



SUSTAINABILITY

REPORT 2015



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Minerva Foods

MINERVA FOODS IS BASED ON **VALUES** THAT HAVE MARKED A PATH OF TRUST IN ITS ACTIVITIES.

INTEGRITY IN GOVERNANCE PRACTICES; **COMMITMENT** TO HUMAN CAPITAL; **RESPONSIBLE** DECISION-MAKING; **INITIATIVE** IN ADVANCING THE MEAT INDUSTRY IN BRAZIL AND LATIN AMERICA; **COOPERATION** IN RELATIONSHIPS; **SIMPLICITY** IN ACTIONS; AND, FINALLY, THE STRENGTHENING OF EVERY LINK AT MINERVA THROUGH THE COMPANY'S **DETERMINATION** ARE PART OF MINERVA FOODS' WAY OF WORKING.

Table of Contents

| | | | |
|-------------------------|----|---------------------------------|-----|
| 1.About the Report | 4 | 5. Business Performance | 54 |
| 2.Minerva Foods | 16 | 6. Relationships | 68 |
| 3. Strategic Management | 28 | 7. Integrated Management System | 90 |
| 4. Corporate Governance | 44 | 8. GRI Content Index | 110 |
| | | 9. Credits | 119 |



1

ABOUT THE REPORT

IN THIS REPORT, YOU WILL SEE HOW ACTING WITH **SIMPLICITY**
MAKES MINERVA FOODS VALUES PART OF CONSTANT EVOLUTION,
INTEGRATION AND IMPROVEMENT OF THE ORGANIZATIONAL CULTURE.



Minerva Foods

ABOUT THE REPORT



Montería – Colombia Industrial Unit Offices

To report its results to its various stakeholders,

MINERVA FOODS PUBLISHES AN ANNUAL SUSTAINABILITY REPORT CONTAINING A PANORAMA OF THE MOST RELEVANT ASPECTS OF ITS ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE AND CORPORATE GOVERNANCE.

As a publicly traded company, in line with transparency and to allow for comparison with other companies in the industry, the Company follows the Global Reporting Initiative (GRI) guidelines, as well as the Brazilian Association of Publicly Traded Companies [Abrasca] recommendations. This document covers the period of January 1 to December 31, 2015, and information is based on the most current version of the GRI, version G4, using the core “in accordance” option. Any reformulations of information and the reasons for reformulation are described throughout the document. **GRI G4-28 | G4-29 | G4-30 | G4-32**

The information and performance indicators reported were subject to analysis and received independent assurance from BDO RCS Auditores Independentes – a practice the Company has employed since the first publication – published on page 117. **GRI G4-33**

Information regards the following industrial units: Araguaína (TO); Barretos (SP); Campina Verde (MG); Janaúba (MG); José Bonifácio (SP); Palmeiras de Goiás (GO); and Batayporã (MS); in addition to the controlled companies Rolim de Moura (RO), Várzea Grande (MT); Mirassol D’Oeste (MT). Although they are not part of this Report scope, the following industrial units will be mentioned: Paraguay units (Frigomerc S.A, Friasa S.A and Expacar controlled companies); Uruguay units (Frigorífico Carrasco S.A. and Pulsa S.A. controlled companies); Colombia units (Red Carnica S.A.S controlled company and Red Industrial Colombiana S.A.S); and Minerva Casings, Minerva Biodiesel, Minerva Couros and Minerva Live Cattle (controlled company) and Minerva Fine Foods (controlled company) business units. These mentions will be accompanied by appropriate highlights. There were no significant changes in relation to the periods covered in previous documents. In a process of continual improvement, in accordance with feasibility, the Report’s scope will grow over the upcoming cycles, involving the other businesses under the Company’s control. **GRI G4-13 | G4-20 | G4-21 | G4-23**

Comments, criticisms and suggestions regarding this document should be sent by e-mail to ri@minervafoods.com. This channel also allows investors and other stakeholders to discuss different topics related to the Company. **GRI G4-31**

MATERIALITY MATRIX **G4-18 | G4-20 | G4-21**

To define reporting of the most relevant topics presented

IN THIS REPORT, MINERVA FOODS REVISED THE CONSULTING AND ANALYSIS PROCESS IT USED IN 2014 BASED ON GRI G4 GUIDELINES.

As a result, this document contains a new subject: Institutional Relations. The work developed in the previous year counted on the participation of over 150 people, including members of the Board of Directors, Directors, employees and outside stakeholders such as NGOs, the government, financial institutions, investors, shareholders, buy-side and sell-side analysts, suppliers, transporters, vendors, customers, livestock farmers and academic institutions.

Also taken into consideration was the engagement with stakeholders throughout the year (see charts at right), through direct communication channels as well as through events and programs promoted by the Company – such as Minerva Day, Talking Livestock (Falandó de Pecuária), @ + Profitable @ + Lucrativa) and Stakeholder Engagement Plan (SEP) – in which the Company participates, such as industry discussion forums. The materiality analysis process also encompassed themes identified in GRI documents and in reports by other national and international industry players. **GRI G4-24 | G4-25**

APPROACH AND FREQUENCY OF STAKEHOLDER ENGAGEMENT **GRI G4-26**

| APPROACH TO STAKEHOLDER ENGAGEMENT | FREQUENCY OF ENGAGEMENT | STAKEHOLDER GROUPS |
|---|--|---|
| SEP | Monthly at all Company business units | Employees, community stakeholders, unions |
| Minerva Day | Twice a year in Brazil and in the U.S.A. | Financial stakeholders |
| Talking Livestock (Falandó de Pecuária) | During the entire year at locations where Minerva Foods industrial units are found | Livestock farmers and trade associations |
| Meeting of the Brazilian Roundtable on Sustainable Livestock (BRSL) | During the entire year | Financial stakeholders, unions, public agencies, NGOs, private companies and others |

* The meeting is not held by Minerva Foods, but is a form of engagement between companies in the industry with other business areas.

KEY TOPICS AND CONCERNS RAISED THROUGH STAKEHOLDER ENGAGEMENT, BY STAKEHOLDER GROUP **GRI G4-27**

| MAIN TOPICS AND CONCERNS | ADOPTED MEASURES | STAKEHOLDER GROUPS |
|--|--|--|
| Sustainability; efficiency in the field; raw material market; animal welfare | Promotion of events on discussion of topics related to the industry, such as Talking Livestock | Livestock farmers, associations and trade associations |
| Economic scenario; financial results; Company performance in national and international scenarios | Promotion of events such as Minerva Day, held in Brazil and in the U.S.A. and phone conferences to discuss the Company's quarterly results | Shareholders and financial stakeholders |
| Transport of live cargo; matters related to odor; job creation; concern with third-party employee well-being; economic movement of cities where Minerva Foods Distribution Centers and units are located | Implementation of engagement projects, such as the SEP | Employees and stakeholders in the community neighboring Minerva industrial units |

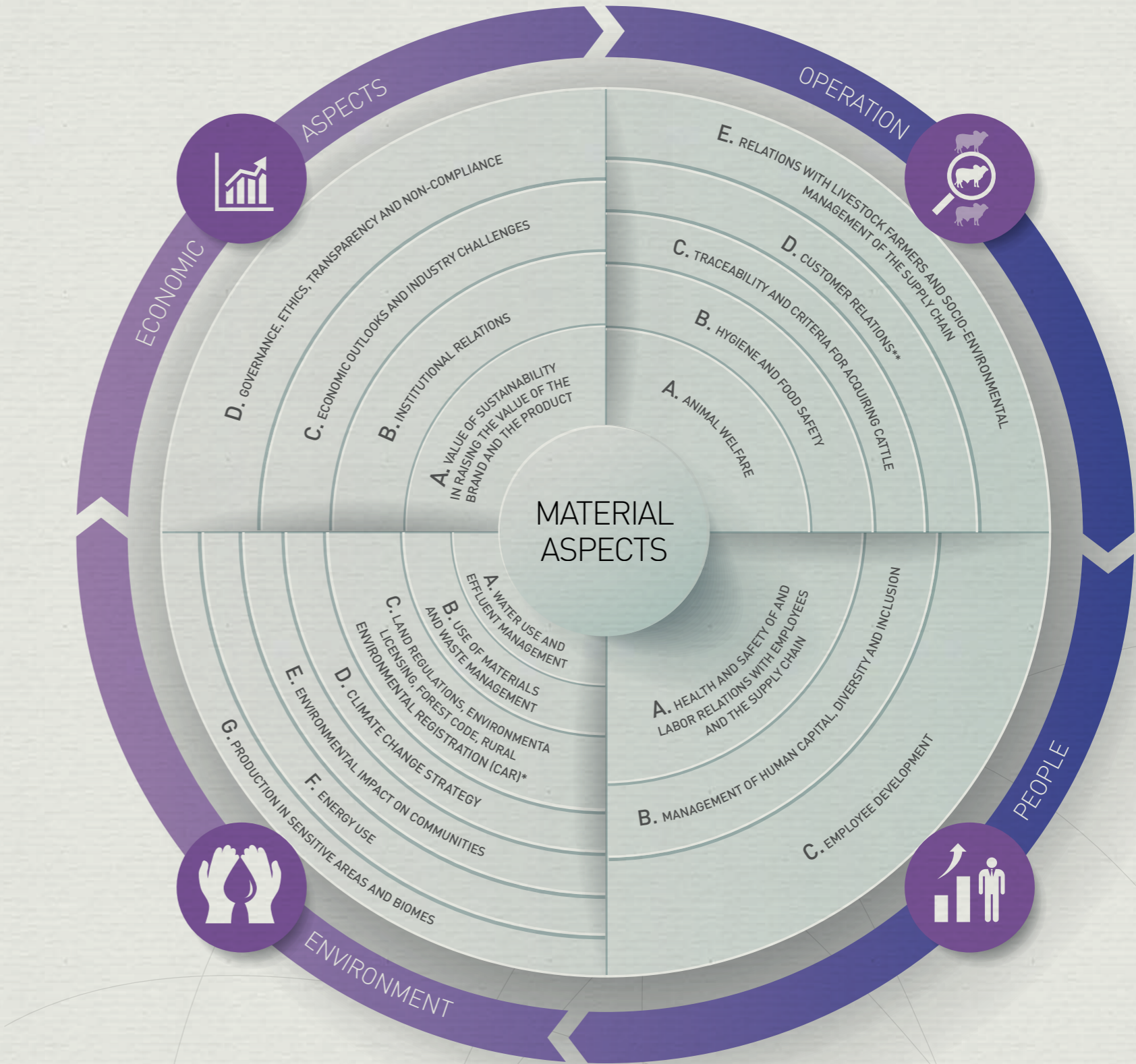
This research process resulted in the creation of a list of WITH 19 themes assessed with regard to the Impact and Influence axes and divided into four aspects: Economic, Environmental, Operational and People. On the impact axis, relevant assessments of the themes from the standpoint of Directors and Managers were considered as well as the importance to industry players. For development of the influence axis, in the assessment and decision of stakeholders, analyses considered relevance based on individual interviews, an online questionnaire and a face-to-face panel, in addition to industry studies. As a result of the process, the material topics presented in this document are: **GRI G4-19**.

| ECONOMIC ASPECTS | | |
|------------------|------------------------------|--------------------------|
| A | Product and service labeling | G4-PR4 |
| B | Economic performance | G4-EC4 |
| C | Economic performance | G4-EC1 G4-EC2 |
| | Investments | G4-HR1 |
| D | Anti-corruption | G4-S03 G4-S04 G4-S05 |
| | Unfair competition | G4-S07 |
| | Compliance | G4-S08 |

| ENVIRONMENT | | |
|-------------|--|-----------------------------|
| A | Water | G4-EN8 |
| | Effluents and waste | G4-EN22 |
| B | Materials | G4-EN2 |
| | Effluents and waste | G4-EN23 G4-EN25 |
| | Products and services | G4-EN28 |
| C | No relation to GRI aspects | |
| D | Aspects related to the Company's strategic vision and management in this topic will be reported. Operational aspects, such as combating deforestation, are covered in other material topics. | |
| E | Emissions | G4-EN19 G4-EN20 G4-EN21 |
| | Effluents and waste | G4-EN24 |
| | Products and services | G4-EN27 |
| | General | G4-EN31 |
| | Environmental grievance mechanisms | G4-EN34 |
| F | Energy | G4-EN3 G4-EN5 G4-EN6 |
| G | Biodiversity | G4-EN12 |
| | Compliance | G4-EN29 |
| | Indigenous rights | G4-HR8 |

| OPERATION | | |
|-----------|--|---|
| A | Animal welfare | G4-FP9 G4-FP11 G4-FP13 |
| B | Customer health and safety | G4-PR1 G4-PR2 G4-FP5 |
| C | Product and service labeling | G4-PR3 G4-DMA Rotulagem de Produtos e Serviços (antigo FP8) |
| D | Customer privacy | G4-PR5 G4-PR8 |
| | Compliance | G4-PR9 |
| E | Procurement practices | G4-FP1 G4-FP2 |
| | Supplier environmental assessment | G4-EN32 G4-EN33 |
| | Supplier assessment for labor practices | G4-LA14 G4-LA15 |
| | Freedom of association and collective bargaining | G4-HR4 |
| | Child labor | G4-HR5 |
| | Forced or compulsory labor | G4-HR6 |
| | Supplier human rights assessment | G4-HR10 G4-HR11 |
| | Human rights grievance mechanisms | G4-HR12 |
| | Supplier assessment for impacts on society | G4-S09 G4-S010 |

| PEOPLE | | |
|--------|--------------------------------------|-----------------------------------|
| A | Labor relations | G4-FP3 |
| | Occupational health and safety | G4-LA5 G4-LA6 G4-LA7 G4-LA8 |
| | Labor practices grievance mechanisms | G4-LA16 |
| | Assessment | G4-HR9 |
| B | Economic performance | G4-EC3 |
| | Market presence | G4-EC5 G4-EC6 |
| | Employment | G4-LA1 G4-LA2 |
| | Diversity and equal opportunity | G4-LA12 |
| | Equal remuneration for women and men | G4 LA13 |
| | Non-discrimination | G4-HR3 |
| | Security practices | G4-HR7 |
| C | Training and education | G4-LA9 G4-LA10 G4-LA11 |
| | Investments | G4-HR2 |



* Although they do not have directly related aspects and indicators, the G4-EN29, G4-EN32 and G4-EN33 indicators regard other material topics that help in providing accountability for this topic.

** Because of the importance of these topics to the activities at Minerva Foods and in relation to stakeholder expectations found during the materiality process, the Company has decided to report on some indicators related to the following topics, in addition to the material topics.





MINERVA FOODS

COMMITMENT TO HUMAN CAPITAL AND
THE STRENGTH OF THE ORGANIZATIONAL CULTURE
KEEP MINERVA FOODS IN A PROMINENT POSITION
WITHIN OUR INDUSTRY SECTOR.



Minerva Foods

MINERVA FOODS



Janaúba – Minas Gerais Industrial Unit

PROFILE **GRI G4-8**

With sales to over one hundred countries on five continents,

MINERVA S.A. (MINERVA FOODS) IS ONE OF THE LEADERS IN SOUTH AMERICA IN THE PRODUCTION AND SALE OF BEEF, LEATHER, LIVE CATTLE EXPORTS AND BY-PRODUCTS, AND IS THE SECOND LARGEST EXPORTER IN THE INDUSTRY IN BRAZIL IN TERMS OF GROSS SALES REVENUE.

The company also works in the beef, pork and poultry processing segment, as well as with distribution, through a vast line of Company and third-party products with the one stop shop concept. **GRI G4-3 | G4-7**

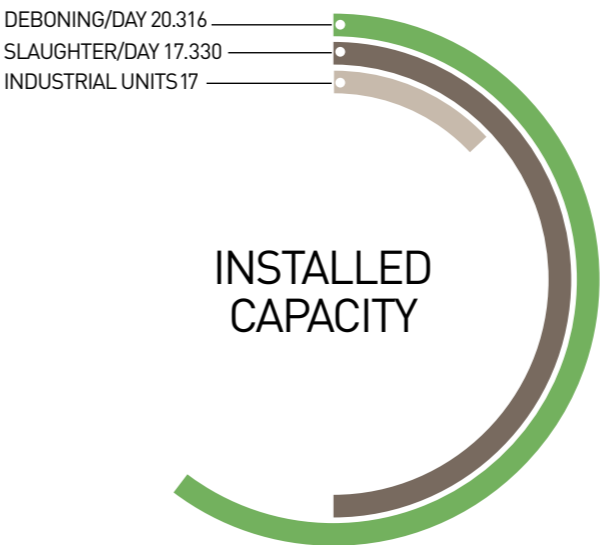
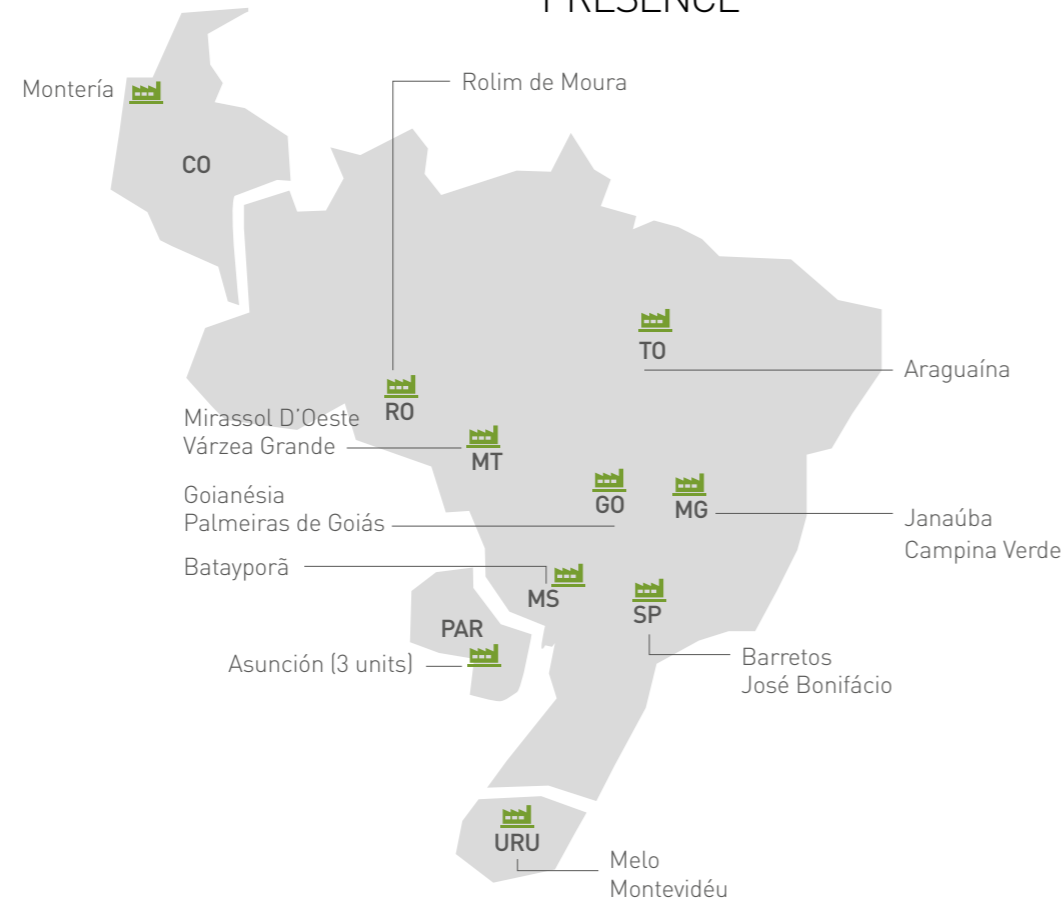
A publicly listed company, created as a platform for fresh beef, the Company's headquarters is located in Barretos, in the heartland of São Paulo state, and counts on 17 operating units in strategic locations: 11 in Brazil – in the states of São Paulo, Rondônia, Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul and Minas Gerais – three in Paraguay, two in Uruguay and one in Colombia. Slaughter capacity in 2015 was 17,330 heads of cattle per day, with a deboning capacity of 20,316 heads/day. Minerva Foods also operates 11 Distribution Centers, eight of which are in Brazil, one in Paraguay, one in Chile and one in Colombia, and counts on eight international business offices: in Algeria, China, Chile, Colombia, the U.S.A., Iran, Lebanon and Russia. **GRI G4-5 | G4-6 | G4-7 | G4-9**

At the end of 2015, the Company had 12,993 direct employees (70.40% men and 29.60% women). Gross sales revenue reached approximately BRL10.1 billion, up by 35% year-over-year, and net revenue totaled BRL9.5 billion, 36.3% higher than in 2014. **GRI G4-9**

* Distribution centers in Chile and Colombia began functioning in 2016.



PRESENCE



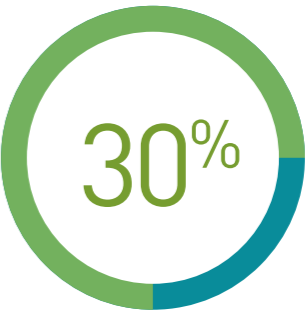
GROSS REVENUE

10¹Bi

NET REVENUE

9⁵Bi

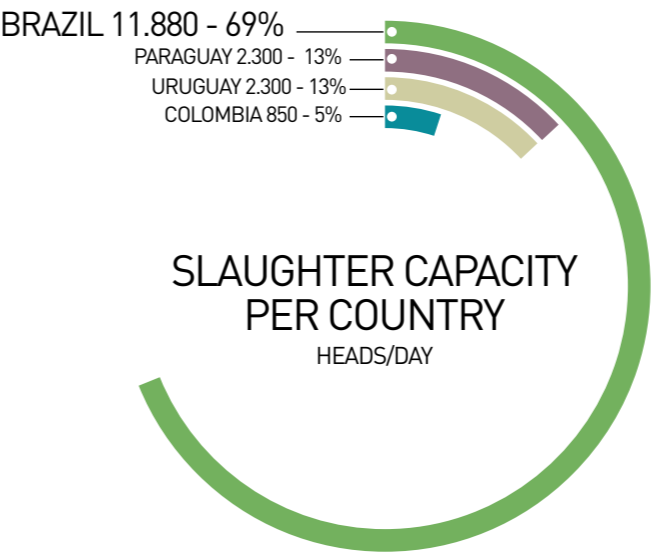
GROSS REVENUE MAKEUP (%)



DOMESTIC MARKET



FOREIGN MARKET



HISTORY

Minerva Foods history was built on a solid, is based on solid, disciplined and coherent management, through which the Company is a part of and contributes to the development of Brazilian livestock. Consistency, discipline and focus are strategic differentials, consolidated by simplicity, humility and the tenacity of the Company's workforce.

1957

Vilela de Queiroz family begins raising cattle and providing logistics services for the transport of cattle from farms to slaughterhouses.

1992



Acquisition of Frigorífico Minerva do Brasil S.A., Vilela de Queiroz family's first slaughter and processing unit, located in Barretos (SP). The Company also establishes Indústria e Comércio de Carnes Minerva Ltda.

1999

The Company begins to lease and later acquires a slaughter and processing unit in José Bonifácio (SP).



Construction and opening of the slaughter and processing plant in Palmeiras de Goiás (GO), one of the most modern beef processing facilities in Latin America.

2004

Minerva signs a lease contract for a slaughter and processing unit in the city of Batayporã (MS).

2006

2007

Construction starts at Minerva unit in Rolim de Moura (RO) and industrial plants are acquired in Tocantins (TO). In January, construction starts on in industrial unit in Barretos (SP) for production of cooked and frozen meat, through a joint venture with the Dawn Farms Group from Ireland. In April, the Company acquires an operating industrial unit in Araguaína (TO).

