

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 of
Minerva S.A. ("Minerva Foods" or "Company")
Barretos - SP

Summary

This engagement had the objective of identifying if the 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, 2023 to December 31, 2023. 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 to international market. Subsequently, the slaughterhouses JBS S.A., Marfrig Global Foods and Minerva Foods made a public commitment not to purchase cattle from (1) ranches responsible for deforestation inside the Amazon Biome after October 2009, and (2) from those that use labor analogous to slavery or (3) 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 ("BDO") has been engaged, through Proposal No.0756/24 to carry out agreed-upon procedures according to NBC TSC 4400 - Agreed-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, 2023 to December 31, 2023. 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 April 03, 2024 and May 17, 2024.

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 receives animals found in the Amazon Biome.”

(extract from TdR - Audit report model)

In 2023, the Company had:

- 08 (eight) active slaughterhouses;
- 01 (one) livestock export unit; and,
- 03 (three) confinement units.

For livestock export and confinement units (CSAP) operations occurred until September 15, 2023.

Among the units located in Brazilian territory, we have:

- Araguaína - TO;
- CSAP - Abaetetuba;
- CSAP - Araguaína - TO;
- CSAP - Corumbiara - RO;
- CSAP - Fazenda Sela de Prata (Abaetetuba/PA);
- CSAP - Igarapé-Miri - PA;
- CSAP - Rolim de Moura - RO;
- CSAP - Uruará - PA;
- Mirassol D'Oeste - MT;
- Palmeiras de Goiás - GO;
- Paranatinga - MT; and
- Rolim de Moura - RO.

According to instructions of the TdR, the engagement involved the analysis of 10% of purchases made in 2023 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 months of 2023 and proportionally all twelve (12) CNPJs registered or supplied with raw material from the Amazon Biome.

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

- Technical Responsibility Note (ART);
- Application Programming Interface (Interface de Programação de Aplicação) (API);
- Rural Environmental Registry (CAR);
- Certificate of Registration of Rural Property (CCIR);
- Deforestation Detection in Real Time (DETER);

- Enterprise Resource Planning (ERP);
- National Foundation for Indigenous People (FUNAI);
- Animal Transit Guide (GTA);
- Brazilian Institute of Environment and Renewable Natural Resources (IBAMA);
- National Institute for Settlement and Agrarian Reform (INCRA);
- National Institute for Space Research (INPE);
- Rural Environmental License (LAR);
- Single Environmental License (LAU);
- List of Illegal Deforestation in the State of Pará (LDI);
- Minerva Business Service (MBS);
- Federal Public Prosecution Office (MPF);
- Ministry of Labor and Employment (TEM);
- Niceplanet Artificial Intelligence (NIA);
- Amazon Deforestation Monitoring Project (PRODES) Measurement of Deforestation by Remote Sensing;
- State Department of Environment and Sustainability (SEMAS);
- Brazilian System of Rural Environmental Registry (SICAR NACIONAL); and
- Geo-monitoring System (SMGeo).

“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 Foods’s supplier properties. Thus, it was possible to identify related processes and examine the registries and information of the suppliers included in the Company’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 socio-environmental 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 of the Company, 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 socio-environmental 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 2023;
- 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 hired 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 (1) IBAMA's list of embargoed areas and (2) 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 MBS team 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 socio-environmental status of suppliers.

The online platform provides certification of socio-environmental monitoring of the properties and their re-analysis at the time of each purchase using units of measurement adopted by the Company. The certificates resulting from these analyses are grounded on official public documents and on 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 below:

- Daily update to official databases;
- Evaluation of new cattle suppliers;
- Improvement in registration data of suppliers included in the platform;

- Update to official public information databases;
- Analysis routines for 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 the on-site presentation, on April 29 and 30, 2024, Minerva Foods informed BDO's 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 registrations 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 the Company 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; and

- Property on alert: this classification is assigned to all properties for which more than a 10% overlap with another CAR is identified (The Property on Alert criterion does not make part of the minimum criteria of the CPP, but the Company adopts it as a good practice)

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.

As mentioned before, regarding the deforestation analysis, verification takes place in two (02) stages: (1) at the time of registration of the property and (2) 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 suppliers' 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.

In case deforestation is verified, the property is blocked for trade, being this register finalized and the supplier property classified as BLOCKED, and, via SMGeo platform, the technical opinion and certificate are made available. When necessary, as informed by the Company, it requests the cartography demonstrating the clear cut.

The properties that have PRODES polygons overlapping its perimeters and have LAR issued on date after the date described in the 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.

Quilombola: For analysis of this criterion, it is made the overlapping of geo-referenced maps of the supplier farms (official base of the SICAR) and the official base of the Quilombo Areas (INCRA). When the intersection is bigger than the tolerance rule, it is indicated the blocking of the property. The Company also informs that the blocking for analysis occurs only for areas with title holdings implemented by INCRA.

