

Welcome to your CDP Forests Questionnaire 2020

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

JBS is the largest animal protein company and second largest food company in the world. Because of its global production platform diversified by geographic location and protein types, the Company has greater access to raw materials. Working to process animal protein and value-added products in the beef, pork, lamb and poultry segments, the Company also operates related businesses, such as leather, biodiesel, personal care and cleaning, solid waste management solutions, and metal packaging.

With locations in 15 countries and over 400 production units and commercial offices on five continents (the Americas, Asia, Europe, Africa and Oceania), JBS serves around 275,000 customers, in over 190 countries, ranging from supermarket chains to small retailers, wholesale clubs and food service companies.

With over 240,000 team members, the same sustainability (economic, social and environmental), innovation, quality and food safety guidelines are followed in every region, adopting best practices based on the Company's mission and values and a focus on operational excellence, as well as the establishment of better relationships with partners, customers, employees and society, the satisfaction of its shareholders and the commitment to social and environmental responsibility issues.

JBS has a widely diversified product portfolio, from fresh and frozen meats to ready to-eat (prepared) dishes, with leading brands that are recognized for excellence and innovation in-market, such as: Friboi, Just Bare, Pilgrim's, Plumrose, Primo, Seara and Swift. JBS also launched an entire line of plant-based products in Brazil called Incrível Seara and the Ozo brand in US. In Australia, under PRIMO brand, launched a flexitarian sausage. Company operations in the United States, Australia, Canada, Mexico, Puerto Rico, New Zealand, the United Kingdom and Mainland Europe are controlled by JBS USA, which includes the JBS USA Beef, JBS USA Pork and Pilgrim's Pride Corporation (holder of the Moy Park and Tulip operations) business units. In Brazil, the Company develops beef, poultry, pork and prepared food businesses, split among the Friboi and Seara main brands.

In 2019, JBS's net revenue was R\$204.5 billion, equivalent to US\$ 49.7 billion. This is 13% higher than 2018.



More information can be found in the official JBS website (<https://jbs.com.br/en/>) and in the JBS 2019 Annual and Sustainability Report (<https://jbs.com.br/wp-content/uploads/2020/05/ras-jbs-2019-eng-final.pdf>).

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1, 2019	December 31, 2019

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

BRL

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization’s area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Processing	
Palm oil	Not disclosing	Processing	This raw material is used in the soap basic dough, which is made from vegetable oils and animal fat. However, the purchased volume of palm oil is not representative within the company’s operations. The company has a few business units that produce hygiene and cleaning products with Palm Oil imported from Malaysia and Indonesia and its suppliers are part of Round Table of Sustainable Palm Oil – RSPO, which has developed a set of environmental and social criteria, which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly

			<p>applied, these criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions. It means that RSPO members have committed just to produce, source and/or use sustainable palm oil certified by the RSPO. Additionally, in partnership with Espaço ECO Foundation (BASF), JBS completed a life cycle analysis study palm oil based soaps. The study analysed the environmental, social and economic performance of soap of animal and vegetal origin. As a result, the study allowed JBS to make an inventory of processes, to know the main environmental and social impacts of the productive chain and to identify opportunities for improvement, with a focus on continuous improvement. Palm Oil is also used in the food industry, in the frying process of prefabricated foods and industrialized products. In this case, 100% of Palm Oil is produced in Brazil, following sustainable production certification standards.</p>
Cattle products	Disclosing	Processing	
Soy	Disclosing	Processing	
Other - Rubber	This commodity is not produced, sourced or used by our organization		
Other - Cocoa	This commodity is not produced, sourced or used by our organization		
Other - Coffee	This commodity is not produced, sourced or used by our organization		

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Country/ geographical area	Operations that are not located in Brazil are not part of this disclosure due to lower deforestation risks associated to commodities.	No potential	The company’s approach to prevent the use of commodities from deforested areas has a focus on Brazilian operations, which offer a higher level of risk in this issue. The country’s agricultural frontier expansion to the north leads to a pressure on areas of the Amazon ecosystem to become economically exploited. In other countries where JBS have large businesses, cattle breeding is predominantly in an intensive handling culture (confinement) or the type of biome prevailing is different from forest. Even so, aiming to identifying and mitigating any risk associated with deforestation, JBS has been increasingly improving the mapping approach of its international operations.
Supply chain	Specific supplier(s)	Potential for forests related risk, evaluated, but not disclosing to CDP.	Potential for forests-related risk, evaluated, but not disclosing to CDP	The efforts of data collection, supplier information and analysis of the socio-environmental monitoring system are limited-partly-to direct cattle suppliers. The traceability of the entire meat chain, although a complex task, can be achieved in the medium term, as one of the biggest challenges in the entire supply chain, including indirect suppliers (those who sell animals to JBS direct suppliers) it is the difficulty of accessing the information that allows to track all stages of the supply chain. In addition, the indirect supplier issue is structural and quite different from the direct supplier monitoring approach and requires collaborative work and a solid approach at the industry level, rather than the traditional view of full animal traceability. JBS has invested in projects to assess its approach to direct suppliers. The company does not have access to

				<p>Animal Transit Forms (GTA) for its indirect suppliers - the forms are only available to and used by the government. The government alone is responsible for controlling animal transportation in Brazil. Importantly, JBS supports improving access to public animal traceability information in Brazil, which would increase transparency across the meat production chain. It remains open to dialog with government agencies, organized civil society and other industry agents to keep this issue moving ahead. With regard to its responsibility, JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.</p>
Supply chain	Specific supplier(s)	Potential for forests related risk, evaluated, but not disclosing to CDP.	Potential for forests-related risk, evaluated, but not disclosing to CDP	<p>This raw material is used in the soap basic dough, which is made from vegetable oils and animal fat. However, the purchased volume of palm oil is not representative within the company's operations. The company has a few business units that produce hygiene and cleaning products with Palm Oil imported from Malaysia and Indonesia and its suppliers are part of Round Table of Sustainable Palm Oil – RSPO, which has developed a set of environmental and social criteria, which companies must comply with in order to produce Certified Sustainable Palm Oil (CSPO). When they are properly applied, these criteria can help to minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions. It means that RSPO members have committed just to produce, source and/or use sustainable palm oil certified by the RSPO. Additionally, in</p>

				<p>partnership with Espaço ECO Foundation (BASF), JBS completed a life cycle analysis study palm oil-based soap. The study analysed the environmental, social and economic performance of soap of animal and vegetal origin. As a result, the study allowed JBS to make an inventory of processes, to know the main environmental and social impacts of the productive chain and to identify opportunities for improvement, with a focus on continuous improvement. Palm Oil is also used in the food industry, in the frying process of prefabricated foods and industrialized products. In this case, 100% of Palm Oil is produced in Brazil, following sustainable production certification standards.</p>
--	--	--	--	---

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Hardwood logs

Paper

Boards, plywood, engineered wood

Secondary packaging

Wood-based bioenergy

Source

Contracted suppliers (processors)
Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

% of procurement spend

1-5%

Comment

Consumption of representative forest products-biomass for boiler fuel and production of cardboard for packaging products for distribution - in Brazilian operations that may be associated with the risk of deforestation. The % of acquisition expenditure refers to net revenues obtained by JBS Brasil and Seara.

Cattle products

Activity

Slaughtering

Form of commodity

Cattle

Tallow

Beef

By-products (e.g. glycerin, gelatin)

Hides/leather

Source

Smallholders

Multiple contracted producers

Trader/broker/commodity market

Country/Area of origin

Brazil

% of procurement spend

81-90%

Comment

Cattle is the main raw material of Brazilian operations (Friboi). The % of acquisition expenditure refers to net revenues obtained by JBS Brasil.

Soy

Activity

Other, please specify

Feeding pork and poultry (animal diet)

Form of commodity

Soy bean meal

Other, please specify

deactivated soy

Source

Trader/broker/commodity market

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

% of procurement spend

11-20%

Comment

Seara uses soy to manufacture animal feed, which is used in farms of poultry and pork (company's own farms or on integrated farms). The % of acquisition expenditure refers to net revenues obtained by Seara.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	21-30%	This range of percentage considers only brazilian JBS operations that are dependent of timber from areas with potential deforestation risk - in relation to JBS's global revenue.
Cattle products	11-20%	This range of percentage considers only brazilian JBS operations that are dependent of cattle from areas with potential deforestation risk - in relation to JBS's global revenue.
Soy	11-20%	This range of percentage considers only brazilian JBS operations that are dependent of soy from areas with potential deforestation risk - in relation to JBS's global revenue.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

18,300,000

Metric

Other, please specify

Giga Joule – GJ

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

7,700,000

Metric

Other, please specify

animals

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Soy

Data type

Consumption data

Volume

1,571,505

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Midwest

% of total production/consumption volume

35.1

Please explain

In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

South

% of total production/consumption volume

31.9

Please explain

In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Southeast

% of total production/consumption volume

20.5

Please explain

In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

North

% of total production/consumption volume

10.3

Please explain

In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Northeast

% of total production/consumption volume

2.2

Please explain

In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Mato Grosso (MT)

% of total production/consumption volume

30.5

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometres of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centres. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Mato Grosso do Sul (MS)

% of total production/consumption volume

19.8

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometers of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centers. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Rondônia (RO)

% of total production/consumption volume

12.3

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometers of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centers. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Goiás (GO)

% of total production/consumption volume

11.6

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometers of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centers. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Pará (PA)

% of total production/consumption volume

8.3

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometers of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centers. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Others

% of total production/consumption volume

17.5

Please explain

Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 167 kilometers of its slaughter facilities in Brazil. The Company is able to maintain a reduced cost with the transport of cattle, since it is one of the main producing centers. In addition, there is a difference between the production facilities and the risk reduction of animals during the transport of animals. At JBS, animals are transported by specialized and trained drivers using Company or third-party vehicles, designed to promote animal welfare.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Midwest

% of total production/consumption volume

52.8

Please explain

Large-scale chicken processors are typically vertically integrated, owning and creating matrices for the production of hatching eggs. Once birds are born, they are transported to growth farms (farms), contracted where they develop. The processor provides breeders with chicks, food (animal feed produced from corn and soybean meal) and veterinary services. Animals must be fed exclusively with rations formulated by own company, by nutritionists specialized in poultry and swine, in a composition that includes corn, soy and other grains and does not use any type of hormone, in accordance with Brazilian legislation.

The most representative states in the origination of raw material (soy) of JBS, in Brazil, are: Rio Grande do Sul, Mato Grosso do Sul, Goiás e Mato Grosso.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

South

% of total production/consumption volume

42.4

Please explain

Large-scale chicken processors are typically vertically integrated, owning and creating matrices for the production of hatching eggs. Once birds are born, they are transported to growth farms (farms), contracted where they develop. The processor provides breeders with chicks, food (animal feed produced from corn and soybean meal) and veterinary services. Animals must be fed exclusively with rations formulated by own company, by nutritionists specialized in poultry and swine, in a composition that includes corn, soy and other grains and does not use any type of hormone, in accordance with Brazilian legislation.

The most representative states in the origination of raw material (soy) of JBS, in Brazil, are: Rio Grande do Sul, Mato Grosso do Sul, Goiás e Mato Grosso.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Southeast

% of total production/consumption volume

2.3

Please explain

Large-scale chicken processors are typically vertically integrated, owning and creating matrices for the production of hatching eggs. Once birds are born, they are transported to growth farms (farms), contracted where they develop. The processor provides breeders with chicks, food (animal feed produced from corn and soybean meal) and veterinary services. Animals must be fed exclusively with rations formulated by own company, by nutritionists specialized in poultry and swine, in a composition that includes corn, soy and other grains and does not use any type

of hormone, in accordance with Brazilian legislation.

The most representative states in the origination of raw material (soy) of JBS, in Brazil, are: Rio Grande do Sul, Mato Grosso do Sul, Goiás e Mato Grosso.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

North

% of total production/consumption volume

0.5

Please explain

Large-scale chicken processors are typically vertically integrated, owning and creating matrices for the production of hatching eggs. Once birds are born, they are transported to growth farms (farms), contracted where they develop. The processor provides breeders with chicks, food (animal feed produced from corn and soybean meal) and veterinary services. Animals must be fed exclusively with rations formulated by own company, by nutritionists specialized in poultry and swine, in a composition that includes corn, soy and other grains and does not use any type of hormone, in accordance with Brazilian legislation.

The most representative states in the origination of raw material (soy) of JBS, in Brazil, are: Rio Grande do Sul, Mato Grosso do Sul, Goiás e Mato Grosso.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Northeast

% of total production/consumption volume

2

Please explain

Large-scale chicken processors are typically vertically integrated, owning and creating matrices for the production of hatching eggs. Once birds are born, they are transported to growth farms (farms), contracted where they develop. The processor provides breeders with chicks, food (animal feed produced from corn and soybean meal) and veterinary services. Animals must be fed exclusively with rations formulated by own company, by nutritionists specialized in poultry and swine, in a composition that includes corn, soy and other grains and does not use any type of hormone, in accordance with Brazilian legislation.

The most representative states in the origination of raw material (soy) of JBS, in Brazil, are: Rio Grande do Sul, Mato Grosso do Sul, Goiás e Mato Grosso.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Physical

Primary impact driver

Changes in precipitation patterns

Primary impact

Constraint to growth

Description of impact

Longer periods without rains can also affect the operation due to the lack of biomass or higher purchase costs, as well as excessive rains and floods can impact on the transportation of essential raw material.

Primary response

Implementation of environmental best practices in direct operations

Total financial impact

Description of response

JBS develops projects, which aims to reuse industrial waste as alternative fuel, for example reusing the bovine rumen content (25kg generated for each animal processed) is possible to generate thermal and steam-based energy. JBS Seara also reuse poultry fat to generate heat energy to partially replace fuel like timber. This change reduces the consumption of biomass and fossil fuels for the boilers and reduces GHG emissions. The estimated financial impact refers to the total impact in a year, calculated based on the net revenue obtained and the average drought time, which will impact the planted forests. It is important to note that the figures refer to the total operations of JBS in Brazil, where there is the risk of the forest commodity be associated with reported drought situations may occur only in certain regions of the country - thus the actual impact will probably be less than calculated.

Forest risk commodity

Timber products

Impact driver type

Regulatory

Primary impact driver

Regulatory uncertainty

Primary impact

Increased operating costs

Description of impact

JBS has established environmental and social criteria – slave labour and deforestation - for biomass purchase (used as boiler fuel). If there are not local suppliers following these criteria, the purchase will have to be made from more distant suppliers, resulting in higher transportation costs.

Primary response

Greater compliance with regulatory requirements

Total financial impact

Description of response

JBS informs and guides its suppliers regarding its social and environmental criteria and tries to diversify its supply chain. To mitigate the risk of purchasing timber from suppliers involved in deforestation, JBS established a Normative Instruction of Biomass Purchasing, stating that only suppliers legalized by the competent environmental authorities are able to negotiate materials with the company.

Forest risk commodity

Cattle products

Impact driver type

Physical

Primary impact driver

Changes in precipitation patterns

Primary impact

Increased operating costs

Description of impact

Long scarce rain periods can also affect the operation because of the lack of raw material or higher purchase costs, as well as excessive rains and floods can affect the transportation of essential raw material. Higher costs of raw material may affect the entire cattle production chain, creating an indirect impact in the expansion of operations and in some cases may even result in the closure of units.

Primary response

Engagement with suppliers

Total financial impact

Description of response

Diversification of suppliers, due to lower supply of cattle, and availability of confined animals. Production planning can be changed to units located in less favorable regions to water stress. JBS has been working with a chain of suppliers to enable producers to improve production through production management, called Connection Program. The initiative provides livestock breeders with commercial Training. Through a platform, the program intends to build a stronger relationship between the producer and the value chain by providing information on meat processing, marketing and sales. The estimated financial impact per year, refers to the potential purchase of raw material (livestock) from farms blocked by any socio-environmental criteria, socio-environmental restrictions limit the purchase of animals.

Forest risk commodity

Cattle products

Impact driver type

Regulatory

Primary impact driver

Regulatory uncertainty

Primary impact

Increased operating costs

Description of impact

JBS has made a public commitment to not purchase cattle from ranches responsible for deforestation in the Amazon Biome region, as well as those that use labor analogous to slavery or trespass indigenous lands or environmental protected areas delimitation. The public agreement that establishes criteria for cattle purchases from properties located in the Amazon Biome region is also known by Zero Deforestation Commitment and its requirements are under the document “Minimum criteria for industrial scale operations with cattle and beef products in the Amazon”. Additionally, the lack of environmental compliance of the cattle suppliers can go against the JBS social and environmental commitment and other agreements made by the company, for instance: One resource to establish traceability by JBS is the Amazon TAC (Conduct Adjustment Term), which was signed in 2009 and renovated in 2013. This new agreement standardizes the obligations to be met by all JBS refrigeration units in the Amazon region, renewing the commitment of one of the largest processors of animal protein in the world in requiring their suppliers to comply with legal and socioenvironmental criteria as a prerequisite for the purchase of animals for slaughtering.