2008

Acquisition of the Lord Meat meatpacking plant in Goianésia (GO) and the Friasa meatpacking plant in Paraguay.

2009

Opening of the cooked and frozen meat plant in Barretos (SP). This is the first production unit of Minerva Dawn Farms, a result of a joint venture with Dawn Farms Foods.

2010

Acquisition of a plant in Campina Verde (MG).

2011



Purchase of PUL meatpacking plant in Uruguay.

2012

Minerva adopts the Minerva Foods brand, acquires the Frigomerc meatpacking plant in Paraguay and ends the year as one of the top three Brazilian exporters of beef, beef by-products and processed beef, with over BRL1 billion invested since 2007.

2013



Installation of Distribution Centers (DCs) in Uberlândia (MG), Fortaleza (CE) and Rolim de Moura (RO). Minerva Foods takes total control of Minerva Dawn Farms, which begins to use the Minerva Fine Foods brand. An agreement is signed to acquire BRF slaughter and deboning operations in Várzea Grande and Mirassol D'Oeste, in Mato Grosso (MT).

2014



Acquisition of Carrasco meatpacking plant in Uruguay and an industrial in Janaúba (MG). Conclusion of purchase and start-up of operations of Várzea Grande and Mirassol D'Oeste (MT) plants.

2015

Acquisition of Red Cárnica meatpacking plant in Colombia and execution of a contract to lease Expacar processing and slaughter unit in Paraguay.

MISSION, VISION AND VALUES **GRI G4-56**

MISSION

To be a global provider of quality food, with social, economic and environmental responsibility. Minerva adopts a high level of operational efficiency, promoting teamwork, valuing its employees and fostering respect and trust in its business areas.

VISION

To be the most efficient company in the market, always seeking to maximize returns on invested capital across its business segments through appropriate risk management policies.

VALUES

Integrity, commitment, responsibility, proactivity, cooperation, simplicity and determination.



Montería – Colombia Industrial Unit

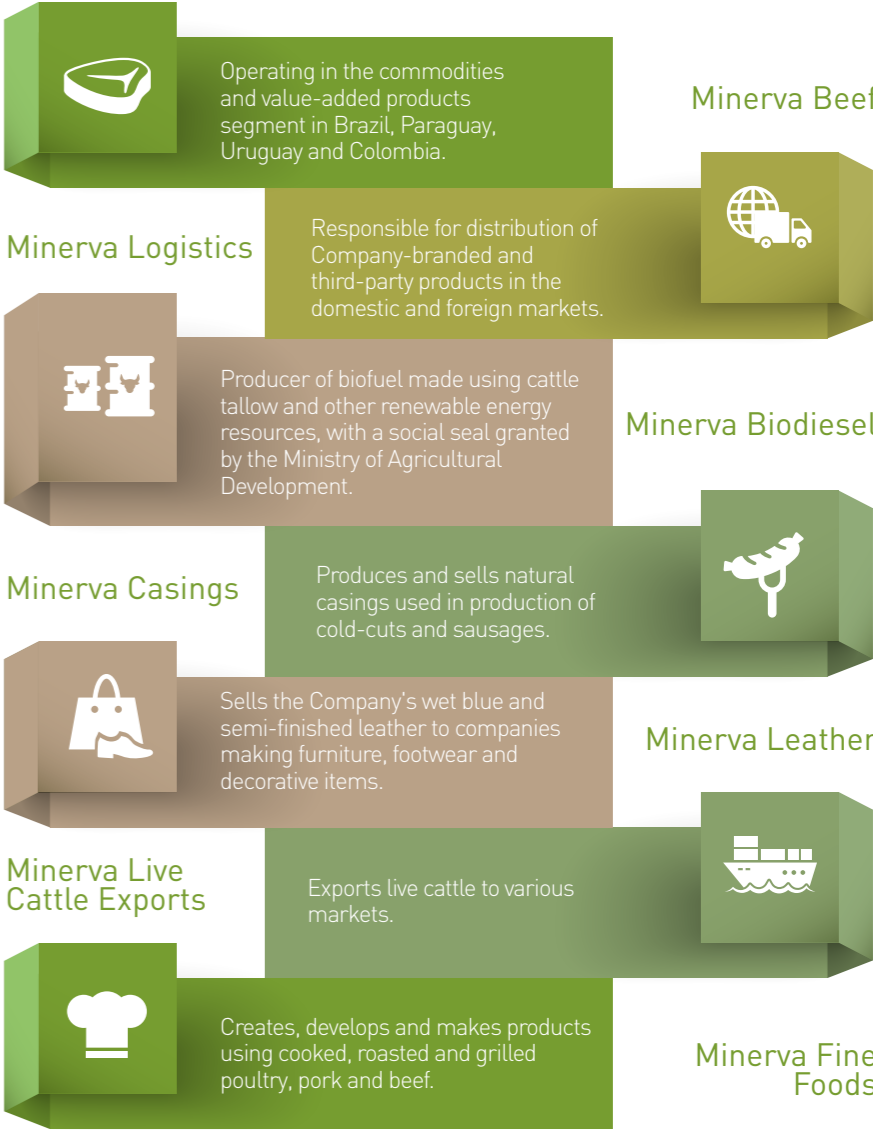


Janaúba – Minas Gerais Industrial Unit

PRODUCT LINES **GRI G4-4**

Minerva Foods operates with a portfolio of over 14,000 items. It maintains the following divisions for the processing and sale of products:

Minerva Foods





Melo – Uruguay

AWARDS AND CERTIFICATIONS



CHICO MENDES AWARD

For the fifth year in a row, the company was given the award, created to foster and spread application of sustainable development practices, from Instituto Socioambiental Chico Mendes.



GLOBO RURAL MAGAZINE

Named the Best Company in the Meat Industry special category for the 11th Best in Agribusiness Award. Companies were elected by segment and based on 2014 financial results.



COMPANIES THAT BEST COMMUNICATE WITH JOURNALISTS AWARD

Given by Negócios da Comunicação Magazine, in the Meat Agroindustry category.

HIGHLIGHTS

GEOGRAPHIC DIVERSITY

- Acquisition of Red Cárnica Meatpacking Plant, Montería (Colombia).
- Leasing of Expacar Meatpacking Plant (Paraguay).

CORPORATE GOVERNANCE AND MANAGEMENT

- Consolidation of the Matrix Management Model, with advances in decentralization of decisions and greater autonomy of business units.
- 1st Stakeholder Engagement Plan (SEP) executed.
- Success in integration and exchange of experiences for the new platforms abroad.

INDUSTRIAL AREA

- Enhancement of the Integrated Management System (SGI, its acronym in Portuguese), created under the guidelines of the International Finance Corporation (IFC) performance standards.
- Adoption of best practices among Beef Brazil units, with implementation of the Bible Program.

SALES

- Strengthening of the one stop shop model.
- Launch of Company brands.
- Expansion of Distribution operations in South American countries.

PRODUCER DEVELOPMENT

- Funding advances given to livestock farmers through the @ + Profitable Program.

BRAND

- Adoption of the new visual identity of Minerva Foods and its divisions.

CLEAN ENERGY

- Creation of Minerva Comercializadora de Energia, whose management involves seeking clean energy generation matrixes, such as bioreactors and wind energy.

INVESTMENTS

- Volume of over BRL234 million, geared towards gains in efficiency and increased production capacity.

STRATEGIC MANAGEMENT

RESPONSIBLE DECISION-MAKING, THROUGH
INTEGRATED AND COLLABORATIVE MANAGEMENT, FOSTERS
DIALOG AND ALLOWS FOR PROMOTION OF CONTINUAL
IMPROVEMENTS IN PROCESSES AND RESULTS.

3



Minerva Foods

STRATEGIC MANAGEMENT



São Paulo – São Paulo Offices

MANAGEMENT MODEL

IN 2015, MINERVA CONSOLIDATED THE MATRIX MANAGEMENT MODEL ADOPTED IN THE PREVIOUS YEAR,

with the creation of the following business units: Beef Brazil, Beef South America, Distribution and Logistics, Other Business and Colombia – all led by Chief Operating Officers – COOs. This structure allows for dynamic internal processes, strengthening integration between business units and creating a more agile decision-making process, while aligning employees around key objectives. To do this, COOs report directly to the Chief Executive Officer – CEO and rely on the support of the three Divisions responsible for promoting the connection between the CEO and the other departments that provide operational support.

GAINS FROM THE MATRIX MANAGEMENT MODEL

- ▶ Alignment of business units with the Company's strategy
- ▶ Commercial flexibility
- ▶ More autonomy for managers in the decision-making process



WITH CLEAR GOALS AND SUSTAINABLE PRACTICES, MINERVA FOODS IS ONE OF THE INDUSTRY'S LEADING COMPANIES IN SOUTH AMERICA.



MESSAGES FROM THE MANAGEMENT **GRI G4-1**

WITH CLEAR GOALS AND SUSTAINABLE PRACTICES, MINERVA FOODS IS ONE OF THE INDUSTRY'S LEADING COMPANIES IN SOUTH AMERICA.

The results and substantial growth achieved over our more than 20 years of operation are proof of the solidity of operations and of the right strategic direction, geared towards creating value for Minerva and its stakeholders. Commitment to a culture of high performance, in conjunction with market intelligence and risk management that assertively orients business, has allowed an operational and strategic distribution network to be built to serve the Brazilian and international markets, in different scenarios.

The business longevity is also the result of our investments in qualifying teams, diversifying products and modernizing and integrating units, as well as the continual enhancement of corporate governance practices.

With clear purposes and focus on quality and efficiency, we will continue to evolve sustainably, growing our presence in South America and maintaining our position as a prominent player on the international scene.

Edivar Vilela de Queiroz
Chairman of the Board of Directors





DISCIPLINE, CONSISTENCY
AND FOCUS DRIVE OPERATIONS AT
MINERVA FOODS.



IN 2015, MINERVA SHOWED ITS ABILITY TO FORECAST AND UNDERSTAND THE MARKETS WHERE IT OPERATES.

The geographic diversification strategy in South America, with a commercial focus based on opening up and growth in new markets, allows the Company to do business at global level, while minimizing domestic dependence during times of greater volatility and economic sluggishness. In a year marked by dips in the price of an arroba of beef in Brazil and depreciation in the exchange rate, resulting in a chance to improve meat export margins, consistency in strategic planning led Minerva to a consolidated net revenue of BRL9.525 billion, 36.3% more than in 2014 and in accordance with the earnings guidance announced in March 2015. Return on Invested Capital (ROIC) reached a historical level of 25%, maintaining the Company as a reference in its industry.

In line with strategic guidelines, Minerva acquired a meatpacking plant in Colombia, leased a unit in Paraguay and developed actions to meet local demands. It increased origination of other products, in addition to beef, and intensified work at small and medium retailers and in food service, more resilient segments in times of crisis.

To achieve these objectives, Minerva Foods kept targeting the three pillars that guide its activities - Discipline, consistency and focus - and invested in training and promoting the safety of its employees. The Human Resources Department acquired a more Strategic status accompanied by the development of a competency-based management model, aligned with professional features that have shaped the corporate culture over the years.

Another advance was the greater autonomy granted to managers through the adoption in 2014 of matrix management model, which resulted in decentralization of decision-making and a faster and efficient response to an increasingly volatile market.

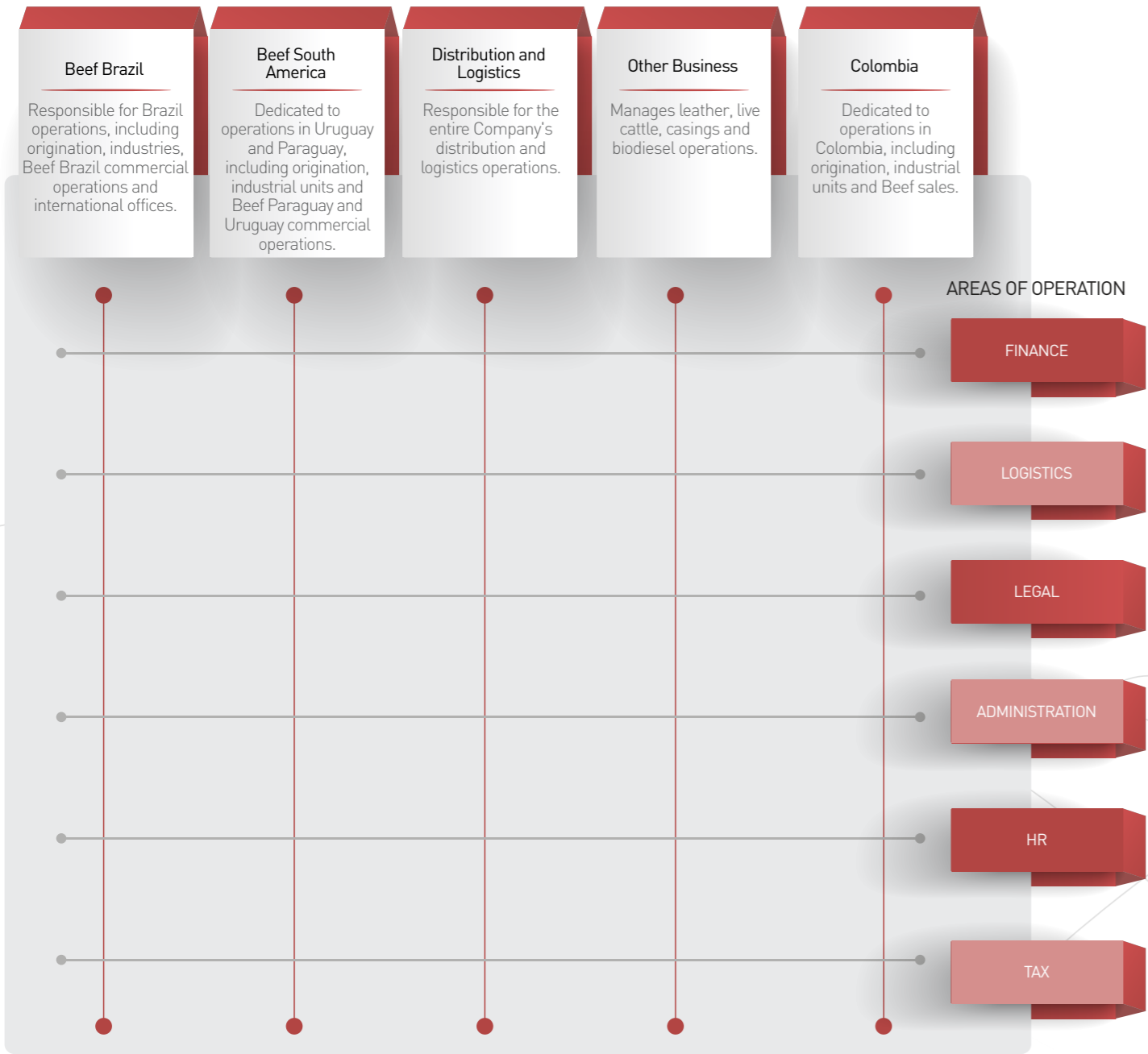
The year 2015 was also characterized by the announce of the investment agreement with SALIC, controlled by Saudi Arabia's sovereign wealth fund. This measure represents the start of a strategic partnership in a region with high potential demand, the Middle East, which resulted in the private capital increase in 2016.

All of these actions during the period, along with the commitment of our employees, who contributed to the construction of a sustainable growth trajectory, ensures that Minerva is prepared to live up to new international demands.

Fernando Galletti de Queiroz
Chief Executive Officer



MATRIX MANAGEMENT MODEL



MINERVA'S OPERATIONS WERE ALSO STRENGTHENED BY THE

Integrated Management System (SGI), implemented in 2014 and through which Health and Safety, Food Safety, Social Responsibility and Environment areas work together towards achieving continual improvement, both for the Company and its stakeholders (learn more about the Integrated Management System on page 90).



BIBLE PROJECT

In 2015, the Beef Brazil division developed a work to harmonize, standardize and find synergies in operational procedures at its production units. Named the Bible Project, this initiative included identification and universalization of best practices, with gains in productivity and efficiency and achievement of economic and financial benefits. The program assesses everything from the set of machinery, equipment, processes and production methods to correction of health and safety procedures.



PRODUCTIVITY,
EFFICIENCY AND
SEIZING/TAKING
ADVANTAGE/USE
OF BENEFITS

STRATEGY

To understand beef as a commodity, Minerva prioritizes large-scale production, adaptation of distribution channels to operations and the use of management instruments to mitigate the risks inherent to the business. The profitability of production depends on a combination of efficient procurement of raw materials and growth in final product sales. Therefore, following qualified consolidation of the production structure in Brazil, the Company's strategic axis is diversification of businesses in South America, a region with competitive advantages for the sustainable development of livestock farming and more favorable operational costs in relation to other industry players, such as Australia and the U.S.A. .

In 2015, the Company acquired a meatpacking plant in Colombia, establishing its place as the first Brazilian industry to operate in the country with slaughter and processing of beef, executing a lease contract in Paraguay for this same purpose.

Growth in the biggest beef importing markets, in turn, is supported by the maintenance and opening of sales offices abroad, such as the office opened in China in August 2014.

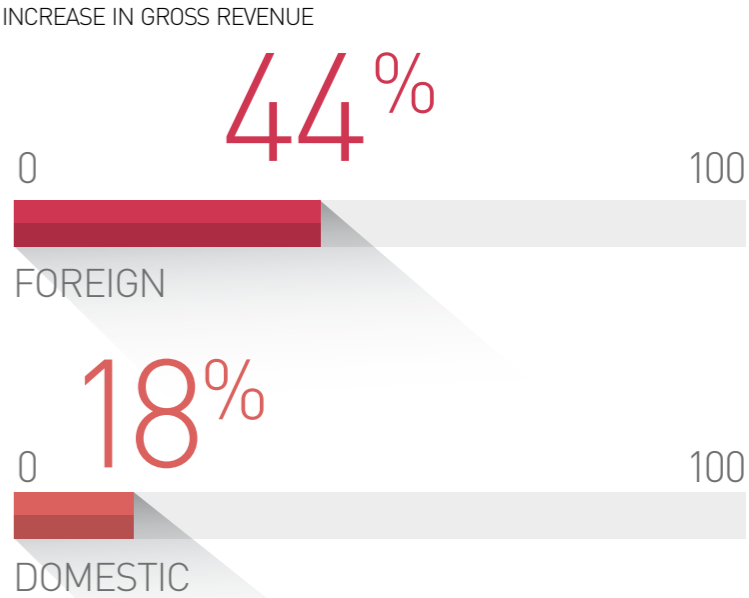
Supported by experience in forecasting and seizing business opportunities, Minerva's strategic planning is also focused on the domestic market, with a focus on small and medium retailers and food service clients, whose demand is more stable during economically volatile times, as compared to large retail networks. With this direction, Distribution Centers were opened in Brazil and abroad in recent years.

For continual generation of value and longevity to the business, the Company seeks to optimize sales channels in domestic and foreign markets. In 2015, this positioning allowed for increases of 44% in gross revenue of the Meat Division, gained through foreign market sales, and of 18% in sales in Brazil.

The strategy for 2016 is focused on:



RESULTS HIGHLIGHTS



OPERATIONAL RE-ADAPTATION IN 2015, MINERVA FINALIZED THE PROCESS OF INTEGRATING

Mato Grosso Bovinos plants – with a daily slaughter capacity of 2,600 heads – and its unit in Janaúba (MG). To obtain efficiency improvements in yield, boost profitability through geographic rebalancing of operations and save on costs by increasing the installed capacity of the other units, operational re-adaptation was carried out at its units in Brazil, with paralyzation of activities in Batayporã (MS) and Mirassol D'Oeste (MT).

RISK MANAGEMENT **GRI G4-2 | G4-14**

The Company’s geographic diversification mitigates business risks, with substantial reduction of Brazil Risk. This strategy is associated with growth in exports, which represents a natural hedge in relation to sharp oscillations in currency rates. In 2015, the Company had total gross revenue of BRL10.06 billion, resulting in significant year-over-year growth in gross revenue of 35.0%. This result is explained by a 44.3% increase in Meat Division revenue, which was driven by the conclusion of the integration process for plants acquired in 2014, by capacity added throughout 2015 (Red Cárnica plant in Colombia, as of July, and Expacar plant in Paraguay, as of September) and by the strong performance of exports, driven by depreciation in the exchange rate.

These results show the capacity of predictability and correct orientation of business. The location of industrial units in every major cattle-producing region in Brazil, Paraguay, Uruguay and Colombia lowers exposure to various risks, such as health outbreaks and climate change, which could negatively impact the Company’s business. That is because the main raw material, cattle, depends on resources such as water, electrical power (which in the case of Brazil is dependent on rainfall) and animal feed (connected to agriculture). In addition, laws and regulations are being created as a result of climate changes, compliance with which is also capable of impacting the Company’s business.

In this sense, Minerva seeks to mitigate risks related to climate changes by monitoring the consumption of resources in its direct operations (industrial, logistics and transport) and establishing internal actions, such as creation of an inventory of Greenhouse Gas (GHG) emissions, and external actions, promoted with suppliers. In a further effort to reduce impacts and create opportunities, the Company develops energy efficiency and effluent management studies, always with a focus on environmental improvements, optimization of resources, business opportunities and lowering costs. **GRI G4-EC2**

MAIN RISK FACTORS

Minerva’s business may be affected by different scenarios, such as adverse weather conditions, health outbreaks, fluctuating costs of raw materials and commodities prices, exchange rate variation, unfavorable economic situations, restrictions on imports to other countries. The management model is revised periodically in order to minimize these risks, focusing on:



MARKET

Two models are used to manage market risks: the Value at Risk (VaR) statistical calculation system and a system for calculating impacts based on application of stress scenarios. Exchange rate instruments, interest rates and derivatives (not for speculative purposes) are also used for partial protection of operations in face of fluctuating exchange rates, interest rates and cattle prices. This work considers analysis of the Brazilian and international economic situations, in addition to impacts on the Company’s financial position.



MANAGEMENT OF LIABILITIES

On December 31, 2015, Minerva’s cash position was BRL2.7 billion, a sufficient amount to amortize debt up to 2022. Short-term debt corresponded to 56.2% of total cash and cash equivalents and 22.1% of total debt. At the end of 2015, debt duration was 5.2 years. On December 30, 2015, the Company concluded the process of cancelling BRL831 million in bonds issued on the international market, in a buy-back that had taken place since the second half of 2013.



HEALTH

Outbreaks can affect fresh meat product exports and, consequently, operational results. To mitigate this impact, the Company only acquires cattle inspected by veterinarians and doctors from the Ministry of Agriculture’s Federal Inspection Service (Serviço de Inspeção Federal – SIF), the agency responsible for authorizing the production and processing of beef in Brazil. In Paraguay, Uruguay and Colombia, cattle acquisitions are also subject to supervision by the respective health authorities.



COST OF RAW MATERIAL

Operating margins are defined by the ratio between the cost of acquiring raw materials and the sale price of products. To balance this equation, plants are maintained at strategic points and tools such as the Beef Desk (learn more below) are used, allowing for assertive arbitration of input purchase and product sale positions, according to the most favorable scenario.



CUSTOMERS

In line with a strategy to grow business in the Distribution area with small and medium retailers and in the food service segment, the Company enhanced its credit policy management in 2015. This change brought Credit and Commercial areas closer for greater flexibility in serving these customers’ demands. Eighteen proprietary brand products were launched – mostly in the fish line – and at the end of the year the portfolio included over 270 items. Lines included the Company’s own and third-party perishable, frozen and refrigerated products. The Company works with the one stop shop concept, where the customer’s purchases are concentrated in a single supplier that is responsible for delivering all products ordered within 24 hours.



