



RESPONSIBLE VALUE CHAINS FOR  
supply and consumption  
with increased awareness



# SOCIAL AND ENVIRONMENTAL FISH PURCHASING POLICY

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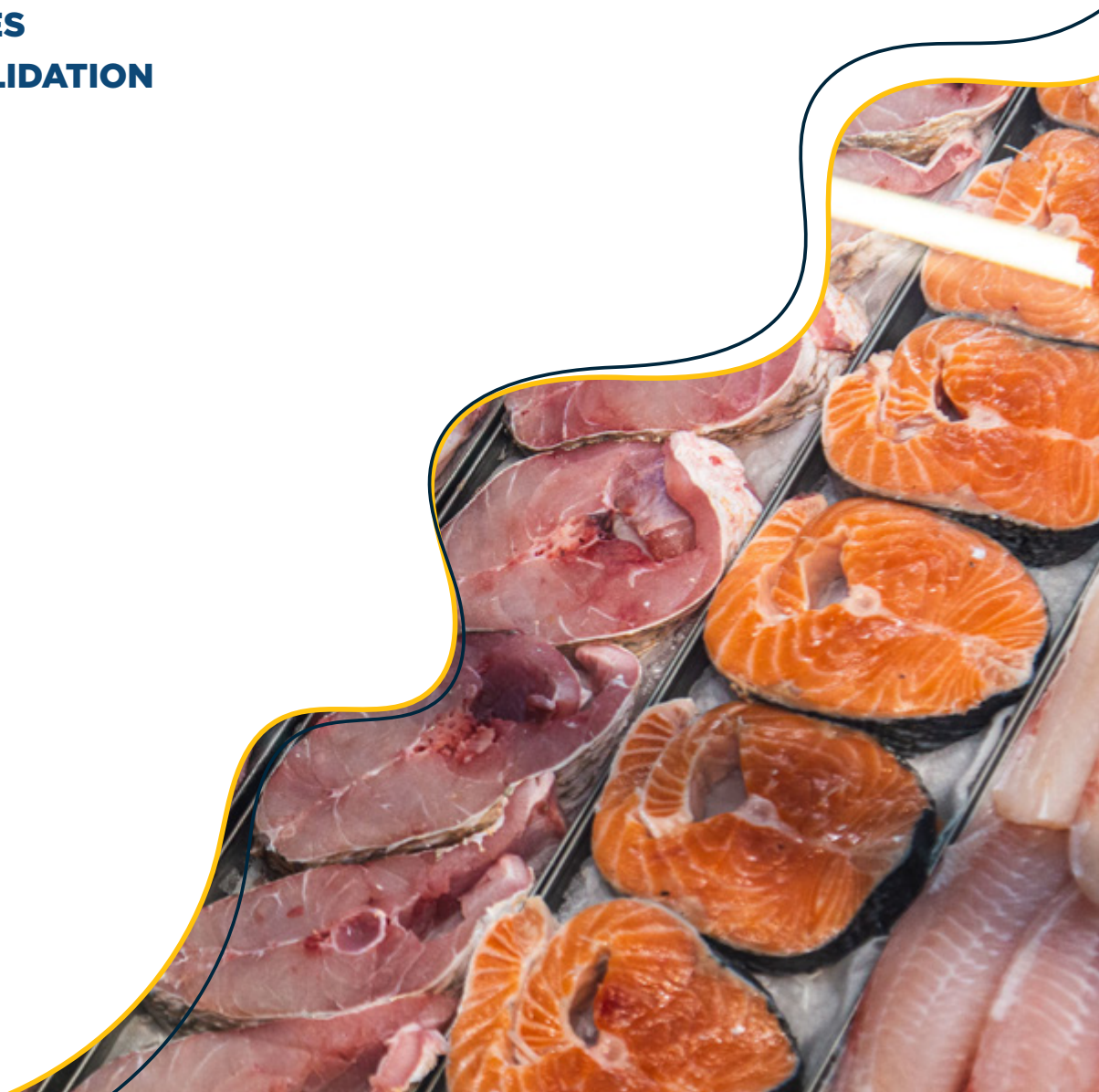
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# 1. PURPOSE

**This Social and Environmental Fish Purchasing Policy presents general and specific guidelines for purchasing fish, molluscs, and crustaceans by GPA and its chain.**

Its purpose is to guide the existing relations between **GPA** and its suppliers of fish products, besides providing criteria of compliance, integrity, and sustainability required from said suppliers, establishing **commitments, pillars of action, and guidelines** that serve as the basis for purchasing fish for the Company, in addition to ensuring compliance with **current legislation and the principles of sustainable fishing**.

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

# 2. SCOPE

**This document applies to all GPA's areas and business units.**

**GPA'S Social and Environmental Fish Purchasing Policy** applies to all fish suppliers (fish and seafood), whether in natura, frozen, fresh or salted forms, sold at our fishmonger's counters and under our Private Labels, regardless of origin (Brazilian or foreign), their origin (fresh or salt water) or the production technique (capture fishing or aquaculture).

# 3. TERMS AND DEFINITIONS

**Aquaculture business:** an individual or company that, after being registered and licensed by the competent authorities, carries out aquaculture for business purposes.

**Sustainable aquaculture:** is the cultivation of aquatic organisms for business purposes by means that have a benign, if not positive, net impact on the environment and contribute to the development of local communities, generating economic profit.

**Aquaculture:** the cultivation of organisms the life cycle of which under natural conditions takes place in whole or in part in an aquatic environment, implying the ownership of the stock under cultivation, which is deemed equivalent to an agricultural activity that is classified under art. 20 of the Fisheries Law (Brazilian Law No. 11,959 of June 29, 2009).

**Areas of fishing activity:** continental waters, inland waters, territorial sea, continental shelf, the Brazilian exclusive economic zone, offshore and other fishing areas, according to international agreements and treaties signed by Brazil, except for areas marked as nature preservation units for full protection or as historical heritage and those defined as banned for fishing for reasons of national security and waterway traffic.

**Fishing activity:** it comprises all processes of fishing, exploration, exploitation, cultivation, preservation, processing, transport, and sale of fishing resources.

**Bycatch or Incidental capture:** this is one of the greatest threats to many marine organisms—birds, turtles, dolphins, etc.—and consequently to the sustainability of fisheries worldwide. Bycatch is characterized when there is unintentional capture of animals that are not within the target species list of the fishery for which the vessel is licensed.



**Threatened categories:** categories assigned to species, defined according to the criteria and guidelines of the International Union for the Conservation of Nature and Natural Resources (IUCN): RE: Regionally Extinct; CR: Critically Endangered; EN: Endangered; VU: Vulnerable; NT: Near Threatened; DD: Data Deficient.

**Endangered species:** animals whose population is decreasing to the point of putting them at high risk of disappearing in nature in the near future.

**FAO (Food and Agriculture Organization of United Nations):** this is the specialized agency of the United Nations (Food and Agriculture Organization) that strives to eliminate hunger and poverty by improving food safety, food security and agricultural development.

**Seafood:** edible products extracted from the sea (crustaceans, mollusks, and other small animals), other than fish.

**Management for the sustainable use of fishery resources:** is the integrated process of grouping information, analysis, planning, consultation, decision-making, resource allocation and implementation of regulations or standards that govern fishing activities aimed at ensuring sustainability in using resources and the achievement of other fisheries' goals. They are management functions—implementing programs; ensuring compliance with regulations; reviewing and reporting on action progress; ensuring administrative efficiency; keeping communication with stakeholders; and assessing performance and learning.

**Governance:** set of leadership, strategy, and control mechanisms put into practice to assess, direct, and monitor management to conduct public policies and providing services of interest to society. Public governance functions are: setting strategic directions; supervising management; engaging stakeholders; managing strategic risks; managing internal conflicts; auditing and assessing the management and control systems; and promoting accountability and transparency.

**HACCP - Hazard Analysis and Critical Control Point:** this is the food security system based on Failure Mode and Effect Analysis (FMEA), which addresses food safety through chemical, physical, and biological tests and controls. These range from the production of raw material to the finished product, identifying what can go wrong, along with probable causes and effects, thus creating a control mechanism to protect consumer health.

**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.

**Ministry of Agriculture, Fisheries and Supply ("MAPA"):** a federal government agency in Brazil responsible for managing public policies to foster agriculture, promote agribusiness, and regulate and govern services associated with this industry. In Brazil, agribusiness comprises small, medium, and large rural producers and brings together activities of supply of goods and services to agriculture, agricultural production, processing, transformation, and distribution of products of agricultural origin to final consumers.

**Ministry of the Environment ("MMA"):** a Brazilian federal government agency that promotes the adoption of principles and strategies for the knowledge, protection, and recovery of the environment, the sustainable use of natural resources, the appreciation of environmental services, and the deployment of the development concept in making and implementing public policies, in a transversal, shared, participatory and democratic way, across all levels of government and society.

**Fishing regulations:** the set of standards and actions that allow the fishing activity to be managed, based on an updated knowledge of its fishing-related biological factors, besides ecosystemic, economic, and social factors.

**Closed season:** a temporary fishing ban aimed at preserving some species, because of reproductive and/or recruitment season, as well as fishing bans caused by natural phenomena or accidents.

**Fishing:** any activity or action aimed at extracting, harvesting, catching, seizing or capturing fishing resources, whether commercial or non-commercial.

**Amateur fishing:** fishing activity practiced by a Brazilian or foreign individual by using equipment or gear provided for in specific legislation with the purpose of leisure or sport.

**Artisanal fishing:** activity carried out directly by a professional fisher, alone or as a family household, with their own means of production or under a partnership contract, whether using no vessels or that may use small vessels, for commercial purposes.

**Scientific fishing:** fishing activity performed by individuals or companies for the purpose of scientific research.

**Commercial fishing:** industrial or artisanal fishing with the purpose of selling and generating profit.

**Subsistence fishing:** fishing activity carried out for domestic consumption or barter for non-profit purposes and using gear provided for in specific legislation.

**Industrial fishing:** performed by individuals or companies and involving professional fishers, employees, or professionals under a partnership agreement by shares by using small, medium, or large vessels, for business purposes.

**IUU fishing:** Illegal, unreported, and unregulated fishing. This is a concept from the IUU acronym in English: Illegal, Unreported and Unregulated fishing.

**Non-commercial fishing:** scientific, amateur, or subsistence fishing.

**Predatory fishing:** any fishing activity carried out outside the period determined by the authorities responsible for fisheries management or using gear or techniques not allowed by the applicable legislation in force.

