



São Paulo, January 14, 2021

c/o Savio Carvalho, Greenpeace International
and Daniela Montalto, Greenpeace UK

In response to the letter sent to us, questioning our commitment to sustainable development and environmental preservation, we would like to highlight that as the world's second-largest food industry JBS takes its responsibility to feed the world and produce the highest quality-sustainably sourced products very seriously. By way of example, in 2019 alone we invested R\$ 1.9 billion in concrete environmental actions across the entire value chain. This is because we understand that protecting the planet is humanity's most important mission in the XXI century - a not-so-simple task that demands time, dedication and, above all, collaboration between key industry players to establish efficiencies and continuously improve processes.

In line with its historical commitment to environmental sustainability, ten years ago, JBS developed one of the world's largest supplier monitoring systems that uses satellite imagery to monitor an area larger than Germany. This tool ensures that the Company only purchases from producers who fully comply with its socioenvironmental criteria – this means, those that do not have areas embargoed by IBAMA, are not found on the “blacklist” of slave labor, and zero tolerance towards illegal deforestation in strict compliance with the Brazilian Forest Code. To date, JBS has blocked more than 9,000 farms because of non-compliance with its criteria. The cattle procurement operations of JBS are independently monitored on an annual basis, with the audit results published on the Company's site, guaranteeing transparency of the entire process. It is also worth pointing out that the company is co-developer of the **Supplier Monitoring Protocol of the Federal Prosecutor's Office (MPF)** (www.beefontrack.org).

JBS recognizes the importance of ensuring the same level of compliance is followed by the suppliers of its own suppliers, a challenge for the entire industry. With this in mind, the Company announced in September of last year the launch of the **JBS Green Platform**. The tool uses blockchain technology to extend to the other links in our production chain the socioenvironmental monitoring the Company applies to its suppliers. All data is stored securely and reliably and the platform is supported by engagement with and education of the producers throughout the supply chain. As outlined when we launched the Platform, we are on schedule to implement as planned and we will also make the Platform available to other companies in our sector. This program will also make available, through **Green Offices**, legal, environmental and livestock husbandry advisory services to assist cattle producers in improving stewardship on their properties, promote reforestation of degraded areas and encourage an increase in sustainable productivity – which reduces carbon emissions and improves local biodiversity.

The company has also constituted the **JBS Fund for The Amazon**, dedicated to financing actions and projects to expand conservation of the forest and the sustainable development of the communities that inhabit it. JBS will contribute R\$ 250 million in the first five years, and the target is to raise the fund's resources to a total of R\$ 1 billion by 2030, with the participation of partners whose contributions will be matched by the Company in the same proportion.



In 2020, JBS entered into a partnership with the **Liga do Araguaia (Araguaia League)**, consisting of around 60 livestock farmers in the region of the Middle Araguaia River Valley located in the state of Mato Grosso. The aim is to foster development of sustainable livestock farming in the region with the support of local producers. We believe that the combination of monitoring and development is what will lead to an efficient and sustainable production chain.

Furthermore, JBS has developed the **Fazenda Nota 10 (10-out-of-10 Farm)** program that offers high-performance management training to maximize the efficiency of beef cattle farms in Brazil and consequently reduce carbon emissions. Developed by JBS in partnership with the Inttegra Institute, the program is intended for livestock farmers throughout Brazil. This type of initiative is a solid step towards the future of sustainable food production as we cater to a growing global population, producing more with less, decreasing the sector's environmental footprint.

There are numerous other initiatives that could be listed here, such as the production of 265 million liters of biodiesel from used cooking oil and the beef tallow from our plants in Brazil, the use of renewable energy, which accounts for 90% of total consumption at our production units and the fact that 1 million tons of waste generated by our operations around the world were recycled in 2019. Further information about each of these initiatives and many others is available on our site.

Also in 2020, JBS became a member of the Tropical Forest Alliance (TFA), an initiative linked to the World Economic Forum that encourages and promotes actions aimed at ending deforestation around the world. The Company is also a member of the Sustainable Livestock Farming Working Group (GTPS) and the Global Roundtable for Sustainable Beef (GRSB), initiatives that encourage the elimination of deforestation and contribute to improving sustainability throughout the value chain.

We have also received recognition that we are on the right path. Today, we are the best-placed Brazilian company in our sector in the respected **CDP** sustainability ranking. The **Coller FAIRR Protein Producer Index**, which evaluates 60 global listed companies involved in the production of food based on beef, fish and dairy products, listed JBS among the top 10 in the ranking and, among the Brazilian companies, JBS produced the best performance, jumping eight positions from one year to the next.

