

JBS S.A.

Report on third-party Agreed-upon Procedures to meet the "Commitment to adopt minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome"

## REPORT ON THIRD-PARTY AGREED-UPON PROCEDURES TO MEET THE “COMMITMENT TO ADOPT MINIMUM CRITERIA FOR INDUSTRIAL-SCALE OPERATIONS WITH CATTLE AND BEEF PRODUCTS IN THE AMAZON BIOME”

To  
JBS S.A.  
São Paulo - SP  
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### Summary

The purpose of this work was to identify, by means of Agreed-upon Procedures, whether the Company met the criteria assumed in the Public Livestock Commitment (CPP), covering the period from January 1, 2023 to December 31, 2023, based on our work, comprising the performance of the agreed-upon procedures described in this report.

This summary is not a replacement for the full version of this Report

### I) Introduction

Since 2007, Greenpeace has been studying the behavior of the cattle-raising production chain in the Amazon region. In 2009, after a long investigation, the organization published its report *A Farra do Boi na Amazônia* (The Amazon Cattle Feed), which pointed out the relationship between meat packing companies involved in deforestation and slave labor with high-end products sold on the international market. Since then, the meat packing companies JBS S.A, Marfrig Global Foods and Minerva Foods have made a public commitment not to purchase cattle from (1) farms responsible for deforestation inside the Amazon Biome after October 2009, (2) as well as from those that use labor analogous to slavery or (3) those that are located in indigenous land or environmental conservation areas. The public commitment that establishes criteria for purchasing animals from properties located in the Amazon Biome is called the Public Livestock Commitment (CPP) and is defined through the document “Minimum criteria for industrial-scale operations with cattle and beef products the Amazon biome”.

### II) Purpose

BDO RCS Auditores Independentes SS Ltda. (“BDO”) was contracted through proposal No. 0705/24 to carry out Agreed-Upon Procedures, in accordance with NBC TSC 4400 - Agreed-Upon Procedures Engagement on Accounting Information, approved by the Brazilian Federal Council of Accounting (CFC). The Agreed-upon Procedures in this report are highlighted in italics and were applied with the objective of independently evaluating, through auditing procedures, JBS's information and processes that make it possible to identify whether the Company has met the criteria assumed in the aforementioned public commitment, covering the period from January 1, 2023 to December 31, 2023. The procedures agreed between the parties are presented in the Terms of Reference (ToR) for Third-Party Audits 2017 (base year 2016), according to the latest publication of the document by Greenpeace.

### III) Period of the work

The work was carried out between May 22, 2024 and September 30, 2024.

### IV) Description of the company and the cattle purchasing process, with regard to compliance with the Public Livestock Commitment

*“Describe in detail the scope of the audit, informing the number of company units that receive animals from the Amazon Biome.”*

(excerpt taken from the ToR - Model of audit report)

In 2023, the company had 37 active beef slaughtering and processing units. Among the units located in Brazil are the following units in the Amazon biome:

- Água Boa (AGB) - MT;
- Alta Floresta (AFT) - MT;
- Araguaína (ATO) - TO;
- Araputanga (ARA) - MT;
- Barra do Garça (BAR) - MT;
- Confresa (CFS) - MT;
- Colíder (CLR) - MT;
- Diamantino (DMT) - MT;
- Juara (JUA) - MT;
- Marabá (MRB) - PA;
- Pedra Preta (PDP) - MT;
- Pimenta Bueno (PIB) - RO;
- Pontes e Lacerda (PEL) - MT;
- Porto Velho (PVH) - RO;
- Rio Branco (RBR) - AC;
- Redenção (RED) - PA;
- São Miguel do Guaporé (SMG) - RO;
- Santana do Araguaia (STA) - PA;
- Tucumã (TCM) - PA;
- Vilhena (VHA) - RO.

Following the guidelines of the ToR, the work involved analyzing 10% of purchases made from properties located in the Amazon Biome in 2023. This sample, which will be detailed in the topic “Step 1 - Sample Selection” of this report, covered all the months of 2023 and, proportionally, all 20 Corporate Taxpayer’s ID inserted or supplied with raw materials from the Amazon biome.

Prior to the results found during the tests carried out and their results, it is important to inform the meaning of the following acronyms, which may be used throughout the report:

- Technical Responsibility Note (ART);
- Rural Environmental Registry (CAR);
- Rural Property Registration Certificate (CCIR);
- Real-Time Deforestation Detection (DETER);

- National Indigenous People Foundation (FUNAI);
- Animal Transit Guide (GTA);
- Brazilian Institute of Environment and Renewable Natural Resources (IBAMA);
- National Institute for Settlement and Agrarian Reform (INCRA);
- National Institute for Space Research (INPE);
- Rural Environmental License (LAR);
- Single Environmental License (LAU);
- List of Illegal Deforestation in the State of Pará (LDI);
- Federal Public Prosecution Office (MPF);
- Ministry of Labor and Employment (MTE);
- Brazilian Amazon Deforestation Monitoring Project (PRODES);
- State Department of the Environment and Sustainability (SEMAS);
- Brazilian System of Rural Environmental Registry (SICAR NACIONAL).

