

MINERVA FOODS S.A.

Ref.: Report on Agreed-upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Third-party Audit Reference Term denominated "TdR PRY 2023"

0087i/25
São Paulo, November 21, 2024.

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

Ref.: Report on Agreed-upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Third-party Audit Reference Term denominated "TdR PRY 2023"

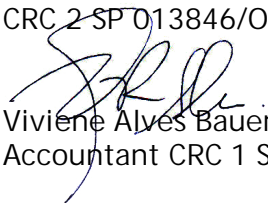
Dear Sirs and Madams,

The purpose of the present work was the adoption of Agreed-Upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Reference Term to verify third party denominated "TdR PRY 2023" - Audit procedures on cattle supply chain in Paraguay, for the period from January 01 to December 31, 2023.

Sincerely yours,



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



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

minerva
foods

Minerva S.A.

Report on Agreed-upon Procedures regarding the verification of Minerva Foods' Cattle Purchase Monitoring System, included in the Third-party Audit Reference Term denominated "TdR PRY 2023"

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

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

Our report is solely intended to assist Minerva S.A. ("Minerva Foods" or "Company") in determining whether the Cattle Purchase Monitoring System complies with the requirements of the Reference Term to verify third party named "TdR PRY 2023" - Audit procedures on cattle supply chain in Paraguay, for the period from January 01 to December 31, 2023, and may not be suitable for any other purpose. This report is exclusively intended for Minerva Foods.

1.2. Responsibilities of the Contracting Party

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

1.3. Auditor's responsibility

We conducted the agreed-upon procedures engagement in accordance with NBC TSC 4400 - Agreed-upon Procedures Engagements, approved by the Brazilian Federal Council of Accounting (CFC). The agreed-upon procedures engagement involves BDO following the procedures agreed with Minerva Foods and the communication of our findings, which correspond to the factual findings of the agreed-upon procedures adopted. We make no representation about the adequacy of the agreed-upon procedures.

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

1.4. Professional ethics and quality management

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

1.5. Procedures and findings

The followed procedures, which were previously agreed with Minerva Foods in accordance with our Proposal No. 3956/24, covered the period from January 01 to December 31, 2023 and consisted of:

- Inspection of documents;
- Inquiries of the Company's staff operating the registration system, cattle purchase, information technology and geomonitoring system, by means of interviews;
- Simulations of the existing tools related to the monitoring system of cattle purchases of Minerva Foods.

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

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

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

In order to perform this Agreed-Upon Procedures engagement, we adopted the guidelines of the Reference Term (TdR) describing the verification procedures on the cattle supply chain in Paraguay, as per document "TdR PRY 2023".

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

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

During the period of adoption of onsite audit procedures, which took place at the unit of Minerva Foods in Asunción, Paraguay, on October 16 and 17, 2024, analyses were carried out regarding the routine of cattle purchase and interviews with the main parties in charge, including Niceplanet Geotecnologia, an outsourced company responsible for the geomonitoring of Minerva Foods' supplier properties, which turned possible to verify the relevant processes.

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

Minerva Foods is a leader of beef exports in South America and also operates in the processed food industry, selling its products to more than 100 countries. In addition to Brazil, the Company operates in Paraguay, Argentina, Uruguay, Colombia, and has plants specialized in sheep, located in Australia and Chile. Currently, Minerva Foods has 46 industrial units, including: 03 processing units; 26 plants for cattle slaughtering and deboning, and 04 industrial units focused on sheep.

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

Currently, as informed by the Company, the action plan established between Minerva Foods and the IFC has been completed at the end of 2021 and, as a good practice, the Company maintains the process of verifying its cattle sales in Paraguay, in accordance with the “Policy Guidelines for the Acquisition of Agricultural Commodities and Livestock Products”¹.

In April 2021, Minerva Foods published its Commitment to Sustainability, in which targets were established per country for monitoring 100% of direct supplier farms. In Paraguay, all monitoring was to be completed in December 2021, applying socio-environmental criteria such as illegal deforestation, protected areas and registered indigenous land. For geographic monitoring, the SMGeo Direto platform is used, developed by the outsourced company Niceplanet Geotecnologia. This system was parameterized to meet the market requirements, is composed of official files and data, published and available in the website of institutions and authorities, with additional registry information obtained by Minerva Foods from its direct suppliers.

