

Federal Prosecutor's Office

Presentation of the 4th Cycle TAC Audits for Cattle Ranching - Pará

December 15, 2022

Event Recommendations

For all participants of the Teams event:

- The event will be streamed live on YouTube. You may opt to turn off your camera.
- Please make sure your microphone is muted during the presentations.
- All questions and comments may be posted on the online chat or at the time set aside for discussion.

For participants on You Tube:

- All questions and comments may be posted on the online chat, which will be monitored and may be selected to be read during the time set aside for discussion. Questions will only be answered by the Federal Prosecutor's Office.
- Journalists may access the MPF's Support System: saj.mpf.mp.br/saj

Audit General Information

- Audits conducted in /2022
- Transactions from July/2019 to June/2020
- Auditing companies: Grant Thornton, GeoMaster and BDO

Signatories

Signatory companies audited : 16

Agroexport
Frigorífico Aliança
Frigorífico Altamira
Alvo Consultoria Agropecuária
ForteFrigo
Fribev/Xinguara
Frigol
JBS
Mafrinorte
Masterboi
Mercúrio
Minerva
Matadouro Marchanteria Planalto
Frigorífico Rio Maria
Frigorífico São Francisco – Sampaio

M.J. Novaes (Curtume Ideal)

Important signatory companies that did not undergo audits: 11

CE Mendonça Frig Vitória
Frigorífico Mararu - Frigomar
Frigorífico Ouro Verde
Frigosan - Santarém
Independência IG de Paula
Matadouro Amazônia
R.E. Ribeiro Soares
Frigorífico Água Branca - Frinort
SOCIPE - Coop Ind. Pecuária Pará
Wellard do Brasil Agronegócios
Casfrisa

Automatic Audit (UFMG/CT)
195.329 animals (33.5% non-compliance)

Signatory companies exempt from audit requirements: 9

Abatedouro Boi Forte
Amazônia Ind. Alimentícia
Boi
Branco Coml Exp e Imp de Bovinos
BR Comércio de Carnes
Frigorífico Eldorado
Frigorífico Santa Cruz
Kayapós Fabril e Exportadora
M R Souza Junior
Redenção Frigorífico do Pará

Non-signatories

Non-signatory companies with significant volumes: 13

Frigorífico Araticum

Frigonorte - J M Soares

Frigorifico Brasil Novo

Frig Munic Oriximiná

Uniboi Alimentos - Unibrax

Mafrimar - Mat e Frig Marajoara

Frigus - R C Moreira

Frigovan - R Barcelos Ribeiro

Marfrig Alimentos (auditoria em andamento)

Marfribe - Frig Bezerra

Frigoríficoico Valencio

Frigorífico Mariano

Redentor Foods

Automatic Audit (UFMG/CT):

485,194 animals (23,80 % non-compliance)

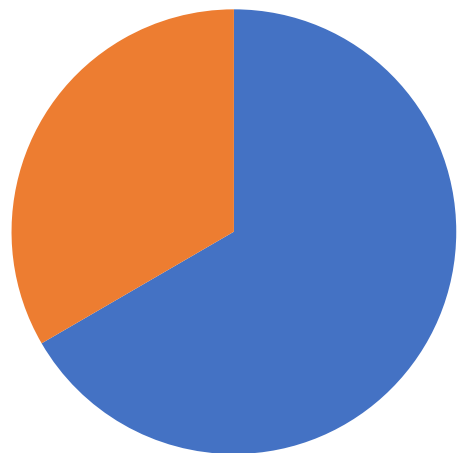
Representativeness of audits for the State of Pará and % of non-compliant animals

Total animals sold for slaughter/export..... 3,502,566 (100%)

Total animals sold by companies that have been audited..... 2,333,642 (67%)

Total number of animals not audited..... 1,168,925 (33%)

