

MINERVA S.A.

Ref.: Report on Agreed-Upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Third-party Audit Reference Term denominated "BEEF3_AUDIT_PY_JUL19_FINAL"

5200i/22
São Paulo, September 27, 2022.

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

Ref.: Report on agreed-upon procedures


Dear Sirs,

The purpose of the present work was the adoption of Agreed-Upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Third-party Audit Reference Term denominated "BEEF3_AUDIT_PY_JUL19_FINAL" - Audit procedures on cattle supply chain in Paraguay, for the period from January 01, 2021 to December 31, 2021.

Sincerely yours,



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


Vivienne Alves Bauer
Accountant CRC 1 SP 253472/O-2



minerva
foods

Minerva S.A.

Agreed-upon procedures

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1. Report on Agreed-Upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System

1.1. Purpose of the report on agreed-upon procedures and restriction to use and distribution

Our report is solely intended to assist Minerva S.A. ("Minerva Foods" or "Company") in determining whether the Cattle Purchase Monitoring System complies with the requirements of the third-party audit reference term named "BEEF3_AUDIT_PY_JUL19_FINAL" - Audit procedures on Cattle Supply Chain in Paraguay, for the period from January 01, 2021 to December 31, 2021, and may not be suitable for any other purpose. This report is exclusively intended to Minerva Foods and, therefore, should not be used by, nor distributed to any other party.

1.2. Responsibilities of the Contracting Party

Minerva Foods recognized that the agreed-upon procedures are adequate for the purpose of the work and is responsible for the object submitted to the agreed-upon procedures.

1.3. Auditor's responsibilities

We carried out the work of agreed-upon procedures in accordance with NBC TSC 4400 - Agreed-upon Procedures Engagements, approved by the Brazilian Federal Council of Accounting (CFC) on October 07, 2021. The agreed-upon procedures engagement involves following the procedures agreed with Minerva Foods and the communication of our findings, which correspond to the factual findings of the agreed-upon procedures adopted. We make no representations regarding the adequacy of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an assurance conclusion or opinion. Had we performed additional procedures, other matters could have been brought to our attention and would have been reported.

1.4. Professional ethics and quality management

We have complied with the ethical and independence requirements provided for in NBCs PG 100 and 300. Our firm applies NBC PA 01 - Quality Management for Independent Audit Firms (Legal Entities and Natural Persons) and, accordingly, maintains a comprehensive quality management system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and with applicable legal and regulatory requirements.

1.5. Procedures and findings

The procedures followed, which were previously agreed with Minerva Foods in accordance with our Proposal No. 2881/22, comprised the period from January 01 to December 31, 2021 and mainly consisted of inspection of documents, inquiries to the Company's employees who operate the system for registration, cattle purchase and Information Technology monitoring, through interviews and simulations of the existing tools corresponding to Minerva Foods' cattle purchase monitoring system.

The work was conducted in the unit of Minerva Foods in Asunción, Paraguay, at the following address: Capitán José Domingo Lombardo, Asunción, Paraguay, and in BDO's headquarters at the following address: Rua Major Quedinho, 90, Consolação, São Paulo/SP, CEP: 01050-030.

The procedures performed and the respective findings are described in Section 2 of this report.

2. Description of the Company and of the monitoring process of cattle purchases

In order to perform this agreed-upon procedure engagement, we adopted the guidelines of the Reference Term (TdR) describing the audit procedures on the cattle supply chain in Paraguay, as per document "BEEF3_AUDIT_PY_JUL19_FINAL".

Before presenting the tests carried out and their results, it is important to explain the meaning of the following acronyms, which may be used throughout the report, in addition to a brief description of the Company and of the monitoring process of cattle purchases:

- Protected Wilderness Areas (ASP);
- Indigenous People Self-determination Federation (FAPI) (*Federación por la Autodeterminación de los Pueblos Indígenas*);
- International Finance Corporation (IFC);
- Taxpayers' Register (*Rol Único de Contribuyentes - RUC*);
- Environmental Secretariat (SEAM) (*Secretaría del Ambiente*);
- National Service for Animal Health and Quality of Life (SENACSA) (*Servicio Nacional de Calidad y Salud Animal*);
- National Forestry Institute (INFONA); and
- Geo-monitoring System (SMGeo).