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

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

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

¹ Portuguese: <https://minervafoods.com/wp-content/uploads/2023/09/POL.GLB-M018-Aquisicao-de-Commodities-Agricolas-e-Produtos-da-Pecuaria-CNC.pdf>
English: <https://minervafoods.com/wp-content/uploads/2023/09/POL.GLB-M018-Sourcing-of-Agricultural-Commodities-and-Animal-Products-CNC.pdf>
Spanish: <https://minervafoods.com/wp-content/uploads/2023/09/POL.GLB-M018-Compra-de-Materias-Primas-Agricolas-y-Productos-de-Origen-AnimalCNC.pdf>

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

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

Coordinates and radius

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

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

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

- Authorized property: this classification is assigned to properties without any applicable social or environmental restrictions, according to the monitoring protocol adopted at the time of analysis;
- Requiring attention: in the case of the monitoring protocol in force in Paraguay, this classification is assigned to properties with deforestation polygons applicable between 2018 and 2023, as a way of informing the industry about a considerable risk scenario;
- Unauthorized property (with overlapping): this classification is assigned to properties that at the time of the analysis show any applicable social or environmental restriction referring to the monitoring protocol adopted, such as: Indigenous lands and protected wilderness areas.

Parameters used in socio-environmental analyses

1. Indigenous lands and protected wilderness areas

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

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

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

When the property overlaps with any territory protected in a portion of area inferior to the established limit by tolerance limit protocol established are used to eliminate small cartographic errors or geometry shifts.

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

2. No production areas

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

Thus, Niceplanet Geotecnología's team of technical analysts use high-resolution satellite images, such as those from the Sentinel-2 Satellite, to determine the type of vegetation found within the boundaries of supplier properties. Thus, it is possible to differentiate the type of vegetation and other vegetation cover present inside each property.

3. Illegal deforestation - Report of Deforestación - Guyrá

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

We also point out that there is no information regarding the concepts of deforestation provided by the Association, thus an applicable liability is considered to be one with clear cutting leading to a change in the vegetation which results in the complete removal of the forest cover.

The advanced analysis for overlapping with Guyrá polygons proceeds based on any overlapping, therefore, there is no tolerance rule regarding overlapping. Therefore, the technical analysis through high-resolution satellite images (Landsat 5, Landsat 8 and Sentinel 2) and comparisons with INFONA base aim to find data showing that the overlapping between the polygon and property is not an applicable restriction, in order to support the trade.

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

4. SMGeo Direto - Methodology

The SMGeo Direto platform was developed with adjustable parameters to adapt to the reality of different types of countries. Accordingly, it is possible to set up the platform to meet existing socio-environmental protocols in the process of analysis of direct domestic and foreign suppliers of cattle.

The platform has a division between the cartographic analysis process and the socio-environmental analysis process, and it still undergoes an analysis assisted by an environmental technician.

During the analysis process on the SMGeo Direto platform, the monitoring protocol defined by the company is used as a basis, with all the technology and intelligence embedded in the platform.

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

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

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

After the cartographic analysis phase, in which the definition of perimeter occurs, the request demand advances to the socioenvironmental analysis phase to evaluate suppliers involved in the farm. After that the analysis will be concluded and a report will be issued.

In the next farm's verifications, the request will be evaluated by a decision tree (a decision-making tool) named Niceplanet Inteligência Artificial (NIA). NIA detects the criteria defined in the adjusted socioenvironmental protocol, and presents an automatic monitoring result.

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

The interaction of a technical analyst occurs for the verification and analysis of each overlap, allowing the description of the technical grounds for justification related to the liability. For the deforestation of Guyrá, this justification may occur by using multitemporal satellite images to confirm whether vegetation was removed in the overlapping area. In case deforestation has not happened, it is possible to prepare a technical document as justification, thus marking the result as CLEARED. For deforestation cases detected in 2018, 2019, 2020 and 2021, it is also possible, in case of clear cutting, comparison with areas where INFONA is used, in which there is information from the current environmental agency of whether exploitation was allowed in such area.

3. Procedures followed

"1. Monitoring criteria

- 1.1. Minerva will focus on individual farm compliance, using coordinates to verify its suppliers in Paraguay.*
- 1.2. A buffer of 3 km will be applied in each farm coordinate to analyze geographic data.*
- 2. Mapping*
 - 2.1 Minerva remains committed to monitoring 100% of its direct suppliers in Paraguay.*
- 3. Purchase restrictions*
 - 3.1. Minerva shall not have as suppliers any farms in the Chaco Biome overlapping with illegal deforestation polygons, using the cut-off date of January 01, 2018.*
 - 3.2. Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized protected areas owned by the Government of Paraguay.*
 - 3.3. Minerva shall not have as suppliers any farms in the Chaco Biome located in officially recognized Indigenous land owned by the Government of Paraguay.*
- 4. Minerva will include slave labor / child labor matters in the supply chain management system as soon as it has an official reliable database available to the public.*
- 5. Minerva will continue participating in the Paraguayan Roundtable for Sustainable Beef and other initiatives in the whole industry. This will be maintained until the sustainable management of the meat industry is effective.*

