

MINERVA S.A.

Report on third party agreed-upon procedures to meet the "commitment to adopt minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome"

## REPORT ON THIRD PARTY AGREED-UPON PROCEDURES TO MEET THE "COMMITMENT TO ADOPT MINIMUM CRITERIA FOR INDUSTRIAL-SCALE OPERATIONS WITH CATTLE AND BEEF PRODUCTS IN THE AMAZON BIOME"

To  
Corporate Sustainability Management  
Minerva S.A.  
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### Summary

This engagement had the objective of identifying if Minerva S.A. ("Minerva Foods" or "Company") met the criteria assumed in the Public Commitment of Cattle Raisers (CPP), by means of adopting agreed-upon procedures, during the period from January 01, 2022 to December 31, 2022. Based on our engagement, described in this report, except for the criterion "indirect supplier traceability system", we did not verify, in our assessment, any inconsistencies that could not be justified by Minerva Foods.

This summary is not a replacement for the full version of this Report.

### I) Introduction

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

### II) Objective

BDO RCS Auditores Independentes SS Ltda. ("BDO") has been engaged, through Proposal No. 2681/23, to carry out agreed-upon procedures according to NBC TSC 4400 - Agreed-Up Upon Procedures Engagements on Accounting Information, approved by Brazilian Federal Council of Accounting (CFC) Resolution No. 1.277/10. The agreed-upon procedures are highlighted in italics in this report and were adopted with the aim of independently evaluating, through audit procedures, the information and processes of Minerva Foods that allow identifying whether it met the criteria established in the aforementioned public commitment, during the period from January 01, 2022 to December 31, 2022. The procedures agreed by the parties are described by "Third-party Audit Reference Term 2017" (base year 2016) (TdR), in conformity with Greenpeace's last publication.

### III) Period of engagement

The engagement was conducted between August 07 and 31, 2023.

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

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

*(extract from TdR - Audit report model)*

The Company currently has eight (08) active slaughterhouses, one (01) livestock export unit and four (04) confinement units. Of these units, eleven (11) registered under different Corporate Tax ID Numbers (CNPJ) received animals from farms located in the Amazon Biome in 2022, namely:

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

According to the instructions of the TdR, the engagement involved the analysis of 10% of purchases made in 2022 from properties located in the Amazon Biome. This sample, to be detailed later in this Report in item “Step 1 - Selecting the Sample”, included all the months of 2022 and proportionately all eleven (11) units registered under different CNPJs located in or supplied with raw materials from the Amazon Biome.

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

- API: Application Programming Interface;
- CAR: Rural Environmental Registry;
- CCIR: Certificate of Registration of Rural Property;
- CSC: Shared Services Center;
- DETER: Deforestation Detection in Real Time;
- ERP: Enterprise Resource Planning;
- FUNAI: National Foundation for Indigenous People;
- GTA: Animal Transit Guide;
- IBAMA: Brazilian Institute of Environment and Renewable Natural Resources;
- INCRA: National Institute for Settlement and Agrarian Reform;
- INPE: National Institute for Space Research;
- LAR: Rural Environmental License/LAU: Single Environmental License;
- LDI: List of Illegal Deforestation in the State of Pará;
- MPF: Federal Public Prosecution Office;
- MTE: Ministry of Labor and Employment;
- NIA: Niceplanet Artificial Intelligence;
- PRODES: Measurement of Deforestation by Remote Sensing;
- SEMAS: State Department of Environment and Sustainability;
- SICAR NACIONAL: Brazilian System of Rural Environmental Registry;
- SMGeo: Geo-monitoring System.