During the period of adoption of onsite audit procedures, which took place at the unit of Minerva Foods in Asunción, Paraguay, on September 05 and 06, 2022, analyses were carried out regarding the routine of cattle purchase and interviews with the main parties in charge, including Niceplanet Geotecnología, an outsourced company responsible for the geomonitoring of Minerva Foods' supplier properties, which turned possible to verify the relevant processes.

Furthermore, to obtain additional details, we requested the Procedure Manual of SMGeo, denominated "SMGeo direct procedure - Paraguayan version" besides other documentation to support TdR assumptions.

Minerva Foods is a leader of cattle export in South America and also operates in the processed food industry, selling its products to more than 100 countries. In addition to Brazil, Minerva Foods is present in Paraguay, Argentina, Uruguay and Colombia.

Minerva Foods operates in five continents trading cattle and its byproducts, with 27 plants for cattle slaughtering and deboning, 11 international offices, 14 distribution centers and three processing plants.

In 2013, the Company entered into a partnership with IFC for an Environmental and Social Action Plan including, among other actions, the implementation of a verification system to monitor the supply chain in the region of Chaco, Paraguay.

According to document previously sent, the action plan describes the criteria for the management of primary suppliers, protected wilderness areas, identified indigenous land and deforestation monitoring data, when available. The platform denominated SMGeo, developed as a parameter to meet the established requirements, is composed of official files and data, published and available in the website of institutions and authorities, with additional registry information obtained by Minerva Foods from its suppliers of cattle for slaughter.

The results of the analyses delivered to Minerva Foods for decision making are supported by analysis of official public documents and data and, if necessary, complementary documents requested to suppliers during the animal trade operation.

The methodology applied to use the information and to deliver the results of the analyses is described below:

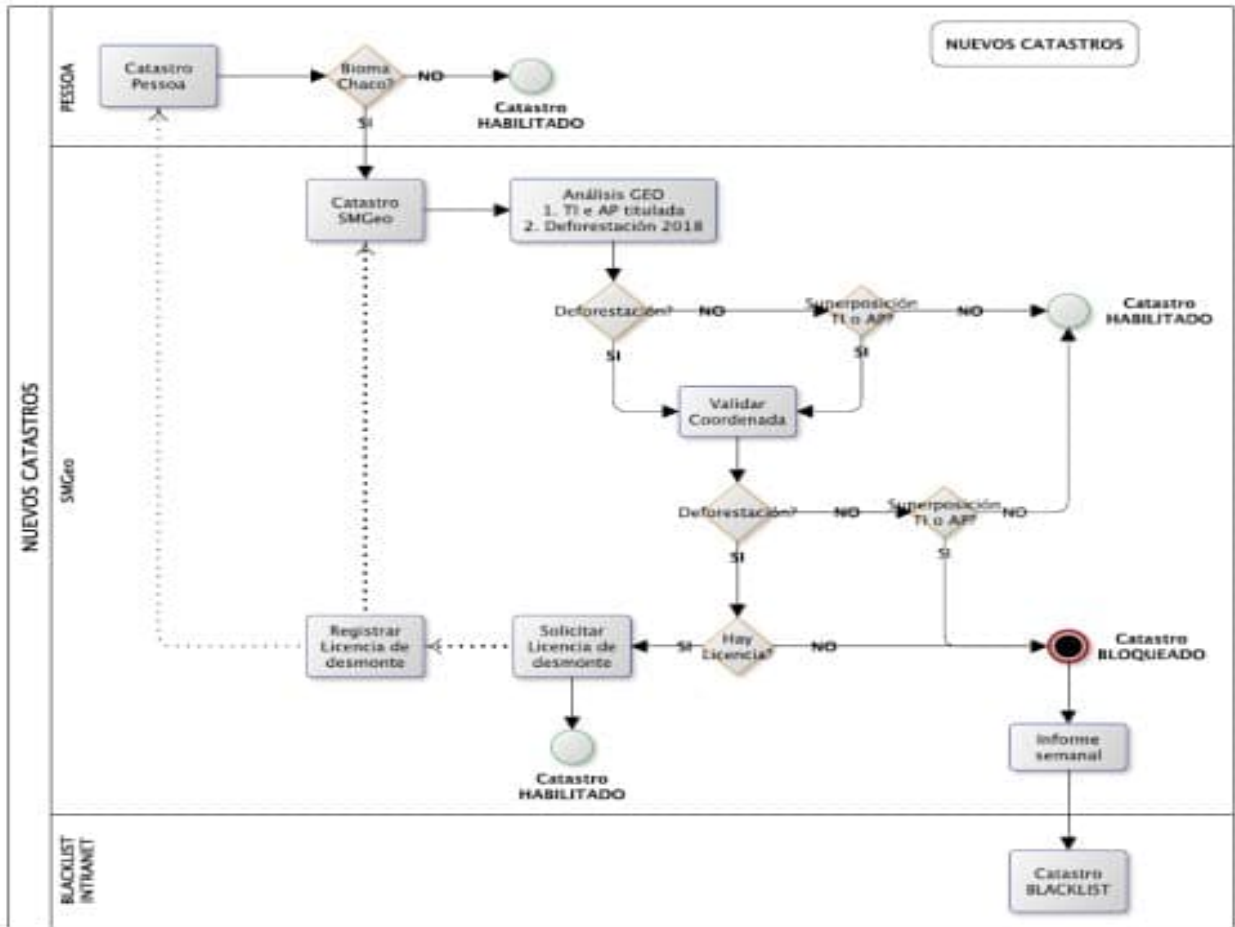
- Periodic update of registry database;
- Evaluation of new cattle suppliers;
- Improvement of the supplier registration system;
- Update of public information database;
- Crosschecking of geographic information from suppliers against data from the support base for the analysis of environmental liabilities;
- Routines of analyses of social and environmental compliance of suppliers; and
- Online support to the system users.

The basis for the environmental analysis of rural properties is the polygon map of the supplier properties, containing the geographic coordinates of the vertices that make up the perimeter. SMGeo Direto Platform is prepared to receive from users various documents and data that can be requested from rural producers for the creation of the supplier property's polygon in shapefile (popular file format composed of geospatial data as vectors used by Geographic Information Systems also known as SIG), aiming at its use in the comparison with public databases referring to possible environmental liabilities. Currently, the perimeters of supplier farms are obtained through the geolocation of the property by means of the coordinates informed upon registration of the property data within the Platform.

In addition to the monitoring, there is a registry of suppliers made by DUX system, in which the following items are completed to conclude the register:

- Complement: name of the cattle raiser, identification if he/she is a foreign person and selection of the market in which he/she operates;
- Field of Activity: rural producer description;
- Addresses: farm name, property location data, department, district, country;
- Roles: description of registration relation for suppliers and customers;
- Contact: contact data, telephones and e-mails;
- Particularities: SENACSA and RUC information
- International Bank: bank data;
- Documents: personal information and documents.

The procedures described below are guided by the following flowchart:



Source: SMGeo Gran Chaco - Operating procedure 2021.

Coordinates and radius

The coordinates informed in the property registration are crosschecked against the perimeter bases of Servicio Nacional de Catastro (SNC) and INFONA, always in this order, aiming to choose a perimeter that depicts the limits of that rural property.

On the other hand, when the coordinates are crosschecked against these bases and no property polygons are found in that location, the property limits are defined by a buffer with radius of 3 kilometers, starting from the coordinate point presented in the property register, generating a geometry with approximately 2,810 hectares.

There are three classifications for the properties with validated cartographic perimeters:

- Authorized property

This classification is assigned to properties without any applicable social or environmental restrictions, according to the monitoring protocol adopted at the time of analysis.

- Requiring attention

In the case of the monitoring protocol in force in Paraguay, this classification is assigned to properties with deforestation polygons applicable between 2018 and 2021, as a way of informing the industry about a considerable risk scenario.

- Unauthorized property (with overlapping)

This classification is assigned to properties that at the time of the analysis show any applicable social or environmental restriction referring to the monitoring protocol adopted, such as: Indigenous lands and protected wilderness areas.

Parameters used in socio-environmental analyses

1. Indigenous lands and protected wilderness areas

The vector data (in shapefile format) of these areas are available on:

- Public consultation websites of the Paraguayan Indigenous Institute (INDI);
- Federation for Self-Determination of Indigenous Peoples (FAPI);
- Ministry of the Environment and Sustainable Development (MADES);
- National System of Protected Areas of Paraguay (SINASIP); and
- Global Forest Watch (GFW) online platform.

All of the Protected Territories mentioned have regularization phases or specific objectives, as Indigenous Lands that are described by phase of studies for creation until full regularization of the territory. Likewise, the applicability of restrictions for trade may also vary according to the total area of the property and the amount (percentage) of area overlapping the Protected Territory.

When the property overlaps some protected territory in a portion of an area below the limit established by the socio-environmental analysis and monitoring protocol, it will be allowed for trade, regardless of the regularization phase or specific objective of the territory. On the other hand, if the overlapping exceeds the pre-established percentage limits, the property will undergo a detailed technical analysis in which Niceplanet's technical analysts will determine the property's suitability for trade, in a way that does not violate the legality protocol for the purchase of raw material defined by the Company.

2. No production areas

For the most part, activities carried out on rural properties need consolidated areas to be explored. Accordingly, all properties with their entire perimeter composed of primary vegetation and without production capacity will be unauthorized for the trade of products.

Niceplanet's team of technical analysts use high-resolution satellite images, such as those from the Sentinel-2 Satellite, to determine the type of vegetation found within the boundaries of supplier properties. Thus, it is possible to differentiate the type of vegetation and other vegetation cover present inside each property. In addition, it is possible to verify the condition of preservation on Permanent Preservation Areas (APP) and Legal Reserve Areas (ARL).

3. Deforestation - Report of Deforestación - Guyrá

The monthly monitoring of land use change in Gran Chaco Americano Biome is an activity that Asociación Guyra Paraguay has been developing since 2010. As a way of verifying deforestation, Guyrá base is used, applying the same methodology to verify the cut-off and technical interpretation.

We also point out that there is no information regarding the concepts of deforestation provided by the Association, thus an applicable liability is considered to be one with clear cutting leading to a change in the vegetation which results in the complete removal of the forest cover in a short period. The advanced analysis for overlapping with Guyrá polygons proceeds based on any overlapping, therefore, there is no established tolerance on overlapping. Therefore, the technical analysis through high-resolution satellite images (Landsat 5, Landsat 8 and Sentinel 2) and comparisons with INFONA base aim to find data showing that the overlapping between the polygon and property is not an applicable restriction, in order to support the trade.

INFONA's general objective is the management, promotion and sustainable development of the country's forest resources, in terms of their defense, improvement, expansion and rational use. Thus, the Institute provides a database where it is possible to determine, among other things, which areas have permission to carry out the exploitation of vegetation and which areas do not have the permission of the agency.

Advances in the SMGeo Direto platform in Gran Chaco Biome of Paraguay during 2021

In 2021, the Company presented improvements in Minerva Foods' Monitoring Systems, containing advances in the SMGeo Direto platform in relation to the Gran Chaco Biome of Paraguay. The SMGeo Direto platform was developed with adjustable parameters to adapt to the reality of different types of countries. Accordingly, it is possible to set up the platform to meet existing socio-environmental protocols in the process of analysis of direct domestic and foreign suppliers of cattle.