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

3.1. Monitoring criteria

"Minerva will focus on individual farm compliance, using coordinates to verify its suppliers in Paraguay; and

To analyze the coordinates, the pair of coordinates included in the system from Minerva and in the Geographic Monitoring System (SMGeo) are taken into account. These coordinates are overlapped on the perimeter cartographic bases of SNC and INFONA, in that order. When the coordinates are crosschecked against these bases and no farm polygons are found, the property's boundaries will be defined using a 3 km radius."

("Extract from the document "TdR PRY 2023")

Aspects observed

The procedures adopted in this stage comprised the analysis of documents and information, including the receipt of:

- Purchase list of suppliers;
- Report on the monitoring of SMGeo system from January 01, 2021 to December 31, 2023, including evaluation of coordinates to analyze geographic data; and
- Understanding of supplier registry.

Thus, according to findings in previous procedures, the coordinate evaluation was understood. The coordinates are obtained via GPS at the location or gate of the property, by means of an application using the smartphone's GPS or from information provided in the registry of SENACSA.

The process is not automated, thus, upon including coordinates in the supplier property registry in the SMGeo platform, a geographic monitoring system, as described in this report, the analysis is carried out through an analyst, who uses the "socio-environmental" and "cartographic analysis" of the farm as a reference to locate the farm's perimeter, or if it is not found, generate a polygon with a radius buffer of 3 km, enabling the analysis of overlaps in the region where the supplier property is located.

Through analysis of the SMGeo System, a radius buffer of 3 km was applied to analyze the geographic data in all properties where sales were made in the period from January 01 to December 31, 2023.

3.2. Mapping

"Minerva will collect all farm coordinates in Paraguay every year, using the SMGeo system to find the farm polygons..."

("Extract from the document "TdR PRY 2023")

In accordance with the procedures of Supply Chain Management in Paraguay adopted by the Company in the current period, the mapping stage was divided into three new steps to be followed by BDO:

- Extraction of the cattle purchase database from Minerva Foods' ERP system and selection of a random sample of 10% distributed among slaughterhouses operating in the country, and receipt of the monitoring list from the system SMGeo Direto of Niceplanet;
- Crosschecking the cattle purchase list against the SMGeo Direto system monitoring list, using the SENACSA code as common field, in order to check whether there is a monitoring record for each SENACSA of the properties in the Company's system;
- Selection of 25 unauthorized cases from the SMGeo Direto monitoring list and crosschecking against the purchase database to check whether there was a purchase within the 10% sample;
- Selection of 25 cases from SMGeo monitoring list of unauthorized farms to evaluate in which its perimeter or buffer of 3 km that overlaps with deforestation polygons, with a cut-off date of January 01, 2018;
- Selection of 25 cases from SMGeo monitoring list of unauthorized farms to evaluate in which its perimeter or radius of 3 km that overlaps with Protected Areas and/or Indigenous Land.

Aspects observed

Step 1 - Sampling Selection and SMGeo Direto monitoring report

The Company extracted the information from the database of cattle purchase in Paraguay, comprising the period from January 01 to December 31, 2023. The extraction from this database, as previously mentioned, was monitored by the purchase and Corporate Sustainability team of Minerva Foods and BDO team that was on-site, in order to verify the integrity of the information in that database on October 16, 2024.

From the extracted purchase base, a random sample of 10% of the total was generated using the IDEA statistical software, which resulted in eight hundred and sixty-five (865) transactions of cattle purchase.

Regarding the spreadsheet that contains the Monitoring Report of the monitored farms during the base verification period, it was shared via e-mail on October 16, 2024, by the Corporate Sustainability team at Minerva Foods.

Step 2 - Crosschecking the purchase database against the SMGeo Direto monitoring list

By crosschecking the 10% selection extracted from Minerva Foods' ERP system against the SMGeo Direto monitoring list shared by the outsourced geomonitoring company, using the "SENACSA" code as common denominator on October 16, 2024, it was possible to observe that all eight hundred and fifty-six (856) purchases selected for verification had monitoring indicators for their SENACSA code.