Primary response

Implementation of environmental best practices in direct operations

Total financial impact

3,196,000

Description of response

JBS monitors and selects its suppliers based on its socioenvironmental criteria, such as, for example, not purchasing raw material from deforested land. In this sense, meeting the requirements of the Socio-Environmental Monitoring System is mandatory for all farms located in the Amazon Biome and annually the basis for the purchase of livestock is verified by an independent audit using a sampling method. The Supply Chain Seal program, which certifies criteria to guarantee food safety and standards of customer requirements, brings together protocols on

topics such as animal welfare, traceability, sustainability, operation, production, quality, industrialization and commercialization. All units in Brazil operate according to the guidelines of the Seal are annually audit by the Brazilian Certification Service. In 2019, Friboi entered into a partnership with the Liga do Araguaia, formed by about 60 ranchers from the region of Middle Valley of Araguaia (MT), in order to promote the development of sustainable livestock with the support of local producers. The hiring of consultancies is financed to assist in the process of intensifying farm pastures, thus guaranteeing better productivity and contributing to the preservation of the environment, local biodiversity and the reduction of GHG effects in the livestock chain. The financial impact was estimated based on the restriction of the purchase of raw materials from suppliers in non-compliance with the JBS Responsible Purchasing Policy.

Forest risk commodity

Cattle products

Impact driver type

Reputational and markets

Primary impact driver

Negative media coverage

Primary impact

Brand damage

Description of impact

The Non-Governmental Organization Greenpeace has been studying the behaviour of the production chain for cattle raising in the Amazon region since 2007. In 2009, after a long investigation, the organization published its report “Slaughtering the Amazon”, which highlighted the relationship between the processing companies and their cattle suppliers involved with forest clearance and slave labor, and the products offered for sale in the market. JBS was one of the processing companies that were on the list. In fact, it brought negative impacts to JBS’ image as well as with its customers.

Primary response

Implementation of environmental best practices in direct operations

Total financial impact

Description of response

JBS has made a public commitment to not purchase cattle from ranches responsible for deforestation in the Amazon Biome region and those that use labor analogous to slavery or trespass indigenous lands or environmental protected areas. In 2010, JBS developed a social and environmental monitoring system to remain in compliance with the commitment, according to the results of the independent audit for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with those criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. As a significant result of its public commitment, JBS was mentioned in a study prepared for Greenpeace as one of the three biggest Brazilian frigorific company which has been complying with the public commitment, reporting audit results regarding its purchase monitoring system and how its actions has been changing the market in a positive way. Another study published in the scientific journal Conservation Letters, by Professor Holly Gibbs of the University of Wisconsin, shows that the JBS's Commitment has been helping to reduce deforestation and this has occurred by market pressure, which has adopted stricter criteria for purchase. Through a case study, it was demonstrated that the company's requirements were determinant for producers to seek environmental regularization through the CAR- driving a positive impact on the chain of livestock suppliers.

Forest risk commodity

Soy

Impact driver type

Physical

Primary impact driver

Changes in precipitation patterns

Primary impact

Increased operating costs

Description of impact

Longer periods without rains also can affect the operation because of the lack of soy or higher purchase costs, as well as excessive rains and floods can affect the transportation of essential raw material. Higher costs of soy may affect the entire poultry and pork production chain, creating an indirect impact in the expansion of operations and in some cases may even result in the closure of units.

Primary response

Other, please specify

Supplier diversification

Total financial impact

Description of response

Seara constantly monitors meteorological maps, reports of crops changes, supply and global demand images/graphics, prices, curves and economic scenarios, identifying, monitoring and creating strategies to mitigate risks that company are exposed and reduce its possible effects on JBS operations. The Grain Purchasing Directory is responsible for this monitoring process and for developing the medium and long term strategic planning of commodities acquisition. Commodity markets are characterized by high volatility due to external factors such as climate, supply, transport costs, agricultural policies, storage costs, among others. The Risk Control Board is responsible for mapping the Company's commodity price exposures and proposing to the Risk Management Committee strategies to mitigate such exposures. The estimated financial impact per year, refers to the total impact calculated based on the net revenue obtained and the average drought time, which will impact the planted forests. It is important to note that the figures refer to the total operations of JBS in Brazil, where there is the risk of the forest commodity be associated, and that any reported drought situations may occur only in certain regions of the country - thus the actual impact will probably be less than calculated.

Forest risk commodity

Soy

Impact driver type

Regulatory

Primary impact driver

Other regulatory driver, please specify
Soy Moratorium and voluntary agreements

Primary impact

Increased operating costs

Description of impact

Despite of the fact that in 2016 the soy moratorium was renovated for undetermined period, in 2015 it was renovated just for one year, creating a risk exposure scenario for JBS.

Primary response

Amendment of existing forests-related commitments

Total financial impact

Description of response

The end of Soy Moratorium could represent significant risks to the company once would be not possible to guarantee free deforestation of soy purchase.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed in an environmental risk assessment

Frequency of assessment

More than once a year

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods
FSC Global Forest Registry

Please explain

The verification of the supplier's compliance to the company's environmental and social criteria occurs in every purchase process. JBS requires its cardboard packaging suppliers to present the FSC certificates.

JBS applies internal and / or external audits to the wood supply chain. The purchase of biomass is divided into two types: the acquisition of corporate suppliers and the one made via local purchases.

Corporate suppliers are visited once a year, without prior notice. Local suppliers are visited on demand, prior to contracting or during supply, when possible deviations are identified. Still at the regional level, the company requires certificates of "nothing included", issued by the IBAMA / Competent State Environmental Agency and the Public Ministry of Labor. The supplier also cannot be included in the list of slave labor.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

External consultants

Other, please specify

Public information (IBAMA, MTE and INPE)

Please explain

JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for supplier's selection. JBS has made a public social commitment to not purchase cattle from farms responsible for deforestation in the Amazon Biome region. To ensure compliance with this commitment, in 2010 JBS developed a social and environmental monitoring system for farms that supply livestock to JBS. The suppliers, which aren't in comply with the criteria, are automatically blocked in the Enterprise Resource Planning System (ERP) and no purchasing operations are made. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria.

The results of these audits are available on the company's website.

The Sustainability Committee meets quarterly and is responsible for the management of risks and critical issues, as well as business

opportunities for the company that can generate a high negative or positive impact on JBS' operations over the short, medium and long terms. The committee's job includes implementation of policies, strategies and specific actions, and evaluation of sustainability investment proposals. The Committee monitors results of the Monitoring System including indicators of the total active suppliers on the system's registration, percentage of suppliers from the Legal Amazon, how many already have the digital map, number of eligible and blocked suppliers. In case of acquisition opportunities or opening new plants in Amazon Biome area, JBS performs an analysis of the potential suppliers of raw materials regarding their environmental compliance. This analysis allows JBS to evaluate the feasibility of operating in a specific region.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

1 to 3 years

Tools and methods used

Internal company methods

Please explain

The verification of the supplier's compliance in relation to the company's environmental and social criteria occurs in every purchase process. Seara has the Grains and Agricultural Feedstock Purchasing Directory that follows on climate issues that directly affect the cost of soybeans and consequently the cost of production. This Directory constantly monitors meteorological maps, reports of crops changes, supply and global demand images/graphics, prices, curves and economic scenarios, identifying, monitoring and creating strategies to mitigate the risks to which

company is exposed to and reduce its possible effects on JBS operations. When soybean has a profitable price, it's made the option of buying large quantities for storage and later use. The Grains and Agricultural Feedstock Purchasing Directory is responsible for this monitoring process and for developing the medium and long term strategic planning of the commodities purchasing. Seara's business is exposed to volatility in grain prices, the variation of which results from factors outside the control of management, such as climatic factors, supply volumes, transportation costs, agricultural and other policies. Seara, in accordance with its inventory management policy, initiated its grain price risk management strategy, which includes physical consumption control, which includes expectations of future consumption, anticipated purchases, allied to operations in the future market, through the contracting of hedge futures on B3, CME and OTC, through NDFs (Non-Deliverable Forwards), in order to guarantee the market price.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The criteria "Availability and quality of forest risk commodities" is important to JBS business because if there is not enough raw material (cattle) in compliance with the company's environmental criteria near the slaughterhouse, there will be an increase in operational costs. To manage the risk of cattle purchase from suppliers involved in native forests deforestation, protected areas invasion or child and compulsory labor use, JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for supplier's selection. JBS established restrictive procurement procedures performed by a social and environmental monitoring system, composed of two mechanisms of analysis, which work in an integrated manner. The first verifies the existence of the farm or livestock supplier in the lists published by the Ministry of Labor and Employment (MTE) – Registry of Employers Fined for Compulsory Labor and the list of areas embargoed due to illegal deforestation published by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA). The second mechanism of analysis uses a geographic information system (GIS) for the geospatial monitoring of farms supplying the company with livestock located in the Legal Amazon region, in order to identify suppliers involved in the deforestation of native forests, the invasion of indigenous lands or environmental conservation units. It is constantly performed a monitoring of the circle radius of cattle purchasing for each plant. Moving the plant for lower deforestation risk areas is also very costly. Additionally, 100% of soy purchased by JBS comes from Soy Moratorium Signatories suppliers. The

soy Moratorium gives security that the raw material supplied came from a legal source, thus minimizing the risk of supply failure by illegal suppliers. In 2017 and 2018, JBS invited soybean suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by the CDP exclusively so that the companies to evaluate and stimulate their suppliers, considers the policies, strategies, opportunities management and risks related to actions to combat deforestation in the production of agricultural commodities.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

“Quality of risk commodities” is important to JBS business once if there is not enough raw material in compliance with the company’s environmental criteria near the slaughterhouse, operational costs will increase. Thus, JBS has several initiatives to develop and encourage a more sustainable chain of suppliers. 1) In 2019, Friboi entered into a partnership with the Liga do Araguaia, formed by about 60 ranchers from the region of the Middle Valley of Araguaia (MT). The objective is to promote the development of sustainable livestock in the region with the support of local producers. The Friboi finances the hiring of consultancy companies in agricultural management to assist in the process of intensifying farm pastures, thus guaranteeing better productivity and contributing to the preservation of the environment, local biodiversity and the reduction of greenhouse gases greenhouse effect in the livestock chain; 2) Green Light Pact, which aims to classify 100% of carcass originated from Mato Grosso do Sul region, one of the most important production centers in Brazil (goal achieved in 2016); 3) JBS Connexion Program is a direct communication platform with suppliers in Brazil, focused in commercial education. It aims to approach cattle breeder to supply chain through information regarding beef industrialization, market and sales. 4) Cattle Breeder Portal, whereby the breeders have free access to the complete cattle slaughter of each one of their farms, the standard photographic classes finishing with academic validation of associations and experts to the classification of carcasses is transparent and auditable; 5) In 2018, JBS and the Sustainable Livestock Working Group (GTPS) brought together technicians from the Company’s field team, cattle procurement collaborators and partner producers who are part of the Social Fuel Stamp Program for training on the Sustainable Livestock Indicators Guide (GIPS). Bovine tallow, a meat processing co-product, is the second most important source of biodiesel feedstock in Brazil, JBS Biodiesel produces biofuel from bovine tallow. The main idea of the initiative is that the better the management, the more efficient the production, helping the farmer not only to produce more, but to produce better and in a more profitable way. Participants worked on themes such as regional development, sustainability, guidance for continuous improvement.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

The JBS Sustainability strategy seeks to have a responsible production chain, including the impacts of activities on the ecosystems and habitats of the regions it operates. JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. JBS is committed to ensure the responsible origin of all the raw materials used in its processes, through the establishment of social and environmental criteria applied to all of its suppliers. In order to guarantee the provenance of all of the products that it offers, JBS has a close relationship with its suppliers to monitor and guide all the stages prior to the arrival of the animals at the Company's processing facilities. In addition, for the beef operation, JBS has a technological system for the social and environmental monitoring of farms to ensure that none of its suppliers is involved in the deforestation of native forests, the invasion of protected areas, such as indigenous lands or protected areas, or with the use of slave labor. Through the adoption of social and environmental criteria for raw material procurement process, JBS has a strong influence in the supply chain by creating a culture of intolerance to deforestation. As a positive result of these actions, JBS mitigates and prevents the impacts that could occur in habitats and ecosystems due its activities. Another study published in the scientific journal Conservation Letters in 2015, signed by Professor Holly Gibbs of the University of Wisconsin, shows that the Commitment has been helping to reduce deforestation and that this has occurred thanks to market pressure, which has adopted stricter criteria for purchase. Gibbs' analysis shows that the pledge has been helping to reduce deforestation and making forest destruction a bad business. Through a case study based on JBS, it was demonstrated that the company's requirements were determinant for producers to seek environmental regularization through the Rural Environmental Registry - driving a positive impact on the chain of livestock suppliers.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

"Regulation" is important to JBS once the Company's operations are increasingly subjected to strict laws and regulations relating to environmental protection. The inability to meet these requirements could result in serious consequences to JBS, including criminal, civil and administrative penalties. As environmental laws become stricter in the markets in which we operate, the future costs required to maintain compliance with regulations may adversely affect the availability of funds for capital expenditures and even lower profits. For example, in 2009, JBS signed a Term of Adjustment of Conduct ("TAC") with the Federal Public Prosecutor's Office in the State of Pará, in order to curb the

purchase of livestock from listed farms by the Ministry of Labor and Employment , such as having compulsory labor and appearing on the list of embargoed areas, published by the Brazilian Institute for the Environment and Renewable Natural Resources. It also presented an independent audit to verify the “TAC of the Livestock” of the State of Pará, JBS was recognized among the companies that obtained "positive and satisfactory" result against the commitments signed with the Federal Public Ministry. In 2013, JBS signed a new TAC with the Federal Public Prosecution Office (MPF) at Acre and Mato Grosso to set standards for the facilities located in the Legal Amazon. In independent audits presented by JBS to the MPF, the company obtained excellent results. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.

The CAR is an electronic cadastre that will enable JBS to gain access to more accurate geographic information from its suppliers of raw materials (livestock). However, it may expose JBS to the risk of lower purchasing power and significant increases in logistics costs if a substantial portion of suppliers fail to meet the deadline set by the CAR. In the update, 100% of the suppliers of JBS, who provided animals as of January 1, 2019, presented the registration receipt in the CAR and there was no significant impact of blockades of registrations of farms without CAR.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Deforestation of native forests, associated with climate change, can change agricultural conditions unpredictably. A significant change in weather patterns could affect the supply of raw material as well as the ability of the supply chain to raise animals. JBS supports a program that aims to increase productivity of husbandry farms creating a higher number of animals per area, reducing pressure over the forests, avoiding deforestation in the Amazon region and adopting more sustainable techniques through cultures rotation, pasture reform and integrated agriculture, livestock and forestry. As consequence, it contributes to the main issue in the Amazon region, indirectly reducing deforestation. The program also aims to collaborate with the commitments of the Brazilian government, which has undertaken to adopt measures to reduce the emission of greenhouse gases through a Nationally Determined Contribution (NDC), which has as one of the objectives to expand the combat actions to deforestation. Additionally, to ensure security and continuity of supply, JBS has made a public and social commitment to not purchase cattle from ranches responsible for deforestation in the Amazon Biome region as well as those that use labor analogous to slavery or that

trespasses limits of indigenous lands or environmental conservation areas. The social and environmental monitoring system of JBS's supply farms contributes to the reduction of the company's carbon footprint. and to the national emissions scenario - marked by deforestation caused by the opening of new areas for livestock, since it monitors and blocks properties that have deforestation of native forests. In 2019, Friboi entered into a partnership with the Araguaia League, whose members include around 60 livestock producers in the Médio Vale do Araguaia region (MT). The goal is to promote sustainable livestock development in the region, with the support of local producers. Within the so-called Araguaia Herd project, Friboi funds contracts for firms providing consulting on livestock management to help in the process of intensifying farm pasture lands, therefore guaranteeing better productivity and contributing to environmental and local biodiversity conservation while reducing greenhouse gases in the livestock chain.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

Commodity prices (timber, cattle and soy) can be varied according to climate change. Long scarce rain periods can also affect the operation because of the lack of raw material or higher purchase costs, as well as excessive rains and floods can affect the transportation of essential raw material. Higher costs of raw material may affect the entire commodities production chain, creating an indirect impact in the expansion of operations and in some cases may even result in the closure of units, production paralysis and even loss of production.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

Commodity prices (timber, cattle and soy) can be varied according to climate change. Long scarce rain periods can also affect the operation because of the lack of raw material or higher purchase costs, as well as excessive rains and floods can affect the transportation of essential raw material. Higher costs of raw material may affect the entire commodities production chain, creating an indirect impact in the expansion of operations and in some cases may even result in the closure of units, production paralysis and even loss of production.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. The company implemented a social and environmental monitoring system, composed of two mechanisms of analysis to monitor cattle suppliers and guarantee none purchases in disagreement with the criteria. A system failure that could provoke a non-compliant purchase would have a damaging effect on the company's brand reflected in loss of revenue due to contracts termination and markets recession.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The criteria "Brand damage related to forest risk commodities" is important to JBS once the company is exposed to reputational risks due to a potential system failure that could provoke a non-compliant purchase. As a global leader of beef production, JBS is on the spotlight of NGO's protests and media coverage and any collapse of its social and environmental monitoring system would represent a large damage with other effects such as revenue and profits decrease, loss of markets and termination of contracts JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. The company implemented a social and environmental monitoring system, composed of two mechanisms of analysis to monitor cattle suppliers and guarantee none purchases in disagreement with the criteria. Importantly, JBS supports improving access to public animal traceability information in Brazil, which would increase transparency across the meat production chain. It remains open to dialog with government agencies, organized civil society and other industry agents to keep this issue moving ahead.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

