

NOTE TO EARTHSIGHT - October 31, 2022

1) Marfrig accounted for 26% of Brazilian exports of fresh, chilled or frozen beef (HS codes 0201 and 0202) to the US in the Jan 2020-Aug 2022 period.

As a publicly traded company, all the company's financial and commercial information is available in the financial reports published in the Investor Relations area of our website.

2) Marfrig's facility in Chupinguaia (RO) more than doubled its exports of HS 0201 and 0202 to the US in Jan-Aug 2022 compared to all of 2021 (the year when the facility was licensed to start exporting to the US market).

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3) The online platform Boi na Linha shows that Marfrig Chupinguaia has not signed a Meat TAC agreement, further exposing the facility's supply chains to risk of deforestation.

Marfrig informs that there was no formal request addressed to the company by the Public Ministry of the state of Rondônia to sign a term of conduct adjustment for its operation in the state.

Furthermore, in 2010, Marfrig signed the Term of Adjustment of Livestock (TAC) with the Federal Public Ministry in Mato Grosso involving the entire Legal Amazon, covering the same criteria recommended in the public commitment of the Amazon, signed in 2009. Assessments include deforestation, overlapping with indigenous lands, protected areas, embargoed areas, and slave labor - in the communities where Marfrig operates and where the cattle come from. When non-compliance is identified for a supplier, it is immediately blocked and no new purchases are made, a fundamental and non-negotiable practice of the operation.

Therefore, both the TAC signed within the scope of Mato Grosso and Marfrig's previous commitment mean that the company's purchase policy is replicated for all states located in the Legal Amazon, which also includes the state of Rondônia.

We also emphasize that the Boi na Linha protocol applies to all operations in the Legal Amazon area, therefore the Chupinguaia unit in Rondônia is also included.

The company's zero deforestation commitment applies to the entire Legal Amazon, including Rondônia, with Marfrig having achieved 100% compliance for over 9 years.

The latest audit report can be accessed at the following link: <https://www.marfrig.com.br/en/Lists/CentralConteudo/Attachments/5/Audition%20Report%202022%20-%20Marfrig%20and%20Greenpeace.pdf>

4) Exports of HS 0201 and 0202 from Rondônia to the US in Jan-Aug 2022 already surpass exports for all of 2021 (all meatpackers considered).

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5) Rondônia is one of the top three Amazon states most heavily deforested in recent years. Given the high levels of exposure of slaughterhouses in Rondônia to risk of deforestation, buyers in the US are exposed to such risks, especially those not doing enough to monitor their supply chains all the way back to farms of origin, including indirect suppliers.

Marfrig has implemented the most robust monitoring system for direct and indirect suppliers available in Brazil in its operation within the scope of Plano Marfrig Verde+. The company is aware of the complexities that exist and that is why the effort has been made, which is why it has achieved, in a pioneering way, 71% of indirect control in the Amazon biome so far.

The process of monitoring Marfrig's suppliers begins with the identification of the level of socio-environmental risk through the Risk Map, for the regions where raw materials originate for Marfrig. This tool crosses the different databases and official maps, including maps of deforestation, pastures, presence of native vegetation, social indicators, and density of pastures, among others. Having crossed and overlaid the data using an algorithm, the regions are classified into five risk levels, ranging from Very High Risk to Very Low Risk. After defining the risk areas, the methodology allows prioritization within a pre-established schedule for the identification of direct and indirect suppliers, starting with the very high-risk areas and gradually moving on to the other areas, in order of risk level.

In addition, Marfrig's indirect chain monitoring plan, resulting from the application of the Plano Marfrig Verde+, is allowing for a high level of indirect control. The company closed the first half of 2022 with a percentage of 71% of indirect control in the Amazon biome, demonstrating the company's commitment to a chain free of deforestation from origin to slaughter.

Monitoring and controlling indirect suppliers is a work front that requires an additional effort to engage suppliers since access to them must invariably occur through Marfrig's direct supplier in order to build a transparent and reliable relationship. Once the indirect supplier information is provided, its socio-environmental situation is verified by the company and this concept applies throughout the chain (it is worth noting that a direct supplier does not have the ability to verify the socio-environmental situation of its suppliers).

