

NOTE TO TBIJ - September 6, 2022

1) Marfrig has been repeatedly exposed for links to illegal deforestation and other violations in its vast supply chain, which includes an estimated 10,000 ranchers in Brazil

Marfrig has been working continuously to mitigate any link between illegal deforestation and other irregularities in its production chain, both in the Amazon and in the other biomes where it operates. It was the first company in the segment to establish a public commitment, with a detailed plan of actions and a timetable. To execute it, Marfrig has made continuous efforts to turn its production chain free of deforestation and increasingly sustainable. Even with the complexity and territorial extension of livestock activity in the country, the company has already collected concrete and auditable results in this regard, within the scope of the Plano Marfrig Verde+, which aims to track 100% of the company's cattle supply chain (including indirect suppliers) by 2025, in the Amazon, and by 2030, in the other biomes.

One of the most recent results is the identification rate (via satellite) of 100% of direct supplier farms. As for the monitoring of indirect suppliers – one of the biggest challenges of its supply chain – Marfrig already has information on the origin of 72% of them in the Amazon and 73% in the Cerrado biomes.

In addition, more than 2,400 Marfrig's suppliers were able to be re-included in the company's supply chain (between 2021 and the first half of 2022) for having adapted to the socio-environmental criteria adopted as a commitment by the company - it is important to remember that the principle of re-inclusion is one of the pillars in the Plano Marfrig Verde+.

It is also important to remember that Marfrig maintains a strict animal purchase policy and a protocol with defined and clear criteria and procedures that are prerequisites for the approval of suppliers and authorization for animal purchases. To ensure compliance with all the requirements, the company has developed and maintains a platform for continuous and daily monitoring of suppliers. The system crosses georeferenced data and farm documents with official public information to identify potential non-conformities on topics such as deforestation, embargoed areas, conservation units, indigenous reserves and slave labor. Every new purchase, all this data is checked, obtaining the updated status of the property regarding these criteria. When a nonconformity is identified, the supplier is immediately blocked and new purchases are not made until the situation is solved -- a fundamental and non-negotiable practice of the company.

2) Multiple properties in Mato Grosso and Pará states identified as Marfrig suppliers have been involved in destroying at least 150 sq km of rainforest in recent years, including areas that are home to Indigenous communities.

Marfrig acts based on data and facts, as well as with defined and clear criteria in order to have maximum transparency regarding the results obtained. In this context, it is

necessary to obtain objective information or, at least, some data that allows us to identify these properties in our supplier base and to verify the socio-environmental compliance of properties connected to Marfrig's operations.

Currently, the socio-environmental analysis process of suppliers includes the geospatial monitoring of more than 25,000 properties.

In addition, the information that Marfrig acquired animals from farms overlapping with indigenous lands in Pará in 2021 does not match reality, since the company ended operations in the state on March 16, 2020, therefore prior to the date mentioned.

Since 2010, Marfrig has performed geospatial monitoring for 100% of its suppliers located in the Amazon using official data, updated and made available by INPE - Instituto Nacional de Pesquisas Espaciais.

As already mentioned, Marfrig has established strategic and operational guidelines that are concretized in an action plan to strengthen control over the origin of the raw material it buys, mitigating the risks of coming from critical zones associated with deforestation. To ensure compliance with all purchase criteria set out in the policy and protocol, Marfrig has developed and maintains a Supplier Monitoring Platform. The tool used by Marfrig monitors all the farms that supply the animals to the production plants. The system crosses georeferenced data and farm documents with official public information to identify possible non-conformities, preventing the raw material from coming from farms located in areas of deforestation or embargoes, conservation units, indigenous territory or even with the use of slave labor, according to a purchase protocol and public commitments assumed by the company.

All these criteria are audited annually by an independent third-party audit and, for the tenth consecutive year, 100% compliance was attested in the processes of purchasing cattle from direct suppliers of the Amazon Biome, in compliance with the criteria and guidelines established by the Public Livestock Commitment in the Amazon.

We emphasize that Marfrig was the only company to date to carry out and publish such an audit report reflecting the results related to the year 2021.

3) CAR registries crossed with georeferenced data on Indigenous territories show two properties that supply Marfrig with cattle overlapping the Menku Indigenous territory, in Brasnorte, Mato Grosso: Cascavel and Deiss farms.