“Describe the purchase blocking system used by the company, how its update is made in accordance with the public lists and 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 2023. Such exception is created manually and may be accepted or rejected, depending on the analysis made by the Company’s 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 of 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, 2023, 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 on documents;
- Inquiries to 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 2023; 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 2023.

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 from the suppliers of the Amazon Biome in 2023. IBAMA's list and the latest update to the Labor Secretariat's list of slave labor were downloaded from IBAMA's website on April 09, 2024.

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, 2023, 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 (1) IBAMA's list, (2) the Labor Secretariat's List of Slave Labor, and (3) the list obtained by the third party 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 (1) IBAMA's list, (2) the Labor Secretariat's List of Slave Labor and (3) 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, sixteen(16) cases were verified, with eight (08) cases tested for IBAMA and 16 (sixteen) 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.

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 Foods extracted from its ERP system the database of cattle purchases made in the Amazon Biome between January 01 and December 31, 2023. A member of BDO's IT staff was present to ensure the integrity of the information extracted from that database, which occurred on April 03, 2024.

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 1,811 (one thousand, eight hundred and eleven) 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 on 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 April 09, 2024, BDO team 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 April 22, 2024, 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 2023, in order to verify compliance with any of the following criteria: (1) deforestation (PRODES), (2) overlap with Indigenous Land and (3) Environmental Conservation Units.

To analyze IBAMA's List, we crosschecked it against the 10% sample of cattle purchases made in the Amazon Biome, considering their common piece of data, i.e., the suppliers' CPF/CNPJ. As a result of this comparison, the following was identified:

- In 08 (eight) cases of 03 (three) different suppliers, justifications were requested from Minerva Foods to prove that they were not related to the same farm. According to support documentation presented by the Company on April 24, 2024:
- ✓ For 04 (four) cases, cartographic maps and geographic coordinates of the farms and the distance between the suppliers farms and the embargoed place were sent, being possible to verify that the embargo is out of the limits of the property where the trade occurred;
- ✓ For the remaining 04 (four) cases, it was forwarded a term of embargo issued by IBAMA on October 19, 2022, related to an environmental violation for putting in operation a potentially polluting activity, due to storage of diesel oil fuels without license from the apt environmental agency. Although the term of embargo has been issued in previous year, in other words, out of the analyzed period, we have verified that it contained the same status at the date it was downloaded (April 09, 2024). When questioning the Company about this, it was informed to us that this infraction does not prevent the commercialization of cattle from this property, considering that it is not contemplating the criteria of irregularity. The Company also informed that it does not make a follow-up on that embargo and, therefore, it was not possible for us to verify if the environmental irregularity mentioned in the document was resolved or not.

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 team on April 22, 2024, includes all properties monitored by the third party company that were 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, 2023, considering their common piece of data, i.e., the suppliers' CPF/CNPJ.

16 (sixteen) purchases, related to 13 (thirteen) CPFs/CNPJs were identified, which were made after the date of inclusion in the list of "blocked". For the identified cases, BDO team requested justifications from Minerva Foods that, in reply, presented on May 03, 2024 the following justification:

In the 16 (sixteen) cases, the properties were authorized after socio-environmental analysis made by the geomonitoring company NicePlanet, identified in the analysis made by BDO.

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 April 30, 2024, with participation of Minerva Foods' Corporate Sustainability team together with one (01) cattle purchaser of the Company and the BDO team. For the criterion related to IBAMA's list, the eight (08) cases were classified as unauthorized for purchase in Minerva Foods' system, so that when trying to complete the purchase, the system presented an automatic blocking message, preventing the 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 16 (sixteen) cases selected were as follows:

- In 16 (sixteen) 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.

Stage 2 - Third party geomonitoring company (Niceplanet Geotecnologia))

Step 1 - Assessment of procedures

"Describe briefly how the third party geomonitoring company's procedures for inputs into the slaughterhouses' purchase systems were assessed, and what documents were examined to ensure the integrity of the hired 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 geomonitoring company to ensure that the geographical information used to feed the systems in which suppliers are registered and blocked is prepared and updated with integrity and transparency. In this stage, it is necessary to evaluate the Company's geomonitoring criteria to better understand procedures adopted.

For better detailing and understanding of the process, BDO's Sustainability team participated in a meeting held at the Company's corporate office, located in Barretos, on April 29, 2024, 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 Minerva Foods and Niceplanet Geotecnologia, and to explain the criteria adopted in the geomonitoring analyses for each level of geographical accuracy, steps taken, processes and documentation accepted, .

In view of that, as established in TdR, BDO's Sustainability team requested that the geomonitoring company to 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) and the validation of the information was made on the same day, April 29, 2024.

