

MINERVA S.A.

Report on the Audit Performed by Third Party regarding compliance with the "commitment for adoption of minimum criteria for cattle and bovine products operations in industrial scale at Amazon Biome"

## REPORT ON THE AUDIT PERFORMED BY THIRD PARTY REGARDING COMPLIANCE WITH THE "COMMITMENT FOR ADOPTION OF MINIMUM CRITERIA FOR CATTLE AND BOVINE PRODUCTS OPERATIONS IN INDUSTRIAL SCALE AT THE AMAZON BIOME"

To  
Minerva S.A. ('Minerva' or 'Company')  
Barretos - SP  
Attn.: Corporate Sustainability Management

### Summary

This work aimed, through audit procedures, to identify if the Company has complied with the criteria assumed in the Public Livestock Commitment in the period from 01/01/2020 to 12/31/2020. Based on our work described in this Report, except for the criteria "System for Tracking of Indirect Suppliers", during our analysis we have not verified inconsistencies that could not be justified by Minerva.

We highlight that this summary does not substitute the full reading of the present Report.

### I) Introduction

Since 2007 Greenpeace is studying the behavior of the livestock productive chain in Amazon. In 2009, after a long investigation process, the organization released the report "A Farra do Boi na Amazônia", which showed the relation between slaughterhouse companies involved in deforestation and slave work and the market-leading products traded in international market. Since then the slaughterhouses JBS, Marfrig and Minerva assumed a public commitment to block from its list of suppliers the farms that have made deforestation in the Amazon Biome after October 2009, besides those that use manpower similar to slave work or are located in indigenous lands and preservation units. The public commitment that establishes criteria for animals purchases from properties located in the Amazon Biome is denominated "Public Livestock Commitment and defined through the document "MINIMUM CRITERIA FOR CATTLE AND BOVINE PRODUCTS OPERATIONS IN INDUSTRIAL SCALE AT THE AMAZON BIOME".

### II) Objective

BDO RCS Auditores Independentes ('BDO') was engaged, through Proposal nº 2197/21 for previously agreed procedures, in accordance with NBC TSC 4400, which in this report is highlighted in italic, with the objective of independently evaluate, through audit procedures, the information and processes of Minerva that enable to identify if it has complied with the criteria assumed in the above mentioned public commitment, comprehending the period from 01/01/2020 to 12/31/2020. The procedures agreed between the parties are presented through the TdR - "Reference Term for Audits performed by Third Party 2017 (base year 2016), in accordance with last publication made by Greenpeace.

### III) Audit period

The audit work was developed from October 04 to 30, 2021.

IV) Description of the Company and of the Process for Purchase of Bovine Cattle in relation to compliance with the Public Livestock Commitment

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

(parts of text obtained from the TdR - Audit report model)

Currently the Company has in operation 08 (eight) slaughterhouses, 01 (one) unit for export of live cattle and 07 (seven) units for confinement. Among the units located in Brazilian territory, 10 (ten) received in 2020 animals from farms located in the Amazon Biome, which are:

- Abaetetuba - PA;
- Araguaína - TO;
- Buritama - SP;
- Igarapé Miri - PA;
- Luís Antônio - SP
- Mirassol D'Oeste - MT;
- Palmeiras de Goiás - GO;
- Paranatinga - MT;
- Rolim de Moura - RO; e
- São Félix do Araguaia - MT.

Following TdR guidelines, the work included analysis on 10% of the purchases made from properties located in the Amazon Biome in 2020. This sampling, which will be further detailed in the section "Step 1 - Sampling Selection" of this report, has contemplated all months of 2020 and proportionally all 10 (ten) units located in or supplied with raw material from the Amazon Biome.

Before presenting the performed tests and their results, it is important to demonstrate the meaning of the following abbreviations, which may be used throughout the report:

- ADEPARÁ: Agência de Defesa Agropecuária do Pará (Agricultural and Livestock Defense Agency of the Pará State);
- CAR: Cadastro Ambiental Rural (Environmental Rural Register);
- CCIR: Certificado de Cadastro do Imóvel Rural (Certificate of Registration of Rural Property);
- DETER: Detecção do Desmatamento em Tempo Real (Detection of Deforestation in Real Time);
- ERP: Enterprise Resource Planning;
- FUNAI: Fundação Nacional do Índio (National Indian Foundation);
- GTA: Guia de Trânsito Animal (Animal Transit Permits);
- IBAMA: Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (Brazilian Institute for Environment and Renewable Natural Resources);
- INCRA: Instituto Nacional de Colonização e Reforma Agrária (National Institute for Colonization and Land Reform);
- INPE: Instituto Nacional de Pesquisas Espaciais (National Institute for Space Research);
- LAR: Licença Ambiental Rural (Rural Environmental Permit) / LAU: Licença Ambiental Única (Single Environmental License);
- MPF: Ministério Público Federal (Federal Public Ministry);
- MTE: Ministério do Trabalho e Emprego (Ministry of Labor and Employment), currently "Secretaria de Trabalho" (Labor Secretariat) under the "Ministério da Economia" (Ministry of Economics);
- PRODES: Projeto de Monitoramento do Desflorestamento na Amazônia Legal (Amazon Deforestation Monitoring Project);
- SEMAS: Secretaria de Estado de Meio Ambiente e Sustentabilidade (State Secretariat of Environment and Sustainability);
- SICAR NACIONAL: Sistema Nacional do Cadastro Ambiental Rural (National System for Rural Environmental Register);
- SIF: Serviço de Inspeção Federal (Federal Inspection Service); and
- SMGeo: Sistema de Monitoramento Geográfico (Geographic Monitoring System).

Describe in detail the corporative systems for cattle purchase, their mechanisms and procedures used to comply with the Public Livestock Commitment, based on public lists and GEO list, besides the tracking system of the animal origin.