Having said this, in regard to the work done by Greenpeace and with the certainty that we share the same mission of feeding the world sustainably, JBS respectfully wishes to clarify that:

1. In regard to the cases listed by the NGO in its letter, the suspicions raised are based on errors in the methodology used to conduct the analysis and on criteria that are not only not part of Brazilian legislation, or included in the industry procurement protocols approved by the Federal Prosecutor's Office. This type of superficial analysis can lead to errors and misleading conclusions.
2. In one of these cases, for example, the line of reasoning of Greenpeace defies logic: the NGO lists purchases by JBS in 2018 and 2019, prior to the fires in the Pantanal that would only take place one year later, in 2020. In addition, Greenpeace accuses a farmer, who is not a JBS supplier, of being one of those responsible for the fires, based solely on an "online search", as the NGO itself puts it.
3. In the case of the purchases pointed out by Greenpeace, we undertook an individual analysis of the properties listed and we can assure you that 100% of the farms that sold raw materials to the Company were compliant with all the prerequisites of the JBS Responsible Procurement Policy



at the time of purchase. We present the detailed results of our analysis in the attached spreadsheet in which we also show the shortcomings in the assumptions made by Greenpeace, which also contradict criteria publicly defended by the NGO. It is also worth pointing out that in 6 of the 18 cases listed, the alleged irregularity observed was not even presented, even after we questioned this.

4. Among the cases analyzed, there are farms that did not sell to JBS, that is, they are not in our active base of suppliers. In their regard, the Company is in no position to draw conclusions, since it does not have access to the evidence of the transit of animals referred to by Greenpeace. When questioned by the Company, Greenpeace did not share the information it alleges it has. As is public knowledge, no animal protein processing company has access to the animal transportations records (GTAs, Guia de Trânsito Animal) of all the links in its chain, which could indicate who are the suppliers of their suppliers. This information is protected by legal secrecy, which prevents us from accessing these document bases without the supplier's proper authorization.
5. When questioned by JBS, Greenpeace refused to produce the alleged evidence it has in relation to upstream links in our production chain, which would enable the Company to enhance its due diligence process, not only of its suppliers, which it does very successfully, but also of their suppliers. The NGO would make a much more significant contribution to society and to protecting the environment if it used the information to which it alleges having had access to, presumably legally, to prevent purchases from producers that do not meet socioenvironmental criteria.
6. As already explained, JBS is taking on the industry-wide challenge of making it possible to monitor all the links of its production chain, as it already does with its suppliers, using the JBS Green Platform.
7. All data on the areas deforested through the use of fire or other means, which appear on the PRODES (Satellite Deforestation Monitoring Project) system of the INPE (National Space Research Institute), are used by the JBS monitoring system to identify and block properties involved in deforestation. This same system will be used by the JBS Green Platform to monitor the other links in the chain.
8. In the first paragraph of its letter, Greenpeace links facts of 2020 to JBS purchases in 2018 and 2019. As already mentioned, besides not making any sense, this is an irresponsible insinuation and does not take into consideration the advances demonstrated by the Company. We detail below the reasons:
 - a. Greenpeace indicated that a single property – Bonsucesso Farm – allegedly investigated by the Federal Police for fires in the Pantanal in September 2020 and which, according to the NGO, was in some way related to JBS. Based on confidential data of livestock farmers obtained by Greenpeace, to which we do not have access, this property had supplied a second farm which, in turn, had sold to a third farm, the latter being a JBS cattle supplier. The purchases from this last property all complied with the Responsible Procurement Policy, respecting at all times the protocols defined by the Federal Prosecutor's Office (MPF). Even if JBS had the means of identifying the suppliers of its suppliers' suppliers, the Company could not have foreseen that, more than one year later, according to the press, this farmer, as indicated by Greenpeace, would be investigated for fires in the Pantanal.



- b. We condemn all types of aggression against and disrespect for the environment. Bearing in mind that Bonsucesso is not a supplier of JBS, that the Company's purchases from another farm mentioned occurred one year before the fires, and that the suspicion surrounding the farm owner is based on an on-going investigation, it is evident that any attempt to link JBS to the very serious fires in the Pantanal, based on the information currently available, would be ill-judged and irresponsible.
 - c. Nevertheless, it should be pointed out that in a clarification sent to JBS, Greenpeace admits that its "accusation" against the Bonsucesso Farm is based on an "internet search".
9. In regard to the Company's units in Campo Grande (SIF 1662 and SIF 4400), it is totally incorrect to treat them as a single unit. Not only are they independently registered for inspection purposes, but they are also in completely different locations miles apart. Also in this case, JBS requested access to the "evidence" that Greenpeace says it has and, once again, the NGO refused to provide this, demonstrating once again the lack of transparency that would be required to properly clarify the issue.
10. Given the commercial confidentiality agreements signed with our customers, we are not in a position to provide data regarding the products we supply customers from specific units. At any rate, we wish to clarify that JBS has dozens of units in Brazil certified to supply the customers mentioned and that it strictly complies with the sustainability and production policies of each of them.

We are absolutely committed to the development of the industry in Brazil, and sustainability is an indissociable part of our business strategy. Thus, it is incumbent to reiterate that the implementation of sustainability policies in complex production chains like that of the beef sector in Brazil is a huge challenge, which can only be fully overcome through joint effort and commitment of all stakeholders.

Best regards,

A handwritten signature in blue ink, appearing to be 'Márcio Nappo', written over a horizontal line.

Márcio Nappo

Director of Corporate Sustainability – JBS Brazil