*“Describe in detail the corporate cattle purchasing systems, their mechanisms and procedures used to comply with the Public Livestock Commitment, based on the public lists and the GEO list, as well as the animal origin traceability system.”*

(excerpt taken from the ToR - Model of audit report)

The cattle purchasing routine was analyzed and followed up with the main people responsible, including the outsourced company responsible (Agrottools) for geomonitoring the properties that supply JBS. This made it possible to verify the relevant processes, as well as to check the suppliers' records and information contained in the company's database.

JBS has a responsible raw material purchasing policy that establishes socio-environmental criteria for selecting its suppliers. In Brazil, the Company's responsible cattle purchasing policy stipulates that it will not purchase animals from farms or suppliers involved in:

- Deforestation in the Amazon biome, with or without authorization, as of July 22, 2008;
- Unauthorized deforestation in other biomes, as of August 01, 2019;
- Overlapping with indigenous land;
- Overlapping with *quilombola* territories;
- Overlapping with environmental conservation units;
- Areas embargoed for deforestation;
- Use of labor in conditions analogous to slavery;
- High-risk crimes;
- Reputational risks to JBS.

As described in the purchasing policy, to ensure that the purchase of animals meets the established socio-environmental criteria, the company has had processes in place since 2010 to check and monitor the conditions of the properties of all its direct suppliers. JBS's processes rely on a system that uses satellite images, georeferenced data and lists of information from government agencies as the basis for daily analysis of all the farms and ranchers that supply cattle to the Company. Only registrations that comply with the Company's purchasing policy are able to be sold.

Thus, to provide greater security in its process of registering new suppliers, and verifying and monitoring cattle ranchers already registered in its ERP system, the Company has a contract with the company Agrottools Gestão e Monitoramento Geo Espacial de Riscos Ltda., which carries out daily monitoring of all the lists made available by public bodies and which are pertinent to the socio-environmental criteria adopted by JBS.

When it receives a new registration request, the company's Corporate Sustainability Team analyzes the situation of the supplier farms according to the information contained in the public lists "Lista IBAMA" and "Lista MTE", by downloading the official databases daily, where it is crosschecked against the Individual/Corporate Taxpayer's ID (CPF/CNPJ) of the registered suppliers. This criterion is applied to 100% of the farms registered as cattle suppliers to JBS in Brazil. Producers with CPF/CNPJ on IBAMA's public lists and/or slave labor are automatically blocked from purchasing in the JBS system.

After the initial analysis, as described in the paragraph above, JBS uploads the documentation provided by the cattle rancher through the "ERP Service Desk" platform, and then it is analyzed by the analysts at the Agrottools Call Center, which, through the Rural Environmental Registry, has its maps and information crosschecked against the maps made available by INPE, IBAMA, FUNAI and MMA, to verify the existence of overlaps or any other irregularities and, with this, define the status of the registrations, as well as whether the supplier farms are suitable for commercialization.

## V) Procedures

*"Describe the audit strategy (trail) and procedures adopted to demonstrate compliance with the Minimum Criteria, informing which documents were made available, in accordance with what the Terms of Reference establish for each of the stages of the audit process."*

(excerpt taken from the ToR - Audit Report Model)

The procedures adopted consisted of analyzing the documents and information relating to cattle purchases made by JBS within the Amazon biome area in the period established from January 1, 2023 to December 31, 2023, in accordance with NBC TSC Standard 4400 - Agreed-upon procedures Engagements.

The work was carried out based on the Terms of Reference (ToR) previously agreed between the companies that signed the agreement and the non-governmental organization Greenpeace, and on documents presented by JBS to demonstrate compliance with the "Minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome". The main procedures applied in the work include:

- Documentary inspection;
- Interviews with employees who operate the system in person;
- Simulated operations using existing tools.

To demonstrate compliance with the minimum criteria, in accordance with the Terms of Reference established for each stage of the process, the following procedures were carried out. The remaining topics of this report detail the procedures for each of the work steps and the findings obtained during the verification process.

Firstly, JBS was asked to provide the following documents, deemed necessary for performing the relevant steps and analyses:

- Records of purchases and receipts of animals in the period checked;

- List of direct suppliers for the period checked;
- Internal list of blocked and released suppliers based on analysis of satellite images and the geographical information system, containing the owner's name, identification document, the name of the property and the reason why the supplier was blocked, provided by Agrottools Gestão e Monitoramento Geo Espacial de Riscos;
- CAR or LAR documents for 25 purchases randomly selected from the 10% sample of all purchases in the Amazon biome made in 2023;
- CCIR documents for 25 purchases randomly selected from the 10% sample of all purchases in the Amazon biome made in 2023.

In addition to the above documents, the following were requested and received from the geomonitoring company:

- Bylaws;
- Technical Responsibility Note (ART);
- Legal Entity Registration Certificate;
- Corporate Taxpayer's ID;
- PDF files which contain the operational procedures.

