

Mighty Earth - Rapid Response Cattle Report 1 - Right of Reply, 5 December 2023

Below are responses from key retailers (Carrefour, Assaí, Casino) and meatpackers (Marfrig, Minerva, JBS) to questions from Mighty Earth about their links and commercial relationship to the five case studies of deforestation in our new Rapid Response Cattle Report.

Retailers

Carrefour replied on November 28, 2023:

“Thank you for sharing with Carrefour this alert regarding potential deforestation cases in our beef supply chain in Brazil. According to our internal processes, as soon as we received your alert on the 16th of November, we integrated it into our alert mechanism and we immediately launched an investigation.

Thanks to the identification number of the farms, we have come to the following preliminary findings. Among the 6 farms listed:

- 2 farms are not part of our sourcing database;
- 2 farms are confirmed as non-compliant with our policy and were already blocked from our supplies;
- 2 show signs of alert (fires) but without confirmation of non-compliance at this stage.

Based on these findings, Carrefour confirms the suspension of all the listed farms from its supplies, either permanently or temporarily until compliance is proven. We will report on the progress made on these further investigations, and use the findings to improve our sourcing processes.”

Assaí replied on November 29, 2023:

“Assaí is committed to eliminate deforestation and the conversion of native vegetation in its supply chains, to promote the protection of native biomes and the Brazilian cultural heritage, and to boost respect for the International Declaration of Human Rights and the rights and way of life of indigenous peoples, traditional communities, and workers.

Since 2016, we have a Social and Environmental Beef Purchasing Policy that sets forth a specific process for new suppliers to be approved and ensures the monitoring of the chain, besides meeting the criteria in it.

All meatpackers and processors must be approved and compliant with the Group’s social and environmental commitments, by providing evidence showing their compliance and adherence.

Since 2020, in order to establish commercial relations with Assaí, all meat packers are required to adopt the criteria of the so-called “Beef on Track” (“Boi na Linha”) protocol and to provide evidence that they are compliant with current legislation.

We require everyone to be committed that their chain process is:

- Free of deforestation and conversion of native vegetation
- Free of conditions similar to slave/ child labor
- Free of environmental embargoes because of deforestation
- Free of invasions of indigenous lands and Quilombo territories
- Free of invasions in areas of environmental conservation
- Registered with CAR (Rural Environmental) Registry and environmental permit, if applicable

In our Annual and Sustainability Report you may find additional and detailed information regarding how we address, monitor and potentially block specific cases of native vegetation clearance.

In addition, Assaí has already blocked the five cases (and their CARs) mentioned and does not have any commercial relations with any of them.”

Casino replied on November 20, 2023:

“As you know, the Casino Group has been sued, notably by Mighty Earth, for an alleged breach of its “duty of vigilance” under French law.

The Casino Group vigorously contests these allegations, and in particular the methodology used by certain associations to attempt to demonstrate any breach of its obligations.

As a legal dispute is currently underway concerning the very subject of your alert, initiated by Mighty Earth, the Group naturally intends to reserve its explanations for the ongoing legal proceedings.

This does not in any way prevent this alert from being taken into account and processed by our teams and we invite you to send us the CAR numbers of the farms needed to carry out the checks, using our alert whistleblowing system: contact75vgl@deontologue.com.”

Meatpackers

Marfrig replied on November 28, 2023:

Marfrig's statement in response to the email regarding two cases potentially involving Marfrig in Mighty Earth's Rapid Response – Cattle Report.

Posicionamento da Marfrig em resposta ao e-mail sobre dois casos potencialmente envolvendo a Marfrig no Mighty Earth's Rapid Response – Cattle Report.

The mentioned cases are:

Os casos mencionados são:

“Fazenda Laranjeira (Pimenta Bueno, state of Rondonia), with 360 hectares of fire in 2023, and 590 hectares of native vegetation at risk (remaining area). We identified a commercial relation between this farm and Marfrig Chupinguaia in 2021.”