EXPORTS

As the second largest exporter of meats in Brazil, Minerva Foods is exposed to impacts resulting from exchange rate variations; international economic slowdowns; imposition or increase of tariffs (including anti-dumping); health and non-health barriers; demand for exchange rate controls and restrictions on exchange rate operations; and strikes and other events capable of affecting the availability of ports and other means of transport. To mitigate these risks, the Company’s exports are distributed to a hundred countries, including countries in Europe, the Middle East, Africa, Asia and the Americas.



CREDIT

In partnership with the Commercial area, the Risk Committee periodically monitors the customer portfolio in order to limit the Company’s exposure to customers and the market.



HEDGE POLICY

The Executive Risk Division is responsible for supervising and monitoring hedge policy guidelines. The policy is approved by the Board of Directors and covers two risk factors: exchange rate and live cattle. Based on identification of these exposures, the Treasury works to neutralize and/or mitigate risks, following limits determined by the Board of Directors.



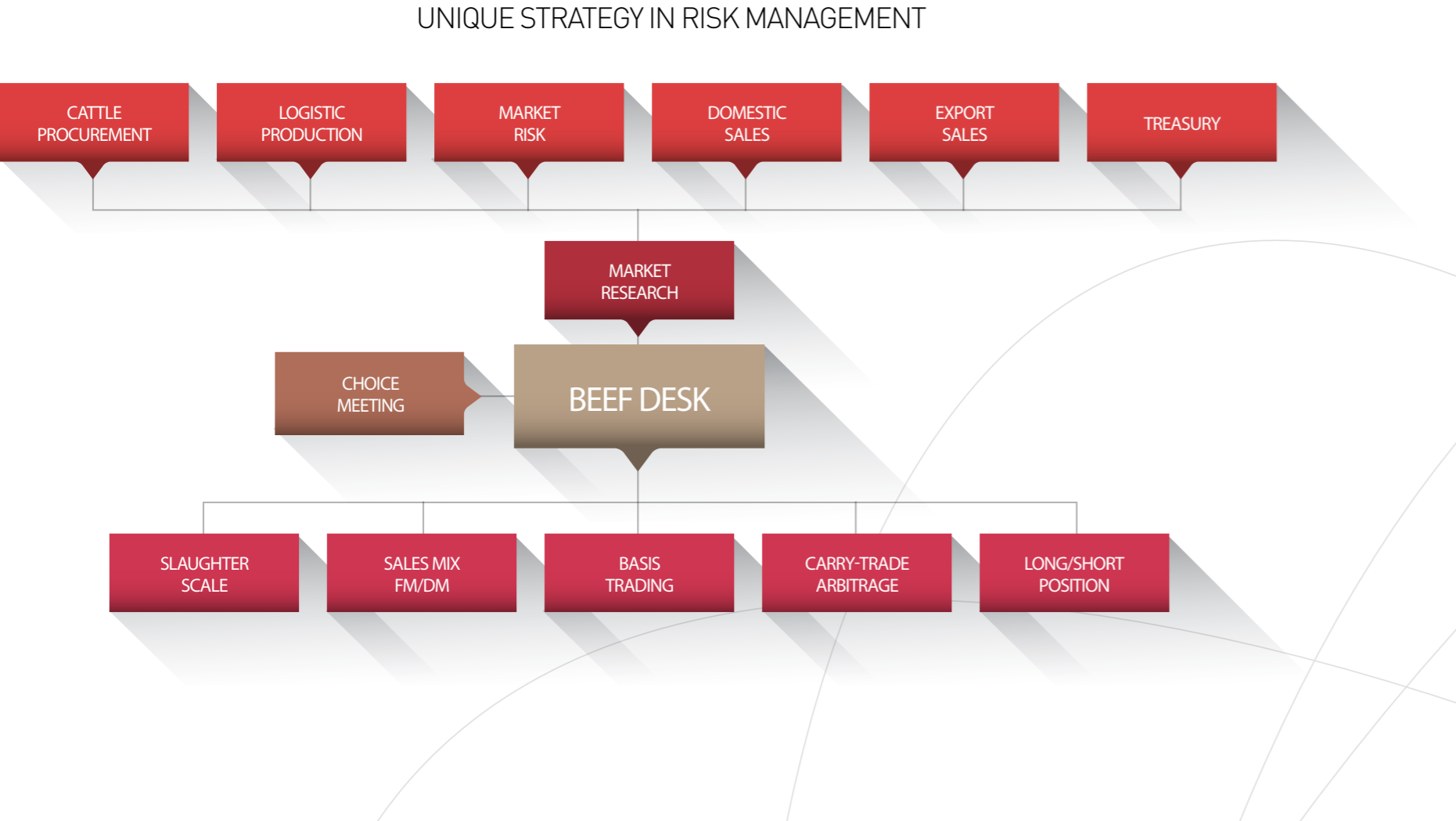
ENVIRONMENTAL STANDARDS

Non-compliance can result in administrative and criminal sanctions, in addition to liability for damages. Within this context, the Company adopts a cattle acquisition policy that complies with legal requirements and seeks to obtain certifications that guarantee the standard of quality demanded by Brazilian and global markets. All production units hold environmental licensing to operate; certifications to collect and release water and other authorizations necessary to legally exercise activities.

BEEF DESK

MANAGEMENT OF COMMODITIES RISKS IS ENHANCED THROUGH THE BEEF DESK,

a type of trading desk coordinated by the Market Intelligence area, where directors from the financial, trading, origination, domestic market and foreign market areas establish the ideal strategic positioning for the current situation in the market. Daily meetings include analyses of variables to which business is subject, based on secondary data, internal data and primary surveys of the procurement team and sales force. Decisions made are monitored using a financial result model of each strategy, in order to identify any reversals in trends or unmapped opportunities, as well as to enhance managers' decision-making capability.



Montería – Colombia





CORPORATE GOVERNANCE

THE INTEGRITY OF MINERVA'S GOVERNANCE PRACTICES
STRENGTHENS TRANSPARENCY IN REPORTING INFORMATION,
WIDE-RANGING DIALOG AND STAKEHOLDER RELATIONS.



Minerva Foods

CORPORATE GOVERNANCE



São Paulo – São Paulo Offices

As part of BM&FBOVESPA Novo Mercado index,

THE COMPANY FOLLOWS CORPORATE GOVERNANCE STANDARDS AND COMPLIES WITH THE RULES OF BRAZIL'S SECURITY AND EXCHANGE COMMISSION (COMISSÃO DE VALORES MOBILIÁRIOS – CVM) AND THE CORPORATIONS ACT (LAW NO. 6.404/76).

The Company also takes part in the following organizations in an effort to contribute to better business and improvement in the industry: Cold Goods Trade Association of São Paulo (Sindicato da Indústria do Frio no Estado de São Paulo – SINDIFRIO); Brazilian Association of Meat Exporters (Associação Brasileira das Indústrias Exportadoras de Carne – Abiec); Brazilian Association of Publicly Traded Companies (Associação Brasileira das Companhias Abertas – Abrasca); Brazilian Roundtable on Sustainable Livestock (BRSL); Brazilian Association of Animal Recycling (Associação Brasileira de Reciclagem Animal – ABRA); and Brazilian Association of Zebu Breeders (Associação Brasileira dos Criadores de Zebu – ABCZ). **GRI 64-16**

The Company voluntarily adheres to recognized good governance practices, such as corporate rules related to shareholder rights and a broad and transparent policy for reporting information, with instructions for Managers on how to do business and maintain relations with stakeholders.

The basic principles defined by the Brazilian Institute of Corporate Governance (Instituto Brasileiro de Governança Corporativa – IBGC) are followed, with the following goals:

- ▶ **Transparency:** More than the duty to inform, this is the desire to provide stakeholders with information of interest and not just information required by laws or regulations.
- ▶ **Fairness:** Characterized by fair treatment of all shareholders and other stakeholders. Discriminatory political attitudes, under any pretext, are entirely unacceptable.
- ▶ **Accountability:** Agents of governance should be accountable for their actions, undertaking the full consequences of their acts and omissions.
- ▶ **Corporate responsibility:** Agents of governance should ensure the sustainability of their organizations, to ensure their Company's longevity, incorporating considerations of social and environmental nature when defining business and operations.



Meeting with financial stakeholders

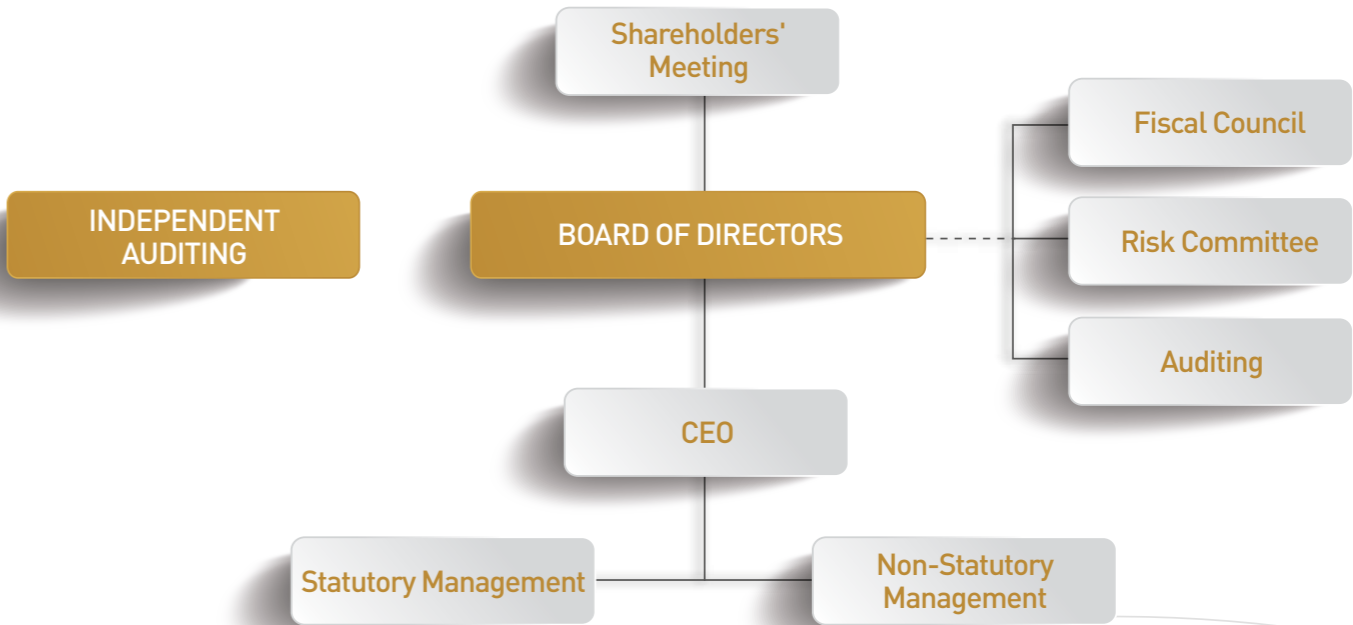
OTHER CRITERIA ADOPTED ARE:

- ▶ Capital is only split into ordinary shares, with voting rights for all shareholders;
- ▶ Registration and reporting of the number of shares that each shareholder owns, identifying the shareholder by name;
- ▶ During share purchase offers that result in transfer of controlling interest, all shareholders and not just controlling shareholders are considered, just as all shareholders are entitled to sell shares under these same conditions. Transfer of control should occur at a transparent price and, in case of sale of all controlling interest, the purchaser should offer a public bid to all shareholders under the same conditions (tag-along);
- ▶ Clear definition in the Articles of Incorporation of how to call Shareholders' Meetings and the procedure for electing and removing members of the Board of Directors and the Executive Board and the length of their terms;
- ▶ Transparency in public disclosure of the Management Report;
- ▶ Members of the Board of Directors have unfettered access to information and facilities;
- ▶ Conflicts between the Company, shareholders, administrators and members of the Fiscal Committee are resolved through arbitration;
- ▶ Maintenance of a team with a direct connection to the CEO that executes internal audits in addition to contracting third-party auditors to assess internal procedures with regards to laws and commitments undertaken.

GOVERNANCE STRUCTURE **GRI G4-34**

The corporate governance structure at Minerva Foods consists of a Board of Directors, which is aided by a Fiscal Council, Risk Committee, Audit Committee and Executive Board. The Executive Board is, in turn, led by the CEO and is divided among Statutory and Non-Statutory Management. The governance bodies are made up of 31 members, 6.9% of which are women and 93.1% of which are men. In relation to age group, 58.6% are between 30 and 50, with the rest being over 50.

GRI G4-LA12



BOARD OF DIRECTORS (BD)

At the end of 2015, the Board was made up of ten members. This body represents shareholders and, among other things, it is the authority responsible for determining the policies and guidelines that serve as the basis for the general direction of business, supervising management of the Executive Board and deciding on its powers, appointments and removals.

Board members meet on an ordinary basis quarterly and when any member calls a meeting. Elections take place at the Shareholders' Meeting – a body with the power to remove BD members at any time, with or without cause – without the influence of the Executive Board, for a re-electable unified two-year term.

| MEMBERS OF THE BOARD OF DIRECTORS ON DEC. 31, 2015 | |
|--|--------------------|
| MEMBER | POSITION |
| Edivar Vilela de Queiroz | Chairman |
| Antonio Vilela de Queiroz | Vice Chairman |
| Ibar Vilela de Queiroz | Member |
| Norberto Lanzara Giagrande Jr. | Member |
| Dorival Antonio Bianchi | Member |
| Alexandre Lahoz Mendonça de Barros | Independent Member |
| José Luiz Rêgo Glaser | Independent Member |
| Roberto Rodrigues | Independent Member |
| Pedro Henrique Almeida Pinto de Oliveira | Independent Member |
| Vasco Carvalho Oliveira Neto | Independent Member |

STATUTORY MANAGEMENT

This is the executive management body, whose members are the Company's legal representatives and are responsible for internal organization, decision-making process, day-to-day operations and applying the general policies and guidelines established by the Board of Directors. Pursuant to the Articles of Incorporation, this body should have two to seven members, elected to a two-year term.



São Paulo – São Paulo Offices

STATUTORY MANAGEMENT MEMBERS ON DEC. 31, 2015

MEMBERS

Fernando Galletti de Queiroz
Edison Ticle de Andrade Melo e Souza Filho
Gabriel Inchausti Blixen
Frederico Alcântara de Queiroz
Iain Anderson Mars
Luis Ricardo Alves Luz
Eduardo Pirani Puzziello
Wagner José Augusto

POSITIONS

Chief Executive Officer
Chief Financial Officer
Chief Strategy Officer
Executive Officer of Other Business
Chief Operations Officer
CCO and Logistics Officer
Investor Relations Officer
Supply Officer

NON-STATUTORY MANAGEMENT MEMBERS ON DEC. 31, 2015

MEMBERS

Clerton Silva Queiroz
Flávia Regina Ribeiro da Silva Villa
Francisco Assis Filho
Henrique Americano Carvalho de Freitas
João A. Sampaio Filho
Marlyse Di Donato Matheus
Roberto Alves de Almeida

POSITIONS

Director of Casings
Legal Director
Director of Planning and Control
Brazil Exports Director
Director of Institutional Relations
Human Resources Director
Administrative Director

FISCAL COUNCIL

As determined by the Corporations Act, the Fiscal Council is an independent corporate body tasked with auditing Administration activities, reviewing financial statements and reporting its conclusions to shareholders.

According to the Minerva Foods Articles of Incorporation, the Fiscal Council is not permanent and is installed upon shareholder request made at the Shareholders' Meeting, when members are elected to re-electable terms that last until the next Shareholders' Meeting. Members are compensated with at least 10% of the average amount paid to Directors, not including benefits, representation fees and profit-sharing, as established in the Corporations Act.

MEMBERS OF THE FISCAL COUNCIL ON DEC. 31, 2015

MEMBERS

Luiz Manoel Gomes Júnior (Attorney)
Benedito da Silva Ferreira (Economist and Accountant)
Luiz Cláudio Fontes (Administrator and Accountant)

ALTERNATES

Emerson Cortezia de Souza (Attorney)
Marcelo Scaff Padilha (Attorney)
Newton Klayton dos Anjos Mencinaukis (Accountant)

RISK COMMITTEE

The Risk Committee is tasked with assisting the CEO and Board of Directors in implementing financial and hedging policies and in assessing the economic situation, highlighting its potential impacts on the Company's financial position. The Committee is not a statutory structure and has five to ten members: the CEO, Executive Board members, employees and outside consultants.

MEMBERS OF THE RISK COMMITTEE ON DEC. 31, 2015

MEMBER

Fernando Galletti de Queiroz
Edison Ticle de Andrade Melo e Souza Filho
Francisco de Assis Ferreira Filho
Jairo Ronan Ferreira
Nathan de Mello Fortunato Freire
Adriana Conceição Pedroza Machado

POSITION

Chief Executive Officer
Financial Officer
Director of Planning and Control
Financial Executive Manager
Executive Manager of Treasury
Financial Operations Manager

ETHICAL CONDUCT

GRI G4-56 | G4-S04 | G4-DMA Anti-corruption

Business is based on a set of ethical values and moral standards, described in the Ethical Conduct Manual and the Employee Manual. The former provides information for internal teams on the Company’s Mission, Vision and Values and demonstrates how these principles are translated into work relations and personal conduct, in situations of conflict of interest and in handling confidential information, while also addressing other aspects. The Employee Manual discusses labor relations, job duties, property security, use of technology and quality control.

Upon hiring, employees are given these two documents and during the orientation process they watch a presentation on the manuals’ guidelines. They only start working after this process. Moreover, in 2015, 4,054 hours of Orientation and Orientation Refresher training were given at 100% of units, covering topics that reinforce combating corruption. The Company also carries out frequent sample-based audits to guarantee the legal compliance of its suppliers – a process conducted by the Company’s own Audit department, covering all units.

FUNDAMENTAL PRINCIPLES OF MINERVA FOODS

GRI G4-DMA Non-discrimination | G4-DMA Freedom of association and collective bargaining | G4-DMA: Security practices | G4-DMA Assessment | G4-DMA Anti-corruption | G4-DMA: Unfair competition | G4-DMA Compliance | G4-DMA Customer privacy | G4-DMA Compliance

- ▶ Respect and value employees, managers and society;
- ▶ Act with social responsibility and respect for the environment;
- ▶ Conduct business by complying with legal determinations inherent to activities.

During the year, no risk assessments were carried out in relation to corruption; however, no case or report of this nature was registered. Nevertheless, Minerva is aware of the responsibility in its production chain and has begun to create a specific channel for reports and general grievances and is developing other actions related to compliance with the New Anti-Corruption Act. In addition, 100% of operations in Brazil have been subject to human rights analyses or assessments. The Company is also developing a project to verify environmental and social criteria of commercial partners in Paraguay. GRI G4-S03 | G4-HR9

A suggestion box is available to employees for reports, complaints, improvements recommendations and compliments. In 2015, 69 contacts were made through this tool; of these, 12 were reports, 21 complaints, 20 suggestions and 16 compliments. None of the contacts reported cases of discrimination.

In 2016, the Company will implement Connection Minerva – Minerva Foods Ombudsman, in an effort to expand channels for communicating with stakeholders.

No cases were registered during the year of violation of privacy and loss of customer data and there were also no confirmed cases of corruption or judicial actions moved as a result of unfair competition, anti-trust and monopoly practices or non-compliance with laws and regulations. GRI G4-HR3 | G4-HR12 | G4-LA16 | G4-PR8 | G4-S05 | G4-S08

With a focus on guaranteeing human rights, in 2015, 100% of security personnel – 180 people – were trained on Minerva policies and procedures covering this matter. During this time, supervisors began a property security workshop to better train leaders and allow for development of indicators at each unit. GRI G4-HR7

Janaúba – Minas Gerais Industrial Unit



BUSINESS PERFORMANCE

MINERVA FOODS HOLDS A SIGNIFICANT SHARE IN THE EXPORT MARKET IN WHICH IT OPERATES. ITS POSITIVE AND CONSISTENT PERFORMANCE IN THE MIDST OF A CHALLENGING SCENARIO HAS CONTRIBUTED TO AN **INITIATIVE** FOR THE MEAT INDUSTRY TO ADVANCE IN BRAZIL AND LATIN AMERICA.

53



Minerva Foods

BUSINESS PERFORMANCE



Montevideo – Uruguay Industrial Unit

INDUSTRY CONTEXT

THROUGHOUT 2015, THE MEATPACKING INDUSTRY ADJUSTED ITS PRODUCTION

capacity in response to a slowdown in the Brazilian economy that impacted demand for beef. The consolidated slaughter volume fell by nearly 8% in relation to 2014, despite a 15% increase in the average price of the arroba during the same time.

Brazilian fresh beef exports saw revenues of approximately USD 4.7 billion during the year, with a volume of 1.1 million tons. There was acceleration in the amount exported starting in the second semester, mostly due to appreciation in the US dollar in comparison to the Brazilian real, with a positive result for export margins.

Brazil's *mix* of exports underwent a change, driven by the combination of the opening of the Chinese market and deterioration in the Russian economy: up to 2014, Russia was the top destination for Brazilian exports; yet in 2015, it accounted for 12%, while China and Hong Kong together represented 24%.

FRESH BEEF REVENUE (USD)

 4.⁷ bn

VOLUME (IN TONS)

1.¹ M

In Paraguay, where Minerva Foods has three units, the year was marked by a large cattle supply, resulting in 1.885 million head slaughtered, 7% more year-over-year. In turn, the average price of cattle in Paraguay fell by 14%. Chile led exports from Paraguay, going from 20% of exports in 2014 to 28% in 2015. Brazil and Russia continued to be the top destinations for exports from Paraguay, which was certified during the year to begin exporting with the European Union.

URUGUAY, WHERE THE COMPANY OPERATES TWO PLANTS, HAD AN EQUALLY POSITIVE CYCLE.

In 2015, the country slaughtered 2.204 million heads of cattle, a 5% year-over-year increase. China led exports from Uruguay, going from 19% of exports in 2014 to 33% in 2015. The U.S.A. also increased its share of exports, from 15% to 20%. Demand from European countries, in turn, fell by 5%. Uruguay exported 261,000 tons of fresh beef during the year, 5% more than the previous year.

PUL Industrial Unit, Melo – Uruguay



RESULTS GRI G4-DMA Economic performance

Minerva Foods ended the year with record gross revenue of BRL10.1 billion, 35% more than in 2014. The Meat Division contributed to this, with growth of 44.3%, mostly due to the flexibility of sales at Company – which was able to direct most of its sales to the foreign market, with the positive impact of the appreciated US dollar on exports – and due to slaughters being 7% higher year-over-year.

In this context, Meat Division exports went from revenue of approximately BRL3.7 billion in 2014 to BRL5.8 billion in 2015, growing by 58%. Part of this growth is related to the largest export volume for the year (+21%) and part is the effect of the exchange rate (+41%).

On the domestic market, a 3.5% dip in the volume of fresh meat sold was offset by a higher sale price (+21%), resulting in Revenue growth of 20% in the Meat Division. Gross revenue in other Divisions was higher: at BRL1.7838 billion, up 4%. Leather led earnings, with foreign market revenue 53% higher year-over-year. Resale of third-party products on the domestic market also had positive results, up to 22% against the previous year.

