



RESPONSIBLE VALUE CHAINS FOR  
supply and consumption  
with increased awareness



# GPA'S **ANIMAL WELFARE** POLICY

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# 1. INTRODUCTION

**In view of our commitment with transparency and ethics with our partners, employees, and clients, this document presents the view, commitments and goals in relation to the Animal Welfare in the production chains that supply to GPA.**

Our sustainability strategy encompasses the priority themes for the planning and strategic development of the business. Through 5 action fronts, we direct and strengthen the creation of positive value to our stakeholders



As a retail company, our job is to offer and connect our customers with the best products/services. We are a bridge between our suppliers and customers, working everyday to ensure that this connection is guided by ethical conducts and in line with the best social, environmental, and economic practices. Our value chain is rich and complex, formed by thousands of suppliers, such as producers, industries, distributions companies, and other products and services.

Our relationship with this public is guided by our **Supplier Charter of Ethics, Code of Ethics, Diversity, Inclusion and Human Rights Policy, Environmental Management Policy**, as well as **specific policies in categories such as Social and Environmental Beef Purchasing Policy and Social and Environmental Policy for Purchasing Palm Oil Products**. These policies define the guidelines to be followed in themes such as: **human rights, work healthy and safety, anti-corruption practices, environment, and the animal welfare.**

We are present in the daily life of millions of Brazilians and we believe that it is also our role to create possibilities and to inspire new forms of production and consumptions that respect the environment, the people, and animal welfare. Therefore, we aim to build a more sustainable production chain, through continuous engagement and development of our suppliers, monitoring and control of our processes and practices, and communication for a conscious consumption.

To strengthen our positioning, we have also take public commitments in favor of Sustainability, that may be viewed on the institutional website: <https://www.gpabr.com/en/sustainability/commitments/>

**We believe that the collaboration with everyone involved, including our suppliers and customers, is fundamental so that we may build together a future that we all want.** This document shall educate our customers, suppliers, and our relationship audience about the standards and recommendations associated to animal welfare, establishing our commitments and responsibilities with the main farming production chains.



## 2. OBJECTIVES

The objective of the Animal Welfare Policy presented in this document is to introduce GPA's positioning and commitment in relation to respect to animals, and to establish guidelines for its whole operation, involving all suppliers and employees. In general:

- The Animal Welfare Policy presents the general and specific guidelines regarding our transversal engagement with the Animal Welfare of our supply chains of animal protein and what is offered in our stores.
- It aims to offer guidance about the existing relations between GPA and product suppliers in the egg, broiler, cattle, and pork chains, as well as to present integrity, compliance, quality and sustainability criteria that are required from these suppliers.
- The Group establishes, through this Policy, commitments, action fronts, and guidelines that are the foundation of the purchase process of these products, in addition to ensure compliance with the standards and laws.
- This Animal Welfare Policy will act as a mandatory condition to be a GPA supplier, and to maintain the long-term relations with the business unities of the Group.

### 3. SCOPE

The GPA Animal Welfare Policy, the principles, commitment, and guidelines established herein are applicable to all GPA employees, its business unities and companies that are part of the Group in the Brazilian territory that supply products of animal origin or conduct tests in animal, regardless of the biome, including our subsidiaries and affiliates. This Policy includes “in natura” products (frozen and refrigerated), and processed products and ready meals are not included.

The Policy is also applicable to our service providers and commercial partners, thus encompassing all of our chain in all countries in which we operate.

### 4. TERMS AND DEFINITIONS

- 4.1 4.1 Production Animals:** every animal that is raised for the purpose of providing meat, milk, eggs, wool, fiber, leather, and honey or any other product for commercial purposes.
- 4.2 Antibiotic:** chemical substances produced by microorganisms that have the ability in small doses to inhibit the growth or destroy disease-causing microorganisms.
- 4.3 Antimicrobials:** substances that act on microorganisms responsible for infectious diseases that accompany animals. They are antibiotics and chemotherapeutics, classified as bactericides (eliminates the etiological agent) or bacteriostatics (does not eliminate the etiological agent, only inhibit its multiplication and do not allow the evolution of the infection), according to the mechanism of action.
- 4.4 Animal Welfare:** it means the physical and mental state of the animal in relation to the conditions in which it lives and dies. An animal has a good welfare when it's healthy, comfortable, well fed, safe, not suffering from unpleasant states, such as pain, fear, sorrow, being capable to express important behaviors for its physical and mental conditions. A good welfare requires the prevention of diseases, lodging, management and nutrition, a safe and invigorating environment, rational handling and painless slaughter.
- 4.5 Beta-agonists:** agonist additives are substances for exclusive use in feed for finishing pigs, as an energy distributor. They are additives that modify animal metabolism, among which beta-adrenergic agonists such as ractopamine stand out.
- 4.6 Biosafety:** is a group of measures destined to keep a herd in a certain health condition and to avoid the entrance/exit of specific infectious agents.
- 4.7 Cattle Chute:** It's the narrow corridor where the cattle remain in a line, placed before the cattle stunning box. There are two types of cattle chutes: curved and in straight line, the latter being the more common.
- 4.8 Deep Bedding:** some farms adopt this system specially in the nursery, termination, sow stall collective gestation. It uses substrates such as rice husk, wood shavings, wheat straw, sugarcane bagasse, and sand, all of which favors some aspects of animal welfare (good lodgings and expression of the natural behavior). When used, the bedding must be clean, dry and comfortable so that the animal may lay down.
- 4.9 Colostrum:** is the milk released after birth, fundamental for the developing and to strengthen the immunity of the animals, preferably ingested in the first 24 hours after birth.
- 4.10 Dark house:** is the combination of a specific light program with an adequate ventilation program. The birds spend most of their confinement in a dark environment, without contact to natural light.
- 4.11 Inside-farm-gate:** encompasses the animal farming and agricultural production, characterized by the vegetable and animal production: management of the production unity, handling, environment, sanitation and feeding.

- 4.12 Controlled weaning:** it allows the calf to stay with its mother during two short periods in the day, between 6 and 8 am and 4 and 6 pm, starting from their 30th day of life. This practice is impracticable for large beef cattle herds.
- 4.13 Temporary or interrupted weaning:** the temporary removal of the calf is a technique of easy adoption and zero cost, employed to improve the fertility of the cattle herd. It separates the calf from the cow, for a 48-to-72-hour period, starting from the 40th day after birth. The calf may remain in the watering station, for 48 to 72 hours, during the temporary separation, with water and fodder (hay, fresh grass or animal feed) freely, while the mothers graze and rest outside of it. This proximity has the purpose of “calming” the animals. The temporary separation offers no harm to the weight of the calves until the definitive weaning (7 months).
- 4.14 Weaning:** Is the transition of the calf from a milk-based diet to a fiber-based diet. In beef cattle production systems, the weaning may represent a stressful moment in the calf’s life.
- 4.15 Early weaning:** is the early separation of the calf, between 90-120 days of life. Recommended for periods of scarce fodder, with the purpose of reducing the stress of milk feeding and the nutritional demands from the cow, allowing them to recover their body state and to be in heat again.
- 4.16 Distress:** state of discomfort in which the animal is not capable to fully adapt to the stressful factors, presenting abnormal behavior or physiological state.
- 4.17 Pain:** unpleasant sensory and emotional experience associated to a real or potential lesion.
- 4.18 Environmental enrichment:** promotion of a diversified environment, with the use of adequate materials and proceedings, allowing the animal to show the typical behavior of their species, minimizing the stressful effects around it.
- 4.19 Euthanasia:** procedure that induces the death of the animal to relieve it from suffering, through the application of previously approved methods and following the recommendations of good practices and animal welfare.
- 4.20 FAO (Food and Agriculture Organization of the United Nations):** is a specialized agency of the UN (United Nations) System that works fighting hunger and poverty through the improvement of food security and agricultural development. FAO acts in Brazil since 1949.
- 4.21 Slaughterhouse:** production unity that buys and slaughters animals.
- 4.22 Furnished caged:** cages with more than 750cm<sup>2</sup> per bird, with perches and a reserved space for the nest.
- 4.23 Laying hen (*Gallus gallus*):** domesticated hens with predominantly selected genotypes for the laying of eggs and, additionally, used for meat production.
- 4.24 Animal health management:** to establish a system in order to improve the sanitation conditions and the health of the animals.
- 4.25 Dehorning:** is the removal of beef cattle’s horn, also known as disbudding, to avoid injuries to animals and humans. In dehorning, as soon as the horn bud is prominent, around 2 months old, it can be cauterized by heat, using pain control and management. Dehorning in cattle older than six months should only be made by a veterinarian, using pain control and management; and it should not be a customary procedure.
- 4.26 OIE (World Organization for Animal Health):** is an intergovernmental organization, with headquarters in Paris, France, created in 1924, responsible to improve animal health around the world.
- 4.27 WHO (World Health Organization):** is an agency specialized in health, funded in April 7, 1948, affiliated to the United Nations (UN). With headquarters in Geneva, Switzerland.
- 4.28 Post-farm-gate:** processing, distribution and sale of consumer goods manufactured with products of animal origin: post-production technology, pre-slaughter operations at the slaughterhouse, quality and production of safe food, such as meat, eggs, milk, among others.

- 4.29 Pre-farm-gate:** encompasses the sector of raw materials and production assets used in farming production, that come before the farm gate, such as breeding hens, animal feed factories, medication, equipment, facilities, genetic enhancement, among others.
- 4.30 Sentience:** is the ability that have of experiencing sensations and feelings in a conscious way. To be aware of itself or of the environment around them.
- 4.31 Electronic feeding system:** electronic feeding stations work automatically, offering food to the females in accordance with the volume previously defined by the operator, through a computer system (earrings, electronic chips).
- 4.32 Minibox feeding system:** the feeding is carried out in a directed way on the floor in a linear and specific area with the use of feed drops. The term minibox is characterized by the presence of metallic partitions or half-cells that separate the females during the time of consumption of the feed. Each female must have a minibox area at her disposal. The partitions limit the spaces, reducing disputes and injuries caused in other systems by competitions at the time of feeding.
- 4.33 Floor feeding system:** manual or automatic feeding using drops.
- 4.34 Partial confinement system:** chickens are kept in a shed with access to a restricted outdoor area.
- 4.35 Total confinement system:** the chickens remain completely confined in a production shed, with or without environmental control.
- 4.36 Completely outdoor system:** chickens are not confined inside a shed at any time during the production period, but are housed in a specific outdoor area.
- 4.37 Extensive beef cattle production system:** these are systems in which the herd has the freedom to move outdoors and has some autonomy over food selection (through pasture), water consumption and access to shelter.
- 4.38 Extensive swine production systems:** animals live outdoors with shelter or shade and have some autonomy over access to shelter/shade. However, they may be totally dependent on humans to provide basic necessities such as feed and water. They are usually kept in paddocks or pastures according to the production stage and can be kept in groups or individually.
- 4.39 Intensive cutting cattle system:** these are systems in which the herd is in total confinement, being dependent on humans for their basic daily needs, such as food, shelter and water.
- 4.40 Intensive swine production systems:** the animals are kept confined, being totally dependent on humans for the supply of feed and water. The type of accommodation depends on the environment, weather conditions and management system. Animals can be kept in groups or individually.
- 4.41 Production system:** all actions and processes that have taken place within the production establishment, from the birth of the animals to their transport.
- 4.42 Free-range production system:** birds kept in sheds with access to the external area (picket) for grazing, respecting the housing densities of 7 (seven) birds per square meter in the aviary environment and 2 (two) birds per square meter in the external area.
- 4.43 Conventional egg production system:** system that uses battery cages for poultry housing, the minimum space indicated per bird is equal to or greater than 350 cm<sup>2</sup>.
- 4.44 Egg production system in furnished cages:** system that uses cages furnished with perch, nest, carpet and sandpaper for the nails, whose individual free space per bird should not be less than 750 cm<sup>2</sup>.
- 4.45 Cage-free production system:** system that uses aviaries without cages for aviaries, where they at least have a bed flooring, perches and nests. They can be at single level or multiple levels, however, the most popular in Brazil is the single-floor production system.



**4.46 Semi-intensive cutting cattle system:** systems in which the herd is exposed to any combination of intensive and extensive livestock methods simultaneously or alternately, according to changes in climatic conditions or physiological state of the herd.

**4.47 Suffering:** any experience in which the emotion attached to it is negative. It is usually associated with pain and impaired welfare.

**4.48 Sulfonamides:** are bacteriostatic antimicrobials (they do not eliminate the etiological agent, they only inhibit its multiplication and do not allow the infection to evolve). They inhibit bacterial growth by inhibiting synthesis.

**4.49 Rational use:** responsible use, respecting the time of need, therapeutic treatments only in cases of need, always accompanied by the responsible veterinarian.



## 5. GENERAL GUIDELINES

### 5.1 Context

The Food and Agriculture Organization of the United Nations (FAO) considers animal welfare as a common good that is an integral part of the sustainable development of the livestock sector. Ensuring animal welfare can, therefore, benefit producers, their animals and society more broadly. In addition, animal welfare has come to be seen, more and more, as an important element of the sustainability and protection of natural resources, being considered as an integral part of 16 of the 17 Sustainable Development Goals (SDGs) of the United Nations (UN).

Current concerns about animal welfare, especially domestic animals of economic interest, contribute to environmental, social and economic sustainability and, consequently, are interrelated with the SDGs of the 2030 Agenda.

FAO also describes the importance of biosafety for the sustainability of agriculture, food security and environmental protection. Thus, good production practices encompass the supply of a product obtained through a production process that offers food security, generates low environmental impact, and promotes the health and welfare of animals and employees.

One of the major challenges related to the implementation of animal welfare programs is the need for national regulation directed to the different production chains in the country. In Brazil, because the country is a signatory of the OIE, the recommendations of this institution are adopted.

Therefore, through this Policy, GPA reinforces its commitment to animal welfare and compliance with current laws, maintaining the dynamic of continuous evolution in its practices and processes. In addition, with the Animal Welfare Policy, GPA seeks to establish a solid well-defined governance, and a transparent and consistent management for society as a whole.

## 5.2 GPA's Commitments

Considering the aspects associated with the production of animal protein, supply of food security, traceability, and guarantee of animal welfare, we are a link between suppliers and the final consumer. That's why we are concerned to develop new chain practices to meet the wishes and desires of our consumers, in the construction of a future that we want: reducing negative impacts and enhancing the positive ones. In this sense, we have been over the years supporting the evolution and development of our supply chain and, also contributing to the increased awareness of our customers, about the productive processes that contemplate the animal welfare. We understand that we have the responsibility and opportunity to offer these products and support the consumer in understanding why they were chosen, respecting the 5 areas of animal welfare, which will be detailed as follows.

### 5.2.1. Commitment with animal welfare

Here at GPA, we are committed to the broad concept of One Health, developed by the World Health Organization (WHO) in order to ensure actions focused on human health, environmental health and animal health throughout our whole organizational structure. In this way we guarantee in our Policy an alignment in all our supply chains and in the offers to the final consumer for products that meet animal welfare.

Our commitments are guided by current standards and laws, as well as the five animal freedoms defined by the Farm Animal Welfare Committee (FAWC) and in areas involving animal welfare (Mellor, et al, 2020). These freedoms define ideal states rather than standards for acceptable welfare, established as:

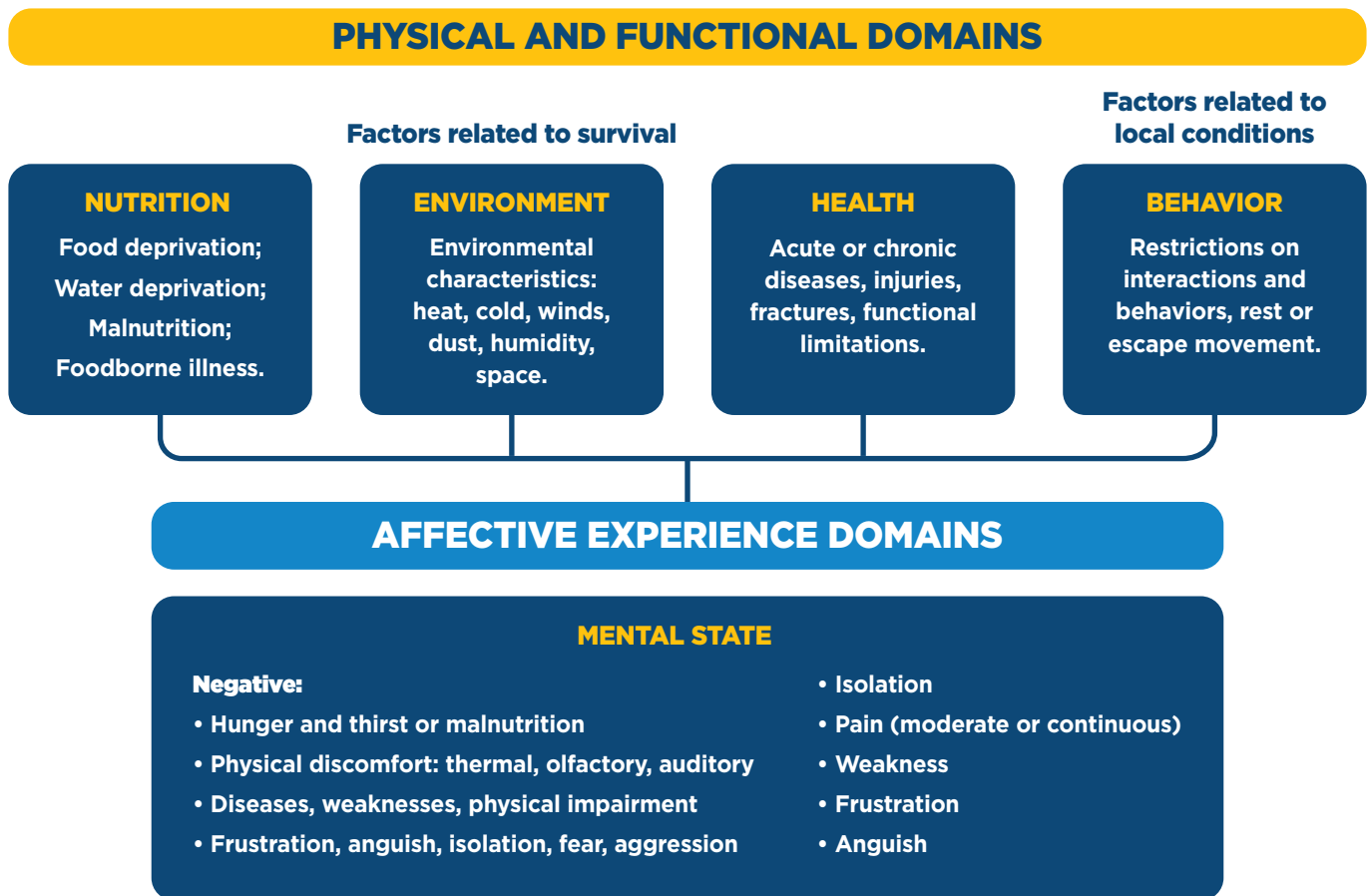
- 1 **Freedom from hunger and thirst** (by ready access to water and a diet to maintain health and vigor),
- 2 **Freedom from discomfort** (by providing an appropriate environment, including shelter and comfortable rest area),
- 3 **Freedom from pain, injury and disease** (by prevention or rapid diagnosis and treatment),
- 4 **Freedom to express normal behavior** (by providing sufficient space, proper facilities and appropriate company of the animal's own kind) and
- 5 **Freedom from fear and distress** (by ensuring conditions and treatment, which avoid mental suffering).