In addition to crosschecking the public lists of embargoed areas (IBAMA) and slave labor (Labor Secretariat's List of Slave Labor) against the 10% sample of purchases from suppliers in the Amazon biome in 2023, the list was downloaded from the IBAMA website and the Labor Secretariat's List of Slave Labor, containing the register of employers convicted of exploiting workers updated to that date, both downloaded on May 28, 2024.

After receiving the documents listed, the following steps were taken:

- A 10% sample was generated of the total cattle purchases made in the Amazon biome, from January 1, 2023 to December 31, 2023, covering all the months of the year and proportionally all the units supplied with raw materials from the Amazon biome;
- The sample obtained was crosschecked against (1) the IBAMA list, (2) the list issued by the Labor Secretariat's List of Slave Labor and (3) the list obtained by the outsourced geomonitoring company (deforestation, indigenous land and conservation units), using the information they have in common, which is the CPF/CNPJ and farm code.
- When owners or properties were found in any of the lists, the date of inclusion on the list was checked, which must be after the date of purchase. In addition, the location of the municipality of the embargoed property was checked, as well as the name of the supplying property, in order to check if it was the same;
- For those suppliers or properties included in the lists for which any irregularities and/or need for additional findings were identified, additional documentation was requested, and a purchase simulation was carried out in JBS' system to test blocked suppliers identified in the previous work step;
- According to the Terms of Reference, the sample used for the blocking test should be equal to ten cases for each criterion: IBAMA, the list issued by the Labor Secretariat's List of Slave Labor and the GEO list, however, it was not possible to conduct the ten tests for the Labor Secretariat's list since the list crosscheck resulted in the identification of only two cases. Thus, in relation to the criterion of irregular properties, 30 cases were verified, so that 14 tests were carried out for IBAMA, 14 cases for the GEO list and two for the slave labor list. It should be noted that for this last criterion, the ranchers identified in the list joined on October 5, 2023 and April 5, 2024, which is after the purchase date;

- A check was carried out via Webex on June 5, 2024 with those responsible for the outsourced company's geomonitoring procedures, in order to understand whether the processes carried out to ensure that the purchase is regular and that there are no purchases from suppliers that have properties overlapping indigenous land, conservation units or that have carried out deforestation since July 2008;

Also, with regard to the geomonitoring procedures carried out by Agrotools, in order to confirm the reliability and effectiveness of the service provided, a sample of 30 properties was generated to simulate the monitoring of 30 purchases, containing properties released and blocked for purchase, with ten properties being tested for each of the criteria for deforestation, ten properties for overlapping indigenous land and ten properties for overlapping conservation units. For the CAR or LAR document, 25 purchases from the sample were randomly selected using statistical software to send in the documentation.

In addition, to verify the legality of property title documents, 25 purchases were randomly selected using statistical software to check the CCIR document on INCRA's website and/or documents such as the property's registration.

Step 1 - Sampling process, testing the cattle purchase system and testing the non-compliant supplier identification system.

Step 1 - Sample selection

*"Briefly describe the procedures applied to extract information on cattle purchases made in the Amazon Biome by companies during the audited period, and the criteria adopted for selecting the sampling. The sample calculation will not be published and may be disclosed to Greenpeace, provided that a confidentiality clause is agreed."*

(excerpt taken from the ToR - Audit Report Model)

JBS extracted from its system the database of cattle purchases in the Amazon biome made between January 1, 2023 and December 31, 2023. The extraction of this database was monitored by a BDO Information Technology professional in order to verify the integrity of the information in the database, which took place on May 22, 2024.

From this total of purchases made from properties located in the Amazon biome, a 10% sample was generated, as agreed between the companies and Greenpeace, which resulted in a total of 6,773 cattle purchase transactions.

The sample was selected using statistical software, considering each of the 12 months of the sample period and considering a 10% sample per meat packing unit, thus ensuring a representative proportion of purchases from the various units of the company (see table 1 in the Attachment at the end of this report).

## Step 2 - Testing the cattle purchase system

*"Briefly describe how the public lists (Ibama and MTE) and the Geo list were compared with the sample of cattle purchases, identifying disagreements and agreements.*

*If cattle purchase from a property appearing on any of the lists is identified, give an estimate of the volume of irregular purchases as a percentage of the total sample, and how verification was done of any cattle purchases from irregular suppliers.*

*The sample calculation will not be published and may be disclosed to Greenpeace, provided that a confidentiality clause is agreed."*

(excerpt taken from the ToR - Audit Report Model)

To carry out this work step for the cattle purchase test, on May 28, 2024, the BDO team downloaded the official lists of embargoed areas from IBAMA, the "IBAMA List", and the "List of Slave Labor", issued by the Labor Secretariat, referring to suppliers accused of using labor in conditions analogous to slavery.

Subsequently, on May 27, 2024, Agrootools sent the "GEO List", which is the list of properties with blocked suppliers, and, on June 05, 2024, the list of released suppliers, covering the 12 months of 2023 for any of the following criteria:

- (1) Deforestation (PRODES);
- (2) Overlapping with indigenous land;
- (3) Environmental conservation units.