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

*(extract from TdR - Audit report model)*

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

The initial registration of Minerva Foods’ suppliers is received by Master Data, the Shared Services Center’s registration department, which analyzes the related documentation in detail, and then accepts or rejects registration applications. If the registration is accepted, it will be sent to Minerva Foods’ Corporate Sustainability Team, which carries out all socioenvironmental analysis of the cattle raiser and, therefore may accept or not the analysis carried out by Master Data. If these results are in accordance with the cattle purchase criteria adopted by the Company, registration is validated. If the results are rejected by the Corporate Sustainability team, the registration returns to Master Data with the reason for the refusal, and the center contacts the cattle raiser requesting the supporting documentation so that a new analysis of its information may be made. According to internal procedures, Minerva Foods verifies, upon each acquisition, whether its suppliers meet the following socioenvironmental criteria:

- Embargoed areas: crosscheck against the IBAMA’s list;
- Existence of degrading work or work analogous to slavery: crosscheck against the Slave Labor List issued by the Labor Secretariat in 2022;
- Deforestation: based on analyses made by the geomonitoring company using the PRODES instrument made available by INPE, polygons informed by IBAMA, LDI, SEMAS or receipt of official letter from the Federal Public Prosecution Office;
- Invasion of indigenous lands: based on analyses made by the geomonitoring company, responses to official letters sent to FUNAI, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office;
- Land grabbing and violence in the countryside: responses to official letters sent to INCRA and ICMBio, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office; and
- Protected areas: based on analyses made by the geomonitoring company, responses to official letters sent to ICMBio, which are not currently considered due to the lack of response, or receipt of official letter from the Federal Public Prosecution Office.

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

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

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

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

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

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

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

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

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

During an on-site presentation on August 16 and 17, 2023, Minerva Foods informed BDO's Sustainability team that all communication between the parties (Minerva Foods and Niceplanet Geotecnologia) takes place via the SMGeo platform. The Company includes the crosscheck requests in the initial registration along with the necessary documents for carrying out the analyses. The requests are received by Niceplanet Geotecnologia by means of electronic notification via the API integrating the systems. The documents provided by the supplier attached to the SMGeo platform along with the corresponding registration data, if applicable, are presented as follows:

- Lease/loan for use/partnership/service rendering contracts, if the supplier is not the owner of the property under analysis;
- Property registrations;
- Property titles;
- Deeds;
- Certification of georeferencing from INCRA;
- Illegal Deforestation Clearance Certificate from SEMAS-PA - LDI; and
- CAR.

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

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

- Authorized property: classification attributed to all properties that meet the following criteria:
  - ✓ The supplier's CPF/CNPJ is not included in the list of employers accused of keeping workers in conditions analogous to slavery, made available by the Labor Secretariat, or in other valid lists;
  - ✓ The supplier's CPF/CNPJ is not included in public lists of environmental violations and embargoes by IBAMA and SEMAS or, if it is included in one of the lists, the embargo refers to a property other than the one under analysis; and
  - ✓ The perimeter of the related property, already validated by cartographic criteria, does not overlap with indigenous land, conservation units, *quilombos* (Brazilian hinterland settlements founded by people of African origin), deforestation polygons (PRODES), polygons of areas embargoed by IBAMA and SEMAS or other properties with active CAR with SICAR Nacional.
- Property on alert: this classification is assigned to all properties for which more than a 10% overlap with another CAR is identified;
- Unauthorized property: classification attributed to all properties that meet the following criteria:
  - ✓ The supplier's CPF/CNPJ is included in the list of employers accused of keeping workers in conditions analogous to slavery, made available by the Labor Secretariat, or in other valid lists;
  - ✓ The supplier's CPF/CNPJ is included in public lists of environmental violations and embargoes by IBAMA and SEMAS, and even if it is identified that the embargo refers to a different property, the distance in a straight line from said property is below the minimum limit established;
  - ✓ Properties whose perimeters overlap with Indigenous Land (TI) will be unauthorized, as follows:
    - Area < 100 ha: overlap with Indigenous Land > 10% of total area;
    - Area of 100 to 500 ha: overlap with Indigenous Land > 8% of total area;
    - Area of 500 to 1,000 ha: overlap with Indigenous Land > 6% of total area;
    - Area of 1,000 to 3,000 ha: overlap with Indigenous Land > 4% of total area;
    - Area > 3,000 ha: overlap with Indigenous Land > 2% of total area.
  - ✓ The perimeter of the related property, already validated by cartographic criteria, overlaps with deforestation polygons (PRODES), with confirmation of total clearance based on the multi-temporal analysis of satellite images; and
  - ✓ The perimeter of the related property, already validated by cartographic criteria, overlaps with IBAMA's embargoed deforestation polygons.