Minerva’s net revenue totaled BRL9.5248 billion for the year, growing by 36.3% and within the guidance interval reported. EBITDA totaled BRL1.02 billion, a high record for the Company, 34.2% higher than in 2014. EBITDA margin reached 10.7%, 120 bps more than in 2014. Year to date, BRL212 million in free cash flow was generated in operations, contributing to a cash equivalent position of BRL2.7 billion at the close of the year, enough to amortize debt until 2022.



| DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED* (BRL THOUSANDS) GRI G4-EC1 | | | | | | |
|---|---------------------|-------------|--------------------|--------------|-------------|--------------------|
| | CONTROLLING COMPANY | | | CONSOLIDATED | | |
| | 2013 | 2014 | 2015 | 2013 | 2014 | 2015 |
| Revenue | 4.349.105 | 5.576.007 | 6.376.185 | 5.547.460 | 7.168.735 | 9.545.537 |
| Sale of goods, products, and services | 4.278.962 | 5.566.780 | 6.312.553 | 5.461.786 | 7.142.632 | 9.469.446 |
| Other revenue | 70.143 | 9.227 | 63.632 | 85.674 | 26.103 | 76.091 |
| Inputs acquired from third parties (including tax amounts – value-added tax - ICMS, tax on manufactured goods - IPI, social integration program – PIS, and social security finance contribution - COFINS) | (3.889.787) | (5.105.020) | (5.914.922) | (5.068.272) | (6.590.216) | (8.909.408) |
| Costs of products, goods and services sold | (2.945.185) | (4.474.580) | (4.799.474) | (3.933.290) | (5.736.836) | (7.519.493) |
| Materials, energy, third-party services, and others | (944.602) | (630.440) | (752.351) | (1.145.982) | (853.380) | (1.389.915) |
| Gross added value | 459.318 | 470.987 | 461.263 | 479.188 | 578.519 | 636.129 |
| Depreciation, depletion and amortization | (39.430) | (35.852) | (36.726) | (57.717) | (59.330) | (74.776) |
| Net added value produced by the organization | 419.888 | 435.135 | 424.537 | 421.471 | 519.189 | 561.353 |
| Added value received in transfer | (108.954) | (21.291) | 67.833 | 51.236 | 76.722 | 105.725 |
| Result of equity accounting | (150.125) | (67.328) | (9.862) | // | // | // |
| Financial income | 41.171 | 46.037 | 77.695 | 51.236 | 76.722 | 105.725 |
| Total value added for distribution | 310.934 | 413.844 | 492.370 | 472.707 | 595.911 | 667.078 |
| Distribution of value added | 310.934 | 413.844 | 492.370 | 472.707 | 595.911 | 667.078 |
| Personnel | 262.750 | 296.737 | 279.842 | 356.097 | 360.765 | 386.389 |
| Taxes, fees and contributions | (78.412) | (30.123) | 16.046 | (115.329) | (33.154) | 31.689 |
| Return on third party capital | 440.565 | 565.458 | 997.194 | 546.224 | 686.518 | 1.048.955 |
| Interest | 425.245 | 549.989 | 982.242 | 499.453 | 645.284 | 1.008.677 |
| Rent | 15.320 | 15.469 | 14.952 | 46.771 | 41.234 | 40.278 |
| Remuneration of shareholders' equity | (313.969) | (418.228) | (800.712) | (314.285) | (418.218) | (799.955) |
| Earnings withheld/losses for the fiscal year | (313.969) | (418.228) | (800.712) | (313.969) | (418.218) | (799.955) |

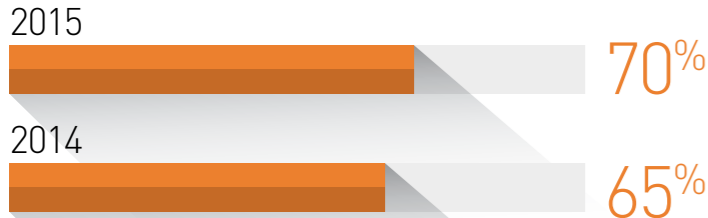
RESULT HIGHLIGHTS



RECORD NET REVENUE OF IN BRL

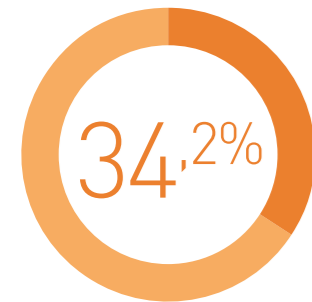
9.524⁸ billion

SHARE OF EXPORTS IN REVENUES UP TO 5%

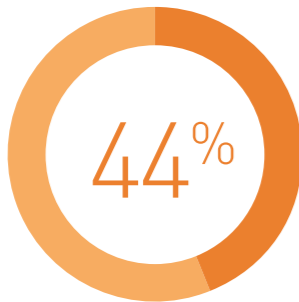


RECORD EBITDA, OF IN BRL

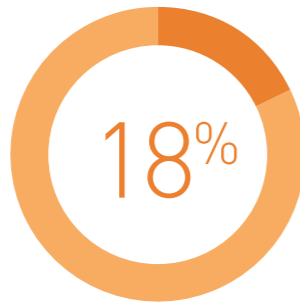
1.020⁰ billion



EBITDA GROWTH
RECORD



INCREASED EXPORT
EARNINGS



GROWTH IN DOMESTIC
SALES

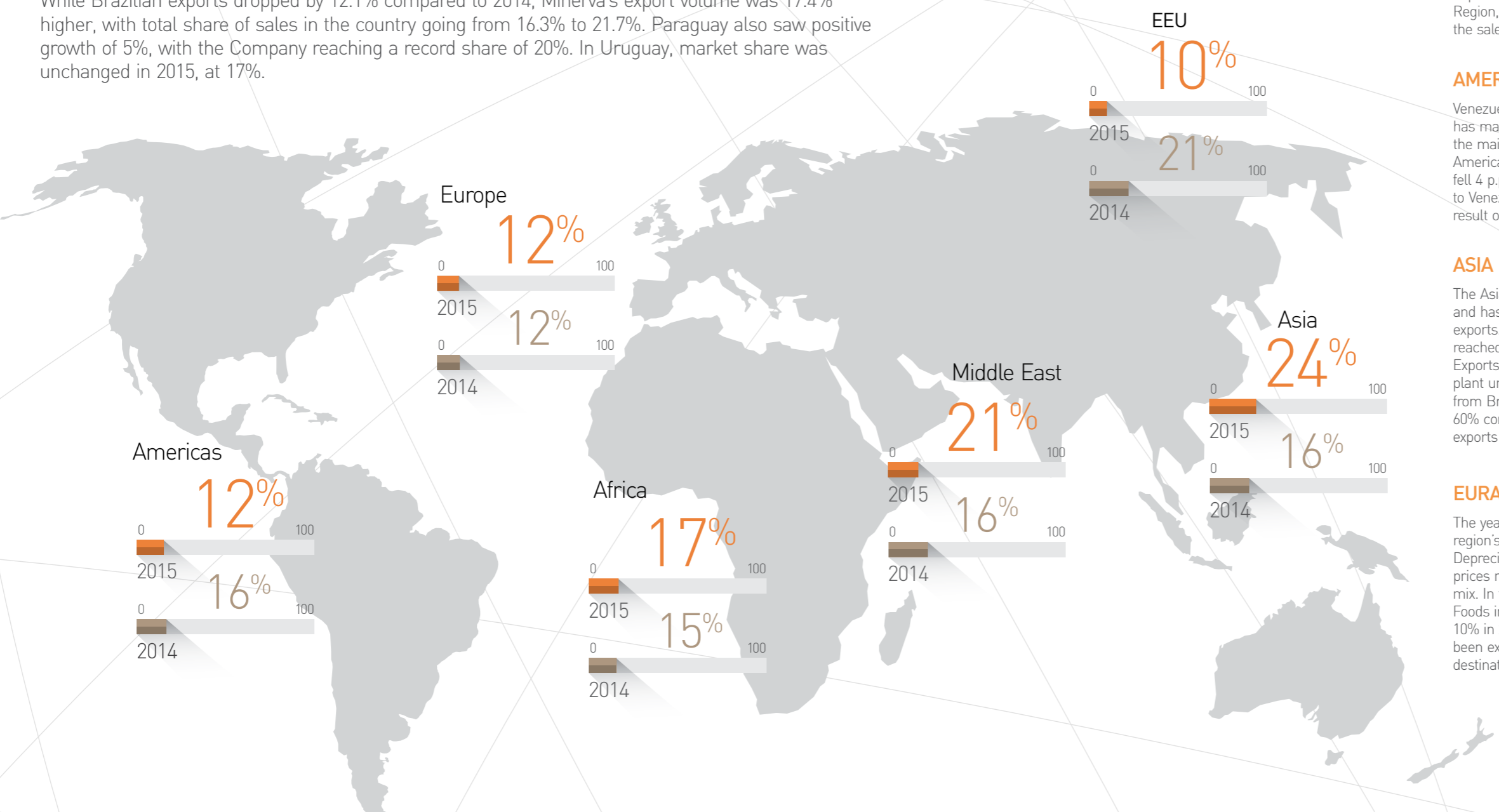


INCREASE IN MEAT
IN NATURE SALES
FOR EXPORT



EXPORTS

While Brazilian exports dropped by 12.1% compared to 2014, Minerva’s export volume was 17.4% higher, with total share of sales in the country going from 16.3% to 21.7%. Paraguay also saw positive growth of 5%, with the Company reaching a record share of 20%. In Uruguay, market share was unchanged in 2015, at 17%.



| MARKET SHARE IN 2015 (% OF REVENUE) | | |
|-------------------------------------|----------|---------|
| BRAZIL | PARAGUAY | URUGUAY |
| 22 | 20 | 17 |

| MINERVA MARKET SHARE | | | |
|---|---------|---------|-------------|
| | 2015 | 2014 | VARIATION % |
| Brazil Exports (volume in thousands of tons) | 1.079,0 | 1.228,0 | -12,1 |
| Minerva Exports (volume in thousands of tons) | 234,6 | 199,8 | 17,4 |
| Minerva market share | 21,7% | 16,3% | 5,4 p.p. |

AFRICA

Exports saw positive growth in the North Africa Region, contributing to growth in participation in the sales mix from 15% to 17%.

AMERICAS

Venezuela, Peru and Chile, where the Company has maintained a subsidiary since 2014, are the main destinations for beef exports in the Americas. In 2015, participation in the sales mix fell 4 p.p. (16% to 12%), due to a drop in exports to Venezuela, which cut back on beef imports as a result of a fragile political and economic situation.

ASIA

The Asian market has been seeing strong growth and has become Minerva’s top destination for exports. During the year, the continent’s share reached 24%, 8 p.p. more than the previous year. Exports to China – supplied solely by the Uruguay plant until last year – tripled with exports coming from Brazil. China and Hong Kong had growth of 60% compared to 2014. Also notable in 2015 were exports to South Korea, Singapore and Malaysia.

EURASIAN ECONOMIC UNION (EEU)

The year was marked by a reduction in this region’s share, represented chiefly by Russia. Depreciation in the exchange rate and falling oil prices negatively impacted demand and the beef mix. In this scenario, the share held by Minerva Foods in this region went from 21% in 2014 to 10% in 2015. However, some volumes that had been exported to Russia were directed to other destinations, especially Asia and North Africa.

EUROPE

Subsidies for beef production given by local governments were slashed, causing growth in sales demand and, consequently, higher exports from South America, a region with competitive prices.

Top destinations for Minerva exports to Europe are: Italy, the U.K., the Netherlands, Germany and Switzerland, recognized for demanding higher grade cuts (refrigerated hindquarter cuts) and for better beef pricing. In 2015, the Company directed 12% of its exports to the European Union.

NAFTA

Nafta (the U.S.A., Canada and Mexico) share in Minerva exports was unchanged in 2015, accounting for 4% of export revenue. The U.S.A. imported 21% more in volume than in 2014, proving that this country has a more restricted supply.

The Company serves the region through its Uruguay units; however, in July 2015, the United States Department of Agriculture (USDA) and the Brazilian Ministry of Agriculture, Livestock and Supply announced that the U.S.A. intends to begin imports of fresh Brazilian beef.

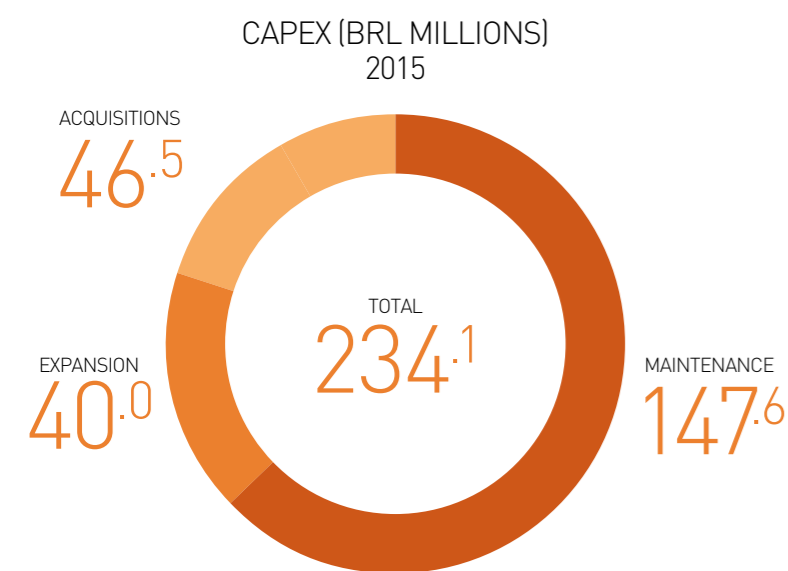
MIDDLE EAST

Minerva Foods leads refrigerated beef sales and holds the second/largest share in sales in the frozen beef segment in the Middle East, where it has three offices (Iran, Algeria and Lebanon). Export share grew from 16% last year to 21% in 2015, with Iran, Israel and the United Arab Emirates leading.

Outlooks for the region are rosy: in 2015, the Brazilian Ministry of Agriculture, Livestock and Supply and the Saudi Food and Drug Authority (SFDA) signed an International Health Certificate, ending the embargo on fresh Brazilian beef exports to Saudi Arabia.

INVESTMENTS AND ACQUISITIONS

Investments for the year totaled BRL234.1 million, BRL147.6 million went to maintenance of assets, BRL40 million to expansion and BRL46.5 million to acquiring Red Cárnica and Carrasco meatpacking plants, whose contracts were analyzed and approved by the Board of Directors and upper management at Minerva. **GRI G4-HR1**



- **Red Cárnica S.A.S Meatpacking Plant (Colombia):** Located in the municipality of Ciénaga de Oro, in the department of Córdoba – the largest beef producing and exporting region in Colombia, Red Cárnica received investments of USD 30 million. The beef slaughter and processing plant has a slaughter and deboning capacity of 850 heads/day and has no financial debt. The unit’s strategic differences include easy access to the ports of Tolú, Cartagena and Barranquilla, in addition to licenses to export to the Middle East, Russia, Egypt, Hong Kong, Venezuela, Peru and Angola. Since 2010, Minerva has maintained a subsidiary in the country dedicated to live cattle exports, which will be integrated into the Red Cárnica structure.
- **Expacar Meatpacking Plant (Paraguay):** Through its controlled company in Paraguay, Frigomerc S.A., the Company executed a contract to lease Expacar, a plant with a daily slaughter capacity of 600 heads. The meatpacking plant is located near Frigomerc, allowing for cost savings and better production planning, cattle origination and administrative and commercial management. The plant serves the domestic and export markets.

DISTRIBUTION AND LOGISTICS

The Distribution and Logistics Division consolidated a new strategic position on the domestic market in 2015, with advances in small and medium retailers and food service industry. With over 41,000 customers, 11 Distribution Centers (DCs) and a portfolio made up of 270 products, the Division strengthened the proprietary brands concept. The launch of a full line of fish, potatoes and breaded chicken products contributed to the Division. Another expansion is planned in 2016 for the pork line. The new positioning of Distribution and Logistics, which operates in the one stop shop model, with deliveries guaranteed within 24 hours, has transformed Minerva Foods from a beef supplier to a supplier of proteins and perishable goods.

Distribution also made advances in geographic diversification, consolidating operations started two years ago in Paraguay. The Company’s goal is to open operations abroad during 2016, as well as a DC in Bahia.

LOGISTICS

Rationalization of transportation is part of the strategy at the Distribution and Logistics Division and includes expanded use of container transport, through railway, waterway and roadway modes of transport. This movement provides for gains in agility, punctuality in deliveries and fuel savings, lowering Greenhouse Gas (GHG) emissions.

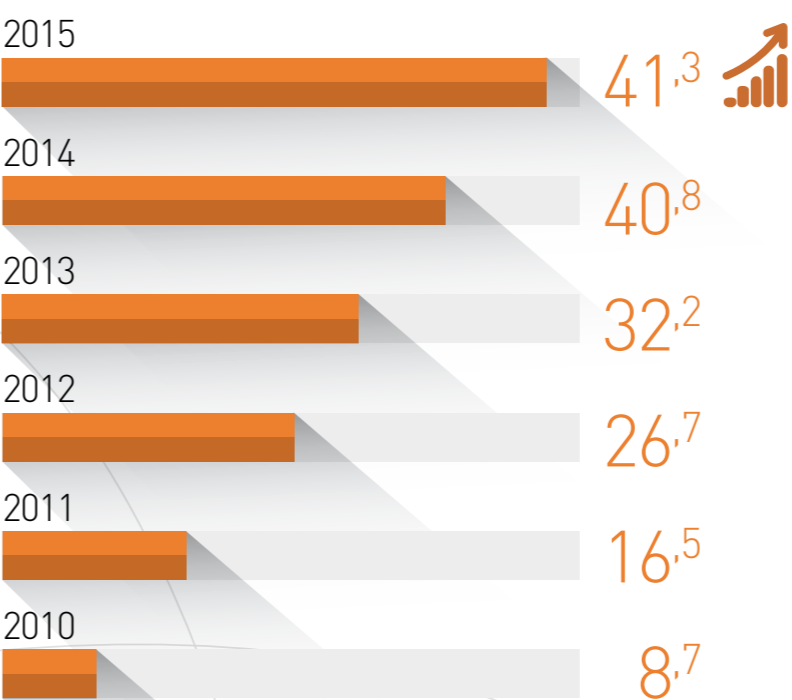
Another rationalization action is reverse logistics, applied in transport between roadway and waterway modes of transport, where the same truck used to bring products to ports for export brings inputs and raw materials back to points of delivery and production plants upon returning.



DISTRIBUTION CENTERS



CUSTOMER BASE (THOUSANDS OF CUSTOMERS)



SALES CHANNELS



OUTLOOKS

OUTLOOKS FOR
2016 ARE POSITIVE
IN RELATION TO
THE SCENARIO FOR
BRAZILIAN EXPORTS.

Based on data from the United States Department of Agriculture (USDA), while Australia is going through a period of retaining heifers to restock its herds, trending towards reducing beef export volumes by over 10%, Brazil, Paraguay, Uruguay and Argentina are seeing upward trends, contributing to supplying international market needs and increasingly consolidating their positions as export platforms.

The end of the embargo on Brazilian fresh beef exports to Saudi Arabia also offers positive perspectives for sales growth in 2016. One of the highlights of the region is the concentration of special cuts, such as kosher and halal.

| | |
|----------------|---|
| GLOBAL DEMAND | Strong global demand for beef Emerging markets, especially Asia Chance to open new markets, such as the U.S.A., Japan, Canada, South Korea and Mexico |
| GLOBAL SUPPLY | Lower production in Australia Restocking of herds in the United States and Argentina South America has natural competitive advantages, such as greater rationalization of the industry and operational efficiency |
| MACRO SCENARIO | Stronger US dollar benefits exports |



RELATIONSHIPS

THE DEVELOPMENT MODEL AT MINERVA FOODS ALLOWS
FOR SPEED AND AUTONOMY IN STRATEGIC PLANNING.

COOPERATION AND ENGAGEMENT WITH STAKEHOLDERS
CONTRIBUTE TO THE BUSINESS SUSTAINABILITY.



Minerva Foods

RELATIONSHIPS



Colina – São Paulo

THE COMPANY MAINTAINS TRANSPARENT DIALOG WITH STAKEHOLDERS AND INCLUDES SUSTAINABILITY PRINCIPLES

in its development and management model. In an effort to prepare to take advantage of social, environmental and economic opportunities, in 2015 Minerva integrated the Environment and Sustainability areas, forming a new structure directly accountable to upper management. This change allowed for more speed and autonomy in strategic planning, with a focus on social and environmental actions.

Another major step was the first cycle of engagement with employees and the community – work done to develop the Stakeholder Engagement Plan (SEP).

STAKEHOLDER ENGAGEMENT PLAN (SEP)

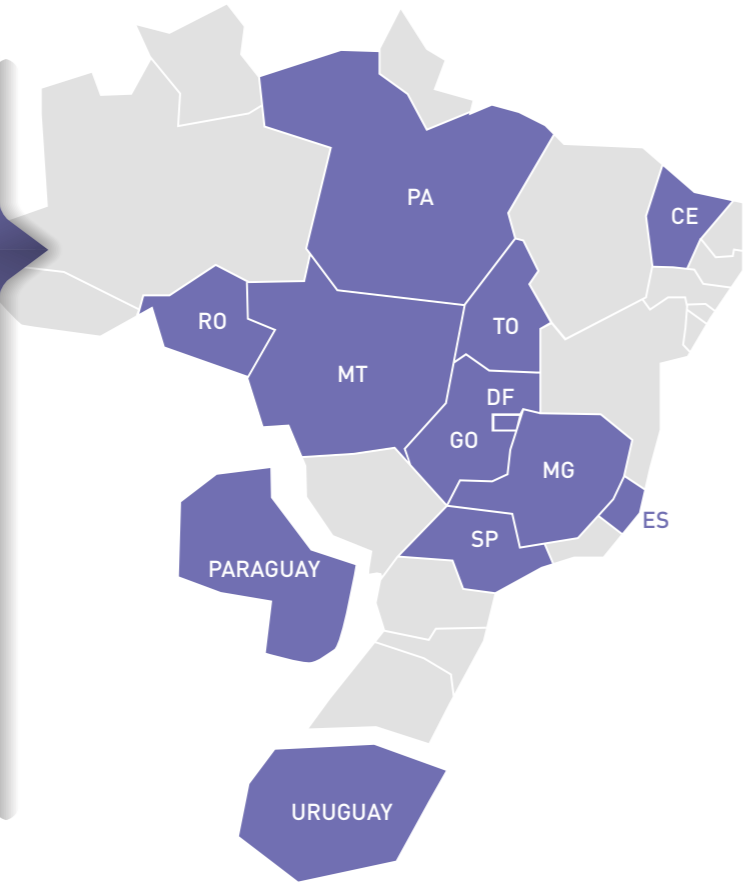
Engagement contributes to the business sustainability, since it involves relations with stakeholders that impact and are impacted by the Company’s activities. With this understanding, the Stakeholder Engagement Plan (SEP) was created in 2015, with the involvement of units operating in Brazil, Paraguay and Uruguay.