JBS has an Ethics and Conduct Manual, which provides specific chapters regarding anti-corruption practices and relationships with government bodies. Additionally, JBS also has an internal policy - Normative Instruction that provides specific instructions to purchase raw material (cattle) from JBS employees in order to mitigate conflict of interest risks. In 2017, Cia restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in the area in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. JBS signed the Corporate Pact for Integrity and Against Corruption, a voluntary and public commitment made by public and private companies with the goal of spreading good business practices and promoting a more ethical and healthy market. Developed by the Ethos Institute, the initiative's mission is to mobilize, sensitize and help companies to manage their businesses in a socially responsible way. The signatory companies undertake to disclose Brazilian anti-corruption legislation to its employees and stakeholders, as well as to comply fully with other laws related to its activities. In this sense, JBS has been carrying out a series of actions, including training and wide dissemination of policies, such as Product Donation Policy, Sponsorship Policy, a new Global Code of Conduct, a Code of Conduct for Business Partners, with the aim of fostering a culture of conformity. In early 2018, the NGO Transparency International released the study "Transparency in Corporate Reports", which evaluated the level of corporate transparency of the 100 largest companies in Brazil. In the survey, JBS obtained a "good / good" concept, reaching a score of 8.1, well above the general average (5.7). Among the 53 largest Brazilian companies with operations abroad, the first being placed in the food sector.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

Due to the size and scope of its operations, JBS has an important role in generating direct and indirect jobs in many localities. By contributing to the development of these regions, their activities end up having a very high social impact. In addition, the Company seeks to contribute to society by supporting initiatives aimed at the education and training of children and youth, the professionalization of youth and adults, and the training and social inclusion of people with special needs. JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. The Company does not acquire animals from farms involved with deforestation of native forests,



invasion of indigenous lands or environmental conservation areas, or that are embargoed by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA). It also will not work with suppliers involved in rural violence or land conflicts, or who utilize slave or child labor. If any supplier is on the Slave List, according to the Ministry of Labor, all your associated farms will be blocked in the JBS purchasing system. Additionally, since 2007, JBS is a signatory to the National Pact for the Eradication of Slave Labor in Brazil (InPACTO), which aims to strengthen the actions against slave labor in Brazil. Going further in this partnership, JBS launches, together with InPACTO, a tool called Hotspots Mapping, which brings an innovative approach because it addresses the issue from two perspectives: geographic and territorial, and socioeconomic and demographic aspects. It portrays the reality of the company's supply chain in the Legal Amazon, allowing the identification of potentially critical regions and classifying livestock suppliers according to the potential risk level of each area.

Other, please specify

Relevance & inclusion

Relevant, always included

Please explain

After developing procurement procedures to prevent deforestation, the company is also exposed to the lack of enough raw materials in compliance with the requirements it has set. To mitigate the risk of acquiring raw materials from suppliers involved in the deforestation of native forests, the invasion of protect areas, such indigenous land or environmental conservation units and the use of child or compulsory labor, JBS has adopted a responsible sourcing policy and established social and environmental criteria for purchasing commodities that could be from deforestation risk areas. – Establishment of social and environmental criteria - responsible sourcing policy.

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization’s forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

Greater engagement with customers are made to meet specific demands, for example demand for sustainable beef, which cause the new product development process and market expansion. JBS informs and guides its suppliers regarding its social and environmental criteria, such as, not purchasing raw material from deforested lands or suppliers involved in slave labour. In this sense, the monitoring provided by Social and Environmental Monitoring System through geo-referenced maps is mandatory for all farms located in the Amazon Biome Region. Additionally, JBS has implemented an internal audit system in 100% of cattle purchases. Every year the Environmental Monitoring System is verified by independent audit. Through its official website (www.jbs.com.br), JBS provides the most relevant information on strategic sustainability issues (including the supply chain - guarantee of origin), the annual audit reports of the ' Public Commitment to Livestock. " Specific meetings are held with strategic clients to present the Livestock Farms Socio-Environmental Monitoring System. The JBS Ombudsman department began in 2010 and sets up the communication channel available to all employees, customers, suppliers or anyone with a relationship with the JBS group in order to share their complaints, suggestions or praises. Its main objective is to welcome demonstrations and seek definitive solutions, guiding decisions, promoting continuous improvement of work processes, acting with transparency, respect, consistency, reliability, ethics and, above all, secrecy. Since 2015, the Company has implemented its Ombudsman system, automating the entire process of registering complaints and their respective indicators. Annually, a wide publicity campaign for the Ombudsman's Office is carried out in all units through the internal communication channels, as well as banners and information boards distributed by the JBS plants informing the Ombudsman's contacts. This information is also disclosed on the intranet and published on the Company's website. In addition, all new employees participate in face-to-face training at the time of their integration, during which they receive more detailed information about the Ombudsman channel. The contacts with the Ombudsman can be made through the email ouvidoria@jbs.com.br, telephone 0800-770-4100 or www.ouvidoria.jbs.com.br.

Employees

Relevance & inclusion

Relevant, always included

Please explain

JBS employees are an important part of the company's stakeholders. In this way, there is a constant internal communication work dedicated to the leaders and other employees, containing information on the JBS Responsible Purchase Policy, as well as communication campaigns. The theme is also addressed in the integration of new employees, as well as being widely disseminated in the annual conventions of the various JBS departments. For raw material purchasing teams, which are directly affected by vendor blocking / release, periodic training and documents describing the rules and procedures against the company's socio- environmental criteria are carried out. Through internal communication campaigns, the most relevant information on strategic sustainability issues (including the supply chain - guarantee of origin) is disseminated, as

well as the annual audits of the Public Commitment on Livestock. Trust, for JBS, is what guides all relationships with its audiences., the Corporate Compliance Board was created in 2015. Reporting directly to the Institutional Relations Board, the new structure serves all JBS Group businesses and is responsible for identifying, evaluating and monitoring risks. It is also incumbent on it to develop training and communication initiatives for all employees and suppliers. The JBS Ombudsman began in 2010 and sets up the communication channel made available to all employees, customers, suppliers or anyone with a relationship with the JBS group in order to share their complaints, suggestions or praises. Its main objective is to welcome demonstrations and seek definitive solutions, guiding decisions, promoting continuous improvement of work processes, acting with transparency, respect, consistency, reliability, ethics and, above all, secrecy. Since 2015, the Company has implemented its Ombudsman system, automating the entire process of registering complaints and their respective indicators. Annually, a wide publicity campaign for the Ombudsman's Office is carried out in all units through the internal communication channels, as well as banners and information boards distributed by the JBS plants informing the Ombudsman's contacts. All new employees participate in face-to-face training at the time of their integration, during which they receive more detailed information about the Ombudsman channel.

Investors

Relevance & inclusion

Relevant, always included

Please explain

Communication to the market about socio-environmental criteria for the purchase and encouragement of the use of good agricultural practices. JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. It carries out monitoring of the farms of suppliers located in the States of the Legal Amazon by means of a geospatial system capable of identifying occurrences of nonconformities and preventing the purchase of raw materials from suppliers that act in an irregular manner. Throughout the year, JBS also answers several questionnaires sent by investors with questions about actions to combat deforestation. The "CDP Forests" program, also run by the CDP, helps companies and investors to understand and mitigate exposure to the risk of deforestation associated with the use of agricultural commodities, such as soybeans and cattle. JBS reports related actions and strategies to CDP Forests on an annual basis.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

JBS's stakeholder relationships make an important contribution towards business sustainability. One of the company's principles is to build trust with the many markets it interacts with on a day-to-day basis. JBS is aware of the social role it plays in each of these markets and has taken steps to support social, economic and environmental development. The company is also open to dialogue and always respects local cultures. Along the supply chain, JBS supports projects that promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols, the opening of markets for products with social and environmental attributes, as well as support for training, earnings disclosure and fundraising for ongoing efforts. JBS used its communications channels, mainly the Giro do Boi Show at the Rural channel, to guide farmers on how to regularize their operations and implement the CAR. In 2017, the communication through the Giro do Boi Show (TV Rural channel) was intensified. The JBS Ombudsman began in 2010 and sets up the communication channel made available to all employees, customers, suppliers or anyone with a relationship with the JBS group in order to share their complaints, suggestions or praises. Its main objective is to welcome demonstrations and seek definitive solutions, guiding decisions, promoting continuous improvement of work processes, acting with transparency, respect, consistency, reliability, ethics and, above all, secrecy. Since 2015, the Company has implemented its online Ombudsman system, automating the entire process of registering complaints and their respective indicators. Annually, a wide publicity campaign for the Ombudsman's Office is carried out in all units through the internal communication channels, as well as banners and information boards distributed by the JBS plants informing the Ombudsman's contacts. This information is also disclosed on the intranet and published on the Company's website. In addition, all new employees participate in face-to-face training at the time of their integration, during which they receive more detailed information about the Ombudsman channel.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

JBS is involved with a number of major local and global forums that discuss a range of sustainability issues with organized civil society and other members of the value chain. The company maintains constant dialogue with NGOs, such as CDP, to discuss the constant challenges and opportunities related to actions to combat deforestation in the supply chain. JBS also participated in the Working Group for the Control of Deforestation in the Chain Livestock Production, created by the Ministry of the Environment and composed of government agencies, a beef cattle and retail business, as well as NGOs and other stakeholders. The activities carried out with the GT: I - to identify the initiatives of the

government and of other sectors on the cattle activity and the initiatives to promote sustainability and to monitor the production chain; II - propose actions aimed at promoting sustainability and controlling the origin in the chain production of livestock; III - to contribute to the implementation of the Plan of Action for the Prevention and Deforestation in the Amazon and the Plan of Action for the Prevention and Control of Deforestation and Burning in the Cerrado; Currently, JBS participated in the Working Group of Indirect Suppliers in Brazilian Livestock - GTFI, formed by national and international stakeholders in the Livestock chain, the initiative is led by the NGO Amigos da Terra. The focus of this group is to develop traceability and monitoring solutions for the cattle industry chain in Brazil. The objectives of the GTFI are:(1) to identify, develop and support the implementation of traceability solutions for indirect suppliers; and(2) communicating challenges, opportunities and progress towards traceability for indirect suppliers. To ensure that farms involved in deforestation are not part of our supply chain, JBS has also been actively working with other stakeholders to develop sectoral strategies that can be applied to the entire beef industry in the Amazon. One such strategy is the program “Beef on Track”. This initiative has been developing by JBS in partnership with the Federal Prosecutor’s Office and the Brazilian NGO Imaflora and aim defining criteria and technical rules for monitoring cattle suppliers. As of the 1st July 2020 all processors that are signatories of TACs and are operating in the Legal Amazon states must follow the program.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

JBS launches the Conexão Gestão program in order to improve the managerial skills of medium-sized cattle ranchers. In partnership with the Instituto Inttegra, the pilot project aims to support the rancher in the day-to-day management of the farm, helping to increase the efficiency of the beef production chain. It aims to discover new leaders of Brazilian livestock and help increase the productive efficiency of the participating farms. It is a project to change traditional concepts in the farms, giving them the knowledge of management methodologies that raise the gains, generating more income for the cattle ranchers. Of a large selection, only 10 farmers (owners of 17 properties) were chosen for periodic meetings, debates and discussions. And in these chosen farms, controls of machinery, resources and finances were applied. The evolution of the group has already been perceived. In the first moment of evaluation, the note that the members received was 2,5. Eight months after the program was implemented on farms, this grade rose to 8 points, that is, shared learning guaranteed the evolution of managers and financial gains. In 2017 and 2018, JBS invited cattle suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by the CDP exclusively so that the companies to evaluate and stimulate their suppliers, considers the policies, strategies, opportunities management and risks related to actions to combat deforestation in the production of agricultural commodities.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

In order to improve its controls, seeking access to information and discussions with different regulatory agents, JBS participated in several meetings with the Federal Public Prosecutor, especially in the State of Pará, presented and suggesting technical rules to have a supply chain free of deforestation. An example of this was the performance of an independent audit to verify compliance with the State of Pará's Behavior Adjustment Code (TAC), JBS was recognized among the companies that obtained a "positive and satisfactory" result from the commitments entered into with the MPF. JBS also participated in the Working Group for the Control of Deforestation in the Chain Livestock Production, created by the Ministry of the Environment and composed of government agencies, a beef cattle and retail business, as well as NGOs and other stakeholders. These are activities of the Working Group for the Control of Deforestation in the Chain Livestock Productivity: I - to identify the initiatives of the government and of other sectors on the cattle activity and the initiatives to promote sustainability and to monitor the production chain; II - propose actions aimed at promoting sustainability and controlling the origin in the chain production of livestock; III - to contribute to the implementation of the Plan of Action for the Prevention and Deforestation in the Amazon (PPCDAm) and the Plan of Action for the Prevention and Control of Deforestation and Burning in the Cerrado (PPCerrado); IV - contribute to the construction of sectoral animal husbandry agreements, aiming at the illegal deforestation; and V - to develop solutions for the control of the origin of cattle and to verify the rural properties. To ensure that farms involved in deforestation are not part of our supply chain, JBS has also been actively working with other stakeholders to develop sectoral strategies that can be applied to the entire beef industry in the Amazon.

One such strategy is the program "Beef on Track". This initiative has been developing by JBS in partnership with the Federal Prosecutor's Office and the Brazilian NGO Imaflora and aim defining criteria and technical rules for monitoring cattle suppliers. As of the 1st July 2020 all processors that are signatories of TACs (a legal agreement with Federal Prosecutors' Office) and are operating in the Legal Amazon states must follow the program.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

JBS launches the Conexão Gestão program in order to improve the managerial skills of medium-sized cattle ranchers. In partnership with the Instituto Inttegra, the pilot project aims to support the rancher in the day-to-day management of the farm, helping to increase the efficiency of the beef production chain. It aims to discover new leaders of Brazilian livestock and help increase the productive efficiency of the participating farms. It is a project to change traditional concepts in the farms, giving them the knowledge of management methodologies that raise the gains, generating more income for the cattle ranchers. Of a large selection, only 10 farmers (owners of 17 properties) were chosen for periodic meetings, debates and discussions. And in these chosen farms, controls of machinery, resources and finances were applied. The evolution of the group has already been perceived. In the first moment of evaluation, the note that the members received was 2,5. Eight months after the program was implemented on farms, this grade rose to 8 points, that is, shared learning guaranteed the evolution of managers and financial gains. In 2018, JBS and the Sustainable Livestock Working Group (GTPS) brought together technicians from the Company's field team, cattle purchasing staff and 30 partner producers who are part of the Social Fuel Stamp Program for a training on the Guide Sustainable Livestock Indicators (GIPS). Bovine tallow, a meat processing co-product, is the second most important source of biodiesel feedstock in Brazil, JBS Biodiesel produces biofuel from bovine tallow - animal slaughter residue. The main idea of the initiative is that the better the management, the more efficient the production, helping the farmer not only to produce more, but to produce better and in a more profitable way. In 2019 Friboi, in partnership with MSD Saúde Animal and UNESP (Universidade Estadual Paulista), launched the manual "Good Management Practices - Without Corral" in order to improve the conditions for handling cattle, reduce the risk of accidents, as well as minimizing the negative potentials of stress for everyone involved in the process, humans and animals. The manual brings together explanations of fundamental concepts for performing a good job with cattle, such as the behavior of these animals, maintenance of facilities and equipment, planning and handling procedures.

Other stakeholders, please specify

Relevance & inclusion

Relevant, always included

Please explain

Top management executives and Sustainability Committee: JBS has five multidisciplinary non-statutory committees working with the company's management in order to support the Board of Directors and make the company's processes more robust. One of these committees is the Sustainability Committee, responsible for dealing with and connecting all topics related to the company's business in a global perspective. This role include the identification, addressing and treatment of critical issues that result in risks or business impact; monitoring and implementation

of policies, strategies and specific initiatives; and evaluation of proposals of investments in sustainability. Among the responsibilities of the Sustainability Committee, there is the monitoring of the results of the procurement system.