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 April 29, 2024.

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 shall be carried out for both unauthorized and authorized suppliers, totaling 30 properties tested. However, after receipt of the geomonitoring list by Minerva Foods, 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:

- 10 (ten) were selected to test the monitoring of the deforestation criterion;
- 10 (ten) 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, 28 (twenty eight) cases, the conformity of the supplier’s status was verified.

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 or 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 April 30, 2024. 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.

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

- In 22 (twenty two) cases, the CAR statement was presented and the information was in accordance with the purchase base;
- In 02 (two) cases, the Company presented a CAR statement, however, the file contained information of another supplier. As supporting documentation, a lease contract was presented, providing a link to the purchase base;
- In 01 (one) case, the name of the property of the CAR's holder differed from the information identified in Minerva Foods' system. As justification, it was presented documentation of the administrator of the state, what proved the link of the parties.

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.

Lastly, 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 the Minerva Foods' Commitments with Sustainability 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.

In this respect, in 2021 the Company began the socio-environmental analysis and the mapping of indirect suppliers risk through the tools Visipecc® (for the Amazon biome) and of the application SMGeo Prospec® (available for all biomes in Brazil).

Currently, the efforts of Minerva Foods are concentrated in the involvement of its direct suppliers and their qualification regarding the use of the application SMGeo Prospec® in its negotiations. This work is being made through workshops, presentations, webinars, besides a team of specialized and exclusive field technicians for visits to cattle breeders and incentive to the monitoring of indirect ones, participation in events of the sector and, also, in those promoted by the Company, such as the "Talking about Cattle Breeding" ("Falando de Pecuária"). The meetings are being used to provide guidance to cattle breeders on the importance of using the application and its benefits for the entire chain, besides reinforcing the commitments of Minerva Foods with Sustainability and the good practices adopted to fight against climate changes and illegal deforestation in the beef production in South America.

Another highlight is the participation of the Company in the "Program of Individual Traceability and Monitoring of Indirect Ones" ("Programa de Rastreabilidade Individual e Monitoramento de Indiretos" - PRIMI), which seeks to assure the traceability and socio-environmental monitoring of animals certified and individually identified by the Brazilian Beef and Buffalo Identification and Certification System ("Sistema Brasileiro de Identificação e Certificação de Origem Bovina e Bubalina" - SISBOV). Minerva Foods is supporting the companies holders of the program in the promotion and prospection of cattle breeders for membership.

Finally, the Company informed that in 2023 its policy on acquisition of commodities was shared.

For more details, access Minerva Foods' Sustainability Commitments at: <https://www.minervafoods.com/compromisso-com-a-sustentabilidade/>

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 April 29, 2024 Minerva Foods informed 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 2023.

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 team.

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

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

The following table includes the necessary 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, 2023	Y
Records of purchases/list of supplier	For the period from January 01 to December 31, 2023	Y
Monitoring system	For the period from January 01 to December 31, 2023	Y
Non-compliant supplier identification system ²	For the period from January 01 to December 31, 2023	Y
IBAMA's public list of embargoed properties	List downloaded on April 09, 2024 (http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php)	Y
Labor Secretariat's List of Slave Labor - MTE	List downloaded on April 09, 2024 (cadastro_de_empregadores.pdf (www.gov.br))	Y
GEO's list of blocked suppliers	List sent by Minerva Foods on April 22, 2024	Y

We did not receive a procedures manual for the non-compliant supplier identification system. Only an in-person explanation was given on April 30, 2024.

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)

Except for the criterion "Traceability system for indirect suppliers" that, according to the Company, was not possible to be implemented for 100% of its suppliers until this moment because it requires a sector effort and depends on support and investment from the government in technologies that promote the traceability of cattle from birth to slaughter. Even with the challenges, Minerva Foods has been working to disseminate the best practices with its chain, besides its support to programs of individual traceability, as detailed in this report.

VII) Limitations

The procedures we have carried 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, 2023 to December 31, 2023. 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, 2023 to December 31, 2023, except for the criterion “Traceability system for indirect suppliers”, our analyses found no inconsistencies that could not be justified by Minerva Foods.

São Paulo, June 12, 2024.



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

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

Appendix

Table 1 - Total purchases and samples (base year)

1 - Total purchases and samples (2023)

Total purchases of raw materials originating from the Amazon Biome made by Minerva Foods from January 01 to December 31, 2023	Total samples of raw material purchases for the presented analyses
18,111	1,811

Table 2 - Non-conformities found in the audit period

2 - Non-conformities 2023

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

Description	Total number of purchase simulations using the Company's system	Compliant	Non-compliant
IBAMA	8	8	-
MTE	-	-	-
GEO (PRODES, DETER, TI and UC)	16	16	-