(parts of text obtained from the TdR - Audit report model)

Analyses were made on the routine for cattle purchase and follow-up with the main professionals in charge, including the outsourced company (Niceplanet) responsible for geo-monitoring of the properties that supply to Minerva. Through this it was possible to verify the related processes as well as to examine the registers and information on the suppliers included in Minerva's databank.

The process for pre-registration of Minerva's supplier farms is received by the "Central Única de Cadastros (CUC)", which performs thorough documental analysis and later accepts or refuses the register. In case it is accepted, it is sent to the Corporate Sustainability team, which carries out the entire socio-environmental analysis of the cattle farmer and so it can accept or not the analysis made by CUC. If it is in accordance with the criteria for cattle purchase adopted by the Company, the registration is made. If it is refused by the Corporate Sustainability team, the register returns to CUC with the reason for refusal and the central office gets in touch with the cattle farmer requesting support documentation so that they can re-analyze the cattle farmer's information. Pursuant to the assumed commitment, at every purchase Minerva carries out the following socio-environmental verifications about its suppliers:

- Prohibited areas: consultation to the IBAMA list;
- Existence of labor practice similar to slave or humiliating work: consultation to the list issued by the Labor Secretariat during 2020;
- Deforestation: through analysis of the geo-monitoring company that uses the PRODES made available by INPE, polygons informed by the IBAMA or through receipt of letter from the MPF;
- Invasion of indigenous lands: through analysis of the geo-monitoring company, answers to letters sent to FUNAI or through receipt of letter from MPF;
- Illegal occupation and rural violence: answers to letters sent to INCRA and ICMBio or through receipt of letter from the MPF; and
- Protected areas: through analyses of the contracted geo-monitoring company, through answers to letters sent to ICMBio or through receipt of letter from MPF.

With the purpose of providing higher safety in its process for register of new suppliers and lessors, children or usufructuary, among others, Minerva adopts a strict procedure regarding consultations of CPF/CNPJ register made in the list of embargoed areas of IBAMA and in the list of employers that use manpower similar to slave work, made available by the Labor Secretariat. The first consultation to these two lists is made by the CUC team at the pre-registration and confirmed by the Corporate Sustainability team for making the register effective. Later, this checking is made again at every raw material purchase before closing each purchase order.

When receiving the registers, the Corporate Sustainability area of Minerva analyses the documents and may or not accept them. If approved, the information is automatically uploaded and sent to the geo-monitoring team of Niceplanet through an API (Web system of register).

Once in the system used by Niceplanet, if after analysis any irregularity is found, the purchase process does not continue. The supplier is blocked and the unblocking is made only after regularization.

In continuation to the cattle purchase process, a consultation is made in the list that contains employers caught in labor exploitation similar to slave work. The employee in charge of cattle purchase enters the CPF/CNPJ register of the owner into the most updated list of Employers Register of the Labor Secretariat, makes the search and if no result is found, it inserts the screen print in the owner register in the system, proving that the CPF/CNPJ was not found in the list.

Regarding properties embargoed by IBAMA, the document used by the Company is the embargo certificate of the supplier, which is written-off through the website <https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>, where all information of the embargo is included, or the information that does not exist embargo for the CPF/CNPJ under consultation. Because of other commitments assumed by the Company with the objective of fighting illegal deforestation in the Brazilian Amazon Forest, it is made an additional consultation of the CPF/CNPJ or name of the supplier in the website “Amazônia Protégé” and included the certificate that will show if there is any public civil lawsuit filed by the Federal Public Ministry.

As mentioned above, regarding geo-monitoring analyses, Minerva has a contract with the company Niceplanet Geotecnologia, which makes available to the Company the platform Geographic Monitoring System (“SMGeo”). The system is basically structured with data and official files of the federal and state governments published in websites of agencies and institutions and with complementary registers information obtained by Minerva and made available to Niceplanet Geotecnologia. The databank is daily updated, assuring more accurate analyses on the socio-environmental situation of the rural suppliers properties.

The online platform provides the certification of the socio-environmental monitoring of the properties and their re-analysis at every purchase made in accordance with the scale of the Company’s units. The certificates related to results of the analyses are grounded on official public documents and on technical opinion of the analyst, made available to the cattle purchasers in charge of decision making.

The used methodology and main activities of the geo-monitoring company are described below:

- Daily update of the official bases;
- Evaluation of new bovine suppliers;
- Improvement in the register of suppliers included in the platform;
- Update of official public information bases;
- Routines of analyses for verification of socio-environmental compliance of the suppliers; and
- Comparison of geographical information of the suppliers with the databases of official public information for monitoring deforestation and overlapping on indigenous lands and protected areas.

During the meeting held on October 27, 2021, Minerva informed BDO team that all communication between the parties (Minerva and Niceplanet), occurs via SMGeo platform. The Company includes the requests for consultations in the pre-register together with the documents necessary for performance of the analyses. The requests are received by Niceplanet Geotecnologia through electronic notification. Below are the supplier documents that are included in the SMGeo platform together with the register data, if applicable:

- Contracts of lease/ lending/partnership/services rendering , in case the supplier is not owner of the property to be analyzed;
- Real estate registers;
- Land property documents;
- Deeds;
- Geo-referencing certification letter from INCRA;
- Certificate of Illegal Deforesting from SEMAS-PA - LDI; and
- CAR (Rural Environmental Register).

Niceplanet has an artificial intelligence denominated "NIA", which is parameterized with all criteria assumed by Minerva and with official files of the federal and state governments published in websites of agencies and institutions. When the pre-register information is shared via API with Niceplanet, the artificial intelligence "NIA" performs a search in all public lists, verifying the conformity of that cattle farmer pre-registered by Minerva. In case it is approved, the outsourced geo-monitoring company gives an opinion via API indicating the liberation so that the Company continues with the purchase. In case "NIA" detects inconformity with the cattle farmer, the professional in charge at the outsourced company analyses it manually and in case the result remains the same, they forward an opinion to Minerva requesting the blocking of that CPF/CNPJ. When the blocking is made, the CPF automatically goes to a "blacklist" of suppliers that cannot be traded by Minerva.

