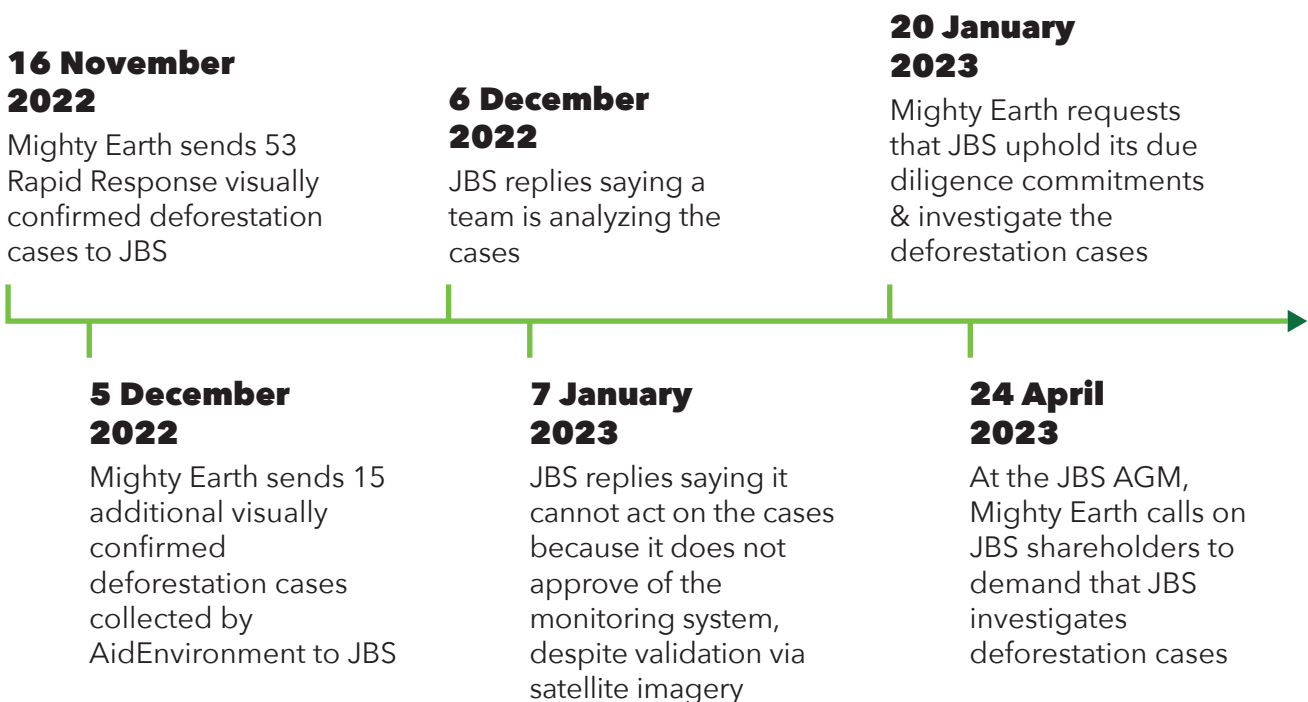


68 DEFORESTATION CASES, ZERO RESPONSE:

JBS FAILS TO ACT ON DEFORESTATION IN ITS BRAZILIAN SUPPLY CHAIN

In November and December 2022, Mighty Earth filed 68 confirmed cases of deforestation with JBS - the world's largest meat processing company. The visually confirmed deforestation cases identified in the Brazilian Amazon and Cerrado using a 'Rapid Response' detection system are connected to JBS via its meat supply chain. Despite all the cases being validated through satellite imagery analysis, JBS refused to investigate them. The deforestation spans more than 125,000 hectares - an area nearly as large as São Paulo city in Brazil. This also happens to be the city where the next JBS Annual General Meeting (AGM) is taking place on 24 April 2023. Working alongside Indigenous and other civil society organizations, Mighty Earth is elevating the lack of action on deforestation by JBS and calling for JBS shareholders to demand action and answers from the JBS Board of Directors at their AGM.



Call to action:

Urge JBS to investigate deforestation cases

Mighty Earth is calling on the JBS board and its shareholders to demand the following from JBS at its AGM:

- 1 Provide specific feedback on each of the 68 visually confirmed cases of deforestation, publicly outlining what JBS is doing to investigate, the results of the investigation, and the actions taken.
- 2 Uphold its commitment to eliminating deforestation by banning or blocking suppliers that are linked to deforestation or ecosystem destruction or conversion.
- 3 Act rapidly and with a sense of urgency in response to deforestation cases, to stop deforestation at the 10-hectare level before it gets to the 1,000 ha or 10,000 ha level.
- 4 Adopt a policy to eliminate all deforestation in its direct and indirect meat supply chains in all biomes by 2025.

What is “Rapid Response”?

Rapid Response is a series of reports, commissioned by Mighty Earth and AidEnvironment, that alert companies to real time deforestation risk in their beef supply chains in Brazil. The cases are selected through the analysis of official deforestation and fire alerts data from the National Institute for Space Research (INPE), such as DETER (Deforestation Detection in Real Time) and PRODES (Measurement of Deforestation by Remote Sensing).

After confirming the clearance of native vegetation through satellite imagery, each of the cases is then analyzed cross-referencing data from various sources and datasets. Finally, the data is validated by a local partner and a qualitative analysis of each case is developed making use of publicly available data. The reports include detailed information on the following for each case of deforestation: farm polygon details, land clearance (including any overlap with Indigenous lands), beef or soy supply chain links, and high-resolution satellite imagery.

Using ‘real time’ satellite surveillance to detect changes in forest cover in the Legal Amazon and Cerrado shows that deforestation is happening. Mighty Earth expects companies to act quickly and take action on deforestation or ecosystem destruction in their supply chains before it worsens – hence the name ‘rapid’ response.

What are the deforestation cases in JBS' supply chain?

The 68 visually confirmed deforestation cases reported to JBS cover an area greater than 125,000 hectares - nearly 60% (some 73,600 ha) were clearance of native vegetation in legal reserves areas, that should be protected according to the Brazilian Forest Code.

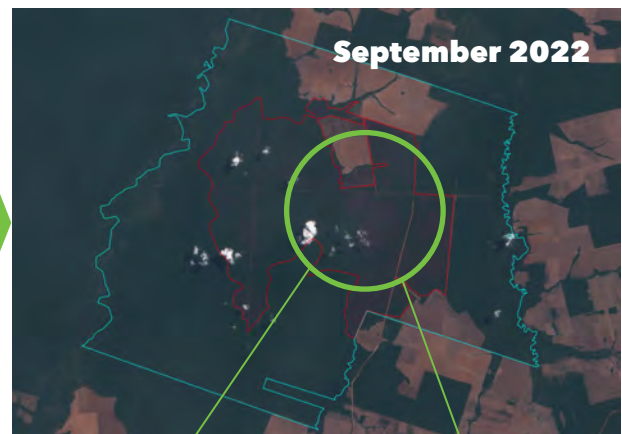
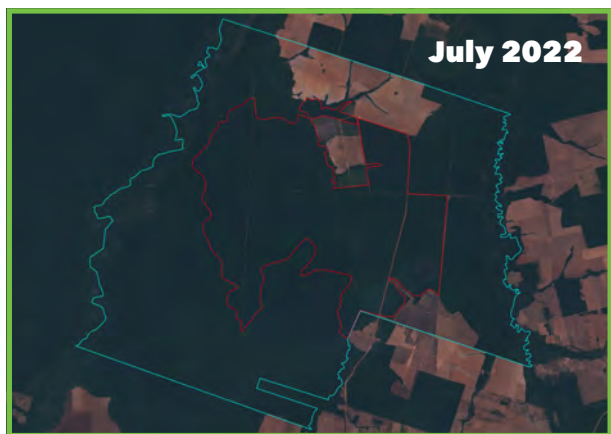
The cases analyzed between January 2019 and October 2020 were published in the Rapid Response reports, commissioned by Mighty Earth and AidEnvironment. The cases between January 2021 and September 2022 were published in the Realtime Deforestation Monitoring (RDM) reports, produced by AidEnvironment. The period covers the deforestation peak in Brazil under the President Bolsonaro government.

One of the cases identified is a single farm (Fazenda Santiago), located in the city of Paranatinga in Mato Grosso, which overlaps an area claimed by the Ikpeng Indigenous people. An area the size of over 16,000 football pitches - some 11,392 ha - was deforested in 2022.

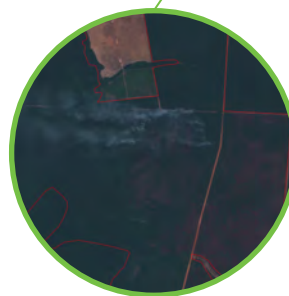
The owner of this cattle farm is known as one of the biggest deforesters in the Amazon. From 2001 to 2020, he was fined almost USD\$15 million by Brazilian environmental authorities, including penalties for illegal clearance of native vegetation, environmental degradation and irregular use of agrochemicals. Why does Brazilian meat giant JBS refuse to investigate a supplier with such an appalling track record?

Fazenda Santiago, Mato Grosso: Before and after satellite images show the deforestation of 11,392 hectares in the Amazon region.

Limits of the property - *Blue*
Limits of the cleared area - *Red*



**USE OF FIRES TO CLEAR
NATIVE VEGETATION**



**21st August
2022**



**15th September
2022**

Why does JBS refuse to investigate confirmed links to deforestation?

In direct email correspondence with Mighty Earth's CEO, Glenn Hurowitz, on January 7, 2023, a key JBS director cited the methodology used by Mighty Earth and AidEnvironment to identify the 68 cases as the reason for not investigating the confirmed deforestation:

“ As I mentioned in my last email, our teams are analyzing the two sets of cases with deforestation alerts submitted to provide you with a more structured response. Unfortunately, it is very unlikely that the data provided can be instrumental for JBS/Friboi operations, since the methodology utilized to identify the cases (criteria / parameters / blocking and unblocking rules / data sources) do not adhere to the official Boi na Linha Protocol (Beef on Track).

Taking action against livestock producers – such as blocking sale of cattle and other actions – based on any methodology other than the official protocol generates an unreasonable precedent for compliance with sectoral agreements, environmental policies and legislation, and auditing from Federal Prosecutors. JBS/Friboi must adhere to the agreed upon sectoral supply chain monitoring procedures. ”

The Beef on Track protocol, cited by JBS, is based only on PRODES data. According to JBS, DETER is only an early warning system and lacks the necessary granularity and precision to properly identify deforestation. Instead, JBS chooses to rely solely on data from PRODES as the official geospatial analysis system, refusing to investigate the early deforestation cases submitted to the company, despite all cases being visually confirmed through satellite imagery analysis. The email from the JBS director from January 7, 2023, continued:

“ The environmental alerts in the cases you submitted are all based on DETER, which is not the official geospatial analysis system for deforestation monitoring. INPE discourages its use for this purpose because it is an early warning system and lacks the necessary granularity and precision. ”

Both systems were developed by the same institute, with DETER disturbance alerts providing real time forest clearance alerts at a medium resolution, while PRODES confirms annual deforestation rates at a high spatial resolution. The problem with relying on PRODES alone is that it takes on average one year for INPE researchers to confirm the PRODES dataset using satellite imagery. Furthermore, a later analysis made with PRODES data confirmed deforestation in 85% of the cases detected by DETER.

Mighty Earth contends that DETER and other advanced warning systems are powerful and helpful real time tools for deforestation and conversion monitoring. Rapid alerts, like the ones presented by Mighty Earth, allow companies such as JBS to stop or act on deforestation in a matter of days or weeks, rather than only one year later when the damage has already been done. We believe that by denying the use of visual confirmation of deforestation identified by DETER, JBS is choosing to ignore verified proof that deforestation is taking place within its supply chains.

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