“Fazenda Sarare (Conquista do Oeste, state of Mato Grosso), with 230 hectares of fire in 2023, and 3,893 hectares of native vegetation at risk (remaining area). We identified a commercial relation between this farm and Marfrig Pontes e Lacerda in 2019.”

Below we have provided answers to questions received about these cases.

Colocamos abaixo as respostas às dúvidas recebidas sobre esses casos

1. Please inform if your company's monitoring system had already identified any of these fire or deforestation cases.

Informe se o sistema de monitoramento da sua empresa já identificou algum desses casos de incêndio ou desmatamento.

Marfrig follows the Monitoring Protocol for Cattle Suppliers in the Amazon, which is the protocol that rules the livestock sector and signed with the Federal Prosecutor's Office, applied "to any company in the beef sector that operates in or acquires raw materials from the Legal Amazon", and therefore uses the INPE-PRODES Legal Amazon database to monitor deforested areas. This protocol considers the bases of polygons indicated by INPE-PRODES Amazônia Legal for monitoring deforested areas as deforestation.

A Marfrig segue o Protocolo de Monitoramento de Fornecedores de Gado na Amazônia, que é o protocolo que rege o setor pecuário e assinado com MPF que se aplica "a toda empresa do setor de carnes bovinas que opere dentro ou que adquira matéria-prima proveniente da Amazônia Legal". Esse protocolo considera como desmatamento as bases de polígonos indicados pelo INPE-PRODES Amazônia Legal para o monitoramento de áreas desmatadas.

Therefore, considering that the INPE-PRODES Legal Amazon database was last updated in November 2023, there are no deforestation areas with PRODES deforestation polygons on the properties mentioned.

Assim, considerando que a última atualização da base do INPE-PRODES Amazônia Legal ocorreu em Novembro de 2023, e não constam áreas de desmatamento com polígonos PRODES de desmatamento nas propriedades citadas.

The second CAR cited (MT-5103361-7A3EA5B11042458185F62C5A4C29234C) **does not** refer to the Sarare farm as mentioned by Mighty Earth.

Below is the polygons' information found in our databases for the farms mentioned above:

Quanto ao segundo citado CAR (MT-5103361-7A3EA5B11042458185F62C5A4C29234C) **não** se refere a fazenda Sarare conforme citado pela Mighty Earth.

Abaixo estão informações dos polígonos encontrados nas bases de dados da Marfrig que refere-se as fazendas mencionadas acima



2. Please state any commercial or other (financial, credit, joint venture, investment etc.) supply chain connection to each of the properties listed above.

Por favor, indique qualquer conexão comercial ou de outra natureza (financeira, crédito, joint venture, investimento, etc.) com cada uma das propriedades listadas acima.

The last purchases of animals from the properties illustrated above occurred in 2020 and 2021.

As últimas compras de animais originados das propriedades ilustradas acima ocorreram em 2020 e 2021.

Marfrig has developed and maintains a supplier monitoring platform that uses a satellite georeferencing and geomonitoring system to monitor the production processes and socio-environmental practices of all Marfrig's suppliers, who must strictly comply with the criteria and good practices established in the policy. The tool monitors all the farms that supply animals to Marfrig's processing plants on a daily basis. The system cross-references georeferenced data and agricultural documents with official public information to identify potential non-compliance with situations such as deforestation, embargoed areas, conservation units, indigenous and quilombola territories and any work relationship in degrading or forced conditions. When non-compliance is identified, the property is immediately blocked and no new purchases are made. Our geomonitoring system uses analyses prior to each new negotiation of animals for slaughter, so that information on producers and properties must be up-to-date and adherent to the commitments made by the company in order to be released for supply. And the entire history is stored in a database. This is a fundamental and non-negotiable practice at Marfrig.

