

# Compliance Assessment of Public Commitment on Amazon Cattle Ranching

— Marfrig Global Foods S.A.

**Report No.:** SC095987, Rev. 0

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To Marfrig Global Foods

## **I) Introduction**

Since 2007 Greenpeace studies the behavior of the supply chain of livestock in the Amazon. After a long investigative process, in 2009, the organization launched the report "Slaughtering the Amazon", which pointed the relationship between meat processors involved in illegal deforestation and forced labor with cutting edge products sold on the international market, like bags and sports shoes. Since then, meatpackers Marfrig, Minerva and JBS made a public commitment to exclude from their list of suppliers farms who deforested the Amazon rainforest after October, 2009, besides those that use labor analogous to slavery or are located in indigenous lands and conservation units. The public commitment establishing criteria for purchasing cattle on properties located in the Amazon Biome is called "**MINIMUM CRITERIA FOR INDUSTRIAL SCALE CATTLE OPERATIONS IN THE BRAZILIAN AMAZON BIOME**". In June 2017 Greenpeace withdrew from the commitment, but the meatpackers continued to apply it, and publicly reaffirmed the commitment.

## **II) Objective**

DNV GL was hired to carry on an audit in order to independently evaluate Marfrig information and processes to identify whether it met the criteria given in the above public commitment, covering the period January 1<sup>st</sup> to December 31<sup>st</sup> 2019.

## **III) Audit period**


The audit was conducted in the period from April 27<sup>th</sup> to April 30<sup>th</sup> 2020, covering the purchase of animals between January 1<sup>st</sup> and December 31<sup>st</sup> 2019.

## **IV) Company description and Cattle Purchase process**

Marfrig Global Foods is a global food company based on beef cattle, sheep, swine, poultry and fish. It operates in the food service and retail segments, through an operating platform comprising production, commercial and distribution units installed in 12 countries. During the audited period Marfrig had 14 units in Brazil, eight of which buyers of cattle from farms located within the Amazon Biome: Tangara da Serra/MT; Paranatinga/MT; Nova Xavantina/MT; Chupinguaia/RO; Ji-Paraná/RO; Pontes e Lacerda/MT, Várzea Grande/MT and Tucumã/PA.

In the unit of Pontes e Lacerda/MT, it was verified the "Procedure for the animals purchase order analysis from CPF / CNPJ suppliers embargoed by IBAMA - Document of the Management System for Livestock and Corporate Sustainability", code DSGPSC 002, dated May 2013, revision 0, and the "Procedure of Socio-environmental Control of Cattle Purchase", code DSGPSC 001, dated May 2019, revision 02, with the following description of stages for cattle purchasing:

1. Consult of IBAMA embargoed list;

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2. Consult of the Forced Labor list of the MTE (Ministry of Labor and Employment);
  3. Request of environmental license or CAR (Rural Environmental Register);
  4. Request of CCIR (Certificate of Registration of Rural Property) copy;
  5. Request of information about the property's production phases (breeding/rearing/fattening);
  6. Request of information about cattle feed system (grass/feedlot);
  7. Consult of list of enabled/ not-enabled from the geospatial monitoring company, for Amazon biome units.

The cattle purchase team (2 buyers and one purchase accessor) and the sustainability analyst from Pontes e Lacerda unit have demonstrated to know all instructions of the social-environmental procedures for cattle purchase.


All Marfrig units use the module Cattle Purchase of TAURA system for cattle purchase operations. Despite the automatic blocking in the system TAURA of the suppliers that are on the IBAMA embargoed list, it was found in the audited units that cattle purchase department and/or sustainability department also make queries at IBAMA site in every purchase about the status of the supplier (by consulting through his Tax ID number – CPF/CNPJ). This same system blocks also suppliers that are in the Forced Labor List.

The information about the SNCR/CCIR (National System of Rural Registry) and CAR/Environmental Licenses are obtained after contact of cattle buyers with farmers.

For units that purchase from suppliers located in the Amazon Biome, in addition to the information about suppliers contained in the TAURA System and corporate controls, there is also a geographically-referenced information analysis of farms in this biome. Marfrig has a contract with the geospatial monitoring company, that uses geospatial devices and geographical information system (GIS) to draw the polygons, allowing to correlate data related to the properties location with deforestation areas, conservation areas and indigenous land.