6) Marfrig also has a facility in Mineiros (GO) that exported over 4,000 tonnes of HS 0201 and 0202 to the US in Jan-Aug 2022 after no exports registered during 2020 or 2021. The facility is Goiás' top exporter of HS 0201 and 0202 to the US in 2022 and among the top 5 Brazilian exporters of these products to the US this year. As a publicly traded company, all the company's financial and commercial information is available in the financial reports published in the Investor Relations area of our website.

7) In December 2021 [Repórter Brasil](#) revealed that Marfrig Mineiros was linked to a ranch accused of illegally deforesting over 230 hectares of native Cerrado vegetation.

Marfrig reaffirms that on all dates on which negotiations were held with the supplier in question, it met all the socio-environmental criteria adopted by Marfrig and mentioned above, and we reinforce that our system automatically blocks all properties linked to any supplier that it finds suitable to the aforementioned criteria.

8) An analysis by Repórter Brasil has concluded that Marfrig’s zero deforestation commitments are unlikely to reach its objectives due to systems vulnerable to fraud and lack of transparency. Repórter Brasil said that, according to figures provided by the company itself, Marfrig only has indirect supplier data for 63% of its direct suppliers. The missing data is still a blind spot for the company.

Marfrig states that this information is outdated and does not reflect the company's progress in controlling indirect assets, which in 2022 has already reached 71% of indirect control in Amazon.



Marfrig developed and implemented, through its territorial intelligence area, the Indirect Suppliers Network Map. With the data collected from indirect suppliers, provided by our direct suppliers, it is possible to carry out socio-environmental analysis of indirect suppliers and build an intelligent network to monitor connections between suppliers. This means that we can identify each farm's respective breeding cycle and therefore supply connections along the chain, identifying direct and indirect suppliers and their individual production cycles.

9) An analysis by Imazon of slaughterhouses’ purchase areas in the Amazon shows that Marfrig is among the top 5 meatpackers most exposed to risk of deforestation in the biome, with an exposure of nearly 1.4 million hectares.

Using a study published in 2017 demonstrates a total lack of knowledge and a search for updating the advances that Marfrig has implemented, especially with regard to socio-environmental risks in the livestock chain.

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MILESTONES - Control of indirect suppliers - Marfrig Verde+ Program

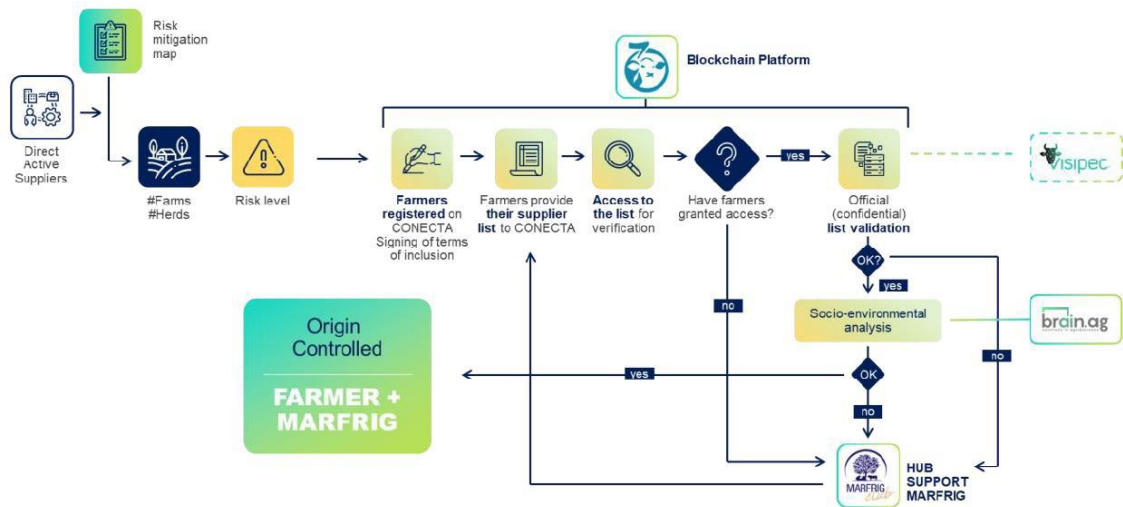
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
% farms with control of indirect suppliers											
Risk		Very High	High	Medium	Low	Very low					
 Amazon Biome	Milestones*	%	100,00%	100,00%	100,00%	100,00%	100,00%				
Risco		Very High	High	Medium	Low	Very low					
 Cerrado Biome	Milestones*	%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	