**Precautionary principle:** strategies to deal with uncertainty arising from the impossibility of anticipating the consequences of a human activity. The precautionary principle enables decision-makers to adopt precautionary measures when scientific evidence is insufficient, inconclusive or uncertain about the environment, human or livestock health, and plant protection to a point that they may be potentially hazardous and inconsistent with the level of protection chosen.

**Principle of prevention:** it points out strategies to deal with harmful consequences of certain activities for the environment that are known, that is, foreseeable ones. And, because they are deemed as foreseeable, these consequences are likely to be avoided or to have their effects mitigated through decisions.

**Traceability:** it is the ability to detect the origin of a particular foodstuff and track the path traveled by it, as well as that of other components used across the phases of its production, processing, and distribution.

**Fishery resources:** all hydrobiological animals and plants that can be exploited, studied, or researched by amateur, subsistence, scientific, commercial, and aquaculture fisheries.

**Aquaculture and Fisheries Department ("SAP"):** a department under the so-called "MAPA" (Federal Ministry of Agriculture and Livestock) responsible for the planning and development of fisheries and aquaculture, as well as for the registration and monitoring of all activities of this productive sector.

**Art seal:** it is a certificate that ensures that a food product of animal origin was prepared in a handmade way, with a recipe and process that have traditional, regional, or cultural characteristics.

**Federal Inspection Service ("SIF"):** a 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.

## 4. GENERAL GUIDELINES

### 4.1 CONTEXT

#### 4.1.1. Capture fishing

According to the FAO report “State of World Fisheries and Aquaculture (SOFIA 2020)”, since the 1960s, global consumption of edible fish has been increasing at an average annual rate of 3.1%, which is practically twice as much the annual growth rate in the world’s population (1.6%). This growth rate is so significant that it has been higher than that of other foods containing animal protein (meat, dairy products, milk, etc.) that, on average, has been increasing 2.1% per year.

This continuous growth in world demand for fish has generated a significant and alarming increase in the catch effort, imposing a disordered and unsustainable pressure on the main fish stocks on the planet.

Thus, a transformation in the way we produce, manage, sell, and consume aquatic food is critical to ensure that this kind of food is provided sustainably and also that livelihoods are safeguarded and aquatic habitats and biodiversity are protected.

It is worth emphasizing that, besides overfishing, other factors of the fishing activity routine have contributed to worsen the situation of the planet’s fishing stocks: predatory fishing, bycatch, and IUU (Illegal, Unreported, and Unregulated) fishing.

Another aspect of great relevance that deserves urgent and systemic attention, strategies, and intervention actions is the loss and waste of fish across the different links in the value chain. The results of a global waste study by FAO showed that, in developing countries in Africa, Asia, and Latin America, fish losses and waste occur similarly in the links of production (catch stage), post-capture, processing, and distribution.

Brazil, according to the “ICMBio” (Chico Mendes Institute for Biodiversity Conservation) although is ranked among the fifteen largest economies in the world, as for fishing activity, with a few exceptions, has its reality marked by profound challenges of governance and management of the use of fishing resources, deficiency of technical assistance to extend to fishers and vessels, and plenty of inappropriate fish unloading and storage infrastructures.

As for the social aspect, according to the UN, fishing plays an essential role in the world, especially in developing countries, whether in socioeconomic and cultural aspects, or in the food and nutritional safety of populations.



In Brazil, according to SOFIA (2020), the social reality of the fishing value chain, in its different links, involves 3.5 million people directly or indirectly. In 2013, the most recent official data showed a share of just over 1.04 million professional fishers registered in Brazil, considering marine and inland waterway fishing. Of this total, 99.2% (1.03 million) were artisanal and subsistence fishers, and 0.8% (8.8 thousand) were industrial fishers.

In general, small-scale fishing—artisanal fishing—accounts for over 50% of the global catch of fish, offering diversity and seasonality of this product with greater capillarity and coverage to the poorest communities on the planet. For this reason, its importance and contribution has been recognized and valued increasingly in strategies aimed at maintaining sustainable food systems and in evaluating opportunities for sustainable development and eradication of hunger and poverty (World Bank, 2012).

Therefore, it is vital that there are initiatives that promote the organization, development, and consolidation of artisanal fishing, so that fishers can have effective, equitable, and competitive participation in the value chains of fish. To this end, they need to have access to assistance and technical training in order to make progress in good practices for handling and conservation of fish on board vessels, thus ensuring the quality of the product landed, adding value, reducing losses and waste, and increasing their income.

### 4.1.2. Aquaculture

According to SOFIA 2020, aquaculture has grown faster than catch fishing since 2018 and is expected to increase even more in the next decade. In 2020, aquaculture animal production reached 6% more than in 2018. On the other hand, the catch fishing production fell 4.0% compared with the average recorded since 2017. The growing demand for fish and other aquatic food is causing a rapid change in the fishing and aquaculture sector. Consumption is projected to increase by 15% and will reach 21.4 kg per capita by 2030, boosted especially by the increase in income and urbanization, changes in postharvest and distribution practices and new dietary trends, with special attention to improving health and nutrition.

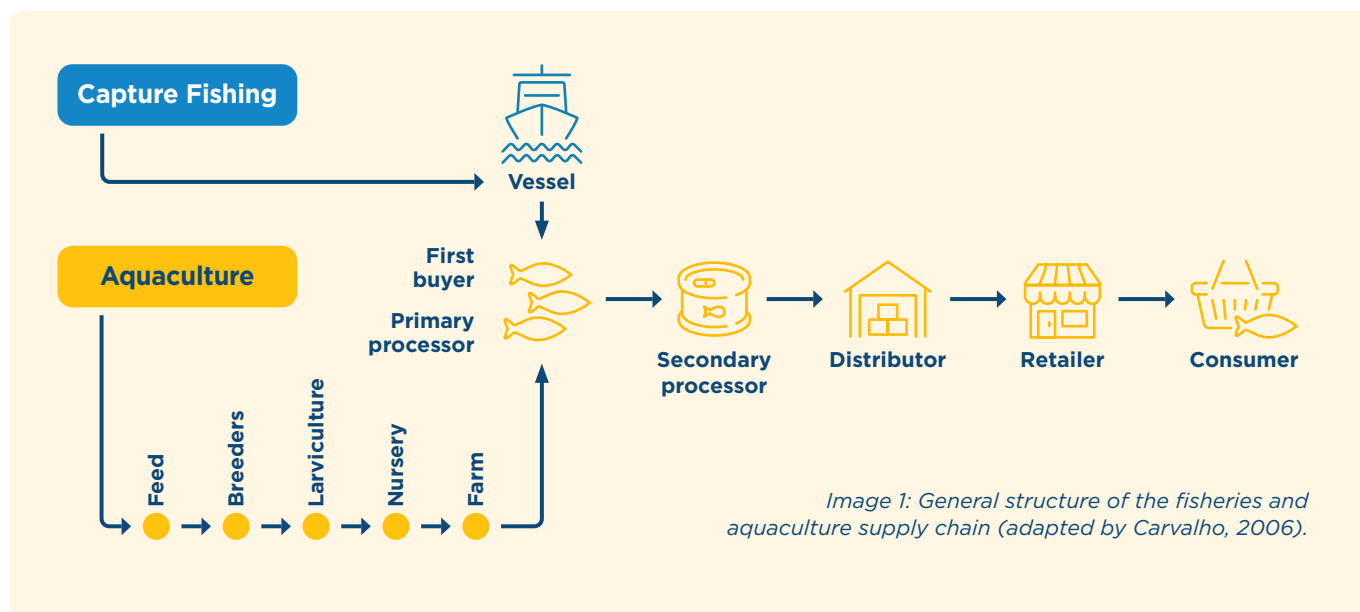
Aquaculture is playing an increasingly important role in the global supply of fish. However, it is worth highlighting that aquaculture alone does not meet necessarily sustainability criteria in fish production. A variety of monitoring should be performed to ensure that the system meets social and environmental requirements. According to "Embrapa" (Brazilian Agricultural Research Company), the significant challenge of developing a sustainable aquaculture is that this activity demands a lot of natural resources such as water, energy, and soil. Therefore, it is necessary to manage and rationalize them appropriately, which means to produce profitably while preserving natural resources and promoting social development.

In Brazil, according to the results of the "IBGE" Municipal Livestock Production survey that was carried out with a focus on aquaculture since 2013, even with some variations and more discreetly than in other countries, national aquaculture has grown at an average annual rate of 4.1%, being tilapia the main species in this nationwide aquaculture production.

### 4.1.3. The fish supply chain

Although fish from capture fishing and aquaculture, from the moment they enter the industry, follow the same steps in the subsequent links of the supply chain, their production process takes place in a totally different way (Figure 1). While in capture fishing the production unit can be a fishing vessel, a beach fishery, or even shellfish gathering, in aquaculture the production process occurs by raising (cultivating) fish in tanks—separated by nets or excavated holes, and oysters and mussels are raised in chambers, ropes or trays, etc.





Because it is a complex chain, there is a constant need for improving tracking processes, as some stages still have little accessible information on production, infrastructure, and logistics.

#### 4.1.4. Certifications of Fish

In order to reverse the complex scenario of fishing stocks and provide consumers with greater safety and guarantee as to the quality and/or sustainability of fish products, some protocols have been created to establish a set of procedures and standards for the sustainable capture and breeding of fish and other aquatic animals.

International standards that determine Certification and Labeling Programs are initiatives that, by meeting a variety of requirements set in an evaluation protocol that are stated in a scoring scale, aim to achieve levels of sustainable production of certain capture fishing and aquaculture.

In this sense, some instruments were created such as the so-called Art Seal, created by "MAPA", as well as international certifications such as ASC (Aquaculture Stewardship Council) and MSC (Marine Stewardship Council).

## 4.2. GPA'S COMMITMENTS

GPA, aware of its role and responsibility in the Brazilian market, seeks to be an inducing and transforming agent in our society, making efforts to develop the different value chains in which it takes part, while adopting the best practices in its business. In line with its purpose of making supply chains more responsible and sustainable, GPA seeks to collaborate with the mitigation of social and environmental risks and build a relationship of trust and continuous progress with its suppliers and other stakeholders.

Therefore, since 2018, GPA has been updating periodically its value chain social and environmental risk matrix (for all products) and corresponding action plans, which lists the use of raw materials in the stages of cultivation, raising, production, or transformation of the products sold in its stores and the related risks (such as working conditions, animal welfare, deforestation, land use, sustainable extraction, and extinction of species).

## **4.2.1. Commitment to the sustainable use of fisheries resources, conservation of the environment, and promotion of human rights**

### **4.2.1.1. Standards and legislation**

As for the purchase and marketing of fish, GPA adopts the pillars of the National Policy for the Sustainable Development of Aquaculture and Fisheries (Brazilian Law No. 11.959, of June 29, 2009 - Fisheries Law), as well as the guidelines of FAO'S Code of Conduct for Responsible Fisheries and related normative acts in force<sup>1</sup>.

Therefore, all fish sold in GPA fishmongers comply with the current legislation, either regarding capture regulations [Registered Fisher's License ("RGP"); minimum size; closed season] or fish quality. In this sense, the Group maintains special and strict attention not to purchase or sell species at risk of extinction or that may be captured in disagreement with fishing standards—IUU Fishing.

### **4.2.1.2. Structuring with social and environmental responsibility of the assortment**

GPA, for respect and responsibility towards its customers and society, cares about the quality, diversity, and sustainability of fish sold in its stores. GPA has a protocol to receive fresh fish, which monitors the quality and compliance with legislation by fish suppliers, assessing criteria such as closed season, minimum catch size, and monitoring of the Registered Fisher's License "RGP", and also to ensure the environmentally appropriate management of resources and promote sustainable practices. We have adopted judicious measures with:

#### **a Fish from capture fishing:**

- Centralized inspection and monitoring procedures in a processing unit (Distribution Center) with the "SIF" (Animal Health Surveillance Seal) allowing every product to be received directly from the primary chain;
- Engagement, guidance and preparation of suppliers to develop and adapt protocols and technology, whenever required;
- Monitoring of suppliers regarding the required submission of the "RGP" (Registered Fisher's License), which states all information on the corresponding vessels, fishing license, and regions of the fishing activity (catch areas);
- Banning the purchase and sale of species that are at risk of extinction or vulnerable, or even those species about which there are any suspected sustainability issues of their available stock, adopting as a criterion the principles of prevention and precaution under the most recent "MMA" (Federal Department of the Environment) Ordinance No. 148, of June 7, 2022;
- Banning the sale of species that are in closed seasons and/or that do not meet the minimum catch size, as set forth in the "IBAMA" (Brazilian Agency for the Environment and Renewable Natural Resources) standards;
- Banning the purchase and sale of fish caught through practices classified as IUU fishing according to "IBAMA";
- Awareness-raising and engagement for the consumption of little-known species, which have their marine stocks under balance and come from the fishing of small and medium-sized vessels, aiming to offer a greater variety of assortment, thus respecting the seasonality, the biological characteristics of each species, and valuing artisanal fishers;

<sup>1</sup> <https://www.gov.br/agricultura/pt-br/acao-a-informacao/d10139/atos-normativos-vigentes>

- Encouraging trade relations with associations and cooperatives engaged in sustainable fishing with river and coastal communities of artisanal fishers;
- Contributing with the supervising authorities ["MAPA" (Brazilian Department of Agriculture, Livestock Breeding, and Supply), and "IBAMA" (Brazilian Agency for the Environment and Renewable Natural Resources)], providing them with the required information (e.g. collecting and feeding data to the DNA database of "MAPA") for efficient classification, as well as for developing the fish value chain.

### **b** Fish from aquaculture:

- Centralized inspection and monitoring procedures in a processing unit (Distribution Center) with the "SIF" (Animal Health Surveillance Seal) allowing every product to be received directly from the primary chain;
- Engagement, guidance, and preparation of suppliers to develop and adapt protocols and technology, whenever required;
- Purchase fish only from suppliers that meet the appropriate and specific animal husbandry management techniques for aquaculture, good manufacturing practices, and social and environmental issues, whenever applicable and as provided for by the legislation;
- Purchase, preferably, of fish certified for sustainable production process for products under our Private Labels, from most national producers that have that seal.

### **c** Endangered species are banned:

Aware of and sensitive to the worrying situation of overfishing and the difficulties of governance and management of the fishing sector, GPA, adopting as a criterion the prevention and precaution principles, bans purchase and sale of species that are at risk of extinction or vulnerable.

After the Ordinance of the Brazilian Department of the Environment was published and became effective in December 2014 (updated by the Ordinance 148/2022), GPA, fulfilling its commitment and responsibility for protecting biodiversity and sustainability of fishing stocks, banned the purchase and sale of all 485 species listed in such Ordinance, regardless of their classification: VU (vulnerable), EN (endangered), CR (critically endangered), CR (PEX): critically endangered (Probably Extinct). Therefore, for example, the purchase and sale of species such as marine catfish (*Genidens barbatus*, *Genidens planifrons*), whiting (*Mycteroperca bonaci*, *Mycteroperca interstitialis*), and groupers (*Epinephelus marginatus*, *Epinephelus morio*) is forbidden, since these make up the official list of endangered species of the Brazilian fauna.

GPA, based on the prevention and precaution principles, will maintain this stance until technical and scientific data proving the recovery of the populations of these species are submitted and validated, regardless of any change in that Ordinance.

### **d** Training, education, and commitment of internal teams:

GPA understands that implementing, adhering to, and consolidation of this Policy depends on the ability to train the Group's teams to become aware of and apply all its concepts and commitments, as well as the engagement and synergy of the teams in the programs and action plans, from leaders to operational areas.

Therefore, all Group's employees involved in the fish purchase and supply process must be aware of their role and responsibilities in implementing, following up, and monitoring suppliers to comply with this Policy. To this end, they are regularly trained and updated on the corresponding procedures.

Employees at store fishmongers are also given training to provide customers with guidance on nutritional facts, values, and flavors, seeking to engage with consuming different species.

In order to ensure that the provisions in this Policy are monitored and controlled by the fresh fish processing units of GPA and by other quality and receiving teams, GPA develops some support materials such as GPA'S Fish Species Book, which is an internal guide comprising photos, besides descriptions of the morphology and origin of fish, so that our employees get more aware and prepared to help customers.

**e Progressive expansion of fish from sustainable artisanal capture fisheries and aquaculture:**

Given the low supply and even the scarcity of some traditional species of fish for the retail market because of the varied and complex challenges in the country's fishing sector, GPA encourages and promotes the consumption of diverse, unconventional and little-marketed species the supply of which is still sustainable. The Group believes that diversifying the supply and sales of unusual species of fish in the gondolas of its fishmongers increases the demand for other species and, consequently, reduces the pressure on traditional overfished species.

Thus, at the GPA stores' fishmongers, species such as red porgy or common seabream, (*Pagrus pagrus*), Spotted goatfish (*Pseudupeneus maculatus*), Serra Spanish Mackerel (*Scomberomorus brasiliensis*), yellowtail amberjack (*Seriola lalandi*), coney or butterfish (*Cephalopholis fulva*), toro or Atlantic bigeye (*Priacanthus arenatu*), mackerel (*Scomberomorus cavalla*), blue runner (*Caranx crysos*) and Crevalle jack (*Caranx hippos*) are offered. All these species are captured by small- and medium-sized vessels that usually involve a greater number of fishers and generate fewer impact on natural resources, especially fishing-related.

Their consumption is encouraged by our employees as described above, and also through in-store communication, highlighting these pillars and encouraging customers to try these species.

**f Strategy for monitoring social and environmental risks to purchase fish from international suppliers:**

In line with our **Human Rights across the Value Chain Policy**, to ensure adherence to the guidelines of GPA, before the beginning of any business relationship, potential suppliers undergo an approval process that considers the analysis of the Slave Labor Dirty List (official Brazilian list, published by the Ministry of Economy and the Department of Labor) and embargoes of the Brazilian Agency of the Environment and Renewable Natural Resources ("IBAMA"). The presence in these databases means automatic disapproval, and the supply or provision of services to GPA is not allowed.

In addition, for assessing the social compliance of our suppliers, we perform face-to-face audits in factories in places of greater risk and vulnerability of labor practices, based on ICS (Initiative for Compliance and Sustainability) standards and methodologies. Such audits are carried out by third parties (specialized auditors).

**g Relationship with small suppliers:**

By putting into practice its commitment to foster transformations in society and promote the development of sustainable value chains and economic activities, GPA encourages the business relationship with small producers, fishers, and their associations.

The Group supports initiatives to organize the production and improve the quality of fish, encouraging fishers and aquaculture farmers to adopt good practices for the handling and conservation of fish, thus managing that these products meet commercial requirements (working conditions, quality, consistency, and volume in the delivery of fish, administrative demands, etc.).

**h Raising consumer awareness:**

We continuously seek to sensitize and raise awareness among our customers about conscious consumption and sustainability, seeking to encourage the search for healthier and more sustainable products. Therefore, we maintain on our channels (websites, social media, among others) and also in our stores, communications and recurring information about the topics related to this Policy. Further details on the progress can also be found in our Annual and Sustainability Report, at the link:

<https://www.gpabr.com/en/sustainability/sustainability-reports/>

The Company's official channels are available for questions, complaints, and/or suggestions.



**4.2.2. Sustainability of fish for our Private Labels**

For products under our Private Labels, even more in-depth and strict work is done when it comes to products with certifications, seeking not only to identify and mitigate social and environmental risks but also to recognize and establish business relationships with suppliers with best practices in these topics, corroborating the importance of producing and consuming sustainable and tracked fish.

Certified partner suppliers, responsible for producing some of the Group's Private Label products, undergo a rigorous process of auditing aquaculture, processing plants, and the entire supply chain, ensuring freshness and food safety. Therefore, being one of the measures to guarantee the sustainability of the chain, GPA encourages that, for these products, all suppliers have ASC certification.

In addition, we perform mandatory social audits on all direct suppliers for our Private Labels to ensure compliance with working conditions in the process of shipping packaged products, in compliance with our **Human Rights across the Value Chain Policy**.

**4.2.3. Origin, transparency, and tracking to direct origin**

All fresh, frozen, and dried salted fish sold by the Group are inspected for origin criteria under "GDP" [Registered Fisher's License] (for fresh products) and origin labels (for other products).

All industrial suppliers must provide all information on the origin of products with which they have a business relationship, with the information from the "RGP" (Registered Fisher's License) providing the Tax Id. ("CPF"/"CNPJ") of fishers, rural producers, or aquaculture, from production (farming or capture), through processing, and ending with the moment of packaging of the manufactured product.

Information on the origin of fish purchased from factories, processing units, and indirect traders should also be made available, if applicable.

Labels and records (batch number, expiration date, barcode) fixed on the product by the producer or manufacturer must ensure that every product can be tracked throughout the value chain.

In the case of extractive fish, information is required up to the fishing vessel and fishers, while those from aquaculture, tracking data should be available up to the production farms.