After the register procedures, Niceplanet Geotecnologia classifies the properties as being:

Cleared property: This classification is given to all properties in which:

- The CPF/CNPJ register of the supplier is not included in the list of employers that have submitted workers to conditions similar to slave work, which is made available by the Labor Secretariat, or other valid lists;
- The CPF/CNPJ register of the supplier is not included in public consultations of environmental assessments and embargoes by IBAMA and SEMAS, or even if it is included but the embargo belongs to other property different from the supplier property under analysis; and
- The perimeter of the connected property, already validated by the mapping criteria, does not overlap indigenous lands, preservation units, "quilombolas", deforestation polygons (PRODES), polygons of areas embargoed by IBAMA and SEMAS and does not overlap other properties with "active CAR" in the "SICAR Nacional".

Property under alert: This classification is given to all properties in which it was identified overlapping higher than 10% on other CAR or deforesting alert from DETER.

Blocked property: This classification is given to all properties in which:

- The CPF/CNPJ register of the supplier is included in the list of employers that have submitted workers to conditions similar to slave work, made available by the Labor Secretariat or other valid lists;
- The supplier CPF/CNPJ register is included in public consultations of environmental assessments and embargoes by IBAMA and SEMAS, and even if it is identified that the embargo refers to the property under analysis or to another different property, it has to be located at a straight line distance below the minimum established limit;
- The perimeter of the connected property, already validated by the mapping criteria, has overlapping above 10% of its total area on full protection preservation units or of sustainable use without license for cattle farming activity. We highlight that this is a criterion of the Protocol for Monitoring of Cattle Suppliers in Amazon.
- The perimeter of the connected property, already validated by the mapping criteria, has overlapping above 10% of its total area on indigenous lands or total protection preservation units, with evidence of anthropic use of the overlapped area. We highlight that this is a criterion of the Protocol for Monitoring of Amazon Cattle Suppliers.
- The perimeter of the connected property, already validated by the mapping criteria, has incidence of deforestation polygons (PRODES) overlapped to its perimeter, with confirmation of clear cut ("corte raso") based on multitemporal analysis of satellite images; and
- The perimeter of the connected property, already validated by the mapping criteria, has incidence of polygons of areas embargoed by IBAMA overlapped to its perimeter.

Regarding deforestation analysis, the verification occurs in 02 (two) occasions: at the register of the property and at the purchase. Furthermore, deforestation can be confirmed by PRODES, as detailed below:

Analysis of the PRODES deforestation polygons: The PRODES deforestation polygons, annually made available by INPE as from 2009, are overlapped on the shapefiles of the perimeters of the suppliers properties already registered in the SMGeo platform.

The PRODES reports are analyzed considering only those that have Julday related to July 22, 2008 or later and Julday related to October 05, 2009 or later for other states. As informed by the Company, the procedure is applied to all properties of the Amazon Biome.

For properties that have PRODES overlapping their perimeters, multitemporal analysis are made based on satellite images made available by INPE, for confirmation of deforestation (clear cut) within the described polygon. In case deforestation is verified, the property is blocked for trade, this register is finalized and the supplier property classified as BLOCKED, and it is made available via SMGeo platform, the mapping evidencing the clear cutting.

Properties that have PRODES polygons overlapped to their perimeters and have LAR issued at a date after the date described in the PRODES polygons, are classified as CLEARED.

Properties that are under PRODES, but that do not present in the multitemporal analysis of satellite images the deforestations indicated by the INPE, are classified as CLEARED, characterizing the polygons as "False Positive" in its geospatial analysis and it is made available via SMGeo platform, the mapping evidencing the non-anthropization of the indicated area.

Describe the purchase blocking system used by the company, how its update is made in accordance with the public lists and GEO list.

(parts of texts obtained from TdR - Audit report model)

The suppliers blocking is made through the system of locks and is automated. The system is responsible for the blocking of the CPF/CNPJ register of irregular suppliers and for the creation of exception for purchase from properties not included in the embargo lists of IBAMA and blocked by Niceplanet and that will be mentioned in the GEO list, a spreadsheet generated from data of the geo-monitoring system of the properties of the Amazon Biome, containing the results of the certificates of monitoring made in 2020, but belonging to blocked suppliers. This creation of exception is manually made and can be accepted or not, in accordance with the analysis made by the Corporate Sustainability area of Minerva.

We highlight that for the blockings made because the owner is included in the list of the Labor Secretariat for using manpower similar to slave work, there isn't creation of exception because the CPF/CNPJ register of the supplier is blocked, as well as all the properties it owns, not being possible to purchase cattle from any of the farms it has.

The access to the system for creation of exceptions is limited only to employees of the Corporate Sustainability department of Minerva. The information is entered directly by the team, being daily for IBAMA one and for the Labor Secretariat at each new update.

Regarding other information on blocking related to deforestation, overlapping on indigenous land and protected areas, preservation units, rural violence or illegal occupation, when received from the company hired to perform the geo-monitoring, the disqualification is automatically made via Minerva system. For cases informed by MPF, the disqualification is manually made in the "blacklist".



When a property is cleared in the system through creation of exception made by an employee of the Corporate Sustainability area, this unblocking usually lasts 03 (three) days until the slaughter day. We highlight that the certifications, even with exception created, are made at every purchase of raw material. In some cases, the clearance of the property exceeds 03 (three) days because some properties are far from the slaughter unit, and so the trip may take longer. Anyway, the clearance does not exceed 15 (fifteen) days.

#### V) Procedures

Describe the strategy (trilha) and the audit procedures adopted to evidence the compliance with the Minimum Criteria, informing what documents were made available in accordance with what the Reference Term establishes for each one of the phases of the audit process.