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

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

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

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

Properties with PRODES polygons overlapping their perimeters and with LAR issued after the date described in PRODES polygons are classified as "authorized".

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

*"Describe the cattle purchase blocking system used by the company, how it is updated in accordance with the public lists and the GEO list."*

*(extract from TdR - Audit report model)*

Suppliers are blocked via an automated system. The system is responsible for blocking the CPF/CNPJ of irregular suppliers and the Corporate Sustainability team is responsible for creating an exception to purchases from properties not included in IBAMA's embargo lists, unauthorized by Niceplanet Geotecnologia, and sent to Minerva Foods via API. These suppliers will appear on the GEO list, a spreadsheet generated from data retrieved from the geomonitoring system of properties located in the Amazon Biome belonging to blocked suppliers, containing the results of monitoring carried out in 2022. Such exception is created manually and may be accepted or rejected, depending on the analysis made by Minerva Foods' Corporate Sustainability team.

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

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

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

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

## V) Procedures

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

*(extract from TdR - Audit report model)*

The procedures adopted consisted in the analysis of documents and information referring to purchases of cattle by Minerva Foods within the Amazon Biome areas during the period from January 01 to December 31, 2022, in accordance with NBC TSC Standard 4400 - Agreed-Upon Procedures Engagement on Accounting Information, approved by CFC Resolution No. 1.277/10.

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

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

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

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

- Records of cattle purchases and deliveries made in the audited period;
- List of direct suppliers for the period under analysis;
- List of blocked suppliers generated from the analysis of satellite images and the geographical information system, containing the supplier’s name and identification document, the property’s name, and the reason why the supplier was blocked, provided by Niceplanet Geotecnologia;
- Invoices, purchase orders and GTAs referring to twenty-five (25) cattle purchases, randomly selected from the sample of 10% of all purchases made in the Amazon Biome;
- CAR or LAR documents of twenty-five (25) cattle purchases randomly selected from the sample of 10% of all purchases made in the Amazon Biome in the audited period of 2022; and
- CCIR of twenty-five (25) cattle purchases randomly selected from the sample of 10% of all purchases made in the Amazon Biome in the audited period of 2022.

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

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

Additionally, the Company crosschecked the public lists of embargoed areas (IBAMA) and slave labor (Labor Secretariat) against the 10% sample of purchases made in the Amazon Biome in 2022. IBAMA’s list and the latest update to the Labor Secretariat’s list of slave labor were downloaded from IBAMA’s website on August 08, 2023.



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

- A sample of 10% of total cattle purchases made in the Amazon Biome was selected, from January 01 to December 31, 2022, including every month of the year and proportionally all the processing units supplied with raw materials from the Amazon Biome;
- The sample was crosschecked against IBAMA's list, the Labor Secretariat's List of Slave Labor, and the list obtained by the geomonitoring company (deforestation, indigenous land, and conservation units), considering their common piece of data, i.e., CPF/CNPJ;
- When suppliers or properties were found in any of the lists, it was verified whether they were included after the date of purchase. Additionally, the name and location of the embargoed property were verified as to whether they are the same as the name and location of the property belonging to the supplier;
- For suppliers or properties included in those lists for which any irregularity and/or need for additional confirmation was identified, additional documentation was requested, and a purchase simulation was carried out in Minerva Foods' system to test blocked suppliers identified in the previous step. As previously mentioned, the system allows unblocking when the CPF/CNPJ of suppliers who own properties embargoed by IBAMA or whose perimeters overlap with indigenous areas, conservation units and PRODES deforestation polygons is automatically blocked. However, this only occurs when the property in question is not the one that was automatically blocked, and it may only be unblocked by members of Minerva Foods' Corporate Sustainability team. In case the supplier was blocked due to being included in the Labor Secretariat's List of Slave Labor, it is not possible to authorize any of the properties for purchase;
- According to the reference term, the sample used for the non-compliant supplier identification test should be equal to ten (10) cases for each criterion (IBAMA's list, the Labor Secretariat's List of Slave Labor and the GEO list); however, it was not possible to conduct the ten (10) tests for the Labor Secretariat's list since the crosscheck resulted in the identification of no cases. In relation to criterion of irregular properties, seventeen (17) cases were verified, with five (05) cases tested for IBAMA and 12 (twelve) cases tested for the GEO list;
- Minerva Foods' purchase system was evaluated by means of in-person interviews with those in charge of the third-party company's geomonitoring procedures in order to understand processes established to guarantee that no purchase is made from suppliers who own properties whose perimeters overlap with indigenous land and conservation units, or responsible for deforestation after July 2008;
- Additionally, regarding geomonitoring procedures adopted by Niceplanet Geotecnologia, we verified the reliability and efficacy of the service provided by drawing a sample of twenty-eight (28) purchases from twenty-eight (28) different properties, both authorized and unauthorized, and by running a geomonitoring simulation. The sample included both "authorized" and "unauthorized" properties, of which ten (10) were selected for deforestation, eight (08) for overlap with indigenous land, and ten (10) for overlap with conservation units;
- Furthermore, to complement the assessment of the regularization of property title and environmental information, a random sample consisting of twenty-five (25) purchases per unit was selected, whose related invoices, GTAs and purchase orders were analyzed by BDO's team, considering the same purchases selected for the CCIR analysis;
- For the CAR or LAR document, twenty-five (25) purchases were randomly selected from the sample using statistical software to present the documentation in Minerva Foods' system; and
- Moreover, to confirm the legality of property title documents, twenty-five (25) properties were randomly selected using statistical software, to verify the CCIR document on INCRA's website and/or documents such as property registration with the aim of confirming the absence of agrarian conflicts or invasion of indigenous land.