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Cattle products	Yes
Soy	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Climate change, including the impact of global warming, creates both physical and financial risks in direct operations and in the supply chain. Physical risks of climate change include rising sea levels and changes in climatic conditions, such as increased precipitation changes and extreme weather events. Climate change can have a material adverse effect on the Company's operating results, financial situation and liquidity. Natural disasters, fires, bioterrorism, pandemics, droughts, changes in rainfall patterns or extreme weather conditions, including floods, extreme cold or heat, hurricanes or other storms, could harm the health or growth of livestock or interfere with the Company's operations through lack of energy, lack of fuel, damage to production and installations or interruption of means of transport, among other things. Any of these factors, as well as disruptions in our information systems, could have an adverse effect on our financial results. The adoption of good sustainability practices by JBS's raw material suppliers has a direct impact on the quality of its products. In this context, JBS seeks to act as a vector of transformation and innovation in the productive chains in which it participates, supporting and guiding its suppliers on the quality of the inputs produced and reducing the environmental impacts of their respective activities. JBS owns about 60% of the refrigeration units, and consequently the company's supply chain (more than 60% of the livestock

supplier chain), located in the Legal Amazon region. In this way, the impact of an increase in Amazon deforestation rates can bring risks to the company by restricting the supply chain.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Uncertainty about product origin and/or legality

🗨️ Primary risks also applicable for this Question:

Reputational and Markets

- Increased stakeholder concern or negative stakeholder feedback
- Increased cost of certified sustainable material

Physical

- Increased severity of extreme weather events Changes in precipitation patterns

Primary potential impact also applicable for this Question:

Primary potential impact

Brand damage

Company-specific description

JBS is exposed to Reputational risks in a potential situation of purchasing timber from areas with illegal deforestation of native species that could adversely affect the company's image, with a large damage to its brand resulting in loss of markets, trade embargo and termination of contracts, especially in exportations to Europe and other particular markets. The side effects of these events would be a consequent revenue and profits decrease.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Primary response to risk

Engagement with suppliers

Description of response

In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures.

Cost of response

0

Explanation of cost of response

There are no direct costs related to this action. Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual failure to comply with laws and regulations may expose the company to situations that may impact the current demand for products or to acquire new businesses, and possibly subject it to administrative sanctions, damages, fines, injunctions , product recall or foreclosure of your property, as well as possible criminal penalties, any of these may adversely affect your financial results.

Forest risk commodity

Cattle products

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Non-compliance with national legislation

🗨️ Primary risks also applicable to this Question:

Physical

Scarcity of land resources

Regulatory

Lack of mature certification and sustainability standards

Changes in land tenure regulations

Uncertainty and/or conflicts involving land ownership and occupancy rights

Increased difficulty in obtaining operations permits

Non-compliance with national legislation

Changes to national legislation

Moratoria and voluntary agreements

Poor enforcement of regulation

Poor coordination between regulatory bodies

Regulatory uncertainty

Reputational and markets

Shifts in consumer preference

Increased cost of certified sustainable material

Availability of certified sustainable material

Uncertainty about product origin and/or legality
Increased stakeholder concern or negative stakeholder feedback
Negative media coverage
Technological:
Inability to increase yield of existing production areas
Limited access to soil conservation
Other sustainable techniques

Primary potential impact

Decrease in shareholder value

Company-specific description

According to JBS sustainability pillar of responsible purchase, Cattle suppliers included on the dirty lists published by the Ministry of Labor and IBAMA, and those whose land overlaps deforested areas, indigenous land or protected areas will be suspended by the company procurement system until they have remedied this situation. JBS Standards of cattle purchasing are expressed in the document “Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome”, which states that the company must not acquire cattle from areas with illegal deforestation, in the Amazon Biome and located within protected areas. To make sure that suppliers are complying with these standards, there is a System for Social and Environmental Monitoring of Cattle Suppliers that works on geospatial analysis based on satellite images, farms georeferenced maps and deforestation data from the INPE. To ensure compliance with the JBS’s commitments, an independent party annually audits the System. This audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019,100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results are available on the company's website. In 2017, the company restructured its Compliance department and now has a Global Director, responsible for the implementation and supervision of initiatives

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

3,196,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Supplier diversification is one of the risk prevention actions associated with the company's business. The reported financial impact was estimated based on the restriction on the purchase of raw materials (livestock) from suppliers in non-compliance with the JBS Responsible Purchasing Policy.

Primary response to risk

Greater traceability of forest-risk commodities

Description of response

JBS has a “Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome”, which states that the company must not acquire cattle from areas with illegal deforestation, in the Amazon Biome and located within protected areas. To make sure that suppliers are complying with these standards, there is a System for Social and Environmental Monitoring of Cattle Suppliers that works on geospatial analysis based on satellite images, farms georeferenced maps and deforestation data from the INPE. Along the supply chain, JBS supports projects which promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols, the opening of markets for products with social and environmental attributes. In 2017, the

company restructured its Compliance department and, began to improve the practices of third party reputation assessment (Due Diligence). The Company hired expert advice on the subject to automate the process as much as possible.

The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputation aspects are identified.

Cost of response

2,300,000

Explanation of cost of response

Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual failure to comply with laws and regulations may expose the company to situations that may impact the current demand for products or to acquire new businesses, and possibly subject it to administrative sanctions, damages, fines, injunctions , product recall or foreclosure of your property, as well as possible criminal penalties, any of these may adversely affect your financial results.

Forest risk commodity

Cattle products

Type of risk

Physical

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Changes in precipitation patterns

Primary Risk Driver also applicable to this Question:

- Scarcity of land resources

Primary potential impact

Increased production costs

Company-specific description

Deforestation of native forests, associated with climate change, can change agricultural conditions unpredictably. A significant change in weather patterns could affect the supply of raw material as well as the ability of the supply chain to raise animals.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Supplier diversification is one of the risk prevention actions associated with the company's business.

Primary response to risk

Tighter supplier performance standards

Description of response

JBS has a “Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome”, which states that the company must not acquire cattle from areas with illegal deforestation, in the Amazon Biome and located within protected areas. To make sure that suppliers are complying with these standards, there is a System for Social and Environmental Monitoring of Cattle Suppliers that works on geospatial analysis based on satellite images, farms georeferenced maps and deforestation data from the INPE. Along the supply chain, JBS supports projects which promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols, the opening of markets for products with social and environmental attributes. In 2017, the company restructured its Compliance department and began to improve the practices of third party reputational assessment. The Company hired expert advice on the subject to automate the process as much as possible. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.

Cost of response

2,300,000

Explanation of cost of response

Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual failure to comply with laws and regulations may expose the company to situations that may impact the current demand for products or to acquire new businesses, and possibly subject it to administrative sanctions, damages, fines, injunctions , product recall or foreclosure of your property, as well as possible criminal penalties, any of these may adversely affect your financial results.

Forest risk commodity

Soy

Type of risk

Regulatory

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Moratoria and voluntary agreements

Primary potential impact

Brand damage

Company-specific description

According to JBS sustainability pillar of responsible purchase, suppliers included on the dirty lists published by the Ministry of Labor and IBAMA, and those whose land overlaps deforested areas, indigenous land or protected areas will be suspended by the company procurement system until they have remedied this situation. Along the supply chain, JBS supports projects which promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols, the opening of markets for products with social and environmental attributes, as well as support for training, earnings disclosure and fundraising for ongoing efforts. In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives. In October 2017, began to improve the practices of third party reputational assessment (Due Diligence). The Company hired expert advice on the subject to automate the process as much as possible. The Due Diligence procedure was integrated into the third-

party registration process. Thus, at the time of registration, third parties listed in risk categories will be automatically evaluated by software, being released or disapproved if negative reputational aspects are identified.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Primary response to risk

Greater compliance with regulatory requirements

Description of response

The company only purchases soy from suppliers that signed the Soy Moratorium. Thus, 100% of JBS soy suppliers, in Brazil, are in compliance with Soy Moratorium criteria. In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third-party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS.

Cost of response

0

Explanation of cost of response

There are no direct costs related to this action. Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual failure to comply with laws and regulations may expose the company to situations that may impact the current demand for products or to acquire new businesses, and possibly subject it to administrative sanctions, damages, fines, injunctions , product recall or foreclosure of your property, as well as possible criminal penalties, any of these may adversely affect your financial results.

Forest risk commodity

Soy

Type of risk

Physical

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Primary risk driver

Increased severity of extreme weather events

Primary potential impact

Increased production costs

Company-specific description

Deforestation of native forests, associated with climate change, can change agricultural conditions unpredictably. A significant change in weather patterns could affect the supply of raw material.

Timeframe

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

The company only purchases soy from suppliers that signed the Soy Moratorium. Thus, 100% of JBS soy suppliers, in Brazil, are in compliance with Soy Moratorium criteria. In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third-party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS.

Cost of response

0

Explanation of cost of response

There are no direct costs related to this action. Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual failure to comply with laws and regulations may expose the company to situations that may impact

the current demand for products or to acquire new businesses, and possibly subject it to administrative sanctions, damages, fines, injunctions , product recall or foreclosure of your property, as well as possible criminal penalties, any of these may adversely affect your financial results.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Cattle products	Yes
Soy	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description & strategy to realize opportunity

Every purchase of JBS is analyzed in terms of supplier's commitment with JBS Environmental and social criteria. Other opportunities are focused on the reduction of timber consumption, so the company can be less exposed to this commodity deforestation risk. Another action performed to realize the opportunity for efficiency is regarding the packages that previously were manufactured with two pieces – the bottom and top of the box started to be made with a single piece. A result of this initiative was a reduction of 41% on the use of cardboard. JBS aims to reduce the volume of packages primary (in direct contact with the product), secondary and tertiary products, the main results were gained in increase the quantity of product per carton boarding, which provides less consumption of cardboard boxes. In terms financial services, the economy with innovations in the cardboard boxes was equivalent to R \$ 10 million per year, not counting the environmental gains due to decreased the use of raw material by weight transported product. JBS has also developed a Logistics Reverse project to recover and reuse PBR pallets used in the transport and storage of finished product. JBS has a pallet plant that manages the processes, including collection, purchasing, freight, plant supply, among others. As a result the reuse raised 41% due to the adjustment of the pallet collection targets; change in the logistics network for the reduction of freight from pallets; study of supply to factories; customers in several regions of Brazil; and improved management of accounts with carriers. In addition, several training and re-adaptation of the processes were carried out by the team of controllers. Farther, JBS developed a project to reduce 2 cm in the length and width pallets, remaining its support capacity. As results, there were a reduction on the timber use and an increase of products transport efficiency. JBS has also developed a project of energy reuse from bovine rumen contents generated in the slaughter of cattle, thereby reducing the need for biomass (firewood) to burn in industrial boilers.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Deforestation issues are of high relevance to the company and are included in the JBS sustainability strategy. Possible financial impacts related to regulatory issues and costs related to the management of related risks are regularly verified by the company's sustainability area. In this sense, The Company has and follows a risk management policy whereby financial risks are regularly monitored and managed by the Risk Management Committee and by the Board of Directors in order to evaluate the results and the financial impact on the cash flow. Eventual situations may expose the company to scenarios that may impact the current demand for products or to acquire new products, and possibly subject it to administrative sanctions or fines, any of these may adversely affect your financial results.

Forest risk commodity

Cattle products

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description & strategy to realize opportunity

In 2019, Friboi entered into a partnership with the Araguaia League, whose members include around 60 livestock producers in the Médio Vale do Araguaia region, located in the state of Mato Grosso. The goal is to promote sustainable livestock development in the region, with the support of local producers. Within the so-called Araguaia Herd project, Friboi funds contracts for firms providing consulting on livestock management to help in the process of intensifying farm pasture lands, therefore guaranteeing better productivity and contributing to environmental and local biodiversity conservation while reducing greenhouse gases in the livestock chain.

“to take more of a leading role in environmental conservation and sustainable production. We are now working with JBS to develop the Araguaia Herd project, which also runs along these lines of constant promotion of sustainable intensification of livestock and working within environmental laws. Under this model, our challenge is to show consumers and the world that it is possible to have production in Mato Grosso with leading action by livestock producers spearheading this process.” The Araguaia League was an initiative to call on the region's livestock producers. With the project's support, livestock producers are now better able to invest in their properties and in production, raising their productivity indicators, improving the quality of their animals and, especially, contributing to the advancement of sustainability in livestock farming. This partnership with JBS was created to strengthen sustainable beef production in the Cerrado region and to meet demand from major players, who are looking for products differentials. The goal is to transform the region, one of the biggest cattle producers in the country, within a global parameter of good production practices. Together, these livestock producers help to preserve an area of 54,000 hectares of legal reserve and permanent preservation areas.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

High

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,196,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

There is an increasing demand for products classified as deforestation free according to sustainable supply policies from large retail chains and large players in the food and restaurant sector. This is a growing demand of the market and companies that prepare themselves in this direction create a differential in their performance in compare to their competitors and consequently have a strong influence on the market.

Calculating an estimate of potential financial impact is a very complex task, since there are several factors that can influence the data to be considered.

Supplier diversification is one of the risk prevention actions associated with the company's business. The reported financial impact was estimated based on the restriction on the purchase of raw materials (livestock) from suppliers in compliance with the JBS Responsible Purchasing Policy.

Forest risk commodity

Soy

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description & strategy to realize opportunity

The Company believes that it can play an important role in preventing deforestation through responsible procurement. As part of this effort, it only purchases soybeans from suppliers that are signatories to the Soybean Moratorium, an initiative that works to ensure no soybeans come from illegal deforestation regions in the Amazon Biome. Since 2007, joining the Social Fuel Stamp program, JBS Biodiesel has already benefited more than 4,600 small grain producers through the acquisition of soybean.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In general, for the soybean commodity, the company understands that the current management makes possible the reduction of soybean purchase risks related to deforestation areas.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Director on board	Sustainability Committee, which is responsible for dealing with and connecting all topics related to the company's business in an overall perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact, monitoring and implementation of policies, strategies and specific initiatives, as well as the evaluation of proposals of investments in sustainability. As the Sustainability Committee is composed of four members from the company's top management, including the two presidents and an independent board member, a comprehensive analysis can be performed as part of the deforestation risk assessment procedures. From 2019, the Committee will be chaired by the Chairman of the Board of Directors of JBS.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
---	--	----------------

<p>Row 1</p>	<p>Scheduled - all meetings</p>	<p>Monitoring implementation and performance Overseeing acquisitions and divestiture Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives</p>	<p>JBS's Board of Directors has the support of five specific committees that assist it in strategic deliberations for the business. One of these committees is the Sustainability Committee, responsible for dealing with and connecting all topics related to the company's business in a global perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact; monitoring and implementation of policies, strategies and specific initiatives; and evaluation of proposals of investments in sustainability. It is composed by six members from the company's top management. Among the responsibilities of the Sustainability Committee, there is the monitoring of the results of the procurement system - besides being responsible for discussing issues related to the other strategic themes of sustainability. The group reports directly to the Board of Directors (CA).</p>
------------------	---------------------------------	---	--

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
---	----------------	---	----------------

<p>President</p>	<p>Both assessing and managing forests-related risks and opportunities</p>	<p>More frequently than quarterly</p>	<p>JBS has multidisciplinary non-statutory committees working with the company's management in order to support the Board of Directors and make the company's processes more robust. One of these committees is the Sustainability Committee, which meets quarterly and is responsible for advise the Board of Directors in the process of fulfillment it's legal attributions. Additionally, the Board of Director's chairman is involved in the meetings between Sustainability Committee and the Board of Directors. The main responsibilities of the Sustainability Committee is to organize and coordinate the activities of the Committee, including, among other duties: (a) to propose, by the beginning of each fiscal year, the schedule of activities for the corresponding fiscal year, including the annual calendar of regular meetings; (b) define the order of business, convene, set up and chair the meetings of the Committee; (c) represent the Committee before any other corporate governance bodies of the Company, signing, as necessary, any correspondence, invitations and reports on behalf of the Committee; (d) report to the Board of Directors on the work carried out by the Committee.</p>
<p>Chief Sustainability Officer (CSO)</p>	<p>Both assessing and managing forests-related risks and opportunities</p>	<p>More frequently than quarterly</p>	<p>The Sustainability Committee is responsible for dealing with and connecting all topics related to the company's business in an overall perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact, define the establishment of sustainability goals, monitoring and implementation of policies, strategies and specific initiatives, as well as the evaluation of proposals of investments in sustainability. The information is handled weekly between the Business Unit Presidency and Board of Directors. The Sustainability Committee meets quarterly.</p>
<p>President</p>	<p>Both assessing and managing forests-</p>	<p>More frequently than quarterly</p>	<p>The Sustainability Committee is responsible for dealing with and connecting all topics related to the company's business in an overall perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact, monitoring and implementation of</p>

	related risks and opportunities		policies, strategies and specific initiatives, as well as the evaluation of proposals of investments in sustainability. The information is handled weekly between the Business Unit Presidency and Board of Directors. The Sustainability Committee meets quarterly.
Sustainability committee	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	The Sustainability Committee is responsible for dealing with and connecting all topics related to the company's business in an overall perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact, monitoring and implementation of policies, strategies and specific initiatives, as well as the evaluation of proposals of investments in sustainability. The information is handled weekly between the Business Unit Presidency and Board of Directors. The Sustainability Committee meets quarterly. The company conducts its sustainability based on well defined objectives: improve risk management (especially those related to its supply chain); decrease the environmental footprint business (water, emissions, energy and waste); improve their eco-efficiency and their with society; and encourage innovation. The aim is to make the JBS A Leading Company In Use sustainable use of natural resources, minimizing their demand and reducing waste generation to achieve production of even better quality.
Environment/Sustainability manager	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	The Sustainability Committee is responsible for dealing with and connecting all topics related to the company's business in an overall perspective. This role includes the identification, addressing and treatment of critical issues that result in risks or business impact, monitoring and implement actions aimed at meeting sustainability goals, strategies and specific initiatives, as well as the evaluation of proposals of investments in sustainability. The information is handled weekly between the Business Unit Presidency and Board of Directors. The Sustainability Committee meets quarterly.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Different types of incentives related to sustainability themes are applied.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets Supply chain engagement	The objective of each element of management compensation is to encourage the alignment of interests of managers with the Company's goals, in order to stimulate their commitment and also to attract and retain highly qualified professionals. The variable remuneration takes into consideration the next income determined by the Company, as well as an individual performance evaluation process, model 360° in which the performance and behavioral results are verified in the activity.
Non-monetary reward	Other, please specify Environment Managers, Supplies, Origination (Cattle Purchase)	Achievement of commitments and targets	Through internal events and internal and external communications, recognition and exchange of learning is generated with different business units of the company. These actions contribute to increasing awareness, recognition and integration between the different areas and meeting the defined sustainability goals.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