Therefore, we consider the physical and functional domains addressing:

- |                              |                                |                           |                             |
|------------------------------|--------------------------------|---------------------------|-----------------------------|
| 1 <b>Nutrition</b><br>Domain | 2 <b>Environment</b><br>Domain | 3 <b>Health</b><br>Domain | 4 <b>Behavior</b><br>Domain |
|------------------------------|--------------------------------|---------------------------|-----------------------------|

In addition, we consider the domains related to affective experiences, which are represented by the emotional state of animals.

The figure below represents the five areas of animal welfare, which we regard as the pillars of this Policy.



Adaptado de Mellor et al. (2020)

We believe that an Animal Welfare Policy should be supported by the pillars of process sustainability, considering the concepts of one health, and will overcoming the barriers of the organization by ensuring the health of the Brazilian population, using efficient traceability processes that can ensure the respect for living beings in all production chains.

## 5.2.2. General view and position of the Group

The GPA's vision is that, by ensuring better quality of life for animals, respecting and meeting the Animal Welfare Policy, we act directly to ensure the health quality of everyone, promoting the significant reduction of antimicrobials, antibiotics, growth promoters, among other advantages for everyone involved.

We do not accept actions and attitudes that promote the mistreatment and suffering of animals at any stage of the production process.

Therefore, as a way to involve the Group and its suppliers in complying with the desired guidelines and objectives, and to encourage each interested party to adopt a progress approach, the GPA established transversal guidelines deployed by type of production chain.



**Observation:**

- 100% of Private Labels eggs (Qualitá and Taeq) from cage-free chickens by 2025.
- 100% of eggs from cage-free chickens by 2028.
- 100% of the pork available in our Pão de Açúcar and Mercado Extra stores in all its formats and throughout the country, will come from suppliers that comply with animal welfare.
- To ensure the good health of pigs, with adequate physical and psychological conditions, in addition to respecting their natural behavior, the Company's commitment covers improvements in the following handling by 2028, that are described in this Policy.
- By 2025, 100% of our beef suppliers must be publicly committed with the Policy regarding animal welfare.
- By 2028, 100% of the Private Labels Qualitá and Taeq broiler chicken products must meet global animal welfare trends that will be detailed in the GPA Animal Welfare Policy.

### 5.2.3. Commitments in the broiler production chain

The broiler production chain presents one of the most important trajectories among the Brazilian agro-industrial chains, marked by constant technical and technological evolution, which resulted in the conquest of the domestic and foreign market, surpassing the main poultry suppliers worldwide. Related to this technification, which gave it a great competitive power, the offer of safe and sustainable products ensured the access and maintenance of Brazilian chicken meat in the world protein market.

The sustainable production of the chain involves the application of modern concepts of traceability, precision in production processes and meeting the demands of animal welfare, which are more and more demanded by the final consumer.

In an agribusiness approach under the systemic aspect, GPA believes that, in order for the common objectives to be effectively achieved, there is a need to interconnect the entire system, from the industry of raw materials to the final consumer, aiming at the potential and competitiveness of the chain, involving the productive, ethical and sustainable aspects linked to this animal protein

As Brazil is the largest exporter of chicken meat in the world, with 32% of production focused on the foreign market and 68% in the domestic market, the importance of this protein can be verified by the Brazilian consumer, whose per capita consumption is 42.84 kg/person (ABPA,2020).

Regarding the Animal Welfare Program (AWP), GPA understands that “welfare in broilers must meet the concepts of one welfare, respecting the welfare of animals in their spheres of the physical, mental and natural environment”.

The Group is committed to establish conditions aimed at the welfare of broilers from birth to slaughter, as well as considering the ethical and sustainable aspects of production, ensuring the ideal living conditions in the rearing environment, committing itself to meet the global animal welfare demands recommended by the OIE.

As a way to guide our actions, we established as pillars of this Policy two principles that unfold in different criteria for actions, monitoring and necessary adaptations, according to the dynamic evolution, to achieve the goals.

### 5.2.3.1. Monitoring, control and management of meat poultry farming

GPA believes that the aspects for the quality of life and welfare of broilers should be respected throughout the whole cycle, encompassing activities from the hatchery to the slaughter, in which it establishes the general positioning for the chain aiming to:

- Ensure compliance with the nutritional, environmental, sanitary and behavioral needs of chickens throughout the whole production process through our production traceability system;
- Encourage the implementation of actions aimed at ensuring the policy of using antibiotics only in therapeutic form in the production of broilers, for the treatment of sick animals, promoting the reduction of excessive and indiscriminate use of antibiotics in the form of performance enhancers and ensuring quality of meat produced;
- Encourage the creation of alternatives to the use of antimicrobials (safe, effective and low cost) as performance enhancers and for preventive use (prophylactic);
- Guide and stimulate the use of slow-growing strains with proven animal welfare results to avoid health problems caused by rapid growth;
- Not support restrictive confinements of broilers, such as raising them in Dark House systems or birds in cages.

Our Policy aims to encourage and implement a rational handling program for broiler crop, aimed at the different segments with specific criteria:

#### 5.2.3.1.1. Environment

- The GPA recommends that in the rearing systems, the control of the environment should be adequate, respecting the comfort zone of birds and using ventilation, thermal insulation and cooling systems, when necessary for the good performance and behavior of birds;
- Throughout the life cycle, GPA will work to establish a production environment aligned with the needs of the animals: whether in the pre-farm-gate phase (breeding hens, hatcheries, transport of chicks), inside-farm-gate phase (chicken farms from 1 to 45 days of production) and post-farm-gate (during catching, loading, transport, waiting and unloading);
- To encourage the unrestricted use of measures to reduce the effects of thermal stress: such as the use of ventilation systems, evaporative cooling, animal density adjustments/m<sup>2</sup> and, when smaller animals, efficient supply of a supplementary heat source;
- To ensure an efficient light program, recommending at least six hours of continuous dark per day;
- To ensure adequate air quality with optimal concentrations of ammonia (NH<sub>3</sub>), carbon dioxide (CO<sub>2</sub>) and carbon monoxide (CO);
- To establish that the environment presents low noise level in order to reduce the stress caused by fright, fear and avoiding piling up, a major cause of fractures and mortality.

#### 5.2.3.1.2. Facilities

- To ensure that in farm aviaries birds have access to fresh and abundant water, with food adequately supplied according to the nutritional needs of the different stages of poultry breeding;
- To work with and guide the aviaries to offer the chickens the best conditions of development and welfare, reducing risk factors for injury, pain, suffering or stress;
- To establish that the bed used in aviaries is supplied with good quality material, loose and dry to encourage dust baths and the act of "pecking", expressing its natural behavior;
- To ensure that elevated floors, when used, can support the weight of chickens, avoiding injuries and fractures in animals.

### 5.2.3.1.3. Environmental enrichment and densities

GPA understands that the Environmental Enrichment (EE) should be used as a strategy to reduce stress in the broiler environment. Therefore:

- GPA considers the importance of it and therefore promotes the enrichment of the broiler environment as motivation for the expression of natural behavior, such as bed that favors the sand bath, perches and bulkhead for birds to perch and materials for pecking;
- We encourage aviaries to provide birds with enough space to have the freedom to move to stay standing, turn and stretch their wings without difficulty, have access to feeders and drinking fountains, and move normally, expressing their natural behavior.