(parts of text obtained from the TdR - Audit report model)

The adopted procedures consisted of analysis on the documents and information related to purchases of bovines made by Minerva within the Amazon Biome area in the established period from 01/01/2020 to 12/31/2020, in accordance with the Standard NBC TSC 4400 - Previously agreed procedures on financial information, approved by Resolution CFC nº 1.277/10.

The work was performed based on the Reference Term (TdR) previously agreed between the companies signatories of the agreement and the ONG Greenpeace, and on documents presented by Minerva to evidence the compliance with the "MINIMUM CRITERIA FOR CATTLE AND BOVINE PRODUCTS OPERATIONS IN INDUSTRIAL SCALE AT THE AMAZON BIOME". The main procedures applied in the work include:

- Documental inspection
- Inquiries carried out with the collaborators that operate the system in person and through interviews; and
- Simulations of operations with the existing tools.

In order to evidence the compliance with the Minimum Criteria, in accordance with the Reference Term established for each phase of the process, the procedures mentioned below were applied. In other items of this report, it will be presented in detail the procedures for each step of the work and the results obtained in the checking process.

Firstly, it was requested from Minerva the following documents necessary to perform the steps of the work and related analysis:

- Records of purchases and receipts of animals in the audited period;
- List of direct suppliers related to the audited period;
- Internal list of blocked suppliers obtained from analysis of satellite images and system of geographical information, containing name of the owner, identification document, name of the property and the reason for blocking provided by Niceplanet Geotecnologia;
- Proof that the company is signatory of the National Pact for Eradication of Slave Work, as verified in the website of InPACTO on October 27, 2021;
- Invoices, purchase orders and GTAs of 25 (twenty five) purchases, randomly selected from a sample of 10% of all purchases of the Amazon Biome;
- Documents CAR or LAR of 25 (twenty five) purchases randomly selected from a sample of 10% of all purchases of the Amazon Biome made in 2020; and
- Documents CCIR of 25 (twenty five) purchases randomly selected from a sample of 10% of all purchases of the Amazon Biome made in 2020.



In addition to the above-mentioned documents, it was requested and received from the geo-monitoring company Niceplanet Geotecnologia:

- Proof of registration and of register situation at the Federal Revenue;
- Contract of Formation of Limited Company;
- Technical Liability Notation (ART);
- Résumé of the professionals; and
- PDF file containing operational procedures.

In addition, for crosschecking of the public lists of the embargoed areas (IBAMA) and of slave work (Labor Secretariat) with the sampling of 10% of the purchases from suppliers of the Amazon Biome in 2020, it was downloaded the list of the IBAMA website, on October 05, 2021 and of the Labor Secretariat, containing the register of employers sentenced due to exploitation of workers, updated until this date.

With the receipt of the listed documents and based on interviews carried out with the main professionals in charge of the areas Corporate Sustainability and Information Technology and Tracking of Minerva, besides interviews with the Niceplanet Geotecnologia team, which performs the geo-monitoring, to carry out the work, the following steps were followed:

- It was generated a sampling of 10% of the total cattle purchases made in the Amazon Biome, from 01/01/2020 to 12/31/2020, contemplating all months of the year and proportionally all the unities supplied with raw material from the Amazon Biome;
- The obtained sampling was compared with the lists of IBAMA, list issued by the Labor Secretariat and with the list obtained by the outsourced geo-monitoring company (deforestation, indigenous lands and preservation unities) through information in common among them, which is the CPF/CNPJ register;
- In case of owners, or properties that were included in any of the lists, it was checked the date of inclusion into the list, which has to be after the purchase date. Besides, it was checked the location of the embargoed property municipality, of the supplier property and the respective name, aiming to verify if it is the same;
- For such suppliers or properties that were included in the lists and it was identified any irregularity and/or need of some additional confirmation, besides the requested complementary documentation, it was made the blocking test in the Minerva system, making a simulation of purchase from suppliers verified in previous step. As mentioned earlier, the system provides for the possibility of unblocking when there is blocking through the system of CPF/CNPJ, suppliers in areas embargoed by IBAMA, deforestation (PRODES) and overlapping on indigenous lands and reservation units. However, the unblocking only occurs when the property in question is not the one that generated the blocking. In cases of blocking because of mention in the list of the Labor Secretariat, it is not possible to unblock any of the farms for purchase;
- In accordance with the Reference Term, the sampling used for the blocking test should be equal to 10 (ten) cases for each criteria (IBAMA, list issued by the Labor Secretariat and GEO list), but for the Labor Secretariat 10 (ten) tests could not be made since it was not found any case when crosschecking the lists. Therefore, in relation to the criteria of irregular properties, it was verified 30 (thirty) cases and so 09 (nine) tests were made for IBAMA and 21 (twenty one) cases for the GEO list, randomly selected through statistic software;
- It was made an evaluation on the Minerva's purchase system through interviews with the professionals in charge of geo-monitoring procedures of the outsourced company, understanding the processes made to assure that the purchase is regular and that there aren't purchases from suppliers that have properties with overlapping on indigenous lands, preservation unities or that have made deforesting as of July 2008;

- Also, regarding geo-monitoring procedures made by Niceplanet Geotecnologia, to confirm the reliability and efficacy of the rendered service, a sample was generated with 23 (twenty three) properties for simulation of the monitoring related to 30 (thirty) purchases, containing qualified and unqualified properties for the purchase and it was tested 10 (ten) properties for each one of the criteria for deforesting, 06 (six) properties for overlapping on indigenous lands and 07 (seven) properties for overlapping on preservation units;
- In addition, as a way to complement the analysis related to information on land and environmental regularization, a random sample was generated with 25 (twenty five) purchases by units, in which Invoices, GTAs and Purchase Orders were analyzed by the BDO team, considering the same purchases selected for analysis of CCIR;
- For the CAR or LAR document, it was randomly selected through the statistic software, 25 (twenty five) purchases of the sample to present the documentation in the Minerva system; and
- Also, aiming to verify the legality of the property deeds, it was randomly selected, through the statistic software 25 (twenty five) purchases for verification of the document CCIR of the INCRA website and/or documents such as register of the real estate, considering that the function is to confirm if there is inexistence of agrarian conflicts or invasion of indigenous lands.