PARTICIPATING LOCATIONS

DEVELOPMENT OF THE STAKEHOLDER ENGAGEMENT PLAN

Development of the SEP was aligned with the concepts of NBR16000 and AA1000 SES (AA1000 Stakeholder Engagement Standard) and, for greater effectiveness, it included perceptions from Managers and community representatives on the context of Minerva’s relations with its stakeholders, the history of local engagement and strengths and weaknesses, as well as risks and opportunities in each region.



| IN BRAZIL | |
|------------------|---|
| SOUTHEAST | |
| São Paulo | São Paulo, Barretos, José Bonifácio, Araraquara |
| Minas Gerais | Contagem, Janaúba, Campina Verde, Uberlândia |
| Espírito Santo | Viana |
| CENTER-WEST | |
| Distrito Federal | Brasília |
| Mato Grosso | Várzea Grande |
| Goiás | Aparecida de Goiânia, Palmeiras de Goiás |
| NORTH | |
| Rondônia | Rolim de Moura |
| Tocantins | Araguaína |
| Pará | Abaetetuba |
| NORTHEAST | |
| Ceará | Maracanaú |
| IN PARAGUAY | |
| Assunción | |
| IN URUGUAY | |
| Montevideo, Melo | |

SEP GOVERNANCE

SEP governance is related to the Company’s high level of management, which interconnects with other decision-making processes. Moreover, it allows for information resulting from engagement with stakeholders to be used to guide business strategy and decisions, allowing for:

- Risks to be forecast and identification of opportunities for activities and relations with key business stakeholders;
- An expanded vision of expectations and the impact on stakeholders, with more appropriate management in the relationship process;
- Internal perception of stakeholder engagement as a strategic process integrated into activities, influencing decision-making and adding value to the business;
- Definition of responsibilities of those involved and structuring of activities’ flow in a clear and formal manner, favoring systemization of the process.

ENGAGEMENT OUTSIDE BRAZIL

Environmental and sustainability actions at units in Brazil and practices at operational plants in South America are promoted in sync. In 2015, Minerva enhanced social and environmental criteria concerning origination of cattle at its Paraguay operations, as found in the Minerva Foods Supply Chain Framework 2015, a project that involved face-to-face meetings in Asunción and included participation of cattle suppliers, the field team, the supplier registration team and Information Technology in Brazil and Paraguay, in addition to the Sustainability and Executive Board areas at the company, responsible for the operation.

The Company promoted a mapping study to identify potential areas of environmental and social risk associated with the beef production chain in Paraguay, guaranteeing significant support for the development, adoption, review and standardization of cattle supplier verification procedures in the country. In 2016, a system will be implemented to monitor suppliers of raw materials and to manage supply chain risks, based on public information on protected areas and indigenous communities and risks related to social issues, such as forced and child labor.

Included in the works for 2016 is the development of interfaces to interact with users of the Person and Cattle Purchase systems (learn more on page 93); creation of performance reports using KPIs for monitoring; strengthening of extension activities in the field, including collection of the geographic coordinates of the properties of the Company’s biggest suppliers; consolidation of the culture in registration criteria; and engagement with segments operating in cattle farming in Paraguay, such as regulatory agencies, associations, NGOs and cattle farmers.

DURING THE YEAR, THE COMPANY TOOK PART IN SUSTAINABILITY WEEK,

a meeting in Asunción to discuss more advanced models for adopting certification programs (RSPO, Fair Trade, Global GAP), with discussion of best practices for management of the supply chain, adopted by Minerva, and incorporation of International Finance Corporation (IFC) performance standards. Practical guidelines for identification and implementation of systems to manage social, environmental, health and safety risk on the job were also part of the event, sponsored by the Inter-American Investment Corporation (IIC), connected to the Inter-American Development Bank (IDB).

For the Colombia operation, industry engagement actions were developed, with participation in roundtables, aimed at elevating sustainability and production criteria for the livestock chain, the results of which should be collected starting in 2016.

WORLD BANK GROUP



EMPLOYEES
GRI G4-DMA Employment | G4-DMA Labor/Management relations

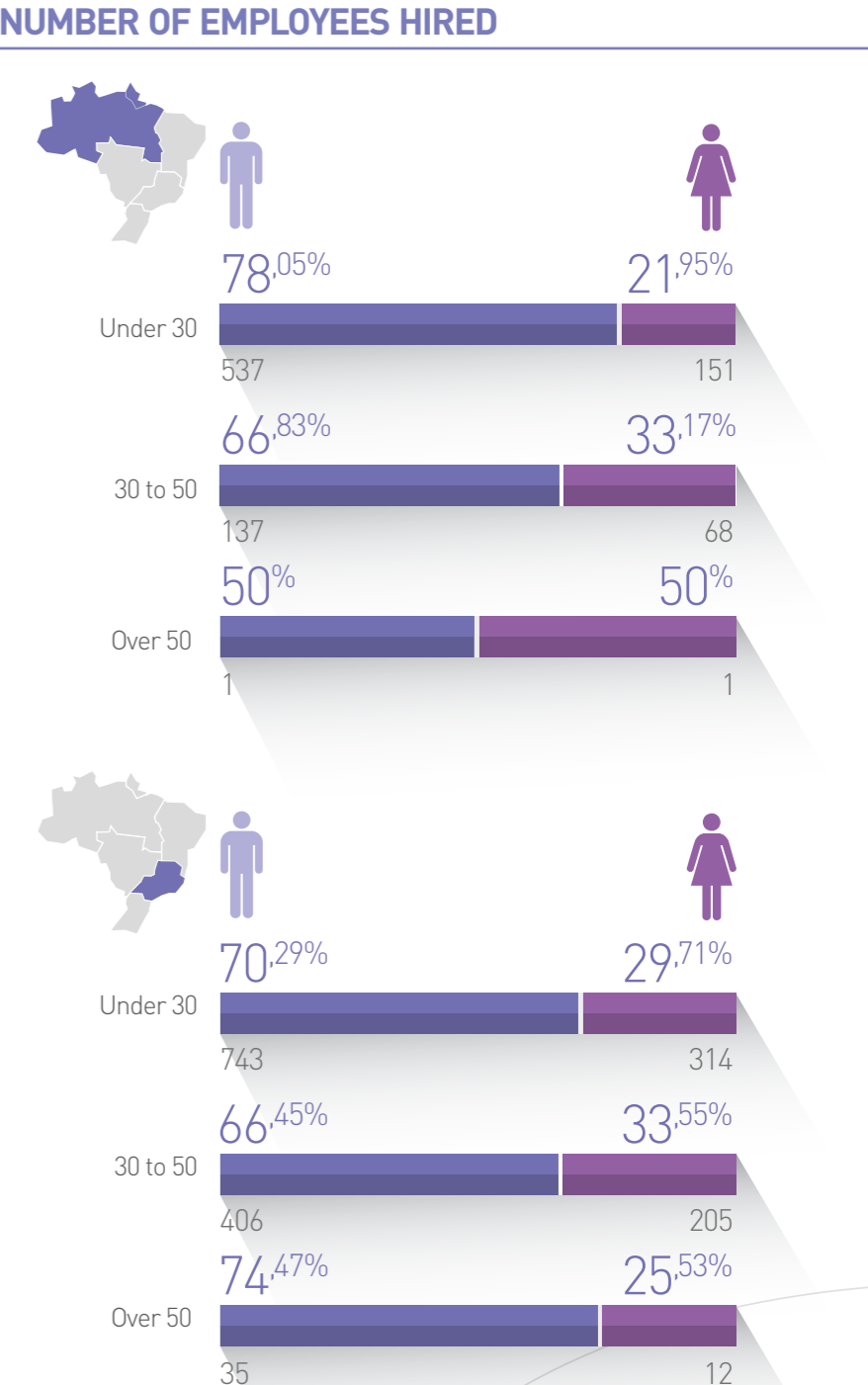
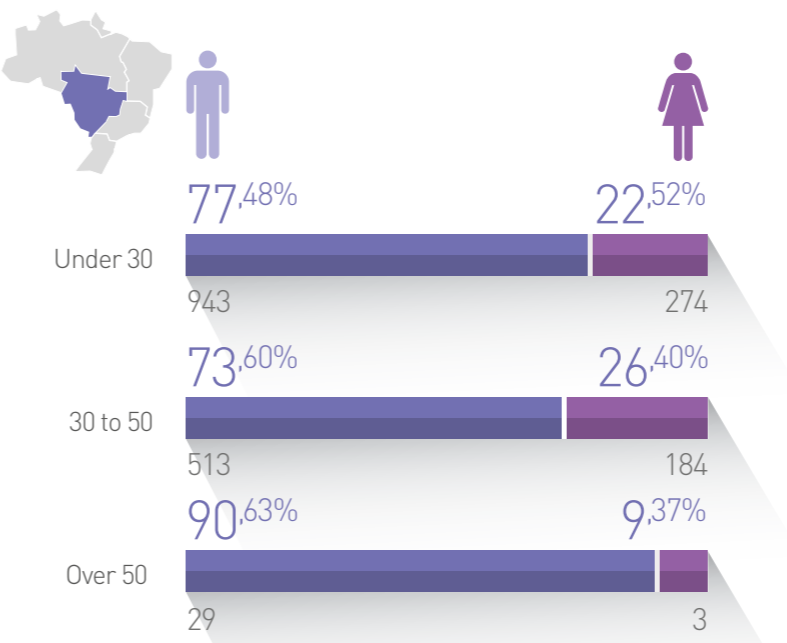
In 2015, Minerva consolidated the initiatives to reformulate the Human Resources Department that were started in the previous year, with the transformation of the area into a Division, giving it a more strategic status, and establishing a solid personnel management policy that permeates the entire Company. This movement was accompanied by structuring of initiatives, program launches and enhancement of the human resources management model, according to demands, driven by the Company's growth over the years. A competency-based management model was adopted, in synergy with Minerva's values and goals in the short, medium and long terms.

THERE ARE THREE TYPES OF COMPETENCIES:

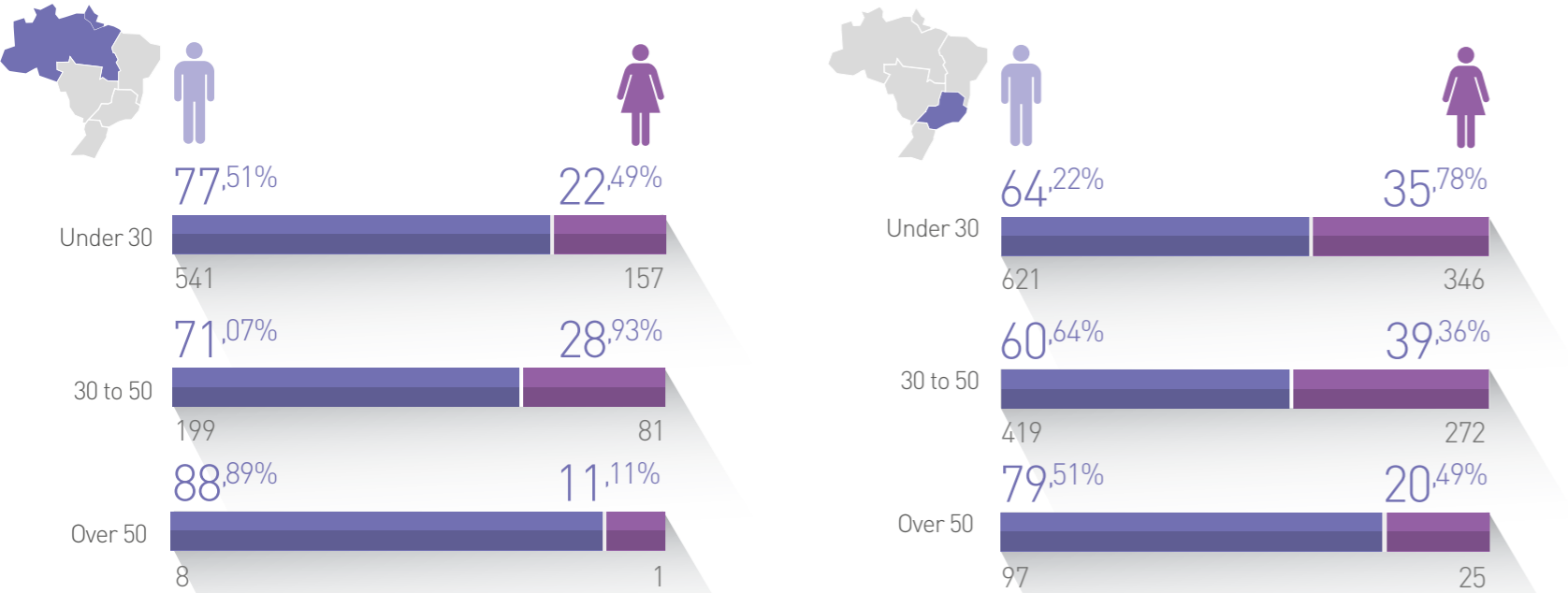


PROFILE
GRI G4-DMA Diversity and equal opportunity

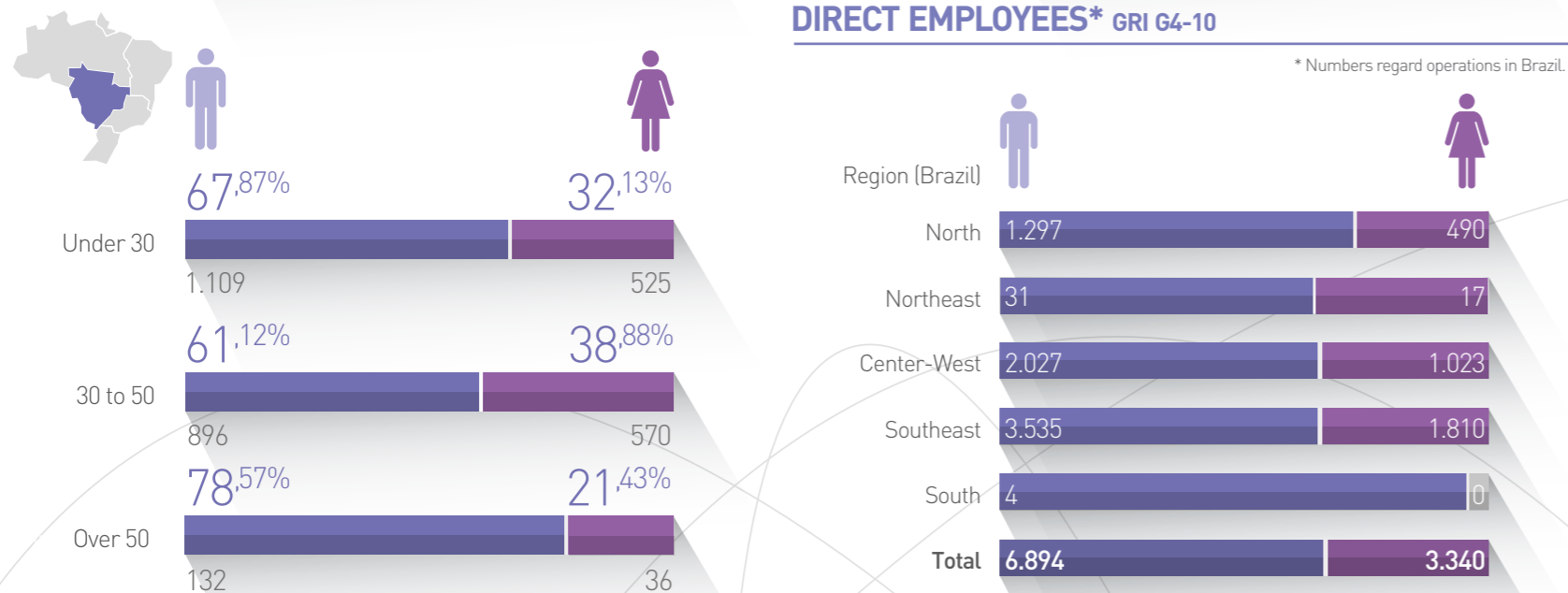
In 2015, a staff made up of 12,993 professionals (70.4% men and 29.6% women) contributed to the performance of the business; of these, 8,416 made up the staff of employees covered by the Report (industrial units in Brazil) and all of them held contracts governed by the Consolidated Labor Laws (Consolidação das Leis do Trabalho – CLT). From the total workers in Brazil, 67.3% were men and 32.6% were women, aligned with a policy of valuing and respecting differences. Considering the entirety of the Company's operations, the turnover rate for the year was 4.95%, down by 0.4 p.p. against the previous year. **GRI G4-10 | G4-LA1**



TOTAL NUMBER OF TERMINATED EMPLOYEES



DIRECT EMPLOYEES* GRI G4-10

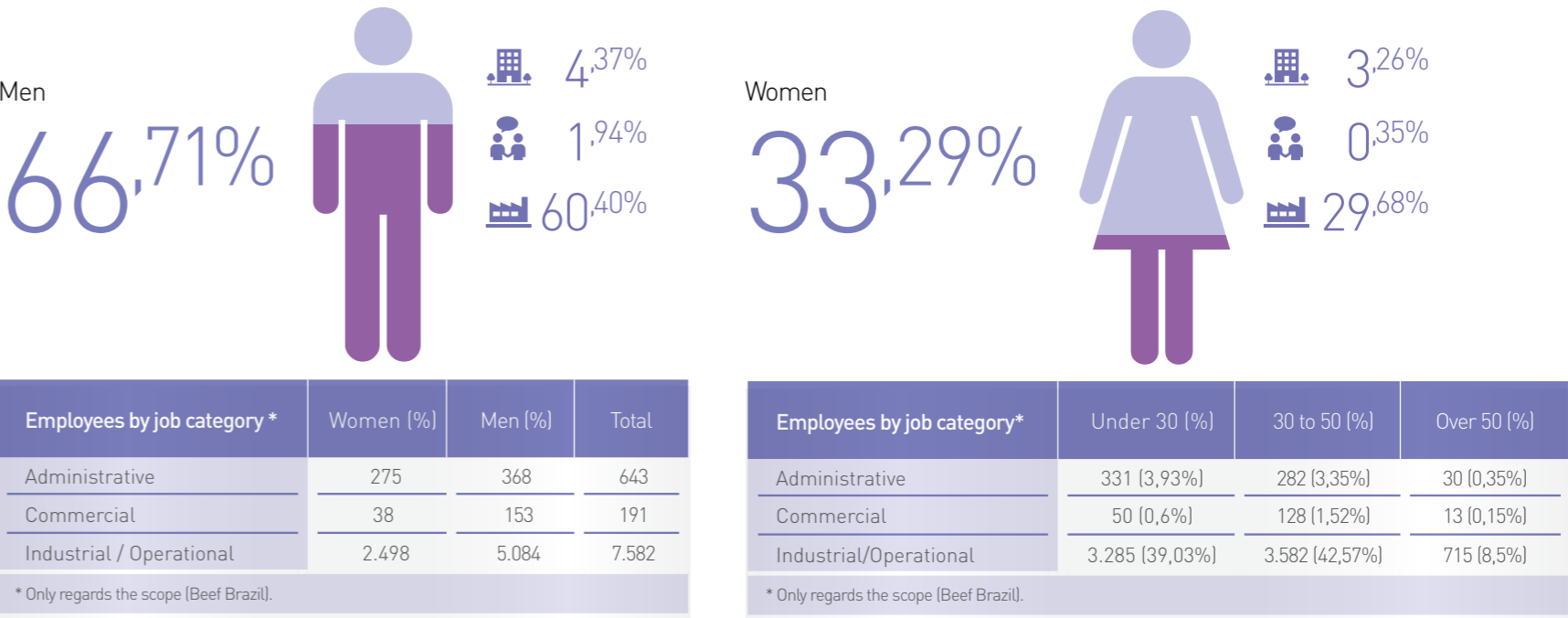


| PROFILE OF EMPLOYEES GRI G4-10 | | | | | | | | | |
|--------------------------------|-------|-------|--------|-------|-------|--------|-------|-------|-------|
| Company employees* | 2015 | | | 2014 | | | 2013 | | |
| Gender | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| Administrative | 391 | 556 | 947 | 358 | 479 | 837 | 261 | 324 | 585 |
| Commercial | 100 | 425 | 525 | 171 | 550 | 721 | 153 | 531 | 684 |
| Industrial/Operational | 3.290 | 7.928 | 11.218 | 4.131 | 8.521 | 12.652 | 3.407 | 5.259 | 8.666 |
| Total workforce | 3.781 | 8.909 | 12.690 | 4.660 | 9.550 | 14.210 | 3.821 | 6.114 | 9.935 |

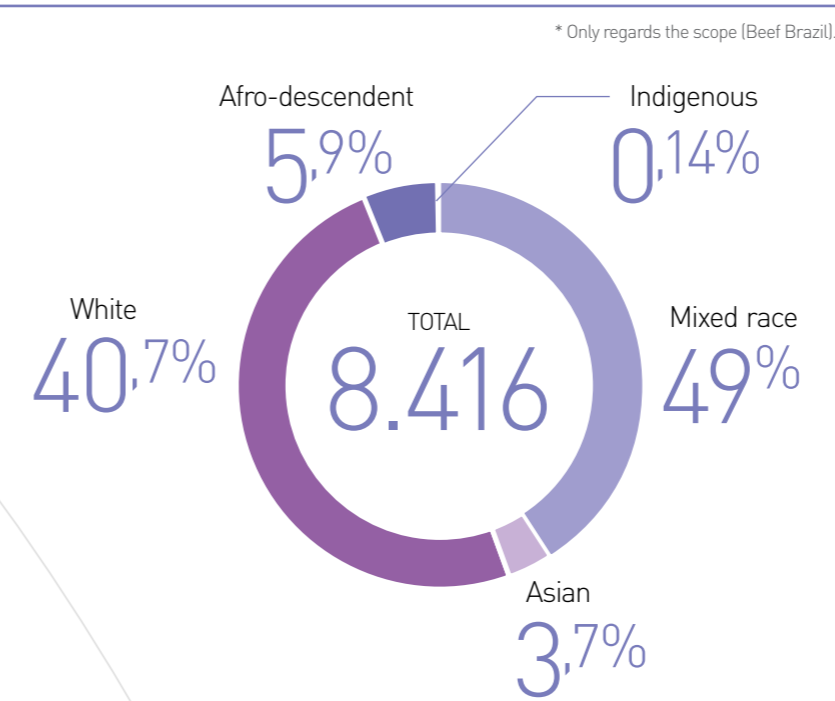
* Numbers regard all Minerva Foods operations, except for operations in Colombia.

BREAKDOWN OF EMPLOYEES BY JOB CATEGORY, ACCORDING TO GENDER, AGE GROUP, MINORITY STATUS AND OTHER INDICATORS OF DIVERSITY GRI G4-LA12

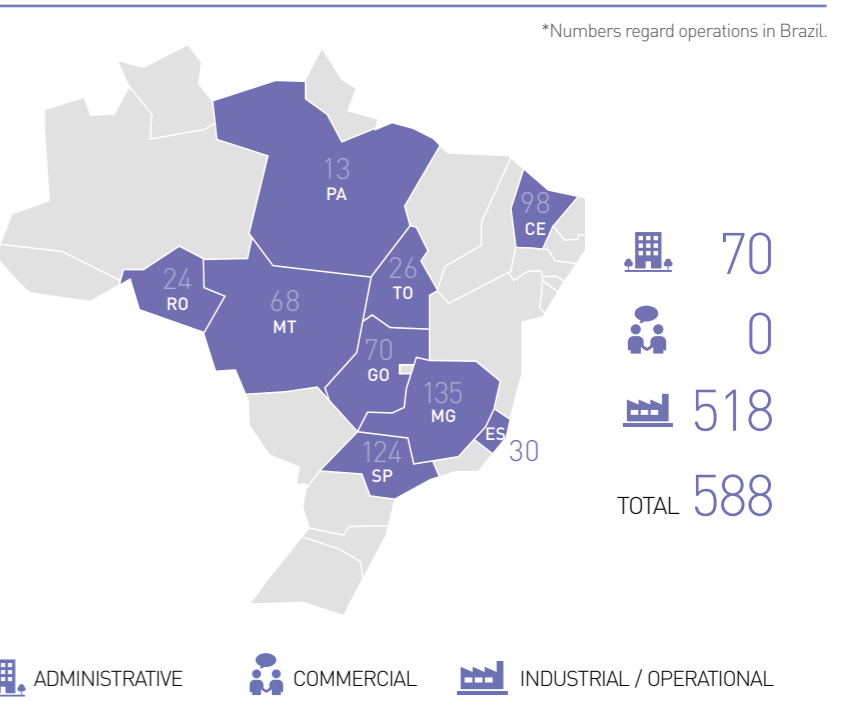
PROFILE OF EMPLOYEES GRI G4-10



EMPLOYEES BY RACE / ETHNICITY*



THIRD-PARTY EMPLOYEES (REGION)*



RECRUITMENT AND SELECTION

GRI G4-DMA Market presence

The competency-based management model is the basis of the recruitment and selection process. A document is kept with guidelines for attracting and choosing professionals, establishing that no discriminatory conduct is allowed. Additionally, the Company keeps a comparative analysis between the positions and where its employees come from. Considering all affiliates and Rolim de Moura, Várzea Grande and Mirassol controlled companies, there are 26 cases where upper management members at operating units were hired from the local community (the entire area covering the state where the professional is native to), representing around 38% of hires for this level. Considering only the meatpacking industrial units, there are 14 cases where upper management members were hired from the local community, which represents around 30% of the staff hires for this level. **GRI G4-EC6**

Upon admission, employees watch an institutional video in Distance Learning (DL) format, they are given an Employee Manual and the Code of Ethical Conduct, they pick up Personal Protective Equipment (PPE) and undergo orientation in the sector where they will work. During the year, the Company began the development of a new program, to be released in 2016, aimed at raising awareness among current Minerva staff members so that they can be HR partners in welcoming and assisting new professionals.