On April 30<sup>th</sup> 2020 the geospatial monitoring company was remotely audited and the procedures of data collection were presented to the DNV GL auditor. For each unit of the Amazon Biome there is at least one Marfrig technician in the field visiting the properties of farmers equipped with an automatic GPS that monitors the entire route up to the properties and also the gate and lairage coordinates, when necessary. This technician also photographs the visited farms and documents information collected from them, in case of initially blocked proprieties, in order to collect "in loco" images that may be used as a substrate for a deeper verification from the geospatial monitoring company. From this information and farm maps the expert company performs analysis of each property (new deforestation) in order to check if it is a false positive.

The contracted company verifies data with INPE (National Institute of Space Research) through DETER (detection program of deforestation focus in real time) and PRODES (program of calculation of deforestation in the amazon), to evaluate occurrence of new deforestation in the supplier farms.



INPE in general publishes each three months a statement of alerts through DETER program, which indicate areas in process of deforestation through progressive forest degradation.

PRODES measures the annual rates of clearcut since 1988. Since it is more detailed and depends on the climatic conditions of the dry season for the acquisition of cloud free images, taken between May and September, this is done only once a year, with release scheduled for December of each year. After that, remaining data is released.

## **V) Procedures**

### **Phase 1 – Cattle purchase and suppliers blocking system evaluation**


#### **Step 1 - Selecting sampling**

Verification is limited to the scope of the reference protocol used ("Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome", Greenpeace) and the pre-defined evaluation scope.

It is a sampling work, based on documents verification, the information gathered in the interviews and check in the physical conditions (done randomly). The reviewed documents are described in table 1 below.

Table 1. List of analyzed documents

Name of document	Data range / code and version	Evaluated (Y/N)
Audit Work Plan	Verification Protocol DNV GL / April 2020	Y
Term of Reference for a Third Party Assessment 2017	2017 (base year 2016), still valid for this year	Y
Procedures	Procedure of Socio-environmental Control of Cattle Purchase, 001 DSGPSC code, date of issue May 2019, Revision 02.	Y
Registers	- Documents of suppliers (CAR/LAU) and printouts of each step. - Polygons Information / April 27 <sup>th</sup> 2019	Y
Monitoring System	System of the geospatial monitoring contracted company	Y
Blocking System	System TAURA / verified during the audit	Y
List of suppliers	For the period of January 1 <sup>st</sup> to December 31 <sup>st</sup> 2019: - Information audit Tangará da Serra with statistics - Information audit Chupinguaia with statistics - Information audit Paranatinga with statistics - Information audit Pontes e Lacerda with statistics - Information audit Tucumã with statistics - Information audit Várzea Grande with statistics - Information audit Nova Xavantina with statistics - Information audit Ji-Paraná with statistics	Y
Public embargoed properties list- IBAMA	Consult to website: <a href="http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php">http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php</a>	Y
Public list of people / companies, MTE, forced work	List of employers Interministerial Ordinance n. 02 of 12 May 2011. Update: lists issued on January 4 <sup>th</sup> 2019, January 16 <sup>th</sup> 2019, January 17 <sup>th</sup> 2019, March 22 <sup>nd</sup> 2019, April 3 <sup>rd</sup> 2019, April 11 <sup>th</sup> 2019, April 24 <sup>th</sup> 2019, May 3 <sup>rd</sup> 2019, May 17 <sup>th</sup> 2019, June 13 <sup>th</sup> 2019, July 23 <sup>rd</sup> 2019, July 29 <sup>th</sup> 2019, September 3 <sup>rd</sup> 2019, September 19 <sup>th</sup> 2019, September 23 <sup>rd</sup> 2019, September 25 <sup>th</sup> 2019, October 3 <sup>rd</sup> 2019, October 17 <sup>th</sup> 2019, October 25 <sup>th</sup> 2019, November 8 <sup>th</sup> 2019 and December 13 <sup>th</sup> 2019.	Y
List of suppliers: enabled and not-enabled from geospatial monitoring	Enabled and not-enabled lists valid by the time of cattle purchase operations date	Y



This evaluation was conducted through: examination of documents, access to data systems, work environmental conditions evaluation and interviews with employees, using as reference documents:


- "Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome", from Greenpeace.
- "Term of Reference for a Third Party Assessment of the Amazon Cattle Public Commitment"

The methodology defined for this assessment was applied in all units that buy cattle from suppliers inside the Amazon Biome: Tangará da Serra/MT, Paranatinga/MT, Chupinguaia/RO, Tucumã/PA, Pontes e Lacerda/MT, Nova Xavantina/MT, Várzea Grande and Ji-Paraná/RO. The audits took place remotely due to the pandemic caused by Covid-19, using the Microsoft Teams app.

