

Marfrig Company Response – 11.08.25

Please find below Marfrig's information. The content is quite comprehensive and explains in detail how Marfrig operates with a rigorous verification system for direct suppliers, based on widely recognized criteria and aligned with the Monitoring Protocol for Suppliers in the Legal Amazon. This includes the automatic blocking of properties overlapping embargoed areas, conservation units, Indigenous lands, zones with illegal deforestation, and links to labor under conditions analogous to slavery.

1. Regarding the facility Marfrig operates in the Amazon, how has the company been working to reduce deforestation risks, as highlighted in the Imazon study?

The analysis in question is based on a methodologically inaccurate premise by assuming that the existence of mapped areas at risk of deforestation in potential supply zones automatically implies a direct link with suppliers or a lack of control mechanisms on the part of the company.

The methodology used by Imazon, in estimating areas (buffer) as potential purchasing zones instead of considering only actual suppliers, may place Marfrig on the same level as slaughterhouses that do not have robust monitoring systems. This dilutes one of the company's main competitive advantages — detailed control of the supply chain through the CAR polygon and independent audits — and reduces the visibility of the investments made to ensure socio-environmental compliance. In practice, competitors that do not monitor their purchases with the same level of rigor end up being assessed in a similar manner, without having invested in the same processes, which distorts the company's controls and results.

Such inference disregards, on the one hand, the territorial and land tenure complexity of Brazil, which is home to more than 2.4 million rural establishments with cattle, according to the IBGE Agricultural Census, and, on the other hand, fails to consider the technical and institutional architecture already established by Marfrig to ensure the socio-environmental traceability of its supply chain.

Since 2010, Marfrig has operated a strict system for verifying direct suppliers, based on widely recognized criteria and aligned with the Monitoring Protocol for Suppliers in the Legal Amazon, including automatic blocking of properties overlapping with embargoed areas, conservation units, indigenous lands, zones with illegal deforestation, and links to work in conditions analogous to slavery. From 2020, with the launch of the Verde+ program, this system was significantly expanded to also cover indirect suppliers, through the use of official land and environmental data, multiscale territorial analyses, and continuous satellite-based geomonitoring.

As part of this process, the company developed, in partnership with Agroicone, a risk mitigation map that enables the identification of territories with greater environmental vulnerability, taking into account aspects directly associated with cattle ranching, such as the presence of remnants of native vegetation, the distribution of activity across multiple biomes, areas with a history of deforestation, land tenure conflicts, and overlaps with indigenous and quilombola territories. The methodology classifies territories into five levels of risk — very high, high, medium, low, and very low — enabling the establishment of differentiated operational strategies, focusing on the prioritization of critical areas and the promotion of practices aligned with the company's socio-environmental commitments.

In areas classified as high and very high risk, Marfrig has already achieved 100% traceability of indirect suppliers. More broadly, in the second quarter of 2025, the company reached 89% traceability of indirect suppliers in the Amazon and 86% in the Cerrado, with a formal commitment to achieve 100% of the supply chain by December 2025. The entire traceability system is anchored in a remote geomonitoring platform, operating 24 hours a day, seven days a week, with constant updates and automatic cross-referencing with official public databases.

Furthermore, the approval of any supplier (direct or indirect) is subject to meeting the criteria of the company's cattle purchasing policy, which includes:

- Verification of deforestation through the PRODES database (INPE);
- Consultation of the list of embargoed areas maintained by Ibama;
- Check for overlap with Conservation Units based on data from ICMBio and the Ministry of the Environment and Climate Change;
- Verification of overlap with Indigenous Lands through Funai's geospatial database;
- Cross-checking with the updated list of employers involved in work analogous to slavery, according to the Ministry of Labour and Employment.

Before the inclusion of any new supplier, the submission of land tenure and environmental documentation is required, particularly the Rural Environmental Registry (CAR) and registration with INCRA, which are individually analysed and cross-checked with geospatial data. All information is then processed within the monitoring platform to identify potential non-compliance. If any indication of irregularity is found, the property is immediately blocked.

The robustness of this system, combined with its territorial scope and capacity for preventive action, positions Marfrig at a differentiated level of governance within the sector. The fact of operating in regions with mapped environmental risk should not be interpreted as an absence of due diligence, but rather as evidence of a structured and transparent risk mitigation approach. Ignoring the existence of filters, audits, blocking procedures, and validated technical criteria means disregarding the scale of the efforts undertaken to transform a historically fragmented supply chain into a model of responsible and traceable production.

Considering the points already mentioned, Marfrig maintains a high standard of diligence and traceability in its operations. The strategy of maintaining the supply base mainly in lower-risk areas and applying technical rigor in the control of direct and indirect suppliers not only effectively reduces the risks of deforestation but also reinforces the company's role as a driver of environmental and land regularization, promoting structural changes throughout the livestock chain.

2. Were these risks a major reason for the company selling its unit in Rondônia? If so, what are the plans for the unit in Mato Grosso?