To carry out the analysis, the "IBAMA List" was compared with the 10% sample of cattle purchases from the Amazon Biome, using the common field between the spreadsheets, the CPF/CNPJ of the suppliers and the farm code. Through this comparison, 72 purchases were identified from 42 different producers, which required the company to justify the purchase, since the CPF/CNPJ number, supplier name and municipality were the same as the purchase list, in addition to the purchase date being later than the date the property was included in the embargo list.

Among these purchases to be justified, the following cases were found:

- For 67 cases of 38 different owners, screenshots of lists of environmental violations and embargoes from the IBAMA website were forwarded, in which they did not contain the names of the embargoed properties, only the location of the property. As supplementary documentation, the company sent cartographic maps and geographical coordinates with the distances between the supplier farms and the embargoed site, and it was possible to verify that the embargo is outside the boundaries of the properties where the sale took place;



- One (1) case in which it was found that the property had a pending embargo. In this case, a check was made between the purchase list and the IBAMA embargo list, extracted by the BDO team on June 14, 2024, and it was found that the CPF/CNPJ, name of the supplier and municipality were the same on both lists, and that the purchase date was later than the date of the embargo on the IBAMA list. As a justification, JBS sent two IBAMA embargo lists, dated April 14 and 16, 2023, claiming that the commercialization property was not among the embargoed names at the time of the purchase. In a new search, carried out on June 25, 2024 by the BDO team on the website of IBAMA's environmental violations and embargoes, it was found that the property had a pending embargo since February 29, 2012, with the information that the property can only carry out agricultural activities after obtaining a license from the competent environmental agency. Even so, JBS said that IBAMA's data is not always publicly available and that, in many cases, fines are issued on the spot and take a while to be published on the agency's website. It also added that, in many cases, the affected party files an appeal against the agency and, until an outcome is reached, they are removed from the embargo list and can be added again as soon as there is a decision on the outstanding appeal. The Company also informed that the entire process took place maintaining the original date of the first embargo and therefore established internally a daily flow of extracting and keeping the list of embargoed areas from IBAMA, thus being able to guarantee the integrity of the internal blockades. After a few rounds of alignment and discussions between JBS and BDO, the Company presented three additional documents on August 30, 2024:
  - ✓ A file referring to Assessment of Tax Deficiency No. 652012;
  - ✓ Order No. 19039487/2024-EMI-MT/Ditec-MT/Supes-MT, issued in the course of Process No. 02013.001591/2008-89, which describes the potentially polluting activity without an environmental license which, according to JBS, was issued on April 22, 2024, that is, after the date of purchase, which occurred on April 14, 2023, which is also after the date of the infraction, which occurred on February 29, 2012;
  - ✓ A request for clearance from cattle rancher Amauri Heitor de Mendonça, No. 642003, with an injunction granted on July 9, 2024 to suspend the inclusion of the embargo on IBAMA's public lists, according to Official Letter No. 00635/2024/GEAC MA/EFIN1/PGF/AGU - Enforcement Opinion - NUP:00473.028961/2024-06 (SEI 19826425).

After evaluating the files shared, the audit team considered that the new documents and allegations presented by the Company would not be sufficient to provide documentary evidence of the non-existence of the embargo at the time of the purchase and JBS was asked to present the full content of the administrative process to better understand the allegations presented by the Company.

The requested documentation was presented by the JBS team on September 16, 2024, and was sent to BDO's legal department on the same date for verification. After analysis, BDO's legal team took the position that the procedural analysis showed that the owner had been trying to overturn the embargo since January 29, 2012, but without success, and that it was only on July 5, 2024 that the owner actually obtained a favorable injunction to lift the embargo, a date after the purchase was made, and there was no way to prove whether or not there had been a technical failure on IBAMA's website that would justify the mistake. This position was sent via e-mail to JBS on September 20, 2024.

On September 25, 2024, JBS sent an e-mail back to BDO, informing that it had been instructed by IBAMA to consult the history of the public lists of embargoed areas, which could be accessed on IBAMA's Open Data Platform via the link (<https://dadosabertos.ibama.gov.br/dataset/fiscalizacao-termo-de-embargo/resource/04f7998d-58e1-4717-85f5-401dc9994b19>). On the same occasion, JBS informed BDO that its IT team had extracted the file from IBAMA's website and that it showed that all the movements included in IBAMA's list related to Embargo Notice 642003C, filed against the cattle rancher, had taken place during 2024, that is, after the purchase had been made.

On December 19, JBS informed, in a meeting held with the BDO team, that it had consulted IBAMA and obtained the following response: "In addition to the response to Form No. 21340301, we suggest consulting, on the open data platform, the dataset of embargo notices and the dataset of the history of embargo updates, the latter available at <https://dadosabertos.ibama.gov.br/dataset/fiscalizacao-termo-de-embargo/resource/04f7998d-58e1-4717-85f5-401dc9994b19>. We suggest using, among other filters considered relevant by the person concerned, the sequence code of the embargo notice and the CPF of the person concerned."

As a result, the rancher's last move on IBAMA's open data platform was on July 9, 2024, which is the last date that appears on the term of release included in administrative process no. 02013.001591/2008-84, joining the list after the period analyzed.

- Two cases of two different owners in which JBS shared, on June 10, 2024, screenshots of a consultation of environmental violations and embargoes from the IBAMA website, indicate that the embargoes are on different properties. As additional documentation, a cartographic map was shared indicating the distance from the commercialization properties to those under embargo;
- Finally, there were two cases of the same cattle rancher, in which a negative embargo certificate dated June 7, 2023 was sent as justification, showing that the producer had no embargoes in his name.

With regard to the Labor Secretariat's List of Slave Labor, the same procedure was carried out to compare the sample of JBS purchases with the list of suppliers accused of having labor analogous to slavery. As a result, there were ten purchases from two different owners in which the information on the farmer's name and CPF/CNPJ was the same as the purchase base. However, it was noted that the purchases made by the Company were made before the names were included in the MTE list, so there was no need to ask for justification.

In relation to the GEO list received by the BDO team on May 27, 2024 (blocked list), containing all the properties monitored by the outsourced company and which were blocked in the period from January 1, 2023 to December 31, 2023, due to deforestation (PRODES), IBAMA polygons, IBAMA list, Pará illegal deforestation list (LDI), SEMAS consultation, overlapping indigenous land and conservation units, a comparison was made using the CPF/CNPJ and the supplier's farm code as a common field.

As a result, 37 purchases from 22 different owners had the same CPF/CNPJ information, owner names and municipalities and the only information that distinguished them was the farm code.

After presenting the justifications for the cases, we obtained the following results:

- Eight purchases from seven different owners the Company presented a certificate of no record issued directly from the IBAMA website, showing that the CPF/CNPJ of the cattle rancher has no embargoes;
- One (1) case in which two PRODES were identified, dated August 10, 2008 and August 03, 2011. However, JBS submitted a false positive deforestation report as justification, stating that the areas indicated in the PRODES were anthropized before July 21, 2008.
- 16 cases of six different owners in which the properties sold by JBS had no environmental liabilities and were less than 6 km from the farms that contained the same CPF/CNPJ information, owner name and municipalities, but on the date of the test, were blocked by the Company;
- Four (4) purchases from three different cattle ranchers, where the ranches purchased by the Company did not contain environmental liabilities. After geospatial verification by the BDO team, it was found that the properties are more than 30 km from the farms blocked by JBS and in different municipalities;

- Three cases from two different suppliers, in which JBS traded, were found to be PRODES, dated August 20, 2008 and July 31, 2009. For two cases, a conduct adjustment agreement based on the PRA process was shared, showing that the areas were anthropized before August 1, 2008. In one (01) case, the Company sent a false positive report issued by the outsourced geomonitoring company. An analysis of the document revealed evidence of a false positive;
- Four (4) purchases from two different owners, in which the Company traded, no environmental liabilities were detected, however, the areas of the properties are adjacent to farms that have PRODES blocks in the JBS system, according to the status found on the Geo List of blocked properties. However, the Company informs that, even though they are contiguous areas, they are two different properties, and this type of assessment does not fit the criteria of the Public Livestock Commitment;
- Finally, one (1) case in which, when carrying out the GEO analysis, the BDO team found that the property blocked by PRODES has a polygon of its area within the property in which JBS sold it and, in our analysis, it was identified that the boundary of the CAR property is included in the polygon of the property. As supporting documentation, JBS sent cartographic maps and geographic coordinates with the distances between the supplying farm and the embargoed site, making it possible to verify that the embargo is outside the boundary of the property where the sale took place.

We point out that the cases found to be bordering or to have a minimum distance from properties with environmental liabilities are not included in the Criteria of the Public Livestock Commitment.

### Step 3 - Testing the blocking system for non-compliant suppliers

*“Briefly describe how the system for monitoring cattle purchases made in the Amazon Biome was evaluated, how the purchase blocking (automatic or manual, unblocking mechanism, if applicable) of non-compliant suppliers is carried out and how any failure to block cattle purchases from irregular suppliers was checked. If the supplier is allowed to be unblocked, describe the criteria established for unblocking.”*

(excerpt taken from the ToR - Audit Report Model)

To assess the effectiveness of the company's blocking system, the ToR points out that from the total number of irregular suppliers obtained by crosschecking the sample of purchases against the lists (IBAMA, MTE and GEO), blocking tests should be carried out on the company's computerized system.

This procedure indicates that ten properties should be selected for each criterion (IBAMA, MTE and GEO), totaling 30 cases to be tested or, if there are not enough suppliers blocked in the Company's register, the largest possible sample should be used.

The test was carried out on June 6, 2024, with the participation of JBS's Corporate Sustainability team, one (01) of the Company's cattle buyers and the BDO team. For the criteria related to the “IBAMA List”, the blocking test was carried out on 14 different properties, where we obtained the following situations:

- In nine cases, when the test was carried out, it was possible to proceed with the purchase, since the Company informed that the embargoed property is different from the one purchased by JBS, even though they belong to the same owner. As additional documentation, a cartographic map was shared on June 10, 2024, indicating the distance between the commercialization property and the embargoed property, showing that they are different farms;
- In one (01) case, when the blocking test was carried out, it was possible to proceed with the purchase, since the company informed that the embargoed property was different from the one that had been sold, even though they belonged to the same owner, but it was not clear from the cartographic map that they were different farms;

- Three cases, from different suppliers, when the purchase attempt was made, the system reported that the properties were blocked, making it impossible to continue with the purchase process;
- Finally, one (1) case, where, when the test was carried out, it was possible to make the purchase, but after geospatial analysis, carried out by the BDO team, it was found that the property has two PRODES dated August 7, 2011 and September 3, 2015, respectively.

For the criteria related to the list of labor analogous to slavery (MTE List), the blocking test took place on two different properties. As a result, both farms had inactive status due to compliance, making it impossible to proceed with the purchase.

With regard to the GEO List criteria, we tested 14 different cases, and found the following results:

- Five cases, from different suppliers, in which, when the purchase attempt was made, the system reported that the property was blocked, making it impossible to continue with the purchase process;
- Eight cases, from different suppliers, in which, when the commercialization test was carried out, the system reported that the properties were released, corresponding to the geospatial analysis carried out by the BDO team;
- Finally, there was one case in which, when the purchase test was carried out, the JBS system indicated that the status was released, but after geospatial analysis by the BDO team, two PRODES dated August 10, 2008 and August 3, 2011, respectively, were found. In addition, as supporting documentation, the company sent a report indicating that the areas at the interface with the PRODES had been anthropized before July 21, 2008.

## Step 2 - Outsourced geomonitring company (AGROTOOLS)

### Step 1 - Verification of procedures

*“Briefly describe how the third-party geomonitring company's procedures for inputs into the meat packing companies' purchase system were evaluated and what documents were checked to ensure the integrity of the outsourced company's processes.”*

(excerpt taken from the ToR - Audit Report Model)

To carry out this stage of the work, the ToR requests that the independent auditing company verify the procedures adopted by the outsourced geomonitring company, to verify the integrity and transparency of the process of preparing and updating the geographic information that feeds the supplier registration and blocking systems. At this stage it is necessary to evaluate the Company's geomonitring criteria to gain a better understanding of the procedures carried out.

To better detail and understand the process, the BDO team took part in a meeting on June 5, 2024, via the *Webex* platform, accompanied by one (01) Company employee and three members of Agrottools (an outsourced company). In summary, an explanation was given of the criteria adopted in the geomonitring analyses and used for each level of geographic precision, the steps taken, the processes and the documentation accepted.

Therefore, as stated in the ToR, the BDO team requested and received documentation from the geomonitring company relating to: By-laws; Technical Responsibility Note (ART); Legal Entity Registration Certificate; National Register of Legal Entities and PDF files containing operational procedures (socio-environmental criteria, geomonitring protocol, description of products generated and receipt, production and closing).

## Step 2 - Monitoring simulation

*“Briefly describe the methodology for selecting the sample and the procedures applied for the monitoring simulations for each criterion, how the cases were simulated and the results obtained.”*

(excerpt taken from the ToR - Audit Report Model)

To carry out this work step, one (01) of Agrottools' employees made a presentation to the BDO team, via *Webex*, on June 5, 2024.

To do this, the monitoring procedures were briefly explained, along with simulations of cases of released and blocked suppliers randomly selected via statistical software used by the BDO team.

After the detailed explanation in the previous stage, the geomonitoring simulation was carried out. The ToR requests that ten cases be simulated for each of the monitoring criteria (deforestation, overlap with conservation units and overlap with indigenous land) that the geomonitoring company carries out for JBS. The simulation must take place for both blocked and released suppliers, totaling 30 tested purchases.

To test the monitoring carried out by the company Agrottools, a sample of 30 properties was used:

- Ten properties to check the monitoring of the deforestation criterion;
- Ten properties to test the monitoring of the criterion of overlap with conservation units;
- Ten properties to test the monitoring of the criterion of overlap with indigenous land.

To formalize and prove the simulation of the monitoring of the 30 properties, screenshots of the analysis carried out were sent. The cases were tested individually and the Agrottools team demonstrated, on screen, the analysis carried out that led to the classification of each supplier farm. For 26 of the cases tested, the supplier farms' compliance with their status was verified. In three cases, the analysis presented by GEO differed from the status found by the BDO team. Finally, there was one (01) case in which the CAR number was not located in the SICAR database, making it impossible to carry out the GEO analysis.

## Stage 3 - Evaluation of land and environmental regularization documents

*“Briefly describe the methodology for selecting the sample and how the documents were analyzed, identifying disagreements and agreements.”*

(excerpt taken from the ToR - Audit Report Model)

To verify compliance with the minimum criteria, the environmental regularization documentation - CAR or LAR (and/or protocols), and the land regularization documentation - CCIR - were also analyzed.

With regard to environmental and land regularization documentation, we show below the percentage of suppliers in the 10% sample of purchases from the Amazon biome who have information on CAR or LAR/LAU and protocols and CCIR in their JBS records. We reiterate that the presentation of the LAR is only mandatory for the state of Pará and for properties over 3,000 hectares. For this verification, no LAR was presented.

The environmental and land regularization documentation (CAR or LAR and CCIR) was checked, according to the documents sent by the Company on June 5, 2024. In accordance with the ToR, a random sample of 25 purchases was selected in the statistical software for each document (CAR or LAR and CCIR) present in the 10% of purchases from supplier farms located in the Amazon Biome.

With regard to the CAR, when comparing the document presented with the information in the JBS system, it was found that:

- In six cases, CAR statements were presented, but the information on the owner's name and CPF/CNPJ was different from the purchase base, although lease contracts were sent, where it was possible to prove the link;
- In one (1) case, the company submitted a CAR statement, but the file contained CPF/CNPJ information and the name of the supplier that differed from the purchase base. As supporting documentation, a partnership contract was shared, and it was possible to prove the link between the parties;
- In one (1) case, the name of the property in the CAR was different from the JBS database;
- In ten cases, all the information contained in the CAR statement and in the Company's database was in agreement;
- In one (1) case, the information on the owner's name and CPF/CNPJ differed from the JBS purchase database, but a purchase and sale agreement for the property was presented, where it was possible to validate all the information;
- In one (01) case, all the information on the purchase base was in agreement with the shared CAR statement, however, the rural registration number sent was in relation to the state CAR, and not the federal one as contained in the statement;
- In two cases, the information contained in the CAR statements was in agreement, except for the area of the properties;
- In one (1) case, the company sent a CAR statement in which the information on the area of the property and the name of the property differed from the information contained in the JBS purchasing database;
- In one (1) case, the Company sent a CAR statement, where it was found that the information on the owner's name and CPF/CNPJ is differed from the purchase list;
- Finally, in one (01) case, JBS shared a screenshot of the consultation on the website <http://car.semas.pa.gov.br/#/consulta/mapa>, which shows the name of the Property and the CAR number equal to the purchase base, but when searching the same website on June 26, 2024, it was observed that the name of the cattle rancher and the CPF/CNPJ are divergent in relation to the purchase list. In addition, the CAR is currently listed as "PENDING".

In relation to the CCIR, the document provided was checked against the information obtained from the JBS system:

- In 15 cases, the CCIR file was not shared. As a justification, the Company informed via email on June 11, 2024 that, due to the land ownership issue in our country, not all producers have presented or have active and paid CCIR, and this is not a blocking criterion, as with CAR, the properties remain approved;
- In six cases, all the information contained in the CCIR is in line with the company's purchasing base;
- In two cases, the owner's name and CPF/CNPJ information contained in the CCIR is differed from the sales list, but the property name and municipality were the same;
- In two cases, CCIRs were made available in which the name of the property was different from the purchase base, but the other information was the same as the base.

## VI) Results of the audit process

*“Based on procedures applied, state whether any purchase transaction that does not meet all the minimum criteria listed in the public commitment was identified, indicating the root cause of non-compliance.”*

*Briefly describe how compliance with the “Traceability system for indirect suppliers” criterion was verified. If the Company does not show that there is control on the entire production chain (indirect suppliers - cattle raising and breeding), it should be considered non-compliant with this criterion.”*

(excerpt taken from the ToR - Audit Report Model)

Based on all the procedures described above, related to the criteria of deforestation after July 2008, overlapping conservation units or indigenous land (“GEO List”) and suppliers appearing on the list issued by the Labor Secretariat’s List of Slave Labor, one (01) non-compliant purchase was found.

With regard to indirect suppliers, as reported in previous work, there is still no systematized verification and access to public data for these cases. It is worth noting that monitoring indirect suppliers requires government support and investment in technologies that promote the traceability of cattle from birth to slaughter. This is especially important for small farms, where there are limited resources to invest in monitoring technologies.

Regarding the criterion of rejecting land grabbing and violence in the countryside, there is no public information that makes it possible to identify irregular suppliers to block supplier farms via the system.

With regard to this audit’s Work Plan, containing the minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome, it is no longer being carried out, as it was a requirement of Greenpeace, which is no longer in charge of the agreement.

### 1. Access to information

*“Briefly describe the conditions for accessing essential information to show the company’s compliance with the Minimum Criteria. Fill in Table 1 identifying all the documents analyzed, their references (date or code and version).”*

(excerpt taken from the ToR - Audit Report Model)

JBS provided the documents and information needed to carry out the work, as requested by the BDO team.

It was possible to access the JBS Purchasing, Registration and Monitoring System, as well as the requested documents relating to the purchases of the selected sample.