Step 3 - Crosschecking 25 unauthorized cases from the SMGeo Direto monitoring list against the 10% sampling

For this stage, BDO team, using the IDEA statistical software, randomly selected twenty-five (25) properties from the SMGeo Direto monitoring list with the status "UNAUTHORIZED" and crosschecked them against the 10% sampling, in order to check whether there were purchases in these properties in the checked period. As a result, there were no cases found in the 10% sampling that were included in the "Blocklist".

3.3. Purchase restrictions

"Using Minerva's SMGeo monitoring system, extract a report from 25 unauthorized farms and evaluate the farms whose corresponding perimeter or 3 km buffer overlaps a deforestation polygon, using the cutoff date of January 01, 2018, determining and providing evidence that the cut-off date used for the assessment was January 01, 2018. For cases with indication of overlapping deforestation, assess whether an Environmental License was presented by the farm owner to verify compliance with Paraguay's forestry code and laws applicable for land conversion (legal deforestation). The farms with environmental licenses will be considered according to Paraguay's forestry code for the legal conversion of land (deforestation) and, therefore, are in compliance with Supply Chain Management Procedure of Minerva in Paraguay.

Using Minerva's SMGeo monitoring system, extract a report from 25 unauthorized farms and evaluate farms whose corresponding perimeter of 3 km radius overlaps with Protected Areas and/or Indigenous Areas, as described in the Supply Chain Management Procedure in Paraguay. For cases with indication of Conservation Units and/or Indigenous Areas overlapping, assess whether the farm described and/or its owners are registered in Minerva's Blocklist. Describe noncompliance, considering farms overlapping with Protected Areas and/or Indigenous Land not included in Minerva's Blocklist."

("Extract from the document "TdR PRY 2023")

To verify the procedures followed at this stage, we received via email on October 16, 2024, the spreadsheet containing the Monitoring Report, shared by Minerva Foods' Corporate Sustainability team.

The base shared by Minerva Foods' team contained a total of two hundred and eighty-four (284) suppliers unauthorized in the SMGeo System, with overlap with Indigenous lands, protected lands, illegal deforestation and slave labor, and are unauthorized in Minerva Foods' system for registration and cattle purchase, according to the list shared on the date above.

As described in "TdR PRY 2023" to the "Purchase restrictions" criteria, BDO team carried out analyses based on two types of "Monitoring result":

- I. A report containing twenty-five (25) properties with "Unauthorized" status to assess whether the perimeter of the selected properties overlaps with a Deforestation polygon;
- II. A report containing twenty-five (25) properties with "Unauthorized" status to assess whether the perimeter of the selected properties overlaps with an Indigenous Area and/or Protected Area polygon.

Thus, on October 16, 2024, BDO team, through IDEA statistical software, randomly selected 25 properties from the SMGeo monitoring lists directly with the "UNAUTHORIZED" status referring to deforestation and other 25 properties referring to Protected Areas and/or Indigenous Land to do monitoring simulations by a GEO analyst hired by BDO and, therefore, validate monitoring procedures adopted in Niceplanet Geotecnologia.

For the 25 properties selected to assess whether the perimeter overlaps with a "Deforestation" polygon, the following findings were obtained on October 31, 2023:

- In 24 properties, after Geo analysis, no overlaps with illegal deforestation polygons were found, as per Niceplanet Geotecnologia's geomonitoring report, however, all of them are unauthorized due to overlaps with other criteria; and
- one (01) property where the perimeter indicated overlapping with deforestation, but after GEO analysis it was not found overlapping with deforestation polygons. After analysis by BDO team, it was found that they were unauthorized in the blocklist, with no possibility of trade in the Minerva Foods' system.

For the 25 properties selected to assess whether the perimeter overlaps with a polygon of "Protected areas" or "Indigenous Areas", the following result was obtained:

- 21 properties after Geo analysis were verified to be overlapping with Protected areas or Indigenous areas, same conclusion in the Niceplanet Geotecnologia geomonitoring report. After obtaining the results, it was possible to observe that the cases are included in the "Blocklist", with no possibility of trade in Minerva Foods' system;
- one (01) property after Geo analysis was verified to be overlapping with Protected areas or Indigenous areas with a percentage inferior to 1%. After obtaining the results, it was possible to observe that the cases are included in the "Blocklist", with no possibility of trade in Minerva Foods' system;
- Finally, three properties did not overlap with Protected Areas or Indigenous Areas, but in one of those cases, overlapping with deforestation polygon was detected. After verification, it was found that both are in the Blocklist, with no trade in Minerva Foods' system.

