



## JBS WORK PLAN

### MINIMUM CRITERIA FOR INDUSTRIAL SCALE CATTLE OPERATIONS IN THE BRAZILIAN AMAZON BIOME

#### JBS' System for Social and Environmental Monitoring of Cattle Suppliers

JBS has established mechanisms and procedures for the daily monitoring of cattle purchase aimed at ensuring that the Company does not acquire cattle from farms that have deforested native forests in the Amazon Biome after October 2009; or farms that are located within Indigenous Lands and Environmental Conservation Areas; that are on the public list of areas embargoed by IBAMA for illegal deforestation; or in the public list of Ministry of Labor (MTE) of employers who used work practices that are degrading or analog to slavery.

These mechanisms and procedures comprise the JBS' System for Social and Environmental Monitoring of Cattle Suppliers, which is formed by two review processes, which run in an integrated manner: the geospatial monitoring of the suppliers properties and the cattle supplier registration monitoring of the Company, held from public lists information from MTE and IBAMA.

### WORK PLAN

This document presents the actions and strategies adopted by JBS to comply with the Public Commitment on the "Minimum Criteria for Industrial-Scale Cattle Operations in the Brazilian Amazon Biome" (June, 2015)

CRITERIA	ACTIONS	STATUS
<p><b>1. ZERO DEFORESTATION IN THE SUPPLY CHAIN</b></p> <p>No new deforestation for cattle ranching will be accepted after 5 October 2009.</p> <p>(DIRECT SUPPLIERS: actions 1 and 2)</p> <p>(INDIRECT SUPPLIERS: action 3)</p>	<p><b>1- Geospatial Monitoring of the Suppliers Properties</b></p> <p>It performs the digital overlay of geographical coordinates and georeferenced maps of cattle suppliers properties of the Company to official geographic databases (PRODES<sup>1</sup> and DETER<sup>2</sup>) to verify the native forest deforestation in the Amazon Biome criteria after October 2009.</p> <p>JBS daily monitors the social and environmental compliance for 100% of the properties that provide cattle to the Company, located in the Amazon Biome, through the geospatial monitoring of the suppliers properties.</p> <p><b>NOTE:</b> In May 2015 about 71% of cattle purchase performed by JBS was made from supplier farms monitored through georeferenced maps.</p>	<p><b>IMPLEMENTED</b> (Fully Operational)</p> <p>2014 Audit (base year 2013): 99.75% compliance with the "Minimum Criteria".</p> <p>2015 Audit (base year 2014): 99.97% compliance with the "Minimum Criteria".</p>
	<p><b>2- Cattle Supplier Registration Monitoring</b></p>	<p><b>IMPLEMENTED</b></p>

