Responsible Beef Sourcing Policy
31 March 2016

GPA, mindful of its role on the Brazilian market, seeks to be a transforming agent for society, bringing best practices in its business.

As leader in the Brazilian retail sector, GPA cares about the value chains of the products it markets, and focuses on fostering socio-environmental risk reduction and mitigation related to the production and manufacture of its goods.

The purpose of this Policy is to halt the deforestation of the Amazon Biome while recognising the complexity of the cattle and beef chains in Brazil and its possible related social and environmental impacts.

Through this policy, GPA is setting up the directives, goals and targets which will govern its beef sourcing processes. Therefore, the Group makes concrete its pledge to combat the impact of cattle and beef industry on the deforestation of the Amazon Biome.

GPA and its brands have committed themselves to:

• Through the implementation of this policy, achieve **100% transparency about the direct origin**1 of the fresh and frozen beef meat sold in its stores.

• Within defined timeframe and implementation plan, supply only responsibly-sourced beef, understood as meat that has not been sourced directly1 from deforested lands, in any of its forms; that has not been sourced from farms using slavery or degrading working conditions; and that has not been sourced from farms involved in land ownership conflicts – whether due to encroachment on conservation areas or conflict with indigenous, Quilombolas or other traditional communities2.

• Develop and provide tools for the **slaughterhouses, warehouses and processors** supplying GPA in order to achieve their engagement and ensure compliance with the directives, goals and targets of this policy.

• Accompany the implementation of transparency/traceability solutions of **indirect suppliers** (i.e. upstream producers in the value chain, preceding the farm that sells directly1 cattle to the slaughterhouses) and take into consideration the activities of slaughterhouses committed to addressing the issue. If their application and market leverage are viable, GPA will look for internalising them and will update this policy.

• Communicate the results achieved in the implementation of this policy to all the company’s stakeholders.

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1 “Direct” and “directly” are used in the document to indicate the last farm where the animal was before being brought to the slaughterhouse.

GPA will design a progressive implementation plan to ensure compliance with the directives, goals and targets of this policy. The implementation roadmap will allow suppliers to achieve minimum levels in regards to the control of their direct suppliers – using monitoring & traceability systems, verification and reporting. Any supplier who stops supplying GPA, and who wishes to resume supplying will be closely assessed by GPA, at supplier’s expense.
Implementation Roadmap – creation and application with suppliers

- From the date of release of this pledge, suppliers who fail to join the program and implement the policy will be summarily suspended from GPA’s supplier portfolio.

- Between now and June 2016, GPA will provide tools and information to suppliers and will carry out an onsite analysis with the objective of defining concertedly the details of the implementation plan.

- From 30th June 2016, assessments and continuous monitoring of suppliers will take place in order to assess/potentially block those who have not respected the criteria established beforehand3.

- Existing systems implemented by the slaughterhouses to control origin will be assessed. These assessments will lead to adjustments/corrections that slaughterhouses will need to consider in order to remain a supplier of GPA.

This policy is part of an ongoing improvement process and will be reviewed in January 2018.

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3 Further details regarding the application of the criteria can be found in the “Manual de Orientação do Fornecedor GPA” and the aforementioned Greenpeace document “Critérios Mínimos para Operações com Gado e Produtos Bovinos em Escala Industrial no Bioma Amazônia”.