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**To:** ESG Investing

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**Subject:** Corporate ESG Awards 2023

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Minerva Foods is South America's largest beef exporter and one of the region's leading high quality beef producers. The Company operates in the production and sale of beef, processed foods and byproducts, operating out of Brazil, Argentina, Chile, Colombia, Paraguay, Uruguay and Australia, accessing markets in over 100 countries.

It is evident to the Company that the sustainability of its business depends on the sustainability of the ecosystems which support agricultural production. With this mindset, a commitment to the sustainable future of the planet's food supply is at the forefront of its objectives, and regards Sustainability among its company values, together with Results Drive, Commitment, Innovation, and Acknowledgement<sup>1</sup>.

To ensure the best prioritization of initiatives and in the development of partnerships, the Minerva Foods ESG (environmental, social and corporate governance) agenda was organized into three pillars: Dedication to the Planet, Prosperity of Our People, and Product Quality and Respect for Life<sup>2</sup>.

### **Dedication to the Planet – Commitment to Sustainability**

Upon the pillar Dedication to the Planet, the Company's focus is on acting now to prevent the worst effects of climate change, while supporting rural producers in the adoption of practices that sequester and store carbon, protect biodiversity, and increase resilience. To launch its efforts, Minerva Foods announced its Commitment to Sustainability<sup>3</sup> back in 2021, detailing initiatives focused on three key areas to achieve net zero emissions by 2035. The first is related to the environmental efficiency of its operations, the second aims to combat illegal deforestation, and the third is the Renove Program, which provides support to the production chain in the adoption of low carbon emission practices.

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<sup>1</sup> More information at: <https://www.minervafoods.com/en/the-company/>

<sup>2</sup> More information at: <https://www.minervafoods.com/sustentabilidade/en/our-strategy/>

<sup>3</sup> More information at: <https://minervafoods.com/sustentabilidade/en/commitment-to-sustainability/>

## **Dedication to the Planet – Environmental Efficiency in Operations**

The Minerva Foods Environmental Management System incorporates several measures to ensure proper control of emissions and generation of waste and effluents, as well as a detailed study of the effects of business on natural water and energy resources.

The Company's Commitment to Sustainability focuses on mitigating climate impacts as well as managing the carbon footprint and energy efficiency of its own operations. Studies have been carried out to identify projects and efficiency measures that will reduce the intensity of greenhouse gas (GHG) emissions by 30% by 2030. This target accounts for scope 1 and 2 emissions, based on intensity measured by the volume of gases emitted per ton of finished product<sup>4</sup>.

Minerva Foods' operations rely on renewable energy, backed by Renewable Energy Certificates (I-RECs). Wind energy certificates have been acquired for operations in Brazil; Hydroelectric energy certificates for the other operations of South America. Certificates are not necessary in Paraguay, as all the energy consumed is already from renewable sources. In this manner, in addition to offsetting scope 2 emissions from the acquisition of electricity, the Company stimulates the market for high-performance energy generated from renewable sources. It is also the first company in Brazil to obtain the Seal of Renewable Energy, issued by Instituto Totum in partnership with the Associação Brasileira de Energia Eólica (ABEEólica) and the Associação Brasileira de Energia Limpa (Abragel), which ensures, apart from their renewable source, that the power plants have also established responsible social and community relations practices.

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<sup>4</sup> More information at: <https://www.minervafoods.com/sustentabilidade/en/dedication-to-the-planet/#climate-changes>

## **Dedication to the Planet – Fight Against Illegal Deforestation – Monitoring of Direct Suppliers**

Minerva Foods utilizes the best available technology in its traceability practices to ensure compliance with environmental, labor and land tenure regulations within its portfolio of producers, with a focus on topics such as biodiversity and human rights. With regard to the environment, the Company pioneered the wider application of geospatial monitoring technology to 100% of direct suppliers in all biomes of Brazil (Amazon, Cerrado, Pantanal, Caatinga and Atlantic Forest). In 2021 the implementation of monitoring for 100% of purchases in Paraguay was concluded. The objective is to achieve the same range of coverage for Colombia (2023), Uruguay (2025) and Argentina (2030). In Colombia, the monitoring of direct suppliers has already reached over 90%, and in Argentina, around 90%. In Uruguay, Minerva Foods has already started social and environmental monitoring, with over 20% of direct suppliers monitored.