Stage 1 - Sampling process, test of cattle purchase system and test of non-compliant supplier identification system

Step 1 - Selection of samples

*"Give a brief description of the procedures used for selecting information on cattle purchases by the companies in the Amazon Biome region during the audited period, and the criteria adopted for sampling. The sample calculation will not be published and may be disclosed to Greenpeace, as long as information confidentiality is agreed in contract."*

*(extract from TdR -Audit report model)*

Minerva extracted from its ERP system the database of cattle purchases made in the Amazon Biome between January 01 and December 31, 2022. A member of BDO's IT staff was present to ensure the integrity of the information extracted from that database, which occurred on August 07, 2023.

A random 10% sample was selected from the total purchases made from properties located in the Amazon Biome, pursuant to the agreement between the companies and Greenpeace, resulting in a total of one thousand four hundred twenty-nine (1,429) cattle purchase transactions.

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

Step 2 - Test of cattle purchases system

*"Give a brief description of how the public listings (IBAMA and MTE) and the Geo list were compared with the samples of cattle purchases, indicating where they coincided and where they did not."*

*"If cattle purchase from a property appearing on any of the lists is identified, give an estimate of the volume of irregular purchases as a percentage of the total sample, and how verification was done of any cattle purchases from irregular suppliers".*

*"The sample calculation will not be published and may be disclosed to Greenpeace, as long as information confidentiality is agreed in contract."*

*(extract from TdR - Audit report model)*

To carry out the cattle purchase test, on August 08, 2023, BDO downloaded IBAMA's official list of embargoed areas, and the List of Slave Labor issued by the Labor Secretariat, referring to suppliers accused of keeping workers in conditions analogous to slavery.

Subsequently, on August 09, 2023, Minerva Foods sent the GEO list provided by Niceplanet Geotecnologia, referring to the suppliers classified as authorized, unauthorized and requiring attention for the twelve months of 2022, in order to verify compliance with the following criteria: deforestation (PRODES) and overlap with Indigenous Land and Environmental Conservation Units.

To analyze IBAMA's List, we crosschecked it against the 10% sample of cattle purchases made in the Amazon Biome, considering their common piece of data, i.e., the suppliers' CPF/CNPJ. As a result, twenty-one (21) suppliers were identified, totaling seventy-one (71) purchases, of which:

- In fifty-seven (57) cases, it was found that the purchases referred to different municipalities and farms;

- In three (03) cases, the farmer's name, CPF/CNPJ and municipality were the same, although the date of purchase was previous to the date of inclusion in the IBAMA's environmental embargo list; and
- In ten (10) cases, justifications were requested from Minerva Foods to prove that they did not refer to the same property. According to supporting documentation presented by Minerva Foods on August 14, 2023, for nine (09) cases, cartographic maps and geographic coordinates of the farms and distance between the supplier farms and the embargoed locations were sent, proving that the embargo is out of the property limits where the purchase was made. In one (01) case, an embargo issued by IBAMA, dated October 19, 2022, due to storage of diesel fuel without a license from the competent environmental authority, was sent to the Company. Said information, according to the Company, does not prevent the commercialization of cattle on the property.