A Marfrig desenvolveu e mantém uma plataforma de monitoramento de fornecedores que adota um sistema de georreferenciamento e geomonitoramento por satélite para monitorar os processos produtivos e as práticas socioambientais de todos os fornecedores da Marfrig, que devem atender rigorosamente aos critérios e boas práticas estabelecidos na política. A ferramenta monitora diariamente todas as fazendas que fornecem animais para as plantas de processamento da Marfrig. O sistema cruza dados georreferenciados e documentos agrícolas com informações públicas oficiais para identificar potenciais descumprimentos para situações como desmatamento, áreas embargadas, unidades de conservação, territórios indígenas e quilombolas e qualquer relação de trabalho em condições degradantes ou forçado. Quando é identificada uma não conformidade, o imóvel é imediatamente bloqueado e não são realizadas novas compras. Nosso sistema de geomonitoramento utiliza análises prévias a cada nova negociação de animais para abate, de forma que as informações sobre produtores e propriedades devem ser atualizadas e aderentes aos compromissos assumidos pela empresa para serem liberadas para fornecimento. E todo histórico fica armazenado em um banco de dados. Esta é uma prática fundamental e inegociável na Marfrig.

We would also like to emphasize that in all the purchases of animals for slaughter at Marfrig, both properties mentioned were adhering to the commitments in force on the slaughter dates.

Reforçamos ainda que em todas as compras de animais para abate na Marfrig, ambas as propriedades citadas estavam aderentes aos compromissos vigentes nas datas de abate.

- 3. State any connection (including the year, number of heads of traded cattle, direct or indirect supply and the name of the slaughterhouse involved) to each of the properties (companies and/or families listed as beneficial owners of the properties). Indicar qualquer ligação (incluindo o ano, o número de cabeças de gado comercializadas, o fornecimento direto ou indireto e o nome do matadouro envolvido) a cada uma das propriedades (empresas e/ou famílias listadas como beneficiários efetivos das propriedades).**

The properties mentioned in the report were supplied to Marfrig and the last slaughter of animals that took place with Fazenda Laranjeira, registered in the name of Nilton Dias dos Santos, supplied animals for slaughter at the Chupinguaia-RO unit for the last time in 2021. Now Fazenda Sarare, registered in the name of Sape Agropecuária, supplied animals for slaughter at the Pontes e Lacerda-MT unit for the last time in 2020.

As propriedades citadas na reportagem tiveram fornecimento para a Marfrig, sendo que a Fazenda Laranjeira, cadastrada em nome de Nilton Dias dos Santos, forneceu animais para abate na unidade de Chupinguaia-RO pela última vez em 2021. Já a Fazenda Sarare, cadastrada em nome da Sape Agropecuária, forneceu animais para abate na unidade de Pontes e Lacerda-MT pela última vez em 2020.

Once again, Marfrig reiterates that its satellite geomonitoring system uses previous analyses to each new negotiation of animals for slaughter, so that the information on producers and properties must be up-to-date and adherent to the commitments made by the company.

Novamente, a Marfrig reitera que seu sistema de geomonitoramento via satélite utiliza análises prévias a cada nova negociação de animais para abate, de forma que as informações sobre produtores e propriedades devem estar atualizadas e aderentes aos compromissos assumidos pela empresa.

Once more, we would also like to emphasize that in all the slaughtering dates, the properties mentioned were in compliance with Marfrig's commitments. All historical documentation is archived and verifiable.

Reforçamos ainda que em todos os abates ocorridos as propriedades citadas estavam aderentes aos compromissos vigentes nas datas de abate. E todo o histórico de documentações são arquivadas e passíveis de comprovação.

- 4. Please submit these cases to your formal grievance mechanism and ensure the complaints are publicly available.**

Submeta esses casos ao seu mecanismo formal de reclamação e certifique-se de que as reclamações estejam disponíveis publicamente.