SMGeo Direto has instructions similar to SMGeo Gran Chaco in terms of the information needed to register suppliers and properties. The platform has a division between the cartographic analysis process and the socio-environmental analysis process, however, now it undergoes an analysis assisted by an environmental technician. Previously, this was performed through automatic buffer. In this context, the existing data were migrated from the SMGeo Gran Chaco platform to the SMGeo Direto platform for a new analysis process, using as base the same protocol previously defined, but with all the technology and intelligence embedded in the new platform.

Upon sending of an analysis request to the producer and their property in the SMGeo Direto platform, the first interaction with the demand will occur, at the phase named cartographic analysis. In this phase, the coordinates information is verified, analyzed and refined, and thus the information input by the industry is treated. This process includes, in some cases, feedback for verification and analysis of the data, to ensure a higher level of assertiveness in the pair of coordinates informed.

Considering the previously described scenario for the SMGeo Gran Chaco platform, the analysis in this phase was carried out considering an area with an automatic 2 km buffer, due to the lack of information from bases with the properties' perimeters. Thus, with the purpose of improving the environmental and social action plan, bases that could be integrated into the analysis process were discussed with the cattle purchase team in Paraguay and the Sustainability team at Minerva Foods and at IFC.

Accordingly, the utilization of the base from SNC, which is the institution in charge of maintaining the inventory of all properties in the country, was integrated into the analysis process. Its function is to maintain the data on properties updated, safe and at the public's disposal. The use of information on perimeters of properties contained in the base from INFONA, the country's environmental agency, was also integrated. The integration of both bases occurred with the purpose of allowing the gathering of as much geographical information on areas of properties present in Paraguay as possible, by means of public and official information.

The process of cartographic analysis allows the crosschecking of the pair of coordinates provided against the bases of perimeters from SNC and INFONA, thus selecting the accurate perimeter of the trade's supplier property. In case it is not possible to locate the perimeter in the coordinates informed, the analysis is carried out considering the 3 km buffer definition process.

After the cartographic analysis phase, in which the definition of perimeter occurs, the request demand advances to the socioenvironmental analysis phase, which uses the embedded artificial intelligence named Niceplanet Inteligência Artificial (NIA). NIA detects the criteria defined in the adjusted socioenvironmental protocol, and presents an automatic monitoring result.

This process occurs through a series of questions that the artificial intelligence was enhanced to answer. Upon identifying a question that needs the interaction of an analyst, NIA takes the request to an assisted phase. In this process, NIA verifies whether there is an overlap between the property and some of the liabilities mentioned, and if case one is detected, the interaction of a socioenvironmental analyst will be needed.

The interaction of a technical analyst occurs for the verification and analysis of each overlap, allowing the description of the technical grounds for justification related to the liability. For the deforestation of Guyrá, this justification may occur by using multitemporal satellite images to confirm whether vegetation was removed in the overlapping area. In case deforestation has not happened, it is possible to prepare a technical document as justification, thus marking the result as CLEARED. For deforestation cases detected in 2018, 2019 and 2020, it is also possible, in case of clear cutting, comparison with areas where INFONA is used, in which there is information from the current environmental agency of whether exploitation was allowed in such area.

3. Procedures followed

"1. Monitoring criteria

- 1.1. Minerva will ascertain the compliance of each farm, not in the high risk municipalities, using the coordinates to verify its suppliers in the Chaco biome.*
- 1.2. As from this date, a buffer of 3 km will be applied in each farm coordinate to analyze geographic data.*

2. Mapping

- 2.1. Minerva will collect coordinates from 250 farms per year in the Chaco biome, using the cut-off date of January 01, 2018.*