PWD INCLUSION PROGRAM

A program to include People with Disabilities (PWDs) is currently being developed; it includes training strategies to prepare professionals who are in line with the labor market's needs. To build this initiative, the Company will map work posts and facilities in Barretos, while also internally identifying people that qualify for inclusion pursuant to the Quotas Law in order to recognize this public. Moreover, training will be promoted for managers, with publicity campaigns to raise awareness on this topic. The Company will sign partnership agreements with institutions for actions to recruit PWDs at its units and will expand news of job openings, therefore strengthening its image as an employer among this public.

6.1.5. TRAINING AND DEVELOPMENT

GRI G4-DMA Training and education | G4-DMA Investments

Minerva continually invests in programs and courses geared towards employees as a way to promote new knowledge and greater engagement of employees in reaching the targets proposed in strategic planning. Technical and operational training is offered aimed at improving and refreshing know-how specific to production and sales of safe and quality items. Examples include Good Manufacturing Practices training and the refresher courses established by Ministry of Labor Regulatory Standards.

There are no programs to assist employees who are getting ready to retire, but depending on the employee's position held and time of service, there are programs to support the transition to finding a new position in the labor market.

GRI G4-LA10

IN 2015, FOCUSING ON LEADERSHIP, THE COMPANY LAUNCHED DEVELOPMENT PROGRAM.

This action encompasses two initiatives, the Leadership School and the Leadership Development Program (LDP). It is aimed at supporting Minerva's competitive advantage through continual learning, by valuing talent and by expanding the capacity for professional growth and development for better performance as an agent of transformation.

► **LEADERSHIP SCHOOL:** Geared towards Coordinators, Supervisors, Leaders and Specialists in the Administrative and Operational areas in all business units and in the Corporate area, the focus is on tools for Personnel Management, Knowledge Management and Competency-Based Management. In 2015, eight meetings were held at each of the eight units and at Corporate level, with a total of 1,156.5 training hours given, training 354 leaders. This action involved on-site training, pre- and post-work activities and group coaching.

► **LEADERSHIP DEVELOPMENT PROGRAM:** Aimed at Beef Brazil and Corporate professional executives, it includes the Executive LDP, aimed at Executive Managers and Directors; the Corporate LDP, aimed at Corporate Managers; and the Industrial LDP, with Training geared towards Industrial Managers, Administrators and Cattle Procurement, with behavioral and technical training, as well as projects to improve efficiency at industrial units. During the year, 58 professionals were trained over a total of 1,120 hours. Topics covered included management development and technical and behavioral content.

TRAINING HOURS

1.156⁵⁰



LEADERS TRAINED

354



LDP: PROFESSIONALS TRAINED

58 1120h



| AVERAGE ANNUAL TRAINING HOURS BY EMPLOYEE GRI G4-LA9 | | | |
|--|--------------------------------------|----------------------|----------------------------------|
| Units | Total employees trained ¹ | Total hours provided | Total employees X hours provided |
| Araguaína | 6.018 | 461,08 | 15.223,56 |
| Barretos | 7.714 | 1.669,76 | 12.984,38 |
| Batayporã ² | 1.490 | 107,95 | 3.635,44 |
| Campina Verde | 2.027 | 356,95 | 3.638,79 |
| Corporate | 3.566 | 3.546,67 | 31.404,17 |
| Janaúba | 4.314 | 662,3 | 5.735,75 |
| José Bonifácio | 20.574 | 23.817,40 | 70.668,01 |
| Mirassol D'oeste ² | 8.588 | 155,2 | 3.150,32 |
| Palmeiras de Goiás | 4.658 | 1.251,85 | 14.420,02 |
| Rolim de Moura | 2.435 | 642,1 | 8.150,01 |
| Várzea Grande | 11.991 | 979,49 | 16.862,61 |
| Total | 73.375 | 31.519,91 | 157.665,12 |

¹ Employees that took part in more than one training session were accounted for according to the number of training courses in which they participated.
² Operations were suspended in 2015.

In line with corporate values, training is given with an emphasis on human rights aspects and policies. In 2015, there were 22.14 hours of training on this theme per person. In total, there were 4,053.6 hours of Integration and Integration Refresher training given, involving 5,750 employees, or rather, over 56% of the staff at industrial units in Brazil. **GRI G4- HR2**

TOTAL HOURS OF TRAINING ON POLICIES AND ASPECTS OF HUMAN RIGHTS **GRI G4-HR2**

Number of hours dedicated to employee training (units)

36.482^{,63}

Total hours dedicated to training on policies or procedures concerning aspects of human rights (units)

4.053^{,60}

Percentage of hours dedicated to training on policies or procedures concerning aspects of human rights (%)

11%

ASSESSMENT **GRI G4-LA11**

The competency-based assessment process is done every year with employees, with reinforcement of preparation of leaders, for an increasingly more objective objective assessment focused on behavior. The goal is to specifically measure competencies, behaviors and pre-established standards; identify the competencies of the person being assessed through directed observation of indicators; and obtain inputs that allow an Individual Development Plan (IDP) to be outlined. In 2015, assessments took part in conjunction with the creation of the IDPs for all hierarchical levels.

Total employees

10.234

Employees trained on policies or procedures concerning aspects of human rights (units)

5.750

Percentage of employees trained on policies or procedures concerning aspects of human rights

56%



6.1.6. QUALITY OF LIFE AND WELL-BEING

Corporate health and dental insurance are available to employees at a lower-than-market cost. Employees also have cafeterias at workplaces, providing subsidized food, and in some locations they receive food vouchers, meal vouchers and transportation, in addition to benefits required by law, by agreements and by collective bargaining agreements. A compulsory healthcare insurance is provided with 100% of costs defrayed for employees at Várzea Grande and Mirassol D'Oeste, since this benefit was offered when Minerva acquired the plants. This year the Company budgeted BRL21,656,101.44 for these benefits. **GRI G4-LA2**

The following actions are maintained for quality of life and well-being:

- **LUNCH WITH MANAGEMENT:** For 2016, meetings will include the use of questionnaires to survey employee opinions about the unit's organizational climate. This meeting is aimed at strengthening ties between employees and Managers, in addition to allowing for engagement in an environment outside the institutional environment.
- **MINERVA SOLIDARITY:** Aimed at social responsibility initiatives practiced by volunteer employees and geared towards the community or internal public.
- **COMMEMORATIVE DATES:** The goal is to provide satisfaction and strengthen employee ties with the Company through actions on dates such as Birthdays of the Month, International Women's Day, Labor Day, Mother's Day, Father's Day, Children's Day and Christmas.
- **MATERNITY PROJECT:** Aimed at welcoming and advising pregnant employees through actions applied by a multidisciplinary team. This includes a monthly lecture cycle, prenatal care with clinical follow-up, nutritional support (at cafeterias), delivery of a maternity kit and instructional brochure and a social visit to guarantee support for mother and baby.
- **HOUSEHOLD BUDGET:** Offered to employees and their spouses to learn about how to best manage financial resources, monitoring income and expenses while balancing accounts. In 2015, this action was developed at Palmeiras de Goiás unit, and in 2016, it will cover other units through the Financial Education Project.



Montería – Colombia Industrial Unit

COMPENSATION
GRI G4-DMA Market presence | G4-DMA Employment |
G4-DMA Equal remuneration for women and men

THERE IS NO DIFFERENCE IN REMUNERATION BY GENDER OR DISCRIMINATION

of any kind in Minerva’s salary practices. Wages are based on legally established amounts (minimum wage, collective bargaining agreements) and amounts practiced in the market. To ensure pay that is compatible with jobs, the Company performs salary surveys and uses them as a reference for adjustments and to offer fair and competitive levels of compensation. The lowest salary paid corresponds to the national minimum wage. **GRI G4-EC5**

The compensation and benefits policy does not include a pension plan for employees or members of the Board of Directors and a private pension plan is not maintained; employees hired under the Consolidated Labor Laws (CLT) regime are guaranteed official social security. There are also no contractual arrangements, insurance policies or any other instruments containing compensation or indemnity mechanisms in the event of removal from position or retirement. All benefits related to pensions, retirements or additional benefits are compliant with Brazil’s social security laws. **GRI G4-EC3**



Janaúba – Minas Gerais Industrial Unit



Montería – Colombia Industrial Unit

SUPPLIERS **GRI G4-12**
AT THE END OF 2015, MINERVA HAD COMMERCIAL RELATIONS WITH 39,812 NATIONAL AND INTERNATIONAL SUPPLIERS.

SUSTAINABLE LIVESTOCK FARMING
Because cattle are its main raw material, the Company promotes sustainable livestock farming. This guarantees that food sold comes from farms and suppliers that meet criteria for social and environmental responsibility. All partners and their properties are assessed in relation to Minerva’s origination criteria, which include no occurrences of forced and/or child labor practices – a requirement formalized in the Company’s Code of Ethics and in its Recruitment and Selection Procedure, with the exception of Young Apprentices - and no embargos by the Brazilian Institute of the Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – Ibama). Analysis is done farm by farm and at each purchase. **GRI G4-HR5**

There is also a prior blocking system, called the black list, and the lists of areas embargoed by IBAMA and the Ministry of Labor and Employment (MTE) are monitored daily, as is the Transparency List put out by the Institute for the National Compact for Eradication of Slave Labor (Instituto do Pacto Nacional para a Erradicação do Trabalho Escravo – InPACTO). All suppliers with social, environmental and/or labor irregularities are automatically blocked in the procurement system and remain blocked until they are fully in compliance.

Moreover, Minerva is a signatory of various protocols, terms and agreements with civil, governmental and non-governmental organizations. **GRI G4-15**

| MATHEMATICAL RATIO OF SALARY AND REMUNERATION BETWEEN WOMEN AND MEN, BROKEN DOWN BY JOB CATEGORY AND RELEVANT OPERATIONAL UNITS GRI G4-LA13 | | | | |
|---|-------|-------|------|--|
| Employees by job category | Total | Women | Men | Women/Men Ratio (average remuneration) |
| Upper Management | 31 | 2 | 29 | 63 |
| Management | 103 | 13 | 90 | 84 |
| Coordinator/Supervisor/Consultant | 326 | 61 | 265 | 108 |
| Specialist/Analyst | 838 | 273 | 565 | 103 |
| Technician/Site In-Charge | 72 | 20 | 52 | 82 |
| Administrative | 849 | 407 | 442 | 99 |
| Operational | 7956 | 2537 | 5419 | 87 |
| Apprentice | 70 | 32 | 38 | 96 |
| Intern | 10 | 2 | 8 | 160 |

| COMMITMENTS TO SUSTAINABLE PRACTICES GRI G4-15 | |
|--|---|
| National Compact for the Eradication of Slave Labor | Defines actions for signatories to take aimed at eradicating companies or people from their production chains that use workers in slave-like conditions (signed on May 19, 2009). |
| Conduct Modification Agreement for Sustainable Livestock Farming | Sponsored by the Federal Prosecution Office of Pará (signed July 7, 2009). |
| IFC Performance Standard (PS) | PS1: Assessment and Management of Environmental and Social Risks and Impacts PS2: Labor and Working Conditions PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources |
| Greenpeace Term of Commitment | Minimum Criteria for Cattle Operations and Beef Products on an Industrial Scale in the Amazon Biome (signed on October 5, 2009). |
| Brazilian Development Bank Resolution 1854 | Compliance with social and environmental guidelines and criteria for the Brazilian Development Bank to support the cattle farming sector. |
| BRSL | Joined Brazilian Roundtable on Sustainable Livestock (BRSL). The goal of the BRSL, whose members are different representatives of the Brazilian livestock value chain, is to debate and formulate principles, practices and common standards that contribute to sustainable development of livestock farming in Brazil. |



Rolim de Moura – Rondônia

AMAZON BIOME

In 2015, through an annual audit of the public commitment with Greenpeace, an international NGO, Minerva was not found to have any instances of non-compliance in procurement of animals on properties in the Amazon Biome. This project involved 9,813 purchases of raw materials at six business units that received animals from farms located in the Biome: Abaetetuba (PA), Araguaína (TO), Mirassol D'Oeste (MT), Palmeiras de Goiás (GO), Rolim de Moura (RO) and Várzea Grande (MT).

One highlight for the year was the mapping expansion of supplier properties. In 2013, 43.5% of farms were mapped; in 2014, 85.1% and in 2015, 92.0%.

| COMMITMENT: WHAT MINERVA VERIFIES | |
|---|--|
| Embargoed areas | Ibama consultation. |
| Existence of compulsory or degrading labor | Consultation of the list put out by the Ministry of Labor and Employment list and/or list published by InPACTO through the information access law. |
| Deforestation | Analysis done by a geomonitoring company (according to updates to the Satellite Monitoring of Deforestation in the Legal Amazon Project – Prodes and the Real-Time System to Detect Deforestation – Deter, provided by Brazil's National Institute for Space Research – INPE). |
| Invasion of indigenous lands | Analysis done by a geomonitoring company, based on official letters sent by Brazil's National Indigenous Foundation (Fundação Nacional do Índio – Funai) or after receiving an official letter from the Federal Prosecution Office. |
| Illegal land occupation and violence in the field | Through official letters sent by Brazil's National Institute of Colonization and Agrarian Reform (Instituto Nacional de Colonização e Reforma Agrária – Incra) and ICMBio or after receiving an official letter from the Federal Prosecution Office. |
| Protected areas | Analysis done by a geomonitoring company, based on official letters sent to ICMBio or after receiving an official letter from the Federal Prosecution Office. |

NUMBER OF RAW MATERIAL PURCHASES IN THE BIOME

9.813

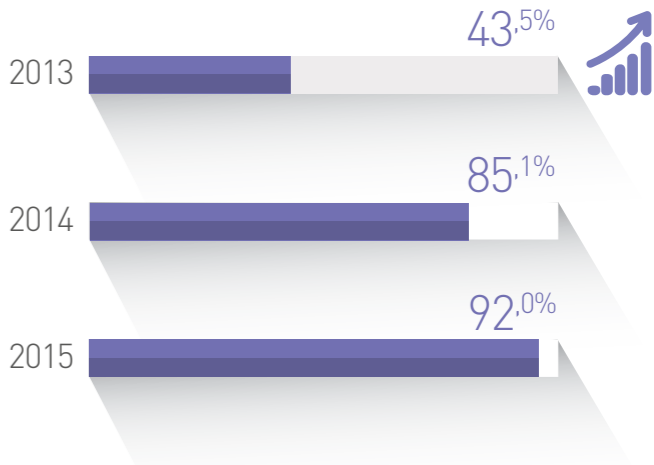
INDUSTRIAL UNITS

6

UNITS THAT MADE PURCHASES IN THE BIOME

- Abaetetuba (PA)
- Araguaína (TO)
- Mirassol D'Oeste (MT)
- Palmeiras de Goiás (GO)
- Rolim de Moura (RO)
- Várzea Grande (MT)

EXPANSION OF MAPPING



LIVESTOCK FARMERS

Over 2015, the Company carried out business transactions with 6,514 livestock farmers. Of this total, 2,354 were new suppliers selected during the year and 100% of these were assessed based on environmental, land ownership and labor criteria, with consideration of possible impacts on society and human rights. **GRI G4-EN32 | G4-LA14 | G4-S09 | G4-S010 | G4-HR10**

Assessments were done before execution of contracts, which contained clauses on compliance with applicable law, including labor laws; in other words, the Company does not maintain relationships with any business partners that could cause negative impacts. Nevertheless, during the year 21 livestock farmers (0.3%) were placed in the employer registry by the Ministry of Labor and Employment (MTE) for maintaining workers in compulsory work conditions, identified as potential violators of human rights. All of these livestock farmers were blocked in the Company's system, closing their business activities. Seven cases of violation of indigenous people's rights were also registered and entered into the blocking system. Minerva sends official letters every six months to all regional coordination offices of the National Indigenous Peoples Foundation (Fundação Nacional do Índio – Funai), certifying that there are no conflicts in areas with Company suppliers. **GRI G4-LA15 | G4-S010 | G4-HR6 | G4-HR8 | G4-HR11**

In line with the promotion of sustainability in its production chain, the Company advises and instructs livestock farmers. During the 4,755 field visits done in 2015, Minerva helped to apply techniques to improve productivity at farms, without increasing pasture areas and while reducing pressure on forests and directly contributing to climate change issues, in addition to encouraging livestock farmers to optimize use of natural resources. Tools are also provided so that suppliers have the information needed to qualify raw material in a sustainable way:

SUPPLIER SERVICES (SS)

A direct channel of communication available to livestock farmers to answer questions and send in suggestions, including topics related to sustainable livestock farming.

It can be accessed by:
Twitter: @minervaresearch
E-mail: pecuarista@minervafoods.com
Online: www.minervafoods.com

TRUSTING BOND PROGRAM (PROGRAMA LAÇO DE CONFIANÇA)

Aimed at stronger relationships with suppliers, by sending reports with analyses on the Company's results and market and climate trends, as well as confinement studies for more information on market conditions.

In 2015, the program included:

- ▶ 175 reports hosted on the website (www.minervafoods.com) and sent by e-mail to suppliers
- ▶ 3,250 livestock farmers registered



CONFINEMENT STUDY

Provides information on trends in the growing confinement market by region, including farmers' intention to maintain or expand this type of operation, according to information obtained by extension agents.

CATTLE FUTURES REPORT

Market trends for live cattle, proteins, competitors and grains.

MINERVA RESULTS REPORT

Summarized quarterly results reported in a simplified language.

CLIMATE REPORT

Shows summarized climate variations by region, with an emphasis on soil humidity conditions, in a language suited to orientation of livestock activity.

TALKING LIVESTOCK (FALANDO DE PECUÁRIA)

A supplier relations initiative, supported by talks as well as field visits done by Minerva technicians, zootechnists, veterinarians and agronomists, with topics and subjects suited to the reality of each region and structured based on diagnoses done by Company buyers and livestock farmer suggestions. In 2015, ten meetings were held in six states – São Paulo, Minas Gerais, Goiás, Mato Grosso, Tocantins and Rondônia – with 647 participants.

Events advising on animal welfare and sustainability were also held in partnership with trade associations, consultants and unions, with 12,364 participants.

@ + PROFITABLE (@ + LUCRATIVA)

A development initiative using funding advances for livestock farmers, the @ + Profitable program advises on increasing productivity and creating revenue with improved cattle nutrition and the resulting increase in carcass weight.

To do this, Minerva has developed an extension program in the molds of the São Paulo State Agribusiness Technology Agency (Agência Paulista de Tecnologia dos Agronegócios – APTA). Techniques to supplement cattle are used to correct nutrient deficiencies from weaning to termination, seeking a younger animal (slaughtered with a maximum of 24 months) and with a weight of around 18 arrobas (270 kg) or more and good finish (average coverage starting at 3 mm), which will serve the demand of practically every market.

CONTRACTS

GRI G4-DMA Compliance | G4-DMA Supplier environmental assessment | G4-DMA Occupational health and safety | G4-DMA Supplier assessment for labor practices | G4-DMA Investments | G4-DMA Non-discrimination | G4-DMA Child labor | G4-DMA Forced or compulsory labor | G4-DMA Indigenous rights | G4-DMA | Supplier human rights assessment | G4-DMA Compliance | G4-DMA: Supplier assessment for impacts on society

All Minerva Foods contracts contain specific clauses on human rights and requirements that include compliance with environment, health and operational safety laws, as well as obtaining and keeping valid all licenses, among other requirements, under penalty of termination of contract and other penalties. In relation to labor issues, contract clauses

impose restrictions on employing minors, as established in the Consolidated Labor Laws (CLT) and the Statute of Children and Adolescents (Estatuto da Criança e do Adolescente – ECA).

GRI G4-HR1

Parties to contracts must also state that they do not acquire cattle products from people or companies listed in the following registries:

- ▶ Brazilian Ministry of Labor and Employment's compulsory labor black list (Directive no. 540/2004, dated Oct. 15, 2004);
- ▶ List of areas under Ibama embargo (Ibama Directive no. 19, dated July 2, 2008 and Decree no. 6,321/2007);
- ▶ Funai list of declared indigenous areas.

INVESTORS

Minerva has an Investor Relations department, with professionals dedicated to transparent communication and reporting of the Company's performance. One of the main forms of communicating with investors is the Investor Relations website (www.minervafoods.com/ri), which contains financial information (events, spreadsheets, quotes, graphs, request for information, ratings, etc.), industry analyses, corporate presentations, notices and documents required based on the determination of the Brazilian Securities and Exchange Commission (CVM) and Regulations for the Novo Mercado Index, the highest level of corporate governance at the BM&FBOVESPA.

Analysts that follow Minerva day-to-day in the financial, stock and currency markets are contacted by e-mail, through meetings and through phone conferences, which reach over 160 participants gathered annually.

Colina – São Paulo



7

INTEGRATED MANAGEMENT SYSTEM

ALL OF THE LINKS AT MINERVA FOODS ARE STRENGTHENED BY THE COMPANY'S DETERMINATION. EVERY DAY, THE COMPANY HONORS ITS COMMITMENT TO THE ENVIRONMENT, THE SAFETY OF ITS EMPLOYEES, ANIMAL WELFARE AND THE QUALITY OF ITS PRODUCTS.



Minerva Foods

INTEGRATED MANAGEMENT SYSTEM (SGI)



Araraquara Distribution Center – São Paulo

In 2014, Minerva Foods began studies on aspect and impact, hazards and risks at its operating units, in order to integrate its Food Safety, Social Responsibility, Health and Safety and Environment processes, practices and areas under a single management system.

The SGI was strengthened in 2015,

AIMED AT EXCELLENCE THROUGH INCREASED EFFICIENCY AND QUALITY, ENHANCEMENT OF PROGRAMS AIMED AT EMPLOYEE HEALTH AND SAFETY IN ADDITION TO SOCIAL AND ENVIRONMENTAL INITIATIVES.