Our policy is clear and explicit in stating that any non-compliance with the law or our internal guidelines can be reported through our grievance mechanism which is available to the entire internal and external community. As such, both complaints relating to human rights and environmental issues can be received through our mechanism which can be accessed through the following channels: phone: 0800 223 1000; e-mail: compliance@marfrig.com.br; and/or website: <https://marfrig.com.br/pt/compliance/helpline>

Nossa política é clara e expressa ao afirmar que qualquer inconformidade com as leis ou nossas diretrizes internas, pode ser denunciada por meio do nosso mecanismo de reclamação disponível para toda a comunidade interna e externa. Sendo assim, tanto reclamações relacionadas a direitos humanos ou questões ambientais podem ser recebidas pelo nosso mecanismo, que pode ser acessado por Telefone: 0800 223 1000; E-mail: compliance@marfrig.com.br; e/ou Site: <https://marfrig.com.br/pt/compliance/helpline>.

When a complaint is received through the channels provided, it is registered and included in a specific control tool. It is then classified according to its nature and forwarded for treatment.

A denúncia, ao ser recebida por meio dos canais disponibilizados, é registrada e incluída em ferramenta própria de controle. Na sequência, ela é classificada quanto à natureza e encaminhada para tratamento.

All this information is documented in detail in our internal procedures and is presented transparently in the Sustainability Report, which is annually published.

Todas essas informações estão detalhadamente documentadas em nossos procedimentos internos e são apresentadas de forma transparente no Relatório de Sustentabilidade, que é publicado anualmente.

5. Inform us of how you plan to address, monitor or potentially block these specific cases of native vegetation clearance.

Informe-nos sobre como você planeja abordar, monitorar ou potencialmente bloquear esses casos específicos de supressão de vegetação nativa.

Marfrig reaffirms that it maintains a strict animal purchasing policy and a protocol with socio-environmental criteria and procedures that are preconditions for approving suppliers and authorizing purchases. To ensure compliance with this policy, the company has developed and maintained a satellite monitoring platform for suppliers since 2010.

A Marfrig reafirma que mantém uma rígida política de compra de animais e um protocolo com critérios socioambientais e procedimentos que são pré-requisitos para homologação de fornecedores e autorização de compras. Para assegurar o cumprimento desta política, a companhia desenvolveu e mantém uma plataforma de monitoramento via satélite de fornecedores desde 2010.

The system cross-references georeferenced satellite data and farm documents with official public information to identify potential non-conformities for situations such as deforestation, embargoed areas, conservation units, indigenous reserves and slave labor. Before each new purchase made by Marfrig, all the data is checked. When non-compliance is identified on a property, it is immediately blocked and no new purchases are made until the non-compliance is resolved. This is a fundamental and non-negotiable practice at Marfrig.

O sistema cruza os dados georreferenciados por satélite e documentos das fazendas com informações públicas oficiais para identificar potenciais não conformidades para situações como desmatamento, áreas embargadas, unidades de conservação, reservas indígenas e trabalho escravo. Antes de cada nova compra realizada pela Marfrig, todos os dados são checados. Quando uma não conformidade é identificada em uma propriedade, esta é imediatamente bloqueada e não são feitas novas compras até que se esclareça a inconformidade. Essa é uma prática fundamental e inegociável da Marfrig.

The livestock purchasing system is subject to evaluation by external auditors annually and the audit report is published on our website and below the audit report for the period mentioned in the report:

<https://marfrig.com.br/en/Lists/CentralConteudo/Attachments/5/AUDIT%20REPORT%202022%20-%20MARFRIG%20AND%20GREENPEACE.pdf>.

O sistema de compra de gado é submetido à avaliação de auditores externos anualmente e o relatório de auditoria é publicado em nosso site e abaixo o relatório de auditoria referente ao período mencionado no email recebido:

<https://marfrig.com.br/en/Lists/CentralConteudo/Attachments/5/AUDIT%20REPORT%202022%20-%20MARFRIG%20AND%20GREENPEACE.pdf>.

6. Highlight the next steps your company will take to ensure the cattle supplier is not destroying natural vegetation, and the cattle coming from cleared areas are not part of your supply base.

Destaque os próximos passos que sua empresa tomará para garantir que o fornecedor de gado não esteja destruindo a vegetação natural, e o gado vindo de áreas desmatadas não faça parte de sua base de abastecimento.

