

São Paulo, September 15, 2021.

To Earthsight

The Green House – Unite 3.6

244-254 Cambridge Heath Rd

London

E2 9DA

Dear Mr. Rafael Pieroni, Earthsight Latin America Coordinator, on behalf of Minerva Foods and as Director of Sustainability, please find our answers and major actions towards sustainability in the food value chain in response to the email sent on September 9th, 2021.

Minerva Foods is a leading producer of high-quality beef and the #1 exporter of beef from South America. The company operates in the beef and processed foods segments, selling products to over 100 countries. We have significant presence in Brazil, Argentina, Chile, Colombia, Paraguay and Uruguay, operating 25 production facilities and 3 food processing plants.

We understand that the sustainability of our business depends on maintaining the ecosystems that support agricultural production. Our focus is on action now to prevent the worst effects of climate change, while supporting farmers to implement practices that capture and store carbon, protect biodiversity, and increase resilience. Central to this ideal, is our responsibility to the sustainable future of food systems, contributing to a healthy planet and thriving communities. Minerva Foods Commitment to Sustainability is to:

1. Be Carbon Neutral (zero net emissions in scopes 1, 2 and 3) by 2035, 15 years ahead of schedule under the Paris Agreement.
2. Reduce by 30% the greenhouse gas emissions intensity in scopes 1 and 2 by 2030.
3. Maintain our energy matrix carbon neutral (scope 2) – goal achieved in 2020.
*First beef company in Latin America carbon neutral on scope 2^{1,2}
4. Ensure zero illegal deforestation throughout the supply chain (direct and indirect supply farms) in all countries of operation by 2030.

¹ http://ri.minervafoods.com/minerva2012/web/download_arquivos.asp?id_arquivo=5936E3E5-27B4-4DC8-B73B-385432EEFE38

² <https://renewablesnow.com/news/brazils-minerva-foods-buys-i-recs-to-become-100-green-744120/>

5. Maintain geospatial monitoring in all Brazilian territories and expand to 100% of direct suppliers in Paraguay by 2021, Colombia by 2023, Uruguay by 2025, and other South American countries by 2030.
6. Monitor indirect supplier farms in all countries of operation in South America by 2030.
7. Integrate 50% of beef suppliers in our low carbon program by 2030.



As a global leader in the beef industry, we have purposely assumed a pioneering position regarding Sustainability, Corporate Social Responsibility and Corporate Governance, being a signatory of important agreements for supply chain management and human rights in South America, e.g., [Amazon beef moratorium](#)^{3,4}, [Public Prosecutor's Office Agreement](#) for illegal deforestation⁵ and [Brazilian National Pact](#)⁶ for the eradication of slave labor. The Company operates in accordance with the International Finance Corporation Performance Standards which guides and monitors sustainability actions among all supply chain and industrial processes. We are the only Latin American beef company to obtain this investment from the IFC, aiming to continually perform and comply with their sustainability and value generation guidelines for our entire production chain.

Minerva Foods is the only company to monitor 100% of its direct supply farms with georeferenced maps in all biomes in which it operates (Amazon, Cerrado, Pantanal and Atlantic Forest), including all full-cycle farms, from birth to processing. All procurements are preceded by consultations for environmental compliance – under Environmental Ministry embargoed areas list verification⁷, labor compliance – under Labor Ministry forced labor list verification⁸, and land tenure compliance – under verification of the environmental land register (CAR - *Cadastro Ambiental Rural*)⁹.

This means NO illegal deforestation, NO modern slave labor and NO environmental embargoes are verified in Minerva Foods supply chain in all Brazilian regions.

Minerva's purchases come from zero-deforestation areas in the Amazon biome. Overlapping our direct suppliers' map with deforestation polygons, Indigenous Lands and Environmental Protection Areas, the Sustainability department blocks any supplier that is not compliant with any of the criteria, which effectively means that Minerva can't buy any animals coming from these suppliers. The supply chain management system is yearly audited by a third-party company since 2015, and all reports are publicly available on our [website](#).