Phase 1 - Sampling process, test on the cattle purchase system and test on the blocking system for non-compliant suppliers.

#### Step 1 - Sampling selection

Describe briefly the procedures applied for obtaining information on the cattle purchases made in the Amazon Biome by the companies, in the audited period, and the criteria adopted for selection of the sampling.

The sample calculation will not be published and can be disclosed to the Greenpeace, since a confidentiality clause on the information is agreed.

(parts of text obtained from the TdR - Audit report model)

Minerva extracted from its ERP system, the database of bovine purchases in the Amazon Biome, made from 01/01/2020 to 12/31/2020. The extraction of this base was followed up by a BDO IT area professional and occurred on October 04, 2021 as a way to assure the integrity of the information in the mentioned base.

From the total of purchases made from properties located in the Amazon Biome, a sampling of 10% was generated, as agreement between the companies and Greenpeace, which resulted in a total of 1.176 (one thousand, one hundred and seventy six) cattle purchase operations.

The sample selection was made by using statistic software, contemplating each one of the 12 (twelve) months of the sampling period and considering a sample of 10% by slaughterhouse unit, thus assuring the real proportion of the representativeness of purchases by the different units of the company (see table 1 of the Appendix at the end of this report).

#### Step 2 - Test on the cattle purchases system

Describe briefly how the public lists (Ibama and MTE) and Geo list were compared to the sample of cattle purchases, identifying mismatches and matches.

In case it is verified the cattle purchase from properties included in any of the lists, present a percentage evaluation of the volume of irregular purchases in relation to the sample and how it was checked in eventual purchase of cattle from irregular suppliers.

The sample calculation will not be published and can be disclosed to the Greenpeace, since a confidentiality clause on the information is agreed.

(parts of text obtained from the TdR - Audit report model)

To perform this step of the work, for the cattle purchase test, the BDO team downloaded on October 05, 2021, the official IBAMA lists of the areas embargoed - "IBAMA list" and list issued by the Labor Secretariat related to suppliers accused to use manpower in conditions similar to slave work.

Later, on October 06, 2021, Minerva sent the "GEO list" of Niceplanet Geotecnologia, in other words, list of properties with suppliers qualified, unqualified and under attention, contemplating the twelve months of 2020 for any of the following criteria: deforestation (PRODES), overlapping on indigenous lands or environmental preservation units.

In order to carry out the analyses, the "IBAMA List" was compared to the sampling of 10% of the cattle purchases from the Amazon Biome through the identifier field in common between the spreadsheets, the CPF/CNPJ register of the suppliers. In this comparison, it was identified 31 (thirty one) suppliers, totaling 51 (fifty one) purchases (4,34% of total purchases of the sample), as follows:

- In 42 (forty two) of these cases, it was verified that they refer to different municipalities and farms; and
- In 08 (eight) cases justifications were requested from Minerva to prove that they were not related to the same farm. As per support documentation presented by Minerva on October 15, 2021, it was verified that purchases were not made from farms in irregular situation, through socio-environmental analysis issued by the Monitoring System of the Amazon Biome, provided by the geo-monitoring company, digital map showing the limits of the polygon of the farm that supplies to Minerva and geographic coordinates of the farms, demonstrating the distance from one farm to another.

Regarding the list from the Labor Secretariat, the same procedure for comparison of the purchases sample of Minerva with the list of suppliers accused of keeping manpower similar to slave work was made. As a result, it was verified that no owner was included in that list.

Regarding the GEO list received by BDO team on October 06, 2021, which contains all properties monitored by the outsourced company that were blocked due to deforestation (PRODES), IBAMA polygons, IBAMA list, list of illegal deforestation of Pará (LDI), SEMAS consult, overlapping on indigenous lands and on preservation units in the period from 01/01/2020 to 31/12/2020, the comparison was made using the CPF/CNPJ of the suppliers as identifier field in common. It was identified 56 (fifty six) purchases, related to 27 (twenty seven) CPFs/CNPJs registers where purchases were made after the date of inclusion in the "blocked" list. For the identified cases, BDO team requested justifications from Minerva and as reply:

- In 3 (three) cases related to the same property, Minerva provided the "Licença Ambiental Única" (LAU) issued by SEMA/MT as justification for the purchase, issued in 2015 and valid until 2025 proving the environmental regularity. However, during the analyses it was found that for the CPF/CNPJ of Minerva commercialization, there was a polygon PRODES 2017 of 8,7 hectares after the issuance date of the document. On December 10, BDO team requested new complementary documentation and as reply the Company provided maps of the polygon PRODES 2017 on satellite images that prove that the area of the polygon was anthropized before July 2008. Therefore, it was considered as purchase "in conformity".

### Step 3 - Test on the system for blocking of non-conformity suppliers

Describe briefly how the monitoring system of cattle purchases made in the Amazon Biome was evaluated, how the purchase blocking is made (automatic or manually, mechanism for unblocking, if applicable) for suppliers in non-conformity and how it was checked in eventual occurrence of failure in blocking cattle purchases from irregular suppliers.

In case unblocking of the supplier is authorized, describe what are the criteria established for the unblocking.

The sample calculation will not be published and can be disclosed to the Greenpeace, since a confidentiality clause on the information is agreed.

(parts of text obtained from the TdR - Audit report model)

With the objective of evaluating the effectiveness of the Company's blocking system, the TdR indicates that from the total of irregular suppliers obtained in the crosschecking of the purchases sample in comparison with the lists (IBAMA, MTE and GEO), blocking tests have to be made on the Company's computerized system.