Marfrig does not commit itself to deforestation. On the contrary, it has pioneered various actions to protect the environment. The first initiative was in 2009, when it made a public commitment with Greenpeace to combat deforestation. The following year, the company began to monitor an area of around 25 million hectares via satellite and in real time, which is equivalent to a territory larger than the state of São Paulo or the United Kingdom.

A Marfrig não compactua com o desmatamento. Pelo contrário, foi pioneira em diversas ações para proteger o meio ambiente. A primeira iniciativa foi em 2009, quando assumiu, com o Greenpeace, o compromisso público de combate ao desmatamento. No ano seguinte, a companhia passou a monitorar, via satélite e em tempo real, uma área de cerca de 25 milhões de hectares, o que equivale a um território maior do que o do estado de São Paulo ou o Reino Unido.

Expanding the scope of this work, in 2020 Marfrig launched the Marfrig Verde+ Program, with the aim of making its supply chain more sustainable and deforestation-free.

Ampliando o escopo desse trabalho, em 2020 a Marfrig lançou o Programa Marfrig Verde+, com objetivo de tornar sua cadeia de fornecimento mais sustentável e livre de desmatamento.

Among one of the most significant results to date are supply chain traceability levels. Marfrig monitors 100% of direct suppliers in all Brazilian regions. In the beef sector, the company achieved the highest monitoring rates for indirect suppliers, one of the main challenges in livestock farming: 85% in the Amazon biome and 71% in the Cerrado biome. The most critical areas (at high and very high risk of deforestation) are already fully monitored in both biomes. To achieve these results, the company used a Socio-Environmental Risk Map, the Conecta tool (using blockchain technology), the Visipec tool and the Livestock Portal, a communication channel with producers.

Entre um dos resultados mais significativos até o momento estão níveis de rastreabilidade da cadeia de fornecimento. A Marfrig monitora 100% dos fornecedores diretos de todas as regiões brasileiras. No setor de carne bovina, a companhia alcançou as maiores taxas de monitoramento de fornecedores indiretos, um dos principais desafios da pecuária: 85% no bioma Amazônia e 71% no bioma Cerrado. As áreas mais críticas (com risco alto e muito alto de desmatamento) já estão completamente monitoradas nos dois biomas. Para chegar a esses resultados, a empresa utilizou um Mapa de Riscos Socioambientais, a ferramenta Conecta (com uso de tecnologia blockchain), a ferramenta Visipec e o Portal do Pecuário, canal de comunicação com produtores.

Minerva Foods replied on November 24, 2023:

OUR POSITION

Minerva Foods is the largest beef exporter in South America and one of the leading producers in the region. The Company is active in the beef and processed food segments, servicing more than 100 countries, with a significant presence in Brazil, Argentina, Colombia, Paraguay and Uruguay, as well as specialized sheep processing units in Australia.

We understand that the longevity of our business depends on preserving the ecosystems that support agricultural production. Our primary objective is to prevent the negative impacts of climate change while simultaneously aiding the agricultural sector in adopting practices that sequester and store carbon, protect biodiversity, and cultivate resilience.

To achieve this goal, we announced our Commitment to Sustainability in 2021, aiming to neutralize our carbon emissions by 2035, 15 years earlier than outlined in the Paris Agreement. Additionally, we aim to decrease greenhouse gas (GHG) emissions intensity in Scopes 1 and 2 by 30% by 2030. We are committed to creating and executing a monitoring program for our indirect suppliers throughout South America by 2030. Our efforts in this initiative have already yielded progress in various areas, which are outlined below.

Dedication to the Planet - Combating Illegal Deforestation - Monitoring Direct Suppliers

Minerva Foods employs the best available technology in its traceability and socio-environmental monitoring practices to guarantee compliance with environmental, labor, and land standards across its supplier portfolio, with particular emphasis on biodiversity and human rights. The Company spearheaded the utilization of geospatial monitoring in monitoring 100% of its direct suppliers across all the biomes it operates in Brazil (Amazon, Cerrado, Pantanal, Caatinga, and Atlantic Forest) in 2020. These initiatives exemplify the company's commitment to sustainable practices. The following year, in 2021, the Company completed the deployment of 100% monitoring of direct purchases in Paraguay. In 2023, the same objective was achieved in Colombia, 6 months earlier than anticipated.