Marfrig conducts comprehensive and continuous social and environmental risk management, with consolidated mechanisms for monitoring and blocking non-compliant suppliers, both direct and indirect, regardless of their location. In this sense, the decision to sell the industrial unit in Rondônia, as well as to decommission or dispose of other plants in different regions, was not related to deforestation risk factors or any other environmental issue. The company has always been confident in the robustness and effectiveness of its traceability, control, and

monitoring systems, which are widely recognized for their technical consistency and adherence to international best practices.

As previously clarified in our corporate strategy, this move was part of a process of transformational change in the company, aimed at reinforcing Marfrig's strategic positioning in higher value-added products and strengthening its globally recognized brands. It is a reconfiguration of the portfolio and production capacity that favors industrial complexes that are more integrated with this strategic direction, with greater adherence to markets and segments with high standards of quality, innovation, and sustainability.

The management of the Mato Grosso unit is thus part of a broader corporate logic that combines operational efficiency, strategic focus, and the maintenance of high standards of social and environmental governance.

3. While Marfrig has made public commitments to eliminate illegal deforestation from its supply chains, it remains unclear whether indirect suppliers are subject to effective monitoring or oversight. Can you explain the company's targets on this matter?

Marfrig's system for monitoring and supervising indirect suppliers is effective, auditable, and already showing concrete results. It was developed under the Verde+ program to overcome the structural limitations of Brazilian livestock farming, where there is still no national public system for the mandatory individual tracking of cattle. Marfrig's methodology combines binding contractual obligations with multiple layers of technical verification, territorial intelligence, and systematic cross-referencing of public and private databases.

The company is committed to zero deforestation throughout its supply chain, covering direct and indirect suppliers, and not just the elimination of illegal deforestation. To achieve this goal, the company has set a target of 100% traceability and compliance verification for all indirect suppliers by December 2025. In the second quarter of 2025, coverage had already reached 89% in the Amazon and 86% in the Cerrado, with 100% traceability already consolidated in areas classified as high and very high risk.

The system operates continuously and in an integrated manner, with the following main mechanisms:

- **Contractual obligation:** all direct suppliers must fully inform their indirect suppliers, under penalty of automatic blocking in the purchasing system.
- **Geospatial and documentary cross-checking:** the information declared is compared with the Rural Environmental Registry (CAR), Ibama's lists of embargoed areas, PRODES and DETER (INPE) data, MapBiomas, land and health records, to detect overlaps with deforested areas, embargoed areas, indigenous lands, or conservation units.
- **Advanced tools:** such as VISIPEC, developed by the National Wildlife Federation (NWF) and the University of Wisconsin, capable of mapping indirect connections and identifying properties at risk, even if they do not trade directly with Marfrig.
- **Continuous georeferenced monitoring:** daily use of high-resolution satellite images to track changes in land use on supplier properties and those indirectly connected to the chain.
- **Periodic sample audits:** on-site and documentary checks with cross-checking of tax records, GTAs, satellite images, and field information.

Any inconsistency or indication of non-compliance results in the immediate blocking of the property, which only returns to the supply base after proving regularization.

Therefore, the monitoring of indirect suppliers at Marfrig is not only effective, but also pioneering in the sector, operating with clear goals, transparent metrics, and verifiable results. It is a voluntary, scalable, and auditable model that goes beyond legal obligations and is aligned with the company's public commitment to achieve zero deforestation throughout the supply chain.

4. In regard to the investigation published by Reporter Brasil in 2024, how does Marfrig respond the allegations, and in what way have the company engaged with or contributed to the addressing the issues exposed in the publication?

As already clarified, at the time of the operations mentioned by Repórter Brasil, all supplier properties were fully compliant with Marfrig's Animal Purchasing Policy and fully compliant with current socio-environmental criteria.

In view of this, the allegations presented do not hold up when confronted with the facts and the rigor of Marfrig's compliance processes, which include continuous monitoring, document verification, and immediate blocking of suppliers who fail to meet socio-environmental criteria. It is precisely this robustness that allows the company to identify and address in detail any mention of suppliers in its supply chain, as well as to provide transparency to the questions raised, as was done in relation to Repórter Brasil, whose information is publicly available in detail and can be accessed via the link below.

<https://reporterbrasil.org.br/2024/05/integra-das-manifestacoes-enviadas-para-a-reportagem-sobre-caso-de-grilagem-que-liga-frigorificos-a-rede-de-corrupcao-e-lavagem-de-dinheiro/>

5. What is the company's position regarding the FOREST Act in the United States?

The bill is currently under review in the Senate and would require companies to provide data detailing the full list of both direct and indirect suppliers for certain commodities exported to the US, including beef, in order to eliminate the risk of these products being linked to illegal deforestation.

Marfrig does not comment on regulations established or under review in any country. However, the company is fully prepared to implement the necessary adjustments to meet applicable requirements whenever a particular market is of strategic interest.

As already mentioned, all operational and commercial adjustments are based on Marfrig's animal purchasing policy, which is non-negotiable and ensures the social and environmental compliance of direct and indirect suppliers, in line with the commitment to zero deforestation throughout the supply chain.