In this procedure, there is the indication that 10 (ten) properties for each criteria (IBAMA, MTE and GEO) have to be selected, totaling 30 (thirty) cases to be tested.

The test was made on October 26, 2021 with the attendance of 02 (two) collaborators of the Corporate Sustainability team with 02 (two) cattle purchasers and the BDO team. For the criteria related to the "IBAMA List", 09 (nine) cases were blocked for purchase in the Minerva system and so, when trying to continue the purchase, the system presented an automatic blocking message, preventing that the order was registered and the purchase made (see table 3 of the Appendix at the end of this report). Regarding the Labor Secretariat List the test was not made since, as mentioned above, no owner present in the list was verified.

Finally, in the tests of purchases from properties included in "GEO List", the result for the 21 (twenty one) selected cases were:

- In 10 (ten) cases, when trying to purchase, the system informed that the property was in the "blacklist", making not possible the continuation of the purchase process;
- In 03 (three) cases, when trying to purchase, the system informed that the farm was inactive and was included in the "blacklist", making not possible the continuation of the purchase process;
- In 01 (one) case, when trying to purchase, the system informed that the property is in the "blacklist", making not possible to continue the purchase process. However, the name of the cattle breeder was divergent from the purchase database of Minerva. As justification, the Company shared a lease contract, where it was possible to prove the register information;
- In 03 (three) cases, when trying to purchase, the cattle breeder was cleared in the Minerva system. The Company informed that at the time of the monitoring, the CPF/CNPJ was blocked, but is currently cleared for purchases because it is 100% in conformity with the criteria of the Company. Therefore, after the regularization the removal from the blacklist was made and so this case is cleared in the Minerva system. As justification, it was sent an updated "Result of socio-environmental analysis, made by Niceplanet in the SMGeo system, where it mentions that the CPF/CNPJ is cleared for purchases; and

- In 04 (four) cases, when trying to purchase, the system informed that the cattle breeder didn't have the itinerary through which the cattle purchased from the cattle breeder are taken. Therefore, as informed by Minerva, it is not possible to calculate the freight and without these data it is not possible to continue the purchase. As justification, the Company sent an updated "Socio-environmental analysis result", made by Niceplanet in the SMGeo system, in reply to the clearance of the cattle breeder in its system and informed that the registers where the description "without trajectory" is included, is not possible to finalize a purchase. This was evidenced during the simulation, where the test was made and the system showed an "error" message, saying that the cattle breeder is without trajectory, besides informing us that the cases without trajectory also go through validation in the Blacklist, where, if after socio-environmental analysis any liability for the property is detected, it will be blocked in the Company's system.

## Phase 2 - Outsourced geo-monitoring company (Niceplanet Geotecnologia)

### Step 1 - Verification of the procedures

Describe briefly how it was made the evaluation of the outsourced geo-monitoring company procedures, which feed the purchases system of the slaughterhouses and what documents were verified in order to assure the integrity of the contracted company processes.

(parts of text obtained from the TdR - Audit report model)

To carry out this phase of the work, the TdR request the independent audit company to verify the procedures adopted by the outsourced geo-monitoring company in order to verify the integrity and transparency of the process for preparation and update of the geographic information that feed the systems of suppliers register and blockings. In this phase, it is necessary to be evaluated the geo-monitoring criteria of the Company, with the purpose of obtaining a better understanding of the performed procedures.

For further details and understanding of the process, BDO team attended a meeting at the corporative office of the Company, located in Barretos on October 27, 2020, together with 02 (two) collaborators of the Corporate Sustainability team of Minerva, where it was addressed the methodology adopted and previously agreed between Niceplanet Geotecnologia and Minerva, as well as explanation on the criteria adopted in the geo-monitoring analysis used for each level of geographic accuracy, completed phases, processes and accepted documentations.

In view of this, as mentioned in the Reference Term, BDO team requested from the geo-monitoring company the documentation related to corporate purpose, CNAE, technical responsibility before CREA and forwarded the information.

### Step 2 - Simulation of monitoring

Describe briefly the methodology for sample selection and the procedures applied for simulations of monitoring for each criterion, how the simulation of the cases was made and the obtained results.

(parts of text obtained from the TdR - Audit report model)

For this step of the work, one of the Niceplanet Geotecnologia collaborators made a presentation to BDO team at Minerva central Office in Barretos - SP on October 27, 2021.

For this purpose, the monitoring procedures were explained, besides simulations of cases of unqualified and qualified suppliers, randomly selected, via statistic software used by BDO, team.

After the explanation, already detailed in previous phase, it was made a simulation of geo-monitoring. TdR requests that 10 (ten) cases are simulated for each monitoring criterion (deforestation, overlapping on preservation units and overlapping on indigenous lands) that the geo-monitoring company makes for Minerva. The simulation may be made both to blocked suppliers and cleared suppliers, totaling 30 (thirty) tested purchases.

In order to test the monitoring made by the company Niceplanet Geotecnologia, it was used a sample of 23 (twenty three) properties, from which we selected 10 (ten) properties to verify the monitoring of the deforestation criterion, 07 (seven) properties to test the monitoring of the criterion of overlapping on preservation units and 06 (six) properties to test the monitoring of the criterion of overlapping on indigenous lands.

For formalization and proof of the monitoring simulation of the 23 (twenty three) properties, screen prints of the analyses made were sent. The cases were individually tested and the Niceplanet team demonstrated in loco what analyses were made that led to the classification of each supplier farm. For all tested cases it was verified the conformity of the suppliers farms in relation to their status.

### Phase 3 - Evaluation of documents on land and environmental regularization

Describe briefly the methodology for sample selection and how the documents analysis was made, identifying mismatches and matches.