It is essential to highlight and clarify that Marfrig is fully adhering to the public commitments assumed, as can be seen in an independent audit report. In addition, the company has been a signatory since 2009 (and continues to fully execute until the present moment) of the Public Commitment for Livestock with Greenpeace, which establishes, in its Terms of Reference, that, for the purpose of analyzing the compliance of suppliers of livestock, uses the areas of indigenous land already homologated by the Presidency of the Republic.

Additionally, committed to the continuous improvement of its processes, following the public commitment with the Federal Public Ministry, through the TAC-MT signed by the company, and in adherence to the Monitoring Protocol for Amazon Cattle Suppliers (Protocol “Boi na Linha”), indigenous lands that are in the declared phase or more advanced are also recognized for analysis. Below, from the cited document itself, we extract the information and the source of consultation:

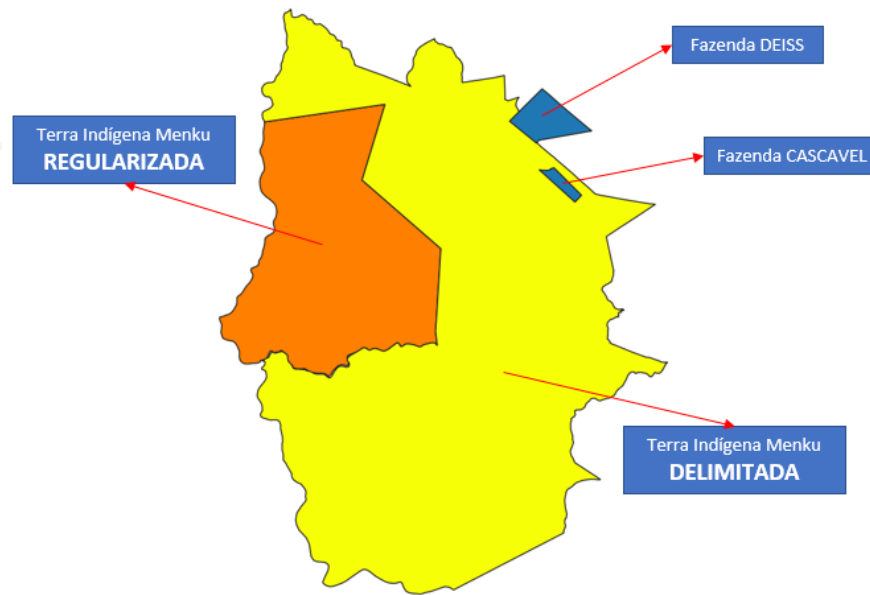
DE ACORDO COM A FUNAI¹⁴, O PROCESSO DE DEMARCAÇÃO DE TERRA INDÍGENA APRESENTA AS SEGUINTE FASES:

- 1. Em estudo:** Realização dos estudos que fundamentam a identificação e a delimitação da terra indígena.
- 2. Delimitadas:** Terras que tiveram os estudos aprovados pela Presidência da Funai, com a sua conclusão publicada no *Diário Oficial da União* (DOU) e do Estado, e que se encontram na fase do contraditório administrativo ou em análise pelo Ministério da Justiça para decisão acerca da expedição de Portaria Declaratória da posse tradicional indígena.
- 3. Declaradas:** Terras que obtiveram a expedição da Portaria Declaratória pelo Ministro da Justiça e estão autorizadas para serem demarcadas fisicamente, com a materialização dos marcos e georreferenciamento.
- 4. Homologadas:** Terras que possuem os seus limites materializados e georreferenciados, cuja demarcação administrativa foi homologada por decreto presidencial.
- 5. Regularizadas:** Terras que, após o decreto de homologação, foram registradas em cartório em nome da União e na Secretaria do Patrimônio da União.
- 6. Interditadas:** Áreas Interditadas, com restrições de uso e ingresso de terceiros, para a proteção de povos indígenas isolados.

https://www.beefontrack.org/public/media/arquivos/1653920941-protocolo_monitoramento_gado_a4_portugues_1.1_alt4.pdf

Thus, Marfrig is fully adhering to the public commitments assumed, respecting all the criteria contained in the protocols. Thereby, the allegation that the company acquired animals from irregular indigenous areas is not concrete.