This tool is in line with the principles set forth by the International Finance Corporation (IFC) at the World Bank. Minerva Foods is the only company in the industry in Latin America to achieve IFC recognition for its excellence in corporate governance and management practices. The Integrated Management System also allows for a global view of opportunities and demands, contributing to creating value for various stakeholders and for the business.

ITS GUIDELINES ARE:

- ▶ To promote and protect the health and physical integrity of employees, service providers and visitors, through safe conditions and behaviors and management of hazards and risks identified in processes, minimizing the occurrence of incidents;
- ▶ To respect the environment and community, by preventing pollution and conserving natural resources, contributing to environmental preservation, with a view towards the sustainability of the business, managing significant environmental aspects with the appropriate treatment of liquid effluents, solid waste and air emissions;
- ▶ To offer food products in compliance with food quality and safety standards, promoting continual improvement in processes, products and services;
- ▶ To respect employees, renouncing all and any kinds of discrimination, forced labor and child labor and creating conditions for the team to grow through education and work, promoting the Company's participation and development with local communities and especially with those neighboring operations, through actions that benefit and strengthen its image;
- ▶ To comply with laws and other applicable standards and regulations;
- ▶ To strive to serve the needs and expectations of customers and other stakeholders.

To raise awareness among employees so that they promote these principles, an SGI Week was held in 2015 with 102 actions/events at nine units. Environment Week and Internal Occupational Accident Prevention Week (Sipat, its acronym in Portuguese) were integrated into SGI Week, by covering the links between food safety, social responsibility, health and safety and environment actions. Because of its importance SGI Week will be expanded to units at related businesses.

The Company is constantly integrating new plants into its practices and commitments in order to keep processes uniform. In 2015, after integration of the Janaúba Unit, the pace of slaughters and deboning at this meatpacking plant reached a growing level of efficiency and operations, increasing by 450 head/day, with significant synergy with the demands defined for export business to Europe.

MINERVA INTEGRATED MANAGEMENT SYSTEM



PRODUCT RESPONSIBILITY
GRI G4-DMA Product and service labeling

To remain a global reference in the production, sale and distribution of food,

THE COMPANY IS
COMMITTED TO
RESPONSIBLE CATTLE
ORIGINATION.

Two systems are used to manage and operationalize acquisition of raw material: the Person system, related with supplier registration; and the Cattle Procurement system, pertaining to management of cattle purchases and interaction with processes at industries. After activation of the business partner's registration in the Person system, all of the planning management for the slaughter scales, negotiations and operational intelligence of the procurement process are done using the Cattle Procurement system.

This means that the animals are tracked at industries in an integrated way with other systems. In the Distribution Division, tracking allows for organization of the order in which items leave, according to production. So the first product produced is the first to be transported, guaranteeing quality.

Moreover, all operations – processing, packaging, storage, distribution, publicity, labeling and food safety standards – are subject to regulation and supervision by the Ministry of Agriculture, Livestock and Supply and by local and foreign authorities. Product nomenclature, slaughter, packaging and expiration dates, lot number, nutritional information, address and the number of the establishment and of the Brazilian Department of Inspection of Products of Animal Origin (Departamento de Inspeção de Produtos de Origem Animal – DIPOA) are shown on labels.

On domestic market products, there is also information on packages regarding correct conservation at home.

GRI G4-PR1 | G4-PR3



Janaúba – Minas Gerais Industrial Unit

SATISFACTION GRI G4-PR5

THE SUCCESS OF
MINERVA'S BUSINESS
IS CONNECTED
TO CUSTOMER
SATISFACTION.

That is why the Company makes strides to understand and meet the real needs of this public, through requests, suggestions and complaints that are registered, analyzed and processed. Products and processes are developed, improved and/or applied with the same goal. Complaints regarding products are divided between the domestic and foreign market. In 2015, there were 102 domestic market and 440 foreign market complaints of non-compliance. All information is analyzed, products are checked and grievances are reported to the units of origination, which are responsible for creating corrective action plans. Customers follow the entire process and the producer unit is responsible for providing a position on resolution.



Rolim de Moura – Rondônia Industrial Unit

HEALTH AND FOOD SECURITY

GRI G4-PR1 | G4-DMA Customer health and safety

To guarantee compliance with legal health and food safety standards across the production chain, Minerva monitors self-control programs at units on a daily basis, such as the Hazard Analysis and Critical Control Point (HACCP), Sanitation Standard Operating Procedures (SSOP), Sanitation Operating Procedure (SOP), Specified Risk Material (SRM), Animal Welfare (AW) and Good Manufacturing Practices (GMP), among others. Cattle control programs are also maintained at commercial partners’ farms, in order to identify and prevent chemical residue from being transferred to the end product. At the Company’s facilities, health controls related to the food industry are adopted and there is a permanent Federal Inspection Service presence and participation in the National Waste and Contaminant Control Plan.

CERTIFICATIONS



HACCP – Hazard Analysis and Critical Control Points identifies threats to human health in industrial processes, in line with the international code on General Principals of Food Safety. The HACCP-certified units are: Araguaína (TO), Rolim de Moura (RO), Campina Verde (MG), Janaúba (MG) and Batayporã (MS).



BRC Food – A set of quality and safety standards for food production issued by the British Retail Consortium (BRC). The following units are BRC Food-certified: Barretos (SP), José Bonifácio (SP), Palmeiras de Goiás (GO), Janaúba (MG), Várzea Grande (MT), Pul* (Uruguay) and Carrasco* (Uruguay).



ISO 22000 – The first international food safety management system standard, covering interactive communication, systems management and risk control. The Pul* (Uruguay) unit is ISO 22000 certified.



ISO 9001 – A set of technical standards establishing a quality management model. The Pul* (Uruguay) unit is ISO 9001 certified.

* These units are not part of the scope of this Report.

| BRC GLOBAL STANDARDS-CERTIFIED UNITS GRI G4-FP5 | | |
|---|------------------------|---------------------------|
| Units | Production volume (Kg) | Percent of production (%) |
| Barretos (SP) | 155,091,590 | 18.10 |
| José Bonifácio (SP) | 138,061,873 | 16.11 |
| Palmeiras de Goiás (GO) | 304,071,722 | 35.50 |
| Janaúba (MG) | 76,533,866 | 8.93 |
| Várzea Grande (MT) | 183,074,399 | 21.36 |
| Total | 856,833,450 | 100.00 |

| HACCP-CERTIFIED UNITS GRI G4-FP5 | | |
|----------------------------------|------------------------|---------------------------|
| Units | Production volume (Kg) | Percent of production (%) |
| Araguaína (TO) | 97,767,070 | 27.87 |
| Campina Verde (MG) | 46,850,237 | 13.35 |
| Janaúba (MG) | 76,533,866 | 21.81 |
| Rolim de Moura (RO) | 83,718,439 | 23.85 |
| Batayporã (MS) | 46,044,404 | 13.12 |
| Total | 350,914,016 | 100.00 |

| PERCENTAGE AND TOTAL ANIMALS RAISED AND/OR PROCESSED, BY SPECIES AND TYPE OF RAISING METHOD, BY CONFINEMENT TYPE GRI G4-FP11 GRI G4-FP9 | | | | | |
|---|---------|----|---------|----|--------------|
| Type of system | Steers | | Heifers | | Total Number |
| | Number | % | Number | % | |
| Feedlot | 674,451 | 92 | 58,137 | 8 | 732,588 |
| Grass-fed | 455,121 | 74 | 160,887 | 26 | 616,008 |
| Modified confinement | 231,103 | 86 | 36,351 | 14 | 267,454 |
| Blank | 1,181 | 98 | 27 | 2 | 1,208 |

ANIMAL WELFARE

GRI G4-DMA Procurement/Sourcing practices | G4-DMA Animal well-being

Minerva follows strict animal welfare standards in its production chains, complying with a series of practices and management approaches to preserve animals’ natural behavior without harming them and while preserving their integrity. Among aspects are physiological, environmental, sanitary, behavioral and psychological freedoms, in addition to moral and ethical codes required by the world’s chief consumer markets. For the Company, a good degree of welfare means the animal is safe, healthy, comfortable, well-nourished, free to express natural behaviors and not suffering from negative mental states, such as pain, frustration and stress.

The Company purchases animals from third parties and maintains a risk management strategy, working to control physical supply. To guarantee values at origination, a guide book on management and animal welfare is available to livestock farmers, showing them the importance of caring for herds and the impacts of not adopting best practices. During the year, there were 32,251 purchases in Brazil, completed in total compliance with Minerva’s commercial practices policy, which included 1,617,258 cows, including steers and heifers, raised in a grass-fed system, using modified confinement, on feedlots and on dry lots. While in Paraguay, a total volume of 350,056 animals was purchased during the year. **GRI G4-FP1 | G4-FP2 | G4-FP9**

MINERVA FOODS USES QUALITY STANDARDS AND CRITERIA FOR THE MEAT IT PRODUCES, PROCESSES AND SELLS.

THE TEN COMMANDMENTS OF BEEF QUALITY

Minerva Foods uses quality standards and criteria for the meat it produces, processes and sells. Ten parameters are used, which are conveyed to partner livestock farmers:



1. Pay attention to animal health, particularly vaccination campaigns and control of endoparasites and ectoparasites;



2. Do not use prohibited medications, prohibited hormones and poultry litter;



3. Respect the waiting period for veterinary products and use control to prevent animals with meat waste from being sent for slaughter;



4. Herd tracking, sanitary control and guarantee of animal origin;



5. Send all transport and animal identification documentation;



6. Follow animal welfare concepts: do not use cattle prods or electric prods and take special care in management and loading of animals to avoid stress;



7. Form lots of animals with the same age and size to facilitate the transport and pre-slaughter management stages and prevent herd stress;



8. Provide quality water and a balanced diet, contributing to better finishing of the carcass;



9. Try to slaughter younger animals, due to the requirements of the biggest markets, while also promoting increased turnover of animals on properties;



10. Promote employee training, since good management results in healthy animals.

USE OF INJECTABLES IN CATTLE

An initiative of the Minerva Cattle Procurement Department, in partnership with the Technical Animal Health Department of Ourofino and the Gaia Cattle Health Research Group at the Federal Rural University of the Amazon, the Good Practices in Use of Injectables in Cattle guide book is aimed at partner livestock farmers. This document shows management techniques to minimize and eliminate health risks involved in raising cattle, in addition to helping in adoption of best animal welfare practices for production of better quality and more profitable food. Moreover, it covers topics such as prevention, control, treatment of illnesses and correct application of pharmaceuticals, medications and vaccines administered in an injectable form.

EMPLOYEE SAFETY

GRI G4-DMA Occupational health and safety

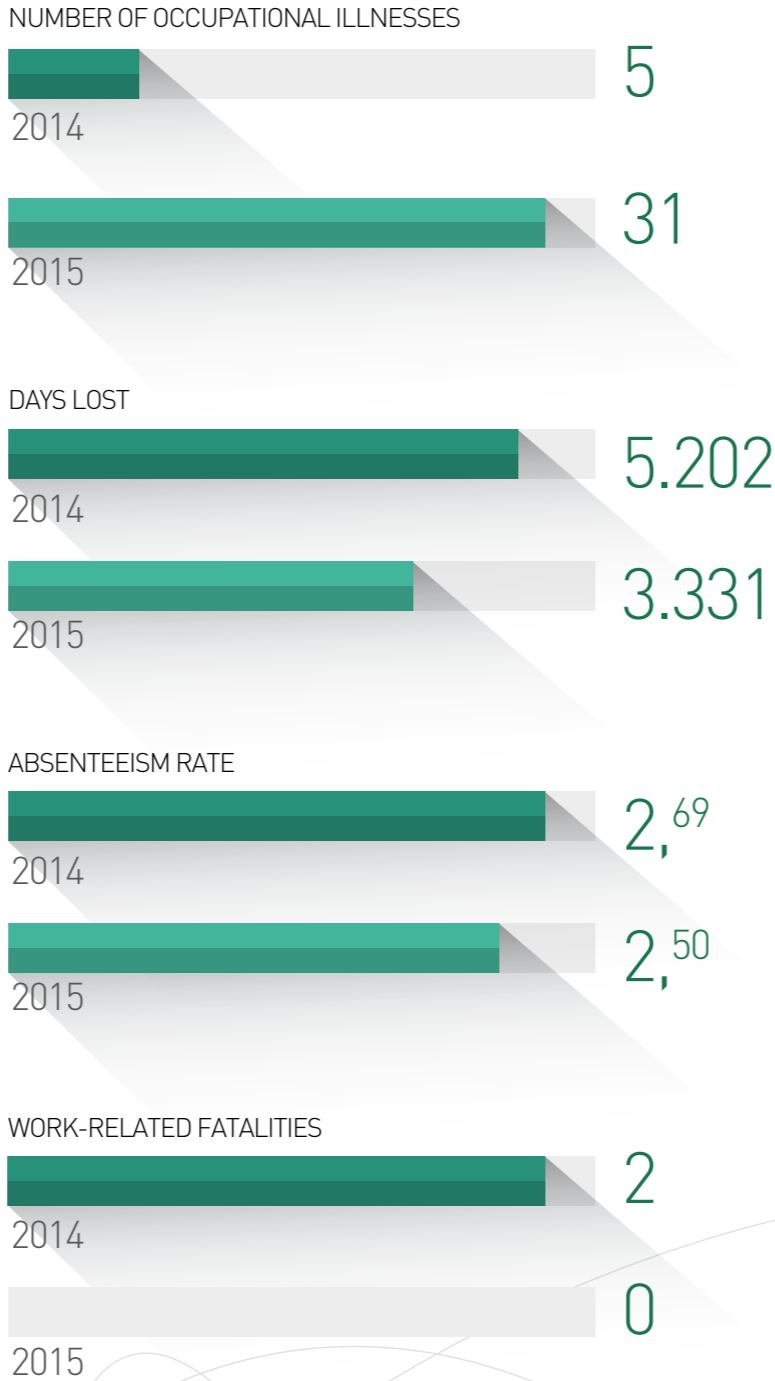
Guaranteeing employee health and safety is a daily commitment at Minerva, where forecasts are done related to working conditions in the collective bargaining agreements executed with unions that represent worker classes.

Investments are made in training and the use of Personal Protective Equipment (PPE) in order to comply with legal safety standards and maintain a safe and healthy workplace. The entire staff is represented by Internal Accident Prevention Commissions (Comissões Internas de Prevenção de Acidentes – Cipas), made up of employee representatives chosen through a secret vote and appointed by their employer. The members of Cipas meet regularly and promote specific events such as the Internal Occupational Accident Prevention Week (Sipat), which was integrated with SGI Week in 2015 (learn more on page 94).

GRI G4-LA8

All employees are also represented on formal committees, which help to monitor and advise on occupational health and safety programs. **GRI G4-LA5 | G4-LA8**

OCCUPATIONAL HEALTH AND SAFETY INDICATORS
GRI G4-LA6



TOTAL INVESTMENT IN OCCUPATIONAL HEALTH AND SAFETY (BRL)



| *General indicators GRI G4-LA6 | 2015 | 2014 | 2013 |
|---|---------------|---------------|---------------|
| Total investment (BRL) | 20.176.131,66 | 15.752.434,52 | 1.476.868,81 |
| Hours/man worked | 14.367.201,28 | 16.798.549,60 | 18.913.625,51 |
| Seriousness Frequency Rate (SFR) | 216,87 | 1.024,02 | 379,83 |
| Non-justified absences (h) | 233.436,31 | 313.848,66 | 279.528,45 |
| According to the recommendations of Regulatory Standard NR 04, which requires no breakdown according to gender and region. Minerva will assess the possibility of breaking this information down by gender in future years, considering the geographic location of its units. | | | |
| * New criteria added in calculating these indicators. | | | |

USE OF NATURAL RESOURCES

GRI G4-DMA Water | G4-DMA Effluents and waste | G4-DMA Products and services | G4-DMA Overall

All Minerva operating units are constantly monitored to define measures and actions in an effort to assure continual improvement and rational use of natural resources. This monitoring is done by Supervisors connected to the Corporate Environment Division, who report data to the Executive Board, in an effort to support creation of strategies to enhance activities. The following are notable among the information supervised and sent to upper management:

- Technical data on the unit and wastewater treatment system;
- Environmental licensing information, permissions for water use, discharge of treated liquid effluents and compliance with technical restrictions;
- Monitoring of Key Performance Indicators (KPIs): water consumption, generation of effluents, liquid effluent quality, receiving body quality, operational costs and revenues, recovery of oils and greases in physical-chemical treatment systems;

- Performance charts (dashboards);
- Control of solid waste generation and disposal;
- Control of chemical products used in physical-chemical treatment systems;
- Control of biological products used in treatment systems;
- Control of daily parameters of settleable solids in the biological treatment system.

Minerva maintains a corporate Environmental Impacts and Aspects Management program, through which it gathered information from 100% of its units in 2015. Additionally, the company uses software to manage and monitor action plans, dedicated to minimizing significant environmental interference. During the year, campaigns were held to reduce water consumption and investments were made in studies to lower the use of this input, without hindering production; analyses were developed to verify compliance with laws; the Ringelmann scale was used to monitor immediate actions focused on oversight of units in relation to air emissions; and progress was made in separating waste for appropriate disposal. **GRI G4-EN12 | G4-EN27**

In line with an environmental commitment and even though products are not recovered at the Company, 93,169,146 kg of waste were recycled in 2015, 1,879,577 kg of which was paper, paperboard and clear plastic. **GRI G4-EN28**

Investments in the environmental area during the year totaled BRL13,391,387.76, geared towards professional services, payroll, monitoring of air emissions and others. **GRI G4-EN31**

| DISTRIBUTION OF ENVIRONMENTAL INVESTMENTS IN 2015 GRI G4-EN31 | | | |
|---|------------------|--|------------------|
| Costs of waste disposal, treatment of emissions and remediation | | Prevention and environmental management | |
| Waste treatment and disposal | R\$ 3.463.700,96 | Environmental education and training | R\$ 12.457,99 |
| Expenditures on equipment, maintenance and operational services and materials, in addition to personnel expenses for this purpose | R\$ 8.796.546,88 | External environmental management services | R\$ 1.118.681,93 |
| Total | 12.260.247,84 | | 1.131.139,92 |

TOTAL ENVIRONMENTAL INVESTMENT (BRL) **GRI G4-EN31**



*New criteria were added in calculation of environmental investments.

WATER **GRI G4-EN8**

Water is primarily consumed in production and equipment sterilization activities. Modern and efficient equipment are employed when using water resources and leak prevention actions are continually developed. Furthermore, the input quality criteria established by Brazil's Ministry of Agriculture, Livestock, and Supply are followed.

Units are supplied with surface water and groundwater which, prior to industrial use, are duly treated at the Company's own Water Treatment Stations. In order for all employees to contribute to rational water use actions and maintenance of equipment, management is done by Environment Supervisors at the industrial units and is passed on to factory Managers.

In the same vein, in 2015 Minerva set targets to reduce consumption by 2% compared to the year before, across all units. A company was contracted in March to perform a water use study at the Barretos, José Bonifácio and Palmeiras de Goiás units. The results provided backing for an action plan to optimize consumption, and at Palmeiras de Goiás, initiatives resulted in usage dropping from 3.11 m³/head to 2.74 m³/head from April to May 2015, a reduction of 11.9%. The overall average of actions resulted in 22.84% less consumption than in previous months.

| TOTAL WATER REMOVED BY SOURCE GRI G4-EN8 | | |
|--|------------|------------|
| Volume (m³/year) | 2014 | 2015 |
| Total certified volume (m³/year) | 19.515.534 | 19.515.534 |
| Groundwater collected (m³/year) | 1.333.552 | 1.105.177 |
| Surface water collected (m³/year) | 3.512.398 | 3.441.977 |
| Total collected in the year (m³) | 4.845.950 | 4.547.154 |

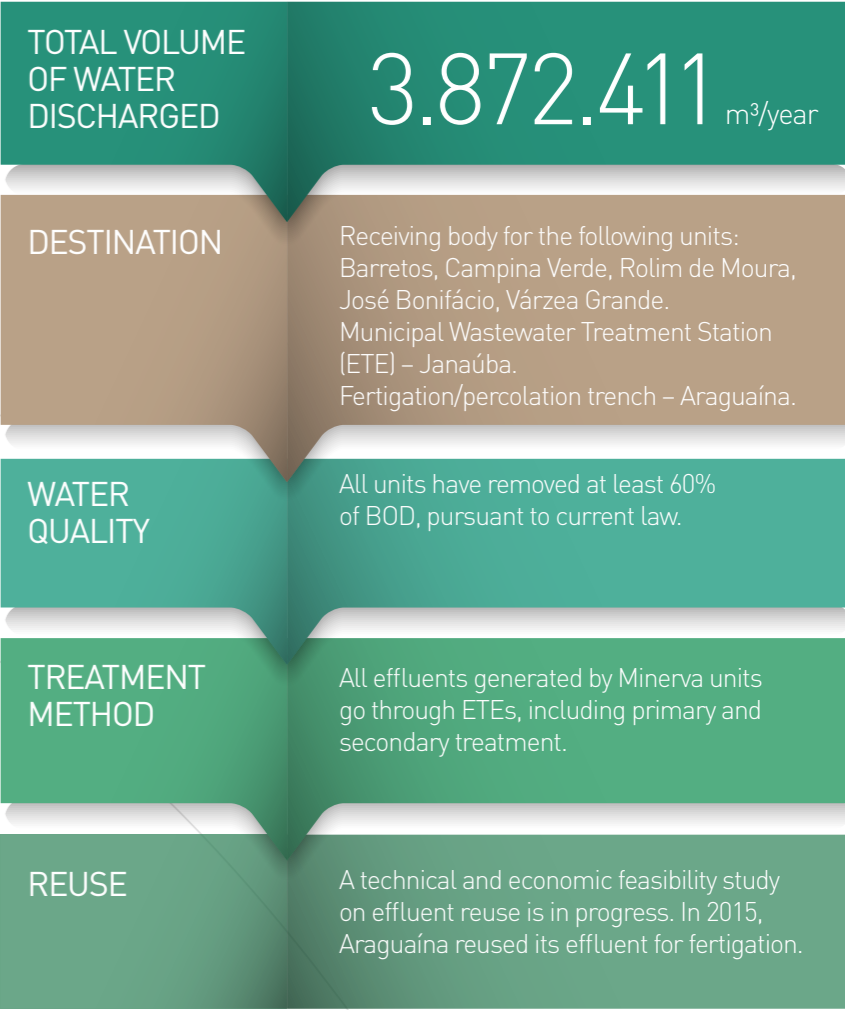
EFFLUENT TREATMENT **GRI G4-DMA Effluents and waste**

Liquid effluents dispensed in operations are subject to physical, chemical and biological treatment at Wastewater Treatment Stations (Estações de Tratamento de Efluentes – ETEs), later undergoing monitoring by sample to verify the efficacy of the system and identify points for improvement. At units where these effluents are used for irrigation, the soil is also monitored, as are groundwater and bodies of water that receive water generated by operations, always in accordance with environmental licensing requirements.

All units have primary physical and chemical and secondary treatment. Primary treatment includes sifting systems and, at some units, a float skimmer to mechanically remove fat, using a tridecanter that separates solids, fat and water, with solids being sent for composting.

In 2015, the Company began the corporate Effluent Management procedure, aimed at describing all activities at ETEs, in an effort to guarantee the final quality of the effluent. The entire primary system at the Frigormerc I and II, Araguaína and Palmeiras de Goiás units was also overhauled. In José Bonifácio, the static screen on the green line was replaced with an internally fed rotary screen, resulting in solid waste with a lower rate of humidity and improved availability, in addition to an intermediate effluent with a lower rate of solids.