	<p>It performs the daily download of the public list of areas embargoed by IBAMA<sup>3</sup> - by illegal deforestation - from their official website, and the intersection of information in this list with the registration data (CPF/CNPJ)<sup>4</sup> of the Company's cattle suppliers. Suppliers whose CPF/CNPJ are presented in the IBAMA's public list will have the farms linked to this CPF/CNPJ automatically blocked for purchase of raw materials in the Enterprise Resource Planning system (ERP) of the Company.</p> <p>JBS daily monitors the social and environmental compliance for 100% of the properties that provide cattle to the Company, located all over Brazil, by the cattle supplier registration monitoring of the Company.</p>	<p>(Fully Operational)</p> <p>2014 Audit (base year 2013): 99.75% compliance with the "Minimum Criteria".</p> <p>2015 Audit (base year 2014): 99.97% compliance with the "Minimum Criteria".</p>
	<p><b>3- GTA - Green</b></p> <p>Work in partnership with the Federal Public Prosecution Office (MPF) and the Ministry of Agriculture (MAPA) for the implementation of a new mandatory procedure for the issuance of Animal Transit Form (GTA) to perform previously the verification of the public list of areas embargoed by IBAMA<sup>3</sup> - by illegal deforestation. For those properties (direct and indirect cattle suppliers) in the public list of areas embargoed by IBAMA, the GTAs would not be issued, thus preventing the entry of animals from farms that have deforested in the national cattle trading market.</p> <p>JBS has worked in partnership with the Brazilian Beef Exporters Association (ABIEC) and with the MPF support for the development of GTA - Green.</p>	<p>IN COURSE</p>
<p><b>2. REJECTION OF INVASION OF INDIGENOUS LANDS AND PROTECTED AREAS</b></p> <p>COMPANIES and their products must be free from involvement in the invasion of indigenous lands and protected areas under federal, State or municipal law.</p>	<p><b>4- Geospatial Monitoring of the Suppliers Properties</b></p> <p>It performs the digital overlay of geographical coordinates and georeferenced maps of cattle suppliers properties of the Company to official geographic databases (FUNAI<sup>5</sup> and MMA<sup>6</sup>) in order check the criteria for the of protected areas invasion such as Indigenous Lands and Environmental Conservation Areas.</p> <p>JBS daily monitors the social and environmental compliance for 100% of the properties that provide cattle to the Company, located in the Amazon Biome, through the geospatial monitoring of the suppliers properties.</p>	<p>IMPLEMENTED (Fully Operational)</p> <p>2014 Audit (base year 2013): 99.75% compliance with the "Minimum Criteria".</p> <p>2015 Audit (base year 2014): 99.97% compliance with the "Minimum Criteria".</p>
<p><b>3. REJECTION OF SLAVERY WORK</b></p> <p>COMPANIES must sign and comply strictly with the National Pact for the Eradication of Slave Labor.</p>	<p><b>5- Cattle Supplier Registration Monitoring</b></p> <p>It performs the daily download of the public list of employers who used work practices that are degrading or analog to slavery, according the Ministry of Labor (MTE)<sup>7</sup>, from their official website, and the intersection of information in this list with the registration data (CPF/CNPJ)<sup>4</sup> of the Company's cattle suppliers. Suppliers whose CPF/CNPJ are presented in the MTE's public list will have the farms linked to this CPF/CNPJ automatically blocked for purchase of raw materials in the Enterprise Resource Planning system (ERP) of the Company.</p> <p>JBS daily monitors the social and environmental compliance for 100% of the properties that provide cattle to the Company, located all over Brazil, by the cattle supplier registration monitoring of the Company.</p>	<p>IMPLEMENTED (Fully Operational)</p> <p>2014 Audit (base year 2013): 99.75% compliance with the "Minimum Criteria".</p> <p>2015 Audit (base year 2014): 99.97% compliance with the "Minimum Criteria".</p>