3. Purchase restrictions

- 3.1. Minerva shall not have as suppliers any farms in the Chaco Biome overlapping with illegal deforestation polygons, using the cut-off date of January 01, 2018.*
- 3.2. Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized protected areas owned by the Government of Paraguay.*
- 3.3. Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized Indigenous land owned by the Government of Paraguay.*
- 3.4. Minerva shall not have as suppliers any farms in the Chaco Biome overlapping with legal and illegal deforestation polygons, using the cut-off date of January 01, 2018.*
- 4. Minerva will include slave labor / child labor matters in the supply chain management system as soon as it has an official reliable database available to the public.*
- 5. Minerva will continue participating in the Paraguayan Roundtable for Sustainable Beef and other initiatives in the whole industry. This will be maintained until the sustainable management of the meat industry is effective.*

(Extract from the document "Paraguay Cattle Supply Chain Audit Procedures")

Therefore, to attest compliance with TdR, the following procedures were applied:

3.1. Monitoring criteria

Evaluating whether the geographic coordinates are applied in Minerva's Geospatial Monitoring System to identify farmers. If the Company does not meet the criteria, describe how the different farmers are identified in the monitoring system.

Evaluating whether a buffer of 3 km is applied in each farm coordinate after this date, to analyze geographic data. If the Company does not meet the criteria, describe the buffer distance applied to each coordinate.

Aspects observed

The procedures adopted in this stage included the analysis of documents and information, including the receipt of the supplier list, report on the monitoring of SMGeo System from January 2021 to December 2021, evaluation of coordinates to analyze geographic data and understanding of the suppliers registry.

After receiving the spreadsheet containing the Monitoring Report, the coordinates were evaluated. The coordinates are obtained via GPS at the location or gate of the property, by means of an application using the smartphone's GPS or from information provided in the registry of SENACSA.

The process is not automated, and coordinates are included in the supplier property registry in the SMGeo platform, a geographic monitoring system, as described in this report. The analysis is made by an analyst, using the "cartographic" and "socioenvironmental" analyses of the farm as a reference to generate a 3 km "buffer" polygon as from March 2020, allowing the analysis of overlaps in the region where the supplier property is located.

Accordingly, analyzing the SMGeo system, a buffer of 3 km was applied as from March 2020, to evaluate geographic data for farms whose coordinates were already collected.

3.2. Mapping

"Describe how many coordinates in the Chaco Biome were collected each year, in accordance with criterion 2.1. for all 250 farm coordinates in the year."

(Extract from the document "Paraguay Cattle Supply Chain Audit Procedures")

Aspects observed

The spreadsheet that contains the Monitoring Report of the farms and the coordinates collected was shared via e-mail on September 06, 2022 by the Corporate Sustainability team at Minerva Foods.

For the base period of 2021, which includes from January to December, Minerva Foods proposed to collect 100% of the coordinates of the farms in which purchases were made. Two thousand thirty-eight (2038) coordinates of farms were collected and analyzed in 2021, for which the crosschecking of 2021 trading bases with the geomonitoring list shared by Niceplanet, a third-party company hired by Minerva Foods, was carried out on September 12, 2022, using the SENACSA number as the common denominator. Thus, exceeding the minimum amount of two hundred and fifty (250) coordinates collected per year.

3.3. Purchase restrictions

“Using Minerva’s monitoring system, SMGeo, extract the report on unauthorized farms and evaluate the farms in which the corresponding radius of 2 km until March 2020 and 3 km as from this date overlaps with a deforestation polygon, using the cut-off date of January 01, 2018, establishing and providing evidence indicating that the cut-off date used for the evaluation was January 01, 2018. For cases indicating overlapping, evaluate whether an environmental license was presented by the farm owner to verify compliance with Paraguay’s forestry code and the applicable laws for land conversion (legal deforestation). The farms with environmental licenses will be considered according to Paraguay’s forestry code for the legal conversion of land (deforestation) and, therefore, are in compliance with Minerva’s ESAP.

For cases with indication of deforestation on the corresponding overlapping radius of 2 km until March 2020 and 3 km as from this date, and lack of environmental license, evaluate whether the farm described and/or its owners are registered on Minerva’s blacklist. Describe the noncompliance considering coordinates overlapping with deforestation polygons, after the agreed deadline, with no environmental license, and not included in Minerva’s blacklist.

Using Minerva’s monitoring system, SMGeo, extract the report on unauthorized farms and evaluate if the farms for which the corresponding radius of 2 km overlaps with Protected Areas and/or Indigenous Land, as described in ESAP. For cases with indication of overlapping with protected areas and/or indigenous land, evaluate whether the farm described and/or its owners are recorded on Minerva’s blacklist. Describe noncompliance, considering farms overlapping with Protected Areas and/or Indigenous Land not included in Minerva’s blacklist.”

(Extract from the document “Paraguay Cattle Supply Chain Audit Procedures”)

Aspects observed

To meet this requirement, we received via e-mail, on September 06, 2022, the spreadsheet that contains the Monitoring Report, shared by the Sustainability team at Minerva Foods.

The base shared by Minerva Foods’ team contained a total of 117 suppliers unauthorized in the SMGeo System, and all of them were block-listed due to overlap with Indigenous lands, protected lands, deforestation and slave labor, and are duly unauthorized in Minerva Foods’ system for registration and cattle purchase.

The DUX system (registry) is not integrated to the SMGeo system (monitoring) via API and, therefore, the inclusion of owners into the block list and their subsequent blocking are performed manually.

There are no public lists available in Paraguay supporting consultations to suppliers yet, related to practices similar to slavery. However, Minerva Foods, by means of a third-party company, daily receives clippings (monitoring, analysis and archiving process of references made in the media related to a certain theme), in order to evaluate whether adverse issues may arise from future or current suppliers.

In relation to deforestation, it was possible to carry out the monitoring through the media in Paraguay, the only means of information at the moment, given that as from June 2018, the publication of lists and analyses ceased, which made the monitoring by Minerva Foods difficult. However, deforestation is currently monitored using satellites and the Guyrá data base.

Finally, in relation to Indigenous lands, there is an official government website, named FAPI, that provides lists for consultation.

3.4. Purchase restrictions - Minerva will include labor/ child labor matters in the supply chain management system as soon as an official viable database is available to the public

“Using an official viable database available to the public, evaluate whether the farms described and/or its owners are registered on Minerva’s blacklist. Describe the noncompliance, considering farms and/or its owners not included in Minerva’s blacklist. If an official viable database is not available to the public, the criteria will not be considered as noncompliance.”

(Extract from the document “Paraguay Cattle Supply Chain Audit Procedures”)

Aspects observed

Regarding labor/ child labor and slave labor matters, as in 2020, there are no official lists disclosed by proper authorities. Only if there is any communication from them or any news shall the Company take the appropriate steps to block the property.

Since there are no official lists disclosed by the proper authorities, the tests and conclusion regarding the criteria established in the items above are limited.

3.5. Paraguayan roundtable and other initiatives in the industry

“Evaluate whether the Company is formally registered and represented in the Paraguayan Roundtable for Sustainable Beef and in any other initiative in the industry.”

(Extract from the document “Paraguay Cattle Supply Chain Audit Procedures”)

Aspects observed

In order to meet this requirement, Minerva Foods participates in several work groups discussing initiatives of the industry, such as:

- Work group of sustainable cattle raising activities (GTPS), in Brazil;
- Colombian Roundtable;
- Paraguayan Roundtable for Sustainable Beef;
- Global Roundtable for Sustainable Beef (GRSB);
- Lectures to cattle farmers, with themes such as: Cattle farming management, habits for good results in confinement, good practices in animal well-being and good practices in transportation of beef cattle.

Through the roundtables, Minerva Foods intends to increasingly ensure compliance with sanitary requirements of the consumption market, of the quality and type of meat offered and to ensure food and consumer safety. Additionally, the Company performs weekly visits with the field team in order to improve the relationship with cattle farmers and increasingly engage them with good practices in their production chain in Paraguayan territory.

3.6. Minerva Foods Blacklist Testing - analysis of blocking system for noncompliant suppliers

“Using Minerva’s purchase system (cattle purchase), evaluate the efficacy of the blocking system (blacklist) for noncompliant suppliers, replicating a purchase procedure to be conducted by the purchase team, supervised by an independent auditor. For each purchase restriction criterion, randomly select one representative sample (in compliance with international audit sampling rules) of blocked suppliers to be tested.

If a farm and/or its owner is included in the block list and it was possible to conduct a purchase procedure in Minerva’s purchase system (Cattle Purchase), describe it as noncompliance.”

(Extract from the document “Paraguay Cattle Supply Chain Audit Procedures”)

Aspects observed

To meet this requirement, we received via e-mail, on September 06, 2022, the spreadsheet that contains the Monitoring Report, shared by the Sustainability team at Minerva Foods.

Upon verification of the geomonitoring base, we noticed the existence of 14 properties marked as “BLOCKED”, which were all selected for the blocking test. Finally, in the “status” column of the geomonitoring base, we observed that ninety-six (96) properties were marked with the “ALERT” status. Minerva Foods informed us that all cases with such classification are blocked in the SMGeo System.

In order to complement the cases to be tested in the blocking test, we used as a base the list containing the 96 properties with “ALERT” status, and selected a sample of eight properties using the IDEA statistical software.

After the sample selection, the blocking test of the 22 blocked suppliers as described above was carried out, being 14 properties with blocked status and eight with alert status, by means of purchase simulation, informing their RUC Code to those responsible for the purchase at Minerva Foods, and monitoring the process on the System at the location on September 06, 2022.

Upon application of the purchase simulation, the system blocked 21 suppliers, preventing the conclusion of the purchases. For one supplier, the Company presented, on September 06, 2022, the results of socioenvironmental analyses, which was indicated as viable at the moment of execution of the procedures. Thus, the supplier was authorized after regularization as a justification of the clearance of the supplier’s RUC in its Purchase System.

4. Annexes

Table 1 - Coordinates in Chaco Biome

Description		
Total number of farms with purchases in Paraguay (period from Jan to Dec/2021)	N/A	N/A
% of farms with coordinates in relation to total purchases in Paraguay, analyzed in SMGEO system	N/A	N/A
Total number of farms with purchases in Chaco biome (period from Jan to Dec/2021)	1,260	1,260
% of farms with coordinates in relation to total purchases in Chaco Biome, analyzed in SMGEO system	100%	100%
Total number of cattle heads purchased in Paraguay (period from Jan to Dec/2021)	N/A	N/A
% of cattle heads with coordinates in relation to total purchases in Paraguay, analyzed in SMGEO system	N/A	N/A
Total number of cattle heads purchased in Chaco biome (period from Jan to Dec/2021)	399,566	399,566
% of cattle heads with coordinates in relation to total purchases in Chaco Biome, analyzed in SMGEO system	100%	100%



Table 2 - Nonconformities found in the audit period

Nonconformity	Total farms in non-conformity (Chaco biome)	% of farms in non-conformity in relation to total number of supplier farms in the period (Chaco biome)	% of farms in non-conformity in relation to total number of supplier farms in the period (Paraguay)	% cattle in non-conformity in relation to total supplier cattle in the period (Chaco biome)	% cattle in non-conformity in relation to total supplier cattle in the period (Paraguay)
Minerva shall not have as suppliers any farms in the Chaco Biome overlapping with illegal deforestation polygons, using the cut-off date of January 01, 2018.	0	0%	0%	0%	0%
Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized protected areas owned by the Government of Paraguay.	0	0%	0%	0%	0%
Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized Indigenous land owned by the Government of Paraguay.	0	0%	0%	0%	0%
Minerva shall not have as suppliers any farms in the Chaco Biome overlapping with legal and illegal deforestation polygons, using the cut-off date of January 01, 2018.	N/A	N/A	N/A	N/A	N/A
Minerva will include labor/ child labor matters in the Supply Chain Management System as soon as an official viable database is available to the public.	N/A	N/A	N/A	N/A	N/A