³ <https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-i.pdf>

⁴ Despite Greenpeace having stepped out of the Moratorium in 2017, Minerva continues monitoring its supply chain ensuring that the same rules are followed as if the Moratorium was still in force.

⁵ <http://www.mpf.mp.br/pa/sala-de-imprensa/noticias-pa/auditorias-confirmam-e-aprimoram-avancos-no-controle-da-origem-da-carne-no-para>

⁶ <http://inpacto.org.br/>

⁷ <https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>

⁸ http://trabalho.gov.br/images/Documentos/SIT/CADASTRO_DE_EMPREGADORES_2019_7_29.pdf

⁹ <http://www.car.gov.br/>

Minerva Foods has the best results on the Public Prosecutor's Office (PPO) audit among major players with 100% of compliance in 2017¹⁰, 99.7% of compliance in 2018^{11,12} (table 1), and 100% of compliance in 2019 (audit results to be publicly disclosed by PPO on October 7th, 2021). *Please check the footnotes to access the PPO website and public audit results.

The Public Prosecutor's Office audit is the only official 3rd party verifiable audit publicly disclosed by Brazilian authority. All audited and reported data is supervised by the PPO and Brazilian Government provides all the databases (land register, cattle transit documents GTA, deforestation data, indigenous land maps and protection areas maps). All data is verified through strict 3rd party verifiable audit processes that makes the PPO audit the only publicly disclosed reliable and transparent process, the audit process that mostly represents the commitment of the meatpackers.

Brazilian NGO Amigos da Terra (Friends of the Earth) recently published a [study crossing results from the PPO audit](#)¹³, as seen in table 1. Minerva's results represent our commitment to tackling deforestation and climate change.

Table 1. Study regarding the Public Prosecutor Office audit in the Amazon done by Brazilian NGO Amigos da Terra (Friends of the Earth).

TAC results in the 2017 and 2018 audits

| | 2017 | | | | 2018 | | | | | |
|---------------|-------------------|------------------|-----------------|-----------------|-------------|-------------------|------------------|-----------------|-----------------|-------------|
| | # cattle acquired | # cattle audited | # non compliant | % non compliant | | # cattle acquired | # cattle audited | # non compliant | % non compliant | |
| | Number of animals | Audited | Irreg. | % Irreg. | Geo Company | Number of animals | Audited | Irreg. | % Irreg. | Geo Company |
| JBS (4) | 610,269 | 610,269 | 118,459 | 19.1% | ● | 541,454 | 301,207 | 24,907 | 8.3% | ● |
| Mercúrio (3) | 381,772 | 381,772 | 1,328 | 0.3% | ● | 538,226 | 505,416 | 1,128 | 0.2% | ● |
| Minerva | 181,008 | 181,008 | — | 0% | ● | 304,361 | 297,000 | 776 | 0.3% | ● |
| Marfri-norte | 164,280 | 164,280 | 518 | 0.3% | ● | 177,318 | 155,693 | 0 | 0.0% | ● |
| Xinguará | 163,573 | 163,573 | — | 0% | ● | 177,070 | 152,064 | 85 | 0.1% | ● |
| Frigol | 160,791 | 160,791 | 27,969 | 17.4% | ● | 271,591 | 271,591 | 50,830 | 18.7% | ● |
| Master-boi | 127,837 | 127,837 | 39,684 | 31% | ● | 147,885 | 147,885 | 5,508 | 3.7% | ● |
| Rio Maria | 123,864 | 123,864 | — | 0% | ● | 127,760 | 93,571 | 19 | 0.0% | ● |
| Agro-export | 96,614 | 96,614 | — | 0% | ● | 93,490 | 88,369 | — | 0.0% | ● |
| Forte-frigo | 74,056 | 74,056 | 6,222 | 8.4% | ● | 122,370 | 122,370 | 18,687 | 15.3% | ● |
| Totals | 2,084.064 | 2,084.064 | 194,180 | 9.3% | | 2,501.525 | 2,135.166 | 101,940 | 4.7% | |

Geo Company: Agrotools ● Niceplanet ●
 Source: Data collected from surveys of audits by the Amigos da Terra - Amazônia Brasileira Technical Team (2019).

¹⁰http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2018/detalhes_principais_resultados_auditorias_tac_pecuaria_pa
¹¹http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf
¹²http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/apresentacao_resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf
¹³<http://amigosdaterra.org.br/wp-content/uploads/2020/08/ADT-tac-compromisso-EN.pdf>

Indirect Supply Farms

The efforts of Minerva Foods in collaboration with civil society organizations, academic institutions and private initiative are based on concrete actions that are applicable today, establishing Minerva Foods as a leader in the fight against illegal deforestation in indirect cattle suppliers in the Brazilian Amazon region. In partnership with Amigos da Terra, the National Wildlife Federation and the University of Wisconsin-Madison in the United States, the Company has publicly released the results of the indirect supply farms monitoring carried out in trials with Visipec tool at industrial facilities located in the States of Mato Grosso and Rondônia and for the live cattle export operations in the State of Pará.

Visipec is a traceability tool developed by the University of Wisconsin-Madison in partnership with the National Wildlife Federation. It performs a risk assessment by cross-referencing public databases and linking the direct and indirect supply farms, thereby significantly improving the decision-making process at Minerva Foods. The indirect cattle suppliers were evaluated according to the criteria for best practices established by the Working Group for Indirect Suppliers (GTFI – Grupo de Trabalho de Fornecedores Indiretos), a multistakeholder initiative in which Minerva Foods is a participant. For more information, please visit <https://www.visipec.com> and <https://gtfi.org.br/>.

The results are motivating and reinforce the pioneering spirit of Minerva Foods in Sustainability.

99.8% of direct cattle supply farms to processing plants in Mato Grosso and Rondônia are in compliance with the best practices established by the GTFI and, therefore, in compliance with deforestation monitoring for tier 1 indirect cattle supply farms of Minerva Foods. 7,725 indirect cattle suppliers were verified for 2,995 direct suppliers, resulting in a ratio of 2.5 indirect suppliers for each direct supplier. *For further information, view the Visipec & Minerva Foods results and timeline in annex I.

Minerva Foods has become the first and only company in the sector to integrate the risk analysis tool into its monitoring system, thanks to its innovative trials with Visipec. The company has achieved the goal of system integration for the monitoring of indirect cattle suppliers four months earlier than expected, from the initial target date of December 2021, the deadline stated in Minerva's public commitment, to August of this year. This is a testament to our commitment to climate change and ecosystem protection.

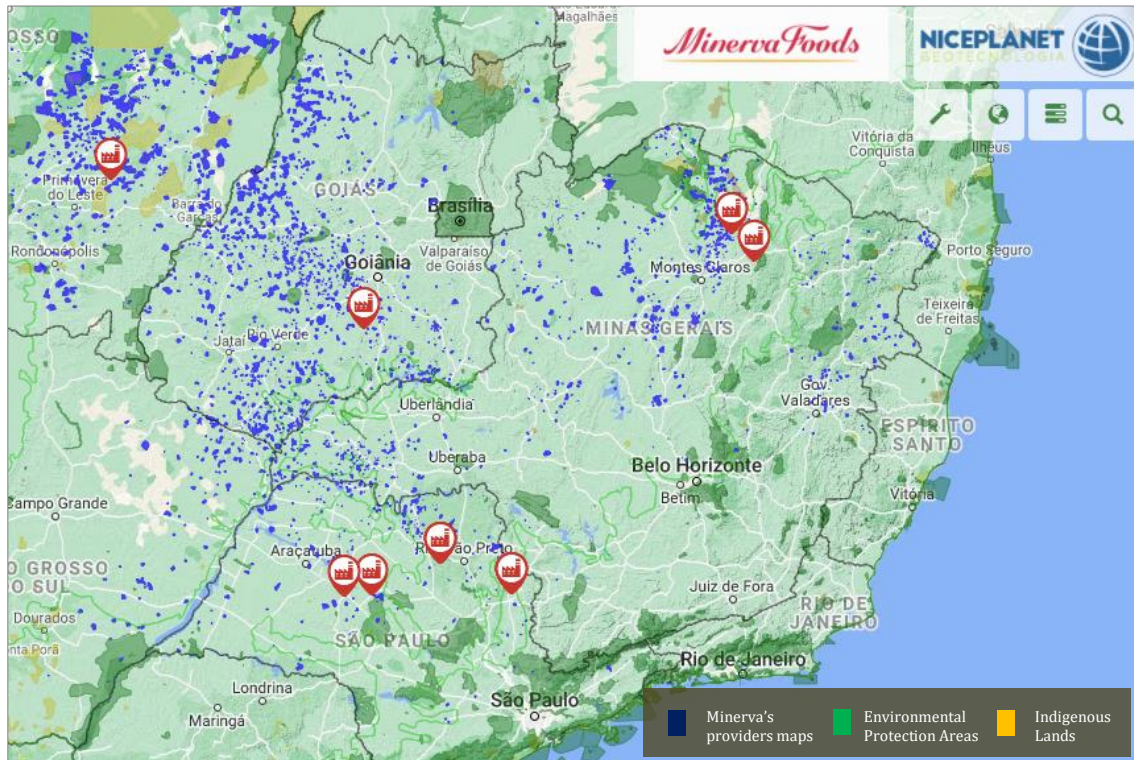
As of August 2021, the Visipec tool has been fully integrated into the geospatial monitoring system to support the risk analysis of indirect supply farms in the Amazon. It is apt and valid for use in all states of the Brazilian Amazon based on the availability of public information for Visipec's technical feasibility.

Supply Chain Management in Cerrado, Pantanal and Atlantic Forest

Minerva is the only company to monitor 100% of its direct supply farms with georeferenced maps in all biomes in which it operates (Amazon, Cerrado, Pantanal and Atlantic Forest), including all full-cycle farms, from birth to processing, checking overlap on indigenous lands and overlap on environmental protection areas, in addition to Environmental Ministry embargoed areas list verification¹⁴

¹⁴<https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>

and Labor Ministry forced labor list verification¹⁵. More than 2,600 ranches are registered on the geospatial monitoring system comprising an area of over 2,2 million hectares geographically monitored.



Supply Chain Management in Paraguay

Minerva Foods, through its subsidiary Athena Foods, is pioneering geospatial monitoring in Paraguay. Geospatial monitoring via satellite images is carried out on the properties of suppliers that are located in all regions of the country to detect the existence of illegal deforestation, overlaps with indigenous lands and environmental protection areas. Suppliers in conflict with any of the requirements adopted by the Company are inserted in a blocking list, rendering them ineligible for commercialization until the situation is corrected. The monitoring system contains more than 1,200 cattle ranches which have been monitored with the established criteria, accounting for more than 3 million hectares geographically monitored.

EarthSight's request

Questions:

1. Which Minerva slaughterhouses export to the United States? What products are exported from each slaughterhouse?

Only U.S.A. certified exporting facilities can export to the United States market. Minerva Foods facilities located in Brazil approved for US market are Federal Inspection Service (SIF) SIF-1940 Araguaína, SIF-421 Barretos, SIF-2471 Janaúba, SIF-431 Palmeiras de Goiás and SIF-2500 Paranatinga.

¹⁵http://trabalho.gov.br/images/Documentos/SIT/CADASTRO_DE_EMPREGADORES_2019_7_29.pdf

Minerva Foods

Products exported are frozen and chilled beef cuts, E.g., topside, flat and eye round, cube roll, flank steak, knuckle, tenderloin, striploin, brisket, and ground beef (85, 90, 95 CL).

2. Does Minerva export beef products to the US from cattle slaughtered in slaughterhouses other than the ones from which the exports originate? If so, can you please specify which slaughterhouses supply beef to your exporting facilities?

Minerva Foods only exports beef products from US approved certified industrial facilities, as mentioned. No 3rd party slaughterhouse is under Minerva Foods production.

3. How does Minerva ensure that beef products exported to the US are being processed at licensed facilities only?

US Food Safety and Inspection Service of USDA and Brazilian Agriculture Ministry publicly disclose the list of industrial facilities approved to export to the US market. The United States only receives products from Federal Inspection Service approved facilities.

Brazilian Federal Inspection Service (SIF) is permanently stationed at export certified facilities, managing each and every load for the US market, issuing the appropriate Sanitary International Certificate for the importing market, which sanitary support all products contained on each exporting load.

Previous to the production, all cattle are also under the supervision of Federal Inspection Service to guarantee the farm origin and all production flow, from slaughter to packaging.

Minerva Foods state of the art geospatial monitoring tool monitors every single procurement, in all Brazilian regions, pixel by pixel, to assure full compliance with sustainability criteria.

4. The Minerva slaughterhouse in Mato Grosso (Paranatinga), licensed to export to the US, is located in an Amazon state known for high levels of illegal deforestation, land grabbing and land conflicts with indigenous peoples. Minerva's facility in Tocantins (Araguaína) is also licensed to export to the US and located on the border of the Amazon and Cerrado biomes. How does Minerva ensure the beef products it exports to the US from this facility are not linked to such practices? How can Minerva be certain that these beef products are not tainted by illegalities considering the known difficulties in tracing cattle back to indirect suppliers?

Minerva Foods has the best results among major players monitoring direct suppliers in the Amazon region according to the Public Prosecutor's Office audit, the only official 3rd party verifiable audit publicly disclosed by Brazilian authority. Please see further information above in this letter.

Minerva Foods is the only Brazilian meatpacker addressing material actions towards indirect supply farms with the integration of the Visipec risk assessment tool. All results are publicly available, in detail, at Minerva's website: <https://www.minervafoods.com/en/sustainability> > dedication to the planet > Reference Files > [Visipec Timeline](#). Please see further information above in this letter and annex I.

It is also important to highlight that Minerva Foods is an export driven Company with 67% of the gross revenue breakdown related to the export market in 2020. We are internationally recognized for providing

premium and quality beef to over 100 countries that demand the highest standards in regard to traceability, food safety, animal welfare and full environmental and labor compliance based on their own mandatory import criteria.

In order to meet the most stringent export requirements of countries such as the United States, it is indispensable that our cattle providers personally invest in genetics and breeding, animal welfare and management, pasture and soil management, and legal compliance of environmental and labor issues. Ranchers that are able to meet these attributes have extremely high standards for the profitability of cattle ranching.

The cattle ranching business demands experience and maturity. There is no room for the immature in the beef business, you are either profitable, or you are forced out of business and must lease your land out to the professionals. Professional ranchers, who have made the personal investments to become providers for the export markets, who do not view wildfires, illegal deforestation or non-compliance with the law as beneficial but rather as detrimental to their livelihoods and the future of their business. **These are the ranchers who make up the list of providers for Minerva Foods.**

5. Minerva has stated in relation to Visipec that "Early tests carried out in three plants in the states of Mato Grosso and Rondônia indicated more than 99% of compliance regarding the criteria defined by the Indirect Supplier Working Group. And we're going further! By the end of 2021, we will have Visipec integrated into the geographic monitoring system for the entire Amazon." Was the Paranatinga slaughterhouse one of the three that participated in the early tests? Are these findings supported by independent auditing? Will Minerva make details of these results publicly available?

All Visipec tests are publicly available, in detail, at Minerva's website: <https://www.minervafoods.com/en/sustainability> > dedication to the planet > Reference Files > [Visipec Timeline](#). Please see further information above in this letter and annex I.

Minerva Foods remains committed to transparency

Learn more about our operation on [Minerva's website](#) and on our [10th Sustainability Report 2020](#), have access to our independent audit reports for Amazon and Chaco regions, Public Prosecutor's Office audit report, GHG inventories, animal welfare program and other relevant information.

Find more details of our financial performance at our Investor Relations website www.minervafoods.com/ri.

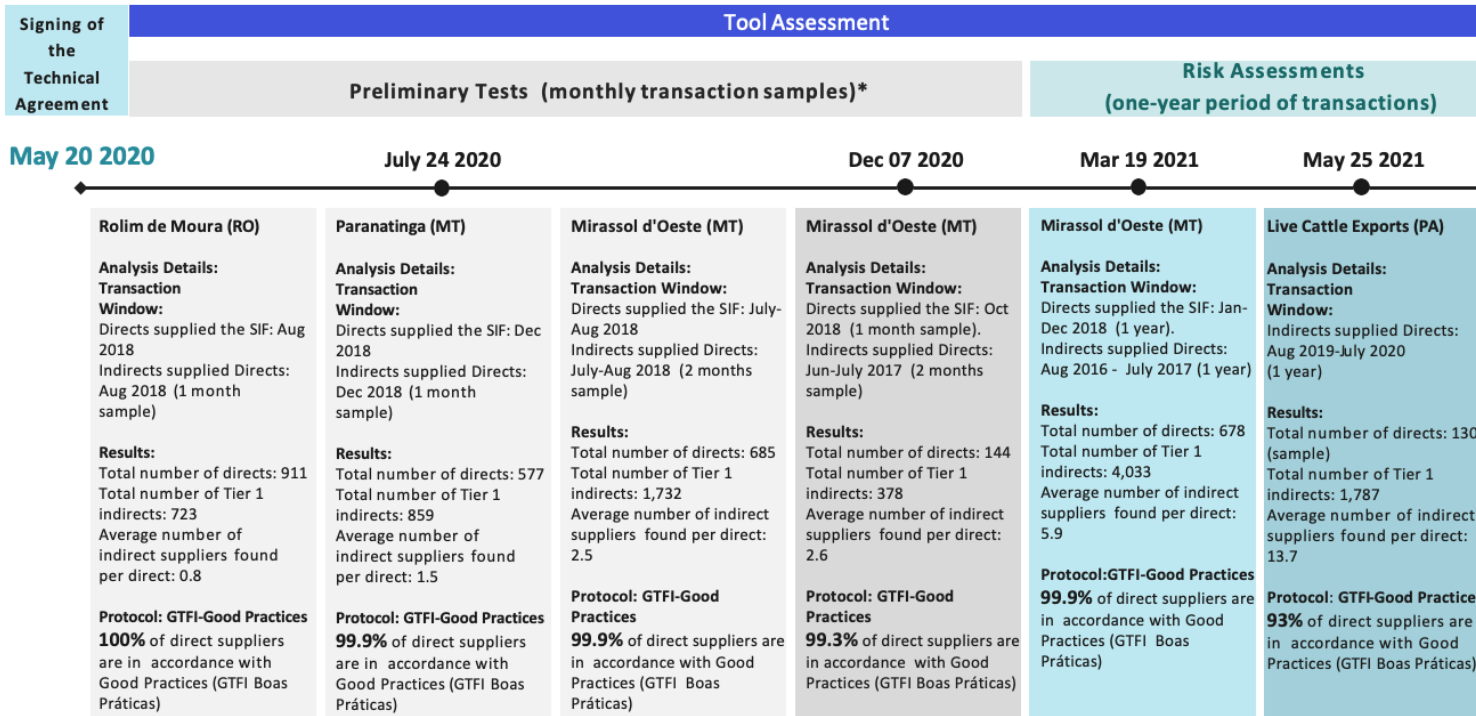
Sincerely,



Taciano Custodio

Director of Sustainability

Pioneerism in indirect risk assessment



* Preliminary tests of the tool, which should not be interpreted as a supply chain assessment



Note: For all tests performed, data is only available at the property level of information, as available in public databases. Visipec is in compliance with all data protection laws.



Opportunities

- Measure and monitor compliance of direct suppliers with the GTFI Good Practices to map the possible risks of the indirect supplier chain.
- Identify patterns of behavior and potential sources of issues in order to support preventive actions.
- Obtain information in order to positively highlight producer sustainable practices and anticipate market demands.
- Support greater security and transparency for the Brazilian cattle supply chain.
- Improve the traceability and monitoring of deforestation in the Amazon.

Learn more:

Good Practices and GTFI: gtfi.org.br

Visipec: <http://www.visipec.com/>

Visipec FAQ: [Frequently Asked Questions](#) (EN); [Perguntas Frequentes](#) (PT)

Visipec Technical Collaboration:

