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 13 countries and over 450 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 2020, JBS’s consolidated net revenue was R$270.2 billion, a 32.1% growth over 2019.


F0.2

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

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1 2020</td>
<td>December 31 2020</td>
</tr>
</tbody>
</table>

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 (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Disclosure</th>
<th>Stage of the value chain</th>
<th>Explanation if not disclosing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Disclosing</td>
<td>Processing</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Not disclosing</td>
<td>Processing</td>
<td>This raw material is used in the soap basic dough (JBS Novos Negócios transform raw materials from other company operations into products with high added value, as well as operating with related businesses. In this way, JBS promotes innovation, efficiency and sustainable practices, fostering the circular economy. JBS hygiene and cleaning - largest producer of soaps and hand soap in the B2B segment, serving the biggest hygiene and beauty brands in Brazil and abroad ), 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 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.</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Disclosing</td>
<td>Processing</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>Disclosing</td>
<td>Processing</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>This commodity is not produced, sourced or used by our organization</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>This commodity is not produced, sourced or used by our organization</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>This commodity is not produced, sourced or used by our organization</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Value chain stage</th>
<th>Exclusion</th>
<th>Description of exclusion</th>
<th>Potential for forest-related risk</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct operations</td>
<td>Country/ geographical area</td>
<td>Operations that are not located in Brazil are not part of this disclosure due to lower deforestation risks associated to commodity.</td>
<td>No potential</td>
<td>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 identify and mitigating any risk associated with deforestation, JBS has been increasingly improving the mapping approach of its international operations.</td>
</tr>
<tr>
<td>Supply chain</td>
<td>Specific supplier(s)</td>
<td>Potential for forest-related risk, evaluated, but not disclosing to CDP.</td>
<td>Potential for forest-related risk, evaluated, but not disclosing to CDP.</td>
<td>The efforts of data collection, supplier information and analysis of the socio-environmental monitoring system have been expanded to cover all Brazilian biomes (Cerrado, Pantanal, Atlantic Forest and Caatinga) are limited-party to direct cattle suppliers. The traceability of the entire meat chain, can be achieved in the medium term. As one of the biggest challenges in the entire supply chain, to track all stages of the supply chain includes indirect suppliers (those who sell animals to JBS direct suppliers), thus the accessing to information is essential. The indirect supplier issue is structural and quite different from direct supplier monitoring approaches and requires collaborative work and a solid approach at the industry level, rather than the traditional view of full animal traceability. In this way, JBS has invested in projects to assess its approach to direct and indirect suppliers. The company does not have access to Animal Transit Forms (GTA) for its indirect suppliers - the farms are only available to the government. So, the JBS is working on a blockchain technology to ensure the data safety while suppliers’ socio-environmental criteria is been analyzed. At no time will JBS have access to sensitive information, having access only to the consolidated analysis of its suppliers. Through blockchain technology, it will be possible to maintain the commitment to the confidentiality of third-party information. As a fundamental part of the project, an engagement strategy with the chain is being developed to accelerate the construction of a positive register of producers in accordance with social and environmental standards. All JBS beef suppliers must join the program by the end of 2025. In 2020, the project Escritórios Verdes was launched by JBS. Prepared to receive any rancher interested in regularizing their farm’s environmental liabilities. JBS teams are connected to a network of consultants specialized in environmental issues that will help producers in practical activities, such as registering the property in the Rural Environmental Registry (CAR), reforestation plans to meet the Environmental Regularization Program (PRA), in addition to supporting processes for the regularization of areas with illegal deforestation or environmental embargoes by IBAMA or State Environmental Secretariats. All this technical support will be free to our suppliers.</td>
</tr>
<tr>
<td>Supply chain</td>
<td>Specific supplier(s)</td>
<td>Potential for forest-related risk, evaluated, but not disclosing to CDP.</td>
<td>Potential for forest-related risk, evaluated, but not disclosing to CDP.</td>
<td>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 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 hying process of prefabricated foods and industrialized products. In this case, 100% of Palm Oil is produced in Brazil, following sustainable production certification standards.</td>
</tr>
</tbody>
</table>

F1. Current state

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

<table>
<thead>
<tr>
<th>% of revenue dependent on commodity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products 21-30%</td>
<td>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.</td>
</tr>
<tr>
<td>Palm oil &lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products 11-20%</td>
<td>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.</td>
</tr>
<tr>
<td>Soy 6-10%</td>
<td>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.</td>
</tr>
<tr>
<td>Other - Rubber &lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa &lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee &lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Data availability/Disclosure</th>
<th>Timber products</th>
<th>Palm oil</th>
<th>Cattle products</th>
<th>Soy</th>
<th>Other - Rubber</th>
<th>Other - Cocoa</th>
<th>Other - Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption data available, disclosing</td>
<td></td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

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

Forest risk commodity
Timber products

Data type
Consumption data

Volume
16958687

Metric
Other, please specify (Giga Joule – GJ)

Data coverage
Full commodity production/consumption

Please explain
<Not Applicable>

Forest risk commodity
Cattle products

Data type
Consumption data

Volume
71

Metric
Other, please specify (animals million)

Data coverage
Full commodity production/consumption

Please explain
<Not Applicable>

Forest risk commodity
Soy

Data type
Consumption data

Volume
1676242

Metric
Metric tons

Data coverage
Full commodity production/consumption

Please explain
<Not Applicable>

(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
Cattle products

Country/Area of origin
Brazil

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Midwest)

% of total production/consumption volume
60

Please explain
Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 200 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 (South)

% of total production/consumption volume
0.05

Please explain
Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 200 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 (Southeast)

% of total production/consumption volume
14

Please explain
Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 200 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 (North)

% of total production/consumption volume
24

Please explain
Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 200 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 (Northeast)

% of total production/consumption volume
2

Please explain
Currently, the company acquires most of the cattle used in its livestock farming activities located within a radius of up to 200 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
Soy

Country/Area of origin
Brazil

State or equivalent jurisdiction
Specify state/equivalent jurisdiction (Amazônia Legal)

% of total production/consumption volume
13.5

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.

Forest risk commodity
Soy
### Forest risk commodity
**Country/Area of origin**
Brazil

**State or equivalent jurisdiction**
Specify state/equivalent jurisdiction (Demais regiões do Brasil)

**% of total production/consumption volume**
86.5

**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.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Timber products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country/Area of origin</strong></td>
<td>Brazil</td>
</tr>
<tr>
<td><strong>State or equivalent jurisdiction</strong></td>
<td>Specify state/equivalent jurisdiction (Legal Amazon)</td>
</tr>
<tr>
<td><strong>% of total production/consumption volume</strong></td>
<td>14</td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Timber products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country/Area of origin</strong></td>
<td>Brazil</td>
</tr>
<tr>
<td><strong>State or equivalent jurisdiction</strong></td>
<td>Specify state/equivalent jurisdiction (Others Brazilian Regions)</td>
</tr>
<tr>
<td><strong>% of total production/consumption volume</strong></td>
<td>86</td>
</tr>
</tbody>
</table>

**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.

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**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**
  - 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. 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 – against 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 attempt 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.

