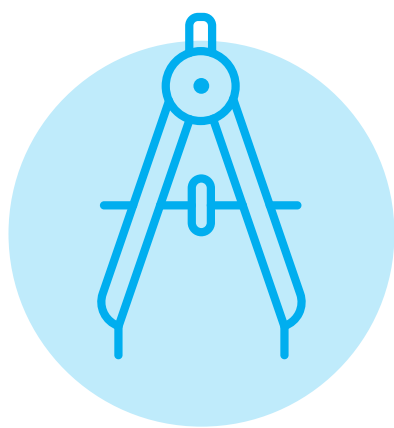
5.2.1 Adherence to this Policy

Every supplier of beef of Brazilian origin, whether fresh or processed, chilled or frozen, must adhere to the Policy and undersign the **Term of Responsibility** included in the resale agreement.

5.2.2 Compliance with GPA's Code of Ethics

In addition, all resale suppliers must comply with all current laws and regulations, know the values and respect the ethical principles set forth in the ***GPA's Code of Ethics*** and the ***Diversity and Human Rights Policy***.





5. SPECIFIC GUIDELINES

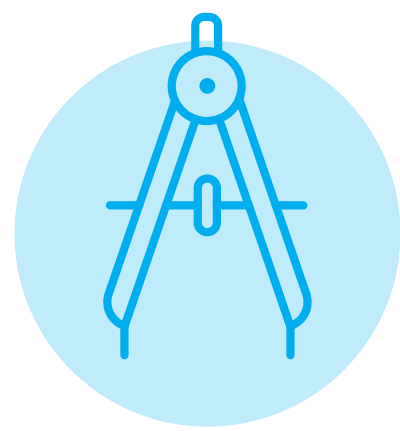
5.2 SUPPLIERS' RESPONSIBILITIES

5.2.2 Compliance with GPA's Code of Ethics

According to the *Ethics Charter for Suppliers*, all **GPA**'s suppliers must follow the standards provide for therein, under any circumstances, within the Group's supply chain, its subsidiaries and subcontractors, in order to ensure that:

- Employees are treated with respect and dignity in an environment that provides safe and healthy working conditions;
- Appropriate mechanisms are set for the preventive management of risks connected to their corresponding operating segment;
- The culture of safety and health at work should be disseminated, establishing educational processes to promote such subjects;
- Production or service provision processes are carried out in the most environmentally-friendly and animal-friendly manner possible;
- Business relations performed by every supplier shall be developed in an ethical and exemplary manner, within the strictest compliance with the law, regulations and internal standards of the Group, as well as being free from any kind of undue favoring, active or passive corruption of public agents, extortion, or fraud of any kind.





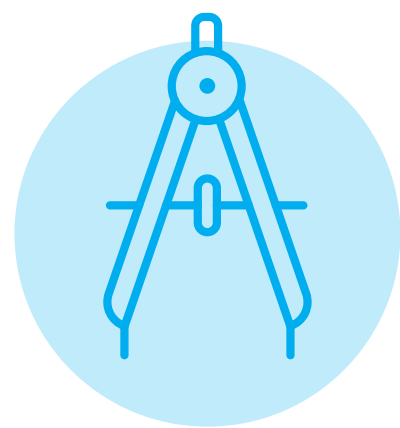
5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.2 Compliance with GPA's Code of Ethics

For processors, distributors and warehouses that do not buy livestock, the same responsibility is expected when **choosing their slaughterhouse suppliers**, considering the processes set forth in this Policy. **Meatpacking plants that have been blocked by GPA** will not be able to supply beef intended for **GPA** to processors, distributors and warehouses in our chain.





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.3 Monitoring Protocol for Cattle Suppliers in the Amazon

Suppliers with at least one meatpacking plant located within the Amazon biome or making purchases of livestock in the Amazon biome must necessarily become users of the Protocols of the so-called **Beef On Track Project** (please see box below) and guarantee that the farms are compliant with the 12 criteria required by it in their purchasing process. In addition, **GPA** requires these suppliers to adopt a non-deforestation commitment in the Amazon Biome, in line with **GPA's** Policy. **GPA** recognizes as good practice the execution of an Environmental Conduct Adjustment Agreement with the Federal Public Prosecution Services in the Brazilian States where the plants are located.

To access details of the **12 criteria**, check the ***Beef On Track's Monitoring Protocol*** and the ***Process Flowchart***:



*Beef on Track's
Monitoring Protocol
(in English)*



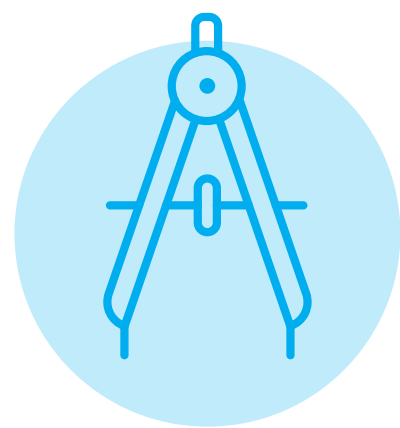
*Beef on Track's
Process Flowchart
(in Portuguese)*

Focus 2: Beef on Track Project

GPA collaborates on the **Beef On Track Project**. Created in 2019 by the **NGO Imaflora** in partnership with the Federal Public Prosecution Service for the activities related to Environmental Conduct Adjustment Agreements (TAC), the project aims at strengthening the social and environmental commitments of the beef production sector, while boosting the implementation thereof. To this end, Imaflora has been cooperating with meatpacking plants, public prosecutors, NGOs and retailers in improving and providing technical clarification on the criteria and technical instruments for monitoring and verifying the commitments executed.

Further information can be found on such project website: <https://www.beefontrack.org/>





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.3 Monitoring Protocol for Cattle Suppliers in the Amazon



Focus 3 : Criteria for the Monitoring Protocol for Cattle Suppliers in the Amazon:

Criteria for the protocol for monitoring livestock suppliers in the Amazon to comply with TACs (*Environmental Conduct Adjustment Agreements*) executed:

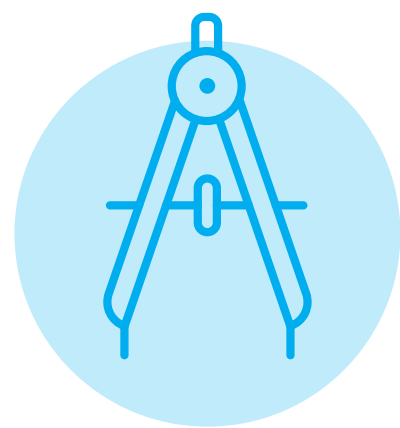
- | | | |
|--|---|--|
| 2.1. Illegal deforestation (cut-off date: August 2008) | 2.5. Changes to CAR (Rural Environmental Registry) Limits | 2.8. Rural Environmental Registry (CAR) |
| 2.2. Indigenous Lands | 2.6. Environmental embargo (IBAMA and SEMAS/PA) | 2.9. Rural Environmental Licensing in the State of Pará (Brazil) |
| 2.3. Preservation units | 2.7. Slave-like Work | 2.10. Animal Transportation License (GTA) |
| 2.4. Environmental embargo (IBAMA) | | 2.11. Productivity |

Criteria for the protocol for monitoring cattle suppliers in the Amazon to comply with TACs (*Environmental Conduct Adjustment Agreements*) executed to meet the Public Livestock Commitment:

- 3.1 Zero deforestation (cut-off date: October 2009)

Such Protocol also provides the rules for assessing the compliance with the aforementioned criteria and also the accepted measures to readmit those blocked livestock suppliers.

Further details of the Monitoring Protocol can be found on the project's website: <https://www.boinalinha.org/>



5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

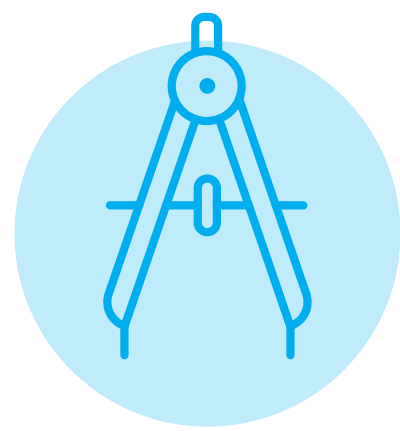
5.2.4 Traceability down to the direct origin

For each **GPA** purchase, every beef supplier must enter information on the **traceability tool** about the direct origin of the meat sold to **GPA**. In the case of meatpacking suppliers, all information about direct farms that have a business relationship must be provided with the information from the **Rural Environmental Registry** (CAR) of the farms and the corresponding **tax id** (CPF/CNPJ) of the **livestock breeders**. Information on the origin of meat purchased from slaughterhouses and indirect traders should also be provided, if applicable.

Suppliers having meatpacking plants must also provide non-financial information on livestock purchases (quantity, day of purchase, Animal Transportation License - GTA) and on the slaughter of animals (day of slaughter) on the **traceability tool**. Such pieces of information must be linked to that of shipments to **GPA**, complying with the principle of traceability.

For greater efficiency in the process of providing such information, the integration of the plant management systems with the **traceability tool** is recommended.





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.5 Social and environmental monitoring of farms

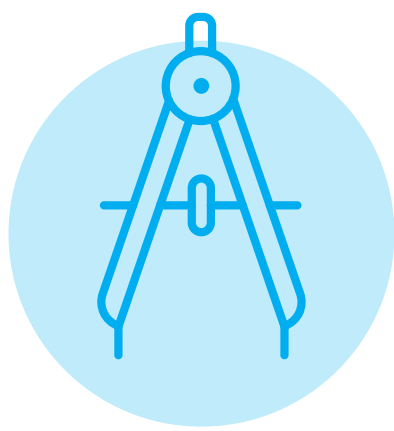
All suppliers that have slaughtering activities must implement a geomonitoring tool, regardless of the geographical location of their plant(s), and ensure that all cattle batches purchased comply with the criteria of this Policy, regarding the total production of the slaughterhouse. If a direct farm has any non-compliance with the **Monitoring Protocol for Cattle Suppliers** (according to the criteria below), such farm must be suspended from supplying to slaughterhouses.



5.2.5.1 The Amazon Biome

Meatpacking plants located in the Amazon biome, or that purchase livestock in such biome must ensure the compliance of the farms considering the **Monitoring Protocol for Cattle Suppliers in the Amazon** (please see **section 5.2.3** above), of which **GPA** has been a signatory since early 2020.

The supplier must meet all 12 criteria of the Monitoring Protocol for Cattle Suppliers in the Amazon and cannot accept livestock from farms with deforestation according to the cut-off dates set forth in the Protocol for Monitoring Livestock Suppliers in the Amazon.



5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.5 Social and environmental monitoring of farms

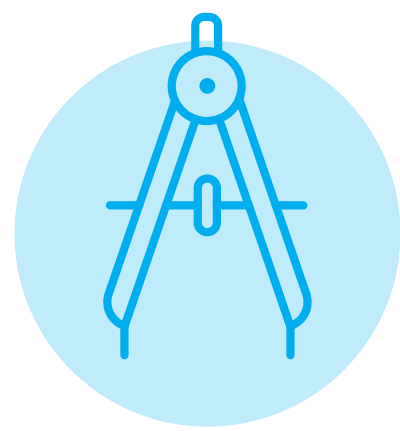
5.2.5.2 Other Brazilian biomes

Whatever the biome, the farms and the suppliers have to be in compliance with the **Brazilian Forest Code** and all the current legislations.

GPA has been a signatory to the *Statement of Support to the Cerrado Manifesto* since 2017. *The Cerrado Manifesto* recognizes the ecological and social value brought by the second largest Brazilian biome as well as the need to implement measures to combat deforestation in the companies buying from the biome. GPA supports its objectives and is committed to working with Brazilian and international actors to halt deforestation and native vegetation conversion in the Cerrado. Access details of the *Manifesto* and the *Statement of Support*.

We reinforce that slaughterhouse suppliers must monitor farms located in other biomes based on the socio-environmental criteria set forth in sections 2.2 to 2.11 of the Monitoring Protocol for Cattle Suppliers in the Amazon, as such criteria are applicable to the entire Brazilian territory. GPA does not accept farms that do not respect such criteria in its supply chain.





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

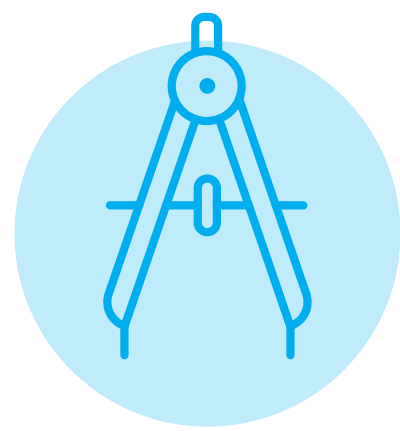
5.2.5 Social and environmental monitoring of farms

5.2.5.2 Other Brazilian biomes

Also, **GPA** recognizes the need for the definition of a common cut-off date for the Cerrado biome validated by all the stakeholders in order to implement deforestation/conversion of natural vegetation criteria in the monitoring process of the direct farms and will continue to take part in the sectorial discussions to establish this date.

Through this commitment, **GPA** seeks with its business partners common, replicable, global solutions and technologies that enable the monitoring of farms located in the Cerrado biome based on the principles of efficiency, transparency and capacity of our suppliers.





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.5 Social and environmental monitoring of farms

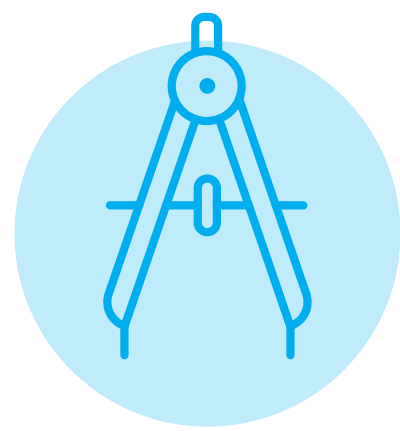
5.2.5.3 Indirect Farms

GPA recognizes:

- The challenge for our suppliers to **monitor indirect farms** (which are Tier 3 or 4 in our supply chain).
- The importance for our suppliers to improve and reinforce all means of controlling indirect farms as soon as possible, implementing sectorial processes and solutions.

In fact, indirect farms are still a challenge to be tracked and monitored in a continuous process and on a large scale by meatpacking plants. It is also a challenge to track illegal practices such as livestock laundering and leakage.





5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

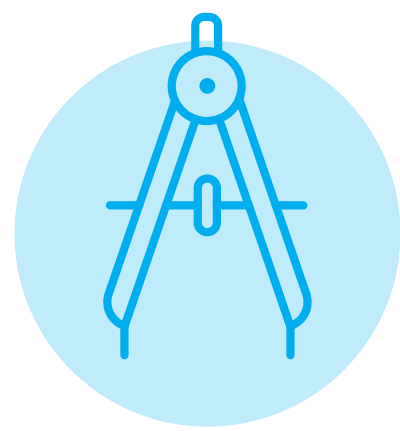
5.2.5 Social and environmental monitoring of farms



5.2.5.3 Indirect Farms

GPA seeks to take part in Brazilian and international working groups on such topic of indirect farms to understand the technical, administrative and operational challenges of tracking and monitoring, to learn about initiatives and tools, and to conduct pilots with our suppliers. Accordingly, **GPA** is part of the **Working Group for Indirect Suppliers (GTFI)**, created by **National Worldlife Federation (NWF)** and **Friends of the Earth**. This working group includes the key players (producers, factories, retailers, civil society and public departments) and seeks to foster sustainable initiatives to monitor indirect farms and to promote sustainable beef production.

GPA participates, supports and encourages pilot projects involving its suppliers to define, test the monitoring of indirect farms and, if the project is efficient, develop a large-scale Monitoring.



5. SPECIFIC GUIDELINES

5.2 SUPPLIERS' RESPONSIBILITIES

5.2.5 Social and environmental monitoring of farms

5.2.5.4 Suppliers of Exclusive Brands

Farms that supply beef sold under our **Exclusive Brands** must respect the Beef Purchase Policy and ensure full traceability since the birth of the livestock, and must be part of a specific program for socio-environmental monitoring and control. By means of the latter, **GPA** seeks to value sustainability in its business relationship and encourage the adhesion of initiatives to promote sustainable development since the farm level.

Such monitoring includes a diagnosis and field checking, focusing on socio-environmental and quality criteria to assess legal, environmental, social, economic, animal welfare, and traceability aspects. Thus, the process will be able to identify points for improvement and best practices such as monitoring biodiversity, analyzing soil fertility, creating local employment opportunities, among other ones.





6. WHISTLEBLOWING CHANNEL

GPA makes the **Whistleblowing's Channel** to its employees, suppliers, service providers, customers, social institutions, partners and defenders of the environment and human rights.

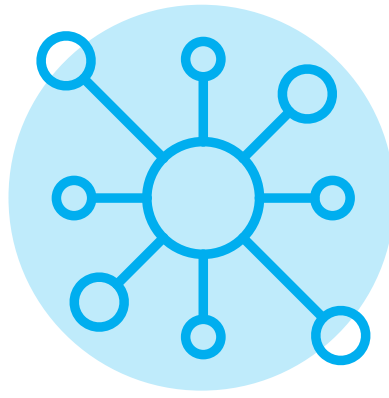
It is the official tool for receiving complaints, dissatisfactions and reports of violations for non-compliance with the **Social and Environmental Beef Purchasing Policy** and seeks resolution in an expeditious and effective manner.

Violations to this Policy, the Company's Code of Ethics or any topic in the Supplier's Charter of Ethics can be reported through the following channel: ***ouvidoria@gpabr.com.br***. It will be investigated in a confidential manner, allowing even anonymity of whistle-blowers.



WHISTLEBLOWING CHANNEL (from Monday to Saturday, from 8 am to 8 pm)

- | | | |
|-------------|---------------|-------------------------------|
| • GPA | 0800 055 5711 | <i>ouvidoria@gpabr.com</i> |
| • GPA Malls | 0800 055 5711 | <i>ouvidoria@gpamalls.com</i> |



7. REFERENCES

FOR CASES NOT COVERED BY THIS POLICY, PLEASE READ THE FOLLOWING SPECIFIC POLICIES:



CODE OF ETHICS



ETHICS CHARTER
FOR SUPPLIERS



ENVIRONMENTAL
MANAGEMENT POLICY



DIVERSITY AND
HUMAN RIGHTS POLICY



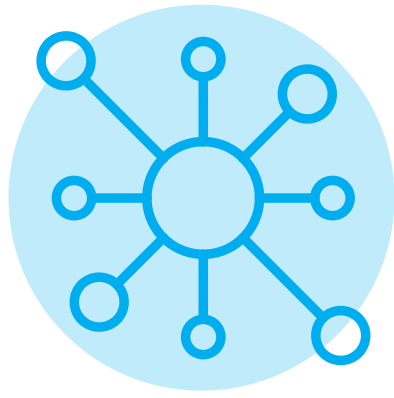
Regarding the
Beef on Track
Project, access to:



THE MONITORING PROTOCOL
(link in English)



THE PROCESS FLOWCHARTS
(link in Portuguese)



8. NETWORK

GPA supports the following initiatives:

GPA is co-developer of some tools and user of the platform of:

- Beef on Track Project, by Imaflora

GPA is committed to the following organizations, and provides reports on their progress:

- InPacto
- CDP

GPA takes part in the following working groups and activities for the establishment of good practices:

- Indirect Suppliers Working Group (GTFI)
- Tropical Forest Alliance (TFA)
- Proforest



GPA follows and relies on the following initiatives to feed our continuous improvement process:

- Collaboration for Forests and Agriculture (CFA)
- Forest 500
- Accountability Framework Initiative
- Global Compact
- Consumer Goods Forum
- Ethos Institute
- Aliança da Terra [Earth Alliance]



9. POLICY UPDATES

GPA acknowledges that full compliance with the goals of this Policy is a continuous improvement process. As a result of the diagnosis carried out by the specialist consultancy **Proforest** in 2018-2019, **GPA** updated its **Social and Environmental Beef Purchasing Policy** implemented in 2016 so that it better reflects the company's progress and can meet the most demanding standards regarding the implementation of purchasing policies (such as the recognized **Accountability Framework Initiative**).



10. POLICY VALIDATION

This Policy was approved on July 29th, 2020 by the **Sustainability and Governance Committee** that advises the **Board of Directors**. It was published on September 5, 2020 and replaces the Beef Purchasing Policy adopted in 2016.

The **Portuguese version** of the Policy is the original version of the Policy. In case of doubt, it will prevail.

It is available on **GPA's Institutional website**:
<https://www.gpabr.com/pt/>