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

The GEO list received by BDO on August 09, 2023, includes all properties monitored by the third-party company blocked due to deforestation (PRODES), overlap with IBAMA's deforestation polygons, inclusion in IBAMA's list, inclusion in the list of illegal deforestation in the state of Pará (LDI), inclusion in the list of areas embargoed by SEMAS, and overlap with indigenous land or conservation units in the period from January 01 to December 31, 2022, considering their common piece of data, i.e., the suppliers' CPF/CNPJ. Of twelve (12) CPFs/CNPJs, twelve (12) purchases were made after the date on which they became "unauthorized". Regarding the cases found, BDO requested justifications from Minerva Foods, and in response:

Minerva Foods explained that, on August 18, 2023, these twelve (12) cases were blocked due to pending issues found in CAR and they were later unblocked after presenting a valid CAR. Moreover, analysis reports prepared at the time of purchase were presented with the authorization date of each of the properties. Currently, of the twelve (12) cases, five (05) are blocked, six (06) are authorized and one (01) has inactive status in the Minerva Foods System as per the details of the following test, carried out on August 17, 2023.

### Step 3 - Test of non-compliant supplier identification system

*"Give a brief description of how the monitoring system for cattle purchases in the Amazon Biome was assessed, how purchase blocking is effected (automatic or manual, unblocking mechanism, if applicable) for irregular suppliers, and what checks were made to identify any failures in blocking purchases of cattle from irregular suppliers. In case an irregular supplier is authorized, describe the established criteria for authorization."*

*(extract from TdR - Audit report model)*

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

In this procedure, it is indicated that ten (10) properties must be selected for each criterion (IBAMA, MTE and GEO), totaling thirty (30) cases to be tested, or if there is not a sufficient number of suppliers blocked in the Company's registration, use the largest sample.

The test was performed on August 17, 2023, with participation of the Corporate Sustainability team together with one (01) cattle purchaser from each unit and the audit team. For the criterion related to IBAMA's list, the ten (10) cases were classified as unauthorized for purchase in Minerva Foods' system, preventing purchase orders from being completed and the purchase from being made (see Table 3 of the Appendix at the end of this report). Regarding the Labor Secretariat's List of Slave Labor, the test was not carried out, because as stated above, no supplier was found on that list. Finally, for the criterion related to the GEO list, the results obtained for the 12 (twelve) cases selected were as follows:

- In five (05) cases, when making the purchase attempt, the system informed us that the property is included in the blacklist, making it impossible to complete the purchase process;
- In one (01) case, when making the purchase attempt, the system informed us that the property is inactive and included in the blacklist, making it impossible to complete the purchase process; and
- In six (06) cases, when making the purchase attempt, system informed us that the properties were authorized for purchase. When questioning the Company, we were informed that the blocking was due to pending issue in the CAR document and that after they received a valid file sent by the farmers, the properties were authorized in the system for purchases. In order to prove the properties' qualification, environmental analysis reports issued on the date of purchase were shared on August 18, 2023, proving that the farms were compliant, and purchases were regular.

## Stage 2 - Third-party geomonitring company (Niceplanet Geotecnologia)

### Step 1 - Assessment of procedures

*"Describe briefly how the third-party geomonitring company's procedures for inputs into the slaughterhouses' purchase systems were assessed, and what documents were examined to ensure the integrity of the third-party company's processes."*

*(extract from TdR - Audit report model)*

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

For better detailing and understanding of the process, BDO's Sustainability team participated in a meeting held in the Company's corporate office, located in Barretos, on August 17, 2023, along with one (01) member of Minerva Foods' Corporate Sustainability team, to discuss the methodology employed and previously agreed to, pursuant to the agreement between the Company and Niceplanet Geotecnologia, and to explain the criteria adopted in the geomonitring analyses for each level of geographical accuracy, steps taken, processes and documentation accepted.