	<p><b>NOTE:</b> JBS is signatory of the "National Pact for the Eradication of Slave Labor" since 2007 and is the first company in the food sector in Brazil to become membership to the Institute National Pact for the Eradication of Slave Labor (InPACTO) (<a href="http://www.inpacto.org.br">www.inpacto.org.br</a>).</p>	
<p><b>4. REJECTION OF LAND GRABBING AND LAND CONFLICTS</b></p> <p>The COMPANY will remove from its list of suppliers (direct and indirect), at the moment in which the COMPANY becomes aware of the facts, those producers accused of land grabbing by the Public Prosecution Office (MPF) or by the relevant land authorities of Federal or State Governments, or those convicted of involvement in land conflicts based on the accusations of the Public Prosecution. Those farms will only be accepted again after they have signed the Terms of Adjustment of Conduct (TAC) or if the accusation has been dropped.</p>	<p><b>6- List of the Federal Public Prosecution Office (MPF)</b></p> <p>From the signing of the Legal Amazon Conduct Adjustment Agreement (TAC), between JBS and the Federal Public Prosecution Office (MPF), in March 2013, the block for the Company's cattle suppliers involved in land grabbing, violence in rural areas and other agrarian conflicts, in welcomed actions under the MPF, will start immediately after the prior notification of the MPF to the Company.</p> <p>Company suppliers whose CPF/CNPJ4 are presented in the informations provided by MPF will have the farms linked to this CPF/CNPJ automatically blocked for purchase of raw materials in the Enterprise Resource Planning system (ERP) of the Company.</p> <p><b>NOTE:</b> During 2014, JBS received no official information on the MPF cases of farmers involved in land grabbing, violence in rural areas and other agrarian conflicts in welcomed actions under the MPF.</p>	<p><b>IMPLEMENTED</b> (Automatic blocking system of JBS's suppliers in order to perform the blocking of the registration of irregular supplier informed by the MPF)</p>
<p><b>5. A MONITORABLE, VERIFIABLE AND REPORTABLE TRACKING SYSTEM:</b></p> <p>Cattle and by-products shall only be supplied by farms or groups who have formally committed to adopting a trustworthy tracking system which, apart from meeting current demands – such as those established by the SISBOV system currently in place, also includes clear environmental criteria aimed at putting an end to deforestation.</p>	<p><b>7- Audit for the Public Commitment of JBS</b></p> <p>JBS annually conducts third party audit, based on the Terms of Reference (ToR) agreed between the parties, in order to independently assess the cattle purchase operations of farms located in the Amazon Biome and the Company's suppliers monitoring processes. This allows to verify whether the Company met the criteria given in the Public Commitment on the "Minimum Criteria for Industrial-Scale Cattle Operations in the Brazilian Amazon Biome".</p> <p>JBS publishes the audit report with their results and notes on the company website in versions in Portuguese and English. (<a href="http://www.jbs.com.br">www.jbs.com.br</a>)</p> <p><b>8- Traceability of Products</b></p> <p>Through the program "Confiança Desde a Origem" (Reliability From Origin), JBS makes available to its customers and consumers, in a simple and transparent way, information on the origin ("source") of the beef. Access to information, such as the JBS slaughtering unit that processed the product and the farm where it came its raw material, can be done in <a href="http://www.confiancadesdeorigemjbs.com.br">www.confiancadesdeorigemjbs.com.br</a> website by completing the SIF number (Federal Sanitary Inspection System of the Ministry of Agriculture) and the product production date (both present on the packaging of JBS fresh beef), or by reading the QR Code on the product package through an app on your smartphone.</p>	<p><b>IMPLEMENTED</b> (Fully Operational)</p> <p>2014 Audit (base year 2013): 99.75% compliance with the "Minimum Criteria".</p> <p>2015 Audit (base year 2014): 99.97% compliance with the "Minimum Criteria".</p> <p><b>IMPLEMENTED</b> (Fully Operational)</p>

	<p><b>9- CAR and Georeferenced Maps of Properties</b></p> <p>Through the "Fornecedor Legal" (Legal Cattle Supplier) program, JBS is building a network of environmental consultants to assist the Company's cattle suppliers to do the Rural Environmental Registry (CAR) of its properties. JBS selected and formed partnerships with specialist environmental consultancies and negotiated a reduced price for the service offered to its supplier.</p> <p>For the dissemination of the "Fornecedor Legal" (Legal Cattle Supplier) program, JBS has used various channels of communication with farmers, such as sending e-mails to suppliers, telephone calls of cattle buyers to suppliers, advertisements in specialized magazines in livestock and interviews in the "Giro do Boi" TV Show at the Rural Channel.</p> <p>Besides supporting the legal environmental compliance of the JBS cattle suppliers, the "Legal Cattle Supplier" program has also helped the Company to accelerate the process of obtaining georeferenced maps of the Company's cattle supplier properties.</p> <p>Another initiative to obtain the georeferenced maps of the Company's cattle supplier's properties is through the "Mapa Fácil" (Easy Map) program, a tool that was developed by JBS and that enables all the cattle suppliers of the Company, which do not have georeferenced map of the property yet, the opportunity to elaborate it for free at any of the JBS's slaughtering units located in the Legal Amazon region.</p>	<p><b>IMPLEMENTED</b> (Fully Operational)</p>
<p><b>6. IMPLEMENTATION OF THE SUPPLY CHAIN COMMITMENTS</b></p> <p>COMPANIES must inform their suppliers of all above requirements and must make clear that those which are not in accordance with these criteria will not be accepted as suppliers. A commission shall be constituted for monitoring and following-up the protocol hereafter signed with the aim of analyzing, studying and correcting the path of the sector towards the goal of zero deforestation. With these aims, the commission will meet every month with representatives of the cattle sector, NGOs, clients, financial system and government.</p>	<p><b>10- Stakeholder Dialogue and Engagement</b></p> <p>JBS participates actively in the most important multi-stakeholder groups that aim to promote the continuous improvement of sustainability in the beef industry value chain.</p> <p>The Company is a member of the Executive Council (Board) of the following groups:</p> <ul style="list-style-type: none"> <li>✓ Global Roundtable for Sustainable Beef (GRSB) – <a href="http://grsbeef.org/">http://grsbeef.org/</a></li> <li>✓ Workgroup on Sustainable Beef (Grupo de Trabalho da Pecuária Sustentável - GTPS) – <a href="http://www.pecuariasustentavel.org.br/">http://www.pecuariasustentavel.org.br/</a></li> <li>✓ The Leather Working Group (LWG) – <a href="http://www.leatherworkinggroup.com/">http://www.leatherworkinggroup.com/</a></li> </ul> <p>Through the "Legal Cattle Supplier" program, JBS has communicated to the Company's cattle suppliers on their sustainability criteria and as well as on the need for legal environmental compliance of properties through the Rural Environmental Registry (CAR).</p> <p>In order to promote sustainable production practices in cattle ranches in the Amazon region, JBS is a strategic partner of the "Programa Novo Campo" (New Field Program) which aims to contribute to a better social, environmental and financial ranchers, as well as reducing deforestation, improving conservation or recovery of natural resources, and strengthening the local economy. One of the compulsory criteria to join the program</p>	<p><b>IMPLEMENTED</b> (Fully Operational)</p>

is that the property does not have further deforestation after 2008.

[http://www.icv.org.br/site/wp-content/uploads/2014/10/Apresentacao\\_Programa\\_Novo\\_Campo.pdf](http://www.icv.org.br/site/wp-content/uploads/2014/10/Apresentacao_Programa_Novo_Campo.pdf)

<https://www.youtube.com/watch?v=71FS0oNnNQo>

- 1- Amazon Deforestation Monitoring Project (*Projeto de Monitoramento do Desflorestamento na Amazônia Legal - PRODES*) - <http://www.obt.inpe.br/prodes/index.php>
- 2- Real Time Deforestation Detection (*Detecção do Desmatamento em Tempo Real - DETER*) - <http://www.obt.inpe.br/deter/>
- 3- Brazilian Institute of Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis - IBAMA*) - <https://servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php>
- 4- Taxpayer Identification Number (*Cadastro de Pessoa Física - CPF*) / Corporate Tax Payment Identification Number (*Comprovante de Inscrição e de Situação Cadastral de Pessoa Jurídica - CNPJ*)
- 5- National Foundation of Indigenous People (*Fundação Nacional do Índio - FUNAI*) - <http://www.funai.gov.br/>
- 6- Ministry of the Environment (*Ministério do Meio Ambiente - MMA*) - <http://www.ministeriodomeioambiente.gov.br/>
- 7- Ministry of Labor and Employment (*Ministério do Trabalho e Emprego - MTE*) - [http://portal.mte.gov.br/trab\\_escravo/portaria-do-mte-cria-cadastro-de-empresas-e-pessoas-autuadas-por-exploracao-do-trabalho-escravo.htm](http://portal.mte.gov.br/trab_escravo/portaria-do-mte-cria-cadastro-de-empresas-e-pessoas-autuadas-por-exploracao-do-trabalho-escravo.htm)