Geospatial monitoring tracks the condition of the ranches, ensuring that cattle purchased by Minerva Foods do not originate from properties with illegally deforested areas; possess environmental embargoes (punitive measures issued by inspection and control agencies that stop production activities that degrade the environment); are overlapping with indigenous lands and/or traditional communities and conservation units; and are not associated with the use of labor analogous to slavery.

In other words, this means that there is no illegal deforestation, use of labor analogous to slavery labor and environmental embargoes in the Minerva Foods supply chain. Should any non-conformity be detected of the socio-environmental criteria, the supplier is blocked until the situation is corrected.

Audit of the monitoring system is conducted annually, with Minerva Foods achieving outstanding results. The Company maintains the best performance, among major players in the market for the third consecutive year, in the third-party audit carried out by the Federal Public Prosecutors's Office in Pará, the main and most reliable tool for social and environmental verification of the Brazilian production chain<sup>5</sup>. The results for the audit conducted in 2021 demonstrated that of the totaled 78.990 animals

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<sup>5</sup> More information at: [http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2021/apresentacao\\_auditorias\\_cadeia\\_pecuaria\\_pa\\_07-10-2021.pdf](http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2021/apresentacao_auditorias_cadeia_pecuaria_pa_07-10-2021.pdf)

purchased, 100% originated from properties that are in compliance with all criteria of the Termo de Ajustamento de Conduta (TAC) under the Federal Public Ministry. This took into account transactions carried out by Minerva Foods between July 2019 and June 2020. The Company has maintained a 100% compliance, since 2013, on audits of the Livestock Public Commitment. The evaluation of the results was approved by BDO RCS Auditores Independentes, reinforcing the robustness of its monitoring system and the Company's continuous efforts towards an increasingly sustainable cattle breeding.

In Paraguay, a third-party audit was conducted following the guidelines aligned with the International Finance Corporation (IFC) for monitoring purchases in the country. For the third time, the performance attained was 100% compliance. Audit reports are public and can be accessed on the Minerva Foods website<sup>6</sup>.

### **Dedication to the Planet – Fight Against Illegal Deforestation – Monitoring of Indirect Suppliers**

Monitoring of the indirect suppliers is the greatest challenge in this sector. It requires investment in the tools and technology, in addition to the engagement of the entire value chain to ensure complete cattle traceability.

As a pioneer in the industry, Minerva Foods began to test and integrating<sup>7</sup> into its internal systems, Visipec<sup>8</sup> a complementary traceability and monitoring tool for indirect suppliers in the Amazon. The tool cross-references information from a property's Rural Environmental Registry (CAR, in portuguese) with public databases to track cattle movements during their production cycle. Visipec was developed by the National Wildlife Federation (NWF) in partnership with the Gibbs - Land-Use and Environment Lab at Wisconsin-Madison University. It is currently managed by the

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<sup>6</sup> More information at: <https://www.minervafoods.com/sustentabilidade/en/dedication-to-the-planet/#supply-chain-management>

<sup>7</sup> The integration was completed in August 2021, four months ahead of schedule in the Commitment to Sustainability.

<sup>8</sup> More information at: <https://www.visipec.com/>

NWF. Early trials indicated more than 98% compliance with the good practice criteria defined by the Indirect Suppliers Working Group (GTFI)<sup>9</sup>.

Minerva Foods understands that joint efforts must be made to improve traceability in the value chain. Through the app SMGeo Prospec<sup>10</sup>, Minerva Foods has taken the next step to engage the entire livestock chain by transferring its monitoring technology, which has ensured the Company the best traceability results among major players in the industry, to the hands of the rural producers. Minerva Foods, in partnership with Niceplanet Geotecnologia developers of the application, is making it easier for the rural producers throughout Brazil to verify compliance within their own supply chain. The app allows producers to monitor their own suppliers and map risks before carrying out any commercialization<sup>11</sup>.

The biggest hurdle in overcoming this challenge is due to the lack of access to or even the existence of official data for verification along other links of the value chain. Nevertheless, Minerva Foods continues to focus its efforts on training its suppliers on the importance of using the tool through workshops, field visits and sending out guidance materials, in addition to actively participating in working groups that discuss this topic. To date, the company has also distributed over 1600 free vouchers to use the application.

### **Dedication to the Planet – Renove Program**

Cattle ranching is essential to the world's economy and food supply, in addition to contributing to the development of local communities. Minerva Foods believes it is possible to align beef production with the reduction of environmental impacts and the regeneration of ecosystem services, developing initiatives that involve the entire production chain and aim to mitigate environmental impact.

In 2021, Minerva Foods created the Renove Program. Its purpose is to promote engagement and joint action with rural producers in the adoption of regenerative farming practices that increase productivity and income, in addition to benefiting the

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<sup>9</sup> More information at: <https://gtfi.org.br/en/>

<sup>10</sup> The app release can be reviewed at: <https://www.youtube.com/watch?v=ROw9y2uTrq4>

<sup>11</sup> The application was launched in October 2021, two months ahead of schedule in the Commitment to Sustainability.

environment through lower carbon emissions and sustainable intensification of cattle ranching.

The Renove Program is based on three key components: Capacity Building, Green Finance, and Technical and Institutional Partnerships. Capacity building and technical assistance are essential to ensure the proper establishment and maintenance of regenerative practices in the farms over time. The Program supports partnerships and rural extension activities, technology transfer, and training so that rural technicians and ranchers have the necessary tools and knowledge. On the Green Finance front, the Renove Program works with financial institutions to enable credit lines and funds that recognize the performance of partner cattle ranchers. The access to differentiated rural credit for cattle ranchers engaged in sustainable cattle farming is fundamental to support widespread implementation of good practices. Finally, the Renove Program works together with renowned institutions including Embrapa (Brazilian Agricultural Research Corporation) and Imaflores (Institute for Forest and Agricultural Management and Certification) to ensure the use of known and internationally credible methodologies, scientific support, and innovation.

Since its creation in 2021, the Renove Program is being implemented in all countries where Minerva Foods operates in Latin America, mobilizing ranchers and developing projects and partnerships with the common goal of transforming cattle farming in Latin America into an agro-environmental force. The Renove Program has three projects: MRV Agro Project, LATAM Certification Project and the Carbon Project.

The MRV Agro Project, in partnership with Embrapa (Brazilian Agricultural Research Corporation), was completed in December 2022. In this project, a technical scientific study was conducted to develop: a Measurement, Reporting and Verification (MRV) protocol for Livestock; the AgroTag Carbon application for georeferencing data and calculating farms' greenhouse gas inventory; and the adaptation and updating of the GHG Protocol with local emission factors that reflect the reality of Brazilian livestock.

In December 2022, the study "Potential for Mitigating Greenhouse Gas Emissions in Livestock - Minerva Foods Case Study"<sup>12</sup>, was published with Embrapa and FGV Agro. It reports the results of the GHG balance of 23 supply farms from different locations

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<sup>12</sup> More information at: [https://www.minervafoods.com/wp-content/uploads/2022/05/Renove\\_EstudoDeCaso\\_MitigacoesGEE\\_2022NOV28.pdf](https://www.minervafoods.com/wp-content/uploads/2022/05/Renove_EstudoDeCaso_MitigacoesGEE_2022NOV28.pdf)

and production systems, calculated using the GHG Protocol for Agriculture tool, showing the potential that regenerative practices have in contributing to the fight against climate change. The results of this study showed that 22 of the 23 farms emit less than the national average for livestock activity and that 50% of the analyzed farms remove more greenhouse gases from the atmosphere than they emit, having a negative carbon balance. This is a result of the good practices employed in land management and use, such as the restoration of degraded pastures through the introduction of Integrated Crop-Livestock-Forest systems and by shifting from conventional cultivation to conservationist cultivation, such as No-Till Farming System. The LATAM Certification Project was carried out in partnership with Imaflora, with the aim of calculating the carbon balance and emissions intensity of five ranches within each country of operation: Argentina, Brazil, Colombia, Paraguay and Uruguay; totaling 25 farms. According to the study<sup>13</sup>, these farms emit an average of 44% less than the average emissions for world beef production, calculated from the analysis of more than 30 scientific articles. In addition, it was found that three of these 25 farms have a GHG removal greater than their emissions, leading to a negative carbon balance. The results were presented at the UN World Climate Conference (COP26) and Minerva Foods was the first and, currently, only actor from the beef sector to integrate and report its results on Imaflora's Carbon on Track platform<sup>14</sup>.