 Formulário Referência.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Selected facilities, businesses or geographies only	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitment to transparency Commitment to stakeholder awareness and engagement Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound milestones and targets	After developing procurement procedures to prevent deforestation, the company is also exposed to the lack of enough raw materials in compliance with the requirements it has set. To mitigate the risk of acquiring raw materials from supplier involved in the deforestation of native forests, the invasion of protect areas, such indigenous land or environmental conservation units and the use of child or compulsory labor, JBS Brazil has adopted a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. The Company does not acquire animals from farms involved with deforestation of native forests, invasion of indigenous lands or environmental conservation areas, or that are embargoed by the IBAMA. It also will not work with suppliers involved in rural violence or land conflicts, or who utilize slave or child labor To disseminate the policy internally, there is a constant internal communication dedicated to the leaders and other employees, containing information on the JBS Responsible Purchase Policy, as well as communication campaigns - which are available on the Intranet and corporate emails. The theme is also addressed in the integration of new employees, as well as being widely disseminated in the annual conventions of the various JBS departments. For raw material purchasing teams, which are directly affected by vendor blocking / release, periodic training and documents describing the rules and procedures against the company's socio-environmental criteria are carried out through internal communication campaigns, in addition the most relevant

			<p>information on strategic sustainability issues (including the supply chain - guarantee of origin) is disseminated, as well as information regarding to the annual audits of the Public Commitment on Livestock. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. JBS was also highlighted for the audit of the Pará TAC, in which the Federal Public Ministry classified its efforts as positive and satisfactory. In 2020, JBS will formalize a Responsible Purchase Policy, in addition to a policy compliance manual, which will be extended to its internal team.</p>
--	--	--	---

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Selected facilities, businesses or geographies only	<p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>Description of forests-related performance standards for direct operations</p>	<p>JBS informs and guides its suppliers regarding its social and environmental criteria and tries to diversify its supply chain. To mitigate the risk of purchasing timber from suppliers involved in deforestation, JBS established a Normative Instruction of Biomass Purchasing, stating that only suppliers legalized by the competent environmental authorities are able to negotiate materials with the company.</p>

Cattle products	Yes	Selected facilities, businesses or geographies only	<p>Commitment to eliminate deforestation</p> <p>Commitment to transparency</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p>	<p>To mitigate the risk of acquiring raw materials from suppliers involved in the deforestation of native forests, the invasion of protect areas, such indigenous land or environmental conservation units and the use of child or compulsory labor, JBS Brazil has adopted a Responsible Sourcing Policy that establishes social and environmental criteria for suppliers selection. The Company does not acquire animals from farms involved with deforestation of native forests, invasion of indigenous lands or environmental conservation areas, or that are embargoed by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA). It also will not work with suppliers involved in rural violence or land conflicts, or who utilize slave or child labor. In 2020, JBS will formalize a Responsible Purchase Policy, in addition to a policy compliance manual, which will be extended to its internal team</p> <p>The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.</p> <p>JBS was also highlighted for the audit of the Pará TAC, in which the Federal Public Ministry classified its efforts as positive and satisfactory.</p>
Soy	Yes	Selected facilities, businesses or geographies only	<p>Commitment to eliminate deforestation</p> <p>Commitment to transparency</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p>	<p>JBS only purchases soy from suppliers that follows/meets the Soy Moratorium. The purchase from large suppliers that are part of the Brazilian Association of Vegetable Oils Industries (ABIOVE) and Brazilian National Association of Cereal Exporters (ANEC) guarantees that the commodity complies with the criteria established in the Soy Moratorium.</p>

			Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets	
--	--	--	---	--

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Cattle Agreement (TAC)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2020

Please explain

JBS only uses cardboard certified by Forest Stewardship Council (FSC), which is also a permanent commitment and certifies that the raw material used in the production of its packaging comes from forests maintained and managed responsibly, thus ensuring the best environmental practices throughout the productive process. In this way, by purchasing the certified material we ensure that the forests from which the raw material is derived were exploited in accordance with all existing laws, in an ecologically correct, socially just and economically viable way. In the case of wood (biomass used as fuel for industrial boilers) 100% of timber suppliers have to present the Forest Origin Document, which is a mandatory license established by the Ministry of the Environment (MMA) for the control of native forestry product and sub product transportation and commercialization. It presents information on the origin, destination, quantity and purpose of transportation. JBS reaffirms that despite the reported deadline the company's commitment is continuous.

Forest risk commodity

Cattle products

Criteria

Zero gross deforestation/ no deforestation

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2008

Commitment target date

2020

Please explain

JBS made a public commitment to not purchase cattle from ranches responsible for deforestation of the Amazon Biome region, which is a permanent commitment. To ensure compliance, JBS developed a social and environmental monitoring system for the farms that supply livestock to the company. This monitoring system is composed of 2 integrated mechanisms of analysis. The first verifies the existence of farms or livestock supplier in the lists published by the MTE – Registry of Employers Fined for Compulsory Labor and the list of areas embargoed due to illegal deforestation published by the Brazilian Institute of the IBAMA. The second uses a geographic information system for the geo-spatial monitoring of farms supplying the company with livestock located in the Legal Amazon region to identify suppliers involved in deforestation, invasion of indigenous lands or environmental conservation units. To comply with the commitment, the System for livestock supplier farms is audited annually, and the results are published on JBS's website. JBS has improved its Monitoring System in a joint effort with the Departments of Sustainability, Cattle Sourcing and Information Technology, and with the support of a specialized consulting firm. Around 90 thousand registered Brazilian cattle suppliers are assessed daily using satellite imagery, farm geo-referencing data and information from government agencies. This monitoring system covers over 45 million ha in the Amazon region and 430 Brazilian cities. If it detects farms that fail to comply with any of the Company's social and environmental criteria, the system suspends trading with the supplier and blocks purchases until the situation has been corrected. Zero Deforestation conversion: the generation of engagement of its suppliers, through technical training aimed at the management of property and the production, which enables the increase productivity, in order to recover degraded pastures, generate reductions of GHG emissions and avoid the conversion of soil to new agricultural production areas in order to allow deforestation. Forest Restoration: Vendors who are blocked, are not eligible for JBS, are guided by techniques and are encouraged to seek the regularization of their

properties. For the deforestation criteria, for a property regularization, the project must present a reforestation recovery project for the degraded area.

Forest risk commodity

Soy

Criteria

Zero gross deforestation/ no deforestation

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2006

Commitment target date

2020

Please explain

JBS only purchases soy from suppliers that follows the Soy Moratorium, which is a permanent commitment. . In July 2006, the Brazilian Association of Vegetable Oils Industries - ABIOVE and the Brazilian Association of Cereal Exporters - ANEC pledged not to market or finance the soybeans produced in areas that were deforested in the Amazon Biome after that date. The Moratorium responded to the questioning of environmental groups and clients from Brazil abroad that started to promote arrangements to generate new sustainable rules for the cultivation and commercialization of soybeans. The monitoring of the Soy Moratorium produced evidence that the soy have a negligible participation in the deforestation that occurred after July 2006 and that the expansion of the Brazilian soybean is not an important vector of deforestation in the Amazon Biome. JBS reaffirms that despite the reported deadline the company's commitment is continuous.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. The projects have specific objectives, but they have many synergies and generate convergent results. JBS has more than half of the refrigeration units and the chain of cattle factories, located in the Legal Amazon region. Thus, with increasing rates of deforestation in the Amazon, the risk of the company being hit and having to restrict the supply chain becomes high. In a cyclical way, the company understands that it is necessary to act strongly to raise awareness and engage suppliers to disseminate sustainability policy and make it more transparent, transforming its objectives, goals and concerns into the same of its suppliers. Sustainable Meat - JBS has been developing a document, which brings together a set of social and environmental criteria, aimed at adding sustainability to its products, in order to reach specific markets (national and international). Positive impact - Another objective of the company is related to generating a positive impact in the supply chain.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Sustainable meat - sustainability attributes in products will be increasingly demanded by consumers, customers and the market in general, in order to provide sufficient information and guarantees that the products meet pre-defined socio-environmental criteria. Positive impact - the company will increasingly be generating a greater network of engagement, technical training and support for the environmental regularization of properties. Another focus is to provide technical knowledge of property and production management to its business partners (cattle ranchers), enabling increased productivity (generating higher income for the producer) in order to recover degraded pastures, generate

			reductions of GHG emissions and avoid the conversion of soil (forests into new areas for agricultural production) so as to avoid deforestation.
Financial planning	Yes, forests-related issues are integrated	5-10	Annually resources are allocated for the continuity of existing systems and programs, as well as new investments for the development of new projects. Currently, much of the budget is earmarked for risk prevention and management. The trend is that there is a natural reduction of risk prevention demands, which makes it possible to allocate resources to projects with positive impacts. The company also intends to allocate new resources to these projects, as well as to develop partnerships with companies that have common goals of reducing the environmental footprint (deforestation, GHG emissions, water consumption) in food production.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

The verification of the supplier's compliance to the company's environmental and social criteria occurs in every purchase process. JBS requires its cardboard packaging suppliers to present the FSC certificates.

JBS applies internal and / or external audits to the wood supply chain. The purchase of biomass is divided into two types: the acquisition of corporate suppliers and the one made via local purchases.

Corporate suppliers are visited once a year, without prior notice. Local suppliers are visited on demand, prior to contracting or during supply, when possible deviations are identified. Still at the regional level, the company requires certificates of "nothing included", issued by the IBAMA / Competent State Environmental Agency and the Public Ministry of Labor. The supplier also cannot be included in the list of slave labor.

Linked commitment

Other environmental commitments

Traceability point

Third-party certification scheme

FSC (any type)

Start year

2015

Target year

2018

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

JBS is one of the largest consumers of paper/cardboard in Brazil, as it uses the material to produce the packaging for its products. 100% of the paper/cardboard acquired has FSC certification, which is part of the selection criteria for suppliers of this material. JBS has a target to 100% of timber purchases comply with the criteria established in JBS Environmental Policy. Since FSC certification is a purchasing criteria, 100% of the product / suppliers are in agreement with this criteria.

Target reference number

Target 2

Forest risk commodity

Cattle products

Type of target

Third-party certification

Description of target

JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for supplier's selection. JBS has made a public social commitment to not purchase cattle from farms responsible for deforestation in the Amazon Biome region. To ensure compliance with this commitment, in 2010 JBS developed a social and environmental monitoring system for farms that supply livestock to JBS. The suppliers, which

aren't in comply with the criteria, are automatically blocked in the Enterprise Resource Planning System (ERP) and no purchasing operations are made. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Other, please specify

Leather Working Group (LWG)

Start year

2012

Target year

2018

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

JBS Couros currently operates 17 units that have been certified by the Leather Working Group (LWG), all receiving top marks for traceability. The LWG is an international initiative involving companies, retail chains, tanneries and suppliers to debate and promote efficient and sustainable farming practices across the global leather industry and has been directly involved with the Group in developing protocols and organizing discussion forums to debate best practices. Additionally, JBS has made a public social commitment to not purchase cattle from farms responsible for deforestation in the Amazon Biome region. To ensure compliance with this commitment, in 2010 JBS developed a social and environmental monitoring system for farms that supply livestock to JBS. This system work in an integrated way. The first one works on a daily download of public agencies IBAMA and MTE dirty lists and a crosschecking of suppliers taxpayer numbers database against them. The second process analyses cattle farms in the Brazilian Legal Amazon based on geographical information. It performs by daily geo monitoring through the digital overlay of georeferenced maps of cattle supplier properties and deforestation maps published by National Space Research Institute (INPE) combined with official data from National Indigenous Foundation (FUNAI) and National Conservation Units System (SNUC). The suppliers, which aren't in comply with one or both process, are automatically blocked in the Enterprise Resource Planning System (ERP) and no purchasing operations are made.

Target reference number

Target 3

Forest risk commodity

Soy

Type of target

Assess and/or verify compliance

Description of target

The company only purchases soy from suppliers that signed the Soy Moratorium. Thus, 100% of JBS soy suppliers, in Brazil, are in compliance with Soy Moratorium criteria. In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. In 2017 and 2018, JBS invited soybean suppliers to participate and respond to the CDP Supply Chain Forests questionnaire,



developed by the CDP exclusively so that the companies to evaluate and stimulate their suppliers, considers the policies, strategies, opportunities management and risks related to actions to combat deforestation in the production of agricultural commodities

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2017

Target year

2018

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

JBS has a target to 100% of soybean purchases comply with the criteria established in JBS Environmental Policy. Additionally, JBS only purchases soybeans from suppliers that are signatories to the Soybean Moratorium to ensure that no soybeans come from illegal deforestation regions in the Amazon Biome.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	JBS is one of the largest consumers of paper/cardboard in Brazil, as it uses the material to produce the packaging for its products. 100% of the paper/cardboard acquired has FSC certification, which is part of the selection criteria for suppliers of this material. JBS has a target to 100% of timber purchases comply with the criteria established in JBS Environmental Policy. Since FSC certification is a purchasing criteria, 100% of the product / suppliers are in agreement with this criteria. Supplier registration data and data of the purchased products allow the identification of the origin of its production and manufacture.	Specific product line(s)	JBS purchase cardboard (used in packaging) and paper in general (office use) only from certified suppliers by FSC (Forest Stewardship Council) in the form Chain of Custody. In this way, certification is a criterion for hiring the supplier, becoming a competitive differential. The use of cardboard in JBS operations is significant, since the products are stored and sold in secondary packaging made of it. JBS purchase pallets PBR (Brazilian pallet pattern) certified by ABRAS (Brazilian Association of Supermarkets).
Cattle products	Yes	With regard to its responsibility, JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with	Specific supplier(s)	The efforts of data collection, supplier information and analysis of the socio-environmental monitoring system are limited-partly-to direct cattle suppliers. The traceability of the entire meat chain, although a complex task, can be achieved in the medium term, as one of the biggest challenges in the entire supply chain, including indirect suppliers (those who sell animals to JBS direct

		<p>the Company's socio-environmental criteria In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.</p>	<p>suppliers) it is the difficulty of accessing the information that allows to track all stages of the supply chain. In addition, the indirect supplier issue is structural and quite different from the direct supplier monitoring approach and requires collaborative work and a solid approach at the industry level, rather than the traditional view of full animal traceability. JBS has invested in projects to assess its approach to direct suppliers. The company does not have access to Animal Transit Forms (GTA) for its indirect suppliers - the forms are only available to and used by the government. The government alone is responsible for controlling animal transportation in Brazil. Importantly, JBS supports improving access to public animal traceability information in Brazil, which would increase transparency across the meat production chain. It remains open to dialog with government agencies, organized civil society and other industry agents to keep this issue moving ahead. With regard to its responsibility, JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. The independent audits for direct suppliers, carried out by sampling in the last six years reveal 99.9% compliance of JBS 'cattle purchases with the Company's socio-environmental criteria. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria. The results of these audits are available on the company's website.</p>
--	--	--	--

Soy	Yes	JBS has a target to 100% of soybean purchases comply with the criteria established in JBS Environmental Policy. Additionally, JBS only purchases soybeans from suppliers that are signatories to the Soybean Moratorium to ensure that no soybeans come from illegal deforestation regions in the Amazon Biome.	Facility	We exclude materials processed by third-party manufacturers.
-----	-----	---	----------	--

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Forest management unit	100
Cattle products	Fattening farm	100
Soy	Municipality or equivalent	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Chain of Custody

Certification coverage

Consumption volume

% of total production/consumption volume certified

100

Form of commodity

Secondary packaging

Volume of production/ consumption certified

179,000

Metric

Metric tons

Please explain

JBS purchase cardboard (used in packaging) and paper in general (office use) only from certified suppliers by FSC (Forest Stewardship Council) in the form Chain of Custody. In this way, certification is a criterion for hiring the supplier, becoming a competitive differential. The use of cardboard in JBS operations is significant, since the products are stored and sold in secondary packaging made of it. JBS purchase pallets PBR (Brazilian pallet pattern) certified by ABRAS (Brazilian Association of Supermarkets).

Forest risk commodity

Cattle products

Third-party certification scheme

Other, please specify

LWG – Leather Working Group)

Certification coverage

Consumption volume

% of total production/consumption volume certified

100

Form of commodity

Hides/ leather

Volume of production/ consumption certified

7,500,000

Metric

Other, please specify

Hides/ leather

Please explain

JBS Couros currently operates 17 units that have been certified by the Leather Working Group (LWG), all receiving top marks for traceability. The LWG is an international initiative involving companies, retail chains, tanneries and suppliers to debate and promote efficient and sustainable farming practices across the global leather industry – and has been directly involved with the Group in developing protocols and organizing discussion forums to debate best practices.