### 5.2.3.1.4. Pre-slaughter operations<sup>1</sup>

We encourage the implementation of rational management in pre-slaughter operations (catching, loading, transport and waiting) aiming at reducing injured and stressed birds with high mortality rates upon arrival at the slaughterhouse. As a result, in line with the OIE, we have established the following criteria<sup>2</sup>:

- Chickens should not be subjected to a period of more than 12 hours of pre-slaughter fasting;
- To teach that the catching must be made by the back of the bird, with a maximum of two birds loaded at a time, by a trained team;
- To encourage the transportation of chickens to be planned considering the distance, travel time, quality of roads, season, travel schedule, driver training and contingency plans;
- To guide so that transport density is adjusted according to the weight of the birds and the size of the boxes;
- To make sure that the waiting environment in the slaughterhouses is air-conditioned, providing better thermal conditions for the animals;
- To encourage and raise awareness so that the transport team of suppliers is trained on the responsibilities regarding the welfare of birds, excluding all actions involving mistreatment and violence to animals.

### 5.2.3.1.5. Unacceptable handling practices

For GPA, handling that causes pain, suffering or decrease the welfare of birds will not be acceptable at any stage of production. If proven these cases are liable to contractual penalties, including supplier blockage. Therefore, it will not be allowed:

- The transport of birds that present sanitary problems, fractures or injuries and that have their welfare compromised;
- To apply antibiotics or chemotherapy to the chicks, on a preventive basis in hatcheries;
- Beak removal in general and, mainly, in sick birds or batches or in injured birds;
- The cutting of claws, castration, amputation of the crest or other surgical changes;
- Use of pre-shocks should be avoided at the slaughterhouse.

<sup>1</sup> Ordinance No. 365, de 07/16/2021.

<sup>2</sup> Legal Transportation of Birds (MAPA).

## 5.2.4. Commitments in the laying hens' chain (Eggs)

The egg is one of the most consumed proteins in Brazil, reaching per capita consumption of 242 units and the lodging almost 118.5 million birds. Almost 99% of production is destined to the domestic market and the rest is destined to exportation. (ABPA, 2020; APA, 2020).

The predominant egg production system in the main producing countries is intensive, with the use of cages or closed sheds. However, in recent years, concern for animal welfare has caused changes in the world's poultry raising.

Brazil is a signatory of international legislations, such as the OIE and Council Directive EC/74/1999, which established the minimum standards for the protection of laying hens, prohibiting the use of cages in batteries. In the laying hen chain, these guidelines are especially translated into handling practices that promote greater breeding space and in mitigating the expression of normal behaviors of the species, aiming at the welfare of animals.

GPA's Welfare Policy for laying hens is also based on national documents that have the recently published Ministry of Agriculture seal (Handbook of good practices for the welfare of laying hens raised cage-free)<sup>3</sup>.

GPA was the first Brazilian food retailer to establish, in 2017, a commitment with animal welfare in the egg production chain, when it was stipulated that it would enable, by 2025, the commercialization of 100% of Private Labels eggs from the breeding of cage-free chickens. In the same year, it was the first retailer to launch, in its Private Labels, a line of eggs of cage-free chickens.

Since then, we have improved our work on the theme, establishing some fronts such as: supplier development, acting with other players in the chain, consumer awareness and store supply. Throughout this evolution, we have expanded our commitment to all other brands that are marketed. Thus, **100% of the eggs sold will come from cage-free chickens' breeders by 2028**. To achieve these objectives, we work so that three lines of eggs categorized by the Ministry of Agriculture (MAPA) can be commercialized starting from 2028:

- 1 **Cage-free chicken eggs:** eggs of chickens raised free in closed sheds, but that are allowed to peck, perch and beat the wings.
- 2 **Free-range eggs:** eggs of chickens raised out of cages in sheds with access to the outdoor area, pecking freely, and with feed made with ingredients of vegetable and mineral origin.
- 3 **Organic free-range eggs:** eggs of chickens raised loose in sheds, with access to outdoor pickets and receiving organic grain-based feeding. The organic certification also considers social and environmental aspects in their production.

GPA, given the complexity and current conjuncture of the egg production chain, considers that some key aspects must be respected to ensure the quality of life and welfare of laying hens, which we describe as follows.

### 5.2.4.1. Monitoring, control and management of layer poultry farming: main challenges and actions

Maintaining a positive state of welfare of laying hens is the responsibility of all those involved in the egg chain and those who benefit from their products. We believe that the producer, industry, retail, consumer and society should seek strategies to ensure good living conditions for birds.

Best practices of animal welfare meet the behavioral, environmental and physiological needs of animals. As a whole, there will be fewer sick animals, leading to the rational use of antimicrobials throughout the production chain, which improves food safety, affects people's welfare and reduces environmental impact. Therefore, in the production of laying hens, the use of antibiotics only for therapeutic use (treatment of sick animals) stand out as trends, in addition to cage-free systems, the use of antibiotics being prohibited performance enhancer.

GPA believes that animal welfare should always be considered when decisions are made in egg production, taking into account an ethical responsibility in the production chain. The Group recommends to its suppliers:

- To promote the careful and responsible management in the various stages of the life of chickens, throughout the life cycle;
- To adopt a production system compatible with the reality of the producer always aiming at the welfare of birds;
- To encourage and implement a documented training program for everyone involved on the handling and welfare of laying hens considering the system adopted on the property, under the responsibility of a qualified professional;
- To encourage a biosafety program and good production practices, detailing preventive measures to control the entry and dissemination of pathogens;
- To encourage health care, detailing actions related to vaccinations, daily control of the conditions of laying hens, monitoring of segregation and mortality, identification of abnormal signs and behaviors as measures to prevent suffering;
- To ensuring empathy and responsible management.

GPA believes that knowledge of operating systems and knowledge of bird physiology is essential to the success of the entire chain, ensuring animal welfare.

Using the domains that define the concept of animal welfare, GPA believes that, for laying poultry, it should be considered:

#### 5.2.4.1.1. Environment

We assume that when we approach the theme ambience in the production of laying hens one should consider:

- The conditions of the production environment should be controlled according to the thermal requirements of the chickens in the different stages of life.
- The mechanisms of control of the environment, such as ventilation and cooling systems, should be kept in good operation ensuring the conditions of the thermal environment and air quality within the appropriate aviaries to the needs of laying hens.
- Air quality recommendations regarding the concentration of gases at bird height such as ammonia (NH<sub>3</sub>), carbon dioxide (CO<sub>2</sub>) and carbon monoxide (CO), hydrogen sulphide (HS); inhalable dust.
- There should be a light program suitable for the rearing phase of laying hens, and it is recommended that the transition (artificial light) be carried out gradually. The lighting should be uniform throughout the aviary, thus avoiding the piling up and laying in bed, a fact that is not desirable.





#### 5.2.4.1.2. Facilities

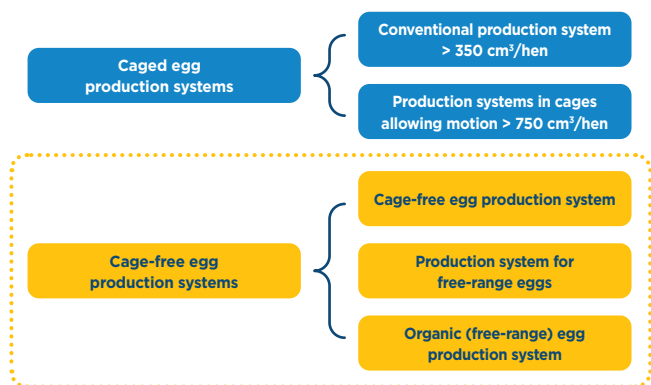
- In aviaries, clatter, unnecessary noises or sudden movements should be avoided so as not to stress the birds.
- In aviaries there should be an area (known as "infirmary") for the segregation of sick or pecked birds that have a full chance of recovery.
- In cage-free systems, including free-range organic systems, perches are mandatory and should have sufficient space for birds to use it at all stages of rearing to avoid crowding and overcrowding.
- Nests can be individual or collective. The recommendations of the number of nests per bird should be respected, depending on their characteristics considering the adopted rearing system.
- Supply of a good quality bed: the good quality of the bed directly influences the reduction of cannibalism, besides providing the behavior of "sand bath", which is natural of laying hens.

#### 5.2.4.1.3. Environmental enrichment and densities<sup>4</sup>

We believe that the relationships between animal welfare and egg production are directly related to the area available to animals (density) for occupation in the facilities, which directly affect several domains such as good installation, good behavior and good health.

All laying hens should be free enough to move, without difficulty, stand normally, turn and stretch their wings and legs. They should also have enough space to perch or sit quietly, without being repeatedly disturbed by other birds.

- The amount of lodged birds must comply with the lineage manuals, however, it should always be considered the breeding system, whether cage-free or with access to the picket (free-range).
- The ideal densities for the cage-free breeding system and free-range pickets should allow birds to be free to walk and express natural behaviors.
- We encourage the use of environmental enrichment (EE) in laying poultry, because, in addition to allowing the expression of the natural behavior of chickens, it can help in the prevention of feather pecking and cannibalism, it should be used in a planned way in the different stages of rearing.
- We encourage the adoption of the use of bedding, nests, perches, pecking surfaces, platform with hiding places, sandboxes, use of seasonings, vegetables, among others – to offer opportunities of choice for laying hens, which are generally kept in a monotonous environment.



#### 5.2.4.1.4. Production system of cage-free chickens

Worldwide, the conventional model of egg production in cages is being "rethought", aiming at new alternative forms of production as a solution to animal welfare. In egg production, all systems have their positive and negative points in relation to animal welfare, with the great difference being the handling adopted by the breeders.

In Brazil, egg production systems are classified as shown beside.<sup>5</sup>

GPA, aware of the conditions related to animal welfare, and respecting the national and international standards in force, has committed to the commercialization of cage-free eggs produced by the country's Private Labels and by third parties.

#### 5.2.4.1.5. Unacceptable handling practices

We understand that in order to maintain an ethical posture in food production, some handling practices and attitudes in the production process are unacceptable and passive of contractual disruptions and blocking of suppliers, if proven. When it comes to the egg production chain, we consider as unacceptable actions:

- Induced molting is unacceptable because it severely affects the welfare of laying hens by adopting food fasting and thus compromising various areas of animal welfare.
- In hatcheries, it is not allowed to apply antibiotics or chemotherapy substances to the chicks, on a preventive basis.
- The practice of excluding one day old male chicks should not be allowed.
- Unacceptable that euthanasia, when not performed by a veterinarian, is performed by an untrained employee, and that this procedure causes pain and stress to the birds.
- Depopulation procedures will not be accepted without scientific basis and in disagreement with the guidelines of the OIE and the Federal Council of Veterinary Medicine (CFMV). The accepted depopulation methods will only be used in case of sanitary emergency, natural disaster or exceptional occasions, as directed by the official veterinary service.
- The removal of beaks is a procedure that causes chronic pain and suffering in the bird, and it's unacceptable. In cases of extreme need, one should opt for the cutting of the beak by infrared radiation (laser), still in the hatcheries (on the first day of the chick's life) after the sexing of the bird, in order to preserve comfort, health and welfare. A second beak removal is not allowed.
- It is unacceptable to carry out the practice of beak shaving in sick birds or batches or in injured birds.
- Cutting of the fingers, amputation of the crest and other surgical changes are not allowed.
- Artificial devices (such as devices attached to the beak or nose, or contact lenses) designed to disrupt cannibalism are unacceptable.
- The catching of the chicken by the wings, tail, feet and neck is an unacceptable practice because it can characterize mistreatment, as they cause injuries and fractures to animals.



<sup>5</sup> Good practices manual for the welfare of laying hens raised cage-free.



### 5.2.5. Commitment in the beef cattle chain

Brazil has the largest herd of beef cattle, being the largest producer and exporter in the world, which evidences the strength of the sector in the Brazilian economy (ABIEC, 2020). The per capita consumption recorded in 2019 was 39.12 kg/inhabitant/year, which defines the importance of this product in the national retail market.

The Brazilian beef cattle production chain reaches important and strategic markets that require safe food, from sustainable production systems, that meet the minimum quality and traceability requirements throughout the whole process. Animal welfare is an important element of the sustainability and protection of natural resources, being considered essential to Sustainable Development in animal production.

The commercial production of beef cattle systems are classified as: Intensive, Semi-extensive and Extensive. For the GPA, the guidelines related to animal welfare are independent of the production systems adopted by its suppliers, in which it considers that all principles are adopted and followed for the sustainability of the production chain.

One of the major challenges of this chain is the guarantee of origin, so since 2016 we have a **Social and Environmental Beef Purchasing Policy**, which establishes criteria, rules and guidelines that must be met by all our suppliers of meat.

In GPA's view, the aspects for quality of life and welfare in the beef cattle chain that must be respected are described below:

#### 5.2.5.1. Monitoring, control and management of beef cattle breeding: main challenges and actions

GPA believes that the challenges for the implementation of a AWF program in the beef cattle production chain encompass aspects related to welfare from birth to the final phase of termination and slaughtering of animals.

We believe in the importance of using the domains that define the concept of animal welfare in all links in the chain, aiming, in general:

- To ensure that the animals meet their nutritional needs, by having access to quality food and water, through a diet formulated or evaluated to maintain full health and promote a positive state of welfare;
- Promote **Animal Health Management and Biosafety Plans** designed to optimize the physical, mental, behavioral and welfare of the cattle herd;
- To encourage **good animal welfare practices** throughout the production process, pre-slaughter handling and slaughter;
- Identify the **Health, Origin and Traceability** of all products delivered by our suppliers in the beef chain, aiming at the Management of the quality and safety of the food supplied to our customers.
- Promote a conscious **Environmental Management Policy**, based on the assessment of environmental risks, health and safety and social responsibility with our employees.

Thus, the Animal Welfare Policy for beef cattle aims to ensure the proper management of natural resources at all stages of production, meeting the following specific criteria:

#### 5.2.5.1.1. Environment

GPA understands that "The environment in which livestock is kept should be considered according to their welfare needs and should be designed to protect them from physical and thermal discomfort, fear and other stress or strain factors, and should allow animals to express their natural behaviors." Thus:

- GPA recommends that measures are taken to reduce the effects of heat and cold on animals (avoiding thermal stress), adopting mainly natural and/or artificial shading for field cattle.
- Encourage the use of adequate ventilation systems, so as to keep the moisture of the air within the acceptable conditions for the species.
- Regardless of the production system, the cattle should have direct access to natural light or additional artificial lighting in order to facilitate patterns of natural behavior and allow proper inspection of the herd.
- Good air quality should be met by respecting acceptable limits for ammonia (NH<sub>3</sub>) levels and other gases in closed spaces.
- Minimize the exposure of the herd to sudden or loud noises (stamped, for example) whenever possible to avoid stress and fear reactions.



#### 5.2.5.1.2. Facilities

GPA advocates that all animals have enough space to lie down and rest at the same time, in a dry and comfortable environment so as not to compromise the welfare of the animals. Therefore, for the establishment of AWF:

- The GPA requires that the facilities of the corrals and chutes be free of sharp edges or protrusions, to prevent the animals from being injured, in addition to allowing the efficient, safe and comfortable realization of all the necessary practices in the handling of beef cattle.
- It is recommended that the floor be non-slip and waterproof to prevent injury to the huffs.
- The bed, when used, must have an adequate depth to ensure the comfort of the animal and to not cause damages to the hooves.
- GPA recommends the use of smooth wire with rockers, as barbed wire fences can cause scratches and holes in the animal's leather.
- In the case of electrified fences, they must have adequate voltage, grounding and safe insulation in order to avoid electrical discharges.

#### 5.2.5.1.3. Environmental enrichment and densities

GPA believes that environmental enrichment (EE) can help reduce the stress caused by confinement, reduce frustration and enable the realization of the natural behaviors of animals. Therefore, we recommend to:

- Offer items that distract the animals in confined farms (inside sheds), in the housing of calves and in cattle breeding.
- Meet the recommended confinement areas in the ideal ranges according to the age, weight of the animals and the type of facilities, in order to ensure the appropriate space for the AWF of the herd.
- The dimensioning of the trough space should be between 0.35 and 0.70 m/animal, considering that the drinking fountains have a capacity of 50 liters/animal/day.

#### 5.2.5.1.4. Recommended handling practices for beef cattle production

In the management of rearing, GPA recommends that actions and interventions should be carried out in order to cause minimal negative experiences, pain and stress to animals, whether young or adult.

Thus, we believe and guarantee that our suppliers must have the necessary training according to their responsibilities and have knowledge about cattle breeding, animal behavior, biosafety and clinical signs of diseases, everyone involved being responsible for:

- Knowing the main challenges of reproductive handling of the herd related to animal welfare, such as dystocia (difficulty or delay in delivery in any of the stages of childbirth) and ensure that heifers do not start reproductive life before they are physically mature.
- Providing sufficient colostrum to calves within 24 hours after birth.
- Weaning calves around 7-8 months of age or use alternative methods (early weaning, temporary or interrupted weaning).
- Promoting food reinforcement for calves (Creep feeding), making it available with the supplementation area located next to the resting areas of cows, drinking fountains or in the vicinity of the salt trough.
- Performing, as early as possible, handling practices (castration, dehorning, sterilization/ovariectomy, tail cutting and identification), always accompanied by the use of anesthesia and/or analgesia under the recommendation or supervision of the veterinarian.
- The identification of animals, prioritize the mark with earring, tattoo, marking with cold nitrogen or microchips (RFID).
- Castrating the calves before three months of age or at the first management opportunity after reaching this age, using the method that causes less pain or suffering to the animal.
- Seek advice from the veterinarian to perform ovariectomy (sterilization) in heifers, always performed with the application of analgesia and/or anesthesia according to the adopted management, under the supervision of the veterinarian.
- Indicating euthanasia only in situations where animal welfare is irreversibly compromised, being a means of eliminating the pain or suffering of animals.