TOTAL WATER DISCHARGE, BROKEN DOWN BY QUALITY AND DESTINATION **GRI G4-EN22**



| TOTAL WEIGHT OF WASTE, BROKEN DOWN BY TYPE AND DISPOSAL METHOD GRI G4-EN23 | | | | |
|--|-----------------|--|---------------------|--|
| Disposal method | Hazardous waste | | Non-hazardous waste | |
| | Kg | Waste type | Kg | Waste type |
| Recycling | None | None | 92.436.073 | Paper/paperboard, clear plastic, mixed plastic, containers and drums, raffia bags, ferrous metals, non-ferrous metals, pallets and rendering plant waste |
| Composting | None | None | 117.095 | Organic cafeteria waste |
| Recovery, including energy recovery | 19.688 | Batteries, electronic waste, light bulbs, used vegetable oils and other used oils | 616.078 | Tallow acid |
| Incineration (mass burning) | 41.536 | Health service waste, PPE, rags and objects impregnated with chemical products or oils and greases | None | None |
| Landfill | None | Toxic chemical product containers | 1.188.660 | General waste and tridecanter sludge |

WASTE DISPOSAL

Activities at Minerva Foods result in disposal of several kinds of solid waste. Each category of these materials has a specific destination so that they can be reused, eliminated or decontaminated, in order to leverage sustainable use. In 2015, the Company strengthened adoption of the Waste Management program.

At all units, any waste sent has appropriate and duly filed documentation to prove disposal, with the inclusion of the Waste Transport Manifest (WTM), the checklist of the truck that will perform transportation, invoice and certificate of disposal and the respective landfill licenses.

ENERGY AND ENERGY EFFICIENCY

Calculation of energy consumption is managed by the Engineering area, which requires that area employees provide information on their respective industrial units on a monthly basis. In addition, indicators such as value (in Brazilian currency) per kilo of deboned product are managed by the Company, considering energy consumption. Moreover, Minerva Foods does not have a system geared towards lowering energy consumption; however, in 2015, a consulting firm was contracted to develop a Strategic Energy Efficiency Plan to assess its performance and create actions to improve use of this input and this was applied at some industrial units. **GRI G4-EN6**

Some units acquire energy on the free market – Araguaína, Barretos, José Bonifácio, Mirassol d’Oeste, Palmeiras de Goiás and Várzea Grande – and others generate indirect energy, by burning tallow acid resulting from effluent treatment, such as Araguaína and Palmeiras de Goiás.



Colina – São Paulo

| CONSUMPTION OF ELECTRICITY AND ENERGY INTENSITY GRI G4-EN3 G4-EN5 | | | | |
|--|------------|------------|------------|---------------|
| | 2013 | 2014 | 2015 | 2015/2014 (%) |
| Total electricity consumption (GJ) | 543.298,78 | 644.021,43 | 691.655,00 | 7,3963 |
| Rate of energy intensity (GJ/Kg deboned) | 0,0015 | 0,0018 | 0,0017 | -5,5556 |

BIODIESEL

Minerva Biodiesel uses the bovine tallow from the Company’s units as raw material.

In 2015, 12,727.82 m³ were produced and sold at auctions by Brazil’s National Oil Agency (Agência Nacional do Petróleo – ANP). Minerva Biodiesel also uses complementary raw materials, such as soy, jatropha and peanuts, acquired from 48 producers in the state of Goiás registered with the National Program for Stronger Family Farming (Programa Nacional de Fortalecimento da Agricultura Familiar – Pronaf), with which the Company develops technical assistance and training actions, contributing to qualification and social inclusion. Through this initiative, the Company has received Social Fuel Seal from the Ministry of Agricultural Development.

MINERVA COMERCIALIZADORA DE ENERGIA
To manage its energy matrix, the Company built a new business area in 2015, responsible for identification of opportunities to mitigate risk, cut costs, enhance initiatives and structure clean and sustainable energy matrixes for units in Brazil and abroad, practices that extend to partners and customers.

In 2016, this area will be formalized as a new company, Minerva Comercializadora de Energia. Throughout 2015, work was done to analyze the electricity contract profile at the Company’s 12 consumer units in Brazil, a project whose initiatives will be apparent in 2016, with savings of around BRL4 million in electricity costs. By 2018, accumulated savings for consumer units are projected to be around BRL20 million. Partner and customer awards for power supply initiatives, especially for small and medium companies that have no access to the free electricity market, are part of the strategy to structure a power company.

The new company will follow sustainable management principles – two feasibility projects are being evaluated under the auspices of the International Finance Corporation (IFC): i) an energy cogeneration project, using bioreactors; ii) and establishment of a wind farm for integration with Minerva energy matrix. In the first stage, generation of clean energy resulting from projects will account for nearly 30% of the Company’s energy demands in Brazil.

AIR EMISSIONS

In 2015, Minerva developed a Greenhouse Gas (GHG) emissions inventory for 2014, in an effort to monitor, assess and mitigate environmental impacts. The study followed the international GHG Protocol methodology and covered all industrial units and the Distribution Center, including international plants in Paraguay and Uruguay. With the consolidation of the SGI, the Company’s strategy is to take an inventory every two years. In addition, corporate programs for environmental monitoring and monitoring of air emissions were adopted during the year for fixed and mobile sources. **GRI G4-EN19**

Emissions from Company units are periodically measured in order to manage their impacts, with 2015 results being shown in the table below:

| NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS BY TYPE GRI G4-EN21 | | |
|---|--|------------------|
| Categories | Volume of emissions in kg or multiples | Emission sources |
| NOx | 7.52 micrograms per m³ | Wood boilers |
| SOx | 15.72 micrograms per m³ | Wood boilers |
| Particulate matter (PM) | 126.4 micrograms per m³ | Wood boilers |
| Other standard categories of air emissions identified in regulation | PTS (SP State Decree) – 53.1 micrograms per m³ | Wood boilers |
| | PTS (Conama 03/90) – 1.6 micrograms per m³ | |



INVESTMENTS BRL

13.391.387,76

in the environmental area

WATER
CONSUMPTION



3.441.977 m³

Surface Water

1.105.177 m³

Groundwater

EFFLUENT
TREATMENT



DISCHARGING OF EFFLUENTS

3.872.411 m³/year



WASTE
DISPOSAL

VOLUME OF WASTE RECYCLED IN 2015

93.169.146 kg

1.879.577 kg

of paper, paperboard and clear plastic

ENERGY EFFICIENCY

691.655,00 GJ

of energy consumed

TOTAL PRODUCTION OF UNITS

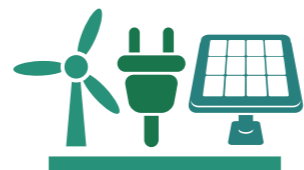
12.727,82 m³

MINERVA BIODIESEL USES BEEF
TALLOW AS A RAW MATERIAL



BIODIESEL

MINERVA
COMERCIALIZADORA
DE ENERGIA



4 million

SAVINGS ON ELECTRIC POWER
COSTS AS OF 2016

20 million

UP TO 2018, PROJECTED ACCUMULATED
SAVINGS FOR CONSUMER UNITS



AIR
EMISSIONS

NOX, SOX AND OTHER EMISSIONS

204,34 micrograms/m³

GRI CONTENT INDEX

GRI G4-32

Core “in accordance” option

GENERAL STANDARD DISCLOSURES

| INDICATORS | PAGE | EXTERNAL ASSURANCE |
|------------------------|---|--------------------|
| STRATEGY AND ANALYSIS | | |
| G4-1 | 33, 35 | ✓ |
| G4-2 | 40 | ✓ |
| ORGANIZATIONAL PROFILE | | |
| G4-3 | 19 | ✓ |
| G4-4 | 25 | ✓ |
| G4-5 | 19 | ✓ |
| G4-6 | 19 | ✓ |
| G4-7 | 19 | ✓ |
| G4-8 | 19 | ✓ |
| G4-9 | 19 | ✓ |
| G4-10 | 76, 77, 78 | ✓ |
| G4-11 | 100% of (direct) employees are covered by collective bargaining agreements. | ✓ |
| G4-12 | 85 | ✓ |
| G4-13 | 7 | ✓ |
| G4-14 | 40 | ✓ |
| G4-15 | 85 | ✓ |
| G4-16 | 47 | ✓ |

GENERAL STANDARD DISCLOSURES

| INDICATORS | PAGE | EXTERNAL ASSURANCE |
|--|---|--------------------|
| IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES | | |
| G4-17 | The list of entities included in the financial statements is available at: http://ri.minervafoods.com | ✓ |
| G4-18 | 8 | ✓ |
| G4-19 | 13 | ✓ |
| G4-20 | 7 and 8 | ✓ |
| G4-21 | 7 and 8 | ✓ |
| G4-22 | In the last report, in relation to 2014, the minimum wage was reported under the GRI G4-EC5 indicator in relation to the year 2015. The correct information on the national minimum wage in effect for the year 2014 was BRL724.00. | |
| G4-23 | 7 | |
| STAKEHOLDER ENGAGEMENT | | |
| G4-24 | 8 | ✓ |
| G4-25 | 8 | ✓ |
| G4-26 | 9 | ✓ |
| G4-27 | 9 | ✓ |
| REPORT PROFILE | | |
| G4-28 | 7 | ✓ |
| G4-29 | 7 | ✓ |
| G4-30 | 7 | ✓ |
| G4-31 | 7 | ✓ |
| G4-32 | 7, 110 | ✓ |
| G4-33 | 7 | ✓ |
| GOVERNANCE | | |
| G4-34 | 49 | ✓ |
| ETHICS AND INTEGRITY | | |
| G4-56 | 24, 52 | ✓ |

GRI CONTENT INDEX GRI G4

| SPECIFIC STANDARD DISCLOSURES | | | | |
|-------------------------------|---|---|---|--------------------|
| MATERIAL ASPECT | DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS | PAGE | OMISSIONS | EXTERNAL ASSURANCE |
| CATEGORY: ECONOMIC | | | | |
| Economic performance | G4-DMA | 58 | | |
| | G4-EC1 | 59 | | ✓ |
| | G4-EC2 | 40 | | ✓ |
| | G4-EC3 | 84 | | ✓ |
| | G4-EC4 | During 2015, the Company did not receive any kind of government aid/benefits. | | |
| Market presence | G4-DMA | 80, 84 | | |
| | G4-EC5 | 84 The minimum monthly wage reported in the 2014 Sustainability Report was in relation to 2015. The minimum monthly wage in 2014 was BRL724.00. | | ✓ |
| | G4-EC6 | 80 | | ✓ |
| CATEGORY: ENVIRONMENTAL | | | | |
| Materials | G4-DMA | 70, 92 | | |
| | G4-EN2 | The Company does not use recycled inputs in the manufacture of its products and services. | | |
| Energy | G4-DMA | 70, 92 | | |
| | G4-EN3 | 105 | | ✓ |
| | G4-EN5 | 105 | | ✓ |
| | G4-EN6 | 104 | Currently not available. The amount of energy reduced was not reported. | ✓ |
| Water | G4-DMA | 70, 92, 101 | | |
| | G4-EN8 | 102, 103 | | ✓ |
| Biodiversity | G4-DMA | 70, 92 | | |
| | G4-EN12 | 102 | | ✓ |
| Emissions | G4-DMA | 70, 92 | | |
| | G4-EN19 | 106 | | |
| | G4-EN20 | Minerva does not use ozone-depleting substances in its operations. | | |
| | G4-EN21 | 106 | | ✓ |
| Effluents and waste | G4-DMA | 70, 92, 103 | | |
| | G4-EN22 | 103 | | ✓ |
| | G4-EN23 | 104 | | ✓ |

GRI CONTENT INDEX GRI G4

| MATERIAL ASPECT | DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS | PAGE | OMISSIONS | EXTERNAL ASSURANCE |
|--|---|---|-----------|--------------------|
| CATEGORY: ENVIRONMENTAL | | | | |
| | G4-EN24 | There were no significant spills of any type of fuel or hazardous/flammable liquid or chemical products in 2015. | | |
| | G4-EN25 | There was no movement of any hazardous waste by the Company; only Class I waste was removed (58,584 kg) and processed at specialized landfills as reported under G4-EN23. | | |
| Products and services | G4-DMA | 70, 92, 101 | | |
| | G4-EN27 | 102 | | ✓ |
| | G4-EN28 | 102 Because of the specificity of its industry, Minerva Foods does not reclaim packaging. | | ✓ |
| Compliance | G4-DMA | 89 | | |
| | G4-EN29 | On December 31, 2015, there were no individually relevant environmental actions pending against the Company or its controlled companies. | | |
| Overall | G4-DMA | 70, 101 | | |
| | G4-EN31 | 102 | | ✓ |
| Supplier environmental assessment | G4-DMA | 89 | | |
| | G4-EN32 | 87 | | ✓ |
| | G4-EN33 | Although Minerva submits 100% of its suppliers to environmental assessments, it is impossible to precisely measure these impacts on the Company's production chain. | | ✓ |
| Environmental grievance mechanisms | G4-DMA | 70 | | |
| | G4-EN34 | No environmental grievances were received through formal mechanisms in 2015. | | |
| CATEGORY: SOCIAL | | | | |
| SUBCATEGORY: LABOR PRACTICES AND DECENT WORK | | | | |
| Employment | G4-DMA | 75, 84 | | |
| | G4-LA1 | 76 | | ✓ |
| | G4-LA2 | 83 | | ✓ |
| Occupational health and safety | G4-DMA | 89, 92, 100 | | |
| | G4-LA5 | 100 | | ✓ |
| | G4-LA6 | 100 and 101 | Partial | ✓ |
| | G4-LA7 | There are no workers with a high incidence or high risk of diseases related to their occupation at Minerva. | | |
| | G4-LA8 | 100 | | ✓ |

GRI CONTENT INDEX GRI G4

| MATERIAL ASPECT | DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS | PAGE | OMISSIONS | EXTERNAL ASSURANCE |
|--|---|-----------------------------------|--|--------------------|
| CATEGORY: SOCIAL | | | | |
| SUBCATEGORY: LABOR PRACTICES AND DECENT WORK | | | | |
| Training and education | G4-DMA | 80 | | |
| | G4-LA9 | 81 | Currently not available. Breakdown by gender and job category not reported. | ✓ |
| | G4-LA10 | 80 | | ✓ |
| | G4-LA11 | 82 | Currently not available. Breakdown by gender and job category not reported. | ✓ |
| | | | | |
| Diversity and equal opportunity | G4-DMA | 76 | | |
| | G4-LA12 | 49, 78 | | ✓ |
| Equal remuneration for women and men | G4-DMA | 84 | | |
| | G4-LA13 | 84 | Currently not available. Base salary not reported. | |
| Supplier assessment for labor practices | G4-DMA | 89 | | |
| | G4-LA14 | 87 | | ✓ |
| | G4-LA15 | 87 | | ✓ |
| Labor practices grievance mechanisms | G4-DMA | 70 | | |
| | G4-LA16 | 52 | Currently not available. There were no reports of grievances processed and resolved. | ✓ |
| SUBCATEGORY: HUMAN RIGHTS | | | | |
| Investments | G4-DMA | 80, 89 | | |
| | G4-HR1 | 64, 89 | | ✓ |
| | G4-HR2 | 82 | | ✓ |
| Non-discrimination | G4-DMA | 52, 89, 92 | | |
| | G4-HR3 | 52 | | ✓ |
| Freedom of association and collective bargaining | G4-DMA | 52 | | |
| | G4-HR4 | No cases were registered in 2015. | | |

GRI CONTENT INDEX GRI G4

| MATERIAL ASPECT | DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS | PAGE | OMISSIONS | EXTERNAL ASSURANCE |
|--|---|---|---|--------------------|
| CATEGORY: SOCIAL | | | | |
| SUBCATEGORY: HUMAN RIGHTS | | | | |
| Child labor | G4-DMA | 89, 92 | | |
| | G4-HR5 | 85 | | ✓ |
| Forced or compulsory labor | G4-DMA | 89, 92 | | |
| | G4-HR6 | 87 | | ✓ |
| Security practices | G4-DMA | 52 | | |
| | G4-HR7 | 52 | | ✓ |
| Indigenous rights | G4-DMA | 89, 92 | | |
| | G4-HR8 | 87 | | ✓ |
| Assessment | G4-DMA | 52 | | |
| | G4-HR9 | 52 | | ✓ |
| Supplier human rights assessment | G4-DMA | 89 | | |
| | G4-HR10 | 87 | | ✓ |
| | G4-HR11 | 87 | | ✓ |
| Human rights grievance mechanisms | G4-DMA | 70 | | |
| | G4-HR12 | 52 | Currently not available. There were no reports of grievances processed and resolved. | ✓ |
| SUBCATEGORY: SOCIETY | | | | |
| Anti-corruption | G4-DMA | 52 | | |
| | | | | |
| | G4-S03 | 52 | Currently not available. The Company does not perform risk assessments related to corruption. | |
| | G4-S04 | 52 | | ✓ |
| | G4-S05 | 52 | | |
| Unfair competition | G4-DMA | 52 | | |
| | G4-S07 | There were no occurrences of this nature in 2015. | | |
| Compliance | G4-DMA | 52, 89 | | |
| | G4-S08 | 52 | | |
| Supplier assessment for impacts on society | G4-DMA | 89 | | |
| | G4-S09 | 87 | | ✓ |
| | G4-S010 | 87 | | ✓ |

GRI CONTENT INDEX GRI G4

| MATERIAL ASPECT | DISCLOSURES ON MANAGEMENT APPROACH AND INDICATORS | PAGE | OMISSIONS | EXTERNAL ASSURANCE |
|-------------------------------------|---|--|-----------|--------------------|
| CATEGORY: SOCIAL | | | | |
| SUBCATEGORY: PRODUCT RESPONSIBILITY | | | | |
| Customer health and safety | G4-DMA | 92, 96 | | |
| | G4-PR1 | 95 and 96 | | ✓ |
| | G4-PR2 | Although the Company complies with all established standards and laws, in 2015 Minerva had occurrences related to voluntary codes, which is some cases resulted in warnings. | | ✓ |
| | G4-FP5 | 97 | Partial | ✓ |
| Product and service labelling | G4-DMA | 95 | | |
| | G4-PR3 | 95 | | ✓ |
| | G4-PR4 | Of cases of non-compliance that occurred in 2015, some regarded non-compliance with voluntary codes and others resulted in fines and/or warnings. However, the Company complies with all established standards and laws. | | ✓ |
| | G4-PR5 | 95 | Partial | |
| Customer privacy | G4-DMA | 52 | | |
| | G4-PR8 | 52 | | |
| Compliance | G4-DMA | 52 | | |
| | G4-PR9 | There were no occurrences of this nature in 2015. | | |
| FOOD PROCESSING SECTOR SUPPLEMENT | | | | |
| Procurement/Sourcing Practices | G4-DMA | 97 | | |
| | G4-FP1 | 97 | | ✓ |
| | G4-FP2 | 97 | | ✓ |
| Labor/Management Relations | G4-DMA | 75 | | |
| | G4-FP3 | The Company does not account for working time lost due to industrial disputes, strikes and/or lock-outs. | | |
| Customer Health and Safety | G4-DMA | | | |
| | FP5 | 95 | Partial | ✓ |
| Animal Welfare | G4-DMA | 97 | | |
| | G4-FP9 | 97 | | ✓ |
| | G4-FP11 | 97 | | ✓ |
| | G4-FP13 | In 2015, we had incidents that occurred during transport of animals, spray bath, unloading, management in corrals and/or during stunning; however, even with these incidents, the company complies with all laws. | | ✓ |

LIMITED ASSURANCE REPORT ISSUED BY
INDEPENDENT AUDITORS

To the Directors and other stakeholders of Minerva S.A. São Paulo - SP

INTRODUCTION

We have been engaged by Minerva S.A. (“Minerva”) to submit our limited assurance report on the information contained in the 2015 Minerva Sustainability Report, relative to the year ended on December 31, 2015.

These standards require compliance with ethical demands, including requirements of independence, and that work be executed with the goal of gaining limited assurance that the information contained in the Minerva 2015 Sustainability Report, taken as a whole, is free of material misstatements.

RESPONSIBILITIES OF THE COMPANY’S MANAGEMENT

The Management at Minerva is responsible for preparing and adequately presenting the information contained in the 2015 Sustainability Report, pursuant to the “Core” reporting option of the guidelines of the Global Reporting Initiative (GRI) - G4 (version 4.0) and for internal controls that Management determines necessary to enable preparation of this information free from material misstatement, regardless of whether due to fraud or error.

A limited assurance engagement conducted according to NBC TO 3000 (ISAE 3000) consists mostly of questioning the Company’s management and other Company professionals involved in preparing the information contained in the Minerva 2015 Sustainability Report, as well as application of analytic procedures for finding evidence that allows us to make limited assurance conclusions regarding the information considered as a whole. A limited assurance engagement also requires the execution of additional procedures, when the independent auditor is made aware of matters that lead him to believe that the information contained in the Minerva 2015 Sustainability Report, considered as a whole, may present material misstatements.

INDEPENDENT AUDITORS’ RESPONSIBILITY

Our responsibility is to express a conclusion on the information in the Minerva 2015 Sustainability Report, based on the limited assurance work conducted according to Ibracon Technical Notice (CT) no. 07/2012, approved by Brazil’s Federal Accounting Board (CFC) and prepared based on NBC TO 3000 - Assurance Engagements Other Than Audits and Reviews, issued by Brazil’s Federal Accounting Board (CFC), which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information.

The procedures selected are based on our understanding of aspects related to compilation and presentation of the information contained in the Minerva 2015 Sustainability Report and on other circumstances of the engagement and our consideration regarding the areas where material misstatements may exist. Procedures included:

- (a)** Planning of work, considering the relevance, volume of quantitative and qualitative information and operational and internal control systems that served as the basis for preparing the information contained in the Minerva 2015 Sustainability Report, relative to the period of January 1 to December 31, 2015;
- (b)** Understanding the methodology for calculations and procedures for compiling indicators through interviews with the managers responsible for preparing information;
- (c)** Application of analytical procedures concerning quantitative information with inquiries regarding the qualitative information and its correlation with the indicators reported in the information contained in the Minerva 2015 Sustainability Report; and
- (d)** Comparison of financial indicators with accounting statements and/or accounting records.

The limited assurance engagement also included adherence to the preparatory guidelines and criteria for Sustainability Reports contained in version G4 of the GRI standard, applicable to preparation of the information contained in the Minerva 2015 Sustainability Report.

We believe that the evidence found in our engagement is sufficient and appropriate to provide a basis for our limited assurance conclusion.


SCOPE AND LIMITATIONS
The procedures applied in a limited assurance engagement are substantially less detailed than those applied in an assurance engagement aimed at issuing an opinion on the information contained in the Minerva 2015 Sustainability Report.

Therefore, we were unable to obtain assurance that we would become aware of all matters that would be identified in an assurance engagement where the objective is to issue an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements that may exist in the information contained in the Minerva 2015 Sustainability Report. Accordingly, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. Furthermore, our engagement covered neither data reported in prior periods nor future projections and targets.

CONCLUSION
Based on the procedures performed, described in this report, nothing has come to our attention that causes us to believe that the information contained in the Minerva 2015 Sustainability Report, relative to the year ending on December 31, 2015, has not been compiled, in all material respects, according to the guidelines of version G4 of the GRI (Global Reporting Initiative), “Core” reporting option, and according to the records and files that served as the basis for its preparation.

São Paulo, July 12, 2016.



BDO RCS Auditores Independentes
Brazilian Regional Accounting Board (CRC) 2 SP 013846/O-1

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