In view of that, as established in TdR, BDO's Sustainability team requested that the geomonitring company provide documentation referring to its corporate purpose, the classification of its activities according to the Brazilian Classification of Economic Activities (CNAE), and the Technical Responsibility certificate filed with the Regional Council of Engineering, Architecture and Agronomy (CREA). The information was sent on the same day, July 17, 2023.

## Step 2 - Monitoring simulation

*"Describe briefly the methods used to select samples and the procedures followed for simulating monitoring for each criterion, how cases were simulated, and the results obtained."*

*(extract from TdR -Audit report model)*

To perform this step of the engagement, one of the employees of Niceplanet Geotecnologia gave a presentation to BDO's audit team at Minerva Foods' head office in Barretos - SP, on August 17, 2023.

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

After the explanation, already detailed in the previous step, the geomonitoring simulation was carried out. TdR requires that ten (10) cases be simulated for each of the monitoring criteria (deforestation and overlap with conservation units and indigenous land) tested by the geomonitoring company hired by Minerva Foods. The simulation should be carried out for both unauthorized and authorized suppliers, totaling 30 properties tested. However, after disclosure of the geomonitoring list by Minerva Foods, a minimum sample of twenty-eight (28) purchases was considered, since it was not possible to select thirty (30) cases as requested in TdR, as there were not enough cases to be tested for the overlap with indigenous land criterion.

Therefore, to test monitoring procedures adopted by Niceplanet Geotecnologia, a sample of twenty-eight (28) properties was considered, of which ten (10) were selected to test the monitoring of the deforestation criterion, ten (10) were selected to test the monitoring of the overlap with conservation unit's criterion, and 08 (eight) were selected to test the overlap with indigenous land criterion.

To formalize and support the simulation of monitoring of the twenty-eight (28) properties, screenshots of the analysis were sent as evidence. The cases were individually tested and, in an in-person meeting, Niceplanet Geotecnologia's team presented which analysis resulted in the classification of each supplier. For all tested cases, in twenty-seven (27) cases, the conformity of the supplier's status was verified. Although, in one (01) case of unauthorized supplier overlapping with indigenous land, the property is currently authorized and, in order to prove its status at the time of purchase, the result of the socioenvironmental analysis was sent with the unauthorized status, with Niceplanet Geotecnologia reporting the logic behind the release under the new rules currently applied.

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

*"Describe briefly the methodology for selection of the sample, and how the documents were analyzed, indicating discrepancies and agreements."*

*(extract from TdR - Audit report model)*

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

In relation to the property title and environmental compliance documents, we present below the percentage of suppliers within the sample of 10% of purchases made in the Amazon Biome whose registration data in Minerva Foods' system includes CAR, LAR/LAU, protocols and CCIR. The presentation of LAR is mandatory only in the state of Pará, and for properties larger than 3 thousand hectares. For this verification, there was no presentation of LAR. Thus, the percentages of documents submitted are:

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

To verify documentation related to environmental and property title compliance (CAR or LAR and CCIR), the documents included in the Company's system were verified at Minerva Foods' office in Barretos on August 16, 2023. In compliance with TdR, twenty-five (25) purchases were randomly selected for each documentation (CAR or LAR and CCIR) from the 10% sample of purchases from properties located in the Amazon Biome, using statistical software.

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

- In fifteen (15) cases, the Registration Receipt was presented in CAR and the information was in accordance to purchase base;
- In one (01) case, the Company presented a CAR statement, however, the file did not contain the supplier's CPF information. As supporting documentation, a lease contract was presented, providing a link to the purchase base;
- In two (02) cases, the name of the property of the CAR's holder differed from the information identified in Minerva Foods' system. As justification, the CCIR supporting documentation was provided to provide a link between the parties in relation to suppliers included in the purchase base of Minerva Foods, contract amendment, and property name update;
- In one (01) case, the property was owned by Minerva Foods. Thus, the document on Information System for Rural Environmental Registry Management (SIGCAR) was presented, which confirms that Minerva Foods is the owner. However, the information was different from that presented in the purchase base. Accordingly, the rural property code in CCIR provided a link;
- In four (04) cases, the CAR Registration Receipt was presented containing the suppliers' names which were different from those in purchase base. In order to validate the information, one (01) lease agreement, two (02) purchase and sale agreements and one (01) registration of the property were presented, proving the link between the parties;
- In one (01) case, the supplier's name was different from the one in purchase base. However, the Company presented a marriage certificate as supporting documentation, proving the link; and
- In one (01) case, the Company presented a query to the Brazilian Integrated Information System on Interstate Operations with Goods and Services (SINTEGRA), making it possible to verify all the information in relation to the purchase base.

In relation to the CCIR, crosschecking the document with information from the Minerva Foods system CCIR, documentation and property registrations were presented and no discrepancies were found in relation to the selected purchase base.

In conclusion, for documentation referring to invoices, GTAs and purchase orders, no inconsistencies were found.

#### VI) Results of the audit process

*"On the basis of the procedures applied, state whether any purchase transaction that does not meet all the points of the public undertaking was identified, indicating the root cause of non-compliance with the Minimum Criteria.*

*Briefly describe how compliance with the "Traceability system for indirect suppliers" criterion was verified. If the company does not show that there is control of the entire production chain (indirect suppliers - cattle raising and breeding), the criterion should be marked as non-compliant."*

*(extract from TdR -Audit report model)*

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

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

As mentioned by the Company, in April 2021, an environmental commitment was announced with short, medium and long-term goals. The goal of implementing a monitoring program for indirect suppliers and ensuring full monitoring of its supply chain across South America is to be achieved until 2030. As a result, in 2021, Minerva Foods announced the integration of its internal systems into the complementary traceability tool, Visipec, developed by Gibbs Land-Use Environment Lab at the University of Wisconsin-Madison ("UW") and managed by the National Wildlife Federation ("NWF"), in order to assess risks associated with indirect suppliers. Still regarding this topic, Minerva Foods launched the SMGeo Prospec application for Brazilian rural producers in partnership with Niceplanet Tecnologia, allowing rural producers to check compliance of their supply chain based on nationwide socioenvironmental and geospatial analyses. For more details, access Minerva Foods' Sustainability Commitments at: <https://www.minervafoods.com/compromisso-com-a-sustentabilidade/>.

Another requirement of the "Minimum Criteria for Industrial-Scale Operations with Cattle and Beef Products in the Amazon Biome" includes being part of the National Pact for the Eradication of Slave Labor ("InPACTO"). Minerva Foods' association with InPACTO may be confirmed on the official website (Associe-se ao InPACTO - InPACTO, accessed on August 22, 2023), where all signatories of the National Pact may be found, and by checking the Agreement of Association of Companies with InPACTO.

Regarding the criterion of land grabbing and agrarian violence, there is no public information that allows identifying non-compliant suppliers to block their properties within the Company's system. Additionally, on August 22, 2023, Minerva Foods emailed us stating that it did not receive any notice nor complaint from the Public Prosecution Office or from Federal or State Land Institutes with information on such cases in 2022.

In regard to this audit work plan containing the minimum criteria for industrial-scale operations with cattle and beef products in the Amazon Biome, it is no longer being performed given that it was a requirement of Greenpeace, which is no longer leading the agreement.

#### 1. Access to information

*"Briefly describe the conditions of access to information considered essential to demonstrate the Company's compliance with the minimum criteria. Complete Table 1, identifying all the documents analyzed and giving references (date/code and version)".*

*(extract from TdR -Audit report model)*

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

Accordingly, it was possible to access the Company's purchase, registration and monitoring systems, and to all documents related to the purchase sample selected.