Audit Representativeness 4th cycle



■ Animals Audited ■ Animals not Audited

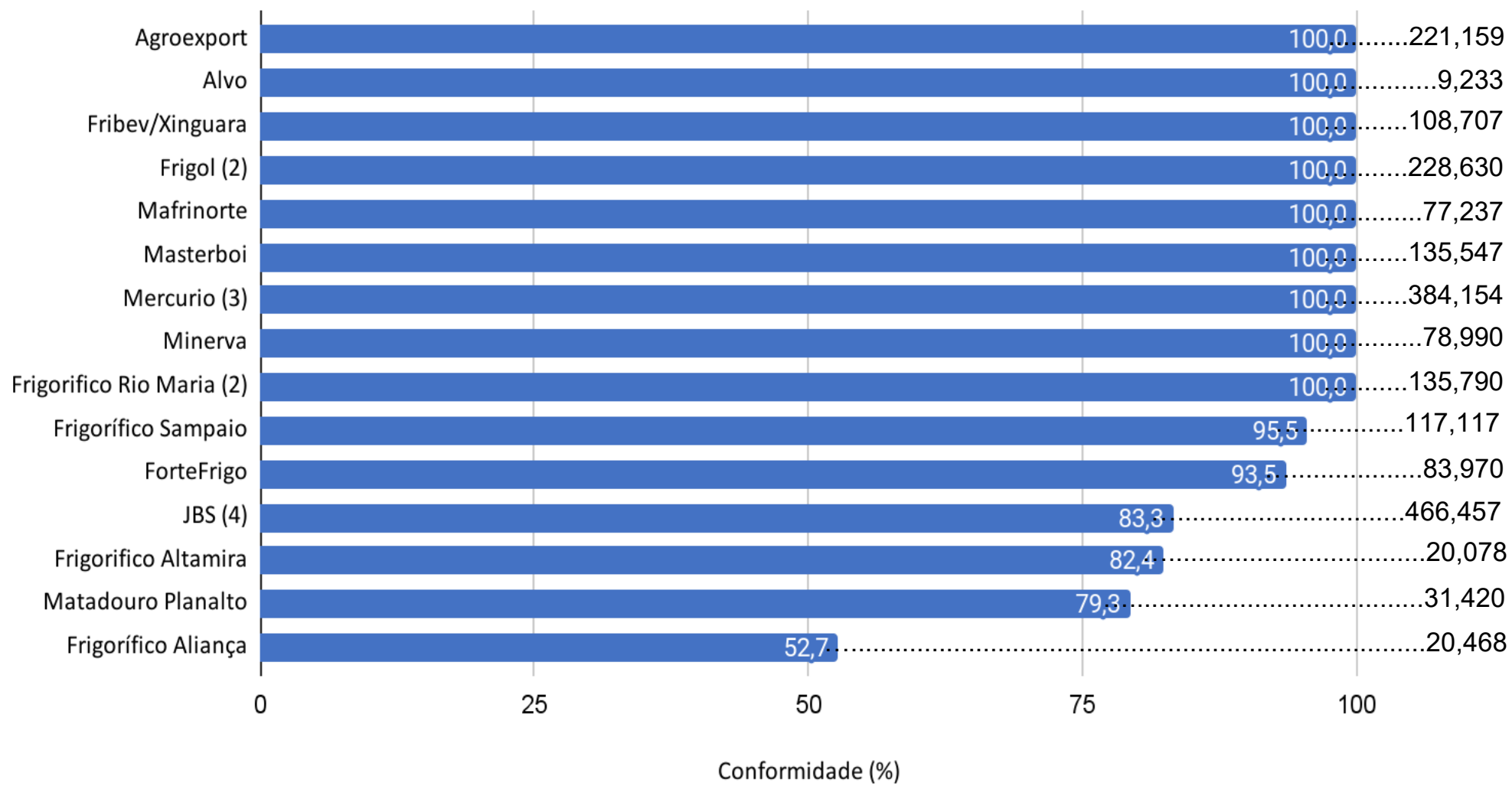
- Animals actually audited (sampling).....2,255,319 (100%)
↳ Animals with non-compliances.....136,172 (6.04%)