#### 5.2.5.1.5. Pre-slaughter operations of beef cattle (Review it according to resolution 365)<sup>6</sup>

We defend that the production, transportation, pre-slaughter handling and slaughter systems of beef cattle should be designed to minimize animal stress during all stages of the chain, in accordance with national legislation.

We prioritize that the slaughterhouse has an animal welfare program that describes in detail all procedures from transport to slaughter, in addition to a training routine on good animal handling and welfare practices, with frequent and up-to-date records.

Thus, we recommend appropriate handling of loading, unloading and transport, in order to ensure the AWF of the animals and the quality and safety of the final product delivered by our suppliers, as described below:

##### 5.2.5.1.5.1. Loading and unloading:<sup>7</sup>

- It is recommended that batches are planned and formed in advance.
- Animals in poor health should not be loaded and transported.
- The animals should be moved silently and separations and run should be avoided at the time of loading.
- It is suggested to verify that the dock meets the technical recommendations for the loading of the animals, so as not to cause damage to the carcass and reduce stress.
- The maximum inclination of ramps for loading in transport vehicles is 20%, with well-lit and areas kept clean.

- On loading, the vehicle should be very close to the end of the ramp, to prevent the cattle from slipping and falling.
- The conduction of animals for loading and unloading must be carried out with flags and previously trained staff.
- It is unacceptable to use electric rods for the conduction of animals, especially in sensitive areas: eyes, ears, snout, anus, tail and genitals.
- Before transport, cattle must have access to water and food up to at least 5 hours before boarding the truck.
- In unloading, the accommodation and waiting place for the animals must have a structure and equipment to provide thermal comfort to the animals.

#### 5.2.5.1.5.2. At the transport:

- Trucks must be suitable for the activity and the drivers trained to perform the function.
- Give preference for the transport of animals to be carried out at the coolest time of the day.
- Respect the maximum capacity of the truck, according to the animal category to be transported.
- Animals must be transported for a maximum of 8 hours.
- For all travel planning there should be a contingency and crisis management plan.

#### 5.2.5.1.5.3. At the slaughterhouse

- The team should be trained to check for no signs of sensitivity in the animal.
- The slaughterhouse environment must meet the pre-established animal welfare recommendations: non-slip and clean floor in areas of great circulation of animals, corrals/corridors free of obstacles, non-aversive handling.
- There must be enough space in the pens for all animals to lie down at the same time, without piling up and being able to walk.
- Provide clean and available water in all corrals, allowing at least 20% of the animals to have simultaneous access to the water fountain.
- From unloading to the desensitization box, some indicators should be considered, according to the guidelines established by the GPA: drop limit, vocalization limit, efficiency in the first shot and efficiency of desensitization.
- Desensitization/emergency equipment should be frequently inspected for preventive maintenance and ensure immediate loss of consciousness in the desensitization process.
- The bleeding of the animal should be carried out immediately after desensitization, in accordance with the current rules for the humanitarian slaughter of beef cattle.

#### 5.2.5.1.6. Unacceptable handling practices

GPA assumes the commitment to recommend the AWF in the performance of our suppliers, **being unacceptable**, and passive of contractual blocking of suppliers, if proven, the following procedures in the beef cattle chain:

- Keep animals tied up regardless of age group.
- Mix animals from different batches due to the risk of injury.
- Dehorning performed after 3 weeks of age, without the use of heat cauterization and pain medications.
- That the removal of the horns is not performed by a veterinarian, without the use of sedative or local anesthesia and anti-inflammatory medication.

- Mark/identification with hot iron.
- Utilization of rods or other pointed objects for the management and conduction of animals, being recommended the use of flags to conduct them.
- It is unacceptable to use electric rods for the conduction of animals, especially in sensitive areas: eyes, ears, snout, anus, tail and genitals.
- Caudectomy (tail cut) in beef cattle, since greater space per animal with the use of proper bed are effective to prevent tail necrosis.
- Sacrifice of perform euthanasia in health calves in the property.
- The following euthanasia methods are unacceptable: gas embolism; head trauma (sledgehammer); incineration in vivo; exsanguination (bleeding) without prior unconsciousness; any type of toxic substance, natural or synthetic, which may cause suffering to the animal and/or require excessive time to die; electrocution without desensitization or prior anesthesia; any other method without scientific basis.
- Surgical procedures should be performed under acceptable environmental conditions, with adequate physical restraint, anesthesia and analgesia, and an operative technique that respects the pre- and postoperative principles.
- We do not accept castration using rubber rings.

## 5.2.6. Commitments in the pork chain

Pork farming is a well-established livestock activity in Brazil, and has state-of-the-art technology available in all areas of production: genetics, nutrition, sanitation, handling, facilities and equipment. To maintain competitiveness in the international scenario, the activity constantly goes through a process of adaptation to the demands of the consumer market, increasingly concerned with food safety, restriction of the use of antimicrobials, environmental protection, concepts and legislation of animal welfare.

In recent decades, the European Community has issued several regulations, establishing acceptable minimum welfare standards for farm animals, with a basis supported by preventive humanitarian conduct, stipulating minimum criteria of good accommodation and handling.

Considering specifically the regulations regarding the intensive breeding of swines, between 1991 and 2008 four directives were published, the most representative of which was Directive 2008/120/EC, December 18, 2008 (EUROPEAN COMMISSION, 2008), which compiled and replaced the previous directives (Directives 91/630/EEC from November 19, 1991, 2001/88/EC from October 23, 2001 and 2001/93/EC from November 9, 2001).

In Brazil, Normative Instruction No. 113, of December 16, 2020<sup>8</sup>, established good practices of animal management and welfare in commercial farms of swine breeding (BRASIL, 2020). Based on this regulation, the group breeding system was prioritized for the accommodation of females in the gestation phase and for the housing of boars in stalls, being January 1<sup>st</sup>, 2045, the deadline stipulated for adaptation of farms that use cages.

GPA sells in its stores several products from the pork chain, which are present in the daily lives of customers. In line with our commitment to animal welfare, by 2028, **100% of the pork available in our stores will come from suppliers that comply with animal welfare.** The commitment extends to all brands marketed by GPA.



<sup>8</sup> Normative Instructions No.113, from December 16, 2020.

To ensure the good health of pigs, with adequate physical and psychological conditions, in addition to respecting their natural behavior, the Company's commitment covers improvements in the following handling by 2028:

- Transition to collective pregnancy by the end of 2028;
- Keep the sows in cages for a maximum of 28 days in the collective stalls after artificial insemination or breeding;
- Abolition of the identification of the animal by cutting the ear (ear notching);
- Abolition of surgical castration and substitution for castration by vaccine (immunocastration);
- Grinding the teeth of animals should be maintained only in cases of extreme need, when aggressive behaviors are verified between the animals and in cases of injury among individuals;
- Commitment for all farms that wean piglets at 21 days, to comply with the handling for 24 days or more, from January 1, 2028, as determined by Normative Instruction No. 113/2020<sup>9</sup>;
- Requirement of environmental enrichment in different stages of production, to stimulate the recreational and exploratory behavior of animals and avoid stress;
- Reduction of antimicrobials for all suppliers (including Private Label) and elimination of beta-agonists for Private Label.

In GPA's view, the aspects that must be respected to ensure the quality of life and welfare of those in the production chain are described below:

### **5.2.6.1. Monitoring, control and management of pig farming: main challenges and actions**

GPA believes that implementing good production practice programs is the way to improve the handling of pig farms and, consequently, the quality of life of animals.

Thus, good production practices encompass the supply of a product obtained through a production process that offers food security, generates low environmental impact, and promotes the health and welfare of animals and employees. Thus, the main challenges for the implementation of a AWF program in the pork production chain can be defined as:

- Ensure management with positive attitudes and care in the various stages of the animal's life, from birth, rearing, transport and pre-slaughter and slaughter handling, to reduce and avoid any pain, distress or suffering for the animal.
- Implement the sanitary planning of the animals, updated regularly, with the data properly recorded as routine in the farm.
- Implement biosafety plans, ensuring the quality of animal health, focusing on the reduction and rational use of antibiotics (no prophylactic use), and, for Private Labels, elimination of beta-adrenergic agonist drugs, such as ractopamine.
- Promote and ensure a traceability program on the farm, in the slaughterhouse until the final consumer.
- Ensure the quality of the environment through a management program, through the handling of waste and proper disposal of biological waste.

We believe that animals bred with animal welfare best practices have their behavioral, environmental and physiological needs met. Therefore, from the concept of animal welfare, the GPA understands that, for pork farming, it should be considered:

#### **5.2.6.1.1. Environment**

The environment in the production systems aims to adapt the facilities to the requirements of the animals for each stage of breeding (gestation, maternity, nursing, growth, termination and beeding), also taking into account the different regions of the country.

The GPA believes that the control of temperature, relative humidity and ventilation in the different environments of the production cycle are fundamental to the welfare of the herd. In this way we work to keep the ideal zones for the animals in the different stages of breeding such as gestation, maternity, nursing, growth, termination and reproduction.