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**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 due to 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**
4170730

**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. Fazenda Nota 10 Program - Open to all of Friboi's registered suppliers across the country, which fully comply with the Company's strict socio-environmental compliance criteria, the FN10's central focus is the comparison of results between participating farms. This is a parameter that motivates ranchers to implement practices that generate results in other properties, following an efficient management model. Open to any type of producer, regardless of the size of the property and production capacity, the program brings in its schedule of meetings, discussions on other topics, such as standardization of metrics, success models, training, people management, among other issues.

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**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
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. In 2020, JBS implanted the “Escritório Verde” inside some Friboi units that offers free consultancy in environmental, legal and technical matters. For this first year, 13 offices has been opened in 5 states in Brazil.

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. 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.

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
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.

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.

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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?
> 6 years

Tools and methods used
Internal company methods
External consultants
FSC Global Forest Registry
National specific tools and databases

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?
> 6 years

Tools and methods used
Internal company methods
External consultants
National specific tools and databases
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. The results of these audits are available on the company’s website. Socio-Environmental Responsibility 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. Furthermore, in 2020, the project Escritórios Verdes was launched, with the objective to support direct and indirect suppliers with environmental, technical and legal adequacy by professionals financed by the company.

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?
> 6 years

Tools and methods used
Internal company methods
National specific tools and databases

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)?
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 deforestation, JBS 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) Fazenda Nota 10 Program - the central focus is in management and development of productivity, by comparison of results between participating farms. Open to any type of producer, regardless of the size of the property and production capacity, the program brings in its schedule of meetings, discussions on other topics, such as standardization of metrics, success models, training, people management, among other issues 2) 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 development of sustainable livestock with 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; 3) Green Light Pact, which aims to classify 100% of carcasses originated from Mato Grosso do Sul region; 5) 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; 6) JBS and the Sustainable Livestock Working Group (GTPS) brought together technicians, cattle procurement collaborators and partner producers who are part of the Social Fuel Stamp Program for training on the Sustainable Livestock Indicators Guide (GISP), Bovine tallow, a meat processing co-product, is the second most important source of biodiesel feedstock in Brazil. The main idea of the initiative is that the better the management, the more efficient the production, helping the farmers 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 responsibility 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 Brazilian 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 Conduc ("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. 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. 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.
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.

Leakage markets

Relevance & inclusion
Relevant, always included

Please explain
The existence of companies without the definition of responsible purchasing policies and without any control in the acquisition of cattle, in relation to the socio-environmental monitoring of the properties of origin of the animals (deforestation, environmental embargoes or use of slave labor), encourages an irregular market and does not competitive (industry sector and producers). In addition to generating the demobilization of environmental regularization of properties with environmental liabilities.

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.
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 employs 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

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

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. Furthermore, the efforts kept on track by launching the project Escritórios Verdes aiming to promote the compliance among the direct and indirect suppliers.

F2.1c

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

Customers

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 is co-developer of the Boi na Linha program (www.boinalinha.org.br), in partnership with the Federal Public Ministry (MPF) and the Brazilian NGO Imafora, which defines criteria and technical rules for monitoring cattle suppliers in the region of the Legal Amazon 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. In addition, all new employees participate in face-to-face training at the time of their integration, where they receive 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 website.
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 invested 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 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. For instance, The Sustainable Livestock Indicators Guide (GIPS) is a tool to support and encourage sustainable production created by GTPS – Brazilian Sustainable Livestock. The activities are funded by the Norwegian International Climate and Forests Initiative (NICFI), and aim to support the transition to low carbon livestock farming in the Amazon and contribute to climate change adaptation and mitigation. The participation of ranchers took place both through on-site (before the pandemic) and online workshops organized in conjunction with the companies, as well as through the work of applicators in the field and remotely. In addition, a partnership with Liga do Araguaia, an organization formed by the region's own producers, JBS will cover 80% of the costs of consulting and technical assistance aimed at the sustainable intensification of farms selected by the institution, 13 of which are already in the training process. According to the company, it is to strengthen the production of sustainable meat in the biome and make the Araguaia region a “global parameter for good production practices”. 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. The JBS Ombudsman, available to all employees, customers, suppliers or anyone with a relationship with the JBS group in order to share their complaints, suggestions or praises.

NGOs

Relevance & inclusion
Relevant, always included

Please explain
JBS is involved with a number of 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. As one such strategy, JBS is co-developer of the Boi na Linha program (www.boinalinha.org.br), in partnership with the Federal Public Ministry (MPF) and the Brazilian NGO Inśliora, which defines criteria and technical rules for monitoring cattle suppliers in the region of the Legal Amazon.
Other forest risk commodity users/producers at a local level

Relevance & inclusion
Relevant, always included

Please explain
Fazenda Nota 10 Program - Open to all of Friboi's registered suppliers across the country, which fully comply with the Company's strict socio-environmental compliance criteria, the FN10's central focus is the comparison of results between participating farms. This is a parameter that motivates ranchers to implement practices that generate results in other properties, following an efficient management model. Open to any type of producer, regardless of the size of the property and production capacity, the program brings in its schedule of meetings, discussions on other topics, such as standardization of metrics, success models, training, people management, among other issues. 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 - 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. As one such strategy, JBS is co-developer of the Boi na Linha program (www.boinalinha.org.br), in partnership with the Federal Public Ministry (MPF) and the Brazilian NGO Imafiora, which defines criteria and technical rules for monitoring cattle suppliers in the region of the Legal Amazon

Suppliers

Relevance & inclusion
Relevant, always included

Please explain
JBS launches the Conexão Gestão, in partnership with the Instituto Integra, program in order to improve the managerial skills of medium-sized cattle ranchers. 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. In 2018, JBS and the Sustainable Livestock Working Group (GTPS) brought together technicians from the Company's field team, cattle purchasing staff and partners producers who are part of the Social Fuel Stamp Program for training on the Guide Sustainable Livestock Indicators (GIPS). 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. In 2020, JBS unify the knowledgements from these experiences, and in a movement to approach to the suppliers, including the indirect, the company launched the Escritorios Verdes project. JBS' Escritorios Verdes are structures within Friboi units that provides free environmental, legal and technical consultancy for environmental regularization, preparing for a Net Zero emissions commitment by 2040.

Other stakeholders, please specify

Relevance & inclusion
Relevant, always included

Please explain
Top management executives and Socio-Environmental Responsibility 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 Socio-Environmental Responsibility 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?

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Risk identified?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Yes</td>
</tr>
<tr>
<td>Palm oil</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

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 a significant 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 the major part of the refrigeration units, about 60%, 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.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Type of risk</th>
<th>Geographical scale</th>
<th>Where in your value chain does the risk driver occur?</th>
<th>Primary risk driver</th>
<th>Primary potential impact</th>
<th>Company-specific description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Reputational and markets</td>
<td>Country</td>
<td>Direct operation</td>
<td>Uncertainty about product origin and/or legality</td>
<td>Brand damage</td>
<td>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. Market Currency, interest rate and commodity price risks when price fluctuations could affect JBS businesses. The possibility of imbalances appearing between negotiable assets and enforceable liabilities that could affect the ability to fulfill future financial obligations.</td>
</tr>
</tbody>
</table>

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)
Not Applicable

Potential financial impact figure - minimum (currency)
Not Applicable

Potential financial impact figure - maximum (currency)
Not Applicable
**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**
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.

**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.

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Cattle products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of risk</strong></td>
<td>Regulatory</td>
</tr>
<tr>
<td><strong>Geographical scale</strong></td>
<td>Country</td>
</tr>
<tr>
<td><strong>Where in your value chain does the risk driver occur?</strong></td>
<td>Direct operation, Supply chain</td>
</tr>
<tr>
<td><strong>Primary risk driver</strong></td>
<td>Non-compliance with national legislation</td>
</tr>
<tr>
<td><strong>Primary risks also applicable to this Question:</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>Primary potential impact</strong></td>
<td>Decrease in shareholder value</td>
</tr>
<tr>
<td><strong>Company-specific description</strong></td>
<td>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 &quot;Minimum Criteria for Industrial – Scale Operations with Cattle and Beef Products in the Amazon Biome&quot;, 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. The audit results are available on the company's website. In 2020, JBS implanted the &quot;Escritório Verde&quot; inside some Friboi units that offers free consultancy in environmental, legal and technical matters. For this first year, 13 offices has been opened in 5 states in Brazil.</td>
</tr>
<tr>
<td><strong>Timeframe</strong></td>
<td>1-3 years</td>
</tr>
<tr>
<td><strong>Magnitude of potential impact</strong></td>
<td>Medium-high</td>
</tr>
<tr>
<td><strong>Likelihood</strong></td>
<td>Likely</td>
</tr>
<tr>
<td><strong>Are you able to provide a potential financial impact figure?</strong></td>
<td>Yes, a single figure estimate</td>
</tr>
<tr>
<td><strong>Potential financial impact (currency)</strong></td>
<td>4170730</td>
</tr>
<tr>
<td><strong>Potential financial impact figure - minimum (currency)</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td><strong>Potential financial impact figure - maximum (currency)</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

**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.
Greater traceability of forest-risk commodities

Description of response
Cattle purchases: adopt and notify the market of the social and environmental criteria adopted for purchases and support for the use of best farming practices. In Brazil, supplier farms are monitored using a geospatial system capable of identifying non-conformities and barring raw material purchases from noncompliant suppliers. In 2020, the Transparent Livestock Farming Platform was launched, in an environment with blockchain technology. The tool allows JBS cattle suppliers to register their own suppliers with the aim of complying with the social and environmental criteria for raising cattle. Product quality: a global area dedicated to monitoring all production processes, which are audited internally by various regulators and customers to maintain high food quality and safety standards and remain eligible to serve all markets.

Cost of response
5300000

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 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. JBS implanted the "Escritório Verde" inside some Friboi units that offers free consultancy in environmental, legal and technical matters. For this first year, 13 offices has been opened in 5 states in Brazil.

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)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

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
2300000

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.

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**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**  
Moratorium 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)**  
<Not Applicable>

**Potential financial impact figure - minimum (currency)**  
<Not Applicable>

**Potential financial impact figure - maximum (currency)**  
<Not Applicable>

**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 Amazon biome, 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, 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)
<Not Applicable>

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

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 Amazon biome, 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.

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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?

<table>
<thead>
<tr>
<th>Timber products</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
(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)**
- <Not Applicable>

**Potential financial impact figure – minimum (currency)**
- <Not Applicable>

**Potential financial impact figure – maximum (currency)**
- <Not Applicable>

**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.

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**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
As of 56,000 hectares of legal reserve and permanent preservation areas, in order to disseminate this know-how to others biome, in 2020 JBS launched the Escritorios Verdes project, financing environmental, technical and legal consultancy to direct and indirect suppliers.

**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)**
4170730

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**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 non-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)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**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.

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director on board</td>
<td>The Socio-Environmental Responsibility Committee advises the Board of Directors regarding the risks and opportunities in sustainability initiatives. Accordingly, the committee is responsible for dealing and connecting all topics related to the Company’s business in a global perspective, including: identification, addressing and treatment of critical issues that result in risks or impacts on JBS’ business; monitoring and implementation of policies, strategies and specific initiatives; and evaluation of investments proposals in sustainability.</td>
</tr>
</tbody>
</table>

F4.1b

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

<table>
<thead>
<tr>
<th>Frequency that forests-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which forests-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - all meetings</td>
<td>Monitoring implementation and performance</td>
<td>The governance structure at JBS is made up of the Board of Directors, the Global Compliance Department, a permanent Fiscal Council and advisory committees to the Board of Directors, who focus on specific topics including sustainability. General Shareholders’ Meeting is the highest body in the Governance structure, it holds powers to decide on Company business and propose solutions. Meeting annually or when necessary. Board of Directors is responsible for establishing policies and guidelines for the businesses, their implementation by the Board of Executive Officers, and for hiring independent auditors. Meeting quarterly and when called by the president or other member. Board of Executive Officers is responsible for conducting the general business of JBS as well as for deliberative processes and implementation of policies and guidelines, as periodically established by the Board of Directors. The Socio-Environmental Responsibility Committee advises the Board of Directors regarding the risks and opportunities in sustainability initiatives. Accordingly, the committee is responsible for dealing and connecting all topics related to the Company’s business in a global perspective, including: identification, addressing and treatment of critical issues that result in risks or impacts on JBS’ business; monitoring and implementation of policies, strategies and specific initiatives; and evaluation of investments proposals in sustainability.</td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Overseeing acquisitions and divestiture</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding annual budgets</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding business plans</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding major plans of action</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Reviewing and guiding strategy</td>
<td></td>
</tr>
<tr>
<td>Monitoring implementation and performance</td>
<td>Setting performance objectives</td>
<td></td>
</tr>
</tbody>
</table>
(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).

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility of reporting to the board on forests-related issues</th>
<th>Frequency of reporting to the board on forests-related issues</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>More frequently than quarterly</td>
<td>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 those committees is the Socio-Environmental Responsibility Committee, which meets quarterly and is responsible for advising the Board of Directors in the process of fulfilling its legal attributions. Additionally, the Board of Director's chairman is involved in the meetings between Socio-Environmental Responsibility Committee and the Board of Directors. The main responsibilities of the Socio-Environmental Responsibility 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.</td>
</tr>
<tr>
<td>Chief Sustainability Officer (CSO)</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>More frequently than quarterly</td>
<td>The Socio-Environmental Responsibility 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.</td>
</tr>
<tr>
<td>President</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>More frequently than quarterly</td>
<td>The Socio-Environmental Responsibility 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 Socio-Environmental Responsibility Committee meets quarterly.</td>
</tr>
<tr>
<td>Sustainability committee</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>More frequently than quarterly</td>
<td>The Socio-Environmental Responsibility Committee advises the Board of Directors regarding the risks and opportunities in sustainability initiatives. Accordingly, the committee is responsible for dealing and connecting all topics related to the Company’s business in a global perspective, including: identification, addressing and treatment of critical issues that result in risks or impacts on JBS’ business; monitoring and implementation of policies, strategies and specific initiatives; and evaluation of investments proposals in sustainability.</td>
</tr>
<tr>
<td>Environment/Sustainability manager</td>
<td>Both assessing and managing forests-related risks and opportunities</td>
<td>More frequently than quarterly</td>
<td>The Socio-Environmental Responsibility 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 Socio-Environmental Responsibility Committee meets quarterly.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Provide incentives for management of forests-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(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)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive?</th>
<th>Performance indicator(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward Chief Sustainability Officer (CSO)</td>
<td>Achievement of commitments and targets</td>
<td>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. The variable remuneration of JBS’ senior executives will be linked to climate change goals. The Company’s global leaders will oversee the allocation of capital, encourage the involvement of suppliers and develop partnerships with other companies, governments and universities, in order to guarantee the sustainability and achievement of the Net Zero commitment.</td>
</tr>
<tr>
<td>Monetary reward Other (please specify) (Environment Managers, Supplies, Origination (Cattle Purchased))</td>
<td>Achievement of commitments and targets</td>
<td>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. The variable remuneration of JBS’ senior executives will be linked to climate change goals. The Company’s global leaders will oversee the allocation of capital, encourage the involvement of suppliers and develop partnerships with other companies, governments and universities, in order to guarantee the sustainability and achievement of the Net Zero commitment.</td>
</tr>
</tbody>
</table>

(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) ra-cdf-ingles.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.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selected facilities, businesses or geographies only</td>
<td>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</td>
</tr>
<tr>
<td>The Company’s global sustainability priorities are: product integrity, animal welfare, environmental stewardship and social responsibility. To conduct sustainability management at the corporate level, JBS has established leaders in Brazil and the USA, in addition to locally designating people to this theme at each business. Regional leaders are also tasked with engaging business areas with a commitment to sustainable action and with spreading this same vision across the value chain, serving as an interface for the Company’s communications with its stakeholders. JBS understands that its relationship with suppliers is essential and relevant to the prosperity of the value chain. That is why the Company developed a series of actions to build closer relationships with its stakeholders that are based on confidence, respect, ethics and transparency. With a regular dialogue with its suppliers, especially in relation to matters related to respecting human rights and national and local labor laws, JBS has been a signatory of the National Pact to Eradicate Slave Labour since 2007, and has been a member of the Institute for the National Pact to Eradicate Slave Labour (ImpACTO) since 2014. In addition, JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates.</td>
<td></td>
</tr>
<tr>
<td>Please explain</td>
<td></td>
</tr>
</tbody>
</table>

F4.5b

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

<table>
<thead>
<tr>
<th>Do you have a commodity specific sustainability policy?</th>
<th>Scope</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Selected facilities, businesses or geographies only</td>
<td>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy Description of forest-related performance standards for direct operations</td>
</tr>
<tr>
<td>Timber products</td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

CDP
| **Cattle products** | Yes | Selected facilities, businesses or geographies only | Commitment to eliminate deforestation, timber products only | 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. 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 2020 will be released in October, and these audits are available on the company’s website. 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 addition, JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. |

| Soy | Yes | Selected facilities, businesses or geographies only | Commitment to eliminate deforestation, timber products only | 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. |

| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

**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 purchases soy from suppliers that follow the Soy Moratorium, 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.

### 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 follow 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 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. In addition, JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates.
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?

<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>Are forests-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16-20</td>
<td>Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. 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. In this sense, JBS announced the Net Zero commitment for 2040, so that a chain of the Company’s cattle suppliers, including its suppliers’ suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in Brazil by 2025. The second largest food company in the world and a global leader in protein has committed to zeroing the balance of greenhouse gas emissions throughout its diversified value chain, lowering the intensity of direct and indirect transfers and offsetting all residual emissions. JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. JBS will focus on a range of nature-based solutions, such as investments in reforestation and forest restoration. The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers’ suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025. JBS’ Net Zero goal includes the company’s global operations, covering agricultural producers and other suppliers, as well as customers, in its efforts to reach net emissions equal to zero in 2040. In this way, the monitoring of its entire production chain in the Amazon is a fundamental part of JBS’ strategy towards Net Zero.</td>
<td></td>
</tr>
</tbody>
</table>

Strategy for long-term objectives: Yes, forests-related issues are integrated | 16-20 | 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 JBS has the commitment to meeting the food and nutritional needs of the growing global population in a sustainable way is the greatest challenge of our time. This will require everyone to do more with less, maximize the efficient use of our natural resources and incorporate the latest technologies, innovations and best practices into all of our food production systems. In this sense, JBS announced the Net Zero commitment for 2040, so that a chain of the Company’s cattle suppliers, including its suppliers’ suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in Brazil by 2025. JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. JBS will focus on a range of nature-based solutions, such as investments in reforestation and forest restoration. The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers’ suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025. This project is strategic to achieve the Net Zero commitment by 2040. |

Financial planning: Yes, forests-related issues are integrated | 16-20 | Annually resources are allocated for the continuity of existing systems and programs, as well as new investments for the development of new projects. In 2020, JBS presents the Together for the Amazon program, which is a set of initiatives with a long-term vision aimed at increasing the conservation and development of the biome, engaging the sector and proposing actions beyond the Company’s value chain. The program is part of the Climate Change priority of the Company’s global sustainability goals plan, presented in 2019. The fundamental pillars of Junto para a Amazônia are: (i) development of the value chain; (ii) conservation and restoration of forests; (iii) support to communities; and (iv) scientific and technological development. The first pillar consists of three main initiatives. The first is a blockchain platform that will allow the Company to include in its monitoring base the suppliers of its beef suppliers until 2025. The second initiative is the sharing of the company’s supplier monitoring technology and responsible purchasing policy with its value chain, which includes the entire food industry, from ranchers, farmers to financial institutions and agribusiness. The third initiative will be environmental, agricultural and legal support to suppliers. The three other pillars will be achieved through the work of the JBS Pela Amazônia Fund to finance actions and projects for sustainable development in the biome. The Company will contribute R$250 million in the first five years, reaching R$500 million by 2030. JBS will focus on a range of nature-based solutions, such as investments in reforestation and forest restoration. The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers’ suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025. The second largest food company in the world and a global leader in protein has committed to zeroing the balance of greenhouse gas emissions throughout its diversified value chain, lowering the intensity of direct and indirect transfers and offsetting all residual emissions. JBS’ Net Zero goal includes the company’s global operations, covering agricultural producers and other suppliers, as well as customers, in its efforts to reach net emissions equal to zero in 2040. |

### 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

<table>
<thead>
<tr>
<th>Traceability point</th>
<th>&lt;Not Applicable&gt;</th>
</tr>
</thead>
</table>

**Third-party certification scheme**  
FSC (any type)

<table>
<thead>
<tr>
<th>Start year</th>
<th>2015</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Target year</th>
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</tr>
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</table>

<table>
<thead>
<tr>
<th>Quantitative metric</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Target (number)</th>
<th>&lt;Not Applicable&gt;</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Target (%)</th>
<th>100</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>% of target achieved</th>
<th>100</th>
</tr>
</thead>
</table>

**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. A fundamental part in the protection and safety of food, from processing to the consumer’s table, packaging also needs to be disposed of carefully. For this reason, JBS encourages the return of packaging to the production chain, in an effort to contribute to recycling and diminish the impact of landfill disposal. All Company operations invest in research and development to find ways to reduce and optimize the use of packaging, lowering the amount of waste generated by customers and consumers. Packaging meets the environmental labeling rules established by the Brazilian National Standards Organization (ABNT NBR 16182). This regulation standardizes symbols used to inform consumers on how to correctly dispose of post-consumer packaging. This makes it possible to separate dry waste from wet waste, for instance, sending them for separation followed by sorting. This contributes to ongoing improvement in the recycling chains in the various materials sectors. JBS also develops processes that reduce packaging losses and costs, 86% of which are made of materials from a renewable source. In addition, the Company supports Reverse Logistics programs to comply with the National Solid Waste Policy, such as Prolata, Programa Cidade+ and Eureciclo.

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Target 2</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Cattle products</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Type of target</th>
<th>Third-party certification</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Description of target</th>
<th>JBS Brazil has a Responsible Sourcing Policy that establishes social and environmental criteria for supplier’s selection. The Monitoring Protocol for Cattle Suppliers in the Amazon is part of a comprehensive Monitoring, Reporting and Verification (MRV) system. Together, the Audit Protocol to the Monitoring of Cattle Suppliers in the Amazon and an Audit Report Template will be published so the signatories can be audited to show their progress in meeting the commitments, and a template of a Public Summary of the Audit Report will be made available to stakeholders with the purpose of ensuring transparency. 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 Escritorios Verdes project, provides free legal and environmental advice, to enable environmental solutions for suppliers’ and the reinsertion of producers with problems in their supply chain.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Linked commitment</th>
<th>Zero net/gross deforestation</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Traceability point</th>
<th>&lt;Not Applicable&gt;</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Third-party certification scheme</th>
<th>Other, please specify (Leather Working Group (LWG))</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Start year</th>
<th>2012</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Target year</th>
<th>2020</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Quantitative metric</th>
<th>&lt;Not Applicable&gt;</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Target (number)</th>
<th>&lt;Not Applicable&gt;</th>
</tr>
</thead>
</table>

| Target (%) | CDPP |
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 works 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 Amazon biome, 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
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2017

Target year
2020

Quantitative metric
<Not Applicable>

Target (number)
<Not Applicable>

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.

Target reference number
Target 4

Forest risk commodity
Cattle products

Type of target
Engagement with smallholders

Description of target
The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers’ suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025.

Linked commitment
Zero net/gross deforestation

Traceability point
<Not Applicable>

Third-party certification scheme
<Not Applicable>

Start year
2020

Target (number)
<Not Applicable>

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.
**2020**

**Target year**
2025

**Quantitative metric**
<Not Applicable>

**Target (number)**

**Target (%)**
<Not Applicable>

**% of target achieved**
<Not Applicable>

**Please explain**
Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. 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. In this sense, JBS announced the Net Zero commitment for 2040. so that a chain of the Company's cattle suppliers, including its suppliers' suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in Brazil by 2025. The second largest food company in the world and a global leader in protein has committed to zeroing the balance of greenhouse gas emissions throughout its diversified value chain, lower the intensity of direct and indirect transfers and offsetting all residual emissions. JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. In addition to expanding the monitoring system and tracking the supply chain, JBS is assisting producers enhance the environmental performance of their properties through its network of Green Offices located at its processing units in several regions of the country. Thirteen offices have already opened to provide guidance to all producers who adhere to the Transparent Livestock Farming Platform. With this technical support, properties that are currently blocked, for example, will be able to become suppliers again after they address environmental liabilities and comply with the law.

**Target reference number**
Target 5

**Forest risk commodity**
Cattle products

**Type of target**
Engagement with direct suppliers

**Description of target**
The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers' suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025.

**Linked commitment**
Zero net/gross deforestation

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
<Not Applicable>

**Start year**
2020

**Target year**
2025

**Quantitative metric**
<Not Applicable>

**Target (number)**
<Not Applicable>

**Target (%)**

**% of target achieved**

**Please explain**
Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. 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. In this sense, JBS announced the Net Zero commitment for 2040. so that a chain of the Company's cattle suppliers, including its suppliers' suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in Brazil by 2025. The second largest food company in the world and a global leader in protein has committed to zeroing the balance of greenhouse gas emissions throughout its diversified value chain, lower the intensity of direct and indirect transfers and offsetting all residual emissions. JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. In addition to expanding the monitoring system and tracking the supply chain, JBS is assisting producers enhance the environmental performance of their properties through its network of Green Offices located at its processing units in several regions of the country. Thirteen offices have already opened to provide guidance to all producers who adhere to the Transparent Livestock Farming Platform. With this technical support, properties that are currently blocked, for example, will be able to become suppliers again after they address environmental liabilities and comply with the law.

**Target reference number**
Target 6

**Forest risk commodity**
Cattle products
<table>
<thead>
<tr>
<th>Type of target</th>
<th>Engagement with indirect suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of target</strong></td>
<td>The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers' suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025.</td>
</tr>
<tr>
<td><strong>Linked commitment</strong></td>
<td>Zero net/gross deforestation</td>
</tr>
<tr>
<td><strong>Traceability point</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td><strong>Third-party certification scheme</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td><strong>Start year</strong></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Target year</strong></td>
<td>2025</td>
</tr>
<tr>
<td><strong>Quantitative metric</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td><strong>Target (number)</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td><strong>Target (%)</strong></td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

% of target achieved

Please explain Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. 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. In this sense, JBS announced the Net Zero commitment for 2040, so that a chain of the Company's cattle suppliers, including its suppliers' suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in Brazil by 2025. The second largest food company in the world and a global leader in protein has committed to zeroing the balance of greenhouse gas emissions throughout its diversified value chain, lower the intensity of direct and indirect transfers and offsetting all residual emissions. JBS is bringing forward its target of zero illegal deforestation for the suppliers of its suppliers in the Cerrado, Pantanal, Atlantic Forest and Caatinga biomes from 2030 to 2025. This mirrors the commitment already established for the Amazon. The Transparent Livestock Farming Platform has enabled the date to be brought forward. Using blockchain technology, JBS will increase the traceability of the supply chain by 2025, identifying upstream links and enforcing sustainability criteria when analyzing the suppliers of its own suppliers in every biome where it operates. In addition to expanding the monitoring system and tracking the supply chain, JBS is assisting producers enhance the environmental performance of their properties through its network of Green Offices located at its processing units in several regions of the country. Thirteen offices have already opened to provide guidance to all producers who adhere to the Transparent Livestock Farming Platform. With this technical support, properties that are currently blocked, for example, will be able to become suppliers again after they address environmental liabilities and comply with the law.

**Target reference number**
Target 7

**Forest risk commodity**
Cattle products

**Type of target**
Assess and/or verify compliance

**Description of target**
The company reinforces its commitment to achieving a chain of cattle suppliers – including its suppliers' suppliers – free from illegal deforestation in the Amazon, Cerrado and other Brazilian biomes by 2025.

**Linked commitment**
Zero net/gross deforestation

**Traceability point**
<Not Applicable>

**Third-party certification scheme**
<Not Applicable>

**Start year**
2020

**Target year**
2025

**Quantitative metric**
<Not Applicable>

**Target (number)**
<Not Applicable>

**Target (%)**
<Not Applicable>

% of target achieved

Please explain Forest issues are fully integrated with JBS objectives, strategies and business plan, as well as our responsibility to produce sustainable, safe and quality food. 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. In this sense, JBS announced the Net Zero commitment for 2040, so that a chain of the Company's cattle suppliers, including its suppliers' suppliers, is free from illegal deforestation in the Amazon Biome. The same should happen in the other biomes in
F6.2a

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

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>Point to which commodity is traceable</th>
<th>% of total production/consumption volume traceable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Forest management unit</td>
<td>100</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Fattening farm</td>
<td>100</td>
</tr>
<tr>
<td>Soy</td>
<td>Municipality or equivalent</td>
<td>100</td>
</tr>
</tbody>
</table>
F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Third-party certification scheme adopted?</th>
<th>% of total production and/or consumption volume certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Yes</td>
<td>100</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes</td>
<td>100</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes</td>
<td>100</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

**Forest risk commodity**

**Timber products**

**Third-party certification scheme**

FSC Chain of Custody

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

100

**Form of commodity**

Secondary packaging

**Volume of production/consumption certified**

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**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)

**Chain-of-custody model used**

Certificate trading

**% of total production/consumption volume certified**

100

**Form of commodity**

Hides/leather

**Volume of production/consumption certified**

**Metric for volume**

Other, please specify (hides/leather)

**Is this certified by more than one scheme?**

No

**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)

Chain-of-custody model used
Certificate trading

% of total production/consumption volume certified
100

Form of commodity
Other, please specify (Soy Moratorium)

Volume of production/consumption certified

Metric for volume
Metric tons

Is this certified by more than one scheme?
Please select

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?

<table>
<thead>
<tr>
<th>Commodity</th>
<th>A system to control, monitor or verify compliance</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Yes, we have a system in place, but for other commitments</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes, we have a system in place for our no conversion and/or deforestation commitments</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, we have a system in place, but for other commitments</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

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**

'Currently, JBS' Responsible Raw Material Purchasing Policy already monitors 100% of the Company's beef suppliers on a daily basis according to strict sustainability criteria, with zero tolerance for deforestation, invasion of protected areas such as indigenous lands or environmental conservation units, work analogous to slavery, or use of areas embargoed by Ibama. This analysis is done online and daily, and covers more than 60,000 suppliers farms. The new platform with blockchain technology is an unprecedented initiative that will cross information from the Company's suppliers with animal transit data. The new technology will make it possible to extend the socio-environmental monitoring that is already carried out at the company's suppliers in the Amazon to other links in the production chain. The initiative will use blockchain technology precisely to provide confidentiality and security in accessing information and transparency in the analysis of suppliers.'

**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) 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.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Do you collect data regarding compliance with the Brazilian Forest Code?</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timber products</strong></td>
<td>Yes, from both suppliers and owned/managed land</td>
<td>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 risk are automatically evaluated by software, being released or disproved, and by means of a data protection system.</td>
</tr>
<tr>
<td><strong>Palm oil</strong></td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td><strong>Cattle products</strong></td>
<td>Yes, from both suppliers and owned/managed land</td>
<td>Prodes Amazônia data is available in two publications: 1) estimate 2) consolidated. The publication of the estimate takes place at the end of the current year (example: the 2019 Prodes estimate was published on 11/2019). In turn, the consolidated data is published in the first half of the following year (example: the 2018 consolidated Prodes was published in June 2019). Prodes does not differentiate between legal or illegal deforestation. Prodes may also contain errors in the deforestation analysis by flagging deforestation polygons based on rocky outcrops, dry riverbeds or pasture management. For these reasons, issuing clearance for farms that have been blocked for overlaps with Prodes can be reevaluated in multitemporal analysis, if the polygon has been overlapped. There are also situations in which the area flagged by Prodes is identified as having been anthropized before 2008. In the multitemporal analysis, the deforestation analysis must be done in the georeferencing system, comparing the farm maps and satellite images with dates from previous and subsequent years (when available) of Prodes detection. This service can be rendered by the company itself or by a specialized third party company (in which case the Technical Responsibility Note - ART) is mandatory. If deforestation has not been detected, a false-positive is then supposed, which means that the polygon was generated with an error and the purchase may be considered 'compliant'. If the deforestation be confirmed, the property should be considered &quot;non-compliant&quot; until the appropriate documents have been submitted to unblock it.</td>
</tr>
<tr>
<td><strong>Soy</strong></td>
<td>Yes, from suppliers</td>
<td>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. 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 disproved if negative reputational aspects are identified.</td>
</tr>
<tr>
<td><strong>Other - Rubber</strong></td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td><strong>Other - Cocoa</strong></td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td><strong>Other - Coffee</strong></td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>
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 proprieties 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**

% 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 Regulation 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**

% of owned and/or managed properties with no 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).

<table>
<thead>
<tr>
<th>Forest risk commodity</th>
<th>KPIs</th>
<th>Performance against indicators</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Other, please specify (Forest Stewardship Council – FSC)</td>
<td>100%</td>
<td>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.</td>
</tr>
<tr>
<td>Cattle products</td>
<td>% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Soy</td>
<td>Other, please specify (Soy Moratorium)</td>
<td>100%</td>
<td>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.</td>
</tr>
</tbody>
</table>

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.

Rural Environmental Registry – CAR is a national electronic public registry, mandatory for all rural properties, with the purpose of integrating environmental information of rural properties and possessions related to Permanent Preservation Areas - APP, of restricted use, of Legal Reserve, of remnants of forests and other forms of native vegetation, and of consolidated areas, composing a database for control, monitoring, environmental and economic planning and combating deforestation. Registration in the CAR is the first step to obtain the environmental regularity of the property, and includes: data on the owner, rural owner or person directly responsible for the rural property; data on documents proving ownership and/or possession; and georeferenced information on the perimeter of the property, areas of social interest and areas of public utility; with information on the location of remnants of native vegetation, Permanent Preservation Areas, Restricted Use areas, consolidated areas and Legal Reserves.

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.

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.

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) 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.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Assessed legal compliance with forest regulations</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>Yes, from both suppliers and owned/managed land</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes, from both suppliers and owned/managed land</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, from suppliers</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(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**

The Compliance department area has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, an 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. Since 2017, JBS has improved 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. 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**

The Monitoring Protocol for Cattle Suppliers in the Amazon is part of a comprehensive Monitoring, Reporting and Verification (MRV) system. Together, the Audit Protocol to the Monitoring of Cattle Suppliers in the Amazon and an Audit Report Template will be published so the signatories can be audited. The Monitoring Protocol is structured with basis on 11 criteria for compliance with the TACs, five of which are monitorable by geospatial analysis, two by analysis of official public lists of government agencies, three through documentary analysis of CAR/LAR/GTA records and one by analyzing the productivity of the supplier farm. The new platform, Pecuária Transparente, with blockchain technology is an unprecedented initiative that will cross information from the Company’s suppliers with animal transit data. The new technology will make it possible to extend the socio-environmental monitoring in the Amazon to other links in the production chain. The initiative will use blockchain technology precisely to provide confidentiality and security in accessing information and transparency in the analysis of suppliers. The work will be audited and its results reported in the annual and sustainability report. The Company will carry out engagement campaigns with suppliers and entities so that by the end of 2025, its suppliers’ suppliers are on the Platform.

**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. 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:

**Soy**

**Procedure to ensure legal compliance**

The Compliance department area has a Global Director, responsible for the implementation and supervision of initiatives in all regions of JBS. To that end, an 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. Since 2017, JBS has improved 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. Third parties that carry out any type of transaction with JBS, such as customers and suppliers, must follow this Code.
F6.7

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

<table>
<thead>
<tr>
<th>Are you working with smallholders?</th>
<th>Type of smallholder engagement approach</th>
<th>Supplier engagement approach</th>
<th>Smallholder engagement approach</th>
<th>Number of smallholders engaged</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber products</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>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.</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes, working with smallholders</td>
<td>Supply chain mapping</td>
<td>Capacity building</td>
<td>Other</td>
<td>2BS Biodiesel supports the Selo Combustível Social program (developed by the Brazilian Federal Government) aiming to offer a production purchase guarantee to small farmers 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 and contributed to allow the community to continue living in their original place, developing new jobs and income to local economy. Participants in fair and events: Since 2012, 2BS has developed and implemented the Giro do Bico: 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. 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 project “Conexão Gestão”, which helped cattle raisers to improve their management skills in the day-to-day on the farm, has evolved to “Fazenda Nota 10 - FN10”. Now, all the support offered by Fribio and Inttegra will take place online, which should expand the reach of the initiative to 500 partner ranchers. Participants will be accompanied by Inttegra consultants in monthly results meetings and will take part in the FN10 quarterly exchange of experiences and benchmarking forum. On the agenda, topics such as goals, strategic planning, comparison of results, success models, training and people management will be discussed. JBS has launched the JBS Escontorios Verdes. The project is prepared to receive any rancher interested in regularizing their farm’s environmental liabilities. Our teams are connected to a network of consultants specialized in environmental issues that will help producers in practical activities, such as registering the property in the Rural Environmental Registry (CAR), restoration plans to meet the Environmental Regularization Program (PRA), in addition to supporting processes for the regularization of areas with illegal deforestation or environmental embargoes by IBAMA or State Environmental Secretariats. All this technical support will be free to our suppliers.</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, working with smallholders</td>
<td>Supply chain mapping</td>
<td>Capacity building</td>
<td>Other</td>
<td>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 to 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 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. So on, JBS seeks to produce animal feed with a better nutritional balance so that the producer can gain efficiency with less soy, decreasing the commodity risks for the company. JBS Biodiesel has been supporting the Selo Combustível Social program (developed by the Brazilian Federal Government) for 9 years, aiming to offer a production purchase guarantee to small farmers by biodiesel companies. In this sense, JBS offers free assistance to small producers through a technical team comprised 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.</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Timber products</td>
<td>Are you working with direct suppliers?</td>
<td>Type of direct supplier engagement approach</td>
<td>Direct supplier engagement approach</td>
<td>% of suppliers engaged</td>
<td>Please explain</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------------------</td>
<td>-------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Yes, working with direct suppliers</td>
<td>Supply chain mapping Capacity building</td>
<td>Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Organizing capacity building events Investing in pilot projects</td>
<td>91-99%</td>
<td></td>
<td>Encouraging certification: in establishing the purchase criteria of certified suppliers, JBS encourages the market to obtain certifications. &gt; Supplier questionnaires on environmental and social indicators: JBS has 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. &gt; Workshops and webinars: 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. &gt; 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.</td>
</tr>
<tr>
<td>Palm oil</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Cattle products</td>
<td>Yes, working with direct suppliers</td>
<td>Supply chain mapping Capacity building Financial and commercial incentives</td>
<td>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</td>
<td>100%</td>
<td>JBS develops several actions to contribute to the enhancement of management processes and the development of good social-environmental practices in its value chain, which also results in quality gains for the raw material offered to the Company. Seen suppliers as business partners, programs are developed as a way to add value and knowledge to its supply chain. Some of them are described below: - Escolhendo Verdão: It is a service center for ranchers who have environmental liabilities on their property and wish to become regularized to be able to supply animals to other farms and / or slaughterhouses. Our teams are connected to a network of consultants specialized in environmental issues that will help producers in practical activities, such as registering the property in the Rural Environmental Registry (CAR), reforestation plans to meet the Environmental Regularization Program (PRA), in addition to supporting processes for the regularization of areas with illegal deforestation or environmental</td>
</tr>
<tr>
<td>Soy</td>
<td>Yes, working with direct suppliers</td>
<td>Supply chain mapping Capacity building</td>
<td>Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Organizing capacity building events Investing in pilot projects</td>
<td>100%</td>
<td>JBS produces and distributes animal feed to its integrated poultry and pork producers. Social-environmental criteria are also met throughout the production process. This way, Seara acquires soy meal from companies that adhere to the Amazon Biome Soy Moratorium, meeting the criteria determined by its Policy on Responsible Purchase of Raw Materials. In Brazil, Seara has a group with more than 400 external Team Members and veterinarians, responsible for technical and health visits before and during any purchase or certification of supplier. The JBS teams perform the due field checks on specifications on contract and require environmental license from suppliers. This way, management and handling are tracked by the Company, in order to guarantee that the best practices are adopted. As a form of recognition for the dedication and excellence, the suppliers with outstanding performance are acknowledged periodically.</td>
</tr>
<tr>
<td>Other - Rubber</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other - Cocoa</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other - Coffee</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

(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
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**
- Tropical Forest Alliance 2020 (TFA)
- 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**
<Not Applicable>

**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) and the Working Group for Sustainable Livestock (Grupo de Trabalho da Pecuária Sustentável - GTPS) 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 and of the global organization Tropical Forest Alliance, 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 Imafloira 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.

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**Forest risk commodity**
Cattle products

**Do you participate in activities/initiatives?**
Yes

**Activities**
Engaging with policymakers or governments

**Initiatives**
<Not Applicable>

**Jurisdictional approaches**
<Not Applicable>

**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.

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**Forest risk commodity**
Cattle products

**Do you participate in activities/initiatives?**
Yes

**Activities**
Engaging with non-governmental organizations

**Initiatives**
<Not Applicable>

**Jurisdictional approaches**
<Not Applicable>

**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**

<table>
<thead>
<tr>
<th>Soy</th>
</tr>
</thead>
</table>

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with policymakers or governments

**Initiatives**

<Not Applicable>

**Jurisdictional approaches**

<Not Applicable>

**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 benefitted more than 4,600 small grain producers through the acquisition of soybean sacks.'

**Forest risk commodity**

<table>
<thead>
<tr>
<th>Cattle products</th>
</tr>
</thead>
</table>

**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**

<Not Applicable>

**Please explain**

In 2017, JBS participated in the elaboration of the Sustainable Livestock Indicators Guide (GIPS), developed by the Brazilian Roundtable on Sustainable Livestock (GTPS). 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.
Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection? Yes

Project reference
Project 1

Project type
Agroforestry

Primary motivation
Voluntary

Description of project
The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies).

initiatives chosen by the JBS Fund for the Amazon will take on an extensive range of activities within the biome. The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açai chains will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The free flow of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açai, cocoa, manioc, nuts, fruits and fish. Agroforestry - The project will have five years to set up, on 1,500 smallholdings, agroforestry systems that integrate livestock farming, agriculture and forestry. The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund.

Start year
2020

Target year
Indefinitely

Project area to date (Hectares)

Country/Area
Brazil

Latitude

Longitude

Monitoring frequency
Six-monthly or more frequently

Measured outcomes to date
Biodiversity
Carbon sequestration
Soil
Water
Climate regulation

Please explain
The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund. The projects that will receive the resources will develop the forest bioeconomy, helping to add value to its natural products and also contributing to environmental conservation and socioeconomic development. One of our focal points was to support projects that recognize the value of those at the base of the forest chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.

Project reference
Project 2

Project type
Other, please specify (Bioeconomy)

Primary motivation
Voluntary

Description of project
The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies).

initiatives chosen by the JBS Fund for the Amazon will take on an extensive range of activities within the biome. The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açai chains
will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The freeing up of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açai, cocoa, manioc, nuts, fruits and fish. Bioeconomy - the açai production chain in the region will be strengthened, and in three years this should result in higher incomes for 240 local families, as well as consolidating an inclusive bioeconomy model that can be adopted in other chains. Included is the construction of a dedicated plant to produce pulp; the expansion of the higher value-added product portfolio; the drafting of a plans to lyophilize the fruit, which reduces the costs in the logistics chain; in addition to building of new schools and vocational training for young people and women to engage in the activity.

| Start year | 2020 |
| Target year | Indefinitely |

**Project area to date (Hectares)**

**Project area in the target year (Hectares)**

**Country/Area**

Brazil

**Latitude**

**Longitude**

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

Carbon sequestration

Soil

Water

Climate regulation

Financial

**Please explain**

The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund. The projects that will receive the resources will develop the forest bioeconomy, helping to add value to its natural products and also contributing to environmental conservation and socioeconomic development. One of our focal points was to support projects that recognize the value of those at the base of the forest chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.

**Project reference**

Project 3

**Project type**

Other, please specify (Sustainable fishing)

**Primary motivation**

Voluntary

**Description of project**

The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies). Initiatives chosen by the JBS Fund for the Amazon will take on an extensive range of activities within the biome. The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açai chains will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The freeing up of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açai, cocoa, manioc, nuts, fruits and fish. Fair and Sustainable Fishing Project - This project will strengthen the pirarucu chain through the purchase of a vessel to process the fish caught, and a feasibility study for the construction of a processing industry. Also included are training and technical consultancy for the communities, with the aim of opening new markets for the fishery associations in the middle region of the Jurua river (AM).

| Start year | 2020 |
| Target year | Indefinitely |

**Project area to date (Hectares)**

**Project area in the target year (Hectares)**

**Country/Area**

Brazil

**Latitude**

**Longitude**

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

Water

Other, please specify (Bioeconomy)
Project reference
Project 4

Project type
Other, please specify (Accelerator & Impact Investments)

Primary motivation
Voluntary

Description of project
The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies). Initiatives chosen by the JBS Fund for the Amazon will take on an extensive range of activities within the biome. The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açaí chains will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The free up of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açaí, cocoa, manioc, nuts, fruits and fish. Accelerator & Impact Investments - the first Amazon accelerator for business focused on socioenvironmental impact of forest-based businesses. This project will promote the acceleration of startups in five years, which will be supported by a fund with philanthropic resources and private investments, as well as training and mentoring in the businesses. This project encourages the strengthening of this entrepreneurial ambience of the biodiversity chain, important for preserving the forest.

Start year
2020

Target year
Indefinitely

Project area to date (Hectares)

Project area in the target year (Hectares)

Country/Area
Brazil

Latitude

Longitude

Monitoring frequency
Six-monthly or more frequently

Measured outcomes to date
Biodiversity
Carbon sequestration
Soil
Water
Climate regulation
Financial

Please explain
The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund. The projects that will receive the resources will develop the forest bioeconomy, helping to add value to its natural products and also contributing to environmental conservation and socioeconomic development. One of our focal points was to support projects that recognize the value of those at the base of the forest chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.

Project reference
Project 5

Project type
Other, please specify (Leveraging credit for the forest chains)

Primary motivation
Voluntary

Description of project
The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies). Initiatives chosen by the JBS Fund for the Amazon will take on an extensive range of activities within the biome. The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açaí chains will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The free up of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açaí, cocoa, manioc, nuts, fruits and fish. Leveraging credit for the forest chains - it will try out a work methodology which, over two years, will help to free up credit for smallholders in the value chains of nuts, açaí, fish, wood, oils and resins. Local activators will be hired and trained to assist the access of smallholders to credit on easy terms and conditions. Cooperatives will also receive consultancy in order to qualify for financing on easy terms and conditions.

CDP
The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund. The projects that will receive the resources will develop the forest bioeconomy, helping to add value to its natural products and also contributing to environmental conservation and socioeconomic development. One of our focal points was to support projects that recognize the value of those at the base of the forest chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.

**Please explain**

The project adheres to a tried, tested and approved sustainable development model, and will scale up the entire restructuring of the chain commencing with the new phase supported by the Fund. The projects that will receive the resources will develop the forest bioeconomy, helping to add value to its natural products and also contributing to environmental conservation and socioeconomic development. One of our focal points was to support projects that recognize the value of those at the base of the forest chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.

**Project reference**

Project 6

**Project type**

Other, please specify (Technical partnership)

**Primary motivation**

Voluntary

**Description of project**

The JBS Fund for the Amazon is an association dedicated to promoting and financing initiatives and projects whose aim is the sustainable development of the Amazon Biome. The institution is open to contributions and partnerships with associations from the private sector, the third sector and multistakeholder groups. JBS has committed to make a matching contribution to each donation until R$ 500 million is reached. The target is to raise the resources of the Fund to R$ 1 billion by 2030. Any institution or company can submit projects to request financing, provided they have a current corporate taxpayer number (CNPJ) (or equivalent in the case of international companies).

The implementation of agroforestry systems, which transform crop and livestock farming locations into areas that absorb carbon, will be implemented by adopting regenerative farming practices. The pirarucu and açaí chains will be strengthened by investments in certifying production, adding value to processing and management training for the community businesses. The bioeconomy startups will receive investments and mentoring. The freeing up of credit for small farmers will be facilitated so they can receive technical assistance and access to financing that will enable their business to prosper by increasing production without knocking down the forest. Also included is joint development with Embrapa of research and technologies to enhance the value of forest products such as açaí, cocoa, manioc, nuts, fruits and fish. Technical partnership - the initiative will develop research and technologies to enhance the value of forest products, including innovations in plant-based food, raw materials and inputs made from plant nanofibers. Also included are programs for reducing emissions in the field by integrating crops, livestock farming and the forest, in addition to developing renewable technologies.
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. The 2020 audits results will be released in October 2021.

**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**

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**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. The 2020 audits results will be released in October 2021.

**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”.

chain, such as extractivist workers, indigenous people and other traditional communities that manage community business.
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. The 2020 audits results will be released in October 2021.

**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. The 2020 audits results will be released in October 2021.

**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. The 2020 audits results will be released in October 2021.

**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. The 2020 audits results will be released in October 2021.

**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. The 2020 audits results will be released in October 2021.

**F8. Barriers and challenges**

**F8.1**