6.04%
Non-compliance

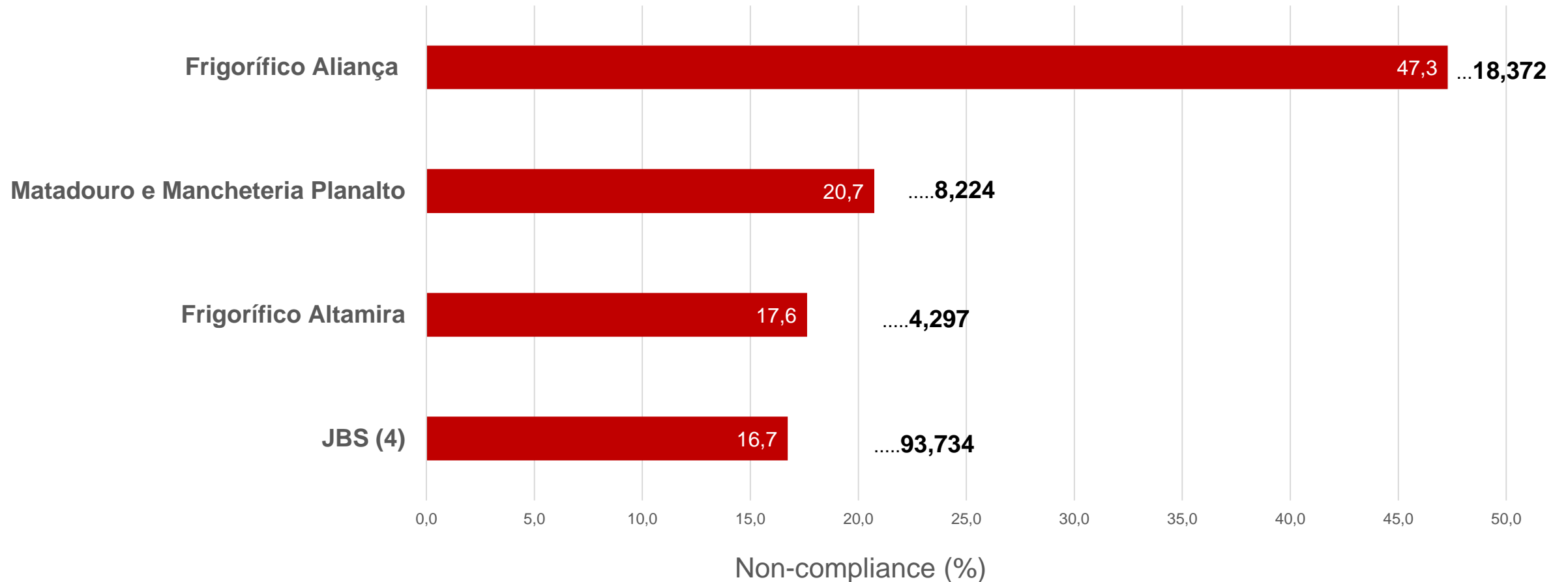
Number of animals traded and degree of non-compliance in audits

Comparison		12 months	12 months	18 months	12 months
		1st Audit cycle	2nd Audit cycle	3rd Audit cycle	4th Audit cycle
Number of animals sold by companies that were audited		2,368,089	2,193,834	4,018,115	2,333,642
%		73%	65%	69%	67%
Number of animals not audited		888,546	1,179,829	1,839,487	1,168,925
%		27%	35%	31%	33%
Total Number (slaughter + export)		3,256,635	3,373,663	5,857,602	3,502,567
%		100%	100%	100%	100%
Degree of non-compliance		246,343	137,093	376,812	136,172
%		10.40%	6.25%	9.95%	6.04%