During the document review carried on before the interviews, for the period January 1<sup>st</sup> to December 31<sup>st</sup> 2019, at least 10% of the cattle purchase operations from suppliers located in the Amazon Biome was randomly sampled for each unit, which resulted in:

- 469 from 3414 purchase operations from Tangará da Serra/MT, representing 13.7% of total purchase operations and 21.2% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period;
- 10 from 153 purchase operations from Paranatinga/MT, representing 6.5% of total purchase operations and 20.1% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period;
- 228 from 2099 purchase operations from Pontes e Lacerda/MT, representing 10.9% of total purchase operations and 15.6% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period;
- 385 from 3737 purchase operations from Chupinguaia/RO, representing 10.3% of total purchase operations and 11.3% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period;
- 414 from 2550 purchase operations from Tucumã/PA, representing 16.2% of total purchase operations and 16.1% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period.
- 95 from 752 purchase operations from Nova Xavantina/MT, representing 12.6% of total purchase operations and 17.9% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period.
- 1030 from 5714 purchase operations from Ji-Paraná/RO, representing 18.0% of total purchase operations and 23.3% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period.
- 70 from 628 purchase operations from Várzea Grande/MT, representing 11.1% of total purchase operations and 14.6% of total slaughtered animals from the Brazilian Amazon Biome for the unit in the period.

A sample of 10% of cattle purchases in slaughtered volume of the units that buy cattle from properties within the Brazilian Amazon Biome, had been defined by the signed industries and Greenpeace, and



considering that last year non-conformity level was 0%, therefore lower than 5%. On April 27<sup>th</sup> 2020 an information technology expert auditor from DNV GL remotely audited Marfrig's IT department, in which the purchase records' integrity could be verified. At this moment the purchase report generation was evaluated, and it was confirmed that the program language does not have filters or any command that could affect the report generation.

At Promissão/SP, the satellite monitoring geospatial systems was presented and demonstrated. This is performed by a contracted company. In Pontes e Lacerda/MT, cattle purchases operations were verified, its evidences, suppliers' documentation and cattle origin identification. For the other units (Tucumã/PA, Paranatinga/MT, Tangará da Serra/MT, Nova Xavantina/MT, Ji-Paraná/RO and Chupinguaia/RO), sampled suppliers were also assessed against the IBAMA (Environmental Agency) embargoed areas list Ministry of Labor and Employment's forced labor list and the list of enabled/not-enabled (geospatial monitoring) regarding new deforestation, conservation units and indigenous lands.

## **Step 2 – Cattle purchase system test**

For all units at the Amazon Biome, the sampled suppliers (suppliers correspondent to 10% of the cattle purchase operations from January 1<sup>st</sup> to December 31<sup>st</sup> 2019) were compared with the embargoed properties lists of IBAMA, forced labor list of MTE (lists issued on January 4<sup>th</sup> 2019, January 16<sup>th</sup> 2019, January 17<sup>th</sup> 2019, March 22<sup>nd</sup> 2019, April 3<sup>rd</sup> 2019, April 11<sup>th</sup> 2019, April 24<sup>th</sup> 2019, May 3<sup>rd</sup> 2019, May 17<sup>th</sup> 2019, June 13<sup>th</sup> 2019, July 23<sup>rd</sup> 2019, July 29<sup>th</sup> 2019, September 3<sup>rd</sup> 2019, September 19<sup>th</sup> 2019, September 23<sup>rd</sup> 2019, September 25<sup>th</sup> 2019, October 3<sup>rd</sup> 2019, October 17<sup>th</sup> 2019, October 25<sup>th</sup> 2019, November 8<sup>th</sup> 2019 and December 13<sup>th</sup> 2019, and the list of the contracted company in geospatial monitoring (last list available in 2019).


The documentation of all sampled purchases was also analyzed in order to verify if all procedures were completed. Printouts of computer screens (printscreens) of each phase were analyzed, including the analysis of IBAMA and MTE sites and lists of not-enabled suppliers from the geospatial monitoring company.

Through documentation analysis, interviews with staff and access to Marfrig's cattle purchase system, it was verified that all units of Marfrig follow the company's policy of not acquiring cattle from farms included in the list of areas embargoed areas by Decree IBAMA n. 19 of 2 July 2008 and Decree No. 6.321 of December 21, 2007 and its available updates.

In the sampling carried out for the units of MT, PA and RO inside the Amazon Biome, it were checked 2701 purchase operations from direct suppliers from January 1<sup>st</sup> to December 31<sup>st</sup> 2019, and it was not observed any purchase from a supplier that is in the IBAMA embargoed list, according to consultations carried out during the audit.

Also none of the suppliers of the sampled units in MT, RO and PA appeared in the Forced Labor List of the MTE, as confirmed against the lists issued on January 4<sup>th</sup> 2019, January 16<sup>th</sup> 2019, January 17<sup>th</sup> 2019, March 22<sup>nd</sup> 2019, April 3<sup>rd</sup> 2019, April 11<sup>th</sup> 2019, April 24<sup>th</sup> 2019, May 3<sup>rd</sup> 2019, May 17<sup>th</sup> 2019, June 13<sup>th</sup> 2019, July 23<sup>rd</sup> 2019, July 29<sup>th</sup> 2019, September 3<sup>rd</sup> 2019, September 19<sup>th</sup> 2019, September





23<sup>rd</sup> 2019, September 25<sup>th</sup> 2019, October 3<sup>rd</sup> 2019, October 17<sup>th</sup> 2019, October 25<sup>th</sup> 2019, November 8<sup>th</sup> 2019 and December 13<sup>th</sup> 2019.

None of the suppliers sampled in the units of MT, PA and RO was not enabled at the slaughter date, according to the list of geospatial monitoring, i.e.: there were no slaughtered animals from farms that presented PRODES and / or DETER and / or overlap with Indigenous Lands and / or conservation units.

From January 2013 Marfrig implemented an RFI (Request for Information) tool by which farmers that acquired cattle from third parties (indirect suppliers) shall inform the origin of the animals - Property, Municipality, State, Owner, CPF and CNPJ. The sustainability department consults the lists of IBAMA and forced labor to verify that these indirect suppliers are not listed. However, indirect suppliers are not systematically verified yet. Nonetheless, Marfrig participated in the workshop "Indirect suppliers at sustainable livestock", and is also participating in the workgroup that was formed during this event - the Brazilian Livestock Indirect Suppliers workgroup (GTFI). This group was formed to discuss traceability and monitoring proposals, solutions and status related to cattle provided by indirect suppliers.


It was evidenced the traceability procedure, POPSAU 007/SIF 1900 from March 2020, revision 06.

The animals are transported from supplying farms, always accompanied by the Transit Animal Certificate - GTA, as ruled by the Brazilian Ministry of Agriculture. When they reach the slaughterhouse, an employee checks GTA information and registers in the TAURA systems. After that the cattle are sent to the corral, respecting the capacity of each corral. In each corral, the Veterinary Inspector from the Brazilian Ministry of Agriculture (SIF) performs the checking and completes the documentation, reporting rancher data, city, property, GTA number and number of animals (males and females).

### **Step 3 – Blocking system test for "non-conforming" suppliers**

Besides the sampling mentioned above, there were "in situ" purchases simulation for 30 producers with one or more restrictions - that are part of the IBAMA embargoed list, forced labor list, and from the list of not-enabled suppliers with geospatial monitoring, randomly chosen within the period between January 1<sup>st</sup> to December 31<sup>st</sup> 2019 for all units, as well as checking their presence in the IBAMA embargoed list and forced labor list. The purpose of this additional sampling was to determine if it was possible for the company system to accept without any restrictions purchase operations from not-enabled suppliers regarding geospatial monitoring related to new deforestation (PRODES, DETER), indigenous lands, environmental conservation units and presence in the IBAMA embargoed list and forced labor list.

In all simulations the cattle purchase system TAURA system did not allow the purchase. For not enabled suppliers the consultation is done in the weekly list sent by Geoflorestas. MTE lists are inserted daily in the system after conversion to Excel format, not-enabled suppliers from geospatial monitoring list are manually disabled by corporate sustainability, and IBAMA's site consultation is done directly via webservice at IBAMA website. All these automatic blocking are added to the same consultation, manually done by cattle purchase sector, leading to a better safety in the company's purchase processes.



For cases of suppliers present in the IBAMA embargoed list for a property different from that in which Marfrig want to buy the cattle, the buyer can request a system unlock. The request is made by the Sustainability Department, then passed it on to the Corporate Sustainability department, in order to review the case. Each property is analyzed by means of embargoed coordinates x propriety map, evaluating if the embargoed points are not in the propriety. If proven that the IBAMA embargoed area is not in the property, the request is released by the Corporate Sustainability to the Cattle Purchase department. All files and steps of this procedure are documented and archived.

## **Phase 2 – Geospacial monitoring company.**

### **Step 1 – Procedures verification**


Since 2017 the geomonitoring supplier to Marfrig is Geoflorestas. On April 30<sup>th</sup>, 2020, Geoflorestas was remotely audited by the DNV GL auditor and the processes for obtaining these data were presented. During the interview DNV GL was able to verify that the company is duly qualified to carry out the activities described, considering all legal contracts, technical responsibility and experienced professional. The 2019 Technical Responsibility Register related to the activities performed was checked, as well as the described scope for the monitoring process, identifying the “products”, as well as the project documents containing the scope activities, operational plan and technical description related to the database access, data treatment, and use against the social-environmental criteria.

### **Step 2 – Monitoring simulation**

The process starts when the geomonitoring company receives data from Marfrig and validate it. In case there is any data discrepancy, the company sends to Marfrig an “Anomaly Report”. After that, the geometry is generated, and the social-environmental criteria is assessed, reporting any overlap when that happens. The maps are elaborated based on official documents (CAR, registration, INCRA georeferencing map, descriptive memo, etc.) sent directly by the producer, which are monitorable, reportable and verifiable, and the company evaluates the information received in a judicious way before generating the geometry, certifying that that information is really from the producer that is in commercial negotiation with Marfrig. Weekly the company sends to Marfrig the updated monitoring reports – list of enabled farms and list of “not-enabled” farms, that is finally sent to each cattle purchaser from the Amazon Biome units. During the Geoflorestas audit, some properties were randomly tested, both from the enabled list and the not-enabled list, in order to check the overlapping with deforestation (10 properties), indigenous lands (10 properties) and conservation units (10 properties), totalizing 30 proprieties simulation, as well as the geometry generation process, based on the documents sent by the supplier. All results were in line with the respective lists, confirming thus the geomonitoring system functionality.

### **Step 3 – Supply chain’s land and environmental regularization**

The information about the SNCR/CCIR and CAR/Environmental Licenses are obtained through the contact of Marfrig buyers to farmers. During the audit process the direct suppliers chain land and environmental regularization was verified, by checking the implemented controls, and the following results were found:



Tangará da Serra: 100% of the cattle purchase operations are from suppliers that have CAR or LAU (Environmental Licenses).

Nova Xavantina: 100% of the cattle purchase operations are from suppliers that have CAR or LAU.

Pontes e Lacerda: 100% of the cattle purchase operations are from suppliers that have CAR or LAU.

Paranatinga: 100% of the cattle purchase operations are from suppliers that have CAR or LAU.

Várzea Grande: 100% of the cattle purchase operations are from suppliers that have CAR or LAU.

Chupinguaia: 100% of the cattle purchase operations are from suppliers that have CAR or LAPR.

Ji-Paraná: 100% of the cattle purchase operations are from suppliers that have CAR or LAPR.

Tucumã: 100% of the cattle purchase operations are from suppliers that have CAR or LAR.

During the audit it was evidenced that 100% have georeferenced coordinates and 100% have documents related to the National System of Rural Registry (SNCR) or equivalent (IPTU, CCIR, Land ownership register, etc) for Tangará da Serra, Pontes e Lacerda, Paranatinga, Ji-Paraná, Chupinguaia, Várzea Grande and Nova Xavantina units. For Tucumã unit only 62% have SNCR, due to Para State landing situation, as declared by Marfrig. However, 100% from these suppliers have environmental document (CAR).

## **VI) Audit results**

It was not identified any purchase transaction that was not in compliance with the IBAMA embargoed list and forced labor list and the not enabled supplier lists from geospatial monitoring (overlap with new deforestation – PRODES, DETER, indigenous lands and environmental conservation units).

### **1. Access to information**

The reviewed documents are described in table 1 (page 6).

### **2. Non compliance**

Marfrig's indirect suppliers are not systematically verified, once the slaughterhouses could not implement yet auditable procedures for indirect suppliers. Marfrig argues that the lack of a nationally implemented public traceability policy makes it difficult to implement such a verification.

