São Paulo – Brazil 2019, July 10th

To: Centro de Informação sobre Empresas e Direitos Humanos

Re: Indigenous lands and deforestation in the Amazon

Dear,

In reference to the request of the Center for Information on Business and Human Rights, Marfrig Global Foods brings the necessary clarifications.

Marfrig has maintained, since 2009, a public commitment to “**Zero Deforestation**” in the Amazon biome. As part of this undertaking, it established strategic and operational guidelines that are transformed into concreate action plans to strengthen control of its cattle sourcing and to mitigate any risks of sourcing cattle from critical zones associated with deforestation and improper and illegal work conditions.

Marfrig also maintains a rigorous animal sourcing policy and a protocol of criteria and procedures that are prerequisites for approving suppliers. To ensure compliance with all sourcing requirements envisaged in the policy and protocol, Marfrig has created and maintains a supplier **Monitoring Platform**.

The platform adopts a satellite geomonitoring and georeferencing system to monitor the production processes and social and environmental practices of all Marfrig suppliers, which must rigorously comply with the criteria and good practices established in the policy. Developed by the company Geoflorestas, the tool monitors all farms that supply animals to Marfrig’s processing plants. The system crosschecks the georeferenced data and farm documents with official public information to identify potential nonconformities, which helps to prevent the purchase of cattle from

producers that raise cattle on deforested or banned areas, conservation units or indigenous land or that use slave labor, in accordance with the sourcing protocol. **The criteria adopted by the protocol are:**

- Deforestation: spatial criterion of the Project for Monitoring Deforestation in the Legal Amazon (Prodes), disclosed annually by the Brazilian Space Research Institute (Inpe), which monitors deforestation of the Legal Amazon via satellite;

- Banned areas: list updated daily with the areas banned by the Brazilian Institute of the Environment and Renewable Resources (Ibama) due to illegal activities;

- Conservation units: spatial criterion provided periodically by the Ministry of the Environment jointly with the Chico Mendes Institute for Biodiversity Conservation (ICMBio), which indicates the exact location and boundaries of the conservation units;

- Indigenous lands: spatial criterion provided periodically by the National Foundation for Indigenous Peoples (Funai), which indicates the exact location and boundaries of indigenous lands protected by law;

- Slave labor: "Employer Registry” based on the blacklist of companies engaged in slave labor practices, published by the Ministry of Labor and Employment.

Also, as part of the effort to combat slave labor in the Livestock supply chain, Marfrig has since 2005 applied the criterion of not purchasing animals from any supplier in this situation. This stance and engagement in combating these practices has been increasingly reiterated, and in 2014, soon after the pact for the eradication of slave labor became an Institute (InPacto), Marfrig reaffirmed the commitment and this was highlighted again in 2018 as a way of generating greater awareness and adherence on the part of companies and producers in the adoption of these practices in their negotiations. Specifically on the subject of combating slave-like work, monitoring is carried out in all our units throughout Brazil.

It is also important to emphasize the work of geospatial monitoring in relation to the overlapping of farms with Indigenous Lands, in which geospatial monitoring work informs which properties are (or will be) superimposed on Indigenous Lands areas. Thus, these properties are classified as blocked for the supply of animals to Marfrig, preserving indigenous communities and full use of these lands by these populations.

When noncompliance is identified in any of the criteria, the farm is prohibited from supplying cattle to Marfrig until it substantiates full compliance. From the moment a farm is registered by Marfrig and begins to be monitored, it is subject to the requirements and sanctions determined in the policy. All Brazilian biomes are covered by the platform, with geospatial deforestation monitoring implemented in the Amazon biome.

The monitoring platform in the Amazon Biome also includes an independent audit conducted by DNV ensuring that the monitoring platform is functioning effectively in preventing the acquisition of illegitimate cattle in the region. For the sixth consecutive year, the audit report shows that not a single purchase was identified that did not fulfil all aspects of the 2009 public commitment.

To complement its mechanisms for ensuring sustainable cattle raising, Marfrig has participated in the **Working Group for Sustainable Cattle Raising (GTPS)** since its creation. In this forum, the company participates in discussions and the development of initiatives to create a responsible beef supply chain that incorporates criteria related to respect for humans, animals and the environment. Marfrig also is part of the **Working Group for Indirect Suppliers (GTFI)**, which includes the main players involved (producers, processors, retailers and civil society) and engages the entire cattle production chain from a sustainable perspective, with a special focus on the so-called indirect suppliers.

A pioneer in this area, Marfrig, since 2012, voluntary requests from its suppliers, through the Request for Information (RFI) tool, the names of the producers and farms from which they may have acquired animals (in the case of farms involved in incomplete production cycles) to foster transparency and further strengthen data on the origin of the animals supplied to Marfrig.

Another initiative is the Marfrig Club program, whose guiding principle is to strengthen relations with suppliers by encouraging the adoption of good agricultural practices on suppliers’ farms. The program is based on three pillars (Animal Respect, Social Respect and Environmental Respect) and, alongside other Marfrig initiatives, constitutes a powerful tool that provides information on the production, nourishment, management and origin of the animals processed at our units. In 2018, over 80% of the animals processed in Brazil came from Marfrig Club properties.

In this sense, it established in 2018 an unique partnership with EMBRAPA - Brazilian Agricultural Research Company, the most important research and innovation entity in this area in Brazil, for the development and application of a protocol of production of Carbon Neutral beef and Low Carbon beef. This protocol establishes the procedures for production in which livestock - crop and livestock - forest are integrated.

Marfrig also maintains a solid animal welfare platform, in which it ensures a humane practice throughout the process, from transportation to slaughter, mitigating the risks of injury and pain. It also ensures that animals do not go hungry or thirsty.

Marfrig Global Foods recognizes its role in the sustainable development of its activities, is absolutely committed to social and environmental actions and constantly develops technologies to mitigate risks, while permanently engaging suppliers and ensuring transparency before all stakeholders, especially clients.

Marfrig Global Foods welcomes the contact and is available for any additional information.

Regards,

Marfrig Global Foods