Signatories with highest compliance rates (% and number of cattle)



Signatories with highest non-compliance rates (% and number of cattle)



Clarification

JBS rejects the application of the 2008 Prodes basis applied in the present audit, in view of, among other arguments:

- 1) The use of the expression "Prodes 2009" in the livestock monitoring protocol in accordance with the MPF in the text;
 - 2) The lack of use of the 2008 Prodes basis in previous audits;
 - 3) The fact that the 2008 Prodes should not contain deforestation data after August 1, 2008, with JBS not having received any formal communication about the existence of residual data in the 2008 Prodes relating to a later period.
- .

MPF's Position

This methodology, which discarded the 2008 Prodes base, was not accepted by the MPF. The criterion of TAC is post-July 2008 deforestation.

The wording of the Monitoring Protocol that referred to "Prodes 2009" is subsequent to the purchases made by the company in this cycle. This wording has already been corrected.

Even if this issue were to be disregarded, it was found that JBS would still have an 8.85% rate of non-compliance in the 4th cycle.

History of audits - non-compliance

Companies	Irregularities (%)			
	1st Audit cycle	2nd Audit cycle	3rd Audit cycle	4th Audit cycle
Frigorífico Aliança	69.90	36.20	24.80	47.30
Marchanteria Planalto	43.10	12.10	31.10	20.74
Frigorífico Altamira	72.00	17.60	--	17.63
JBS Total	19.10	8.30	32.00	16.73
ForteFrigo	8.40	15.30	18.70	6.51
Frigorífico São Francisco - Sampaio	--	30.80	15.20	4.50
Mercúrio Total	0.30	0.20	0.00	0.04
Agroexport	0.00	0.00	0.00	0.00
Alvo Consutoria Agropecuária	--	--	0.68	0.00
Frigol Total	17.40	18.70	4.10	0.00
Mafrinorte	0.30	0.00	0.70	0.00
Masterboi	31.00	3.70	0.00	0.00
Minerva	0.00	0.30	0.00	0.00
Frigorífico Rio Maria	0.00	0.00	0.00	0.00
Fribev - Xinguara	0.00	0.06	0.67	0.00

