Marfrig Global Foods | A Global Presence

33,000+ employees
44 units in 14 Countries
World’s 3rd largest beef producer
Exports to more than 110 countries
Global Sustainability Strategic Pillars

Our Corporate Social Responsibility (CSR) and Sustainability Global Group was created in 2013

- To support the long term development and implementation of Sustainability Strategy
- Strengthen communication approach
- To have positive effects on Customer Satisfaction
- Value creation for Stakeholders
A Program that encourages and rewards farmers who adopt good social and environmental practices

Promotes the production of sustainable, safe and legal beef. Offers benefits to producers, according to the level of conformity by encouraging them to obtain the most modern food production facility certifications and rewarding farm animals with good agricultural and livestock practices.

Member farms are classed as BEGGINERS, BRONZE, SILVER, GOLD and PLATINUM depending on the level of achievements against Marfrig Club parameters.

2015 – MARFRIG CLUB

4,315 Member farms

1,348m Animals slaughtered
Marfrig Beef | Certification
Marfrig is a signatory of the **Criteria for Industrial Scale Cattle and Beef Products Operations in the Amazon Biome**, in agreement with GREENPEACE.

- Not to source from farms linked with invasion of indigenous land and environmental conservation units.
- Not to source from farms Black-listed by MTE (Ministry of Labour) linked with forced labour.
- Not to source from farms Black-listed by IBAMA (Brazilian Environmental Agency) linked with Deforestation and other Environmental Issues.
- Monitor regularly by satellite all the suppliers located in the Amazon Biome to ensure that animals do not come from newly deforested areas, indigenous land and conservation areas.

- Farms black-listed by IBAMA and MTE are blocked automatically in Marfrig system.
- Purchases of Cattle are audited by a 3rd company and report is published on annual basis.
Area monitored by Marfrig:

**26.3 million hectares**

**8,518 farms** monitored
- **6,551 farms approved**
- **1,967 farms blocked**

Area monitored is equivalent to:
- 1 x UK
- 1 x Italy
- 2 x Greece
- 3 x Portugal
- 9 x Belgium
Amazon | Satellite Monitoring Analysis
Cattle Purchases in the Amazon Biome in 2015

✓ Zero non-compliance
✓ 4 audited plants in the states of MT, RO and PA
✓ 100 % of farms with map boundaries (MRV)
✓ 100 % of cattle purchases with CAR (environmental licenses)* in the states of Mato Grosso (MT) and Para (PA)
✓ Implemented actions for indirect suppliers (RFI Tool)

Marfrig was the only company in Brazil that has achieved 100% compliance in the Audits performed in 2012, 2013, 2014 and 2015!
Marfrig Beef | Supply Chain – Cattle Cycle

**BREEDING**
- 8 months

**RAISING**
- 0-24 months

**FINISHING**
- 3-12 months

**DIRECT SUPPLIERS**
- **BREEDING**
- **RAISING**
- **FINISHING**

**INDIRECT SUPPLIERS**
- **BREEDING**
- **RAISING**
- **FINISHING**

**Rigid Socio-Environmental Criteria**
- ✓ Geospatial Monitoring
- ✓ IBAMA – Embargoed Areas
- ✓ MTE – Forced Labour list

**Cattle Slaughtered Marfrig 2015** (nr of heads)

<table>
<thead>
<tr>
<th></th>
<th>FULL CYCLE FARMS</th>
<th>NON FULL CYCLE FARMS</th>
<th>MARFRIG CLUB</th>
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<tbody>
<tr>
<td><strong>TOTAL</strong></td>
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<td>2,113,816</td>
<td>1,040,796</td>
<td>1,073,020</td>
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<td>49.2%</td>
<td>50.8%</td>
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Amazon Monitoring | Opportunities

- Value chain collaboration – CFA Moore.
- Communication to end consumer.
- Better explore leather markets – value added.
- GHG emissions reductions projects in Amazon supply chains.
- Increase and differentiate deforestation free beef sales – preference.
Amazon Monitoring | Challenges

- Indirect suppliers – RFI Tool / Boi Guardião / GTFI.
- Land tenure & conflict – Incra blacklist.
- Other meatpackers & retail engagement.
- Innovative financial mechanisms.
Thank You!!