#### **4.2.4. Animal husbandry, breeding, feeding**

Farmed fish (aquaculture) marketed by GPA come from aquaculture farms that have a management system for reproduction, raising, nutrition, and genetic control. Aquaculture producers who supply fish to GPA must work under a set of "MAPA" (Brazilian Department of Agriculture, Livestock Breeding, and Supply) standards, following the guidelines for breeding, purchase of fingerlings (only from approved laboratories), tank settlement rates and control of escape of exotic species.

Feedstock used for farmed fish must come from factories registered with and approved by "MAPA" that are specialized in manufacturing balanced diets that provide animals with the required nutrients for a healthy growth according to their stage of life, physiological needs, and total use of the pellets avoiding the deposition of excess waste in the water.

The monitoring of water quality and effluents released into water resources must be carried out by the technical staff of the farms in a recurrent and judicious manner, always seeking to improve these controls to reduce potential harm to the environment. The adoption of water reuse and filtering techniques with bioflocs should be prioritized - all to maintain the quality and success of the production process.

It is mandatory that the standards for health and cleaning control carried out in the productive units of GPA suppliers strictly complies with the rules in force and, in case of any diseases, these are monitored intensively to avoid mortality rates above those allowed by law. The same rigor in complying with the legislation must be followed regarding the use of antibiotics, under the applicable specific rules and dosages of use according to the every disease.

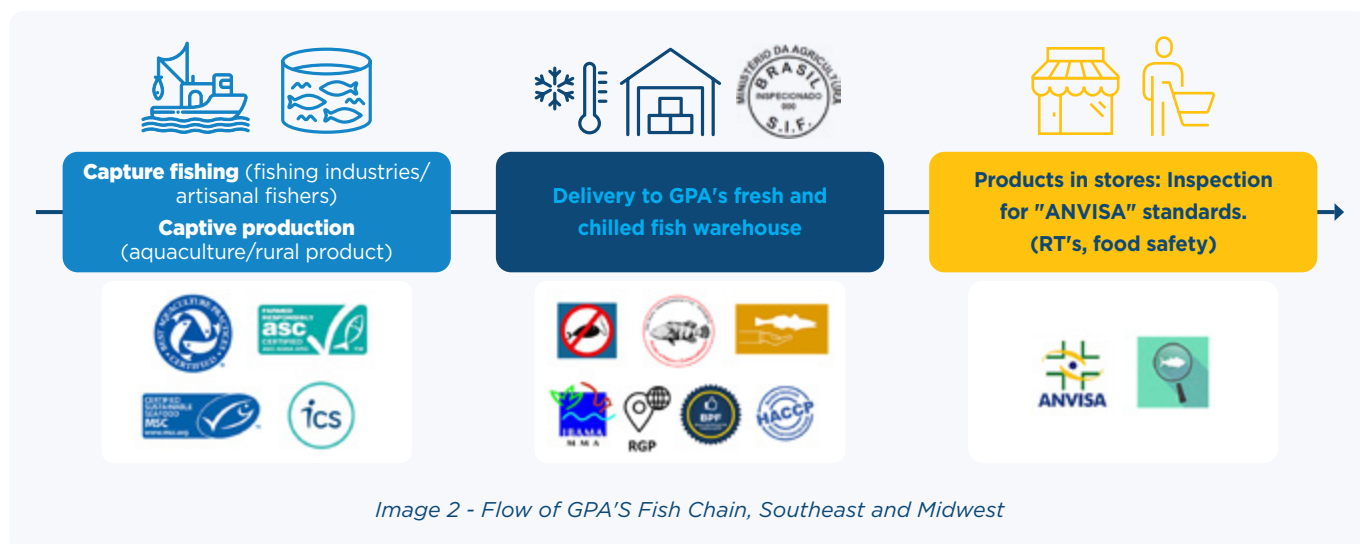
#### **4.3. Fish chain at GPA**

GPA, aiming to guarantee the quality of fish and its byproducts to its customers, has built and implemented a Distribution Center with fish warehouses: warehouse for fresh fish (Processing Unit) and warehouse for frozen/dried salted fish. Both structures meet all requirements established by the legislation, as well as GPA'S quality, safety, and sustainability guidelines.

The fish sold by the Group in the Southeast and Midwest regions of Brazil, before being sent to the stores, are received, inspected, and stored in a Distribution Center (Processing Unit for fish and fish products). This Distribution Center is monitored by the Federal Inspection Service ("SIF" Animal Health Surveillance Seal) and meets the Good Manufacturing Practices and the requirements of "RGP" (Registered Fisher's License), thus complying with all requirements set forth in the current legislation, besides the HACCP system (Hazard Analysis and Critical Control Points) that was implemented.

The Central for Receiving Fresh Fish meets the current legislation required by all inspection agencies, the Brazilian Agency of the Environment and Natural Resources ("IBAMA"), the Department of the Environment ("MMA"), and the Department of Agriculture, Livestock, and Supply ("MAPA").

It is worth repeating that GPA is committed to comply with all closed season periods (breeding period of species), fishing restrictions of endangered species, minimum catch sizes, RGP records - Registered Fisher's License (vessels; fishing factories; aquaculture producers; etc.).



## 5. SPECIFIC GUIDELINES

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

### 5.1. GPA'S RESPONSIBILITIES

#### 5.1.1. Registration of suppliers & compliance process

This Policy must be complied with by all suppliers, so GPA will support the development of its suppliers, regardless of their size, so that they get organized to meet the requirements of this Policy, and thus ensure the positive improvement of the industry's good practices.