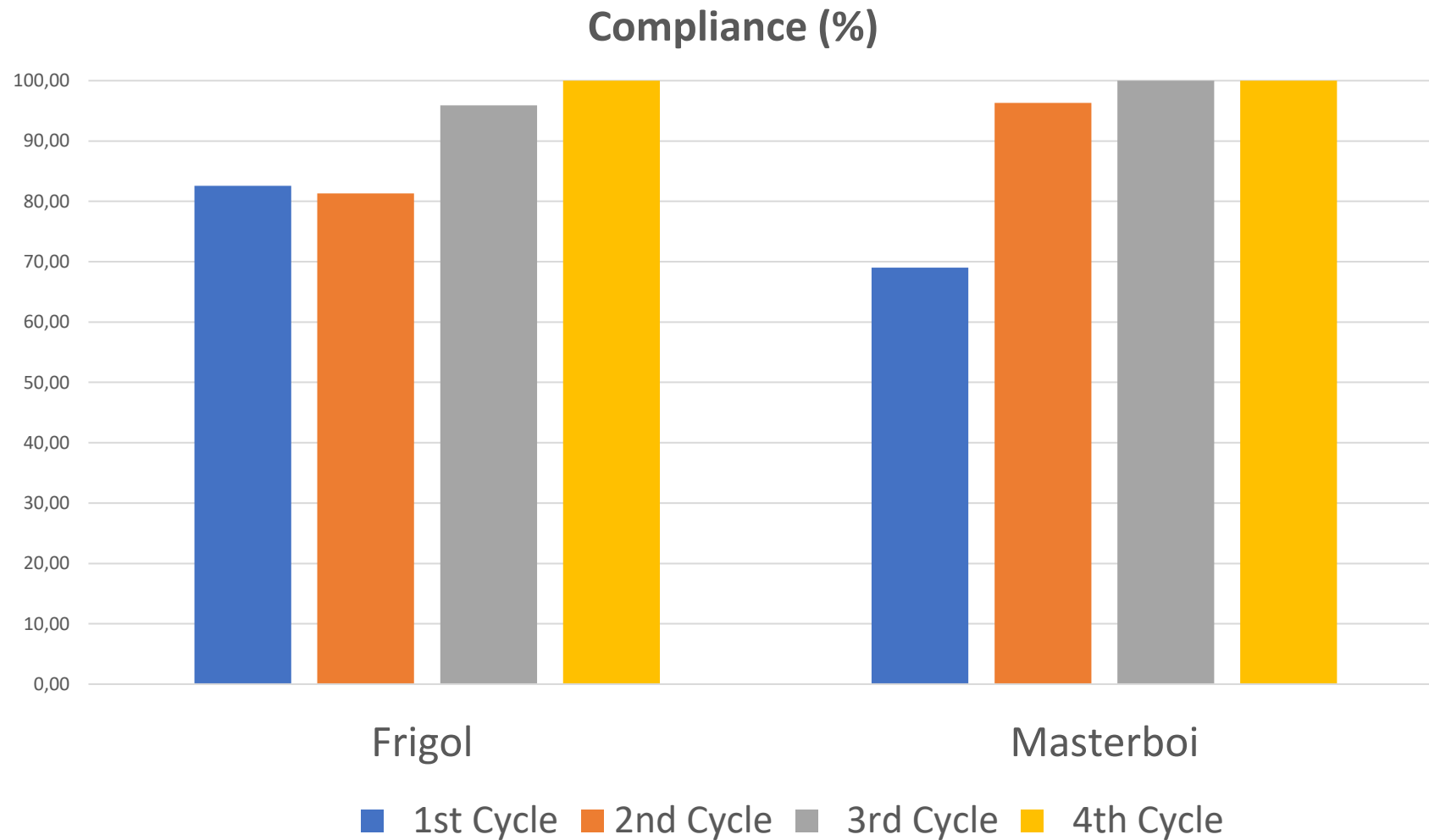
Companies with less than 1% of non-compliance in the four audit cycles

Companies	1st Cycle	2nd Cycle	3rd Cycle	4th Cycle
Agroexport	0.00	0.02	0.00	0.00
Frigorífico Rio Maria	0.00	0.02	0.00	0.00
Mafrinorte	0.32	0.00	0.74	0.00
Mercurio Total	0.30	0.22	0.01	0.00
Minerva	0.00	0.30	0.00	0.00
Xinguara/Fribev	0.00	0.06	0.67	0.00