That study propelled the company towards a new achievement. Through the Renove Program, Minerva Foods exported carbon neutral beef to customers in the United States, Spain, Italy and Chile, among other countries, from its industrial operations in Brazil and Uruguay. Partnership farms, the Company's industrial units and logistics operations had their carbon footprints audited and certified with the 'CO<sub>2</sub> Neutral' seal by an independent organization, with certification systems in more than 100 countries. The offsetting of emissions necessary to neutralize the entire process was transacted by MyCarbon (a subsidiary of Minerva Foods), through carbon credits from tree planting and forest preservation projects.

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<sup>13</sup> More information at:

<https://www.imaflora.org/index/download/arquivo/Y290X2ltYWZsb3JhX3JlbGF0b3Jpb2NhcmlJvbm9fbWluZXJ2YV9lbi8yMF8wNF8yMi5wZGY=>

<sup>14</sup> More information at: <https://carbonontrack.imaflora.org/>

The Company understands that measuring and compensating is part of the solution and that it is necessary to continually improve the production process. From industry to farms, results are sought through the development and implementation of emission reduction plans.

Through annual audits, it will be possible to monitor agricultural activities, showing improvements in the carbon balance of farms through the implementation of low-emission practices such as intensification, rotational systems, integrated systems, reduction of slaughter age, among others.

The Renove program also advanced, in a pioneering way, in the generation of carbon credits from agriculture in Brazil. In the Carbon Credit Origination Project, carried out in partnership with Biofílica Ambipar Environment, technical cooperation agreements were signed with livestock farmers who supply Minerva Foods, confirming the interest of both parties in converting conventional livestock management practices into regenerative practices that increase productivity and that remove or reduce greenhouse gas (GHG) emissions.

The farms, located in several Brazilian states, are being evaluated, with a view to recovering degraded pasture, implementing integrated systems — Crop-Livestock-Forest — and the use of food additives in animal feed to reduce enteric methane. To make the implementation of these practices feasible, partnerships are being established with large input, financing and technological innovation companies, committed to this common objective: a highly productive agricultural sector with low carbon emissions.

The Company continues its agenda to benefit producers and society, contributing to the environment and meeting consumer demands.

### **Dedication to the Planet – MyCarbon**

MyCarbon's goal is to originate and market carbon credits, transforming supply chains to solve climate change.

This subsidiary of Minerva Foods endeavors to support the productive sector in meeting its decarbonization goals and achieving net-zero, through solid partnerships



to generate carbon credits, making it possible to offset emissions that cannot be reduced, in a transparent, reliable and credible way.

MyCarbon supports the adoption of regenerative agriculture and sustainable livestock practices, increasing soil carbon sequestration and avoiding emissions, as well as promoting the conservation and restoration of forests, which are important carbon sinks.

The subsidiary believes it can inspire the transformations needed to promote a low-carbon future through sustainable farming, intensifying the sustainable use of natural resources, and giving value to farmers and ranchers who begin to understand that they can be part of the solution. In other words, it is understood that it is not only possible, but desirable to bring the incentives of the carbon market to implement more efficient and sustainable production systems, encouraging the adoption of practices that are known to sequester carbon from the atmosphere, such as restoration of degraded pastures and intensification, combined with restoration of native vegetation.

### **Minerva Foods maintains its commitment to transparency.**

Minerva Foods has a tradition of transparency in the release of information regarding its ESG agenda. For 12 years, the Company has annually reported its advances through the Sustainability Report, and continually develops new ways to present the best sustainability content to its stakeholders.

Learn more about our operation and ESG initiatives at the Minerva Foods website<sup>15</sup> and in the Sustainability Reports<sup>16</sup>. More details about the Company's financial performance can be found on the Investor Relations website<sup>17</sup>.

Sustainability Board

Board of Investor Relations

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<sup>15</sup> More information at: <https://www.minervafoods.com/en/home-en/>

<sup>16</sup> More information at: <https://www.minervafoods.com/sustentabilidade/en/sustainability-reports/>

<sup>17</sup> More information at: <http://ri.minervafoods.com/en/>