In addition, the main people responsible for the information needed to understand the processes and clarify any doubts were available to the BDO team.

The following tables contain the information needed to carry out the analysis and the period covered:

Table 1 - Checklist of documents analyzed

Document name	Date covered/code and version	Evaluated (Y/N)
Procedures or System Manual	Referring to the period from 01/01/2023 to 12/31/2023	Y
Purchasing records/Supplier list	Referring to the period from 01/01/2023 to 12/31/2023	Y
Monitoring system	Referring to the period from 01/01/2023 to 12/31/2023	Y
Blocking System <sup>1</sup>	Referring to the period from 01/01/2023 to 12/31/2023	Y
Public list of embargoed properties - IBAMA	List downloaded on 28/05/2024 ( <a href="http://servicos.ibama.gov.br/ctf/publico/area_sembargadas/ConsultaPublicaAreasEmbargadas.php">http://servicos.ibama.gov.br/ctf/publico/area_sembargadas/ConsultaPublicaAreasEmbargadas.php</a> )	Y
Public list of people / companies - slave labor - MTE (Labor Secretariat's List of Slave Labor)	Download of the list made on 05/28/2024 ( <a href="#">cadastro_de_empregadores.pdf</a> ( <a href="http://www.gov.br">www.gov.br</a> ))	Y
List of Blocked Suppliers - Geo	List sent by JBS on 05/27/2024	Y

<sup>1</sup> We have not received a procedures manual for the blocking system. Only one explanation was given via Webex on June 10, 2024.

## 2. Non-compliance

*"The audit firm must present evidence of non-compliance in a clear manner, describing the problem and considering concrete facts, so that the report is a tool for continuous improvement of the corporate purchasing system. The details of the non-compliance must be described in the document attached to the Audit, which will NOT be published and may be disclosed to Greenpeace, provided that a confidentiality clause is agreed."*

(excerpt taken from the ToR - Audit Report Model)

Except for the criterion "Traceability system for indirect suppliers", which, according to the company, the company has not been able to implement for 100% of its suppliers to date, as it requires a sectoral effort and depends on government support and investment in technologies that promote the traceability of cattle from birth to slaughter.

## VII) Limitations

The procedures we have performed only serve to assist the Company in complying with the commitment to adopt the minimum criteria for industrial-scale operations with cattle and beef products in the Amazon biome", contained in the ToR for the period from January 1, 2023 to December 31, 2023. This report is intended solely for the purpose described above and should not be presented or distributed to anyone who has not agreed to the procedures previously agreed or who has not taken responsibility for its sufficiency and purpose, nor should it be used for any other purpose, including legal discussion.

Our work was based on the adoption of the Agreed-upon Procedures on the documentation presented, which represent factual findings, reason why they do not represent a full guarantee that third parties who have not agreed with the nature and extent of the procedures contained in this report will not have an adverse understanding, assuming that certain matters depend on prior acceptance of such procedures.





Unless otherwise provided herein, or when compelled by legal proceeding, the Company may not disclose, orally or in writing, any preliminary report or any part, including a summary thereof, or make any reference to BDO Brasil in connection therewith, to any third party without obtaining the prior written consent of BDO Brasil.

In addition, the procedures adopted do not comprise an examination or review in accordance with auditing standards and, consequently, no assurance will be stated in this report. Only the factual aspects identified as a result of the adoption of those Agreed-upon Procedures were presented.

### VIII) Conclusions

*"Conclude on the results presented with the identification or not of any evidence against compliance with the commitments made. The conclusion should contain an annual assessment of direct cattle purchases in accordance with the commitment."*

(excerpt taken from the ToR - Audit Report Model)

Based on our work described in this report, except for the criterion "Traceability system for indirect suppliers, covering the period from January 1 to December 31, 2023, no other considerations were noted.

São Paulo, December 27, 2024.



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JBS S.A.

Annex

Table 1 - Total purchases and sampling - base year

1 - Total purchases and sampling (2023)

Total purchases of raw materials from the Amazon Biome made by Minerva Foods from January 1 to December 31, 2023	Total raw material purchase transactions sampled for the analyses presented
67,681	6,773

Table 2 - Non-conformities found during the verification period

2 - Non-conformity(ies) 2023

Purchases of raw materials originating from:	Total non-compliant purchases	% of non-conformity related to total purchases for the base year in the Amazon biome	% non-conformity related total purchases sampled
Properties where deforestation was identified after Oct/2009	-	-	-
Properties with overlapping Indigenous Land	-	-	-
Properties blocked for being included in in UC	-	-	-
Properties blocked for being included in the MTE List and Transparency List	-	-	-
Properties blocked for being included in the IBAMA List	-	-	-
GEO List (PRODES, DETER, TI and UC)	-	-	-

Table 3 - Blocking test results

3 - Blocking test

Description	Total number of purchase simulation tests in the Company's system		
		Compliant	Non-compliant
IBAMA	14	14	-
MTE	2	2	-
GEO (PRODES, DETER, TI and UC)	14	14	-