JBS Couros is the industry's only company offering this level of production chain visibility, at large scale, combining a robust leather traceability program with a modern monitoring system that oversees and verifies more than 80 thousand cattle suppliers in Brazil, ensuring they comply with the social and environmental standards set out in the Company's Responsible Raw Material Procurement Policy. The system monitors a wide range of issues, from deforestation of native forest, invasion of indigenous land and environmental conservation areas, or areas embargoed by the Brazilian Institute for the Environment and Natural Resources (IBAMA), to ensuring suppliers do not employ child or slave labor.

This change in the production process also boosts productivity from leather cutting machines and finishing plants, improves hide use and guarantees more ergonomic working conditions. JBS carried out productivity tests in partnership with companies involved in the leather cutting process, focusing on the automotive market, showing the new system improves yields by up to 10 percentage points compared with the traditional industry models. Another benefit of sustainable leather is that natural hide components that were previously discarded or turned into goods offering little added value after processing, can now be used elsewhere to make food items, such as bovine collagen, or beauty products.

The Kind Leather brand

The Kind Leather logo unites aspects of nature with the new leather cutting characteristics.

Kind Leather in numbers:

- 65% fewer CO2 emissions in wet-blue leather transportation by reducing the number of trucks needed to ship the product;
- 54.2% less water and a 20% drop in energy used during the tanning process;
- A 28% reduction in finishing products used;
- Up to a 45% decrease in trimming waste from leather cutting.

Forest risk commodity

Soy

Third-party certification scheme

Other, please specify

Soy Moratorium

Certification coverage

Consumption volume

% of total production/consumption volume certified

100

Form of commodity

Other, please specify

Soy Moratorium

Volume of production/ consumption certified

1,500,000

Metric

Metric tons

Please explain

The company only purchases soy from suppliers that signed the Soy Moratorium. In 2016, JBS joined the Applied Life Cycle (CiViA) initiative of the Getúlio Vargas Foundation's Center for Sustainability Studies (FGV), with the objective of incorporating the quantification and management of the environmental impacts of products and services through the life cycle. Two pilot projects were developed (Picanha Maturatta Friboi and chicken from Seara), considering the carbon emissions and water consumption of all stages of production until the use and disposal of the final consumer. These projects have allowed the company a new look at the product, identifying the most representative production phases of environmental impacts and the related opportunities. Deforestation may be directly related to the carbon footprint of the products, since deforestation for livestock production or soybean production (cattle and poultry feed) may represent a large share of the emissions from land use change.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place, but for other commitments
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Soy	Yes, we have a system in place, but for other commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Cattle Products

Operational coverage

Supply chain

Description of control systems

JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. The company implemented a social and environmental monitoring system, composed of two mechanisms of analysis to monitor cattle suppliers and guarantee none purchases in disagreement with the criteria. JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria.

Monitoring and verification approach

Geospatial monitoring tool

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

If any supplier does not meet the company's supply standards (Responsible Purchasing Policy), it will be suspended until its adequacy. The suppliers are guidelines to be regularized, in some cases the environmental regularization of the producer, or of the property, will depend on the payment of fines and reforestation projects that must be signed with the responsible state or federal agencies.

F6.5

(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	Yes, from both suppliers and owned/managed land	<p>The company has a Normative Instruction of Biomass Purchasing stating that only suppliers legalized by the competent environmental authorities are able to negotiate materials with JBS – 100% of the JBS timber suppliers are in comply with environmental standards. Moreover, before conducting the registration of biomass supplier, an environmental and social analysis must be performed based on IBAMA (Brazilian Environment and Natural Resources Institute) and MTE (Ministry of Labor) public dirty lists that show respectively, legal persons and entities with embargoed areas due to illegal deforestation/inappropriate land use and that are involved in slave labor. All environmental management of the biomass purchasing process is a responsibility of the environmental department of each operational unit. This includes management of the requirements Native Forest Consumer Registration and Forest Origin Document or other specific state requirement. JBS is one of the largest consumers of paper/cardboard in Brazil, as it uses the material to produce the packaging for its products. 100% of the paper/cardboard acquired has FSC certification, which is part of the selection criteria for suppliers of this material. In 2018, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS. The Due Diligence process was included in the third-party registration process. Thus, at the time of registration, third parties listed as being at</p>

		risk are automatically evaluated by software, being released or disapproved, and by means of a data protection system.
Cattle products	Yes, from both suppliers and owned/managed land	<p>According to JBS responsible purchase criteria, cattle suppliers included on the dirty lists published by the Ministry of Labor and IBAMA, and those whose land overlaps deforested areas, indigenous land or protected areas will be suspended by the company procurement system until they have remedied this situation. JBS Standards of cattle purchasing are expressed in the document “Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome”, which states that the company must not acquire cattle from areas with illegal deforestation, cleared in the Amazon Biome and located within protected areas. To make sure that suppliers are complying with these standards, there is a System for Social and Environmental Monitoring of Cattle Suppliers that works on geospatial analysis. To ensure compliance with the JBS’s commitments, an independent party annually audits the System. According to the results of the independent audit since 2014, compliance levels were above 99%. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it began audits of cattle acquisitions of Amazonian suppliers in 2014, in compliance with the Public Commitment of Livestock. Along the supply chain, JBS supports projects which promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols (certain animal quality characteristics), the opening of markets for products with social and environmental attributes, as well as support for training, earnings disclosure and fundraising for ongoing efforts. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). The Company hired expert advice on the subject to automate the process as much as possible. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.</p>
Soy	Yes, from suppliers	<p>The company only purchases soy from suppliers that signed the Soy Moratorium. Thus, 100% of JBS soy suppliers, in Brazil, are in compliance with Soy Moratorium criteria. In 2017, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as</p>

		<p>compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.</p>
--	--	---

F6.5a

(F6.5a) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure your own compliance with the Brazilian Forest Code and your performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

91-100%

Please explain

The owned rural proprieties destined to planted forests for the production of thermal energy (boilers) must have the Rural Environmental Cadastre (CAR). The management of this KPI is performed by a technical team that analyzes each property individually to generate a diagnosis to obtain the CAR.

Forest risk commodity

Cattle products

KPIs

% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

91-100%

Please explain

The rural properties must have the Rural Environmental Cadastre (CAR). The management of this KPI is performed by a Sustainability team that analyzes each property individually relation to the authenticity of the CAR and the digital map of the property. As of January 1, 2019 the properties without CAR registered in their registry have been blocked for purchases of animals. Therefore, JBS owns the CAR of 100% of its supplier properties.

Forest risk commodity

Cattle products

KPIs

Other, please specify

% of digital map of the properties of suppliers registered in the database of Rural Environmental Cadastre (CAR)

Performance against indicators

91-100%

Please explain

The rural properties must have the Rural Environmental Register (CAR). The management of this KPI is performed by a Sustainability team that each property individually in relation to the authenticity of the CAR and the digital map of the property. As of January 1, 2019 the properties without CAR registered in their registry have been blocked for purchases of animals. Therefore, JBS has the digital map of CAR of 100% of its supplier properties.

Forest risk commodity

Cattle products

KPIs

% of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA)

Performance against indicators

<10%

Please explain

The Environmental Regularization Program (PRA) comprises a set of actions or initiatives to be developed by rural landowners and squatters with the objective of adjusting and promoting environmental regularization related to the irregular suppression of native vegetation in the consolidated areas (areas in use that have been deforested until July 22, 2008) in Areas of Permanent Preservation, Legal Reserve and restricted use. JBS owns <10% of its suppliers' properties with the signing of the commitment period of the Environmental Regularization Program (PRA). The KPI refers to the terms of commitments presented by the suppliers, the Brazilian government indicators show that about 47% of the properties requested the application to join the PRA.

Forest risk commodity

Cattle products

KPIs

Other, please specify

% ownership of suppliers with gross deforestation after July 2008

Performance against indicators

91-100%

Please explain

100% of the properties of suppliers without gross deforestation after July 2008.

F6.5b

(F6.5b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

Other, please specify

Forest Stewardship Council – FSC

Performance against indicators

100%

Please explain

The information covers suppliers of cardboard packaging, which must be certified by the FSC - Chain of Custody - CoC, which certifies the traceability of the raw material coming out of the forest. It means that, the products bearing the chain of custody seal were in fact, produced from forest raw materials certified by the "forest management" modality. 100% of the suppliers must have the FSC certified.

Forest risk commodity

Cattle products

KPIs

% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

100%

Please explain

% of suppliers on the Rural Environmental Registry (CAR) database: 100% of the farms supplying the active cadastre have the CAR, on 12/31/2019. % of suppliers with no gross deforestation after July 2008: 7,4% of the farms supplying the total of the cadastre that are blocked by deforestation on 12/31/2019 or Invasion of protected areas (Indigenous Lands and / or Environmental Conservation Units) and Areas embargoed by IBAMA: 2,6% of the farms supplying the total of the cadastre that are blocked by the criteria of areas embargoed by IBAMA on 12/31/2019.

Forest risk commodity

Cattle products

KPIs

% of suppliers with no gross deforestation after July 2008

Performance against indicators

100%

Please explain

JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. The company implemented a social and environmental monitoring system, composed of two mechanisms of analysis to monitor cattle suppliers and guarantee none purchases in disagreement with the criteria. JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria.

Forest risk commodity

Cattle products

KPIs

Other, please specify

Invasion of protected areas

Performance against indicators

100%

Please explain

JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. The company implemented a social and environmental monitoring system, composed of two mechanisms of analysis to monitor cattle suppliers and guarantee none purchases in disagreement with the criteria. JBS works with a sophisticated monitoring system for direct cattle suppliers, which uses satellite imagery of the properties and analysis of public documents. Irregular vendors are immediately blocked. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria.

Forest risk commodity

Soy

KPIs

Other, please specify

Soy Moratorium

Performance against indicators

100%

Please explain

The company only purchases soy from suppliers that signed the Soy Moratorium. Thus, 100% of JBS soy suppliers are in compliance with Soy Moratorium criteria.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations
Timber products	Yes, from both suppliers and owned/managed land
Cattle products	Yes, from both suppliers and owned/managed land
Soy	Yes, from suppliers

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

In 2018, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

The company has a Code of Conduct for Business Associates (<https://jbs.com.br/en/compliance-en/codes-and-policies/codes-of-conduct/>). Third parties that carry out any type of transaction with JBS, such as customers and suppliers, must follow this Code.

Cattle products

Procedure to ensure legal compliance

According to JBS responsible purchase criteria, cattle suppliers included on the dirty lists published by the Ministry of Labor and IBAMA, and those whose land overlaps deforested areas, indigenous land or protected areas will be suspended by the company procurement system until they have remedied this situation. JBS Standards of cattle purchasing are expressed in the document “Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome”, which states that the company must not acquire cattle from areas with illegal deforestation, cleared in the Amazon Biome and located within protected areas. To make sure that suppliers are complying with these standards, there is a System for Social and Environmental Monitoring of Cattle Suppliers that works on geospatial analysis. To ensure compliance with the JBS’s commitments, an independent party annually audits the System. According to the results of the independent audit since 2014, compliance levels were above 99%. In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it began audits of cattle acquisitions of Amazonian suppliers in 2014, in compliance with the Public Commitment of Livestock. Along the supply chain, JBS supports projects which promotes sustainable practices to increase the productivity of farms in the Amazon region in order to develop a new operating model that preserves natural resources and that brings financial benefits to the ranchers in the region. JBS has been contributing to the development of differentiated bonus protocols (certain animal quality characteristics), the opening of markets for products with social and environmental attributes, as well as support for training, earnings disclosure and fundraising for ongoing efforts. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). The Company hired expert advice on the subject to automate the process as much as possible. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

The company has a Code of Conduct for Business Associates (<https://jbs.com.br/en/compliance-en/codes-and-policies/codes-of-conduct/>).

Third parties that carry out any type of transaction with JBS, such as customers and suppliers, must follow this Code.

Independent auditing of the Public Livestock Commitment is available on the company's website: <https://jbs.com.br/en/sustainability/product-integrity/cattle-responsible-purchase/>

Soy

Procedure to ensure legal compliance

In 2018, the company restructured its Compliance department. The area now has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, a new organizational structure was defined with the hiring of more resources to ensure that business practices ensure ethics and good conduct for all, as well as compliance with all internal laws, policies and procedures. One of the pillars of action is Due Diligence. In October 2017, JBS began to improve the practices of third party reputational assessment (Due Diligence). Once performed manually for a few risk segments, the Company hired expert advice on the subject to automate the process as much as possible, with the expectation of increasing the volume of analysis. Currently, the segments mapped with relevant risks are analyzed, including any third party that needs a proxy to act on behalf of JBS. The Due Diligence procedure was integrated into the third-party registration process. Thus, at the time of registration, the third parties listed in risk categories will be automatically evaluated by a software, being released or disapproved if negative reputational aspects are identified.

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

The company has a Code of Conduct for Business Associates (<https://jbs.com.br/en/compliance-en/codes-and-policies/codes-of-conduct/>). Third parties that carry out any type of transaction with JBS, such as customers and suppliers, must follow this Code.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable				The verification of the supplier's compliance to the company's environmental and social criteria occurs in every purchase process. JBS requires its cardboard packaging suppliers to present the FSC certificates.
Cattle products	Yes, working with smallholders	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Offering on-site technical assistance and extension services Disseminating technical materials	25,000	JBS Biodiesel supports the Selo Combustível Social program (developed by the Brazilian Federal Government) aiming to offer a production purchase guarantee to small farmer by biodiesel companies. Bovine fat is the second most important source of raw material for biodiesel production in Brazil and the government included livestock as part of the program, benefiting the family livestock and small producers. The program was structured to extend within 17 municipalities of Rondônia. As a result, in 2019, the income of the 38 families enrolled in the program achieved BRL38.5 millions and contributed to allow the community to continue living in their original place, developing new jobs and income to local economy. JBS develops and participates in several initiatives aimed to engaging with smallholders, as follows: "Conexão Gestão" - In partnership with the Instituto Inttegra, JBS has been working to build a stronger

			Organizing capacity building events		relationship between the producer and the value chain by providing information on meat processing, marketing and sales and helping them to improve production and increase the efficiency of the beef chain. Participations in fair and events: Since 2012, JBS has developed and implemented several actions in order to improve the relationship between the industry and the cattle rancher. Giro do Boi: A daily TV program for cattle breeders broadcast on the Rural Channel. The main highlight is the Brazil Tour, with information on daily prices JBS practices throughout the country. The program audience is 45% of JBS livestock suppliers. JBS got involved in the Sustainable Livestock Indicators Guide (GIPS) construction, developed by the Brazilian Roundtable on Sustainable Livestock (GTPS), which can be applied to small farms. The tool contains themes such as Business Management, Communities, Workers, Environment and Value Chain. In GIPS criterion 4.9, issues related to deforestation are assessed. Since 2007, joining the Social Fuel Stamp program, JBS has already benefited 400 small producers of cattle. JBS offers free assistance to livestock farmers through a technical team composed of agronomist engineers, agricultural and others. More information available in: https://jbs.com.br/imprensa/release/projeto-social-dajbs-gera-renda-para-pequenos-pecuaristas-de-rondonia/
Soy	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool	5,000	Seara has a dedicated technical team to monitor poultry and pork producers, providing technical assistance for responsible production and guidance regarding Good Practices. In order to guide about management of production, Seara has a team of more than 500 extension agents, who accompany the producers with frequent visits in production offering assistance for responsible production considering the required quality standards and the principles of Animal Welfare. These extensionists also verify the environmental practices adopted in

			<p>Offering on-site technical assistance and extension services</p> <p>Disseminating technical materials</p> <p>Organizing capacity building events</p> <p>Other, please specify</p>	<p>the farms and breeding sites provided in contracts to ensure that they are in line with the guidelines given by Seara, including, for example, the use of cisterns to collect rainwater, biodigesters and Composting. The visits also include orientations to increase productivity using fewer resources. Added to that, JBS has two fronts of action to award the producers: Agriculture Extension Award and the Best Producers Award. They are recognized for excellence in practices and for rural extension results, contributing to attracting and retaining the best professionals and to improving productivity in the poultry and pork chain and focused on the relationship between the integrated producer and the Company, with monthly and annual recognition of producers who have the best results and current management practices, motivation and retention of producers, contributing to attracting new producers and to appreciation of the integration system in the community.</p> <p>So on, JBS seeks to produce animal feed with a better nutritional balance so that the producer can gain efficiency with use less soy, decreasing the commodity risks for the company. JBS Biodiesel has been supporting the Selo Combustível Social program (developed by the Brazillian Federal Government) for 9 years, aiming to offer a production purchase guarantee to small farmer by biodiesel companies. In this sense, JBS offers free assistance to small producers through a technical team composed of agronomists, specialized technicians and encourage and instruct them on the advantages of joining the program. Since 2007, JBS Biodiesel has already benefited more than 5,000 small grain producers through the acquisition of soybean. More information available in: https://jbs.com.br/imprensa/release/jbs-biodiesel-estreitarelacao-com-pequeno-pecuarista/.</p>
--	--	--	--	--

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Organizing capacity building events Investing in pilot projects	91-99%	Encouraging certification: In establishing the purchase criteria of certified suppliers, JBS encourages the market to obtain certifications. <ul style="list-style-type: none"> Supplier questionnaires on environmental and social indicators: In 2018, JBS invited cardboard suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by CDP exclusively for companies to evaluate and stimulate their suppliers, considers the policies, strategies, management of opportunities and risks in relation to the actions of combating deforestation in the production of agricultural commodities. Workshops and webinars In 2018, JBS invited 6 cardboard suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by CDP exclusively for companies to evaluate and stimulate their suppliers, considers the policies, strategies, management of opportunities and risks in relation to the actions of combating deforestation in the production of agricultural commodities. Customer engagement CDP, in partnership with JBS, conducts several workshops / trainings to encourage and clarify doubts for suppliers to answer questions, as well as the opportunity to identify benchmarks and encourage the development of related practices of those who have not yet evolved in actions.