- The management of the environment must allow and facilitate the constant renewal of the air inside the installations, in order to avoid the accumulation of toxic gases, such as ammonia and carbon dioxide.
- For all phases it is important to maintain the flow of ventilation, which should meet the requirements for the different types of climates of the country.
- We encourage the use of cooling and heating systems in the environment as measures to improve the quality of the production environment, and keep animals as close as possible to the thermal comfort zone.

#### 5.2.6.1.2. Facilities

Preserving the quality of the environment in which animals live is one of the principles of GPA in Welfare Policy. In the case of pork farming, the facilities are directed to the different cycles and handling adopted.

- Our proposal is that the production sheds of the different phases be designed, built and maintained within the technical specifications that respect the conditions of quality of life and welfare of animals and employees.
- There should be no physical structures in the environment causing injuries, fractures and recurrent injuries to pigs.
- Floors should be dried and cleaned and designed to minimize slips and falls, promote hull health and reduce the risk of nail injury.
- The facilities must be cleaned preserving the quality of the production environment and the health of the herd.
- Any type of facility with an inappropriate animal containment system should be avoided.
- In the gestation facilities (collective stalls) rest areas should be provided, as pigs must have access to a rest area, with enough beds to avoid discomfort.
- We understand as a good practice the use of deep bedding, which is an option that contributes to the well-being of animals, as long as it is properly handled.
- Ensure optimal density in the facilities in order to avoid stress and fights, especially in animal regrouping.
- Ensure that inspections are carried out daily for the verification of lesions and sick animals.
- In maternity facilities, there must be a heated area to be used for piglets (shelter).
- The maternity stalls must have a protective bar so that the piglets are not crushed by the female (anti-crusher).
- Feeders and drinking fountains must be installed in order to reduce competition and, consequently, to fights that compromise the welfare. These feeding areas should be free of feces, urine and other contaminants, and must avoid food waste.

#### 5.2.6.1.3. Environmental enrichment and densities

GPA believes that pigs should have access to an enriched environment to stimulate research and manipulation activities and reduce abnormal and agonistic behavior. According to our premises and the Normative Instruction No. 113/20 we operate for:

- Encourage the insertion of environmental enrichment with the use of straws, sawdust, chains, balls, ropes, social environment, promoting manipulation and cognitive stimulation to promote the expression of natural behavior and improve physical and mental state.
- Respect the ideal densities for the pig farming system, allowing animals to have their welfare assured and express their natural behaviors.

#### 5.2.6.1.4. Cage-free production system (gestation)

In pork farming the housing of swine females is one of the main themes related to animal welfare. Gestation in individual cells is associated with welfare problems due to the deprivation of physical exercises, favoring locomotor problems and limiting the natural behaviors of the species.

In addition to the government instructions, the main Brazilian pork-producing companies announced the replacement of the system of accommodation of sows in cells by the adoption of collective stalls, seeking to meet a new consumer profile with greater interest in the origin of food and how it is produced.

In Brazil, from Normative Instruction No. 113/2020<sup>10</sup>, it was established the deadline January 1<sup>st</sup>, 2045 for the adaptation of farms that use cages in this stage of breeding.

In the maternity ward, preference should be given to collective housing for sows in order to favor social interaction, comfort and the free movement of females. Individual housing in the hatchery is tolerated as long as the structure of the cages is provided with a protection bar so that the piglets are not crushed by the female (anti-crushing). According to IN nº 56/2008, it must be ensured that the facilities are properly designed for the production systems of the different species in order to guarantee protection, the possibility of rest and animal welfare.

GPA is committed to the abolition of gestation cages in pork farming as a way to implement a definitive, dynamic and growing animal welfare program.

The motivation for the adoption of cage-free systems in pork farming are:

- **Respect the gregarious behavior of the species:** in free living conditions, pigs are gregarious animals that live in groups formed by three to four sows and their piglets.
- **Respect exploratory behavior:** the behavior of pigs is exploratory and they spend about 6 to 8 hours a day searching for food in groups (digging, wallowing, grazing).
- **Respect the hierarchy of the species:** the hierarchy in pigs tends to be established in the first 24 to 36 hours after the mixture of lots of animals, thus decreasing the intensity of fights and the dispute for food.
- **Promote the training and education of employees:** they must be well trained and educated for the activities to be performed, as well as understand the behavior of animals.
- **Respect the size of the lots:** large groups of pregnant mothers favor fights and disputes over food and space and require greater attention from employees to avoid accidents and economic losses.
- **Establish management strategies:** when it comes to groups, one should have a look at the whole group of animals; in the grouping one should consider: order of birth, age and average weight.
- **Providing rest and escape areas:** in the breeding system in collective stalls, one should consider the spaces for the free movement of animals, reducing the frequency of aggressive encounters.
- **Provide the necessary spaces for welfare in the collective stalls:** the number of animals and suggested space in the bays should follow the technical recommendations. (Art.9, Normative Instruction 113)<sup>11</sup>.
- **Encourage system-specific handling aimed at reducing abortions: Breeding and set free system:** females are referred to collective gestation stalls after artificial insemination; Collective pregnancy system after the 28th day of breeding: females are kept in individual cells and transferred to collective stalls after 28 days of gestation, avoiding the mixing of females in a critical phase of gestation.
- **Promote an efficient feeding distribution system:** free access cages, use of electronic feeding stations; use of minibox or other available technologies.

#### 5.2.6.1.5. Pre-slaughter handling (loading, transport, unloading)<sup>12</sup>

Animal transport systems should be designed and managed to ensure that they are not subject to unnecessary stress or discomfort, not exceeding 8 (eight) hours of transport.

GPA follows the main recommendations to ensure the welfare of pigs during the main handling of pre-slaughter operations, as described below:

<sup>10,11</sup> Normative Instruction No.113, from December 16, 2020.

<sup>12</sup> Ordinance No. 365, from 07/16/2021.

#### 5.2.6.1.5.1. Loading

- Ensure that pigs have access to water until the time of transport.
- Ensure that the recommended fasting time on the farm is aligned with pre-slaughter operations and pig transport logistics until slaughter.
- Do not allow sick or injured animal or that are unable to get up, to be loaded and transported.
- Encourage training of the team responsible for the loading of animals, in order to minimize stress and allow pigs to be conducted in the best possible way, reducing the risk of injury.
- Encourage the leading of animals to be carried out with light and easy-to-use equipment, such as handling boards and/or canvas, rattles/oars, driving broom, flag, or even contact with hands.
- Do not allow the use of electric rods or other instruments that may cause pain and/or injury.
- Ensure that the loading and unloading ramps do not have a slope greater than 25 degrees, and correct them when necessary. (Art.19, NI 113).
- Encourage the use of non-slip materials on ramps and loading platforms such as sand/straw to prevent slips.

#### 5.2.6.1.5.2. Transport

- Only allow animals to be transported to slaughter in optimal physical and sanitary conditions.
- Respect the ideal densities in transport and according to the climatic conditions of the region and time of year.
- Encourage training for drivers aiming at educate them on good practices in transportation and animal welfare.

#### 5.2.6.1.5.3. Unloading

- Prohibit and do not allow unloading on ramps with more than 25 degrees of inclination.
- Provide cover to protect from bad weather (rain, sun and wind).
- Provide, when necessary, the use of cooling through spraying or nebulization in environmental conditions with a temperature above 20°C and relative humidity lower than 80%.
- Encourage and arrange for the animals to be taken to the rest bays in a quiet manner and using the driving techniques.
- Respect the recommended density in the rest bays.
- Provide the constant supply of water to animals during rest.
- Establish that the rest time is two to six hours.
- Encourage that the human-animal relationship is positive throughout all the pre-slaughter handling.
- Establish that all slaughtered animals should be desensitized before bleeding, through electrical desensitization (electronarcosis) or the method of desensitization with exposure to CO<sub>2</sub> gas (carbon dioxide).

#### 5.2.6.1.5.4. Unacceptable handling practices

Our position as GPA is to repudiate and not accept any kind of action and attitudes that go to the mistreatment of animals. If proven these cases are liable to contractual penalties, including supplier blocking. In the case of pork farming our position is:

- Pigs should not be handled inappropriately or aggressively.
- It is forbidden to keep females tied up.
- It is unacceptable to use individual cells or cages that prevent animals from turning or moving, therefore they should be prohibited.
  - The cages used for reproductive management, insemination, weaning interval, coverage and maternity (lactation) must be properly sized to allow the females to stand up and rest without simultaneously touching both sides of the cage, and stand up without touching the bars top and sides of the cage.