(parts of text obtained from the TdR - Audit report model)

In order to assure the compliance with the minimum criteria, it was also made analysis on environmental regularization documentation - CAR or LAR (and/or protocols) and analyses on land regularization documents - CCIR. In addition, we have included in our analysis of this phase, the documents related to invoices, GTAs and purchase orders that will be mentioned throughout this step.

Regarding environmental and land documents, we demonstrate below the percentage of suppliers that are included in the sampling of 10% of purchases from the Amazon Biome, which have information on CAR or LAR/LAU and protocols and CCIR in Minerva´s registers. We highlight that the presentation of the LAR is mandatory only in the Pará State and for properties above 3 thousand hectares. For this audit there wasn´t presentation of LAR. Therefore, the percentages of presented documents are:

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

For checking of the environmental and land regularization documents (CAR or LAR and CCIR) these were verified in loco, on October 26 and 27, 2021, at the Minerva Office in Barretos, in accordance with documents included in the Company´s system. In accordance with the TdR, a random sample was selected, in the statistic software, of 25 (twenty five) purchases for each document (CAR or LAR and CCIR) present in the 10% of purchases from suppliers farms located in the Amazon Biome, to reduce the risk of sampling at an acceptable reliability level, as set forth in NBC TA 530, which address the sampling procedures in audit

In relation to CAR, during the comparison of the presented document with the information included in Minerva system, it was verified that:

- In 04 (four) cases, the number of CAR was divergent in relation to the Minerva base. However, it was justified by the Company in loco that a new field was created for inclusion of the CAR and the update is being made according to day-to-day demand;



- In 05 (five) cases, the name of the owner of the CAR was divergent in relation to Minerva base. However, support documentation was presented, proving the connection of the farm with the owners;
- In 06 (six) cases, the name of the property in CAR was divergent in relation to Minerva base. As justification, support documentation was presented that proved the contract amendment and update in the name of the property;
- In 01 (one) case, the name of the property and of the owner were divergent in relation to Minerva base. As justification, the Company presented support documentation proving the connection of the cattle breeders. However, it was not possible to prove the name of the property because the supplier has not declared this in the ownership document, as verified in loco, where it was presented the document provided by the cattle breeder for register.

In relation to CCIR, during the comparison of the document with the information in Minerva system, it was verified that:

- In 05 (five) cases, the CCIR information was divergent in relation to Minerva base. On November 10, BDO team requested complementary documents for analysis. From these:
  - ✓ In 01 (one) case, the Company has sent as justification a document proving the ownership of the property;
  - ✓ Another case in which it was sent proof of ownership through the document of the "Agência de Defesa Sanitária Agrosilvopastoril of the Rondônia State" (IDARON); and
  - ✓ Finally, for 03 (three) cases, Minerva informed it will update the CCIR numbers in its system.

Regarding invoices, GTAs and purchase orders documents, it was not found any type of inconsistency.

#### VI) Results of the audit process

Mention, based on the applied procedures, if it was identified any purchase operation that does not contemplate all the points of the public commitment, indicating the root cause for non-compliance with the Minimum Criteria.

For the criterion "System for tracking of indirect suppliers", describe briefly the procedures applied for verification of the item. In case the Company does not evidence the existence of control on all the production chain (indirect suppliers - farms of cattle raise and reproduction), the criterion has to be considered as in non-conformity.

(parts of text obtained from the TdR - Audit report model)

Based on all procedures, related to the criteria of deforestation after July 2008, overlapping on preservation units or indigenous lands ("GEO List") and of suppliers included in the list issued by the Labor Secretariat, it was not identified purchase operations that are not in conformity with the criteria described in the "Public Livestock Commitment", what reinforces the commitment of the Company in the monitoring of its supply chain free of deforestation, contributing to fight climate changes through mitigation of the greenhouse gas emissions.

Regarding indirect suppliers, it was told by Minerva on October 27, 2021, that up to now there isn't a computerized verification for these cases. We highlight that the monitoring of indirect suppliers requires support and investment from the government with technologies that promote the tracking of bovines since the birth until the slaughter. This is important, mainly in small properties where there are few resources to invest in such technologies.



Furthermore, as informed by the Company, they have the commitment with monitoring of indirect suppliers using the tool Visipec developed by the Gibbs Land-Use Environment Lab in the University of Wisconsin-Medison ("UW") and it is managed by the National Wildlife Federation ("NWF"). Also related to indirect suppliers, we have launched, in partnership with the company Niceplanet Tecnologia, the application SMGeo Prospec for rural producers all around Brazil, providing the possibility of consulting the conformity of their supply chain through socio-environmental analysis in the whole country. For further details access the commitments of Minerva Foods with Sustainability:

<https://www.minervafoods.com/compromisso-com-a-sustentabilidade/>

Another requirement of the "MINIMUM CRITERIA FOR CATTLE AND BOVINE PRODUCTS OPERATIONS IN INDUSTRIAL SCALE AT THE AMAZON BIOME" was the signature of the National Pact for Eradication of Slave Work. The association of Minerva with the InPACTO (Instituto Pacto Nacional pela Erradicação do Trabalho Escravo) could be confirmed on the official website ([Associe-se ao InPACTO - InPACTO](#)), on October 27, 2021, which contains all signatories of the National Pact and through the Term of Association of companies to InPACTO.

In relation to the criterion of rejection to illegal occupation and violence in rural areas, there isn't public information that enables to identify irregular suppliers to make the blocking procedure of suppliers farms in its system. Besides, Minerva informed via e-mail on November 03, 2021 that it has not received any communication or denouncement from the Public Ministry or from Institutes of Federal or State Lands with information about these cases in 2020.

In relation to the Work Plan of Minerva, containing the Minimum Criteria for cattle and bovine products in industrial scale at the Amazon Biome, it is no longer being made because it was a Greenpeace requirement and it is no longer as head of the Agreement.

#### 1. Access to Information

Describe briefly the conditions for access to essential information to evidence the compliance of the Company with the Minimum Criteria. Fulfill Table 1 identifying all analyzed documents, their references (date or code and version).

(parts of text obtained from the TdR - Audit report model)

Minerva has provided documents and information necessary for performance of the work, as requested by BDO team.

It was possible to access the system of purchases, registers and monitoring of Minerva, as well as all requested documents related to purchases of the selected sample.

In addition, the main professionals responsible for the information needed for understanding of the processes and for clarification of doubts were at disposal of the BDO team.

Below is the table containing information necessary for the analyses and its comprehensive period:

Table 1 - Checklist of analyzed documents

Name of document	Period / code and version	Analyzed (Y/N)
Procedures or manual of the System	From 01/01/2020 to 12/31/2020	Y
Registers of purchases / Suppliers list	From 01/01/2020 to 12/31/2020	Y
Monitoring system	From 01/01/2020 to 12/31/2020	Y
Blocking system <sup>2</sup>	From 01/01/2020 to 12/31/2020	Y
Public list of embargoed properties - IBAMA	List downloaded on 10/05/2021 ( <a href="http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php">http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php</a> )	Y
Public List of persons/companies - slave work - MTE (Labor Secretariat)	Download of the list made on 10/05/2021 (cadastro_de_empregadores.pdf (www.gov.br))	Y
List of Blocked Suppliers - Geo	List sent by Minerva on 10/ 06/2021	Y

<sup>2</sup> For the blocking system we have not received a procedures manual and only an explanation in loco was made.

## 2. Non-conformity

The audit company shall clearly present evidence of non-conformity, describing the problem and considering concrete facts, so that the report is a tool for continuous improvement of the corporate purchases system. Details of non-conformity have to be described in the document Annex to the Audit, that Will NOT be published and can be disclosed to Greenpeace, since a confidentiality clause on information is agreed.

(parts of text obtained from the TdR - Audit report model)

Except the criterion "System for indirect suppliers tracking" was not possible to be made by the Company up to now because the monitoring of these indirect suppliers depends on support and investment by the government in technologies that promote the tracking of bovines since birth until the slaughter, besides the previously mentioned commitments.

The Company has public commitments for monitoring indirect suppliers farms for all the countries it operates in South America until 2030 through actions such as:

- Development and Integration of the tool Visipec in the system for geographic monitoring of the Brazilian Amazon until December 2021. This action was concluded in August 2021; and
- Development and implementation of an application for verification of indirect suppliers in partnership with Niceplanet Geotecnologia for Brazil until December 2021 and other countries until 2030 (In the case of Brazil, the Prospec was already developed and launched in partnership with Niceplanet Geotecnologia).

Other irregularities found were justified by Minerva and adjusted in the system, as necessary. Details on these cases were presented throughout this Report.



#### Audit Limitations

If the auditor faces any difficulty or limitation, this has to be informed in the report.

(parts of text obtained from TdR - Audit report model)

The scope of our work was determined to obtain a satisfactory reliability level and includes review of the commitment for adoption of the "Minimum Criteria for Cattle and Bovine Products Operations in Industrial Scale at the Amazon Biome" mentioned in the Reference Term related to the period from 01/01/2020 to 12/31/2020.

Our report is exclusively destined to the above-mentioned purpose and shall not be used for any other purpose or distributed to third parties that have not assumed responsibility on the sufficiency of, or that have not agreed with the mentioned procedures. This report is exclusively related to the items specified in the "minimum criteria for cattle and bovine products in industrial scale at the Amazon Biome" and is not extended to the financial statements of Minerva, as a whole.

Further details will be described in our report of Recommendations on Previously Agreed Procedures, in accordance with the Standard NBC TSC 4400, approved by Resolution CFC nº 1.277/10, which will be sent to Minerva and only Minerva can forward it to the actors it considers necessary.

Considering that the mentioned procedures are not an audit or limited review work conducted in accordance with the standards for audit or review applicable in Brazil, we are not expressing any assurance on the cattle purchases related to the period from 01/01/2020 to 12/31/2020 or on the efficacy of Minerva's internal controls related to such processes.

In case we had applied additional procedures or performed an audit or review of the financial statements in accordance with the audit or review standards applicable in Brazil (NBC TAs or NBC TRs), other matters could have come to our knowledge, which would have been informed.

#### VIII) Conclusions

Conclude on the results presented with identification or not of any evidence that attest against the compliance with the assumed commitments. The conclusion has to include an annual evaluation of direct purchases of cattle according to the commitment.

(parts of text obtained from the TdR - Audit report model)

Based on our work, described in this Report, except for the criterion "System for tracking of indirect suppliers", comprehending the period from 01/01/2020 to 12/31/2020, we have not verified during our analyses inconsistencies that could not be justified by Minerva.

São Paulo, December 29, 2021.



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

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

APPENDIX

Table 1 - Total purchases and base-year sampling

1 - Total purchases and sampling (2020)

Total raw material purchase operations at the Amazon Biome made by Minerva from January 01 to December 31, 2020.	Total raw material purchase operations included in the sampling for performance of the presented analysis.
11.733	1.176

Purchase of raw material from:	Total purchases in non-conformity	% of non-conformity in relation to total purchases of the base-year from the Amazon Biome	% non-conformity in relation to total purchases included in the sampling
Properties in which deforestation was identified after Oct/2009	-	-	-
Properties with overlapping on Indigenous Lands	-	-	-
Properties blocked due to presence in UC	-	-	-
Properties blocked due to presence in the MTE List and Transparency List	-	-	-
Properties blocked due to presence in the IBAMA List	-	-	-

Table 3 - Blocking test results

3 - Blocking test

	Total number of purchase simulation tests on the Company's system	Conformity	Non-conformity
IBAMA	9	9	-
MTE	0	0	-
GEO (PRODES, DETER, TI and UC)	21	21	-