Based on this, the methodology determines that gradually and from the Very High-Risk level in the Amazon and Cerrado biomes, Marfrig's direct suppliers in these areas are required to declare their cattle and/or calf suppliers for their own system (Breeding, Rearing, Fattening) and, in turn, this data is entered into the blockchain platform for control and monitoring. This data includes information necessary to allow the perimeter of each location, whether from a direct or indirect supplier, to be georeferenced, which therefore allows it to be geo-monitored by satellite. After this step, the georeferencing

data from each of these direct or indirect suppliers are subjected to a socio-environmental analysis through the BrainAg geo-monitoring system. This system is integrated with Marfrig's Supply Chain Control and Monitoring platform. BrainAg is the largest Brazilian company in Big Data Analytics and Artificial Intelligence for Agribusiness, using advanced algorithms that enable complex socio-environmental analyzes with data available from direct and indirect suppliers. It offers smart solutions that serve farmers, credit, sustainability, and market intelligence departments of the main agribusiness players.

As the information is registered on the platform, it is possible, in parallel, within this methodology, to obtain a Map of the Network of Direct and Indirect Suppliers; this map will make it possible to visualize the connection between the suppliers, that is, to identify, for each farm, its specific breeding cycle and, therefore, its supply connections along the supply chain, indicating the direct and indirect suppliers and their production cycles respectively.

Finally, Marfrig adds another layer of verification, crossing this information with the database of direct and indirect suppliers of the Visipec platform. Visipec uses its database to indicate the degree of compliance in identifying the interrelationships between direct and indirect suppliers.



10) An example of this risk was reported by [Veja](#) in July 2020, which linked Marfrig beef to a supplier in Paranatinga (MT) said to be the Amazon's largest deforesters and who was fined over R\$50m for clearing 24,000ha of native forests in one of his farms (the most heavily deforested property in the Amazon). The farm is called **Cristo Rei and is claimed by the Ikpeng indigenous people.**

First, Marfrig clarifies that the unit in Paranatinga, Mato Grosso, no longer belongs to Marfrig after March 2019. The cattle purchases from Agropecuária Rio da Areia at the time made by Marfrig were only completed after all the previous analyzes regarding the compliance of our policy and socio-environmental requirements of our Monitoring Platform. In the case of the 2017 acquisition of cattle from Agropecuária Rio da Areia, all these requirements were checked. At that time, both the supplier and the property were authorized to supply. Therefore, we are unaware of the fact that the property was fined - which may have occurred after the business relationship between the two companies.

Going further, Marfrig has been and is committed to sustainable production and environmental preservation. At the time, it had even just launched the Plano Marfrig



Verde+, whose objective is to ensure that 100% of the company's production chain is sustainable and free of deforestation over the next ten years. The plan, conceived in partnership with the Dutch public-private institution IDH - Initiative for Sustainable Trade, was presented to investors, customers, ranchers, and environmentalists in Brazil and abroad. Over the next ten years, Marfrig will invest BRL 500 million in sustainability initiatives.

Two years after its launch, the company is already showing the results of the program's implementation, mainly in the expansion of its zero-deforestation commitment beyond the Amazon and in the high level of control of indirect suppliers.

In addition, Marfrig is preparing to carry out the first third-party audit of the deliveries of the Plano Marfrig Verde+ and the socio-environmental compliance of its indirect suppliers. The audit should start in the state of Mato Grosso, responsible for most of the raw material origination, still in the first half of the year, and gradually expand to the rest of the operation.

11) US buyers of Marfrig's beef produced in the slaughterhouses mentioned in this summary are exposed to the risks of deforestation linked to these facilities and reported by previous research.

Marfrig's clients, whether in the US or in any of the countries we sell, are assured under the most rigorous commitments, policies, and socio-environmental criteria for all biomes where we operate, following the goals established in Plano Marfrig Verde+. Information about Marfrig Verde+ can be consulted at: <https://www.marfrig.com.br/en/sustainability/marfrig-verde-mais>