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

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

Table 1 - Checklist of documents analyzed

Document name	Period covered / code and version	Assessed (Y/N)
System procedures or manual	For the period from January,01 to December 31,2022	Y
Record of purchases/list of suppliers	For the period from January,01 to December 31, 2022	Y
Monitoring system	For the period from January,01 to December 31, 2022	Y
Non-compliant supplier identification system <sup>2</sup>	For the period from January,01 to December 31, 2022	Y
IBAMA's public list of embargoed properties	List downloaded on August 08, 2023 ( <a href="http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php">http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php</a> )	Y
Labor Secretariat's List of Slave Labor	List downloaded on August 08, 2023 ( <a href="#">cadastro_de_empregadores.pdf (www.gov.br)</a> )	Y
GEO's list of blocked suppliers	List sent by Minerva Foods on August 09, 2022	Y

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

## 2. Non-conformity

*"The audit company must show clear evidence of exceptions, describing the problem and taking concrete facts into account, so that the report may serve as a tool for continuing improvement in the Company's purchase system. Details of the non-conformity shall be described in the document attached to the audit, which shall NOT be published, but may be disclosed to Greenpeace, as long as information confidentiality is agreed in contract."*

*(extract from TdR - Audit report model)*

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

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

- Development and integration of the Visipec into the system for geographic monitoring of the Brazilian Amazon, finished in December 2021;
- Development of the integration of internal systems, attesting approximately 98% of compliance with the criteria defined by the Indirect Suppliers Working Group (GTFI);
- Development and implementation of the "Prospec" application for verifying indirect suppliers in partnership with Niceplanet Geotecnologia for Brazil. For other countries, an application will be developed and implemented until 2030. The Company is carrying out an engagement campaign with farmers and stakeholders in the manufacturing sector to promote indirect monitoring using Prospec.

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



## VII) Limitations

The procedures we carry out serve only to assist the Company in meeting its commitment to adopt the “minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome” in TdR for the period from January 01, 2022 to December 31, 2022. This report is intended exclusively for the purpose described above and shall not be presented or distributed to anyone who has not agreed with the agreed-upon procedures or is not responsible for its sufficiency and purposes, nor shall it be used for any other purpose, including legal disputes.

Our engagement was based on the application of agreed-upon procedures to the documentation presented, which represents factual findings and not absolute assurance that third parties who have not agreed with the type and extent of the procedures contained in this report will not have a different understanding, admitting that certain issues depend on prior acceptance of such procedures.

Unless otherwise provided herein, or when compelled by legal proceeding, the Company may not disclose, verbally or in writing, any preliminary report or any part or summary thereof, or make any reference to BDO Brazil in connection therewith, to any third party without obtaining prior written consent of BDO Brazil.

Additionally, the procedures to be applied do not comprise an exam or review according to audit standards and, accordingly, no assurance will be provided in our report. Only the factual aspects identified as a result of the application of those agreed-upon procedures were presented as results.

## VIII) Conclusions

*“Conclude on results presented with the identification (or lack thereof) of any evidence of non-compliance with the public commitment assumed. The conclusion shall contain an annual assessment of direct cattle purchases, according to the undertaking.”*

*(extract from TdR - Audit report model)*

Based on our engagement, as described in this Report, comprising the period from January 01, 2022 to December 31, 2022, except for the criterion “Traceability system for indirect suppliers”, our analyses found no inconsistencies that could not be justified by Minerva Foods.

São Paulo, September 13, 2023.

## Appendix

Table 1 - Total purchases and samples (base year)

### 1 - Total purchases and samples (2022)

Total purchases of raw materials originating from the Amazon Biome made by Minerva Foods from January 1 to December 31, 2022	Total samples of raw material purchases for the analyses
14,298	1,429

Table 2 - Non-conformities found in the audit period

### 2 - Non-conformities (2022)

Raw material purchases from:	Total purchases in non-conformity	% of non-conformity in relation to total purchases in the Amazon Biome in the base year	% of non-conformity in relation to total samples of purchases
Properties where deforestation was identified after October 2009	-	-	-
Properties overlapping with Indigenous Land	-	-	-
Properties blocked for overlapping with UC	-	-	-
Properties blocked for being included in the MTE List and the Transparency List	-	-	-
Properties blocked for being included in IBAMA's list	-	-	-

Table 3 - Results of non-compliant purchase identification test

### 3 - Non-compliant purchase identification test

	Total number of purchase simulations using the Company's system		
		Compliant	Non-compliant
IBAMA	5	5	-
MTE	-	-	-
GEO (PRODES, DETER, TI and UC)	12	12	-