3.4. Acquisition restrictions

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

("Extract from the document "TdR PRY 2023")

Aspects observed

Regarding issues of forced labor/child labor, as well as in previous checks, there are still no official lists published by the competent bodies, however, the Company reported that it hired a company specialized in daily searches in the media, in which, using data from rural producers, an information scan is carried out with the aim of finding any information that links cattle farmers to forced labor/child labor. If Suppliers are mentioned in the news under working conditions similar to slavery, the properties linked to them are unauthorized for trade.

3.5. Paraguayan roundtable and other initiatives in the industry

"Minerva will continue participating in the Paraguayan Roundtable for Sustainable Beef (chapter Global Roundtable) and other industry initiatives. This will continue until sustainable management of the beef sector is in effect."

("Extract from the document "TdR PRY 2023")

Aspects observed

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

- Brazilian Sustainable Livestock Roundtable (MBPS), in Brazil;
- Colombian Roundtable;
- Paraguayan Roundtable for Sustainable Beef;
- Global Roundtable for Sustainable Beef (GRSB).

In addition to the Company's active participation in the discussion roundtables described above, the Company held lectures to cattle farmers throughout the year with topics focused on cattle farming management, habits for good results in confinement, good practices in animal well-being and good practices in transportation of beef cattle.

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

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

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

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

Aspects observed

To meet this requirement, we received via e-mail , on October 16, 2024, the spreadsheet that contains the Niceplant Geotecnologia's Monitoring Report, shared by the Corporate Sustainability team at Minerva Foods.

When checking the geomonitoring database, we found the existence of 284 properties with the "UNAUTHORIZED" status. In order to follow the same criteria methodology already described, as per TdR PRY 2023, 25 cases were selected on October 16, 2024, using the IDEA statistical software to carry out the blocking test.

On October 17, 2024, at Minerva Foods' office in Paraguay, a blocking test on 25 blocked suppliers was carried out, as mentioned above, with the following result:

- 23 properties with "unauthorized" status were included in the "Blocklist" and it was not possible to proceed with the purchase in Minerva Foods' system;
- two (02) cases that were possible to proceed with the purchase and the property was not found with the "unauthorized" status. When requesting a reason and/or explanation of the cases to the Company, we received on October 17, 2024, the results from the social and environmental analysis indicating that the properties were later authorized after sending the environmental licenses that, at the moment of the audit carried out after the audited period, were already regulated and authorized in Minerva Foods' system.

Therefore, when applying the purchase simulation, the system presented the block of the 23 properties selected. However, two (02) cases were made available to proceed with the purchase and later justifications were sent that the properties had been authorized after sending the environmental licenses that, at the moment of the audit carried out after the audited period, were already regulated and authorized in Minerva Foods' system.

4. Attachments

Table 1 - Representativeness (%) - suppliers, purchases and cattle purchases:

Description		
Total number of farms with purchases in Paraguay (period from Jan to Dec/2023) ¹	2,294	100%
% Representing "Providers (suppliers)" ²	556	10%
% Representing "purchases" ³	865	10%
% Representing "cattle purchases" ⁴	8,646	10%

¹ Total number of farms in 2023 - Number of farms in which purchases were made in 2023, considering 12 months of the year - (All SENACSAS numbers of properties contained in the purchase base - Grand Total Purchases 8,646 - Different SENACSAS code 2,294;

² Representation of providers - Suppliers from the 10% sampling - (Provider column without notes);

³ Representation of purchases - (Grand total purchases - 2023 - 8,646 | 10% sampling - 865);

⁴ Representation of cattle heads - (Total 74,743 referring to 910 purchases of 10% sampling).



Table 2 - Nonconformities found in the audit period:

Noncompliance	Total farms in nonconformity	% non-conformity in relation to total number of supplier farms in the period	% of farms in non-conformity in relation to total number of supplier farms in the period	% of cattle in non-conformity in relation to total supplier cattle in the period	% of cattle in non-conformity in relation to total supplier cattle in the period
Minerva will not be supplied by any farms overlapping with illegal deforestation polygons, using the cut-off date of January 01, 2018.	0	0%	0%	0%	0%
Minerva will not be supplied by any farms located in officially recognized protected areas owned by the Government of Paraguay.	0	0%	0%	0%	0%
Minerva will not be supplied by any farms located in officially indigenous areas owned by the Government of Paraguay.	0	0%	0%	0%	0%
Minerva will not be supplied by any farms overlapping with illegal deforestation polygons, using the cut-off date of January 01, 2018.	N/A	N/A	N/A	N/A	N/A
Minerva will include forced labor/child labor matters in the Supply Chain Management System as soon as an official viable database is available to the public.	N/A	N/A	N/A	N/A	N/A