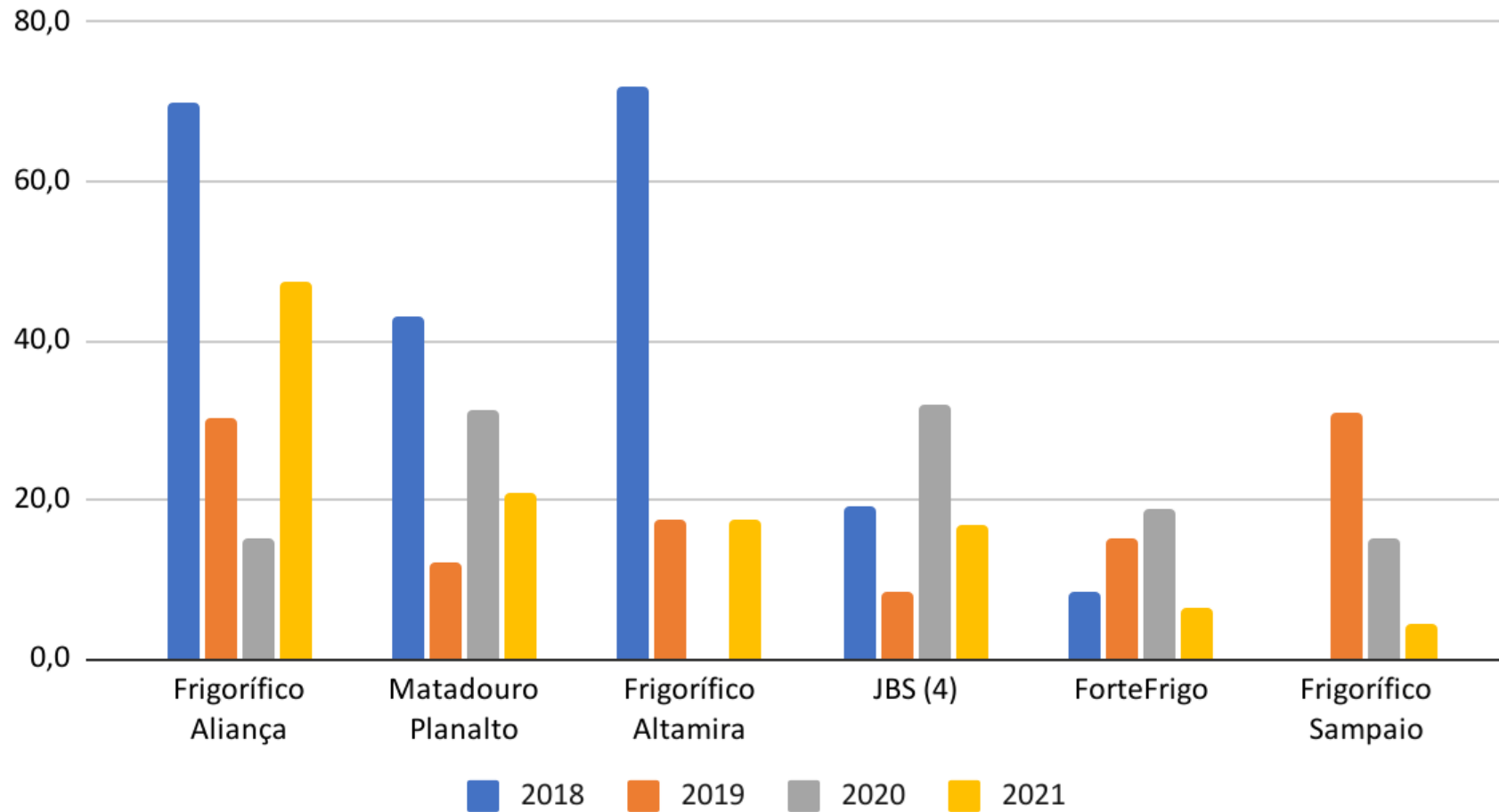
**Companies
with
significant
improvement**

Companies	1st Cycle	2nd Cycle	3rd Cycle	4th Cycle
Frigol	17.39	18.72	4.12	0.00
Masterboi	31.00	3.72	0.00	0.00

Companies with significant improvement in audit performance



Audit history – non-compliances



* Companies that scored unsatisfactorily in the 3rd cycle.

Tracking

% of Tolerance			
2018 Audit 1 st Cycle	2019 Audit 2 th Cycle	2020 Audit 3 th Cycle	2022 Audit 4 th Cycle
Up to 30%	Up to 20%	Up to 9.95%	Up to 7%

Federal Prosecutor's Office - MPF

Daniel Cesar Azeredo Avelino

Federal Prosecutor

Ricardo Augusto Negrini

Federal Prosecutor

Gabriela De Góes Anderson Maciel Tavares

Federal Prosecutor

TAC Support Committee for Meat

Technical Cooperation Agreement signed between MPF-PA,
Imaflora and AdT in October of 2021

