

minerva
foods

SARB REGULATION 026/2023

Base Year 2024



Introduction

Minerva Foods is one of South America's leading beef producers and exporters, with additional specialized sheep processing facilities in Australia and Chile. Sustainability is a core value embedded in the company's culture and business practices. In line with its mission, "**Creating connections between people, food, and nature,**" Minerva has developed a sustainability policy¹ based on globally recognized guidelines. These principles guide the company's risk management efforts and help identify opportunities to promote responsible and innovative practices both within its operations and throughout its value chain. This approach aims to ensure a balanced integration of the business's economic, environmental, and social dimensions.

Commitment to Sustainability

In 2021, Minerva Foods unveiled its Commitment to Sustainability² with a central goal of reaching net-zero emissions by 2035. This milestone marks the company's shift toward a low-carbon economy and underscores its contribution to a more resilient agricultural sector. To achieve this target, Minerva has outlined three key areas of action, including efforts to combat illegal deforestation within its value chain.

About the SARB Report 026/2023

This report provides details on compliance with SARB Regulation 026/2023, issued by the Brazilian Federation of Banks (FEBRABAN), for the base year 2024. It covers animals purchased in the states within the Legal Amazon region, as well as portions of the state of Maranhão.

¹ Available at: https://minervafoods.com/wp-content/uploads/2023/08/POL_GLB-M017-Politica-de-Sustentabilidade-CNC.pdf

² Available at: <https://minervafoods.com/wp-content/uploads/2024/03/compromisso-com-a-sustentabilidade-minerva-foods-2024.pdf>

Performance indicators

Indicator	Performance (2024)
Percentage of slaughtered cattle Traced and Monitored down to Direct suppliers ³	100% ⁴
Percentage of slaughtered cattle Traced and Monitored down to Indirect suppliers ⁵	54.75% ⁶
	1.18% ⁷
Percentage of slaughtered cattle in full compliance with the commitment, applying to Direct and Indirect Suppliers	54.75% ⁸
	1.18% ⁹

Additional information - Traceability and Monitoring of Direct Suppliers

Minerva Foods uses the best available technology to ensure that its supplier portfolio complies with environmental, labor, and land regulations. By leveraging publicly available geospatial monitoring data and analyzing official public records and listings, when accessible, the company seeks to verify that each property undergoes a compliance review for every animal transaction. This process follows specific criteria to ensure that the animals purchased do not originate from: i. properties with illegally deforested areas; ii. properties subject to environmental embargoes; iii. properties overlapping protected areas, Indigenous lands,

³ The SARB 026/2023 Regulation defines Direct Suppliers as "producers who supply cattle directly to the slaughterhouse or beef processing plant."

⁴ Minerva Foods' geospatial monitoring system is audited annually by a third party.

⁵ SARB Regulation 026/2023 defines Indirect Suppliers as "producers who supply cattle to the Direct Supplier of the slaughterhouse or beef processing plant, i.e., the first tier of indirect suppliers only."

⁶ Data based on the mapping of production cycles employed by Direct Suppliers to Minerva Foods and obtained via interviews and site visits. Please note that this indicator has not been audited by a third party.

⁷ Data related to the Individual Traceability Protocol adopted by Minerva Foods. Under the protocol, when animals are sent to the processing plant, the certifying company issues a document attesting to the traceability and socio-environmental compliance of all related livestock ranches.

⁸ Data based on the mapping of production cycles employed by Direct Suppliers to Minerva Foods and obtained via interviews and site visits. Please note that this indicator has not been audited by a third party.

⁹ Data related to the Individual Traceability Protocol adopted by Minerva Foods. Under the protocol, when animals are sent to the processing plant, the certifying company issues a document attesting to the traceability and socio-environmental compliance of all related livestock ranches.

traditional community territories, or conservation units; or iv. properties linked to labor practices akin to slavery. This guideline is formally outlined in the 'Sourcing of Agricultural Commodities and Animal Products' policy¹⁰, aligning with the socio-environmental legislation of the countries where Minerva Foods operates, as well as industry initiatives such as the Livestock Public Commitment (CPP)¹¹, the Conduct Adjustment Agreement (TAC) in the state of Pará¹², the Commitment Agreement in the state of Tocantins, and monitoring protocols in the Amazon¹³ and Cerrado¹⁴. In Brazil, the geospatial monitoring system is subject to annual audits by the Federal Public Prosecutor's Office. The latest audits confirmed 100% compliance in transactions conducted in the states of Pará and Rondônia (from July 2020 to December 2021) and Mato Grosso (2021), as verified by Grant Thornton Brasil¹⁵. In the same year, the company also achieved 100% compliance with the criteria of the Public Livestock Commitment, as audited by BDO RCS Auditores Independentes.¹⁶

Additional information - Traceability and Monitoring of Indirect Suppliers

Tracking and monitoring indirect suppliers based on socio-environmental criteria is one of the greatest challenges facing the sector. It requires investments in research, technology, effective public policies, and the engagement of the entire value chain to ensure compliance at every stage.

In 2024, Minerva Foods began mapping the production cycles of its Direct suppliers. Based on information provided by the ranchers, the company was able to fully trace beef produced from cattle sourced from full-cycle ranches — those

¹⁰ Available at: <https://minervafoods.com/wp-content/uploads/2023/09/POL.GLB-M018-Aquisicao-de-Commodities-Agricolas-e-Produtos-da-Pecuarria-CNC.pdf>.

¹¹ Available at: <https://minervafoods.com/wp-content/uploads/2023/05/termo-de-compromisso-assinado-em-05-10-2009-greenpeace.pdf>

¹² Available at: https://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2009/para_divulgar_termo_ajuste_condutas_frigorificos_assinado.pdf/view

¹³ Available at: <https://www.boinalinha.org/wp-content/uploads/2025/02/Protocolo-Monitoramento-Gado-2ponto0-FINAL.pdf>

¹⁴ Available at: https://www.boinalinha.org/wp-content/uploads/2024/04/ProtocoloCerrado_240424.pdf

¹⁵ For more information visit: https://minervafoods.com/wp-content/uploads/2023/11/resultados_lo_ciclo_unificado_auditorias_pecuarria_amazonia-minerva-foods-2022.pdf

¹⁶ For more information visit: https://minervafoods.com/wp-content/uploads/2024/06/4244-24-Relatorio-Minerva_CPP_2023.pdf

responsible for breeding, rearing, and fattening cattle. This mapping involved interviews and field visits with ranchers.

The Individual Traceability Protocol, a private initiative, involves an independent process for classifying animals using the official identification standard issued nationwide by a certifying company accredited by the Ministry of Agriculture and Livestock (MAPA). When the animals are sent to slaughter, the certifying company issues a document attesting to the traceability and socio-environmental compliance of all the ranches through which the animals have passed. In order to comply with the requirements of the protocol, all indirect cattle suppliers in the supply chain must also undergo a socio-environmental analysis based on the same criteria established in the Company's Policy for the Sourcing of Agricultural Commodities and Animal Products.