The goal is to achieve the same level of monitoring in the other South American countries where Minerva Foods operates. In Argentina, the goal is to reach 100% by 2030 and progress is well underway with approximately 90% of direct suppliers being monitored. In Uruguay, social and environmental monitoring has progressed to more than 40% of direct suppliers, with the goal of reaching 100% by 2025.

Socio-environmental monitoring guarantees that Minerva Foods **does not** buy cattle from properties with: i. illegally deforested areas; ii. properties with environmental embargoes (for Brazil); iii. properties that overlap with indigenous lands and/or traditional communities and conservation units; iv. properties associated with the use of slavery-like labor.

In other words, this means that Minerva Foods' production chain is free of illegal deforestation, labor practices similar to slavery or child labor, overlaps with protected areas, or environmental embargoes. Any non-compliance with socio-environmental criteria results in the supplier being blocked until the situation is rectified.

The monitoring system undergoes an annual audit, with the Company achieving excellent results. Minerva Foods has maintained its outstanding performance in third-party audits supervised by the Federal Prosecutor's Office, the most important and reliable tool for socio-environmental verification in the Brazilian production chain.

In the states of Pará and Rondônia, Minerva Foods' sales between July 2020 and December 2021 were 100% compliant with the audits conducted. For the state of Mato Grosso, 100% compliance was achieved for transactions conducted from January through December 2021. All the socio-environmental criteria of the Monitoring Protocol for Cattle Suppliers in the Amazon were met and audited by Grant Thornton Brazil.

The Company achieved 100% compliance in the audit of the Public Livestock Commitment, which was signed in 2009 and audited by BDO RCS Auditores Independentes, for yet another year. Furthermore, a third-party audit process is implemented in Paraguay to monitor purchases made in the country, with a performance result indicating 100% compliance for the third consecutive year. The results evaluation received approval from BDO RCS Independent Auditors. These results from third-party auditing processes reinforce the integrity of Minerva Foods' global monitoring system and the Company's ongoing commitment to an increasingly sustainable livestock sector.

Initiatives in relation to indirect suppliers

We were among the first to test Visipec, a complementary traceability tool for mapping indirect suppliers in the Amazon. This tool was developed by the National Wildlife Federation (NWF) in partnership with the Gibbs - Land-Use and Environment Lab at the University of Wisconsin-Madison. Visipec checks the information from the property's Rural Environmental Registry (CAR) with public databases to track the movement of cattle throughout the production cycle.

In 2021, the company partnered with Niceplanet Geotecnologia and released the SMGeo Prospec app, which offers Brazilian rural producers the opportunity to verify their supply chain compliance. The app enables producers to conduct extensive research, accessing historical data and socio-environmental compliance analyses to help identify risks before engaging in any commercial activities.

Minerva Foods has prioritized outreach initiatives designed to raise awareness of the importance of using the tool among all of its suppliers. This includes workshops, site visits, and distribution of training materials, along with active participation in working groups to address the issue. To date, over 2,000 vouchers have been distributed.

The Company is currently using these two tools to map and conduct a risk analysis of its direct suppliers and possible indirect suppliers in order to understand its supply chain and the supply scenario in which it operates.

Efforts are being made to track the supply chain at all levels, however, it is important to recognize that achieving full traceability goes beyond industry initiatives, requiring the participation of other stakeholders including government, ranchers, retailers, the community, and others.

Recently, we achieved yet another recognition and won second place in the European Sustainable Food Awards 2023, in the Pioneering in Sustainability category. The Company participated in the award together with companies from France, United States and Netherlands, and was the first and only Brazilian company to win the award, being recognized globally as a pioneer in sustainability, for playing an important role in building a more sustainable food industry. Minerva Foods competed for the award for its traceability processes in the production

JBS did not reply to questions on the five case studies from Mighty Earth