BOL_{NA}
LINHA



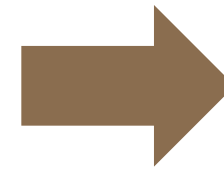
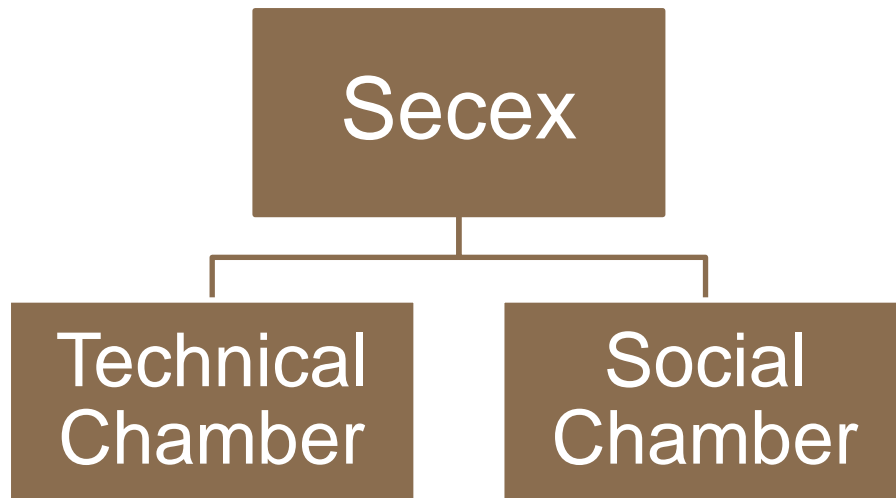
Amigos
da Terra
Amazônia Brasileira

Objectives of the Pará TAC Support Committee

- a) Assist the effective implementation of Meat TAC in the State of Pará;
- b) Assist in the expansion of Meat TAC in the State of Pará (expansion into new meat packing plants);
- c) Operate as a source of **technical, scientific, advisory and instructive support** to assist in improving the efficiency and **transparency** of the processes associated with the implementation of Meat TAC, facilitating its application and communication in an organized and structured way, vis-à-vis the private actors.

Working Structure

Pará TAC Support Committee



Meat
TAC

Federal Prosecutor's Office

NEXT STEPS

December 15, 2022

Next Steps

Companies without an audit

- TAC enforcement for companies not included in the process;
- Legal action against companies without a TAC;
- Data analysis (direct auditing) of the companies that have not been audited in order to disclose the results together with the 5th cycle;
- Recommendations to retailers;
- Work together with IBAMA and SEMAS for priority inspection of companies that do not undergo audits.

Next Steps

Companies in an in-between situation (poor results for the 4th cycle; or did not present an audit for 1 or more cycles)

- Pursuit of negotiation (measures foreseen for non-audited companies in the event of failure)

Next Steps

Indirect suppliers

- Pilot test with automatic audit tool based on the Green Seal
- CT analysis for data calibration and reliability
- Establish a timeline for adding the indirects into the traceability criteria

INFORMATION REQUEST ON ACTIONS TAKEN TO MANAGE THE RISK OF DEFORESTATION

Regional Supermarkets – State of Para

1. Macre
2. Formosa *
3. Grupo Nazaré
4. Grupo Mateus
5. Lider Comercio e Industria *
6. Supermercados Y Yamada
7. Lojas Portugal *

* Companies that replied to the MPF

National Supermarkets

1. A Angeloni e Cia
2. Carrefour *
3. Cencosud *
4. Comercial Zaragoza
5. DMA Distribuidora AS
6. Grupo Big
7. Grupo Pão de Açúcar – GPA *
8. Grupo Zaffari *
9. Irmãos Muffato
10. Mart Minas
11. Savegnago *
12. Sonda Supermercados*
13. Supermercados BH Comercio de Alimentos

Federal Prosecutor's Office

THANK YOU

December 15, 2022