<p>Cattle products</p>	<p>Yes, working with direct suppliers</p>	<p>Supply chain mapping Capacity building Financial and commercial incentives</p>	<p>Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Disseminating technical materials Organizing capacity building events Investing in pilot projects</p>	<p>100%</p>	<p>Developing or distributing supply chain mapping tool: JBS has several initiatives to develop and encourage a more sustainable chain of suppliers: JBS's communications channels, mainly Giro do Boi Show at the Rural channel, were used to guide farmers on how to regularize their operations and implement CAR.; 1)"Green Light Pact", an initiative to classify 100% of carcass originated from Mato Grosso do Sul region, one of the most important production centers in Brazil. This Goal was achieved by JBS in 2016; 2)" JBS Connexion Program" : direct communication platform with JBS suppliers in Brazil, focused in commercial education. It aims to approach cattle breeder to supply chain through information regarding beef industrialization, market and sales 3)"Cattle Breeder Portal" , whereby the breeders have free access to the complete cattle slaughter of each one of their farms, the standard photographic classes finishing with academic validation of associations and experts to the classification of carcasses is transparent and auditable; 4)"Quality Light" – This tool lists the technics parameters of carcass in green light (default desirable), yellow light (tolerable standard) and lighthouse red (undesirable pattern) Supplier questionnaires on environmental and social indicators.</p> <p>JBS has also supported the development of environmental regularization tools for suppliers in the states of Mato Grosso and Pará, in addition to ensure that farms involved in deforestation are not part of our supply chain, JBS has also been actively working with other stakeholders to develop sectoral strategies that can be applied to the entire beef industry in the Amazon.</p> <p>One such strategy is the program "Beef on Track". This initiative has been developing by JBS in partnership with the Federal Prosecutor's Office and the Brazilian NGO Imaflora and aim defining criteria and</p>
------------------------	---	---	---	-------------	---

					technical rules for monitoring cattle suppliers. As of the 1st July 2020 all processors that are signatories of TACs (a legal agreement with Federal Prosecutors' Office) and are operating in the Legal Amazon states must follow the program.
Soy	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Organizing capacity building events Investing in pilot projects	100%	JBS produces and distributes animal feed to its integrated poultry and pork producers. Taking into account that JBS only buys soy products from the Soy Moratorium big signatory companies, the company can ensure that the soy used for animal feed is not associated with deforestation, so on guaranteeing that the animals' feed has a sustainable origin. Encouraging certification in establishing the criterion of buying only from suppliers that comply with the Soy Moratorium, JBS encourages the market to adhere to the Moratorium. <ul style="list-style-type: none"> Supplier questionnaires on environmental and social indicators: In 2018 JBS invited soybean suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by CDP exclusively for companies to evaluate and stimulate their suppliers, considers policies, strategies, opportunities and risk management in relation to combat actions deforestation in the production of agricultural commodities. Workshops and training: In 2018, JBS invited 10 soybean suppliers to participate in and respond to the CDP Supply Chain Forests questionnaire, developed by CDP exclusively for companies to evaluate and stimulate their suppliers, considers policies, strategies, opportunities and risk management in relation to the actions of combating deforestation in the production of agricultural commodities. CDP, in partnership with JBS, conducts several workshops / trainings to encourage and clarify doubts for suppliers to answer questions, as well as the opportunity to identify benchmarks and encourage the development of related practices of those who have not yet evolved in actions

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify

CDP Supply Chain Forests

Jurisdictional approaches

Please explain

In 2017, JBS joined the CDP Supply Chain Forests pilot project, in which the company is a founding member of the initiative in Brazil. Through the SC Forests questionnaire, it will be possible to engage suppliers to share their initiatives and to encourage the establishment of new policies. Thus, JBS invited suppliers to participate and respond to the CDP Supply Chain Forests questionnaire, developed by CDP exclusively for companies to evaluate and stimulate their suppliers, considers policies, strategies, opportunities and risks management in relation to actions to combat deforestation in the production of agricultural commodities. This initiative encourages direct suppliers to develop actions and monitor their supply chain (chain of indirect).

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Global Roundtable for Sustainable Beef (GRSB)

Brazilian Roundtable on Sustainable Livestock (GTPS)

Other, please specify

commitments responsible purchases- the Brazilian Coalition on Climate, Forest and Agriculture; Tropical Forest Alliance; Beef on Track

Jurisdictional approaches

Please explain

JBS has also worked incisively in the main multi-stakeholder initiatives targeted at the sustainable beef production in Brazil and worldwide. We are founding members and members of the executive board of the Global Roundtable for Sustainable Beef (GRSB) (<https://grsbeef.org/>) and the Working Group for Sustainable Livestock (Grupo de Trabalho da Pecuária Sustentável - GTPS) (<http://gtps.org.br/>) and of the Leather WG and Technical Sub-Group and Trader WG.

Recently, JBS also became a member of the Brazilian Coalition on Climate, Forest and Agriculture (<http://www.coalizaobr.com.br/home/index.php/en/>) and of the global organization Tropical Forest Alliance (<https://www.tropicalforestalliance.org/>), executive arm of the World Economic Forum for the issue of deforestation worldwide.

To ensure that farms involved in deforestation are not part of our supply chain, JBS has also been actively working with other stakeholders to develop sectoral strategies that can be applied to the entire beef industry in the Amazon.

One such strategy is the program "Beef on Track". This initiative has been developing by JBS in partnership with the Federal Prosecutor's Office and the Brazilian NGO Imaflora and aim defining criteria and technical rules for monitoring cattle suppliers. As of the 1st July 2020 all processors

that are signatories of TACs (a legal agreement with Federal Prosecutors' Office) and are operating in the Legal Amazon states must follow the program.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Initiatives

Jurisdictional approaches

Please explain

In order to improve its controls, seeking access to information and discussions with different regulatory agents, JBS participated in several meetings with the Federal Public Prosecutor, especially in the State of Pará, presented and suggesting technical rules to have a supply chain free of deforestation. An example of this was the performance of an independent audit to verify compliance with the State of Pará's Behavior Adjustment Code (TAC), JBS was recognized among the companies that obtained a "positive and satisfactory" result from the commitments entered into with the Federal Public Ministry. JBS also participated in the Working Group for the Control of Deforestation in the Chain Livestock Production, created by the Ministry of the Environment and composed of government agencies, a beef cattle and retail business, as well as NGOs and other stakeholders.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

Jurisdictional approaches

Please explain

The company reports GHG emissions data and information on climate change management strategy, such as the GHG Protocol Brazil, CDP Climate Change, and the Carbon Efficient Index (ICO2) of BM&FBOVESPA. Besides JBS has participated in the Scope 3 Technical WG of the Brazilian GHG Protocol Program, and in the WG of the Agriculture GHG Protocol. JBS's participation in the CDP comprises Forest, Climate Change, Water and Supply Chain modules, In 2016, JBS joined the Applied Life Cycle (CiViA) initiative of the Getúlio Vargas Foundation's Center for Sustainability Studies (FGV), with the objective of quantify and manage the environmental impacts of products and services through the life cycle. 2 pilot projects were developed, considering the carbon emissions and water consumption of all stages of production until the use and disposal of the final consumer. These projects have allowed the company a new look at the product, identifying the most representative production phases of environmental impacts and the related opportunities. In 2017, JBS joined the CDP Supply Chain Forests pilot project, in which the company is a founding member of the initiative in Brazil.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Initiatives

Jurisdictional approaches

Please explain

Selo Combustível Social: JBS Biodiesel has been supporting the Selo Combustível Social program for nine years, that was developed by the Brazilian Federal Government aiming to offer a production purchase guarantee to small farmer by biodiesel companies. JBS provides support to small producers through a technical team that goes to the field to encourage and educate them about the advantages of joining the program. Since 2007, joining the Social Fuel Stamp program, JBS Biodiesel has already benefited more than 4,600 small grain producers through the acquisition of soybean sacks.

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

Jurisdictional approaches

Please explain

In 2017, JBS joined the CDP Supply Chain Forests pilot project, in which the company is a founding member of the initiative in Brazil. Through the SC Forests questionnaire, it will be possible to engage suppliers to share their initiatives and to encourage the establishment of new policies.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify

Work-Group for the Deforestation Control on Livestock Supply Chain, created by the environmental Ministry (MMA)

Jurisdictional approaches

Please explain

JBS also participated in the Working Group for the Control of Deforestation in the Chain Production of Livestock, created by the Ministry of the Environment and composed of government agencies, cattle and retail sector companies, ONGs and other stakeholders. These are activities of the Working Group for the Control of Deforestation in the Chain. Livestock Productivity:

I - identify government and other initiatives on livestock initiatives to promote sustainability and to monitor the production chain;

II - propose actions aimed at the promotion of sustainability and control of the origin in the chain production of livestock;

III - contribute to the implementation of the Plan of Action for the Prevention and Deforestation in the Amazon (PPCDAm) and the Plan of Action for the Prevention and Control of Deforestation and Burning in the Cerrado (PPCerrado);

IV - to contribute to the construction of sectoral animal husbandry agreements, aiming the illegal deforestation; and
V - develop solutions for controlling the origin of livestock and for verifying the rural properties.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Other, please specify

Work-Group of Sustainable Livestock (Guide of Sustainable Livestock Indicators)

Jurisdictional approaches

Please explain

In addition, JBS participated in the elaboration of the Sustainable Livestock Indicators Guide (GIPS), developed by the Brazilian Roundtable on Sustainable Livestock (GTPS), which can be applied to small farms. This group is developing a guidance for Sustainable Livestock indicators, aiming to account the sustainability in meat production. The tool contains themes such as Business Management, Communities, Workers, Environment and Value Chain. In the 4.9 criterion of the GIPS, issues related to deforestation are assessed.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Reforestation

Primary motivation

Voluntary

Description of project

JBS is developing a reforestation project for biodiversity corridors, in relevant hydrographic basins in the country (Reforestation of biodiversity corridors - Amazon and Cerrado), which aims to restore forests around water courses that are important in preserving biodiversity in Brazilian biomes, such as the Amazon and the Cerrado.

In addition, the project will enable the environmental regularization of suppliers with deforestation and / or disagreement with the Brazilian Forest Code.

Start year

2019

Target year

Indefinitely

Project area to date (Hectares)

0

Project area in the target year (Hectares)

1,000

Country/Area

Brazil

Latitude

Longitude

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Carbon sequestration

Soil

Water

Climate regulation

Other, please specify

Environmental regularization of suppliers

Please explain

Currently the project is under development with technical and commercial partners.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F0. Introduction

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party.

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The results of the audits are published on the JBS website. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F1. Current State

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party.

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The results of the audits are published on the JBS website. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F2. Procedures

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The results of the audits are published on the JBS website. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region

complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F3. Risks and opportunities

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party.

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement.. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F4. Governance

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party.

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F5. Strategy

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

F6. Implementation

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

Disclosure module

SF. Supply chain module

Data points verified

All issues that address the Socio-Environmental Monitoring System for the cattle livestock farms are annually audited by a third party

Verification standard

Third party audit. According to NBC TSC 4.400, specific Standard for Pre-Agreed Works.

Please explain

The cattle procurement operations and the entire monitoring system of suppliers are audited annually and independently. The standard used was adopted by agreement between the stakeholders of the public Livestock agreement. The independent audits reveal that, since 2013, more than 99% of JBS cattle purchases from farms located in the Amazon region complied with the company's social and environmental criteria and with its agreement with the commitment, called the "Public Livestock Commitment". In 2019, 100% of the purchases evaluated from direct

suppliers met our socio-environmental criteria, its best indicator since it passed to audit the cattle acquisitions of Amazonian suppliers, in 2014, in compliance with the Public Commitment of Livestock.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements. However, we believe that government agencies cooperation in the periodic provision of farms' information regarding land and environmental compliance in the country is a key factor in struggling deforestation practices of the supply chain. The results of the Zero Deforestation initiative are closely linked to the availability of data, since this information needs to be in an operational form, up-to-date and sufficient for companies to carry out their supply chain management. Another relevant point is that sustainability can be noticed as a differential factor, since frigorific and companies retailers that are committed to deforestation-free production will be enabled in this market.

Forest risk commodity

Cattle products

Coverage

Direct operations

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe that the cooperation of government agencies in the periodic provision of farm's information regarding land and environmental compliance in the country is a key factor in combating deforestation practices of the supply chain. Another factor that is no less important and linked to the environmental regularization of rural properties is the adoption of better agricultural practices, which aim to increase productivity and arrive at a more sustainable production model.

Regarding the commitments assumed by JBS, such as zero deforestation and agreements with the MPF, it is important and required that other companies also assume these commitments, ensuring that the entire cattle production chain is in accordance with the established socio-environmental criteria. Although there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices. To achieve control of the indirect supply of livestock, an evolutionary discussion with government agencies is necessary to develop public mechanisms or platforms with accessible information, which allow animal traceability. The traceability of the entire meat chain, although a complex task, can be achieved in the medium term. One of the major challenges for monitoring the entire supply chain, including indirect suppliers (that is, those who sell animals to JBS's direct suppliers) is the difficulty of accessing information that allows them to track all stages of the supply chain. . In addition, the indirect supplier issue is structural and quite different from the direct supplier monitoring approach, which requires collaborative work and a solid approach at the industry level, rather than the traditional view of full animal traceability. To move forward in monitoring indirect suppliers, JBS is investing in different projects to assess, over time, what would be the best way to address the issue of indirect suppliers.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Limited public awareness and/or market demand

Comment

In general, it is possible to see the efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements. However, we believe that government agencies cooperation in the periodic provision of farms` information regarding land and environmental compliance in the country is a key factor in struggling deforestation practices of the supply chain. The results of the Zero Deforestation initiative are closely linked to the availability of data, since this information needs to be in an operational form, up-to-date and sufficient for companies to carry out their supply chain management. Another relevant point is that sustainability can be noticed as a differential factor, since frigorific and companies retailers that are committed to deforestationfree production will be enabled in this market. JBS has followed the advances in the management of the monitoring of deforestation in the Cerrado biome of the Soy sector, which involves a round table that aims to seek solutions to reduce and, in the shortest possible time, eliminate deforestation in the Cerrado directly associated with the combining production with environmental, economic and social interests.

F8.2

(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards

Comment

Environmental and development agencies strengthening for improvements on control and awareness. As well public programs on the supply chain to recognize, create better comercial conditions e demand for certified products.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards

Comment

The participation of retail companies (supermarkets) and other customers is vital for the commitment off zero deforestation in the livestock chain, siince the requirement - of this important link in the value chain of beef – for deforestation-free products will stimulate the maintenance and new adhesions to the existing commitments. The lack of government policies for the environmental regularization of properties with environmental liabilities, in addition to governmental incentives policies for forest conservation, generates a significant number of suppliers "excluded" from the value chain of Brazilian livestock. Since rural properties with environmental liabilities, in some cases, have difficulty to find legal ways for environmental regulation. JBS has been working with the Federal Government and State Governments, as well as NGOs and the Working Group on Sustainable Livestock (GTPS). This work aims to enable alternatives in the environmental regularization of rural properties in disagreement with the company's purchasing policy, since the government Brazilian law did not provide legal tools for environmental regulation - only a few states have evolved into effective and fastresponse programs. With the new Brazilian Forest Code approval and Rural Environmental Registry (CAR - georeferenced map of rural property that contains its geographical boundaries and definition of land uses - productive area and preservation) regulation, will be created a rich database of farms in Brazil. With the availability of this information, companies can have a better

management of supply chains monitoring in the country.