## **VII) Audit limitations**

There were no limitations to the information during the auditing. However, the audit limited to assure Marfrig's cattle purchase process, considering the sampling process described in this report.

## **VIII) Conclusions**

The assessment of compliance with the "Greenpeace: Minimum Criteria for Industrial Scale Cattle Operations in the Brazilian Amazon Biome" occurred through remote audit at Pontes e Lacerda unit on April 29<sup>th</sup> 2020, at Promissão unit on April 28<sup>rd</sup> 2020, at Marfrig IT sector on April 27<sup>th</sup> 2020, and at the geospatial monitoring company on April 30<sup>th</sup> 2020.

Purchases of units Paranatinga/MT, Tangara da Serra/MT, Chupinguaia/RO, Tucumã/PA, Pontes e Lacerda/MT, Nova Xavantina/MT, Várzea Grande/MT and Ji-Paraná/RO were evaluated and based on the

findings detailed in the previous chapter of this report, the following key findings of this evaluation are highlighted below, regarding adherence to the "minimum criteria for Operations with Cattle and Beef Products in Industrial Scale in the Amazon Biome - Greenpeace":

1. In the random sampling carried out in all the units during the desk review, it was not observed any supplier that was included in the IBAMA embargoed list as per consultations held during the audit at the website <http://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>, nor any supplier that was included in the MTE's Forced Labor list;
2. Similarly it was shown that Marfrig did not buy cattle from suppliers sampled from the list of not-enabled producers regarding the geospatial monitoring units of the Amazon Biome in DETER, PRODES, conservation areas and indigenous lands;
3. The cattle purchasing team practices a systematic daily verification of the forced labor list (Ministry of Labour) and embargoed areas list (IBAMA), as described in Procedure of Socio-environmental Control of Cattle Purchase DSGPSC 001 code, date of issue 05/2019, revision 02, with the description of the steps required for the cattle purchase;
4. Cattle purchase use of the computerized system TAURA that automatically blocks the acquisition of properties that have cattle in the lists of IBAMA and MTE by use of forced labor list;
5. Information about suppliers of the Amazon Biome regarding georeferenced coordinates of its properties. In the sampling performed, 100% of the active direct suppliers located in the Amazon Biome had farm boundaries, showing the polygon of the property;
6. 100% of sampled suppliers have CAR (Rural Environmental Registry), LAR (Rural Environmental License) or LAU (Unique Environmental License);
7. Purchase orders registers' integrity robustness, as confirmed by remotely auditing the Marfrig IT sector;
8. Although there was the option to perform the audit only through documents, Marfrig also opted to perform remote interviews (in units of the Amazon Biome) to demonstrate the procedures performed and the practical knowledge of local staff. This allowed visualization of the information flow between the Corporate Sustainability team with the local team (Sustainability and Cattle Purchase), as well as the company responsible geospatial for monitoring.

São Paulo, 30 April 2020



**Felipe Lacerda Antunes** – Auditor

## SUMMARY TABLES

### 1. Total purchases and sampling

<b>1 - Total purchase and sampling</b>			
Total cattle purchase operation from the Amazon Biome by Marfrig from January 1 <sup>st</sup> to December 31 <sup>st</sup> 2019	Total animals purchased from the Amazon Biome by Marfrig from January 1 <sup>st</sup> to December 31 <sup>st</sup> 2019	Total cattle purchase operation sampled for the assessment	Total animals sampled for the assessment
19,047	1,037,930	2,701	183,899

### 2. Non conformities found in the period in the audit

<b>2 - Non conformity(ies) (2019)</b>			
Criteria	Total non-conformities	% non conformities related to total purchase 2019	% non conformities related to total sampled purchase operations
Cattle purchase operations from properties with an identified deforestation after Oct/2009.	0	0	0
Blocked properties due to indigenous land invasion	0	0	0
Blocked properties due to environmental conservation unit invasion	0	0	0
Blocked properties due to presence at MTE list	0	0	0
Blocked properties due to presence at IBAMA list	0	0	0
Blocked properties due to other criteria from the commitment, not described above (specify)	0	0	0

### 3. Blocking test result

<b>3 - Blocking test</b>			
	Total number of purchase simulation tests in the system	Conformity	Non-conformity
IBAMA	10	10	0
MTE	10	10	0
GEO (Prodes, DETER, TI e UC)	10	10	0



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# DNV·GL



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