

MINERVA S.A.

Third-party audit report to meet the  
“ Undertaking to adopt minimum criteria  
for industrial-scale operations with  
cattle and beef products in the Amazon  
Biome”

## THIRD-PARTY AUDIT REPORT TO MEET THE "UNDERTAKING TO ADOPT MINIMUM CRITERIA FOR INDUSTRIAL-SCALE OPERATIONS WITH CATTLE AND BEEF PRODUCTS IN THE AMAZON BIOME"

To  
Minerva S.A. ("Minerva Foods" or "Company")  
Barretos - SP  
C/o.: Corporate Sustainability Management

### Summary

This study aimed to identify whether the Company met the criteria assumed in the Public Commitment of Cattle Raisers, covering the period from 01/01/2021 to 12/31/2021. Based on our work, described in this Report, except for the criterion "Traceability system for indirect suppliers", we found no inconsistencies that could not be justified by Minerva Foods.

We point out that this summary is not a replacement for the full version of this Report.

### I) Introduction

Since 2007, Greenpeace has been studying the behavior of the cattle-raising production chain in the Amazon region. In 2009, after a long investigation, the organization published its report "Slaughtering the Amazon", which highlighted the relationship between slaughterhouses involved in forest clearance and slave labor, and the latest products offered for sale on the international market. Subsequently, the processing companies JBS, Marfrig and Minerva Foods gave a public undertaking not to purchase cattle from ranches responsible for deforestation of the Amazon Biome after October 2009, as well as from those that use labor analogous to slavery or that are located in indigenous lands or environmental conservation areas. The public undertaking that establishes criteria for cattle purchases from properties located in the Amazon Biome is titled Public Commitment of Cattle Raisers and is defined in the document "Minimum criteria for industrial-scale operations with cattle and beef products in the Amazon Biome".

### II) Objective

BDO RCS Auditores Independentes ('BDO') has been engaged, by means of Proposal No. 1601/22, to carry out certain agreed-upon procedures, which appear in italics in this report, in accordance with NBC TSC 4400, for the independent assessment of information and processes of Minerva Foods that allow identifying whether the Company has met the criteria assumed in the aforementioned Public Commitment of Cattle Raisers ('CPP') in the period from January 01 to December 31, 2021. The audit procedures agreed by the parties are described in the "Third-party Audit Reference Document 2017 (base year 2016)" (TdR), in conformity with Greenpeace's latest publication.

III) Audit period

The work was carried out between July 07 and 22, 2022.

IV) Description of the Company and of the Cattle Purchase Process in relation to the Public Commitment of Cattle Raisers

Describe in detail the scope of the audit, informing the number of units of the Company that receive animals found in the Amazon Biome.

(extract from TdR - Model of audit report)

The Company currently has eight (08) active slaughterhouse units, one (01) livestock export unit and four (04) confinement units. Of these units, eleven (11) registered under different Corporate Tax ID Numbers (CNPJ) received animals from farms located in the Amazon Biome in 2021, namely:

- Abaetetuba - PA;
- Araguaína - TO;
- CSAP - Abaetetuba;
- CSAP - Ananas;
- CSAP - Araguaína;
- CSAP - Igarapé-Miri
- CSAP - Rolim
- Mirassol D'Oeste;
- Palmeiras de Goiás - GO;
- Paranatinga - MT; and
- Rolim de Moura - RO.

According to the instructions of the TdR, the engagement involved the analysis of 10% of purchases made in 2021 from properties located in the Amazon Biome. This sample, to be detailed later in this Report in item "Step 1 - Selecting the Sample", included the twelve (12) months of 2021 and proportionately all eleven (11) units registered under different CNPJs located in or supplied with raw materials from the Amazon Biome.

Before the presentation of tests carried out and their results, it is important to explain the meaning of the following acronyms, which may be used throughout the report:

- ADEPARÁ: Agricultural and Livestock Defense Agency of the State of Pará;
- API: Application Programming Interface (Interface de Programação de Aplicação);
- CAR: Rural Environmental Registry;
- CCIR: Certificate of Registration of Rural Property;
- CSC: Shared Services Center;
- DETER: Deforestation Detection in Real Time;
- ERP: Enterprise Resource Planning;
- FUNAI: National Foundation for Indigenous People;
- GTA: Animal Transit Guide;
- IBAMA: Brazilian Institute of Environment and Renewable Natural Resources;
- INCRA: National Institute for Settlement and Agrarian Reform;
- INPE: National Institute for Space Research;
- LAR: Rural Environmental License/LAU: Single Environmental License;
- MPF: Federal Public Prosecution Office;

- MTE: Ministry of Labor and Employment
- NIA: Niceplanet Artificial Intelligence;
- PRODES: Measurement of Amazon Deforestation by Remote Sensing;
- SEMAS: State Secretariat of Environment and Sustainability;
- SICAR NACIONAL: National Rural Environmental Registry System;
- SIF: Federal Inspection System; and
- SMGeo: Geomonitoring System.

Describe in detail the Company's cattle purchase systems, its procedures and mechanisms used to fulfill the "Public Commitment of Cattle Raisers", based on public lists and on the GEO list, in addition to the cattle origin traceability system.

(extract from TdR - Model of audit report)

Cattle purchase routines were analyzed and interviews were conducted with the main people in charge, including the outsourced company responsible for geomonitoring (Niceplanet Geotecnologia) of the properties of Minerva's suppliers. Thus, it was possible to identify relevant processes, and examine the registries and information of suppliers included in Minerva's database.

The initial registration of Minerva Foods' suppliers is received by Master Data, the Shared Services Center's registration department, which analyzes the related documentation in detail, and then accepts or rejects registration applications. If registration is accepted, it is sent to the Corporate Sustainability team, which carries out social and environmental analyses to ascertain whether it should accept the results of Master Data's assessment of the cattle raiser. If these results are in accordance with the cattle purchase criteria adopted by the Company, registration is validated. If the results are rejected by the Corporate Sustainability team, the registration returns to Master Data with the reason for the refusal, and the center contacts the cattle raiser requesting supporting documentation so that a new analysis of the cattle raiser's information can be made. In order to fulfill the Public Commitment, Minerva Foods verifies, upon each acquisition, whether its suppliers meet the following social and environmental criteria:

- Embargoed areas: crosscheck against the IBAMA list;
- Existence of degrading work or work analogous to slavery: crosscheck against the List of Slave Labor issued by the Labor Secretariat in 2021;
- Deforestation: based on analyses made by the geomonitoring company using the PRODES instrument made available by INPE, polygons informed by IBAMA, LDI, Semas or receipt of official letter from the Federal Public Prosecution Office;
- Invasion of indigenous lands: based on analyses made by the geomonitoring company, responses to official letters sent to FUNAI, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office;
- Land grabbing and violence in the countryside: responses to official letters sent to INCRA and ICMBio, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office; and
- Protected areas: based on analyses made by the geomonitoring company, responses to official letters sent to ICMBio, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office.

In order to ensure greater security in the process of registering new suppliers and lessors, children or usufructuaries, among others, Minerva Foods adopts a strict procedure regarding the crosscheck of CPF/CNPJ against IBAMA's list of embargoed areas and the list of employers who use labor analogous to slavery, made available by the Labor Secretariat. The first crosscheck against these two (02) lists is made by Master Data at the time of initial registration and confirmed by the Corporate Sustainability team in the validation process. These crosschecks are made again at a later time for each acquisition of raw materials before concluding each purchase order.

When receiving the registration request, the Corporate Sustainability team of Minerva Foods analyzes the documents and may accept them or not. If approved, the information is automatically uploaded and sent to the Niceplanet geomonitoring team via an application programming interface (API).

Once the information has been uploaded to the SMGeo Direto system (monitoring platform) used by Niceplanet, after analysis, if any irregularity is found, the purchase process is suspended. The supplier is blocked and then unblocked only after regularization.

The cattle purchase process requires crosschecking suppliers against the list of employers accused of keeping workers in conditions analogous to slavery. The employee purchasing cattle enters the supplier's CPF/CNPJ in the most recent version of the List of Slave Labor issued by the Labor Secretariat, makes the search, and if no match is found, includes a screenshot in the supplier's registration file in the system as evidence that there was no corresponding CPF/CNPJ on that list.

Regarding the crosscheck against the list of properties embargoed by IBAMA, the document used by the Company is the supplier's embargo certificate, downloaded from <https://servicos.ibama.gov.br/ctf/publico/areaseembargadas/ConsultaPublicaAreasEmbargadas.php>, where all information on the embargo or lack thereof is included. Due to other commitments assumed by the Company for the purpose of fighting illegal deforestation in the Brazilian Amazon Forest, the supplier's name or CPF/CNPJ is also searched on the website "Amazônia Protege", with inclusion of the certificate showing whether there are any public civil actions filed by the Federal Public Prosecution Office.

As mentioned above, for the geomonitoring analyses, Minerva Foods has entered into an agreement with Niceplanet Geotecnologia, which makes the Geographic Monitoring System ("SMGeo Direto") platform available to the Company. The system mainly uses official data and files generated by federal and state governments and published on websites of institutions and agencies, as well as complementary information obtained by Minerva Foods and made available to Niceplanet Geotecnologia. The database is updated daily, ensuring more accurate analyses of the social and environmental situation of suppliers.

The online platform provides certification of social and environmental monitoring of the properties and their reanalysis at the time of each purchase using units of measurement adopted by the Company. The certificates resulting from these analyses are grounded in official public documents and the analyst's technical opinion, and made available to cattle purchasers.

The methodology applied and the main activities of the geomonitoring company are described below:

- Daily update to official databases;
- Evaluation of new cattle suppliers;
- Improvement in registration data of suppliers included in the platform;
- Update to official public information databases;
- Monitoring of social and environmental compliance of suppliers; and
- Crosscheck of geographic information of suppliers against data from official public information databases for monitoring deforestation and overlap with indigenous land and protected areas.

During an on-site presentation on July 18, 2022, Minerva Foods informed BDO's Sustainability team that all communication between the parties (Minerva Foods and Niceplanet) takes place via the SMGeo platform. The Company includes the crosscheck requests in the initial registration along with the necessary documents for carrying out the analyses. The requests are received by Niceplanet Geotecnologia by means of electronic notification via the API integrating the systems. The following documents provided by the supplier attached to the SMGeo platform along with the corresponding registration data, if applicable, are presented below:

- Lease/loan for use/partnership/service rendering contracts, if the supplier is not the owner of the property under analysis;
- Property registrations;
- Property titles;

- Deeds;
- Certification of georeferencing from INCRA;
- Illegal Deforestation Clearance Certificate from SEMAS-PA - LDI; and
- CAR.

Niceplanet has an artificial intelligence called "NIA" that is parameterized by all criteria adopted by Minerva Foods and the official files generated by federal and state governments published on websites of institutions and agencies. When the initial registration and related information are shared via API with Niceplanet, the artificial intelligence "NIA" carries out a search of all public lists to verify whether that cattle raiser is compliant. If approved, the outsourced geomonitoring company issues its opinion that the Company may proceed with the purchase via API. In case "NIA" detects noncompliance, a person in charge of the outsourced company manually sends back the analysis, and if the result remains the same, an opinion is issued requesting that Minerva Foods block that CPF/CNPJ. This will result in the CPF/CNPJ being automatically placed on a "blacklist" of suppliers that cannot do business with Minerva Foods until they regularize their processes.

After the registration procedures, Niceplanet Geotecnologia will classify the properties as:

Authorized property: Classification attributed to all properties that meet the following criteria:

- the CPF/CNPJ of the supplier is not included in the list of employers accused of keeping workers in conditions analogous to slavery, made available by the Labor Secretariat, or in other valid lists;
- the CPF/CNPJ of the supplier is not included in public lists of environmental violations and embargoes by IBAMA and SEMAS or, if it is included in one of the lists, the embargo refers to a property other than the one under analysis; and
- the perimeter of the related property, already validated by cartographic criteria, does not overlap with indigenous land, conservation units, quilombos, deforestation polygons (PRODES), polygons of areas embargoed by IBAMA and SEMAS or other properties with active CAR with SICAR Nacional.
- Requiring attention: This classification is assigned to all properties for which more than 10% overlap with another CAR is identified.

Unauthorized property: Classification attributed to all properties that meet the following criteria:

- the CPF/CNPJ of the supplier is included in the list of employers accused of keeping workers in conditions analogous to slavery, made available by the Labor Secretariat, or in other valid lists;
- the CPF/CNPJ of the suppliers is included in public lists of environmental violations and embargoes by IBAMA and SEMAS, and even if it is identified that the embargo refers to a different property, the distance in a straight line from said property is below the minimum limit established;
- Properties whose perimeters overlaps with Indigenous Land (TI) will be unauthorized, as follows:
  - ✓ Area < 100 ha: overlap with Indigenous Land > 10% of total area;
  - ✓ Area of 100 to 500 ha: overlap with Indigenous Land > 8% of total area;
  - ✓ Area of 500 to 1,000 ha: overlap with Indigenous Land > 6% of total area;
  - ✓ Area of 1,000 to 3,000 ha: overlap with Indigenous Land > 4% of total area;
  - ✓ Area > 3,000 ha: overlap with Indigenous Land > 2% of total area.
- the perimeter of the related property, already validated by cartographic criteria, overlaps with deforestation polygons (PRODES), with confirmation of total clearance based on the multi-temporal analysis of satellite images; and
- the perimeter of the related property, already validated by cartographic criteria, overlaps with IBAMA's embargoed deforestation polygons.

Regarding the deforestation analysis, verification takes place in two (02) stages: at the time of registration of the property and at the time of purchase. Additionally, deforestation can be confirmed via PRODES, as detailed below:

Analysis of PRODES deforestation polygons: PRODES deforestation polygons, made available by INPE every year since 2008, are superimposed onto the shapefiles of the perimeters of properties already registered on the SMGeo platform.

The PRODES reports are analyzed considering only those with Julian days (Julday) referring to July 22, 2008, or later, and for other states, to October 05, 2009, or later. As informed by the Company, the procedure is applied to all properties in the Amazon biome.

For properties whose perimeter overlaps with PRODES deforestation polygons, multi-temporal analyses are made using satellite images provided by INPE to confirm total clearance within the polygon. If deforestation is found, the property is classified as UNAUTHORIZED for trading and the registration process is concluded. The corresponding technical opinion and certificate are then made available on the SMGeo platform. When necessary, the cartography showing total clearance is requested by the Company.

Properties with LAR issued after the date described in the PRODES report whose perimeters overlap with PRODES polygons are classified as AUTHORIZED.

Properties whose perimeters overlap with PRODES polygons for which deforestation as indicated by INPE has not been confirmed based on multi-temporal analysis of satellite images are classified as AUTHORIZED, and the polygons are classified as "False Positives" in the geospatial analysis. The corresponding technical opinion and certificate are then made available on the SMGeo platform. When necessary, the cartography of the area showing no human impact is requested by the Company.

Describe the noncompliant supplier identification system used by the Company, how it is updated in accordance with public lists and the GEO list.

(extract from TdR - Model of audit report)

Suppliers are blocked via an automated system. The system is responsible for blocking the CPF/CNPJ of irregular suppliers and the Corporate Sustainability team is responsible for creating an exception to purchases from properties not included in the IBAMA embargo lists unauthorized by Niceplanet, sent to Minerva Foods via API. These suppliers will appear on the GEO list, a spreadsheet generated from data retrieved from the geomonitoring system of properties located in the Amazon Biome belonging to blocked suppliers, containing the results of monitoring carried out in 2021. Such exception is created manually and may be accepted or rejected, depending on the analysis made by Minerva Foods' Corporate Sustainability team.

It is important to point out that for suppliers blocked due to being included in the Labor Secretariat's List of Slave Labor, accused of keeping workers in conditions analogous to slavery, no exception is created, because the CPF/CNPJ of the supplier is blocked, thus, it is not possible to acquire cattle from any of the supplier's properties.

Access to the system for creation of exceptions is limited only to employees of Minerva Foods' Corporate Sustainability team. Public information on blocked suppliers is verified by the Corporate Sustainability team as updated daily by IBAMA, along with each new update to the Labor Secretariat's List of Slave Labor.

Registration is automatically removed from Minerva Foods' system when the remaining information related to deforestation and overlap with indigenous land and conservation units is provided by the geomonitoring company. For cases of agrarian violence or land grabbing informed by the Federal Public Prosecution Office, registration is removed manually by placing suppliers on the blacklist.

When a property is unblocked by the system due to an exception created by an employee of the Corporate Sustainability team, it usually remains unblocked for three (03) days before slaughter. Even when an exception is created, crosschecks are carried out upon each acquisition of raw material. In some cases, the property remains unblocked for more than three (03) days because it is far from the slaughter unit, so the trip may be longer. Nevertheless, it does not remain unblocked for more than fifteen (15) days.

#### V) Procedures

Describe the audit strategy (audit trail) and procedures used to demonstrate that the Minimum Criteria have been met, informing which documents were made available, as established by the Reference Document for each stage of the audit process.  
(extract from TdR - Model of audit report)

Procedures adopted consisted of the analysis of documents and information referring to cattle purchases made by Minerva Foods within the area of the Amazon Biome in the period from 01/01/2021 to 12/31/2021, in accordance with NBC TSC Standard 4400 - Agreed-upon Procedures Engagement, approved by Resolution No. 1.277/10 of the Brazilian Federal Council of Accounting (CFC).

The work was carried out based on the TdR, whose conditions arise from an agreement between the companies that signed it and the NGO Greenpeace, and on the related documents submitted by Minerva Foods to evidence compliance with the "Minimum criteria for Industrial-Scale Operations with Cattle and Beef Products in the Amazon Biome". The main procedures applied in the audit include:

- Inspection of documents;
- Inquiries of employees who operate the system by means of in-person interviews; and
- Simulations of operations using the existing tools.

In order to demonstrate that the Minimum Criteria have been met as established by the TdR for each stage of the audit process, the procedures described below were adopted. Procedures followed at each stage of the process and the results of crosschecks carried out will be detailed in other topics of this Report.

Firstly, Minerva Foods was asked to provide the following documents, deemed necessary for performing the relevant steps and analyses:

- Records of cattle purchases and deliveries made in the audited period;
- List of direct suppliers for the audited period;
- List of blocked suppliers generated from the analysis of satellite images and the geographical information system, containing the supplier's name and identification document, the property's name, and the reason why the supplier was blocked, provided by NicePlanet Geotecnologia;
- Invoices, purchase orders and GTAs referring to twenty-five (25) cattle purchases, randomly selected from the sample of 10% of all purchases made in the Amazon Biome;
- CAR or LAR documents of twenty-five (25) cattle purchases randomly selected from the sample of 10% of all purchases made in the Amazon Biome in the audited period of 2021; and
- CCIR of twenty-five (25) cattle purchases randomly selected from the sample of 10% of all purchases made in the Amazon Biome in the audited period of 2021.

In addition to the documents referred to above, the following documents were requested and received from the geomonitoring company NicePlanet Geotecnologia:

- Proof of enrollment and status of registration with the Brazilian Revenue Service;
- Contract for Incorporation of Limited Liability Company;
- Technical Responsibility Note (ART);
- Curriculum of professionals; and
- PDF file with operating procedures.



Additionally, to crosscheck the public lists of embargoed areas (IBAMA) and slave labor (Labor Secretariat) against the 10% sample of purchases made in the Amazon Biome in 2021, IBAMA's list was downloaded from the organization's website on July 11, 2022, and the latest update to the Labor Secretariat's list of slave labor as at that date was considered.

Upon receipt of documents listed, the following steps were performed:

- A sample of 10% of total cattle purchases made in the Amazon Biome was drawn for the period from 01/01/2021 to 12/31/2021, including every month of the year and proportionally all processing units supplied with raw materials from the Amazon Biome;
- The sample was crosschecked against IBAMA's list, the Labor Secretariat's List of Slave Labor, and the list obtained by the geomonitoring company (deforestation, indigenous land, and conservation units), considering their common piece of data, i.e., CPF/CNPJ;
- When suppliers or properties were found in any of the lists, it was verified whether they were included after the date of purchase. Additionally, the name and location of the embargoed property were verified to check if they are the same as the name and location of the property belonging to the supplier;
- For suppliers or properties included in those lists for which any irregularity and/or need for additional confirmation was identified, additional documentation was requested and a purchase simulation was carried out in Minerva Foods' system to test blocked suppliers identified in the previous step. As previously mentioned, the system allows unblocking when the CPF/CNPJ of suppliers who own properties embargoed by IBAMA or whose perimeters overlap with indigenous areas, conservation units and PRODES deforestation polygons is automatically blocked. However, this only occurs when the property in question is not the one that was automatically blocked, and it may only be unblocked by members of Minerva Foods' Corporate Sustainability team. In case the supplier was blocked due to being included in the Labor Secretariat's List of Slave Labor, it is not possible to authorize any of the properties for purchase;
- According to the reference term, the sample used for the noncompliant supplier identification test should be equal to ten (10) cases for each criterion (IBAMA's list, the Labor Secretariat's List of Slave Labor and the GEO list); however, it was not possible to conduct the ten (10) tests for the Labor Secretariat's list, because the crosscheck resulted in the identification of no cases. Accordingly, regarding the criterion of irregular properties, thirty (30) cases were randomly selected for testing using statistical software, four (04) tests having been conducted for IBAMA's list, and twenty-six (26) for the GEO list.
- Minerva Foods' purchase system was evaluated by means of in-person interviews with people in charge of the outsourced company's geomonitoring procedures in order to understand processes established to guarantee that no purchase is made from suppliers who own properties whose perimeters overlap with indigenous land and conservation units, or responsible for deforestation after July 2008;
- Additionally, regarding geomonitoring procedures adopted by Niceplanet Geotecnologia, we verified the reliability and efficacy of the service provided by drawing a sample of twenty-five (25) purchases from twenty-five (25) different properties, both authorized and unauthorized, and by running a geomonitoring simulation. The sample included both "authorized" and "unauthorized" properties, ten (10) of which were selected for deforestation, five (5) for overlap with indigenous land, and ten (10) for overlap with conservation units;
- Furthermore, as a way of complementing the assessment of the regularization of property title and environmental information, a random sample consisting of twenty-five (25) purchases per unit was drawn, whose related invoices, GTAs and purchase orders were analyzed by BDO, considering the same purchases selected for the CAR or LAR analysis;
- For the CAR or LAR document, twenty-five (25) purchases were randomly selected from the sample using statistical software to present the documentation in Minerva Foods' system; and
- Moreover, to confirm the legality of property title documents, such as the CCIR document downloaded from INCRA's website and/or documents such as property registration, twenty-five (25) properties were randomly selected using statistical software, with the aim of confirming the absence of agrarian conflicts or invasion of indigenous land.

Stage 1 - Sampling process, testing of cattle purchase system and testing of noncompliant supplier identification system.

#### Step 1 - Selection of samples

Give a brief description of procedures used for selecting information on cattle purchases made in the Amazon Biome during the audit period, and sampling criteria adopted.

The sample's calculation will not be published and may be disclosed to Greenpeace, as long as information confidentiality is contractually agreed.

(extract from TdR - Model of audit report)

On July 07, 2022, Minerva Foods extracted the database of cattle purchases made in the Amazon Biome between 01/01/2021 and 12/31/2021 from its ERP system. A member of BDO's IT staff was present to ensure the integrity of the information extracted from said database.

A random 10% sample was drawn the total purchases made from properties located in the Amazon Biome, pursuant to the agreement between the companies and Greenpeace, resulting in a total of one thousand one hundred twenty (1,120) cattle purchase transactions.

The selection was made using statistical software, including each of the twelve (12) months of the sampling period and considering a 10% sample per slaughterhouse unit, thus ensuring a representative proportion of purchases from the various units (see Table 1 of the Appendix at the end of this report).

#### Step 2 - Testing of cattle purchases system

Give a brief description of how public lists (IBAMA and MTE) and the GEO list were crosschecked against the cattle purchase samples, indicating where they coincided and where they did not.

If cattle purchases from a property included in any of the lists is identified, give an estimate of the volume of irregular purchases as a percentage of the total sample, and describe how the identification took place.

The sample's calculation will not be published and may be disclosed to Greenpeace, as long as information confidentiality is contractually agreed.

(extract from TdR - Model of audit report)

To carry out the cattle purchase test, on July 11, 2022, BDO downloaded IBAMA's official list of embargoed areas and the List of Slave Labor issued by the Labor Secretariat, referring to suppliers accused of keeping workers in conditions analogous to slavery.

Subsequently, on July 18, 2022, Minerva Foods sent the GEO list provided by Niceplanet Geotecnologia, i.e., the list of suppliers classified as authorized, unauthorized and requiring attention for the twelve months of 2021, to verify compliance with the following criteria: deforestation (PRODES) and overlap with Indigenous Land and Environmental Conservation Units.

To analyze IBAMA's List, we crosschecked it against the 10% sample of cattle purchases made in the Amazon Biome, considering their common piece of data, i.e., the suppliers' CPF/CNPJ. As a result of this procedure, sixteen (16) suppliers were identified, totaling forty-two (42) purchases (3.75% of the sample's total purchases), considering that:

- In thirty-nine (39) cases, it was found that the purchases referred to different municipalities and properties; and

- In three (03) cases, justifications were requested from Minerva Foods to prove that they did not refer to the same property. According to supporting documentation presented by Minerva Foods on July 21, 2022, the distance between the properties and the embargoed areas was verified using cartographic maps and geographic coordinates. Accordingly, it was possible to verify whether the embargoed area was outside the property's boundaries.

As for the Labor Secretariat's List of Slave Labor, it was similarly crosschecked against the sample of Minerva's purchases and the list of suppliers accused of labor analogous to slavery. As a result, we found that no supplier was included in that list.

The GEO list received by BDO on July 18, 2022, includes all properties monitored by the outsourced company blocked due to deforestation (PRODES), overlap with IBAMA's deforestation polygons, inclusion in IBAMA's list, the list of illegal deforestation in the state of Pará (LDI) and the list of areas embargoed by SEMAS, and overlap with indigenous land or conservation units in the period from 01/01/2021 to 12/31/2021, considering their common piece of data, i.e., the suppliers' CPF/CNPJ. Twenty-six (26) purchases from twenty-five (25) CPFs/CNPJs made after the date of blocking were identified. BDO requested justifications from Minerva Foods in relation to the cases found, and in response:

- In two (02) cases, on July 19, 2022, Minerva Foods explained that the lease agreements had expired. However, the properties were later unblocked after the contract was updated. Based on a geospatial analysis performed on July 25, 2022, it was verified that in one (01) case, the CAR polygon was not located, and in another one, it was not included in the list of purchases made by Minerva Foods. Thus, for both cases, it was not possible to carry out the assessment.

Currently, all reported cases have been blocked by Minerva Foods' system, as detailed in the following test, conducted on July 19, 2022.

### Step 3 - Testing of noncompliant supplier identification system

Give a brief description of how the system for monitoring cattle purchases made in the Amazon Biome was assessed, how purchases from noncompliant suppliers are declined (automatic or manual mechanism for authorizing declined purchases, if applicable), and how failures in declining cattle purchases from noncompliant suppliers are verified.

In case a declined purchase is authorized, describe the established criteria for authorization.

The sample's calculation will not be published and may be disclosed to Greenpeace, as long as information confidentiality is contractually agreed.

(extract from TdR - Model of audit report)

In order to check the effectiveness of the Company's noncompliant supplier identification system, the TdR determines that of the totality of suppliers for which irregularities were found when crosschecking the sample of purchases against the IBAMA, MTE and GEO lists, tests shall be conducted using the Company's computerized system.

This agreed-upon procedure determines that ten (10) properties be selected for each criterion (IBAMA, MTE and GEO), totaling thirty (30) properties to be tested.

The test was performed on July 19, 2022, with participation of the Corporate Sustainability team together with one (01) cattle purchaser from each unit and the audit team. For the criterion related to IBAMA's list, the four (04) cases were classified as unauthorized for purchase in Minerva Foods' system, preventing purchase orders from being completed and the purchase from being made (see Table 3 of the Appendix at the end of this report). Regarding the Labor Secretariat's List of Slave Labor, the test was not carried out, because as stated above, no supplier was found on that list.

Finally, for the criterion related to the GEO list, the results obtained for the twenty-six (26) selected cases were as follows:

- In twenty (20) cases, when making the purchase attempt, the system informed us that the property is included in the blacklist, making it impossible to complete the purchase process;
- In five (05) cases, when making the purchase attempt, the system informed us that the property is inactive and included in the blacklist, making it impossible to complete the purchase process; and
- In one (01) case, when making the purchase attempt, the system informed us that the property is pending registration data, therefore, it was not possible to proceed with the purchase. However, when checking Minerva Foods' system, it was found that the supplier's status had been updated and the property is not included in the blacklist, being thus classified as authorized for purchase.

## Stage 2 - Outsourced geomonitoring company (Niceplanet Geotecnologia)

### Step 1 - Assessment of procedures

Briefly describe how the outsourced geomonitoring company's procedures for analyzing the slaughterhouses' purchase systems were assessed, and what documents were examined to ensure their integrity.

(extract from TdR - Model of audit report)

To carry out this step, the TdR demands that the independent audit firm review procedures adopted by the outsourced geomonitoring company to ensure that the geographical information used to feed the systems in which suppliers are registered and blocked is prepared and updated with integrity and transparency. In this stage, it is necessary to evaluate the Company's geomonitoring criteria to better understand procedures adopted.

For better detailing and understanding of the process, BDO's Sustainability team participated in a meeting held in the Company's corporate office, located in Barretos, on July 18, 2022, along with three (03) members of Minerva Foods' Corporate Sustainability team, to discuss the methodology employed and preciously agreed to, pursuant to the agreement between the Company and Niceplanet Geotecnologia, and to explain the criteria adopted in the geomonitoring analyses for each level of geographical accuracy, steps taken, processes and documentation accepted.

In view of that, as established in the TdR, BDO's Sustainability team requested that the geomonitoring company provide documentation referring to its corporate purpose, the classification of its activities according to the Brazilian Classification of Economic Activities (CNAE), and the Technical Responsibility certificate filed with the Regional Council of Engineering, Architecture and Agronomy (CREA). The information was sent on July 19, 2022.

### Step 2 - Monitoring simulation

Briefly describe the methods used to draw samples and select procedures adopted to simulate the monitoring process, how cases were simulated for each criterion, and the results obtained.

(extract from TdR - Model of audit report)

To perform this step of the work, one of the employees of Niceplanet Geotecnologia gave a presentation to BDO's audit team at Minerva Foods' head office in Barretos - SP, on July 18, 2022.

To that end, the monitoring procedures were explained, with simulation of cases of unauthorized and authorized suppliers, randomly selected using the Sustainability team's statistical software.

After the explanation, already detailed in the previous step, the geomonitoring simulation was carried out. The TdR requires that ten (10) cases be simulated for each of the monitoring criteria (deforestation and overlap with conservation units and indigenous land) tested by the geomonitoring company hired by Minerva Foods. The simulation must be carried out for both unauthorized and authorized suppliers, totaling thirty (30) properties tested. However, after disclosure of the geomonitoring list by Minerva Foods, a minimum sample of twenty-five (25) purchases was considered, since it was not possible to reach thirty (30) cases as requested in the TdR, as there were not enough cases to be tested for the overlap with indigenous land criterion.

Therefore, to test monitoring procedures adopted by Niceplanet Geotecnologia, a sample of twenty-five (25) properties was considered, of which ten (10) were selected to test the monitoring of the deforestation criterion, ten (10) were selected to test the monitoring of the overlap with conservation units criterion, and five (05) were selected to test the overlap with indigenous land criterion.

To formalize and support the simulation of monitoring of the twenty-five (25) properties, screenshots of the analysis were sent as evidence. The cases were individually tested and Niceplanet Geotecnologia's team showed in person which analysis resulted in the classification of each supplier. For all tested cases, the conformity of the supplier's status was verified.

### Step 3 - Assessment of property title and environmental compliance documents

Briefly describe the methodology for selecting the sample, and how the documents were analyzed, indicating discrepancies and agreements.

(extract from TdR - Model of audit report)

In order to guarantee compliance with the minimum criteria, environmental compliance documents (CAR or LAR and/or protocols) and property title compliance documents (CCIR) were also analyzed. Additionally, as requested by the Company, the documents referring to invoices, GTAs and purchase orders mentioned in this step were included in our analyses.

In relation to the property title and environmental compliance documents, we present below the percentage of suppliers within the sample of 10% of purchases made in the Amazon Biome whose registration data in Minerva Foods' system includes CAR, LAR/LAU, protocols and CCIR. It should be noted that the presentation of LAR is mandatory only in the state of Pará, and for properties larger than 3 thousand hectares. For this audit, LAR was not presented. Thus, the percentages of documents submitted are:

- CAR or LAR: 100%; and
- CCIR: 100%.

To verify documentation related to environmental and property title compliance (CAR or LAR and CCIR), the documents included in the Company's system were verified at Minerva Foods' office in Barretos on July 19, 2022. In compliance with the TdR, twenty-five (25) purchases were randomly selected for each documentation (CAR or LAR and CCIR) from the 10% sample of purchases from properties located in the Amazon Biome, using statistical software.

With regard to CAR, when crosschecking the documents presented against information identified in Minerva Foods' system, we found that:

- In two (02) cases, the supplier's name and CPF/CNPJ and the property's name were not included in the property title. However, the Company explained in person the relation between the CAR number and other information pertaining to the property identified in Minerva Foods' system;
- In five (05) cases, the name of the CAR's holder differed from the information identified in Minerva Foods' system. However, supporting documentation was presented, proving the relation between the property and the supplier;

- In one (01) case, the name of the property of the CAR's holder differed from the information identified in Minerva Foods' system. As justification, supporting documentation was presented, proving the contractual amendment and the change in the property's name; and
- In one (01) case, the name and CPF/CNPJ of the CAR's holder differed from the information identified in Minerva Foods' system. As justification, supporting documentation was presented, proving the contractual amendment and the change in the property's name.

As for CCIR, when crosschecking the documents against information from Minerva Foods' system, we found that:

- In two (02) cases, the name of the property as indicated in the property title differed from the information identified in Minerva Foods' system. In one of the cases, the deed of purchase and sale was presented, proving the change in the property's name. In the other case, Minerva Foods shared the property's CAR number, making it possible to justify its relation with the property within the system;
- In one (01) case, the supplier's name and CPF/CNPJ and the property's name and rural code as indicated in the property title differed from the information identified in Minerva Foods' system. However, on July 19, 2022, the lease agreement was presented in person, proving the accuracy of the information;
- In two (02) cases, the supplier's name and CPF/CNPJ as indicated in the property title differed from the information identified in Minerva Foods' system. In one of the cases, the property's registration was presented, and in the other, the deed of purchase and sale was presented, proving the accuracy of the information;
- In one (01) case, the property's registration was presented, making it possible to prove the supplier's name; however, the supplier's CPF/CNPJ differed from the information identified in Minerva Foods' system. Thus, the lease agreement was presented, justifying the relation with the property within the system.

Regarding the documentation referring to invoices, GTAs and purchase orders, no inconsistency was found.

#### VI) Results of the audit process

Based on procedures applied, state whether any purchase transaction that does not meet all the minimum criteria listed in the public commitment was identified, indicating the root cause of non-compliance.

Briefly describe how compliance with the "Traceability system for indirect suppliers" criterion was verified. If the Company does not show that there is control on the entire production chain (indirect suppliers - cattle raising and breeding), it should be considered non-compliant with this criterion.  
(extract from TdR - Model of audit report)

Considering all procedures described above, in relation to the criteria of deforestation after July 2008, overlap with conservation units or indigenous land (GEO List), and inclusion in the Labor Secretariat's List of Slave Labor, described in the "Public Commitment of Cattle Raisers", no purchase transactions not in conformity with them were found.

Regarding indirect suppliers, as in previous works, there is still no systematic method of verification for these cases. The monitoring of indirect suppliers requires government support and investment in technologies that promote the traceability of cattle from birth to slaughter. This is important, especially when it comes to small properties, which have access to few resources for investing in technologies of this nature.

As informed by the Company, in April 2021, the Commitments to Sustainability were announced, one of which consisted of launching a monitoring program for indirect suppliers and ensuring the monitoring of 100% of its supply chain throughout South America. As a result, in 2021, Minerva Foods announced the integration of its internal systems into the complementary traceability tool, Visipec, developed by the Gibbs Land-Use Environment Lab at the University of Wisconsin-Medison (“UW”) and managed by the National Wildlife Federation (“NWF”), in order to assess risks associated with indirect suppliers. Still regarding this topic, Minerva Foods launched, in partnership with Niceplanet Tecnologia, the SMGeo Prospec application for Brazilian rural producers, allowing them to check compliance of their supply chain based on nationwide social and environmental analyses. For more details, access Minerva Foods’ Commitments to Sustainability at: <https://www.minervafoods.com/compromisso-com-a-sustentabilidade/>

Another requirement of the “Minimum criteria for industrial-scale operations with cattle and beef products in the Amazon Biome” was joining the National Pact for the Eradication of Slave Labor (“InPACTO”). Minerva Foods’ association with the InPACTO can be confirmed on the official website ([Associe-se ao InPACTO - InPACTO](#), last access on July 22, 2022), where all signatories of the National Pact may be found, and by checking the Agreement of Association of Companies with InPACTO.

Regarding the criterion of land grabbing and agrarian violence, there is no public information that allows identifying noncompliant suppliers to block their properties within the Company’s system. Additionally, on July 25, 2022, Minerva Foods informed via e-mail that it did not receive any notice from the Public Prosecution Office or from Federal or State Land Institutes with information on such cases in 2020.

As for Minerva Foods’ Action Plan, containing the minimum criteria for industrial-scale operations with cattle and beef products in the Amazon Biome, it is no longer being followed, given that it was a requirement set by Greenpeace, which is no longer leading the agreement.

#### 1. Access to information

Briefly describe the conditions of access to information considered essential to demonstrate the Company’s compliance with the minimum criteria. Fill out Table 1, identifying all documents analyzed and giving references (date or code and version).  
(extract from TdR – Model of audit report)

Minerva Foods made all the requested documents and information available to BDO’s Sustainability team.

Accordingly, it was possible to access the Company’s purchase, registration and monitoring systems, as well as all documents related to the purchase sample drawn.

Additionally, those responsible for the information needed for understanding the processes and clearing up doubts were at the Sustainability team’s disposal.

The table below includes the information on which our analyses were based, and the period covered:

Table 1 - Checklist of documents analyzed

Document name	Period covered / code and version	Assessed (Y/N)
Procedures or Manual of the System	Referring to the period from 01/01/2021 to 12/31/2021	Y
Record of purchases/ List of suppliers	Referring to the period from 01/01/2021 to 12/31/2021	Y
Monitoring system	Referring to the period from 01/01/2021 to 12/31/2021	Y
Noncompliant supplier identification system <sup>2</sup>	Referring to the period from 01/01/2021 to 12/31/2021	Y
Public list of embargoed properties - IBAMA	List downloaded from ( <a href="http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php">http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php</a> ) on 10/05/2021	Y
Labor Secretariat's List of Slave Labor	List downloaded from ( <a href="http://www.gov.br">cadastro_de_empregadores.pdf</a> ) on 07/11/2022	Y
List of blocked suppliers - Geo	List sent by Minerva Foods on 07/18/2022	Y

We did not receive a procedures manual for the noncompliant supplier identification system. Only an in-person explanation was given.

## 2. Nonconformity

The audit firm must show clear evidence of nonconformity, describing the problem and taking concrete facts into account, so that the report may serve as a tool for improving the Company's corporate purchase system. Details of nonconformity shall be described in the attached document, which shall NOT be published, but which may be disclosed to Greenpeace, as long as information confidentiality is contractually agreed.  
(extract from TdR - Model of audit report)

The criterion "Traceability system for indirect suppliers" has not been met by the Company until the present moment given that the monitoring of these indirect suppliers depends on support from the government and investment in technologies that promote the traceability of cattle from birth to slaughter, in addition to the aforementioned commitments.

As informed, the Company has undertaken public commitments to monitor indirect suppliers in all South American countries where it operates by 2030, taking actions such as:

- Development and integration of the Visipec tool into the system for geographic monitoring of the Brazilian Amazon, finished in December 2021;
- With Visipec, we were the first company to develop the integration of internal systems, obtaining excellent preliminary results, attesting to approximately 98.4% of compliance with the criteria defined by the Indirect Suppliers Working Group (GTFI);

The development and implementation of the Prospec application for verifying indirect suppliers located in Brazil was carried out in partnership with Niceplanet Geotecnologia. For suppliers located in other countries, another tool will be developed and implemented by 2030. The Company has been leading an engagement campaign to promote indirect monitoring using Prospec, with participation of cattle ranchers and stakeholders of the productive sector.

The other evidence of irregularities found was justified by Minerva Foods, with adjustments in the system when necessary. Details of these cases were given in the body of this Report.





#### Audit limitations

If the auditor finds any difficulties or restrictions, this should be noted in the report.  
(extract from TdR - Model of audit report)

The scope of our work was defined to allow us to obtain an adequate degree of assurance, and includes the assessment of compliance with the "Minimum Criteria for Industrial-Scale Operations with Cattle and Beef Products in the Amazon Biome", included in the TdR, for the period from 01/01/2021 to 12/31/2021.

Our report is for the sole purpose described above and should not be used for any other purpose or distributed to third parties who have not taken responsibility for the sufficiency of or have not agreed with the mentioned procedures. This report is related exclusively to the items specified in the "Minimum Criteria for Industrial-Scale Operations with Cattle and Beef Products in the Amazon Biome", and does not cover the financial statements of Minerva Foods taken as a whole.

Considering that the mentioned procedures are not an audit or limited review conducted in accordance with Brazilian auditing or review standards, we do not provide any assurance about cattle purchases for the period from 01/01/2021 to 12/31/2021, nor about the effectiveness of Minerva Foods' internal controls relating to such processes.

Had we applied additional procedures or conducted an audit or review of the financial statements in accordance with audit or review standards applicable in Brazil (NBC TAs or NBC TRs), other matters might have come to our knowledge and would have been reported on.

#### VIII) Conclusions

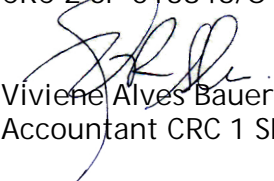
Conclude on results presented with the identification (or lack thereof) of any evidence of noncompliance with the public commitment assumed. The conclusion should contain an annual assessment of direct cattle purchases, as established in the public commitment.  
(extract from TdR - Model of audit report)

Based on our work, as described in this Report, comprising the period from 01/01/2021 to 12/31/2021, except for the criterion "Traceability system for indirect suppliers", our analyses found no inconsistencies that could not be justified by Minerva Foods.

São Paulo, August 01, 2022.



BDO RCS Auditores Independentes SS  
CRC 2 SP 013846/O-1

  
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Accountant CRC 1 SP 253472/O-2

## Appendix

Table 1 - Total purchases and sampling (base year)

### 1 - Total purchases and sampling (2021)

Total purchases of raw materials originating from the Amazon Biome made by Minerva Foods from January 01 to December 31, 2021.	Total raw material purchases sampled for the analyses
11,185	1,120

Table 2 - Nonconformities found in the audit period - 2020 - Purchases of raw material originating from:	Total purchases in nonconformity	% of nonconformity in relation to the totality of purchases in the Amazon Biome in the base year	% of nonconformity in relation to the totality of purchases sampled
Properties where deforestation was identified after October/2009	-	-	-
Properties overlapping with Indigenous Land	-	-	-
Properties overlapping with Conservation Units	-	-	-
Properties blocked for being included in the MTE List and the Transparency List	-	-	-
Properties blocked for being included in IBAMA's list	-	-	-

Table 3 - Results of noncompliant purchase identification test

### 3 - Noncompliant purchase identification test

	Total number of purchase simulations using the Company's system	Compliant		Noncompliant	
IBAMA	4	4	-	-	-
MTE	-	-	-	-	-
GEO (PRODES, DETER, TI and UC)	26	26	-	-	-