The aforementioned farms are superimposed on an expansion area of the Menku Indigenous Land, which, to date, is in the administrative phase called delimited, therefore, one of the stages prior to any commitments assumed. The image below shows the location of the regularized area (in orange), the delimited area (in yellow), as well as the location of the farms (in blue), and it is possible to see that the properties are completely outside the regularized area of the indigenous land mentioned.



We take the opportunity to clarify that Fazenda Cascavel slaughtered animals together with Marfrig for the last time in 2019 -- a total of 38 animals at the Tangará da Serra/MT unit. As for Deiss Farm, a total of 71 animals were slaughtered at a Marfrig unit in 2021.

4) Although Marfrig publicly states that it respects Indigenous people's rights, this is not the first time the company has been exposed for its links to farmers raising animals inside Indigenous territories. In 2020, news organization Repórter Brasil reported how Marfrig indirectly sourced cattle raised inside the Apyterewa Indigenous territory, one of the most deforested Indigenous lands in the Amazon.

Marfrig reaffirms that the farms mentioned were 100% adhering to the commitments at the time, that is, they did not produce on indigenous lands, according to a response sent at the time to Repórter Brasil:

<https://reporterbrasil.org.br/2020/06/integra-das-respostas-para-a-reportagem-sobre-gado-criado-em-terra-indigena/>

As for potential indirect suppliers, whose animals could reach Marfrig's suppliers, the company emphasizes that it has been improving its control and monitoring systems to ensure traceability throughout its entire chain, from the origin of the animals to the moment they arrive at the plants.

Regarding indirect suppliers, Marfrig implemented, within the scope of the Plano Marfrig Verde+, a robust system based on a blockchain platform that has already been mapping its entire supply chain. It is worth mentioning that for the Amazon biome, the indirect control index closed the first half of 2022 with 72% of achievement, remembering that Marfrig already controls 100% of direct suppliers based on zero deforestation criteria, being the only one in the sector to make this commitment for its entire chain.

Marfrig reiterates its commitment not to buy cattle from areas with deforestation, with overlapping with indigenous lands and conservation units, with environmental embargoes and from suppliers on the block list of slave labor throughout its chain. Such criteria apply to direct and indirect suppliers. In addition, the company has been working hard to achieve full implementation by 2025.

5) Experts told the Bureau that regardless of the stage of regularization of indigenous territory, according to the Brazilian constitution there is no justification for allowing the registration of a property that overlaps the Menku territory;

In accordance with the public commitment made to Greenpeace in 2009 and held by Marfrig until today, as described in the TdR (Term of Reference) of this commitment, for the purposes of analysis, we use the areas of indigenous lands already homologated by the Presidency of the Republic. In addition, following the public commitment with the Federal Public Ministry and in accordance with the Protocol for Monitoring Cattle Suppliers in the Amazon, only indigenous lands that are in the declared demarcation or more advanced stages are recognized for analysis, as detailed in the table next:

DE ACORDO COM A FUNAI¹⁴, O PROCESSO DE DEMARCAÇÃO DE TERRA INDÍGENA APRESENTA AS SEGUINTE FASES:

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Regarding the texts below:

6) Marfrig is a supplier of meat to Nestlé, including for use in its baby food, pet food and culinary products;

7) Amongst Marfrig's customers are major supermarkets and grocery chains including Wal-Mart, Tesco, Carrefour, Waitrose and Sainsbury's, as well as the food manufacturers Kraft, ConAgra Foods, Heinz and Hormel Foods;

8) The firm's Pampeano brand of canned beef is sold globally, including in UK and US supermarkets;

9) The same abattoir listed as a Nestlé supplier, Tangará da Serra, also supplies beef to McDonalds and Burger King.

-> Marfrig does not comment on its commercial relationships.

10) This meat plant has exported more than £1 billion worth of beef products globally since 2014. Destinations identified include China, India, Germany, Spain, Italy, the Netherlands and the UK;

As a listed company, all of Marfrig's financial information is available in the Investor Relations area's reports: <https://ri.marfrig.com.br/en/>