GPA, through its commercial teams, provides alignment and development actions for every new supplier, providing them with all the support they need to adhere to the Group's guidelines. Every potential supplier must fully comply with the Policy to start supplying to GPA and keep being a supplier.

The supplier that ceases supplying to GPA and that wishes to resume supplying must show all pieces of evidence for internal analysis.

#### 5.1.2. Monitoring & control of Policy implementation

GPA follows up closely the implementation and adherence of suppliers to this Policy. This Policy and all other policies related hereto is part of the business agreement which, in turn, also contains the **Supplier Charter of Ethics**, with standards that must be followed.

#### 5.1.3. Collaboration between all players in the chain

To achieve continuous improvement and contribute to sustainable fishing in Brazil, GPA understands that the work must be carried out collaboratively through an active and effective engagement of all players in the chain, such as suppliers, civil society, producer representatives, competitors, governments, employees, shareholders and customers, so it acts on this topic for the entire industry sector, taking part actively in discussions that promote more sustainable fishing.

### 5.1.4. Disclosure of results

The disclosure of results related to this Policy, as well as to actions and projects will take place, in particular, through the **Annual and Sustainability Report**, and also through extraordinary reports whenever necessary, ensuring transparency for its consumers and other stakeholders regarding the monitoring of fish sold.

GPA cares about the agility and consistency of the disclosed information, as well as its commitment to the securities and exchange market and its respect for its shareholders and investors.

## 5.2. SUPPLIERS' RESPONSIBILITIES

### 5.2.1. Adherence to the Policy

Suppliers are key players, hence they are primarily responsible for this Policy to be complied with. Therefore, every supplier of fish, both of Brazilian and international origin, fresh, chilled, frozen, or dry salted, must adhere to this Policy. In case of any non-compliance with the mandatory guidelines set forth herein, GPA may terminate the business relationship with such supplier.

### 5.2.2. Respect for the GPA'S Code of Ethics and Policies

According to the **Supplier Charter of Ethics**, every supplier of GPA must follow the standards provided for therein, under any circumstances, within the supply chain of the Group, 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 the corresponding industry in which they operate;
- 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- and animal friendly manner possible;
- Business relations performed by every supplier shall be developed in an ethical and exemplary manner, within the most strict 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.

In addition to these considerations, all resale suppliers must comply with current legislation and regulations, know the values and respect the ethical principles established in **Supplier Charter of Ethics**, the **Code of Ethics**, the **Diversity, Inclusion and Human Rights Policy**, and the **Human Rights across the Value Chain Policy**.



## 6. PENALTIES AND WHISTLEBLOWING CHANNEL

GPA makes the Whistleblowing Channel available to all its employees, suppliers, service providers, customers, clients, 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 GPA'S Social and Environmental Fish Purchasing Policy and its **Code of Ethics** (even allowing anonymity).

Any violations of this Policy, the Company's Code of Ethics, or any provision in the **Supplier Charter of Ethics** will be investigated confidentially on the following channels:

 **Whistleblowing channel**  
 GPA phone: **08000 55 57 11**  
 from Monday to Saturday, from 8 a.m. to 8 p.m.  
 Email: **ouvidoria@gpabr.com**  
 or **<https://www.gpabr.com/pt/ouvidoria/>**

## 7. REFERENCES



This Policy is in line with the United Nations (UN) Principles of and the 17 Sustainable Development Goals (SDGs) of the UN, contributing directly to **SDG 14—LIFE BELOW WATER**, defined by the UN as: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

In addition, this Policy also contributes indirectly to the other SDGs:



End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Ensure sustainable consumption and production patterns.

It is also based on some guiding and normative documents of the partner associations or of which we are signatories:

- Federal Pact for the Eradication of Slave Labor 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).

Regarding fish, GPA seeks guidance in the following documents:

- **FAO'S Code of Conduct for Responsible Fisheries;**
- **Voluntary Guidelines to Ensure Sustainable Small-Scale Fisheries—within the context of food security and poverty eradication of the FAO;**
- **FAO'S State of World Fisheries and Aquaculture (SOFIA);**
- **NATIONAL PROGRAM FOR THE HEALTH OF FARMED AQUATIC ANIMALS, MAPA 2020;**
- **Technical notes at EMBRAPA (Brazilian Corporation of Agricultural and Livestock Research, of the Ministry of Agriculture, Livestock and Supply);**
- **MMA ORDINANCE No. 148 OF JUNE 7, 2022** (in Portuguese);
- **Survey of Embrapa's performance in research, development, and transfer of technology in the areas of fishing and aquaculture, EMBRAPA** (in Portuguese);
- **Socioeconomic and cultural characteristics of Brazilian coastal communities: a case study Tibau do Sul, RN** (in Portuguese);
- **Healthy Aquaculture, a national program for the health of aquatic farmed animals** (in Portuguese);
- **ICMBIO** (in Portuguese).

Internal references:

- **GPA'S Code of Ethics;**
- **Supplier Charter of Ethics;**
- **Diversity, Inclusion, and Human Rights Policy;**
- **Human Rights across the Value Chain Policy;**
- **Environmental Management Policy.**

External references:

- **An unprecedented production of fish and aquaculture contributes decisively to global food security: FAO.org** (in Portuguese);
- **THE STATE OF WORLD FISHERIES AND AQUACULTURE 2022, FAO.org.**

## 8. POLICY VALIDATION

This Policy was approved by the Sustainability and Diversity Committee in May 2022.