- Tail cutting (caudectomy) should be prohibited for animals over 10 days and above the final third of the tail. The use of analgesia after 3 days of age is mandatory (Art.36, NI 113).
- It is forbidden and unacceptable the indentation in animals over 3 days of life. The GPA Policy aims to eliminate this handling by 2028.
- Surgical castration of pigs is allowed, provided it is performed before the piglets are 7 (seven) days old, in order to reduce trauma and post-surgical complications, but with the use of analgesics. The abolition of surgical castration and its replacement by immunocastration should be planned by 2028.
- It is forbidden to use the electric rod (shock) in the handling of animals.
- Rings on the snout are forbidden.
- Ovariectomy (surgical removal of one or both ovaries) without anesthesia and prolonged analgesia is prohibited and unacceptable.
- The use of beta-adrenergic agonists as food additives, such as ractopamine for Private Labels products, is prohibited. GPA is committed to stimulating the reduction and elimination of such chemical agents.
- As provided for in NI 113/2020, by January 1<sup>st</sup>, 2045, all farms must adapt their weaning facilities with an average age of 24 days or more. The commitment assumed by GPA is that the farms adapt the weaning management for 24 days, starting in 2028.

In view of these unacceptable conditions, the GPA establishes some suggestions to improve the welfare conditions of pigs:

- For permanent identification of animals, it is suggested the use of identification earrings, markings and tattoos that are allowed.
- Immunological castration (immunocastration) is suggested as an alternative.
- The grating of the teeth of the animals will be maintained only in cases of extreme need, aiming to reduce injuries to the nipples of the sows and to the face of piglets.
- To avoid ovariectomy, immunological prevention of estrus (an immunological product that effectively suppresses ovarian function) is suggested.

## 6. GOVERNMENT APPROVAL AND LEGISLATION

It should be considered that, in addition to the commitments with the supply chains, GPA is also committed to its customers, offering a variety of product lines that respect more the animal welfare.

In addition to these commitments, our performance in the Transformation of the Value Chain is based on some guidelines and regulations of partner associations or signatories:

- Principles of the United Nations (UN);
- 17 Sustainable Development Goals (SDGs) (UN);
- National Pact for the Eradication of Slave Labor;
- 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 Charter on Human Rights (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 key Conventions of the International Labor Organization (ILO);
- Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO);
- Responsible Minimum Standards.

And when it comes to animal welfare, we initially meet the existing laws in the country, as well as those that Brazil is a signatory to, such as the World Organization for Animal Health (OIE). Among them we can indicate:

- OIE Global Animal Welfare Strategy and OIE Terrestrial Animal Health Code for different production chains.

In Brazil, we follow the main normative instructions (NI) of the Ministry of Agriculture, Livestock and Supply (MAPA), such as:

- NI No. 03, from 01/17/2000 (determines the mandatory humanitarian slaughter).
- NI No. 56, of 06/11/2008 (establishes the general procedures for recommendations of good welfare practices for animals of production and economic interest – REBEM).
- Decree No. 9013 of 03/29/2017 (approves the regulation of sanitary and industrial inspection of products of animal origin).
- NI No. 113, of 12/16/2020 (Establishes the good practices of management and animal welfare in the farms of commercially bred pigs).
- Ordinance No. 365, of 07/16/2021 (approves the Technical Regulation of Pre-Slaughter Handling and Humanitarian Slaughter and the methods of desensitization authorized by the Ministry of Agriculture, Livestock and Supply).
- National Humanitarian Slaughter Program – Steps.

## 7. INSTITUTIONAL COMMITMENT WITH EMPLOYEES – SPECIFIC GUIDELINES

GPA constantly seeks to establish a solid and well-defined governance for transparent and consistent management, defining clear and objective rules, as well as guidelines and procedures aligned with best practices and to prioritize control improvement. For the **implementation of the AWF culture in the Institution and constant training of employees and suppliers**, the GPA presents different actions:

### 7.1 GPA internal processes

To implement this Policy in its business, GPA defined the following internal processes in its performance strategy:

#### 7.1.1. Internal engagement and awareness

GPA understands that the implementation and adherence of the Animal Welfare Policy also depends on the engagement of internal teams, from leadership to operational areas.

Thus, all employees of the Group involved with the process of purchasing and marketing products in the chains of eggs, chickens, cattle products and pigs will be, annually, trained and updated on procedures to meet this Policy. And to have, in this context, the knowledge about the importance of their role and responsibilities in the implementation, accompanying and monitoring of suppliers and, in the engagement and awareness of our service providers, suppliers and customers.

## 7.1.2. Inclusion of suppliers and remediation process

The Group always seeks to develop its suppliers, regardless of their size, so that they can meet the requirements and demands of the Policy and thus ensure the positive evolution of the practices of the sector.

GPA disseminates the Group's guidelines to each new supplier. The potential supplier must fully comply with the Policy to initiate or maintain supply to GPA.

Suppliers that do not meet the demands and requirements of implementation or monitoring are not approved, or those already registered, are blocked and cannot provide to any business unit of the Group. Similarly, the supplier who fails to supply to GPA for non-compliance with the Policy and who wishes to resume supply, shall demonstrate all evidence for its reintegration as a trading partner.

## 7.1.3. Monitoring and control of Policy implementation and compliance by the suppliers

GPA defines the supplier's responsibilities and closely monitors them to verify that they are adhering to the Policy. For each supplier, GPA maintains up-to-date documentation regarding the Policy's agreement, the commercial agreement that contains the Suppliers' Ethics Letter.

GPA develops quantitative and qualitative Key Performance Indicators (KPIs) for monitoring compliance with the Policy and the suppliers themselves, with the objective of comparing performance among suppliers, thus allowing the appreciation of those with better rates, for example, with priority purchases, among them:

- % of PLUs/SKUs of Animal Welfare;
- % suppliers who comply with the Policy;
- % suppliers who are monitored;
- % farms and productive structures that are monitored by suppliers;
- % purchases of eggs of Private Labels and National Brands complies with the Policy.

GPA seeks to monitor both the adherence of its suppliers to its Policy and the implementation of its Policy in its routine activities, always associated with the respect to its commitments. When new information is made available, the Group makes an adjustment of its monitoring program, as well as its controls, in a process of continuous improvement.

## 7.1.4. Collaboration between players in the chains

The successful implementation of an Animal Welfare Policy is the work of multidisciplinary teams inside and outside of a company. In order to achieve continuous improvement and contribute to animal welfare practices, GPA believes that the work must be carried out collaboratively through the active and effective engagement of all stakeholders, such as suppliers, civil society, producer representatives, competitors, governments and customers.

## 7.1.5. Disclosure of results

The transparency of the results and the experiences lived by the Company is fundamental for the self-evaluation of the process and for the assertiveness of the actions. The disclosure of results related to the actions and projects of Transformation of the Value Chain takes place, in particular, through the Annual and Sustainability Report.

GPA ensures agility and symmetry in the disclosure of information, commitment to the capital market and the respect dedicated to shareholders, investors and consumers.

Regarding the activities of the **Animal Welfare Policy**, GPA understands the importance of sharing its advances, challenges and achievements and, therefore, undertakes to publicly report the Policy, implementation plans, actions and progress reports that are related to it, including the publication of KPIs. Thus reflecting, the advances of our suppliers in relation to compliance with the Policy and seeking independent verification of implementation progress.

GPA also undertakes to determine objectives, deadlines and results in its **Annual and Sustainability Report** and, also through extraordinary reports whenever necessary, ensuring transparency with its consumers and other stakeholders.

## 7.2 Suppliers' responsibility

Suppliers are key players and the main responsible for compliance with this Policy.

### 7.2.1. Compliance with Policy

Agreement to the Policy must be carried out by means of a contract, therefore, suppliers of pork, poultry chicken, beef and laying hens must do so by signing the respective contract.

### 7.2.2. Respect for the GPA Code of Ethics

In accordance with the **Supplier Code of Ethics**, all GPA suppliers must follow the standards set, under all 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 for preventive risk management related to its respective segment of operation are established;
- There is dissemination of the culture of safety and health at work, establishing educational processes for the promotion of the theme;
- Production or service processes are carried out in the most respectful manner possible to the environment and animals;
- The commercial relations established by the supplier develop in an ethical and exemplary manner, within the strictest observance of the law, regulations and internal rules of the Group, as well as being exempt from any kind of undue favor, active or passive corruption of public agents, extortion or fraud.

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

## 8. WHISTLEBLOWING AND REPORTING CHANNEL

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

It is the official tool for receiving complaints, dissatisfaction and reports of violations of non-compliance with the Animal Welfare Policy and seeks to solve problems efficiently and quickly.

Violations of this Policy, the Company's Code of Ethics or any item of the Supplier's Ethics Letter may be reported through the channel: **[ouvidoria@gpabr.com.br](mailto:ouvidoria@gpabr.com.br)**

It will be investigated in a confidential manner, allowing for anonymity.



### **Whistleblowing channel**

GPA phone: **08000 55 57 11**

from Monday to Saturday, from 8 a.m. to 8 p.m.

Email: **[ouvidoria@gpabr.com](mailto:ouvidoria@gpabr.com)**

or **<https://www.gpabr.com/pt/ouvidoria/>**

## 9. POLICY VALIDATION

GPA recognizes that the complete fulfillment of the objectives of this Policy is a process of continuous evolution.

This Policy was approved by the Sustainability and Governance Committee that advises the Board of Directors on 2021, July.