The traceability of the entire meat chain, although a complex task, can be achieved in the medium term. One of the major challenges for monitoring the entire supply chain, including indirect suppliers (that is, those who sell animals to JBS 'direct suppliers) is the difficulty of accessing information that allows them to track all stages of the supply chain. In addition, the indirect supplier issue is structural and quite different from the direct supplier monitoring approach, which requires collaborative work and a solid approach at the industry level, rather than the traditional view of full animal traceability.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Development of certification and sustainability standards

Comment

With the new Brazilian Forest Code approval and Rural Environmental Registry (CAR - georeferenced map of rural property that contains its geographical boundaries and definition of land uses - productive area and preservation) regulation, will be created a rich database of farms in Brazil. With the availability of this information, companies can have a better management of supply chains monitoring in the country, particularly for soybeans and cattle.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Corporate Sustainability Director	Other, please specify Sustainability Director

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	204,523,600,000

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SF0.2a

(SF0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	BR	JBSSACNOR8

SF1.1

(SF1.1) In F6.3 you were asked “Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Yes

SF1.1a

(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

Requesting member

Arcos Dorados

Forest risk commodity

Cattle products

Form of commodity

Beef

Third-party certification scheme

Other, please specify

Responsible Sourcing Policy and Public Livestock Commitment

Total volume of commodity sold to member

18,037.56

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by JBS. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor. In addition, JBS has been developing systems and procedures to serve the Deforestation Free Beef Procurement Policy (MCD).

Requesting member

Arcos Dorados

Forest risk commodity

Soy

Form of commodity

Other, please specify

Feeding pork and chicken in animal diets

Third-party certification scheme

Other, please specify

Soy Moratorium

Total volume of commodity sold to member

23,724.66

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

The reported volume refers to the final product (animal protein) sold by JBS to the customer. JBS (Seara) uses soy to manufacture animal feed, which is used in farms of poultry and pork. The company only purchases soy from suppliers that signed the Soy Moratorium - for supplier located in the Legal Amazon States. Thus, 100% of JBS soy suppliers, in Brazil and located in the Legal Amazon, are in compliance with Soy Moratorium criteria.

Requesting member

Grupo Big

Forest risk commodity

Cattle products

Form of commodity

Beef

Third-party certification scheme

Other, please specify

Responsible Sourcing Policy and Public Livestock Commitment

Total volume of commodity sold to member

22,280.7

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by JBS. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labour.

Requesting member

Grupo Big

Forest risk commodity

Soy

Form of commodity

Other, please specify

Feeding pork and chicken-in animal diets

Third-party certification scheme

Other, please specify

Soy Moratorium

Total volume of commodity sold to member

23,581.98

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

The reported volume refers to the final product (animal protein) sold by JBS to the customer. JBS (Seara) uses soy to manufacture animal feed, which is used in farms of poultry and pork. The company only purchases soy from suppliers that signed the Soy Moratorium - for supplier located in the Legal Amazon States. Thus, 100% of JBS soy suppliers, in Brazil and located in the Legal Amazon, are in compliance with Soy Moratorium criteria.

Requesting member

McDonald's Corporation

Forest risk commodity

Cattle products

Form of commodity

Beef

Third-party certification scheme

Other, please specify

Responsible Sourcing Policy and Public Livestock Commitment

Total volume of commodity sold to member

18,315.24

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by JBS. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labor.

In addition, JBS has been developing systems and procedures to serve the Deforestation Free Beef Procurement Policy (MCD).

Requesting member

McDonald's Corporation

Forest risk commodity

Soy

Form of commodity

Other, please specify

Feeding pork and chicken-in animal diets

Third-party certification scheme

Other, please specify

Soy Moratorium

Total volume of commodity sold to member

23,724.66

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

The reported volume refers to the final product (animal protein) sold by JBS to the customer. JBS (Seara) uses soy to manufacture animal feed, which is used in farms of poultry and pork. The company only purchases soy from suppliers that signed the Soy Moratorium - for supplier located in the Legal Amazon States. Thus, 100% of JBS soy suppliers, in Brazil and located in the Legal Amazon, are in compliance with Soy Moratorium criteria.

Requesting member

Restaurant Brands International

Forest risk commodity

Cattle products

Form of commodity

Beef

Third-party certification scheme

Other, please specify

Responsible Sourcing Policy and Public Livestock Commitment

Total volume of commodity sold to member

18,570.64

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by JBS. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labour.

Requesting member

Restaurant Brands International

Forest risk commodity

Soy

Form of commodity

Other, please specify

Feeding pork and chicken-in animal diets

Third-party certification scheme

Other, please specify

Soy Moratorium

Total volume of commodity sold to member

2,956.47

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

The reported volume refers to the final product (animal protein) sold by JBS to the customer. JBS (Seara) uses soy to manufacture animal feed, which is used in farms of poultry and pork. The company only purchases soy from suppliers that signed the Soy Moratorium - for supplier located in the Legal Amazon States. Thus, 100% of JBS soy suppliers, in Brazil and located in the Legal Amazon, are in compliance with Soy Moratorium criteria.

Requesting member

Walmart, Inc.

Forest risk commodity

Cattle products

Form of commodity

Beef

Third-party certification scheme

Other, please specify

Responsible Sourcing Policy and Public Livestock Commitment

Total volume of commodity sold to member

1,441

Metric

Metric tons

What % of the volume reported in column 5 is certified?

100%

Comment

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by

JBS. JBS assumed the commitment to ensure the responsible origin of its raw materials, not purchasing cattle from suppliers involved with native woodlands deforestation, environmental conservation units and indigenous lands invasion, rural violence and agrarian conflicts, or with the use of compulsory and child labour.

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

Arcos Dorados

Commodity related to the project

Cattle products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify
Social Environmental Monitoring System

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe all companies in the beef value chain must take on sustainable purchasing policies, once it is a key factor in struggling deforestation practices of the supply chain. Regarding to the commitments made by JBS such as zero deforestation, is important and require that other

companies also make these commitments, ensuring that whole cattle supply chain stay in compliance with social and environmental criteria established. While there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices.

Projected outcome

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. To ensure compliance with the JBS's commitments, an independent party audits the System annually. According to the independent audit results of the last four years, all above 99%. In 2018, JBS achieved 100% social and environmental compliance, the results of the audit are available on JBS official website (<http://www.jbs.com.br>). For partner companies, there will be the benefit of ensuring that raw materials are sourced in a sustainable manner.

Requesting member

Arcos Dorados

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Supply of goods and services

Type of project

Other, please specify

Environmental regularization of suppliers

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

Encouraging the adoption of property management practices, aiming at increasing productivity, coupled with socio-environmental criteria for property management and commodity production.

The development of a program of environmental regularization of properties with environmental liabilities is essential. The initiative can be a partnership between companies, in line with rules approved by the Federal Public Prosecution Service, with the objective of regulating suppliers / properties with social and environmental criteria. Another important objective is the recovery of degraded pastures and the technical qualification of producers' management of property and production, aiming at increasing productivity - which avoids the opening of new areas for agricultural production.

Projected outcome

The environmental regularization of properties will enable an important socio-environmental action, as it will allow blocked producers to re-negotiate their production with companies (moving the local economy and environmental preservation). The increase in productivity generates benefits for the producer who will have higher income in a smaller area and also avoids the opening of new areas for agricultural production.

Requesting member

Grupo Big

Commodity related to the project

Cattle products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify
Social Environmental Monitoring System

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe all companies in the beef value chain must take on sustainable purchasing policies, once it is a key factor in struggling deforestation practices of the supply chain. Regarding to the commitments made by JBS such as zero deforestation, is important and require that other companies also make these commitments, ensuring that whole cattle supply chain stay in compliance with social and environmental criteria established. While there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices.

Projected outcome

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. To ensure compliance with the JBS's commitments, an independent party annually audits the System.

According to the independent audit results of the last four years, all above 99%. In 2018, JBS achieved 100% social and environmental compliance, the results of the audit are available on JBS official website (<http://www.jbs.com.br>).

For partner companies, there will be the benefit of ensuring that the raw materials are sourced sustainably.

Requesting member

Grupo Big

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Supply of goods and services

Type of project

Other, please specify

Environmental regularization of suppliers

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

Encouraging the adoption of property management practices, aiming at increasing productivity, coupled with socio-environmental criteria for property management and commodity production.

The development of a program of environmental regularization of properties with environmental liabilities is essential. The initiative can be a partnership between companies, in line with rules approved by the Federal Public Prosecution Service, with the objective of regulating suppliers / properties with social and environmental criteria. Another important objective is the recovery of degraded pastures and the technical qualification of producers' management of property and production, aiming at increasing productivity - which avoids the opening of new areas for agricultural production.

Projected outcome

The environmental regularization of properties will enable an important socio-environmental action, as it will allow blocked producers to re-negotiate their production with companies (moving the local economy and environmental preservation). Increased productivity generates benefits for the producer who will have higher income in a smaller area and also avoids the opening of new areas for agricultural production

Requesting member

McDonald's Corporation

Commodity related to the project

Cattle products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify
Social Environmental Monitoring System

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe all companies in the beef value chain must take on sustainable purchasing policies, once it is a key factor in struggling deforestation practices of the supply chain. Regarding to the commitments made by JBS such as zero deforestation, is important and require that other companies also make these commitments, ensuring that whole cattle supply chain stay in compliance with social and environmental criteria established. While there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices.

Projected outcome

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. To ensure compliance with the JBS's commitments, an independent party annually audits the System.

According to the independent audit results of the last four years, all above 99%. In 2018, JBS achieved 100% social and environmental compliance, the results of the audit are available on JBS official website (<http://www.jbs.com.br>).

For partner companies, there will be the benefit of ensuring that the raw materials are sourced sustainably.

Requesting member

Restaurant Brands International

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Supply of goods and services

Type of project

Other, please specify

Environmental regularization of suppliers

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

Encouraging the adoption of property management practices, aiming at increasing productivity, coupled with socio-environmental criteria for property management and commodity production.

The development of a program of environmental regularization of properties with environmental liabilities is essential. The initiative can be a partnership between companies, in line with rules approved by the Federal Public Prosecution Service, with the objective of regulating suppliers / properties with social and environmental criteria. Another important objective is the recovery of degraded pastures and the technical qualification of producers' management of property and production, aiming at increasing productivity - which avoids the opening of new areas for agricultural production.

Projected outcome

The environmental regularization of properties will enable an important socio-environmental action, as it will allow blocked producers to re-negotiate their production with companies (moving the local economy and environmental preservation). Increased productivity generates benefits for the producer who will have higher income in a smaller area and also avoids the opening of new areas for agricultural production.

Requesting member

Restaurant Brands International

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Relationship sustainability assessment

Type of project

Other, please specify

Social Environmental Monitoring System

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe all companies in the beef value chain must take on sustainable purchasing policies, once it is a key factor in struggling deforestation practices of the supply chain. Regarding to the commitments made by JBS such as zero deforestation, is important and require that other companies also make these commitments, ensuring that whole cattle supply chain stay in compliance with social and environmental criteria established. While there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices.

Projected outcome

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. To ensure compliance with the JBS's commitments, an independent party annually audits the System.

According to the independent audit results of the last four years, all above 99%. In 2018, JBS achieved 100% social and environmental compliance, the results of the audit are available on JBS official website (<http://www.jbs.com.br>).

For partner companies, there will be the benefit of ensuring that the raw materials are sourced sustainably.

Requesting member

Walmart, Inc.

Commodity related to the project

Cattle products

Category of project

Other category, please specify
Supply of goods and services

Type of project

Other, please specify
Environmental regularization of suppliers

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

Encouraging the adoption of property management practices, aiming at increasing productivity, coupled with socio-environmental criteria for property management and commodity production.

The development of a program of environmental regularization of properties with environmental liabilities is essential. The initiative can be a partnership between companies, in line with rules approved by the Federal Public Prosecution Service, with the objective of regulating suppliers / properties with social and environmental criteria. Another important objective is the recovery of degraded pastures and the technical qualification of producers' management of property and production, aiming at increasing productivity - which avoids the opening of new areas for agricultural production.

Projected outcome

The environmental regularization of properties will enable an important socio-environmental action, as it will allow blocked producers to re-negotiate their production with companies (moving the local economy and environmental preservation). Increased productivity generates benefits for the producer who will have higher income in a smaller area and also avoids the opening of new areas for agricultural production.

Requesting member

Walmart, Inc.

Commodity related to the project

Cattle products

Category of project

Relationship sustainability assessment

Type of project

Other relationship sustainability assessment projects, please specify
Social Environmental Monitoring System

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. However, we believe all companies in the beef value chain must take on sustainable purchasing policies, once it is a key factor in struggling deforestation practices of the supply chain. Regarding to the commitments made by JBS such as zero deforestation, is important and require that other companies also make these commitments, ensuring that whole cattle supply chain stay in compliance with social and environmental criteria established. While there are companies that buy from suppliers who work illegally, there will still be a market barrier to ban unsustainable practices.

Projected outcome

In general, it is possible to see efforts that JBS has been making to ensure sustainable origin of its products and a supply chain free of deforestation and other social and environmental requirements, through its Social and Environmental Monitoring System of Suppliers. To ensure compliance with the JBS's commitments, an independent party annually audits the System. According to the independent audit results of the last four years, all above 99%. In 2018, JBS achieved 100% social and environmental compliance, the results of the audit are available on JBS official website (<http://www.jbs.com.br>). For partner companies, there will be the benefit of ensuring that the raw materials are sourced sustainably.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

Yes

SF2.2a

(SF2.2a) Specify the requesting CDP supply chain member(s) that have driven organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain and provide details on how.

Requesting member

Arcos Dorados

Category of project

Policy and commitments

Type of project

Make a public commitment

Description of the project/initiative

Sustainable Meat Project: the new approach to the purchase of meat produced in the Amazon region, in accordance with defined socio-environmental criteria, is positive and opens up numerous opportunities for local development, increased productivity and environmental regularization of beef cattle farms.

Give an indication of the metric of success for the initiative

100% of product supply meets sustainability policies and commitments (deforestation).

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Grupo Big

Category of project

Policy and commitments

Type of project

Make a public commitment

Description of the project/initiative

Sustainable Meat Project: the new approach to the purchase of meat produced in the Amazon region, in accordance with defined socio-environmental criteria, is positive and opens up numerous opportunities for local development, increased productivity and environmental regularization of beef cattle farms.

Give an indication of the metric of success for the initiative

100% of product supply meets sustainability policies and commitments (deforestation).

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

McDonald's Corporation

Category of project

Policy and commitments

Type of project

Make a public commitment

Description of the project/initiative

Sustainable Meat Project: the new approach to the purchase of meat produced in the Amazon region, in accordance with defined socio-environmental criteria, is positive and opens up numerous opportunities for local development, increased productivity and environmental regularization of beef cattle farms.

Give an indication of the metric of success for the initiative

100% of product supply meets sustainability policies and commitments (deforestation).

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Restaurant Brands International

Category of project

Policy and commitments

Type of project

Make a public commitment

Description of the project/initiative

Sustainable Meat Project: the new approach to the purchase of meat produced in the Amazon region, in accordance with defined socio-environmental criteria, is positive and opens up numerous opportunities for local development, increased productivity and environmental regularization of beef cattle farms.

Give an indication of the metric of success for the initiative

100% of product supply meets sustainability policies and commitments (deforestation).

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

Requesting member

Walmart, Inc.

Category of project

Policy and commitments

Type of project

Make a public commitment

Description of the project/initiative

Sustainable Meat Project: the new approach to the purchase of meat produced in the Amazon region, in accordance with defined socio-environmental criteria, is positive and opens up numerous opportunities for local development, increased productivity and environmental regularization of beef cattle farms.

Give an indication of the metric of success for the initiative

100% of product supply meets sustainability policies and commitments (deforestation).

Would you be happy for CDP supply chain members to highlight this work in their external communication?

Yes

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

Yes, but not willing to share details

Please explain

We carried out calculations of emissions from changes in land use in our own areas (neutral emissions: 39 thousand tCO₂e in 2018 and 8 thousand tCO₂e in 2019) and also removals: Seara conducts reforestation of own lands with eucalyptus trees: 32.5 ha in Mato Grosso do Sul (new planting) - 148 tCO₂e (2019) and Friboi conducts reforestation of own lands with eucalyptus trees: 460 ha in Mato Grosso do Sul (new planting) - 2,093 tCO₂e (2019).

Cattle products

Estimate GHG emissions and removals from land use and land use change

Yes, but not willing to share details

Please explain

JBS works to minimize and mitigate the impacts related to this topic. The generation of engagement of its suppliers through technical training aimed at the management of property and the production, enables the increase of productivity, in order to recover degraded pastures, generate reductions of GHG emissions and avoid the conversion of soil to new agricultural production areas in order to allow deforestation. Also, JBS is committed to combating, discouraging and eliminating deforestation of its supply chain in the Amazon, that is why it has a robust system of social and environmental monitoring, to analyse and verify whether its livestock supplying farms follow the criteria stipulated in its Policy on Responsible Procurement of Raw Materials, aimed at guaranteeing a sustainable supply chain.

In 2019, JBS entered into a partnership with the Araguaia League, whose members include around 60 livestock producers in the Médio Vale do Araguaia region, located in the state of Mato Grosso. The goal is to promote sustainable livestock development in the region, with the support of local producers. Within the so-called Araguaia Herd project, JBS funds contracts for firms providing consulting on livestock management to help in the process of intensifying farm pasture lands, therefore guaranteeing better productivity and contributing to environmental and local biodiversity conservation while reducing greenhouse gases in the livestock chain.

Soy

Estimate GHG emissions and removals from land use and land use change

No, but plan to do so in the next two years

Please explain

JBS works to minimize and mitigate the impacts related to this topic.

Submit your response

In which language are you submitting your response?

English



Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms