



2022

SUSTAINABILITY REPORT

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Message from the Board of Directors [GRI 2-22]



Marcos Molina
Controller and Chairman
of the Board of Directors

The year of 2022 will be marked as another milestone in Marfrig's history. In this year, we further expanded our leading role in the global food industry, by taking over the control of BRF S.A. This important step coincided with the celebration of another important moment in our history: the listing of Marfrig shares on B3 – Brazil, Bolsa, Balcão completed 15 years.

The decision we took to go public in 2007 was fundamental to boost the process of international expansion of our business. We are the largest hamburger producer in the world, and one of the leaders in the production of beef. We rely on a geographically diversified production platform and, with the step we took at BRF, we diversified our production even more.

The accounting consolidation of the two companies caused Marfrig's net revenues to climb to R\$ 131 billion in the period, with adjusted EBITDA of R\$ 13 billion and a net income of more than R\$ 4 billion. Based on this strong performance, we anticipated the distribution of R\$ 1.1 billion in dividends, and cancelled more than 30 million shares that were held in treasury.

We intensified our investments in the expansion and modernization of our structures, with a focus on increasing the production capacity of branded and higher value-added items. During the year, we allocated more than R\$ 2.7 billion to the beef segment, an amount that includes investments in the construction of the hamburger plant in Bataguassu (MS), in Brazil, which holds a production capacity of up to 24,000 tons per year. The invested amount also included the expansion of the Tacuarembó plant, in Uruguay, which raised the slaughtering capacity from 3,700 head of cattle per day to 4,200 head per day, further reinforcing our leadership in the country. We also invested in the expansion of the deboning area in Várzea Grande (MT), also in Brazil, and in the automation of the Liberal plant in the North American operation. As a result, we currently hold one of the most modern and efficient industrial structures in the sector.

Another investment I would like to highlight is the one made in the Canadian Sol Cuisine, through PlantPlus Foods, a joint venture we hold with Archer Daniels Midland Company

(ADM), aiming to start operations in North America. In addition to expanding the operational structure, we also launched new products based on vegetable protein, in line with our portfolio diversification strategy. In this context, plant-based foods play an important role, meeting important demands from consumers and society in general.

The growth and consolidation of our business have been accompanied by a continuous progress in strategies related to socio-environmental sustainability issues. In 2022, as in other years, we stood out in the main global rankings that address this subject. In the Collier FAIRR Protein Producer Index 2022, used by investors in their analyses and decision-making process, we were rated as a low-risk company in sustainability, an unprecedented acknowledgment for a company that operates with bovine protein. Meanwhile, in the general list of this study, we moved from seventh to third place, ahead of other major players in our sector.

We also stood out in other global rankings, such as BBFAW – Business Benchmark



It is a pleasure to witness Marfrig establishing itself as an international benchmark of good sustainability practices. It is the result of very consistent efforts to have our brand linked to effective actions to combat deforestation and climate change - a concern in which we use scientific data to establish targets for reducing greenhouse gas emissions - and initiatives to promote and defend human rights

on Farm Animal Welfare, the largest and most important ranking for the welfare management of livestock intended for consumption, and in the CDP, with highlights in the three areas evaluated by the index: climate change, forests, and water security. And we have also remained, for the third consecutive year, in the portfolios of the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2), both at B3.

In addition to these achievements, we were invited by Harvard Business School, one of the most prestigious business schools in the world, to be presented as a case study at the Agribusiness Seminar, an executive training program for leaders who are engaged in agribusiness, in companies and governments



of different countries. On this occasion, we reported on our sustainability journey, including our experience in monitoring and tracking the value chain, plus the advances of Marfrig Verde+. This program, already in its third year of existence, has delivered remarkable results, even ahead of many of the goals to which we have committed ourselves.

It is a pleasure to witness Marfrig establishing itself as an international benchmark of good sustainability practices. It is the result of very consistent efforts to have our brand linked to effective actions to combat deforestation and climate change - a concern in which we use scientific data to establish targets for reducing greenhouse gas emissions - and initiatives to promote and defend human rights. Our strategies are grounded in a solid governance structure and clear targets, all aligned with commitments being made globally at the Conferences of the Parties (COPs), climate summits led by the United Nations (UN). Our initiatives also underscore the principles of the UN Global Compact, a movement to which we are a signatory, and whose agenda includes human rights, decent work, environmental protection, and fighting corruption.

We are a multinational company, whose products reach more than 100 countries, nevertheless our origin is Brazilian. Therefore,

we are very pleased to show the world, through both our practices and results, that environmental preservation and livestock production are complementary, and that there are companies in Brazil that are global references in practices that promote sustainable livestock farming.

We are among the global leaders in bovine protein, and we are aware of the responsibility we bear in assuming such a dimension. The challenges we face require a unity, which is the reason why we work in partnership with producers, civil society organizations, financial institutions, governments, and the private sector. In 2022, for example, during the COP 27 in Egypt, we announced, alongside other companies and banks, the creation of Biomas, a company that will be engaged in the conservation and preservation of Brazil's forests.

Responsible actions, which are aimed at reducing the negative impacts on the environment, in addition to enhancing the positive effects on people and communities, are the central core of our strategies to ensure the perpetuity of our business. At Marfrig, that is how we work and will continue to work.

I would like to thank these partners for their confidence in being by our side in

our efforts to conciliate cattle farming and environmental preservation, a challenge that is not merely trivial. I also extend my thanks to the shareholders and investors, both those who, 15 years ago, bet on the success of our business, and those who joined the Company over time. We will remain committed to Marfrig's sustainable development, and to further consolidating our global leadership. We are very proud of the journey we have taken, and we are pleased to have walked alongside thousands of professionals and employees who, in the performance of their duties, have made and continue to make a difference in our achievements to date.

Marcos Molina

Controller and Chairman of the Board of Directors

Message from the Executive Directors – North America

In 2022, we celebrated the 30th anniversary of National Beef, which over the years has become the fourth largest and most efficient beef company in the United States. This success story, which we are proud of, was built by leaders in the beef protein industry, in close partnership with our customers and consumers in the United States.

Over three decades, we have made a difference by fulfilling our purpose with excellence, focusing on the quality of our products, making the right decisions and the necessary investments, keeping our business competitive and identifying opportunities for growth. As a result, we have become a company that is recognized, both inside and outside the United States, as a reference in productivity, modernization, and product quality.

This soundness, achieved thanks to the incredible effort and dedication of thousands of people, allowed us to reach new record marks, even in a challenging year for our business, as was 2022. Net revenue was a new record and was 1.7% higher than the previous year, coming in at US\$ 11.9 billion.

As expected, the year started off with strong results and then trended lower through the rest of the year. By the end of the year, market dynamics had shifted in favor of the cattle producer, leading to higher prices for fed cattle. At the same time, inflationary pressures reduced consumer confidence and worked to soften beef demand. As a result, packer margins declined as industry slaughter levels remained higher than expected.

As we look forward to 2023, we expect beef demand to be better than it was during the previous cattle cycle. This should allow the industry to operate at margin levels that are more favorable than they were during the previous cycle.

Even in the face of a challenging context, we will continue to fulfill our business plan, delivering the best products to our customers and consumers. This commitment to high quality standards is reflected, for example, in the modernization we carried out at the Liberal plant in Kansas, completed in 2022, and in the constant incorporation of sustainability practices and initiatives into our work routines.

In addition, we are also committed to investing in our operations, seeking gains in efficiency and continuous improvement, and increasing synergies with the plants in South America. Thus, we want to contribute to further consolidate Marfrig's position as one of the global leaders in the beef protein sector.

I would like to thank the thousands of people – employees, customers, consumers, producers, suppliers and other stakeholders with whom we interact – who have trusted our strategies over time and contributed to building this successful 30-year trajectory.

Tim Klein
CEO of National Beef



Tim Klein
CEO of National Beef



This soundness, achieved thanks to the incredible effort and dedication of thousands of people, allowed us to reach new record marks, even in a challenging year for our business, as was 2022

Message from the Executive Directors – South America



Rui Mendonça
CEO

One notable aspect of our operations in South America is the fact that we are the largest exporter of beef to China, currently the main consumer market for this product. We have 13 qualified plants that enable us to conduct business with that country, and in 2022, as a result, 71% of our exports were shipped to that destination.

This fact has largely boosted the record results we achieved in the period. Net revenues in South America amounted to R\$ 27.6 billion, representing a 22.6% growth when compared to the previous year. This was largely driven by a scenario of higher prices in the exports market, coupled with a resumption in the Chinese market, which in 2021 had gone through a restraining period.

Even though China is a major consumer market, and one to which we maintain solid operations, our plants are qualified to export to other regions, such as Europe and the Middle East, and other countries, such as the United States, Japan, Singapore, and Chile. We are planning to further expand the scope of our exports, and we have consistently made progress in opening up more markets for our products.

We are an integrated platform, managed with a focus on capturing operational, logistical, and commercial synergies through the Efficiency Program. As a result of the many initiatives undertaken within this scope – such as the optimization of structures and the expansion of scale for certain brands – we have achieved gains that, in the last three years, exceeded the amount of R\$ 650 million.

We also form a diversified platform. From a geographical point of view, we hold operations in five countries, and sell to more than 100 destinations. As for the portfolio, we have been expanding the production of industrialized products. In 2022, these items accounted for 15% of revenues, from 5% in 2018.

We expect that the share of higher value-added products in our results will continue to grow, in line with the expansion of our capacity to produce them. We have been making investments aimed towards this direction, and an example is the inauguration, in 2022, of the plant for the production of hamburgers in the city of Bataguassu (state of Mato Grosso do Sul), in which we invested R\$ 130 million. Through this new structure, we

have raised our annual hamburger production capacity from 227,000 tons to 247,000 tons.

This diversification of the portfolio also includes products from sustainable livestock farming. In 2023, we expect to launch a line of beef cuts originating from low-carbon practices, as part of the initiative we have in place with the Brazilian Agricultural Research Corporation (Embrapa). This product will join "Viva!", whose meat is produced under the carbon-neutral concept, which also derives from the partnership with Embrapa. In Uruguay, we also produce certified organic meat, which is marketed in several other regions, such as Europe, the Middle East and South America. We are pleased to offer our customers products such as these, which are distinguished by the good sustainability practices adopted both in our operations and in the value chain, by the producers with whom we operate.

The joint efforts, as evidenced in this example, have guided our performance in terms of sustainability, which is a strategic issue for us. "Marfrig Verde+", which aims to ensure a deforestation-free and fully-



We believe that livestock farming and environmental preservation are complementary activities, and that is the vision that will continue to guide our activities

tracked supply chain in all its segments, under the assumptions of technical support, engagement and inclusion of all producers, closed the year 2022 achieving 100% of its direct-supply chain tracked, and having already identified 72% of its indirect suppliers in the Amazon biome and 71% in the Cerrado (Brazilian savanna) biome, which are unprecedented results within our industry.

Among the several results that this initiative has attained since it was launched three years ago, is the reinclusion of more than 3,036 farms into our supplier base, evidencing the practice of one of the "Verde+" principles, which is inclusion. Thus, when we detected that these producers had not adhered to Marfrig's social and environmental criteria, which prevented them from continuing to do business with us, we offered them all the necessary support to adjust their operations and resume commercial relations.

We are committed to generating positive impacts on both the environment and society, and we are advancing towards this objective. In 2022, to mention one of the many achievements in the period, we were the best positioned company worldwide, in the meat processing sector, in the Forest 500 ranking, among the 350 companies assessed.

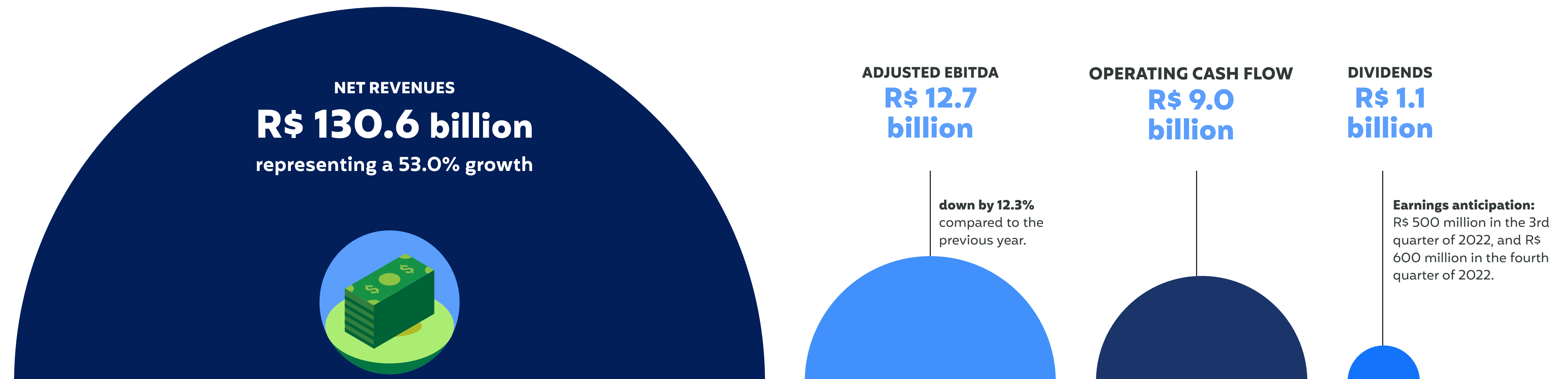
We will remain committed to practices such as the ones mentioned above, which make us proud. Achievements like these are only possible because each employee, in each of our plants and in our administration offices, has done their part, in the best way possible. To them, I would like to express my thanks for the trust and contribution they place in the company every day.

We believe that livestock farming and environmental preservation are complementary activities, and that is the vision that will continue to guide our activities. We will pursue the strategy of broadening our reach, expanding the high value-added product portfolio, and seeking continuous efficiency gains. However, we will continue to pursue the best sustainability practices, relying on the partnership of our value chain in these efforts. I intend to continue working very close to the plants and to the communities. Together, we will ensure that Marfrig becomes an even more efficient company, respected and admired by all those with whom we maintain a relationship.

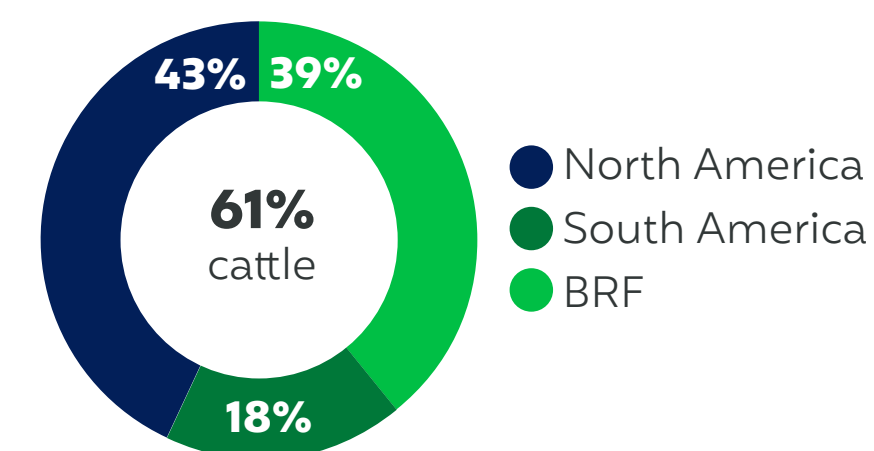
Rui Mendonça
CEO



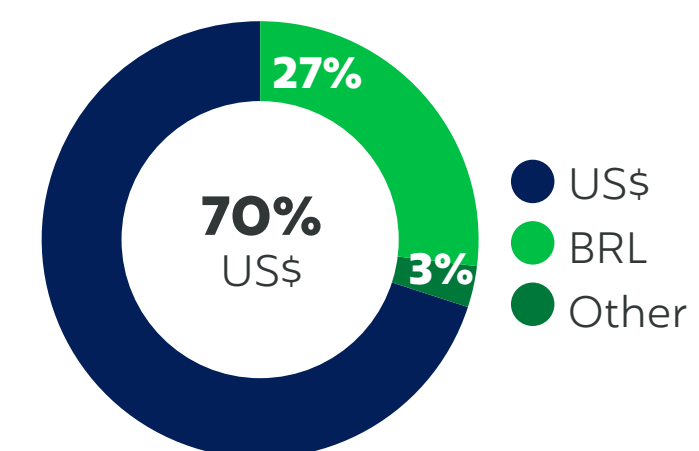
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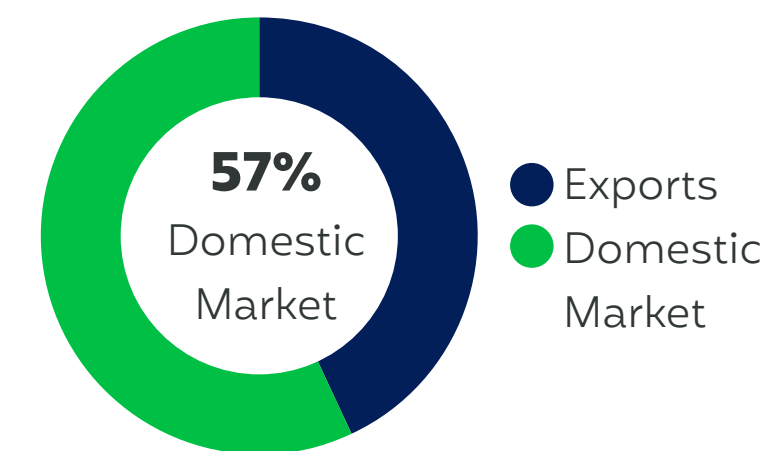
By Operation



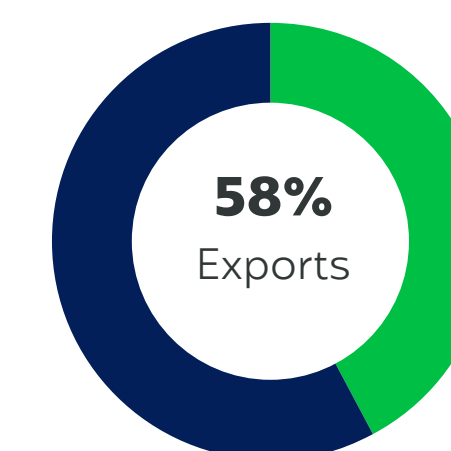
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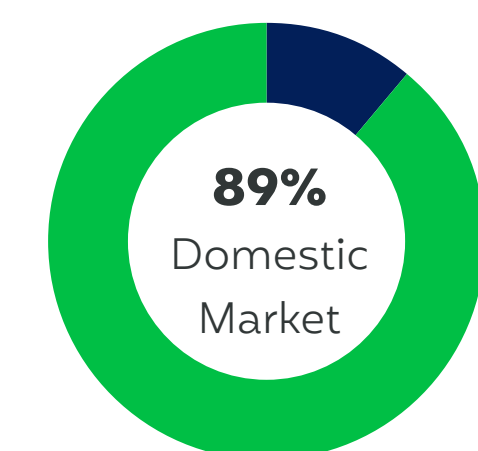
BRF



South America



North America



2022 in numbers

Sustainability Platform

1

ORIGIN CONTROL

100% of supplier properties are monitored via satellite.

100% of direct suppliers – some 8,000 – take part in the Marfrig Club Program, which disseminates best sustainability practices throughout the Brazilian production chain.

72% of the farms in the Amazon Biome that sell cattle directly to us have provided the information we requested about their suppliers, contributing to our efforts to identify our indirect producers.

71% of the farms in the Cerrado Biome that sell cattle directly to us provided the information we requested about their suppliers, contributing to our efforts to identify our indirect producers.

37.9% of direct producers improved their sustainability practices, migrating to higher Marfrig Club classifications.

US\$ 30,000,000 investment in management of supply chains located in the Amazon and Cerrado biomes.

R\$ 20,000,000 in the co-creation of Biomas, a company aimed at conserving and preserving forests in Brazil.

€ 1,750,000 million investment through 2025 in technical and environmental support for small-scale producers in the Jurueña Valley (MT), part of the Amazon biome, via the Sustainable Calf Program.

4,000 direct producers had access to the blockchain tracking platform (Conecta).

2

ANIMAL WELFARE

100% of slaughterhouse units (cattle and sheep) audited for NAMI Animal Welfare Standards.*

116 technical visits to monitor the country farms.

2,648 hours of Animal Welfare training (globally).

6,611 inspections of animal carrier vehicles, performed by the animal welfare officers of the plants, in Brazil.

98% of transportation crates in perfect condition, in Brazil.

99.9% of drivers rated among the best levels, checked at the time of loading the cattle, on country farms, in Brazil.

88.1% of ranches meeting at least one criterion for animal welfare under the Marfrig Club Program*.

77% of cattle transported over routes of less than eight hours.*

US\$ 2,500,000 investment in improvements aimed at animal welfare practices.

3,106 employees trained in animal welfare practices.

421 training programs offered in relation to animal welfare.

* Data referring to operations in South America.



3

CLIMATE CHANGE

100% of the industrial plants in Brazil, plus the distribution center in Chile, have offset the carbon emissions generated by energy consumption in their operations.

4

NATURAL RESOURCES

100% of operational units possess Water Treatment Plants (WTP).

100% of WTPs objects of internal audits.

92% of energy utilized in operations obtained on the free market.

25% of units in Brazil follow water re-use practices, in routines that do not require the input to be potable. As food producers, we are restrained in reusing water in industrial processes.

5

EFFLUENTS AND WASTE

100% of Brazilian units possess Effluents Treatment Plants (ETP).

R\$ 30,000,000 investment in modernization of Water and Effluents Treatment Plants installed throughout our operations.

R\$ 39,000,000 invested in the construction and maintenance of biodigesters.

17% of Brazilian units have incorporated fertigation into their work routines.

6

SOCIAL RESPONSIBILITY

3,036 farms have been reinstated since 2021 – suppliers that have started to operate again, in compliance with our commitments – demonstrating their strong commitment to the principle of inclusion, within the Marfrig Verde+ Program.

Institutional highlights

Case study at Harvard: Marfrig's sustainability practices

Our initiatives in the area of sustainability – encompassing the entire journey in this subject, such as systems for tracking and monitoring direct and indirect suppliers, our commitment to fighting deforestation, not buying cattle from deforested areas, and the advances of the Marfrig Verde+ Program (read [here](#)) – were presented as a case study at Harvard Business School, one of the most prestigious business schools in the world.

We were invited by the North American institution to share our experiences with the students of the Agribusiness Seminar program, top executives who work in the agriculture segment in companies, governments and non-governmental organizations around the world. The case, entitled "Marfrig's Quest for Sustainable Beef," stimulated a wide-ranging debate among the participants during a seminar held in Boston (USA), whose program included cases from other agribusiness companies.

15 years of being listed on B3

In December 2022, we returned to the trading floor of B3 – Brazil, Bolsa Balcão. This time, to celebrate 15 years of listing Marfrig's shares on the "Novo Mercado", a segment that groups the shares of companies that voluntarily adopt differentiated corporate governance practices. To mark the occasion, Marfrig's founder and Chairman of the Board of Directors, along with other Board members and executives of the Company, repeated the traditional gesture of "ringing the bell", marking the beginning of stock trading that day.



Reference in good sustainability practices

We have been holding prominent positions in rankings, ratings and indexes that evaluate the performance of companies, as regards the strategies and actions they adopt in relation to sustainability practices

Evaluations / Marfrig's performance highlights, regarding different ESG practices

COLLER FAIRR PROTEIN PRODUCER INDEX

Leader and the only company rated as low risk among beef protein producers

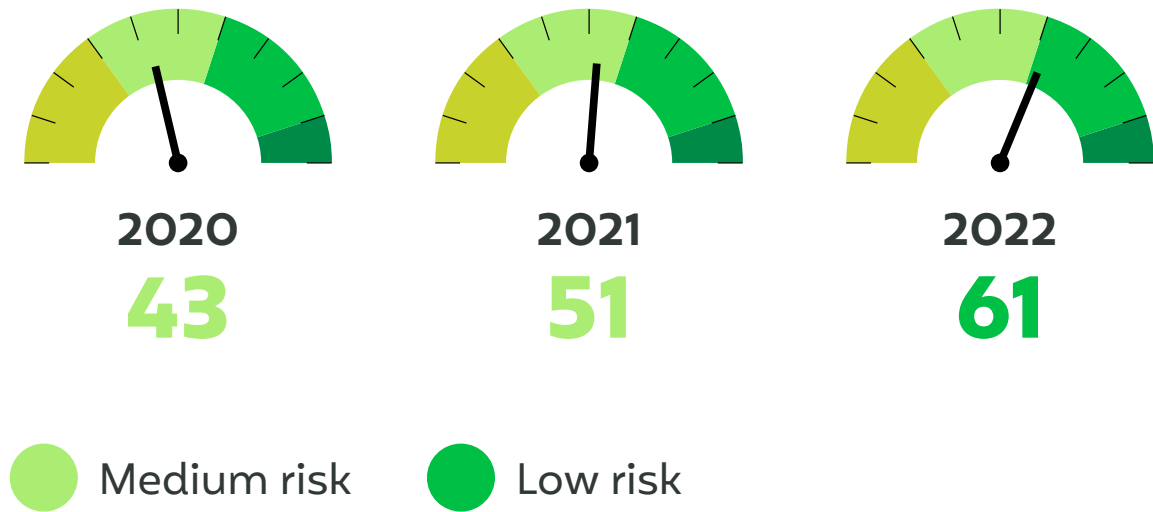
We are the top ranked beef protein producer according to the Collier FAIRR Protein Producer Index 2022. We have advanced four positions in the overall list, moving up from 7th to 3rd place, the best result since we joined the study. Thus, we were the only one of the 11 global companies in the industry surveyed to be classified as low risk.

This ranking is used by investors as a parameter to make their investment decisions, based on the companies' performance in terms of sustainability practices. It is conducted by FAIRR Initiative, an organization based in London (UK), which is formed by more than 360 institutional investors. The study, which is conducted on an annual basis, had its methodology improved for the 2022 edition, becoming even more demanding in terms of assessments, based on ten-risk indicators, among which are greenhouse gas emissions, use of water, deforestation, and animal welfare. You can access the full Collier FAIRR Protein Producer Index 2022 [here](#).

Continuous evolution

Our performance in the FAIRR ranking has been improving every year. In 2022, when the analysis adopted an even more stringent methodology, we achieved a risk-factor score ten percentage points higher than in the previous year.

FAIRR INITIATIVE



FOREST 500

Prominence among meatpackers, in a global ranking

We attained the top position among meatpackers in the Forest 500, an assessment that evaluates the potential risk of agribusiness companies and their supply chains being linked to deforestation or human rights abuses.

Each year, the British organization Global Canopy conducts a survey aimed at accelerating a global economy that is free from deforestation. With over two decades of experience in this field, they analyze and compile information on 350 companies and 150 financial institutions worldwide.

SUSTAINABILITY INDEXES B3

3rd consecutive year of participation

Our shares are included in the sustainability indexes of B3, the Brazilian stock exchange:

- **Corporate Sustainability Index (ISE):** brings together the shares of listed companies that stand out for the ESG practices they adopt.
- **Carbon Efficient Index (ICO2) of B3:** made up of the shares of companies committed to transparency of information regarding the carbon emissions originating from their operations, including the supply chain.

Performance evaluations on specific Sustainability issues

ANIMAL WELFARE

The only beef protein company in the Americas to achieve Tier 2 status at BBFAW¹.

This classification, achieved by us for the 3rd time, reflects the good animal welfare practices we adopt in our operations, and those we foster across our supply chains. The BBFAW (Business Benchmark on Farm Animal Welfare) is a global reference in evaluating the performance of companies in terms of animal welfare. This benchmark is conducted every year², and requires improvements with each edition. We have taken part in BBFAW since 2012, when the first study was published.



NATURAL RESOURCES

Best performance among animal food-based companies

We received an A- grade in **water security** from CDP, an international non-profit organization. This assessment, the best among the beef protein food manufacturers included in the 2022 list, attests to the advances we have achieved with management initiatives, coupled with continuous improvement in the use of water in our operations. CDP uses its own methodology, with ratings from "A" to "D-", based on the best environmental practices. In 2022, some 18,700 companies from around the world were assessed by the organization.

CLIMATE CHANGE

Benchmark among the companies in the sector

Our management practices and reduction of GHG emissions have enabled us to achieve the best performance among companies that operate in the beef protein sector, in terms of climate change - forests, as measured by the Carbon Disclosure Project (CDP). We achieved the grade A-, a performance that placed us, for the third consecutive time, in CDP Latin America's Climate Resilience Index (ICDPR70), a theoretical portfolio of companies committed to reducing their carbon footprint and other climate-related issues.

Pioneer in the Adoption of GHG emission reduction targets

1st beef protein company in Brazil to commit and have the goals approved by **Science Based Targets**, a global initiative that fosters the establishment of science-based targets for the reduction of greenhouse gas emissions.

SOCIAL RESPONSIBILITY

Spotlight on the protection of children's rights

We rank among the companies that most protect children's rights on a global scale, according to the Global Child Forum Benchmark (GCFB). In 2022, our performance was 27 percentage points higher than the previous year, which placed us among the four companies that most evolved in their practices during the period. We received a score of 7.3, on a maximum scale of 10, which positioned us as the highest scoring Brazilian company in the report, even above the overall average score of the Food, Beverage, and Personal Care industry, which was 4.4. Also in the comparison with 2021, we evolved in all categories: workplace, market, community, and environment. In 2022, the methodology used by the GCFB began to consider a new pillar, Governance, in which we scored "10", the highest score. GCFB is a non-governmental organization, based in Sweden, that collects data on the social impact caused by major global companies. This information is used as a benchmark, by investors in their decision-making process.

¹Result released in 2022, relative to the performance presented in 2021.
²BBFAW is reviewing its methodology, which is why no evaluation or ranking related to the performance of companies in 2022 was carried out.

ABOUT US





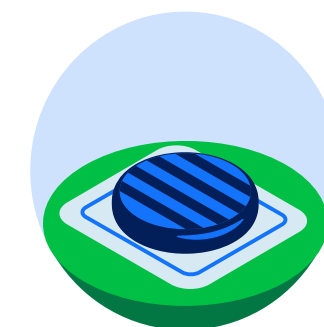
[GRI 2-1; 2-6]

Every day, our products arrive at the tables of millions of people, in more than 100 countries.

We are **the largest global producer of hamburgers, and one of the world leaders in the production of beef protein-based foods**, in terms of production capacity. We operate on three different segments, from our plants based in the Americas:



MEAT PROCESSING: our products cater for both the segments of foodservice ("eating out" business and services, such as restaurants) and retail, under renowned brands. This segment is geared to both domestic consumption and the exports market, considering that we are one of the world's leading exporters of animal protein.



INDUSTRIALIZED PRODUCTS: we offer a broad portfolio of high value-added products, which comprises, in addition to hamburgers, canned meats, sausages, frankfurters, and others. We also manufacture ready-to-eat items, such as meats with sauces and frozen vegetables.



PLANT-BASED PRODUCTS: pioneers in this business among our peers, we offer 100% plant-based options, which include hamburgers, meatballs, kibbeh and sausages, as well as ground beef, among others, targeted at both foodservice and retail channels. From Brazil and our operations in the United States, where they are produced, plant-based items are sold both in the domestic and export markets. In this segment, we operate through PlantPlus Foods, a joint venture we established in 2020 with the US-based Archer Daniels Midland Company (ADM).

Our operations

In **North America**, we operate through National Beef, the fourth largest meat processing company, and also the most efficient company in the sector in the United States. In the US, we slaughter and debone the protein from the cattle that originated in the territory. The products, both fresh and processed, are sold in local retail, wholesale, and foodservice channels, and go to a variety of destinations, concentrating on the premium markets of Japan and South Korea. The so-called allied/complementary products and by-products from the process are also sold, in addition to the tannery and logistics operations, and the sale of products online, directly to the consumer.

In **South America**, we are engaged in the slaughtering and deboning of bovine protein, in addition to the production of industrialized and processed foods, such as hamburgers, canned meat, jerky, sauces, and sachets, among others, through an integrated production platform, with plants located in Brazil, Uruguay and Argentina. Products are marketed in the countries in question, under renowned brands, via retail, wholesale, and foodservice channels, as well as exported. We are also present in Chile, where we are act as the main beef importer, besides slaughtering lambs.

With a focus on exports to important geographical locations, we are one of the most globalized and diversified food

multinational companies, with products marketed in more than 100 countries. We rely on more than 34,000 employees, based in 32 production plants, in addition to a commercial and logistical structure, which includes 10 distribution centers and commercial offices in South America, Europe, and Asia. With headquarters located in the city of São Paulo (SP), we are a publicly-held company, with shares traded on the "Novo Mercado" (New Market) of the B3 - Brazil, Bolsa, Balcão, a listing segment that comprises companies that spontaneously adhere to differentiated Corporate Governance practices. We also hold American Depositary Receipts (ADRs) level 1, listed on the over-the-counter (OTC) market in the United States. **[GRI 2-1; 2-6]**



Production capacity



1st in the world
in the production of
hamburgers



2nd largest
beef protein company in the
world, in terms of capacity



1st company
in the sector to produce items
based on vegetable protein



Products
sold to over
100 countries



30,000
head of cattle
slaughtered/day



247,000
tons/year of
hamburgers



201,000
tons/year of other
processed products



Mission

To furnish the best protein products globally and establish long-term relationships with consumers, creating products of high quality and safety.

Vision

We are recognized as the best company globally for protein output:

Grow along with our clientele, suppliers, and partners via innovative products while participating in the leading markets;

Promote the Company's development and create value for our shareholders;

Keep employees motivated and committed to high standards of operational excellence across the production chain and to do so in a sustainable manner; and

Respect the society in which we work.

Values

Focus on the Customer

Total commitment to our domestic and foreign clients.

Attention and passion in attending the needs of clients through every stage of the productive cycle.

Act to integrate what is correct in relation to products and procedures.

Simplicity

Clarity, objectivity, and simplicity in decision-making, seeking to facilitate procedures. The slogan "less is more" permeates our operations.

Transparency

Don't hide problems. Behavior and actions should focus on learning from mistakes so that they don't occur again. Motivate dialog with stakeholders, a practice which generates confidence, as well as boosting professional and personal growth.

Respect

Guided by ethical principles and motivated constantly by the development of good relationships.

Excellence

Incentives are constantly being offered for innovative solutions as we seek a standard of excellence in all that we do. The capacity to develop throughout the organization, in the search for client loyalty in both the domestic and the international market.

Entrepreneurship

Attention to market context, adapting ourselves to it. Working with passion on tasks needed to recover from situations of adversity. Act with resilience. Own up to responsibilities, taking care of procedures, ensuring productivity, and conserving resources. Be attentive to what is necessary in the face of demands, problems, and opportunities.

[GRI 2-6; 3-3; FB-MP-000.A]

Operational

From our operations in the Americas, we distribute our products to the main markets in the world:



- slaughterhouses
- units for high-aggregate value products
- distribution centers
- feedlot unity

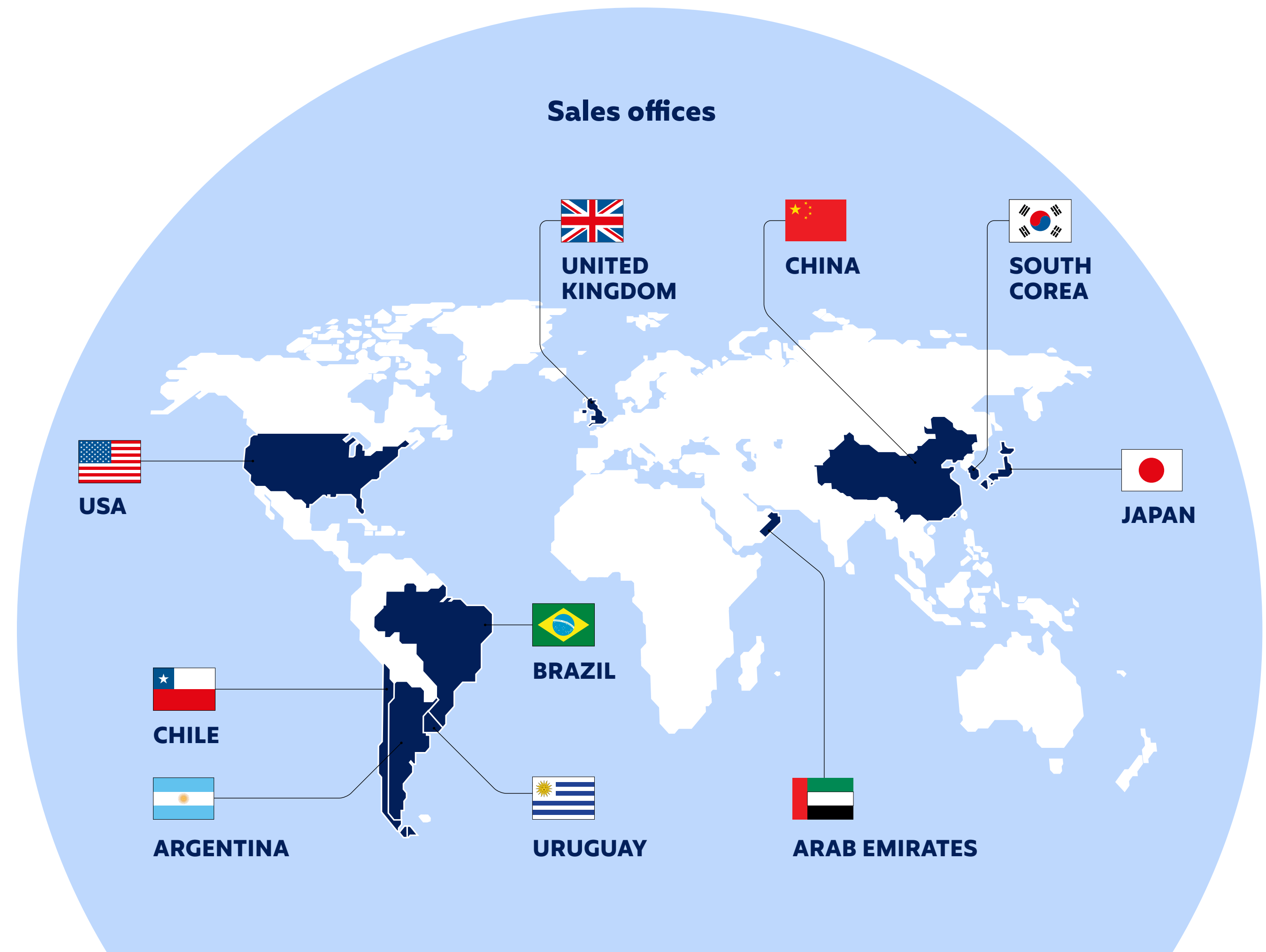
*Uruguay's slaughterhouses, in addition to cattle, also handle lamb..



Products distributed in more than 100 countries

[GRI 2-6; 3-3]

We have 10 distribution centers and sales offices in 10 countries in the Americas, Europe and Asia. From this structure, our products and brands go to approximately 100 countries, available to customers via foodservice, retail and wholesale channels.



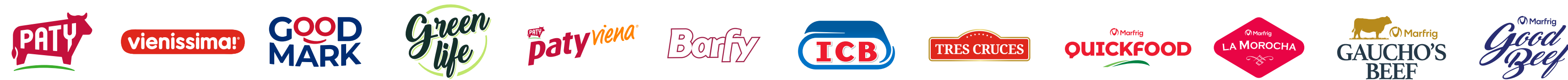
Brands



[GRI 2-6]

We hold a broad portfolio of renowned brands, featuring high-quality products, geared towards both the domestic and export markets. This group includes several unique items, such as the organic products and those of the Viva! brand, which offers cuts of meat produced under differentiated concepts, such as Carbon Neutral Brazilian Beef (CNBB), a pioneer in Brazil.

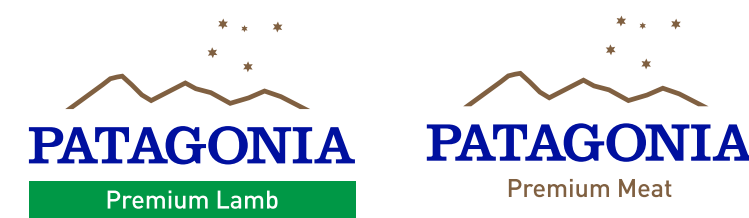
ARGENTINA



BRAZIL



CHILE



URUGUAY



UNITED STATES



VALUE CREATION STRATEGY



Our purpose: to promote sustainable livestock farming

[GRI 3-3]

Our business is conducted with a clear purpose: **to promote sustainable livestock farming**. In recent years, we have developed a series of measures and initiatives focused on this issue, and the one with the greatest repercussion in this context is the "Marfrig Verde+" Program, which completed three years of operation in 2022. Our progress has been very consistent in relation to the goals and commitments we have taken on. However, the introduction of ESG (environmental, social and governance) practices in the livestock chain – and, therefore, contributing to the sustainable development of this activity – is not an easy challenge. It involves a number of measures, including production, conservation and inclusion, the tripod that upholds Marfrig Verde+.

Given the complexity of this mission, we know that we will not achieve it through our own efforts alone. It is true that our global reach and leadership in this sector exerts some influence and contributes to promote some advances. But it is necessary that other links in the chain come together, which is why we have been striving to act as an agent

of transformation, engaging suppliers, civil society, and other participants in the livestock ecosystem.

This collaborative effort is justified by the complexity of the livestock chain in Brazil. The system is divided into three stages, which may or may not occur simultaneously: breeding, rearing, and finishing. Added to this characteristic is the format in which commercial relations take place. Negotiations in the livestock sector are spot, i.e., very short term, based on the best offer – therefore giving free choice to the producer – and at the moment the cattle is finished for slaughter, and the fragmentation of the production chain. In Brazil, there are more than 2.5 million properties³, distributed over a territory of continental dimensions, in which each producer adopts the production processes and styles that he/she deems convenient.

We are striving to overcome this challenge by promoting and participating in collaborative actions, including those with peer companies, aimed at disseminating good sustainability practices throughout our value chain, always based on the balance between production and conservation and the inclusion of livestock

³ Source: Agricultural Census of the Brazilian Institute of Geography and Statistics (IBGE), 2017. Available [here](#).



farmers. Marfrig Verde+ is a concrete example of this principle, since it was structured in partnership with the Sustainable Trade Initiative (IDH), a Dutch public-private institution, among other organizations.

We also adopt measures and actions, in our work routines, to mitigate the impact from our operations on their respective surroundings, in order to conserve natural resources, and ensure the best practices for animal welfare. In partnership with institutions that are renowned for their performance on these fronts, and by engaging the different links of the chain, the good sustainability practices that we adopt also translate into superior quality products, meeting the demands of consumers and of the more than 100 markets we cater for.

Sustainability, therefore, is embedded in 100% of our processes and routines, both those used in our operations and those relating to the value chain. It is, therefore, a major focus of our business strategy, underpinning four other aspects addressed through it: operational excellence, products and clients, financial soundness, and corporate governance.

In 2022, we have moved forward with the execution of this strategy, based on a simple structure, with independent and profitable operations, coupled with efficient management and financial discipline. We will continue to

rely on these guidelines, seeking to capture the advantages of the strategic investments recently made. In the last three years, we have invested more than R\$ 7 billion in upgrading, modernizing, and expanding our operations, both in South and in North America.

We are a diversified company, both geographically - with operations in five countries and commercial relations with more than a hundred markets - and in terms of products and proteins. In addition to the rising share of industrialized products in our results, we are using a strategy for trade complementarity, starting with the development of an alternative protein portfolio, 100% vegetable, represented by PlantPlus Foods.

The expansion of our product range, geographic diversification and distribution between channels, with staggered production, and excellent quality raw materials, further consolidates our global leadership in the production of animal protein. This broad coverage, added to the capillarity of our distribution, the strength of our brands, our expertise in developing sustainable production alternatives, and the partnerships we have formed, are drivers for the creation of value, towards the various publics with which we have a relationship, and towards society. We use our resources to positively impact our stakeholders, CLASSIFYING them into six categories, or capitals, according to the model established by the International Integrated Reporting Council (IIRC):



Productive capital. It is the global reach of our operations. It comprises the units distributed throughout the Americas, and our product distribution network, which reaches more than 100 countries around the globe.



Human capital. Formed by our more than 34,000 employees, essential for the success of our operations.



Intellectual capital. Refers to our technical capacity to use technologies and solutions that transform the productive scenario. This reflects both the partnerships we have formed with organizations that are renowned for their activities in various areas, aligned with our values, and the experience we have acquired in the production of animal protein. It also comprises the professional development and training of our employees.



Natural capital. Comprises the efforts to promote more sustainable production systems, which aim to mitigate the impact of livestock farming activities on the environment, in addition to the measures we adopt in our operations, with a view to preserving the surroundings where we operate, thus having a positive impact on them.



Social and relationship capital. Consisting of the actions we develop to engage all links in the production chain in good sustainability practices, which include respect for human rights and the inclusion of livestock breeders of different sizes. Based on the relationships we establish with these and other stakeholders, we generate a significant social impact on the communities where we are present.



Financial capital. Made up of the financial resources available, and the results achieved with efficient management, for the operation and development of the business.

Strategic pillars



Some advances in 2022:



Productive capital



Financial capital



Natural capital



Human capital



Intellectual capital



Social and relationship capital



SUSTAINABILITY

- **The company is the leader and only low-risk ranked beef protein manufacturer**, according to the Collier FAIRR Protein Producer Index, a global ranking compiled by FAIRR.
- **The first bovine protein** company in Brazil to have its targets approved by Science Based Targets.
- **100% of our supply chain is expected to be free of deforestation/conversion by 2025**, in the Amazon, and by 2030 in the Cerrado and other biomes. This is the goal of Marfrig Verde +, a program currently underway, comprising a series of actions geared towards achieving this target.
- **100% of the operational units** hold Water Treatment Plants (WTPs) and Effluent Treatment Plants (ETPs), both operating in accordance with local environmental standards.
- **US\$ 30 million worth of investments** in the management of the supply chain located in the Amazon and Cerrado biomes.
- **A total area of 4,000,000 hectares with native forests are expected to be restored and protected**, in different Brazilian biomes. This is the goal that Biomas, a company launched during COP 27 in Egypt, will pursue over the next 20 years. We are partners with other companies in the creation of Biomas, which will focus on restoration activities in Brazilian forests.

- **Expansion of the coverage of the socioenvironmental risk map.** With a pioneering approach, this map provides a detailed risk matrix from a broad photograph of forest areas, combining information on livestock farming, environmental conservation, and human rights.



OPERATING EXCELLENCE

- **Simple structure**, with independent and profitable operations, boosting the economic and financial results.
- **Maintenance of strict health and safety protocols** during operations.
- **R\$ 7.0 billion in investments**, in projects aimed at organic growth and higher value-added products, over the last three years.
- **R\$ 650 million in captures**, in the South American operation, through the Operational Efficiency Project, in the last three years.
- **Increased number of cattle slaughter plants qualified to export to China:** 13 plants in South America, being seven in Brazil, four in Uruguay and two in Argentina, which represent 70% of the installed capacity in the region.



PRODUCTS AND CLIENTS

- **Broader scope for PlantPlus Foods**, a company dedicated to the production and marketing of plant-based products, with the completion of the acquisition of two companies: Canadian Sol Cuisine and US-based Hilary's.
- **Products of the Viva! brand**, from a production model based on low carbon technologies in livestock (protocol Carbon Neutral Meat, developed in partnership with EMBRAPA).
- **Direct sales channels**, both for retail and foodservice: e-commerce Bassi.com.br, in Brazil, for direct sales to consumers, the strengthening of the Marfrig Market, of B2B format, also Brazilian, and Mercado Paty, geared towards retail, in Argentina.



FINANCIAL SOUNDNESS

- **Low dollar-denominated debt.**
- **R\$ 1.1 billion in payment** of dividends.



CORPORATE GOVERNANCE

- **Continuous evolution** of the practices we adopt.
- **Active role of the Sustainability Committee**, providing assistance to the Board of Directors.
- **Constant refinement of the Compliance system**, as well as training and improvement of policies.

OPERATIONS



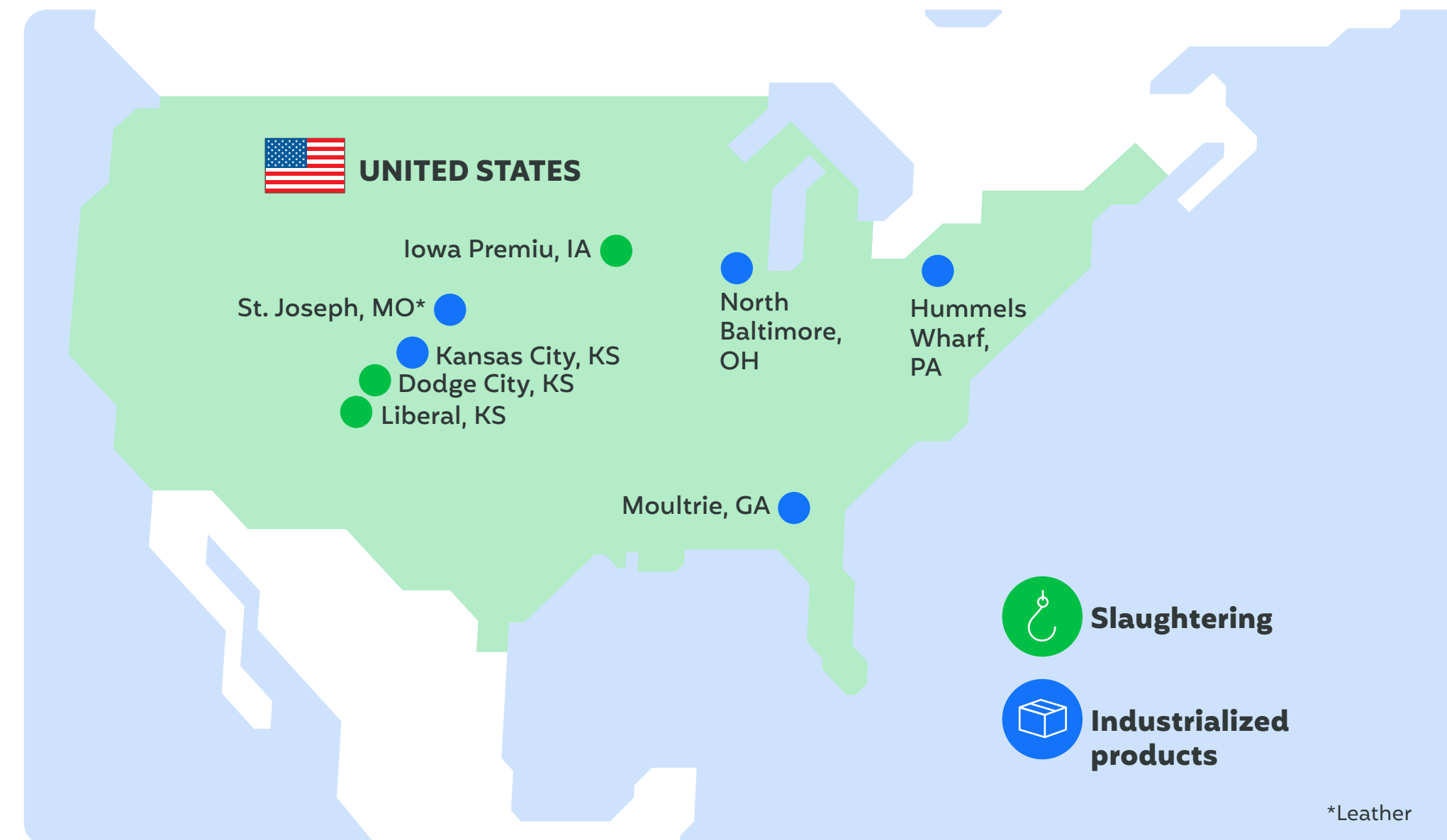
North America

[GRI 2-1; 2-6; 3-3]

We operate through National Beef, a company that concentrates approximately 14% of the slaughtering activities in the country, therefore making it the fourth largest beef processing company in the United States. With a wide range of items with high added value and ready-to-eat options, National Beef offers quality products with the best specifications and widely recognized brands. The items produced are sold locally in the retail, wholesale and foodservice channels, in addition to various international markets.

A competitive advantage of National Beef is the fact that, among its shareholders, is U.S. premium beef, an international organization that groups local cattle producers. This approach translates into exclusive supply capacity, thus contributing to the company's sustainable operations, along with the creation of long-term value. Other highlights of the National Beef operations are:

- **Most efficient company** in the US.
- **Leader** in the production of **certified Angus beef**.



- **Largest exporter of chilled beef in the US**, with Japan and South Korea as main destinations.
- One of the **largest Wet Blue tanneries in the world**, also among the most technologically advanced in global terms.
- **87% of** sales to the domestic market targeted at **premium clients**.
- **70% of beef production** is of the **Black Angus type**.
- Operation of its **own logistics company**: National Carriers®. Through a fleet of more than 1,200 trucks, it offers cattle transport and logistics services to clients throughout the United States.



PRODUCTION CAPACITY

13,100 head of cattle slaughtered/day

100,000 tons/year of hamburgers

104,000 tons/year of other processed products

3 slaughtering units

5 processing plants



PERFORMANCE IN 2022

US\$ 11,874 million
in net revenues (+1.7%)

US\$ 1,683 million
in gross profit (-41.0%)

US\$ 1,322 million
of Adjusted EBITDA (-48.6%)

[GRI 3-3]

We hold an integrated production platform in this region, which places us among the leaders in production, with a slaughtering capacity of approximately 16,000 animals/day. From 16 slaughtering units and seven processing plants, distributed among Argentina, Brazil, Chile and Uruguay, we cater for different markets in the five continents, which places us among the major beef exporters from South America.

A competitive advantage of these operations is the fact that they have the largest number of plants certified for sales to China, which is currently the largest importer of beef in the world. In 2022, the Asian country accounted for most of our exports in this region: 75% of the total, a share that, in the previous year, was 58%. Alongside this strong presence of our products in the Chinese market, we have advanced in the qualification of our plants for trade with other countries, such as the United States, Japan and Singapore, among others, further expanding the geographic reach of our exports.

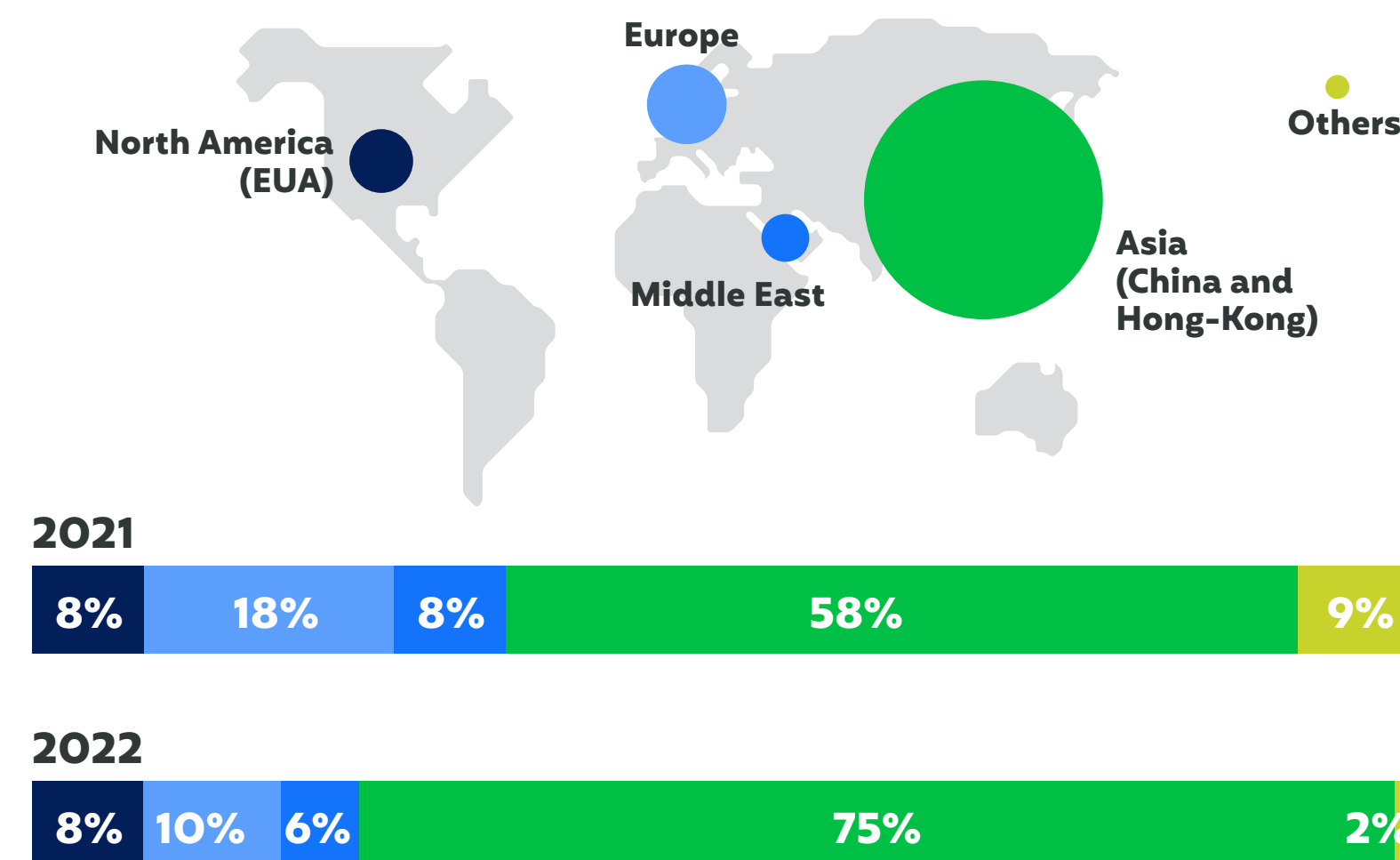
A further advance, of our South American operations, was in industrialized products, items that have been gaining an increasingly significant weight in our results. In 2022, they accounted for 15% of revenues, from a share of 5% in 2018.

Our products also serve the local markets, with recognized brands that are leaders in their countries, such as Montana and Bassi, in Brazil, and Paty and Vieníssima, in Argentina. The growth in sales is evidence of this prominent position. In the last four years, revenues from our branded products have grown by 80%.

The achievements for 2022 also include the Operational Efficiency Program, which has been ongoing on this platform for several years. The captures of operational, logistical and commercial synergies in the region amounted to R\$ 650 million in the last three years.

MAJOR EXPORT DESTINATIONS

(% of revenues)



PRODUCTION CAPACITY

16,000 head of cattle
slaughtered/day

147,000 ton/year of
hamburgers

97,000 tons/year of other
processed products

16 slaughtering units

8 processing plants



PERFORMANCE IN 2022

R\$ 27,632 million
in net revenues (+22.6%)

R\$ 3,694 million
in gross profit (-33.6%)

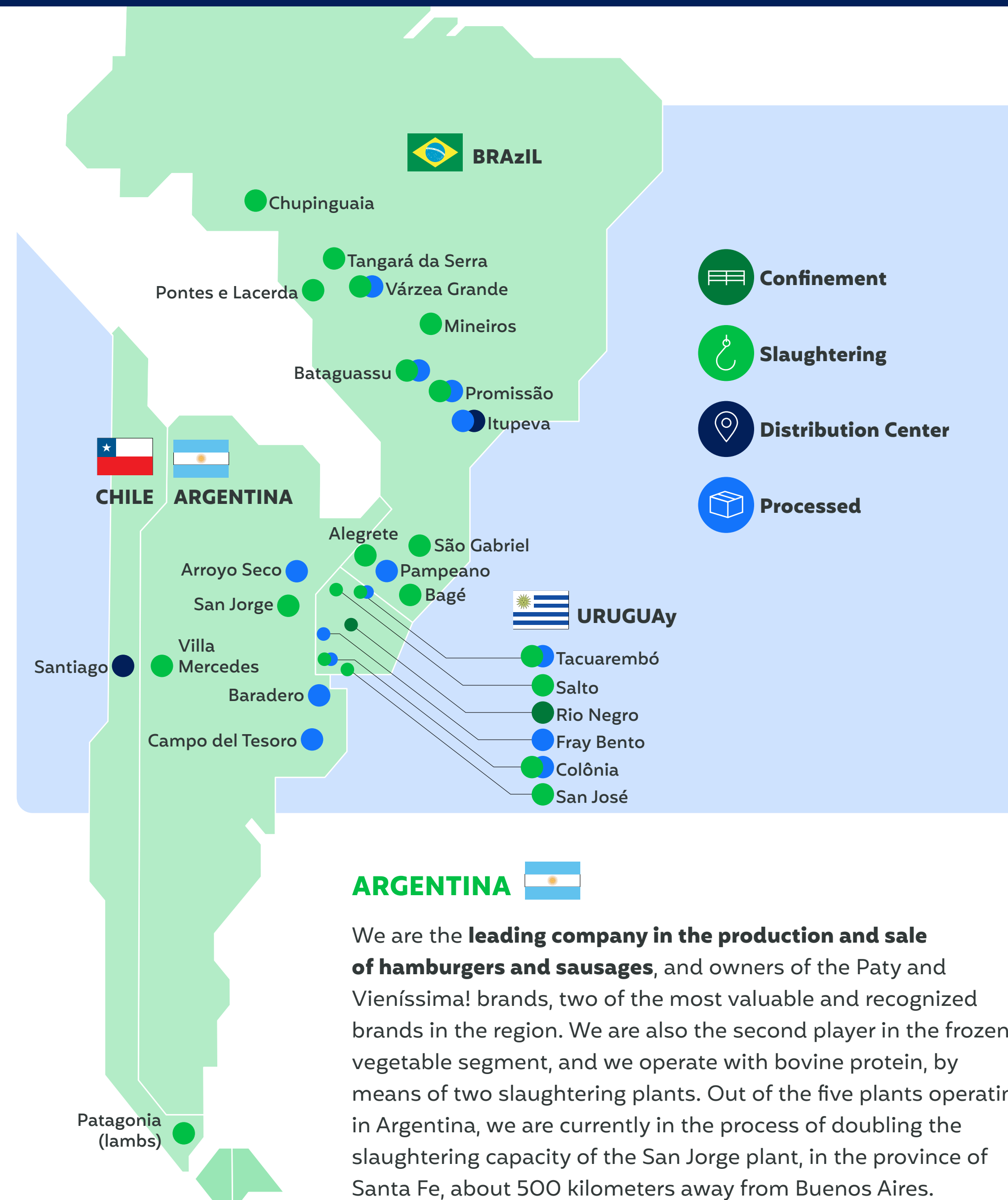
R\$ 2,328 million
Adjusted EBITDA (-56.2%)

BRAZIL

We are the **second largest beef protein company, and one of the main producers of hamburgers**, which are items produced in 12 industrial plants and directed to the retail and foodservice channels both in Brazil and abroad. We also **produce and sell vegetable protein-based foods**, from PlantPlus Foods, a company created in partnership with the North American company ADM, one of the largest suppliers of food ingredients in the world.

Out of these 12 industrial plants, the one located in Bataguassu (MS), a municipality some 320 kilometers away from Campo Grande, the capital city of the state of Mato Grosso do Sul, was inaugurated this year. This plant, dedicated to the production of hamburgers, in Bataguassu (MS), adds another 24,000 tons to our production capacity, raising it to 247,000 tons per year.

We have invested R\$ 130 million in this structure, one of the most modern plants in our industry. This plant, which covers 7,850 square meters and generates around 150 direct jobs, expanded our national hamburger production, until then concentrated in the Várzea Grande (MT) industrial complex, currently processing 72,000 tons of hamburger per year, where we also completed the expansion of the deboning area in 2022.



ARGENTINA

We are the **leading company in the production and sale of hamburgers and sausages**, and owners of the Paty and Vieniísima! brands, two of the most valuable and recognized brands in the region. We are also the second player in the frozen vegetable segment, and we operate with bovine protein, by means of two slaughtering plants. Out of the five plants operating in Argentina, we are currently in the process of doubling the slaughtering capacity of the San Jorge plant, in the province of Santa Fe, about 500 kilometers away from Buenos Aires.

CHILE

We are the **only multinational protein company** with its own distribution center and processing plant. We also stand out as the main importer and distributor of beef, and as the largest local employer, with about 400 employees. We also operate in the lamb protein segment, with one of the main lamb slaughtering plants in South America. This plant also stands out for being the only one in the country to have BRC certifications, a globally recognized food safety seal.

URUGUAY

We are the **largest beef protein company in the country, and Uruguay's main exporter**, accounting for about 30% of the beef sold abroad, which is then chilled or frozen for the most demanding markets, such as Japan, the United States, Europe, South Korea, China, among others. We are also the **main private group**, with more than 3,000 employees, and pioneer in Latin America in the production of organic beef. Uruguay hosts the only feedlot facility that we own. Among the advances for 2022, the expansion and modernization of the Tacuarembó unit, located in the Center-West of the country, was completed.

Plant-based products



In 2022, we consolidated the expansion of PlantPlus Foods, a company engaged in the production and sale of vegetable-based products. During the period, we completed the acquisitions of the Canadian Sol Cuisine and the North American Hilary's, to which we allocated US\$ 140 million.

PlantPlus Foods is our plant-based protein foodtech, created in 2020, to meet the growing global demand for plant-based products. The company is a joint venture we formed with Archer Daniels Midland Company (ADM), a global leader in nutrition.

We hold a 70% stake in the business, and are responsible for the production and distribution of finished products from our facilities in South America, primarily in Várzea Grande,

Mato Grosso do Sul, and from our production facilities in the United States. ADM, which holds the other 30%, provides innovative technical expertise, development of applications, and a variety of plant-based ingredients, flavors, and systems from its specialty protein complex in Campo Grande, Mato Grosso do Sul, and from its U.S.-based ingredients and flavor plants, including the recently opened pea protein plant in Enderlin, North Dakota.

PlantPlus Foods is bolstered by a partnership between two global food giants. On the one hand, ADM, with all the technology and more than 75 years of experience with alternative proteins, innovation centers and hundreds of scientists, who form a global Research and Development (R&D) network, enabling innovative products. On the other, the scalability and sales force of Marfrig. The combination of both enables the company to deliver quality with volume, serving a larger share of the market and strengthening the company's commitment to solving current and future nutritional challenges.

PlantPlus Foods has its own corporate governance structure. The Board of Directors is the main body in this structure, and among its duties is to determine strategies,

and monitor the results achieved from the implementation of these guidelines through regular meetings. This collegiate body includes the Chairmen of the South American and North American operations, plus one of the independent members of Marfrig's Board of Directors, among others.

The responsibility for implementing the strategy is held by the executive board, led by a CEO (Chief Executive Officer), and integrated by six other officers, dedicated to the areas of Finance, Marketing, Sales, Operations, Human Resources, and Supply Chain. This leadership is responsible for the operational activities, installed in Canada, as well as in the United States and Brazil, countries that also have administrative offices.

The marketing of vegetable protein-based products is strategic to our business. On the one hand, it contributes to the diversification of our protein portfolio, a directive that has underpinned our operations, which was reinforced by the acquisition of a majority stake in BRF (read [here](#)). Furthermore, in addition to meeting the increasing demand for plant-based products, production in this sector generates fewer adverse environmental impacts. This aligns with our commitment

to mitigating the effects of our activities and contributing to environmental sustainability. These characteristics lead to the inclusion of alternative protein activities in our Materiality Matrix, which has already been updated this year (see page 132).

We have also been boosting the expansion of knowledge on alternative proteins, in line with the above-mentioned strategy, by supporting academic research. We donated US\$ 190,000 to The Earth Institute - Climate School, Columbia University (USA), to fund a new research project entitled "Pathways from the Healthy and Sustainable Food Systems Network to Protein for Humanity: Transitioning from animal protein-based food systems to ensure healthy and sustainable diets", which started in 2022.

The process of consolidation, which marked the performance of PlantPlus Foods in 2022, included the expansion of its product portfolio. During the period, four new 100% vegetable items were launched: hamburgers with "picanha" (rump cover) and rib (novelty items in the segment) flavors, shredded chicken, and Tuscan sausage. These new choices come to join the existing ones, such as kibbles, meatballs, and ground beef, marketed since 2021.



Innovation

Innovation has become a strategic issue, which permeates our business and work routines, guided by the continuous search for improvement, and by the creation of value for all stakeholders with whom we maintain a relationship. We have been promoting a number of actions on multiple fronts, ranging from the diversification of our business model to equipment powered by clean energy sources, to process review and modernization, and launching new products.

As part of this movement, digital transformation has been a major ally. We have been moving forward, for example, in process automation, both in our corporate and industrial areas. Alongside digitalization, sustainability has been another aspect that has oriented our decision-making process in these matters. We are aware of innovative initiatives, aligned with the best practices of environmental preservation, and connected to consumer trends, from which we are already reaping the results. The production and marketing of meat cuts from low-carbon livestock is one example. PlantPlus Foods is a company we created to offer vegetable

protein-based food alternatives, marketed by retail channels and foodservice chains (see page 28 for further information).

Innovation endeavors also permeate the Company's different fronts, and are therefore disseminated in different areas. The Company's Innovation & New Business Division is responsible for stimulating innovative solutions and businesses, by developing or adding them to its portfolio. Digital transformation issues, in turn, are managed by the Information Technology Division, and Sustainability issues by the Division dedicated to this matter. Some of the progress made on these fronts in 2022:

New Business

We acquired, in 2022, two startups whose proposed solutions are aimed at improving the management of activities related to food e-commerce:

- Quiq, a Brazilian digital platform that aims at the streamlining the management of online orders at restaurants, connecting the various delivery applications directly to the POS (point of sale) systems. Quiq is a joint venture led by the technology community

4all and nine other partners from large foodservice chains.

- Takeoff Technologies, a US company geared towards automated-food customer service, and food inventory management solutions for supermarket chains and retail shops, with data-driven solutions to meet the growing demand for e-commerce.

Products

We are preparing the launch of a line of beef cuts produced under the low-carbon concept, in partnership with the Brazilian Agricultural Research Corporation (EMBRAPA), which will join another brand that we already sell, produced under the Carbon Neutral Meat (CNM) model. Labeled with the brand Viva!, this product uses, as raw material, livestock that are raised in systems that integrate livestock and forest, in which the methane emissions by the animals are neutralized. For this purpose, techniques such as Crop-Livestock Integration (CLI) and Crop-Livestock Forest Integration (CLFI) are applied, aimed at conciliating and balancing pastures and biodiversity. These models are the result of an unprecedented partnership we established with the Brazilian Agricultural Research Corporation (EMBRAPA) in 2018, aimed at

fostering the adoption of more sustainable practices for livestock farming, certifying meat derived from such systems.

Industrial processes

"Move Boi" (Move Cattle) is an equipment for handling cattle, designed in one of our plants and developed in partnership with the manufacturers. With this device, the animal is encouraged to walk along the corridor, preventing them from being touched with electric prods at the entrance to the slaughterhouse. The tool, therefore, provides welfare to the animals and facilitates the operation and the work routines of our personnel. In 2022, the prototype stage was completed - in which a change in the drive system was made, changing it from electric to hydraulic, making it easier to maintain and replace parts. The definite version of "Move Boi" is expected to be launched in 2023.

Automation of processes

Digitalization has increasingly permeated our work routines, both in the administrative and industrial areas. During 2022, we developed new tools and solutions, aimed at improving our controls and raising our gains in productivity:

In the administrative area. Over 20 automation robots are in operation in our administrative operation offices, providing support for the routines in various areas of the company. Tools used to automate manual tasks that require repetitive processes, such as copying data digitally into the internal system, **these robots are performing functions in various areas such as IT, treasury, supplies, logistics, and finance.** Among the advantages of process automation is the gain in efficiency and speed, since robots, according to estimates, perform functions at 70% faster speed than humans, and the reduction of operational errors, since it allows the standardization of several routines. We free up our employees for more qualified, analytical, and strategic activities, by facilitating the daily routine of the areas with the support of this tool.

15%

less pollutants, such as carbon dioxide, than a diesel-powered model

In the industry. We adopted a solution that enables us to monitor, on a remote basis, the entire **discharge of wastewater** from our plants in Brazil. The metering is done every hour, uninterruptedly, by means of a sensor installed in the parshall flume, and the collected data, in turn, are sent to our servers by means of 3G technology, and posted on an environmental indicators panel, which allows us to better manage these processes. This remote monitoring of performance has brought greater accuracy in the data, eliminating the monitoring done by operators, who went to the site three times a day and performed the measurement manually. All the energy supplied to the equipment comes from solar panels, since the biological treatment of effluents is in remote locations, with no access to the power grid. A system to digitalize the environmental analysis processes of water and food is also being introduced. In the future, we expect to eliminate the volume of documents filled out on paper, a routine that would be performed via a specific laboratory management system. This process also provides the possibility to view the results on an indicator panel, which simplifies management and speeds up the decision-making process.

Environmental management

Natural gas truck. We launched, in Brazil, our first sustainable trailer that runs on CNG (vehicular natural gas), a vehicle that emits 15% less pollutants, such as carbon dioxide, than a diesel-powered model. This means we stop releasing more than seven tons of greenhouse gases (GHG) each year. The truck, used to supply restaurants, bars, snack bars, steakhouses, butcher shops, and supermarkets with our products, is circulating in the cities of Itupeva and Promissão, located 70 and 450 kilometers from the capital, respectively, and in the city of Rio de Janeiro. The choice of these routes took into account the availability of natural gas filling stations in the region, an infrastructure that, still limited in Brazil, makes it difficult to replicate the experience in other locations.

App to measure carbon footprint. In Uruguay, we developed an application to measure and manage greenhouse gases (GHG), and made it available to our supplier farms in the country. Through this application, the producer has access to emission indicators, which helps him to improve processes and the management of this subject. More information on page 106.

Biogas generation. We are currently developing a project to use solid residues as a source of energy generation, in line with our efforts to mitigate the impact from our activities on the environment. The solution that is being analyzed would perform the co-digestion of the solid residues generated in our production processes, such as manure, among others. A reactor with adequate pressure and temperature conditions would perform the degradation of the available organic matter, and convert it into biogas. After treatment, this biomethane could be used to generate electricity, thermal energy, or even as fuel for the fleet.



Relationships

[GRI 2-29]

One of the principles that guide the interactions we have with our stakeholders is the formation of partnerships. In addition to striving to maintain close and accessible contact with all stakeholders, we seek to effectively contribute to maintaining a positive impact on their business - in the case of the commercial relationships we maintain - or to join forces, establishing joint actions, as is the case of the Marfrig Verde+ Program (read more on page 84).

With society, we maintain several communication channels, through which we have developed strategies that help us become even closer to this target audience. We also seek to share information on sustainable development and related topics, subjects that we prioritize internally and, due to their relevance, we consider essential to share.

In this sense, we launched several relationship initiatives throughout the year, and improved others. Technology, in this context, has been a great ally for the increasing reach of our initiatives.

Retail

"Açougue Mais" Program

Butcher shops that are clients - in other words, they buy the meat we produce for the purpose of selling it - count on our support to make their operations more efficient and profitable. Through this partnership, materialized in the

"Açougue Mais" (More Butchers' Shop) Program, we offer free training for store employees, teaching the teams to standardize processes and procedures.

The employees are also instructed to control the reception of products, and the cleaning and organization of stocks and other facilities. They are also instructed on how to handle meat and the best way to present the products on trays and counters. Other topics covered in this training is the reduction of waste, and the best method to cut meat the ideal way, in addition to processes to avoid deterioration and contamination of the products, and to store the meat properly.

The qualification of employees and the consulting services last between one and two weeks. After this period, we return to the workshops to revisit the procedures and, if necessary, reorganize or reinforce them.

In addition to "Açougue Mais", we also offer the "Virada de Loja" (Store Turnaround) Project, which aims at improving the look and layout of the butchers' store, and improving the presentation and display of products. The purpose of this initiative is to have a positive impact on the consumer's shopping experience, thus contributing to boost sales. In 2022, 62 stores, in the states of São Paulo and Rio de Janeiro, took part in the entire project, which combines "Açougue Mais" and "Virada de Loja".

Relationship with the Livestock Farmer

In 2022, the Livestock Farmer Relationship Program, through which we seek to further strengthen the relationship we maintain with producers, completed its first year of activity. Among the actions developed are on-site visits to farms, delivering solutions and technologies that are aimed at increasing the productivity and profitability of livestock farmers. It also includes the promotion of technical assistance in issues such as genetic improvement, nutrition, health, management, and animal welfare. The Program also works to attract new suppliers, and identify and solve blocked or inactive suppliers. Since it was launched, more than 900 visits have been made to livestock farmers, technicians, and rural producer unions, being present in more than 70 events, including field days, training sessions, exhibitions, and fairs, keeping the purpose of its creation. In this program, the following subjects are tackled:

- **Genetic improvement:** guidelines for production-oriented genetics, according to the system used.
- **Animal welfare:** work closely with the animal welfare department, in the follow-up of slaughtering, training, and visits to farmers.
- **Nutrition, mineralization, diet formulation and handling of pasture:** assistance in formulating feed rations for confinement, field supplements and breeding, in addition to guidance on pasture management.
- **Sanitary Control:** guidance on the use and control of the grace period for veterinary producers.
- **Sustainability:** the importance of sustainability within the production system.
- **Management:** enhancement in business management.

Clients and suppliers

We advanced, in 2022, in the adoption of tools and systems to improve and streamline the relationship with clients and suppliers. Among the initiatives implemented, some highlights are:

Portal for foreign clients. Integrated platform for the placing of orders, comprising all plants in South America, available in desktop or mobile versions. Through this portal, Marfrig's foreign clients – such as large retail chains and global restaurants – can track their orders from creation to reception, including all customs documentation. The channel also unifies sales processes, and is used by our commercial teams in Brazil.

Portal for Customs Brokers. It supports customs issues, improving the exchange of documents and information on cargo, as well as providing more promptness to the post-sale process. The system is able to generate data, such as process timing and plant invoicing, which allows us to make decisions in a more strategic way with our partner brokers. This platform can also be accessed in desktop or mobile versions.

Society

Content Hub focused on ESG and innovation

We launched a platform named **"Prato do Amanhã"** (Plate of Tomorrow), with content on topics related to the livestock sector, with emphasis on sustainability issues, such as environmental preservation, animal welfare and plant protein, as well as innovation and business, among others. With this endeavor, we seek to bring up-to-date, quality information on these topics to the various audiences with whom we relate. With "Prato do Amanhã", we became the first company in the sector to launch our own content hub.

1,400,000+
followers on Instagram

372,000,000+
users impacted by social networks

Brand Awareness

The social networks representing our brands have consolidated their position as an effective channel for the marketing of products and communication with consumers. Based on a strategy that combines specific content – in 2022, there were more than 150 videos posted, and about 6,400 posts and stories – and brand ambassadors, such as the singer Michel Teló, our digital exposure has effectively contributed to making our premium brands in Brazil even better known.

In 2022, more than 372 million social network users were impacted by the posts on our profiles, and the impact on consumer perception has already become clear. A survey, conducted by the Ipsos Institute in late 2022, indicated that 59% of people knew the Bassi brand, much more than the 8% measured in May 2020. Montana Steakhouse products, in turn, were familiar to 68% of the public, a share that, two years earlier, was 17%.

Scope of our actions during the year



In the profiles of the brand MONTANA STEAKHOUSE:

99,197,261 prints

2,032 posts

36 recorded videos + photos



In the profiles of the brand BASSI

128,008,948 prints

3,432 posts

45 recorded videos + photos

Direct sales

We have expanded the contact channels with our consumers, promoting direct sales to both retail and foodservice:

- Bassi Platform. We launched, in 2022, the Bassi e-commerce website. At first, the direct-to-consumer platform is offering products of the Bassi, Bassi Angus, Montana Steakhouse and PlantPlus Foods (vegetable protein based) brands for the city of São Paulo. Users receive their orders quickly, within one hour. This agility reflects the infrastructure we created, with small storage spaces, spread throughout the city, in order to ensure proximity to the consumer. In the future, Bassi e-commerce will partner with butcher shops, boutiques, supermarkets and other companies to sell products on its platform, in addition to expanding its delivery area and offering additional services, such as booked delivery, customer service by chat, and scheduled purchases by subscription. Learn more [here](#).
- Marfrig Market. Online sales platform, focused on B2B. Dedicated to serving foodservice customers, such as Brazilian restaurants and bars of all sizes, the portal provides several features, such as promotions and real-time service via chat. In 2022, we included one more differential for our segment: the option to settle

purchases via PIX, an instant payment system adopted in the country. Learn more [here](#).

- "Mercado Paty" (Paty Market). An e-commerce portal for retail products, from our operation in Argentina. Also accessible by cell phone, it allows customers to purchase food combos, including hamburgers, vegetables, and other frozen foods, and receive the products at home. Launched in 2020, it has been growing rapidly, and is available to residents of the greater Buenos Aires area. Learn more [here](#).
- Kansas City Steaks. At National Beef, we also hold our own direct-to-consumer channel. Learn more [here](#).

Institutional Partnerships

[GRI 2-28; 2-29]

As one of the largest animal protein companies in the world, we understand the scope and influence that we can exert in the engagement and relationship with various agents of civil society and governments. In this sense, we seek to foster cooperative dialogue and support a number of initiatives, in addition to actively participating in sectoral efforts to improve sustainability practices in our industry, in the areas of climate change, animal welfare, pollution, antibiotics and alternative proteins. Some of the main organizations with which we maintain relationships:

Animal welfare

ABIEC (Brazilian Association of Meat Exporting Industries): we actively engage in discussions about animal welfare in the industrial segments, providing input to public inquiries that aim to develop standards and legislation on the subject.

WAP (Animal World Protection) and MAPA (Ministry of Agriculture, Livestock and Supply):

- **STEPS humanitarian slaughter program:** the result of a partnership between WAP and MAPA. The material regarding good cattle farming practices, distributed by WAP, was largely recorded and photographed in our facilities, in mid 2007. We also contributed with the training of the STEPS team at our plant in the city of Promissão (SP).
- **Legal transport:** release of images captured during the monitoring of shipments, transport, and unloading of European animals, in one of the units located in Rio Grande do Sul, to be used in the DVD Legal Transport, produced by MAPA, aimed at developing professionals and encouraging best practices in cattle farming.
- **Training material:** support to WAP in developing training material, and recommendation of practices applicable to our value chain.

CIWF (Compassion in World Farming):

apoio à identificação de oportunidade de melhorias, a partir da recomendação de práticas aplicáveis à nossa cadeia de valor.

Equipment manufacturers: development of projects, jointly with equipment manufacturers, that aim to make the operation easier, and to provide even better welfare to animals and employees.

Ampara Animal: incentive for the development of projects related to Ampara Silvestre in the implementation of the first emergency assistance base for fauna in the North Pantanal, construction of the first rehabilitation center for wild fauna, monitoring, promotion and dissemination of local biodiversity, creation of an eco-volunteering system that aims to ensure the maintenance and expansion of the project for the protection and well-being of wild animals through awareness.

Climate change

Initiative for Sustainable Trade (IDH): a partner in the Marfrig Verde+ program, the Dutch organization IDH acts together with companies, sponsors, governments, and the civil society, in favor of sustainable trade within the global value chains.

Global Roundtable for Sustainable Beef: we are a partner in this initiative, which is aimed at encouraging sustainable beef production, as a socially responsible, environmentally sound and economically viable product, which prioritizes the planet, people, animals and progress.

Sustainable Livestock Work Group (GTPS): this group debates and draws up the principles, standards and common practices to be adopted by the sector, with the proposition of developing livestock farming that is sustainable, fair, environmentally correct and economically viable. Among the projects developed by GTPS and its partner members is the Sustainable Livestock Farming Indicators Guide (GIPS), aimed at engaging all links of the production chain with the best sustainability practices applied to livestock farming. It is made up of producers, industries, research centers and universities. We have been members of GTPS since 2009.

Tropical Forest Alliance (TFA): seeks to achieve zero deforestation in the production chains of beef, palm oil, soy, paper and pulp. This global alliance, created in 2012 by the Consumer Goods Forum, brings together top executives from several manufacturers of consumer goods, plus the U.S. government.

Coalizão Brazil - Clima Floresta e Agricultura (Brazilian Coalition - Climate, Forest and Agriculture): an organization made up of over 300 representatives from the private sector, financial sector, academia and civil society, uniting different voices in favor of Brazil's leadership in a new competitive, responsible and inclusive low-carbon economy. In this context, it acts to promote synergy between the agendas of protection, preservation, sustainable use of natural and planted forests, agriculture and livestock, and adaptation to climate change.

Meat Traceability Task Force: a group led by the Brazilian Coalition on Climate, Forest and Agriculture, which relies on the cooperation from the Brazilian Association of Exporting Industries (ABIEC), the Brazilian Agribusiness Association (ABAG), and other institutions and companies.

Federal Public Prosecutors Ministry (MPF) and Imaflora: interaction that takes place through the Homogenized Protocol for the Purchase of Cattle in the Beef Industry.

Federal Public Prosecutors Ministry and the Mato Grosso Meat Institute: interaction aimed at reintegrating blocked suppliers: direct ones, in the short term, and indirect ones, in the long term.

Agroícone: develops the mapping of risks involving direct suppliers from the Amazon.

PCI Institute: officially responsible for implementing the "Produce, Preserve, Include" strategy in the state of Mato Grosso, Brazil.

Safe Trace and The Nature Conservancy: they act with us in the development of an application, based on blockchain, to report zootechnical and environmental information for the beef industry, while using our geo-monitoring system.

Amigos Terra Amazônia Brasileira (Friends of the Brazilian Amazon Land): partnership in the fight against triangulation in the sale of cattle, through the Visipec system, which is a technological solution developed for this purpose.

H2O Company: responsible for evaluating the Marfrig Protocol.

Brain Ag: provider of geomonitoring services.

Empresa Brasileira de Pesquisa Agropecuária (Embrapa) (Brazilian Agricultural Research Corporation): testing and expansion of the Carbon Neutral Brazilian Beef (CNBB) and Low Carbon Brazilian Beef (LCBB) protocols.

Alliance Bioversity & CIAT: support on issues related to emissions in the production of beef protein and consultancy on actions related to the company's targets for reducing its Scope 3 emissions.



Pollution

CETESB - Environmental Company of the State of São Paulo: We participate in an Environmental Chamber on Climate Change, a working group established for discussions and preparation of technical notes and other supporting documents for the São Paulo Environmental Agreement, for the reduction of gas emissions greenhouse effect and other potential pollutants resulting from our operations. By adhering to this agreement, we are committed to reducing emissions in the state of São Paulo by 93.5%, by 2030. Within the scope of this working group, we have been discussing, with other participating companies, matters relating to the regulation of the carbon market, good practices and actions to comply with the São Paulo Environmental Agreement, and shared success stories.

Sustainable finance

CEBEDS (Brazilian Business Council for Sustainable Development). We are members of CEBDS, an entity that brings together companies willing to work towards sustainable development. One of the group's axes of action is sustainable finance, through the publication of reference materials, such as the Guide for the Issuance of Green Bonds in Brazil (access [here](#)). As a member of CEBDS, we support the institution's work and assume

the commitment to work for sustainable development, such as what we have done through actions developed within the scope of Marfrig Verde+, enabling financial mechanisms for the livestock value chain.

Alternative/sustainable proteins

Archer Daniels Midland Company (ADM): Marfrig's partner in the joint venture that gave rise to PlantPlus Foods.

Columbia University – Columbia Climate School (Network for Healthy and Sustainable Food Systems): Financial support (gift modality) to carry out academic research on the transition to protein-based food systems.

GFI – Good Food Initiative: collaboration in studies on the new regulatory framework. GFI is a not-for-profit organization that promotes plant and cell-based food alternatives to animal products, especially meat, dairy and eggs.

93.5%

of emission reduction in the State of São Paulo until 2030

Data Privacy

In the course of our work routines, regardless of the country of operation, we have access to third-party data, such as clients and partners. To ensure the privacy and security of this information, we rely on compatible technological infrastructure, and adopt a series of processes and policies, always aligned to global best practices.

For each one of our operations, we rely on teams dedicated to this topic. In Brazil, for example, these issues are concentrated in the Information Technology Department, and are managed based on the guidelines established by the General Law of Data Protection (LGPD). This regulation, in force since 2020, has brought a set of rules that companies must comply with in the treatment of information and personal data of third parties, to ensure the required security.



These requirements permeate our performance on this front, and include, for example, the appointment of a Data Protection Officer (DPO) and the creation of a Privacy Center, a structure that serves the business areas, providing the necessary adjustments to comply with the new regulations. The service to data holders is also carried out by this Center, with the use of appropriate tools for this interface.

Data management actions are based on the Data Privacy Policy, which contains guidelines and directives for professionals whose routines include processing the personal data of third parties, and the Cookies Policy, which describes the practices we follow to respect the privacy of all visitors to our websites. These documents, together with access to the Privacy Center and to the Consent Form – a document through which the data holder formalizes his/her agreement with the treatment of his/her data, in line with the provisions set forth by law – can be accessed [here](#).

GOVERNANCE AND MANAGEMENT



[GRI 3-3]

We seek to enhance our adopted practices with each passing year, by improving our structures, policies and processes related to Corporate Governance. In 2022, for example, we published the Appointment Policy for Board Members, Committee Members and Executive Officers, which contains guidelines, criteria and minimum requirements for selecting the professionals who make up our Governance bodies. With this new policy, we now hold eight policies aimed at regulating our practices in this area, documents that are periodically revised, to ensure they are in line with the best market benchmarks. All our policies are submitted to and approved by the Board of Directors.

Among the Corporate Governance practices we adopt, some exceed the legal or self-regulation requirements. One example is the participation of independent members in our Board of Directors, which accounts for 42.9% of the total, a share that exceeds the 20% provided for in the regulations of the Novo Mercado of B3 - Brazil, Bolsa, Balcão, the listing segment on which our shares are traded. Another major highlight involves the ESG aspects, which are considered both in the compensation policies for the Officers, as in the self-assessment of the members of the Board of Directors.

Governance structure and management

[GRI 2-9; 2-10]

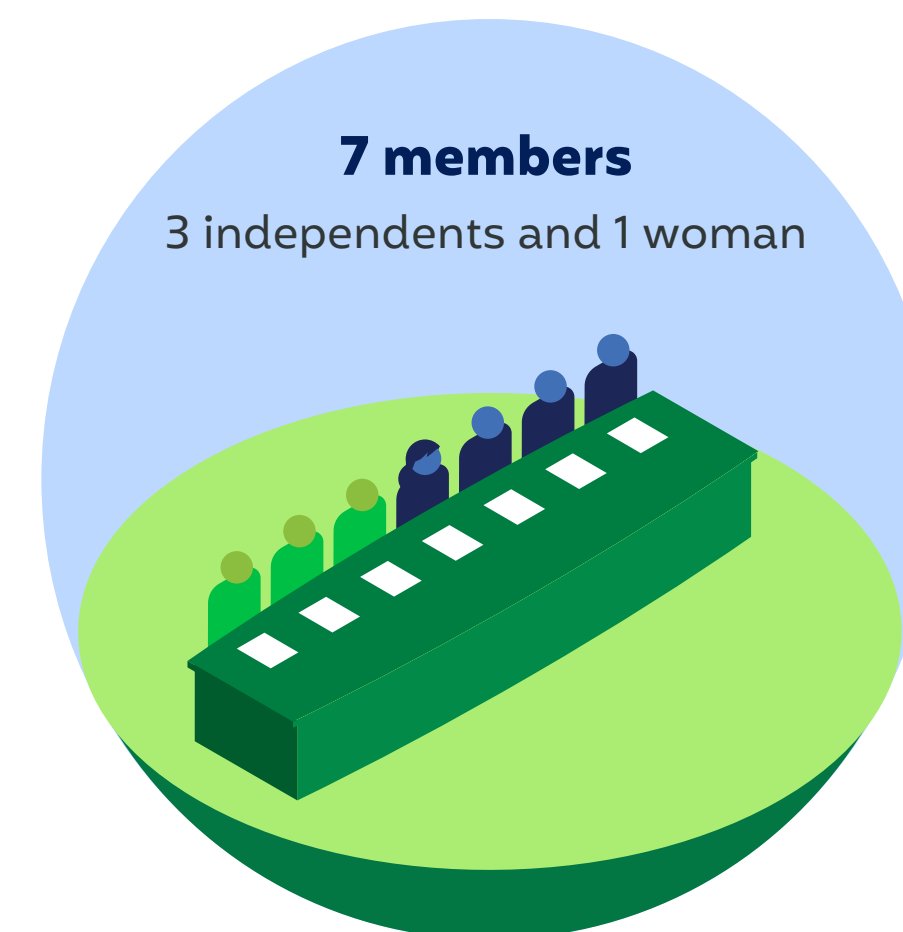
Our main Corporate Governance bodies are the Board of Directors, responsible, among other attributions, for watching over the Company's assets and determining the strategic business guidelines, in addition to the Statutory Board, which is executive in nature.

We have established four committees, aimed to support the Board of Directors in the performance of its duties, and to contribute to the Board members' decision-making process. As advisory bodies, they collect information, data and metrics on specific topics, and promote prior discussions before taking the issues to the appreciation of the Board, a process that provides efficiency, agility and quality to the work, and contributes to the management of the impacts from our operations on society, people and the environment. Moreover, these committees remain attentive to crucial concerns identified by means of scenario assessments, or in the execution of business strategies by the operational areas. Whenever necessary, these matters

are forwarded to the Board of Directors, although it did not happen in 2022. This Corporate Governance structure is complemented by the permanent Fiscal Council. [GRI 2-13; 2-16]

These bodies are composed of highly qualified professionals, in line with the parameters established in our Appointment Policy. Alongside their impeccable

reputations, the members of these committees bring diverse backgrounds and a wealth of experience, both within our industry and in related fields and sectors. This amalgamation of expertise ensures a range of perspectives and arguments during discussions, facilitating the evaluation of business impacts and enriching the decision-making process. The composition of these Governance bodies also takes into account criteria related to behavior, cultural aspects and racial, ethnic, age and gender diversity, and should constitute a group that is committed and aligned with our mission, principles and ethical values. The appointment and selection of candidates, in addition to compliance with such requirements, are subject to the legal and regulatory provisions applicable to the jurisdictions to which Marfrig is subject, and comply with the rules of the Novo Mercado listing regulation, of B3, and the terms of the regulatory bodies. Details on the composition and professional experience of the members of the Corporate Governance bodies are available on the Investor Relations [website](#).



Corporate Governance Bodies

→ **Board of Directors.** Collegiate body that represents the shareholders, and it is responsible for formulating business strategies, in line with the best practices for mitigating negative impacts on society and the environment, and for supervising the execution of these guidelines. It is also responsible for establishing internal rules and norms that foster the Company's sustainable development, and regulate responsible corporate conduct, permeated by commitments to ethics and integrity. These concepts cover various issues, such as respect for human rights, social and environmental responsibility, combating corruption, promotion of free competition, among others, which are addressed in detail, with guidelines and directives, under specific policies approved by the Board. These documents, available on the Investor Relations website, also regulate and contribute to the supervision of business impacts. At the close of 2022, the Board of Directors was composed of seven members, including the chairman, who performs this role without accumulating any executive functions at Marfrig. Within this group of members, three are independent, representing 42.9% of the overall composition, which is higher than the 20% required by B3's Novo Mercado regulations. **[GRI 2-11; 2-12]**

The Board of Directors also acts to mitigate and prevent instances of conflicts of interest, thus classified when an individual or legal entity that maintains any form of business with Marfrig or its subsidiaries is involved in a decision-making process. This individual, therefore, in addition to being in a position that may interfere with his/her capacity to impart judgment, would have the power to influence and/or mislead the result of the decision, ensuring a gain and/or benefit for him/herself, for a member of his/her family or for third parties with whom he/she is associated. **[GRI 2-15]**

We have established, in our Policy on Related-Party Transactions and Conflict of Interest Situations, guidelines and conduct that must be complied with in managing these issues. The document also details the processes adopted on this front, which provide, for example, that all information on related-party transactions be sent to the Board of Directors every six months, in detail, by the Audit Committee and the Financial and Risk Management Committee, so that the Board can evaluate and monitor these issues. The Company's representatives must comply with the ordinary flow for closing transactions with related parties, with due analysis of the

operations, and must not intervene in such a way as to influence the contracting processes. **[GRI 2-15]**

It is also the duty of the Board members to monitor and manage potential conflicts of interest on the part of the Board of Directors itself, the Executive Board and the Fiscal Council, so as to avoid misuse of the organization's assets and, in particular, potential conflicts of interest in transactions between related parties. Any member of these bodies who, for whatever reason, has a private interest or an interest that conflicts with that of the Company in a given deliberation, must immediately report the fact and abstain from participating in discussions and deliberations on the subject. **[GRI 2-15]**

Information on shareholding ownership by our shareholders is publicly disclosed, and may be found on our Investor Relations website, including information on our controlling shareholders and/or other stakeholders, as well as on our relations with related parties and other related matters, in accordance with the Corporate Governance policies we adopt, and with the regulatory and self-regulatory provisions in effect, both in Brazil and in the United States, on which Marfrig securities are traded. The

disclosure of potential conflicts of interest that interfere with the conduct of our business shall be evaluated on a case-by-case basis, in compliance with the laws and regulations applicable to the jurisdictions to which the Company is subject. **[GRI 2-15]**

42.9%
**of independent members
 on our Board of Directors**

Board Advisory Committees

- **Statutory Auditing.** This Committee analyzes balance sheets and oversees and coordinates internal and outside auditing and accounting procedures, especially when it comes to internal financial controls, risk management and other routines involving legal norms., including mitigation and prevention of situations that configure conflicts of interest. At the close of 2022, it was formed by three professionals: one independent adviser, who coordinates the Committee, and two independent members, with experience in the corporate-accounting area. **[GRI 2-15]**
- **Remuneration, Corporate Governance, and Human Resources.** This involves evaluation of questions related to corporate governance, internal policies, and norms related to Human Resources, such as remuneration and benefits for administrators, employees, and service providers. The composition of the Committee was changed in 2022, including one more position. Thus, it is now made up of four members: two independent advisors - one of them, coordinator of the Committee -, a statutory director and a Company executive, appointed during the year.
- **Finance.** It monitors the maintenance of predetermined liquidity and capital structures, and periodically examines

the investment and financing plans. The agendas dealt with in this sphere also contribute to mitigating and preventing instances of conflicts of interest. At the close of 2022, it was composed of three members: two directors - one being independent, who also coordinates the Committee - and a statutory director. **[GRI 2-15]**

- **Sustainability.** This Committee monitors the implementation of the strategy determined for this subject, by fostering good practices for sustainable development, control management of the origin of raw materials, animal welfare, greenhouse gas emissions, conservation of natural resources, wastewater and waste residues, aimed at minimizing the impact of our operations on the environment. Its composition was expanded in 2022, ending the year with seven members: two directors - one of whom, independent and specialized in the topic, coordinates the Committee -, a representative of the controlling shareholders, three external members, all with a recognized track record in sustainability issues (one of whom was appointed during the period), and the Sustainability officer. Of the seven members, three are women.

The Sustainability Committee holds regular meetings with the Board of Directors to report on the progress and results of the

practices related to sustainability, and sends the Board members information and communications of interest related to these issues. This sharing of information, done on an ongoing basis, supports the Board of Directors in making decisions on the subject, and contributes to improving the members' knowledge about sustainability. **[GRI 2-17]**

- **Statutory Executive Board.** Responsible for implementing the general policies and guidelines set out by the Board of Directors. At the close of 2022, it was made up of four members: a Legal Officer, a Financial Administrative and Investor Relations Officer, and an Officer with no specific title, in addition to a CEO, whose title was changed during the period. All members, who are Marfrig's legal representatives, are appointed for three-year terms, reelection being permitted, and can be removed from office at any time.
- **Fiscal Council.** A permanent statutory body, acting independently from Management and the external auditors. Its main responsibilities are to supervise Management's activities, review the Company's financial statements, and report its conclusions to the shareholders. At the end of 2022, it was composed of three effective members and three alternate members, all with a one-year mandate, reelection being allowed. One of the effective members is a representative of the minority shareholders.

The Sustainability Committee holds regular meetings with the Board of Directors to report on the progress and results of the practices related to sustainability

Annual evaluations

[GRI 2-18]

Every year, we carry out a self-assessment process of the members of the Board of Directors, a practice that allows us to assess the differences in perceptions, along with the individual performance of the Board members. It also makes it possible to follow the progress of the performance of each one and of the entire group, indicating ways in which we can improve and preserve our Corporate Governance practices. [GRI 2-18]

The self-assessment is conducted by means of a questionnaire containing 30 questions, grouped into three aspects: Business Strategy and Corporate Risks; Board Dynamics and Board Member Participation; and Individual Performance. Of the total number of questions, 28 are multiple-choice and two are open-ended, and also cover topics related to ESG (environmental, social responsibility, and corporate governance) aspects, which contributes to strengthening and disseminating knowledge about these subjects among the Board members. This process is headed by the Corporate Governance Secretary, and is based on the manual "Board Evaluation: Recommendations and Practice" of the Brazilian Institute of Corporate Governance (IBGC). The self-assessment results are disclosed in the Reference Form, available on our Investor Relations website. [GRI 2-17]

Another practice we have adopted is to submit, to the Board of Directors, the evaluation of our CEO, for purposes of annual variable remuneration. This routine is done with the support and supervision of the Compensation, Corporate Governance and Human Resources Committee.

Remuneration

[GRI 2-19]

The members of the Board of Directors are compensated in a proportional manner to the duties and responsibilities that they perform, as well as their time dedication. The amounts are not based on attendance or participation in meetings, nor are they tied to short-term results. The operational and control procedures used to determine this compensation are detailed in our Management Compensation Policy, available on our website, in the Investor Relations session.

Among the parameters adopted in the composition of these payments is a salary survey, conducted every two years, at the latest, in which the competitiveness of the components offered is compared to what is practiced by peer companies: in the food segment, national, publicly-traded, and with operations abroad. The calculation also considers the evaluation of the functions held and individual performance.

Variable remuneration installments have been paid to the Board of Executive Officers and Non-Statutory Officers, conditioned to the fulfillment of internal goals, including financial ones, and to the Company's performance. Several indicators are considered in the calculation of the variable portion, depending on the characteristics of the position. Among them, are goals related to performance in ESG aspects. We do not adopt the practice of paying attraction bonuses and recruitment incentives, nor do we return bonuses and incentives. We also do not offer retirement benefits to our executives.

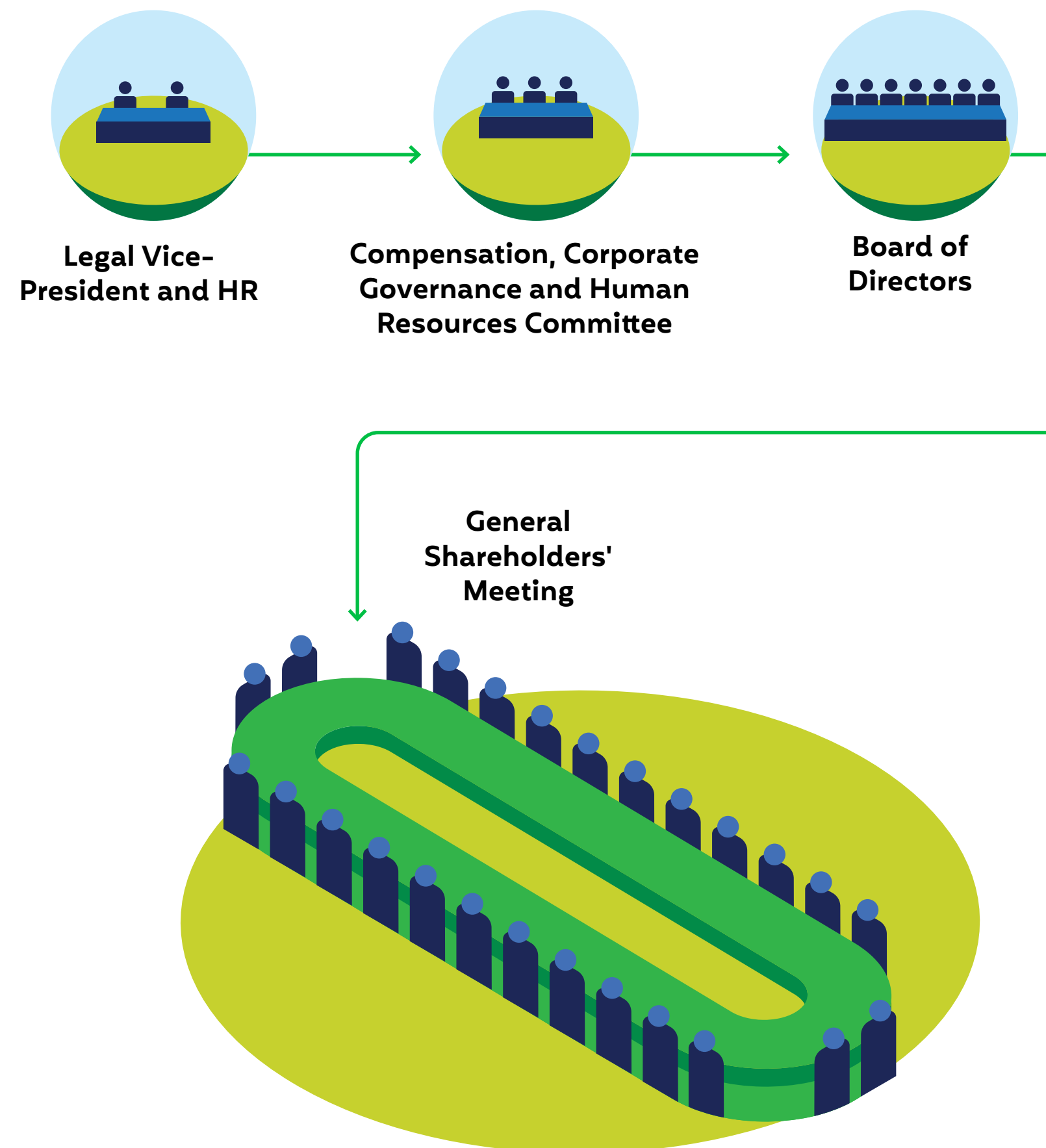
The breakdown of the compensation to each of the Corporate Governance bodies respects the following parameters:

- ➔ **Board of Directors.** The compensation of the Board members consists of a fixed monthly remuneration, determined annually for each one of them, plus benefits. The members receive different compensations, which vary according to the dedication of each member to Marfrig, causing some to have salaries higher than those of statutory officers. Although variable remuneration is provided for in our option plan, it was not granted in 2022 and shall not be exercised in 2023.
- ➔ **Statutory and Non-Statutory Executive Officers.** Comprises a fixed portion, determined annually for each professional, plus benefits, and a variable portion. This includes profit sharing and compensation based on our stock option plan. As part of the payment of remuneration, up to 70% of the variable remuneration can be paid by direct granting of shares held in treasury, in accordance with the regulations in force. The other conditions for direct share grants, as part of the compensation, are defined by the Board of Directors. Our Compensation Policy provides that, in cases of termination of employment of statutory officers, payments in addition to the termination fee are made, which include early vesting of long-term programs, and two years of total target compensation.
- ➔ **Fiscal Council.** It comprises a fixed portion, which includes a monthly remuneration, determined annually for each professional, plus benefits.

At the beginning of each year, the Management Compensation proposal is prepared – involving the Board of Directors, Fiscal Council and Statutory Officers – for the fiscal period in effect. In this document, the salary history of each officer and references practiced in the market are considered, based on a survey on the subject. Furthermore, it takes into account adjustments due to losses with inflation and benefits, in addition to eventual replacements or elections of new officers. The proposal is reviewed and submitted for approval by the Legal and Human Resources Vice President, a step that precedes evaluation by the Compensation, Corporate Governance and Human Resources Committee, the body responsible for evaluating the officers, and the compensation due to each of them, pursuant to our Compensation Policy. After the Committee's analysis, it is forwarded to the Board of Directors for approval, and then submitted to the General Shareholders' Meeting for deliberation. [GRI 2-20]

PROPOSAL FOR MANAGEMENT REMUNERATION

Approval Flowchart [GRI 2-20]



Policies

In 2022, we published our Appointment Policy for Board Members, Committee Members and Executive Officers. The document contains guidelines, criteria and minimum requirements necessary to select members for the Board of Directors and its Advisory Committees, as well as for the Executive Board. This regulation comes in addition to the eight policies that define our Corporate Governance practices and processes, which are periodically reviewed and approved by the Board. The full content of these documents is available on our Investor Relations website.

- ➔ Disclosure
- ➔ Trading
- ➔ Allocation of Earnings and Payment of Dividends
- ➔ Market Risk Management
- ➔ Management Compensation
- ➔ Transactions with Related Parties and Conflict of Interest Situations
- ➔ Stock Option Plan
- ➔ Hiring of Non-audit Services
- ➔ Appointment of Board Members, Committee Members and Executive Officers

Capital market

Marfrig's shares are traded on the B3 (Brazil, Bolsa-Balcão), in the "Novo Mercado", under the ticker MRFG3. At the close of 2022, they were quoted at R\$ 8.70 / share, down by 60.6% when compared to the stock performance in the previous year

The daily trading financial volume was, on average, approximately

R\$ 131 million.

The shares are also traded, in the United States, as American Depositary Receipts (ADRs) level 1, over the counter (OTC).

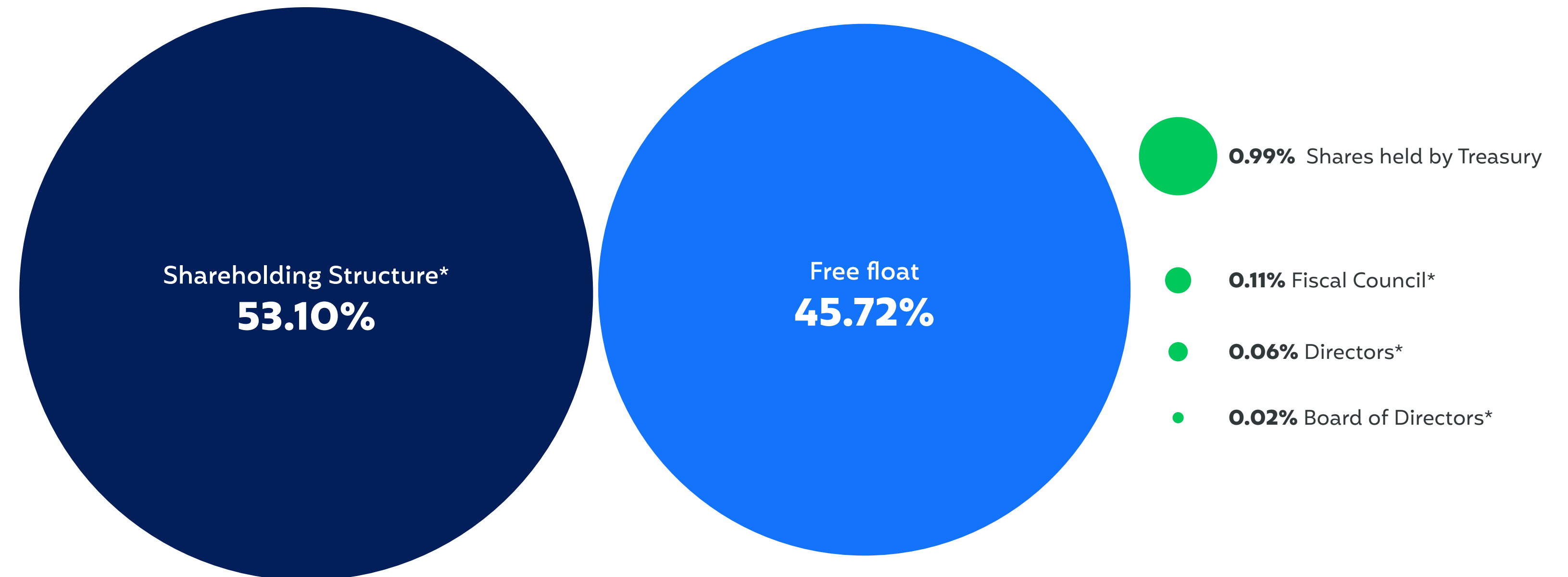
In 2022, our shares were part of the portfolios of

16 B3 indexes

Among them, the ISE - Corporate Sustainability Index and the Carbon Efficient Index - ICO2.



SHAREHOLDING STRUCTURE



*Updated on January 31, 2023, in accordance with CVM Instruction 358.

Note: "Controlling Shareholders" comprises MMS Participações Ltda., which belongs to Marcos Antonio Molina dos Santos and Marcia Aparecida Pascoal Marçal dos Santos, each with 50% of the share capital, in addition to the individual interests of each of the controlling shareholders.

[GRI 3-3]

While conducting our business, ethics and integrity are fundamental values that must be incorporated and followed by all our employees. In order to disseminate internally the principles and guidelines for responsible business conduct, we have a solid Compliance structure, consisting of mechanisms and policies - including the Code of Ethics and Conduct - which provides clear guidance on practices that should be adopted in professional relations with our various stakeholders.

The same standard of ethical behavior and integrity is expected of our third parties. To ensure that they follow our directives in this regard, we also maintain standards and

processes aimed at engaging them in best practices and monitoring misconduct. One example is third-party due diligence, an analysis that is currently under development. Through due diligence, ethical conduct and integrity issues, in the evaluation of third parties, will become critical criteria for us to enter into or maintain business relationships with partners.

This framework of policies, processes, and mechanisms forms our Compliance Program, which in 2022, among other actions, reinforced the training programs and communication actions, with special mention to the efforts to make the grievance channels even better known to our employees.



Code of Ethics and Conduct

To engage our employees in the application of our ethical principles and integrity standards, we have gathered, in the Code of Ethics and Conduct, guidelines on the attitudes we consider appropriate in work environments and in commercial and institutional relations with our various stakeholders, in performing their professional duties.

Thus, this material brings together our behavioral directives, and it lists the acceptable and prohibited practices for performing our business under responsible corporate conduct, addressing issues related to workplace safety, meritocracy, social and environmental responsibility, conflicts of interest, transactions with related parties,



relations with competitors, privacy and intellectual property, among others. The Code also reinforces our commitments to universal human rights, requiring conduct aligned with our beliefs, which covers respect for freedom and opinion, rejection of all forms of slave and child labor, moral and/or sexual harassment and intimidation, appreciation of diversity, inclusion and equity, free trade union association, in addition to the right to collective bargaining, among others. **[GRI 2-23]**

All recommendations, guidelines and commitments are subject to the approval of the Board of Directors, the main decision-making body and strategic direction of our Corporate Governance model. The document – applicable to our global operations and to be complied with by our more than 34,600 employees – and its respective updates only become effective as an internal Compliance policy, after appraisal and approval by the Board. **[GRI 2-23]**

We adopt specific actions to disseminate the content of the Code of Ethics and Conduct, in order to reach and engage these professionals. Its content is a constant concern within all of our working environments. All employees are informed about this document through internal communication campaigns and periodic training sessions, and newcomers

are made aware of these guidelines during the hiring and onboarding process. All our employees sign a term of adhesion, by means of which they declare that they are aware of the document – available both on the intranet and on our website, on the Compliance page – and they commit to adopting the recommended practices. **[GRI 2-23]**

The assumptions contained in the document must also be known and adhered to by our business partners. To reinforce this requirement, the Code of Ethics and Conduct for Third Parties is made available to all of these parties, and the Code of Ethics and Conduct is mentioned in contracts signed with all of them. By signing these agreements, the companies or service providers acknowledge that they are aware of the document and undertake to follow its guidelines, which are reinforced in a Code of Ethics specific to third parties (see page 46). If our third parties fail to comply with any of these ethical requirements and guidelines, they are subject to sanctions, ranging from contract termination to the initiation of legal proceedings.

The Code of Ethics and Conduct, one of the ten corporate policies that comprise our Compliance Program, has been adopted since 2009, and is in its 4th edition, reflecting the reviews and updates that are performed on

an annual basis, aiming to keep it in line with the best market practices. To ensure that the commitments to responsible conduct are incorporated by all professionals, regardless of the hierarchical position they occupy, the Code assigns to the Compliance area the responsibility for the document, and to the Ethics and Compliance Committee, comprising representatives from the areas of Human Resources, Legal, Internal Audit and Operations, the regular monitoring of our employees' compliance with the precepts set out in the Code. To this end, the Committee monitors the performance of the Compliance mechanisms, which include training cycles and the reporting channels. The Compliance area can also be contacted by employees, to clarify any doubts, request advice, and to forward concerns related to the guidelines of our policies and codes of ethical conduct, demands that can also be forwarded via the reporting channels. **[GRI 2-24; 2-26]**

Annual training cycle

[GRI 205-2]

Compliance training - In which we reinforce the ethics and conduct principles expressed in our policies related to the subject - it is offered every year to all employees. With this agenda - adherence to which is mandatory - we seek to reinforce and/or recycle the recommendations on the various topics addressed in the document, such as respect for human rights and fighting corruption. These training courses are offered in both online and on-site format - options that are suitable for both administrative and operational functions - and accounted for the following attendance figures in 2022:

- **22,773 employees** in South America attended the Compliance training courses.
- **18,031 employees**, distributed throughout our operations in Argentina, Brazil, Chile and Uruguay, were accessed through printed primers. The content, presented in a didactic way, brings together practical examples of the conduct we expect everyone to adopt in performing their duties, in accordance with our Compliance policies. This approach has been used since the outbreak of the Covid-19 pandemic, replacing the classroom format, used in on-site training sessions. This format presented higher risks of contamination

because they were held in closed environments, with people gathered in a confined space. As a result of the positive response from employees, and the effectiveness in transmitting the messages, the distribution of the primers has been maintained.

- **4,742 employees** in administrative functions, allocated in those countries, have taken the training program on the e-learning platform.


Another format of qualification in Compliance subjects that we have adopted is that addressed to certain areas of the Company. Since 2020, we have organized specific programs, so as to highlight and reinforce the best practices to be adopted in the most recurring situations in certain work routines, and the Compliance risks to which each area is exposed.

In addition to the Annual Training Cycle, we host the so-called Integrity Week. This event, also held annually, is promoted in the first half of the year in all our plants in South America and in the United Kingdom. As the name suggests, during that week, we tackle various issues related to the theme "integrity", with the aim of disseminating this culture. In the 2022 edition, the theme discussed was

"Words and Attitudes Matter", in order to alert and raise awareness about the importance of building interpersonal relationships based on respect, attitudes that help mitigate the risks of moral harassment. The agenda included several activities and communication materials, such as stickers in bathrooms, locker rooms, timecards and cafeterias, as well as discussions with the leadership and other employees. The messages also reinforced the behavior standards expected in contacts with public agents, which must always be conducted with integrity and responsibility.

22,773
employees in South America
attended the Compliance
training courses

N. of participants in training courses, by country

	 Argentina	 Brazil	 Chile	 Uruguay
On-line	510	3,816	66	350
On-site	1,508	13,212	89	3,222
Total	2,018	17,028	155	3,572

Code of Ethics and Conduct for third parties

Our commitments to responsible corporate conduct include requiring, from our business partners, similar behaviors, aligned with our beliefs and values. Accordingly, respect for our Ethics and Conduct guidelines is mandatory in the commercial and business relationships that are engaged in with us, and one of the mechanisms we use to ensure that they meet this objective is the Code of Ethics and Conduct for Third Parties.

Launched in 2020 and revised annually, always subject to approval by the Board of Directors, the document is one of the ten policies covered by the Compliance Program. Knowledge of and adherence to it is mandatory – a condition that is provided for in contractual clauses – and the Code must be complied with by 100% of the suppliers and service providers that serve all the companies of Marfrig, thereby strengthening the culture of integrity in our working relationships. A copy of the Code is made available to all partners, and can also be accessed on our website, on the "Compliance" page.

In addition to the Code, we have adopted other Compliance mechanisms to engage third parties with our commitments and principles, disseminating the ethical corporate culture throughout our value chain:

→ **Due diligence.** In 2022, we started the development of a third-party due diligence platform, making the processes of analysis and evaluation of these stakeholders, and mapping potential risks, even more sophisticated. As a result, all suppliers – both those who are in the contracting phase, as well as those who already have a commercial relationship with us – will undergo scrutiny by the Compliance area. Through this new process, third parties must answer a comprehensive questionnaire, and provide supporting documentation, when needed. Based on the evaluation of the Compliance team, third parties that are engaged in illicit or irregular activities, or that could bring reputational risks to the Company, are disqualified. Even if the supplier has been approved in the bidding process by the responsible areas, if it does not meet the requirements established by the Compliance area, the hiring will be vetoed. Our due diligence tool is being developed on the SAP Ariba technological platform, widely known in the market.

→ **Third-Party Compliance Questionnaire.** The questionnaire, which is a mandatory part of the pre-registration process for all suppliers and service providers who wish to work with us, contains questions related to the Compliance programs adopted by the companies. Through this tool, we collect information about the practices adopted by partners to avoid child or slave labor and to fight corruption, for example. It also provides details on the adoption of reporting channels, a history of environmental crimes, and business dealings with public authorities, among other issues, which contribute to our Procurement area to analyze, parameterize, and manage third parties.

→ **Monitoring of international clients.** Every day, we check whether foreign companies, with whom we maintain relationships, are the target of sanctions related to money laundering, corruption, firearms smuggling, among other misconducts. This check is made, in our operations in Brazil, by the Foreign Trade area, upon specific training with the Compliance area, and covers the main sanctioning lists, negative media and politically exposed persons. For this procedure, we use the technological tool BNC (Batchnamecheck), from LexisNexis, which is widely recognized in the market.

100%

of the suppliers and service providers that serve all the companies of Marfrig must be complied the Code of Ethics and Conduct

Reporting Channels

Our employees, partners and third parties rely on exclusive platforms for reporting practices or occurrences that do not correspond to the principles determined by the standards, policies and policies of our Compliance Program, or by the legislation in force. All our operations offer reporting channels, which can be accessed by phone, e-mail or on our companies' websites.

These are managed internally, and are available in three languages (Portuguese, English and Spanish). The channels allow complaints to be registered anonymously or identified, with the name and e-mail address of the complainant being optional. There are also clear guidelines informing the reporting person that the identification fields are optional. The information reported through this channel is treated confidentially, within the legal limits. Marfrig does not tolerate retaliation, which ensures that good faith whistleblowers do not suffer any kind of persecution, sanctions or embarrassment.

The Reporting Channels are part of the mechanisms for monitoring actions and performance indicators adopted by the Compliance area, aimed at detecting

deviations in behavior or conduct. They are made available on different platforms (e-mail, 0800 and website), in order to facilitate access and registration of reports about behaviors that are not in line with the principles disseminated by the Code of Ethics and Conduct, among other policies related to this subject. These tools can also be accessed to clarify doubts, request advice and indicate concerns related to the guidelines of our policies and codes of ethical conduct. **[GRI 2-26]**

Grievances in 2022

With the purpose of extracting even more value from the information reported by the Channel, the classifications of grievances have been expanded in the period, from 13 to 21. To the previous list, we have included the topics incident; input/product deviation; theft; behavior in disagreement with the policies; drug dealing; disclosure of confidential information; retaliation; and leakage of personal data. Therefore, we seek to monitor and evaluate the conduct related to these issues with more assertiveness.

REPORTING CHANNELS



Argentina

Phone: 0800 555 0019

E-mail: etica@marfrig.com

Site: <https://marfrig.com.br/es/compliance/helpline>



Brazil

Phone: 0800 223 1000

E-mail: compliance@marfrig.com.br

Site: <https://marfrig.com.br/pt/compliance/helpline>



Chile

Phone: +562 2413 2406

E-mail: etica.cl@marfrig.com

Site: <https://marfrig.com.br/es/compliance/helpline>



Uruguay

Phone: 4632 3641 int.2232

E-mail: cometica.uruguay@marfrig.com

Site: <https://marfrig.com.br/es/compliance/helpline>



United States

Phone: 1-800-789-6796

Hotline: www.nationalbeef.ethicspoint.com e www.nationalbeefmobile.ethicspoint.com

How grievances notified to the Reporting Channel are classified:

1. Moral Harassment
2. Sexual Harassment
3. Discrimination
4. Corporate Fraud
5. Corruption
6. Competition
7. Incidents
8. Doubts and clarifications
9. Suggestions
10. Health and Safety
11. Embezzlement of Inputs and Products
12. Theft
13. Behavior not in accordance with the company's policies (for conducts that are not in accordance with our guidelines, but are not specifically classified)
14. Conflict of Interest
15. Physical Violence
16. Environment
17. Drug Dealing
18. Disclosure of confidential information
19. Leakage of personal data
20. Retaliation
21. Other

Performance in 2022

520 complaints forwarded to our reporting channels, which we make available throughout our operations.

When we consider the performance of the channels available in South America, there were 470 occurrences, a number that exceeds by almost 30% the total recorded in 2021, which totaled 362 accesses. The higher demand for the channels reflects the initiatives we take, both to make the tools better known, through training and communication campaigns, and to stimulate their use, by encouraging our employees to report irregularities immediately and ensuring that they have the right to anonymity and our commitment that good-faith whistleblowers will not suffer retaliation or embarrassment, practices that we do not tolerate. The credibility earned by these channels, therefore, also contributes to the rise in the number of accesses.

In North America, in turn, out of the total number of records, 12 referred to misconduct / inappropriate behavior, 9 mentioned violations of internal policies, 6 reported cases of harassment / discrimination, 5 indicated breach of confidentiality / misappropriation, and 1, environmental protection / health and safety. There were also 17 reports classified as "other".

Argentina: 3 reports on moral harassment.

Brazil: 462 reports (about 98% of the total). Of these, 250 (54%) involve issues related to human rights (moral harassment, sexual harassment, discrimination and physical violence). In the period, there were no cases of corruption of any nature that were of public knowledge or confirmed. **[GRI 205-3]**

Chile: 1 access, with 1 request/question.

Uruguay: 4 accesses, all filed by employees. Two of them denounced moral harassment situations, while the other two referred to requests/questions.

United States: 52 reports.

REPORTED GRIEVANCES

470 accesses in South America, registered in the year, referring to the following behavior deviations and issues*:

Moral Harassment	47.87%	
Sexual Harassment	23.19%	
Corporate Fraud	5.32%	
Discrimination	4.26%	
Competition	3.83%	
Incident	3.19%	
Health and Safety	2.55%	
Doubts and clarifications	2.13%	
Suggestion	2.13%	
Theft	0.85%	
Behavior not in accordance with the company's policies	0.64%	
Conflict of interests	0.64%	
Physical violence	0.43%	
Drug Dealing	0.21%	
Disclosure of confidential information	0.21%	
Retaliation	0.21%	
Other	2.34%	

*During the period, the channel showed no records of issues related to corruption, the environment, Misappropriation of inputs/products and leakage of personal data.

USER PROFILE

In South America, the most frequent users of the channel are employees:



HUMAN RIGHTS

274 reports

of misconduct related to the subject

	Argentina	Brazil	Chile	Uruguay	EUA
TOTAL					
Moral Harassment	3	220		2	12*
Sexual Harassment		15			
Discrimination		12			6**
Physical Violence		3			1***

* Classified in the US as "misconduct/inappropriate behavior. **Ranked in the US as "discrimination/harassment. ***Ranked in the US as "violence or threat"

From the total number of reports, behaviors perceived as moral harassment gave rise to 236 reports, accounting for 86% of the total. Broken down by region, 225 occurred in South America, exceeding by 6% the volume of cases registered in 2021. In the same period, the workforce increased by about 600 professionals. Thus, although the number of complaints has increased - and considering that employees are the ones who most use the channels, as previously mentioned - this trend is consistent with the increase in staff.

However, we recognize and endeavor to prevent moral harassment in any sphere of our operations. In partnership with the Human Resources and Legal areas, we have introduced a series of actions aimed at combating the occurrence of moral harassment in our plants. This subject is also reinforced in our Annual Compliance Training Cycle, which is mandatory, and in the Integrity Week, an event whose program considers the results obtained in our Reporting Channels.

Dissemination and training

The Reporting Channel is widely disseminated through communication efforts and training, measures that aim to add even more legitimacy and confidence to its use. On the premises of our plants, there are several fixed displays highlighting the existence of the Reporting Channel, along with the three

access options to the Channel (site, phone and e-mail). The displays are positioned in busy areas, such as locker rooms and cafeterias, and integrate the bulletin boards. Moreover, employees receive, by e-mail or WhatsApp, instructions on how to access and use the channel.

Through these communication actions, we always encourage employees to access the channel, whenever deviations in conduct or practices that are not aligned with our policies and Code of Ethical Conduct are witnessed. We also emphasize the right to make allegations on an anonymous manner, and the confidentiality with which the investigations are handled.

We also convey these messages in our training courses. The agenda of the Annual Training Cycle, in 2022, included a specific module on the reporting channel. In the content delivered to employees, we reinforced that the channel is available for reporting any and all activities that conflict with current legislation and our internal policies. We also explained that the complaining party has the option to make the report anonymously or identified, and we disclosed all the available channels (phone, e-mail and helpline), including the international plants. This information was also disclosed during the Integrity Week.

Monitoring effectiveness

We encourage all of our employees to access and report any non-conformities, through a number of campaigns and massive dissemination of the channel. We believe that, by means of these frequent measures, we are contributing to the construction of an environment of trust, in which our employees feel comfortable and safe to use. In parallel, the indicators extracted from the reporting channel, related, for example, to the nature of the reports, area involved and region, enable the Compliance area to steer and structure its actions, in such a way as to respond and address, in an assertive manner, the incidents reported.

In addition to these practices, a satisfaction survey regarding the reporting channel is scheduled for the Integrity Week 2023. The survey, geared exclusively to our employees, will take place in our existing facilities located in South America. Among the points to be checked are knowledge of the tool and the reliability it conveys to our employees, to ensure its access.



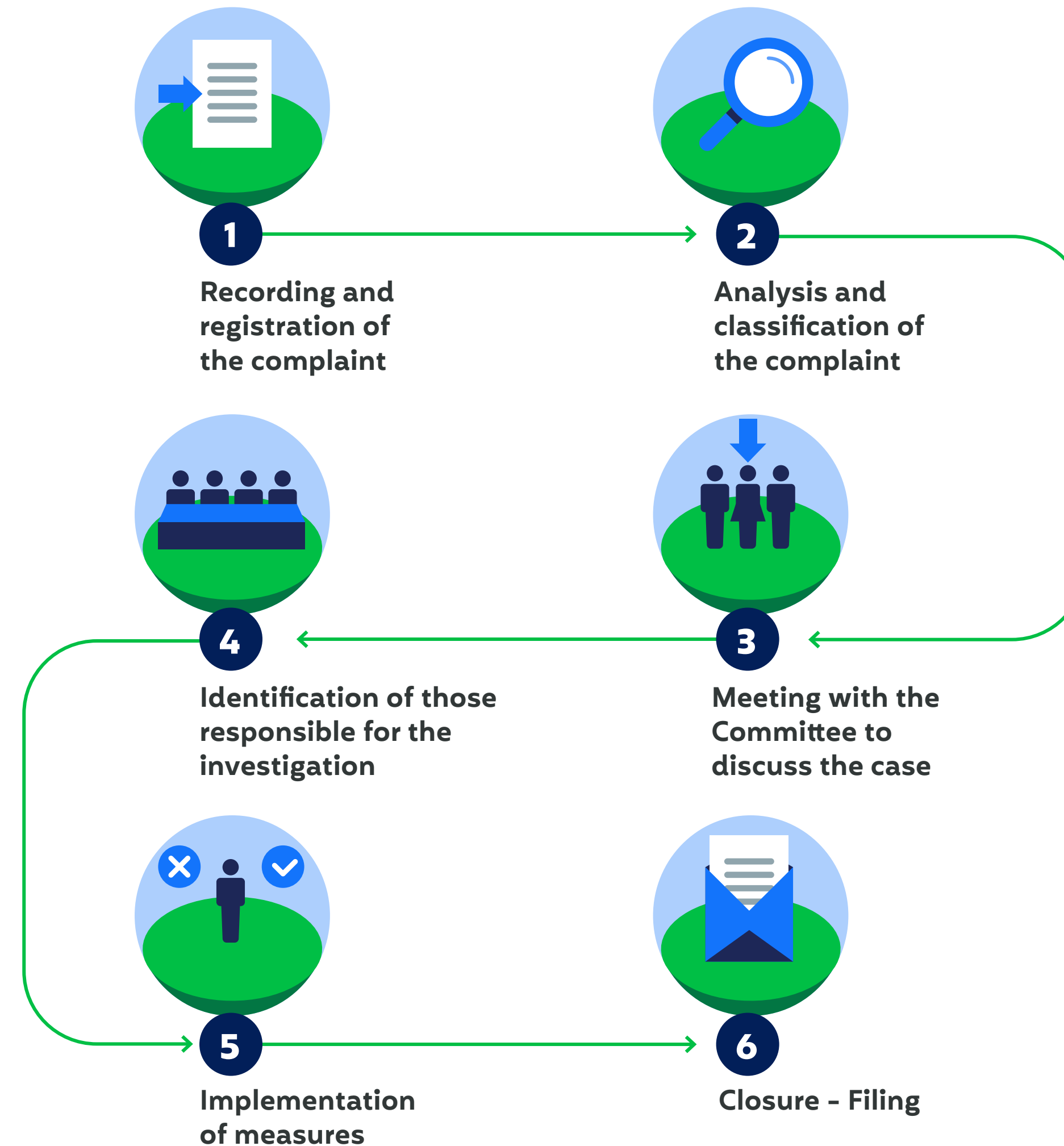
How the Reporting Channel works

When the complaint is received through the available channels, it is registered and included in a specific control tool. It is then classified by nature and forwarded for consideration, according to the following hypotheses:

- i. **Hypothesis of complaints related to Human Resources issues.** All complaints related to Human Resources issues are forwarded to the Personnel Department for proper handling, a process that is monitored by the Compliance area and submitted to the Ethics and Compliance Committee.
- ii. **Hypothesis of complaints not related to Human Resources issues.** The Compliance area starts the complaint investigation process, and may be assisted by the corresponding area, identified with the classification of the complaint as to its nature.

The investigation is adapted according to the particularities of each case. The investigation measures include, for example, face-to-face interviews with the people involved in the accusation, and a climate survey in the area in question, among other actions. It is important to emphasize that the treatment of the complaints is impartial and confidential, guaranteeing the anonymity of all good-faith denunciators, even if the report has been made in identified form.

Verification flow



The investigation/treatment process must be concluded within a maximum period of ninety working days, as of the date the investigation was initiated, and may be extended due to the complexity of the reported facts.

Once the investigation process is concluded, the complaint may be considered:

- i. **Unfounded.** The complaint will be filed by the Compliance Area on the date it is deemed unfounded.
- ii. **Well-founded.** In the case of the complaint being founded, the Compliance Committee will follow up, jointly with the related area, on the actions implemented for the correction of the confirmed non-conformities, which are the object of the complaint, as well as the presentation of a plan for the mitigation of possible occurrences of situations similar to those reported. On the date on which the corrective actions and those of prevention are presented, the complaint will be considered filed by the Compliance Area.

In the case of more complex cases, which require more specialized work, a third-party specialist may be hired, always subject to approval by the Board of Directors.

Compliance program

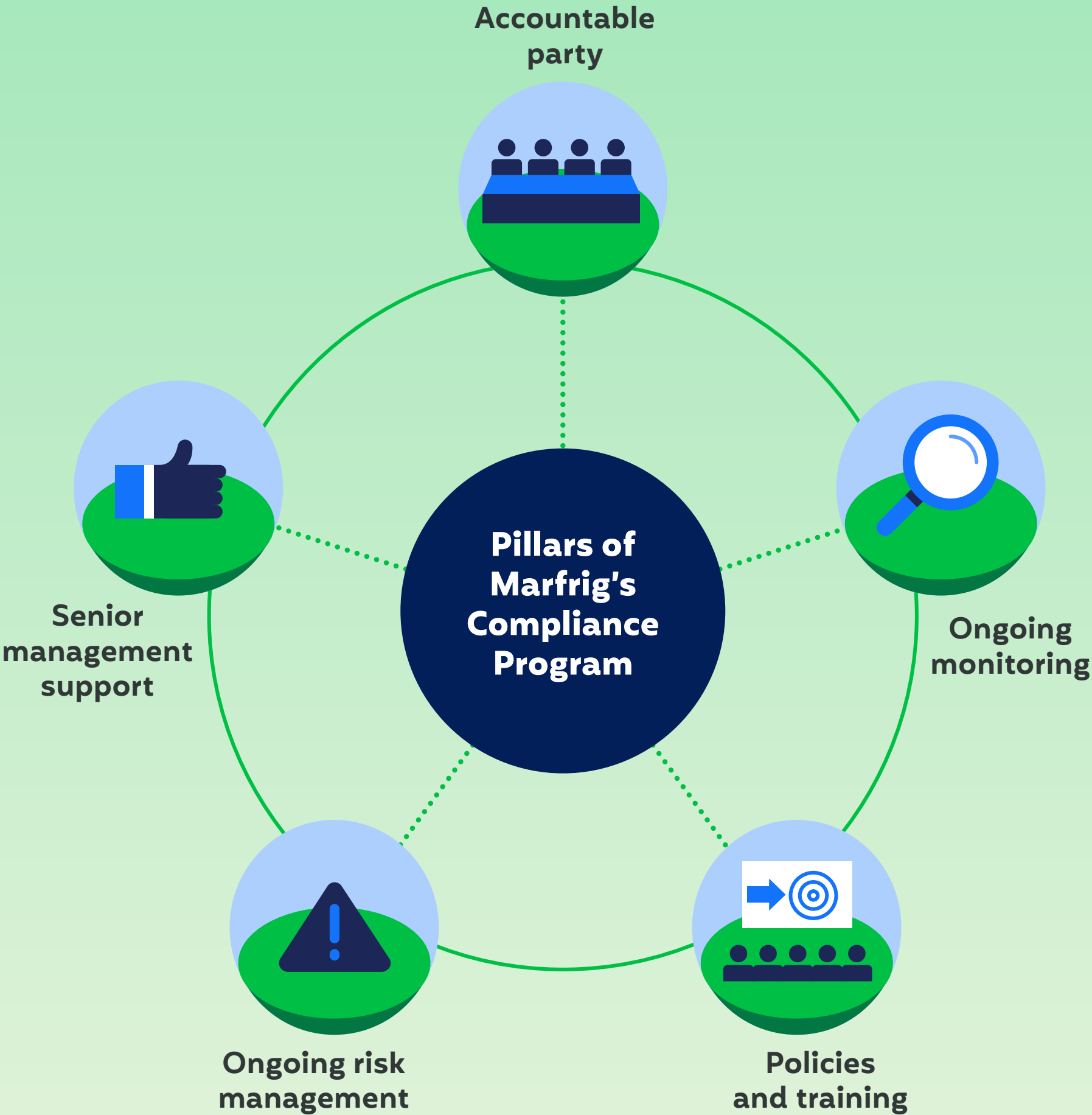
The Code of Ethics and Conduct is the document that guides the other Compliance policies, a framework formed, by the end of 2022, by ten policies, as follows.

All documents are reviewed and updated on a yearly basis, aimed at keeping them in line with the best market practices. As with the Code, all policies are subject to approval by the Board of Directors, and their guidelines are presented and reiterated to employees, in annual training sessions, whose participation is mandatory.

Policies and training together form one of the five pillars of our Compliance Program, whereas the Reporting Channel constitutes another pillar. In place since 2015, this Program is developed over five fronts, with actions and initiatives aimed at disseminating ethical behavior throughout the Company, engaging employees and business partners in best practices.

COMPLIANCE POLICIES

- Code of Ethics and Conduct
- Code of Ethics and Conduct for Third Parties
- Gifts, Entertainment and Hospitalities
- Conflicts of Interest
- Donations, sponsorships and contributions
- Prevention of money laundering and financing to terrorism
- Relationship and Communication with Government Agents
- Use of Social Media
- Antitrust
- Anticorruption



In 2022, we registered the following advances in the other three pillars of the Compliance Program:

Accountable party

Management of this subject is conducted by the Compliance Department, subordinated to the legal vice president. The structure also holds an Ethics and Compliance Committee, which reports to the Executive Board. Made up of representatives from the areas of Human Resources, Legal, Internal Audit and Operations – in addition to Compliance itself – the Committee meets on a regular basis, aimed at monitoring ethics and conduct issues, as well as ensuring the effectiveness of actions for the dissemination of the Code. It also deals with issues related to the reporting channel and the Compliance Program, among others.

The Compliance structure also relies on employees known as "compliance agents" in all facilities based in South America. Among the functions they perform, is the responsibility for maintaining the Compliance culture in our operations, and the support in the investigation of complaints, since they are inserted in the work routines of the employees, specifically those who work in the production lines.

Senior management support

The Compliance Board relies on the unrestricted support of Senior Management for all actions, an essential condition for the effective implementation of the Program. An example of this is the frequent accountability report submitted to our CEO. Every quarter, the Compliance team meets with the executive, to present the progress of the Compliance Program and the area's indicators, which include: number of complaints in a given period (category and quantity per unit) and general reports received by the area. These meetings are intended to inform Senior Management about the metrics and respective results, thus stimulating discussions and debates on actions to be structured in conjunction.

Ongoing risk management

Conducted in accordance with a Compliance Risk Matrix that is reviewed on a regular basis, it allows the proposal of mitigating measures, in addition to reinforcing the prevention mechanisms. This matrix covers the various subjects related to Compliance, such as the risks related to corruption, which is assessed throughout 100% of our operations. **[GRI 205-1]**



ACKNOWLEDGMENT

Mais integridade (more integrity) seal

For the second consecutive year, we were awarded the More Integrity Seal, an initiative that acknowledges Brazilian agribusiness companies that stand out for the good integrity, ethics, social responsibility and sustainability practices they adopt. The distinction also considers the companies' efforts to mitigate fraud, bribery and corruption. In this edition of the seal (2022/2023), granted by the Ministry of Agriculture, Livestock and Supply (MAPA), a new prerequisite was introduced, requiring companies that were in the process of renewal, which was our case. MAPA now requires a technical report on how we are contributing to the decarbonization of our processes, systems or agro-livestock production chains. This criterion comes in addition to others that were already adopted, such as indicators and documents on the operation of the Reporting Channel, the involvement of the top management with Compliance, training offered to employees, communications on ethics and conduct, and the absence of mention of Marfrig's name on lists that indicate restrictions against companies.

[GRI 2-25]

Corporate

In managing the risks to which our business is exposed, we adopt two mechanisms:

Policies. We adopt specific policies to mitigate situations that we consider relevant, and that offer risks to our performance, which are subject to approval by the Board of Directors. Two key issues are currently covered by the policies:

- Transactions with related parties and situations of conflict of interest.
- Market risks, which include variations in exchange rates and commodity prices, liquidity and interest rate fluctuations.

These risks are detailed in item 5.2 of the Reference Form, a document available on the Investor Relations section of the Company's website. This is the same portal where the policies that support them can be accessed.

Monitoring. For the management of risks related to events that are not particularly relevant, or that we cannot control - where, therefore, the adoption of policies to manage them would be ineffective - we adopt processes, practices and routines related to monitoring,

in order to mitigate them. In this category are situations we may face in the markets we export to, such as legislation, economic crises, trade restrictions or access surcharges, for example, or the entry of new competitors, as well as regulatory changes, environmental and market conditions. Although we do not have any formal policies for these risks, each of them is analyzed individually, and they are frequently monitored and managed, in order to mitigate the impact they may occasionally produce. The list of accepted and monitored risks is available in item 4.1 of the Reference Form, which can be accessed on the Investor Relations section of our website.

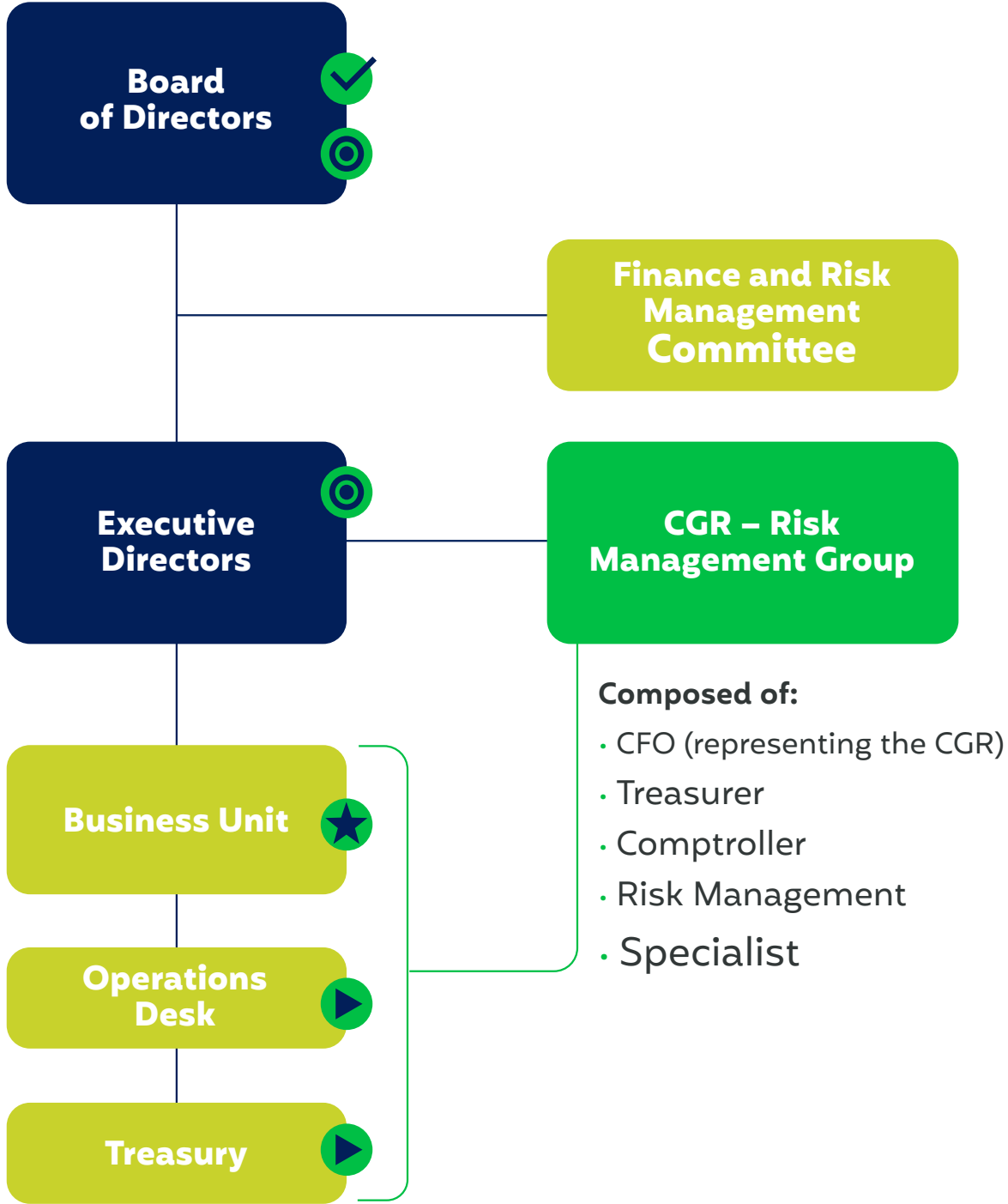
Risk management structure

We rely on the engagement of Top Management and several other areas to assess, monitor, and to control the risks to which our business is exposed, both when it comes to decision-making on the subject and in support to the business units, to which is assigned the responsibility of managing the risks inherent to the activities they perform.

- **Board of Directors:** It determines the strategic goals regarding the risk

environment and approves the policies related to the matter. It relies on the Financial and Risk Management Committee to assist it in these activities.

- **Statutory Management:** It provides support to the Board of Directors in establishing the strategic goals related to risk environments, as well as monitors the implementation of the outlined directives, while reporting the results to the Board.
- **Risk Management Team (RMT):** It assists the Executive Board in strategic decision-making as regards the risk environments, in compliance with the legislation, ethics and internal controls, while supervising the implementation of the established guidelines. It is made up of the financial officers of Operations, Treasury and Controlling, plus an expert in Risk Management.
- **Business Units:** Structures in charge of risk management, which is conducted in accordance with the aforementioned policies and internal procedures. The compliance of controls to these documents and processes is carried out by the internal auditors. The effectiveness of internal controls is evaluated by independent auditors. Whenever required, market specialists and consultants may also be hired, to provide assistance to the business units in the management of these matters.



GRC AGENTS:

- ✓ Approval of Risk Policies
- 🎯 Definition of Strategic Objects Within Given Risk Environment
- ★ Establishment of Directives
- 👁️ Monitoring
- ▶️ Execution

Socio-environmental

The issues related to sustainability – a concept that covers aspects that are fundamental to our business, and therefore permeate throughout our operations – are also conducted from a standpoint of risk management. Within this context, we focus on the sensitive situations, to which our operations are exposed, with regard to the origin control routines and animal welfare, in addition to the management of natural resources, wastewater and residues, and the impacts related to climate change. Social responsibility practices are also included in this scope.

The management of risks related to these subjects is led by the Sustainability Division. The aspects that may impact our business, in turn, are identified from analyses of positive and negative externalities generated by our operations.

We adopt processes, routines and systems to monitor and manage these risks. The practices adopted in this regard are detailed in our Sustainability Policy, available [here](#).

All our initiatives are conducted with a view to complying with legislation related to both environmental and social aspects, as applicable to the locations where we operate.

We rely on specific tools to monitor these regulations, aiming at verifying the adherence of our practices to them. In 2022, we did not record significant non-monetary sanctions or fines, as a result of non-compliance with laws and regulations. **[GRI 2-27]**

Some examples of how we manage sustainability-related risks:

Origin Control: We adopt responsible purchasing routines, for which we use social and environmental criteria when hiring service providers or suppliers of raw materials and inputs. We add several other practices to this concept, such as the Socio-environmental Risk Map. By means of this tool, which covers 100% of the Brazilian territory, we identify and prioritize actions in the cattle supply areas, in Brazil, that are most exposed to socio-environmental risks, and we have a broad picture of the forest areas, under the viewpoint of cattle production, environmental conservation and human rights. More information on these practices can be found on page 84.

Climate change: The establishment of Greenhouse Gas (GHG) emissions reduction targets, grounded on the Science-Based Targets methodology, is one of the processes

adopted to improve GHG emissions management on a consistent manner, and to mitigate the impact from operations on climate change.

Animal welfare: In order to ensure the humane handling of livestock throughout the production chain, we adopt practices that include training for employees who have any contact with the animals, transport drivers, and guidance for suppliers. In the production units, the processes adopted are submitted to annual third-party audits in the production units.

Use of Natural Resources: We support management and decision-making by using a water risk map to manage the risk of water shortage, an essential input for production. Through this map it is possible to identify the availability of water in the regions where the operational units are located, indicating the water stress level of each one. Based on this information, restriction plans are established, aimed at preserving the continuity of industrial routines. Additionally, water consumption is continuously monitored and managed with specific indicators and clear reduction targets, in order to seek the rational use of the input. Similar practices – monitoring, indicators and targets – are

adopted in relation to energy consumption. The use of forest materials, in turn, is guided by a specific policy, in which internal verification processes are determined to ensure that these resources bear certification of origin.

Wastewater and Residues: The discharging methods of wastewater and residues are aimed at continuous improvement in order to mitigate any risk of environmental impact. In this sense, criteria and targets related to the volume and quality of the wastewater discharged, third-party audits, and a comprehensive plan to modernize the Effluents Treatment Plants (ETPs), installed in 100% of the plants, are adopted.

Social Responsibility: The mechanisms for monitoring raw material suppliers include criteria that guarantee the purchase of areas free of deforestation, and properties that do not use slave or child labor, and that are not involved in conflicts and/or overlapping with indigenous lands and quilombola territories.

Quality management

[GRI 3-3; 416-1]

We assure the best standards of quality and food safety in our operations, through the adoption of specific guidelines, aligned to the best international standards and to the needs of the consumer markets, along with processes, controls, and qualified teams.

Our operating plants are subject to a constant auditing routine, aimed at monitoring and assessing our quality level and operational efficiency. These checks are carried out internally, by our own teams, and by third parties, such as clients, in order to ensure that we follow the protocols established by them.

We are also inspected by health authorities and international certification organizations. During such inspections, our process controls are evaluated, whether we follow criteria that are consistent with the best international practices, and whether our products meet the technical standards required by the markets where they are sold, on all five continents. Under this routine of third-party audits, we achieved 100% of the maximum result (Grade AA) in the audits performed by the BRCGS (Brand Reputation Compliance Global Standard), a global benchmark regarding food safety. As a

result of the good practices we have adopted on this front, no market bans related to food safety issues were recorded within our global operations in 2022.

Engaging our value chain towards the best practices, which is a conduct that permeates throughout our performance, also constitutes an effort within our quality management. In this sense, we conduct on-site or documentary audits, in accordance with risk rating and historic performance, among all our input suppliers that do not hold a GFSI (Global Food Safety Initiative) Certification, and Certifications or Audit Reports for Socio-Environmental Protocols. Therefore, we encourage our input suppliers to apply for certification, which would speed up the evaluation and approval stages, thus adding even more transparency and reliability to the process.

In Brazil, around 53.4% of suppliers hold some level of certification from a program accredited by GFSI. In this category are the suppliers of raw materials, packaging and ingredients, eligible, therefore, for this type of seal. GFSI is a non-profit corporate initiative, aimed at promoting good practices related to food safety on a global level. **[FB-MP-250a.2]**



Quality Management Guidelines

The main guideline we follow in our operations, regarding the activities related to food quality and safety, is the **Integrated Management System (IMS)**. This approach formalizes and establishes parameters to be adhered to in all of our operational plants, thereby ensuring the standardization and adequacy of quality-related processes, which also include issues related to the environment, occupational health and safety, and social responsibility. We seek to promote, by means of the IMS, exchanges and synergies among our global operations, including the different sectors and areas of the organization, guided by the principle of continuous improvement. Among the practices we adopt to manage quality, the following stand out:

- Prerequisite programs, including procedures and work plans. Among the Procedures are Pre- and Operational Hygiene Standards, as well as Operational Sanitation. The plans, in turn, cover Water Supply, Pest Control, Traceability, Foreign Body Control, and Recall, among other routines.
- HACCP Program (Hazard Analysis and Critical Control Points).
- Microbiological analysis of carcasses, finished product and swabs from food contact surfaces, and ambient air analysis.

- Own laboratories, accredited under ISO 17.025, for the evaluation of products.
- Traceability of our entire production chain, from the reception of livestock, ingredients and inputs, to the shipment of finished products.

We have also adopted the SMETA protocol, one of the most widely used ethical audit formats in the world, which is based on the ETI (Ethical Trading Initiative) Code of Conduct. This protocol was developed by SEDEX, a collaborative platform for sharing data on responsible sourcing, of which we are members. In 2022, 100% of the facilities were checked by an independent third-party agent according to this protocol. The reports of these audits are available on the SEDEX platform.

As a reflection of all the practices we have adopted, in 2022 there were no cases of non-compliance with voluntary codes or that have generated fines, sanctions, or warnings related to the impacts that products can cause on consumer health. **[GRI 416-2]**

Controls and processes

We adopt a preventive approach to manage the factors that influence the quality of our products. Among this set of controls and processes, are food safety audits and the management of quality indicators, which consider several variables, from product complaints and returns, to work team management routines, covering topics such as absenteeism, turnover, and training. Some of the practices we use to assess quality include:

1) Quality indicators:

Complaints and returns: one of the key thermometers for the quality of the operations. Upon receiving a new record of product return, we automatically generate indicators and charts.

Management of official non-compliances: by means of this indicator, we measure compliance with deadlines, in addition to the effectiveness and efficiency of the actions taken. This mapping seeks to avoid reoccurrences of non-compliance related to food safety and processes, and is intended to contribute to the ongoing improvement of practices.

ETHICAL AUDIT

Our operations are submitted to an annual **SMETA 4 Pillar** independent audit. This audit is based on the ETI (Ethical Trading Initiative) Policy and covers our processes, infrastructure and internal documents, in addition to evaluating whether they meet the criteria set out in the norms arising from the conventions of the International Labor Organization (ILO) and the United Nations Organization (UNO), as well as applicable legislation in Brazil.

The audit analyses the management systems adopted, together with the good practices adopted on several fronts, distributed among four pillars:

- 1. Working Conditions (Social):** free choice of labor, forced and bonded labor, child labor, fair pay, discrimination, outsourcing and home working, disciplinary practices, working hours, freedom of association and collective bargaining, and labor rights.
- 2. Occupational health and safety:** safe environment, emergency response, ergonomics, employee health and risk management.
- 3. Environment:** assessment of the industry's environmental conditions.
- 4. Corporate ethics:** anti-bribery and anti-corruption policies, code of ethics, whistleblowing channels, and taxes.

Food Safety Audits. An ongoing routine of audits is in place in our plants, regardless of the country of operation, carried out both internally, with our own teams, and by third parties, including clients, government bodies and certifying organizations. We are also audited by agencies from other countries, both online and in person. By 2022, 100% of our plants were submitted to food safety audits. Routines for this type of check in our operations include:

- ➔ Argentina: the units undergo internal food safety audits on a quarterly basis. Third-party checks, such as by clients and certifying organizations, take place on a yearly basis.
- ➔ Brazil: internal audits are conducted monthly by the Quality Assurance Team. Our operations are also evaluated, in the country, by the Ministry of Agriculture, Livestock and Supply (MAPA), under the supervision of the Federal Inspection Service (SIF). The plants are also subject to audits by clients and certifying agencies on an annual basis.
- ➔ Chile: about seven safety audits per year are performed by the internal team, in addition to those performed by third parties, such as clients and qualified entities, on a yearly basis.
- ➔ Uruguay: the plants are subject to both internal audits, every quarter, and third-

party audits, on a yearly basis, in addition to monthly health inspections by the Ministry of Livestock, Agriculture, and Fisheries (MGAP).

- ➔ United States: National Beef plants rely on a proprietary system to manage this issue, which allows them to go beyond beef industry standards: the Beef® Biologic® system, which introduces a "clean room" mentality to operations. This process includes training employees, routines to control levels of pathogens and microorganisms in the environments, and continuous monitoring of activities. Additionally, 100% of the plants were also submitted to a third-party audit.

2) Laboratories

In addition to guidelines and processes, we rely on laboratories in our plants, as part of our quality control. In these structures, microbiological and physical-chemical analyses are performed, aimed to ensure that there is no contamination by pathogens, and the level of pesticides is checked. We also check the food composition with regard to proteins, fats and moisture.

In Brazil, we hold five own laboratories, accredited by ISO 17.025 – the international standard that is the benchmark for testing

and calibration laboratories – located in strategic regions for our operations: in the cities of Tangará da Serra (MT), Várzea Grande (MT), Promissão (SP), Pampeano (RS), and Chupinguaia (RO).

In the United States, food safety assessments required by the US Department of Agriculture (USDA FSIS) are performed in all plants. These units also adopt a set of requirements to manage this subject, developed by the Corporate Technical Services Department. All processes are checked and audited by the plants' own technical service inspectors, and monitored by the USDA FSIS inspection staff.



3) Traceability

Our entire production process, from the reception of the livestock, inputs and ingredients, to the shipment of finished products, is tracked from the standpoint of food safety and quality, a practice we have adopted since 2007. In addition to not buying cattle from farms located in critical areas of the Amazon and Cerrado biomes, this tracking aims to record the history of the meat supplied and to manage, with the suppliers, the traceability of the entire chain, ensuring the process. Thus, it is possible to identify the farms of origin and the feed supplied to the animal, in addition to information on the production process, such as batch, slaughter date, storage and transport. Based on this data, we can act on possible solutions and improvements.

As a tool to indicate to the consumer the origin of our products, we have made available a section on our website, under the "Sustainability" tab, where it is possible to know the origin (traceability) of our meat. In this section, the interested party must inform the data on the product label, place and date of production, to verify its origin. This page can be accessed at [here](#).

4) Certifications [FB-MP-250a.1]

Our operations and processes are periodically evaluated by independent certifiers, in accordance with international standards, and in compliance with the requirements set out by clients and importing markets. This routine, aimed at proving the excellence of our products, operations and processes, comprises issues of social responsibility, health and safety, environment and quality assurance. We always seek the highest scores, not delivering results lower than A or AA grades.

The certifications of our plants in the various countries differ according to the characteristics of the operations or the demands of the markets or countries served, as in Uruguay, where the plants have their own certifications for the production of items with organic meat. Other examples:

- 100% of our plants – in Argentina, Brazil, Chile, Uruguay and the United States – are certified by **BRCGS** (Brand Reputation Compliance Global Standard, global reference in food safety), with grade A or AA.
- 100% of the plants in Brazil and Uruguay, and one plant in Argentina, hold an **HACCP** certification, a quality certification related to hygiene and food safety.

- Two processing plants in Brazil are **IFS certified**, a food safety standard also recognized by the Global Food Safety Initiative (GFSI) to audit the quality of manufacturers' processes and products.

The process of certification audits comprises the stages of scheduling, on-site auditing, presentation and validation of the action plan, in addition to the issuance of the certificate. We have ensured that the corrective action rate was 100%: in 2022, all plants were granted certificates, evidencing that the action plans were submitted within the maximum deadline of 24 days established by the certifying agencies, and validated by the certifying agency for all non-conformities that were identified. In addition, no major non-conformities were identified during the audits carried out in Brazil, and 100% of the certified units were awarded rating AA .

New certifications in 2022

- **Argentina:** the San Jorge and Villa Mercedes plants now count on AHW Beef Slaughter and Deboning: Private protocol for animal welfare to supply raw material to McDonald's. The Pilar plant was awarded the FSSC 22000 (Food Safety System Certification) seal, an international reference in certification of the food safety system, and the Villa Mercedes plant was awarded

the HQB certification (High Quality Beef, a certification that meets the requirements of the Swiss market).

- **Brazil:** the Bataguassu Industrializados plant (MS) was granted the McDonald's SQMS and McDonald's SWA seals, a certification also granted to Bataguassu Beef (MS). The Várzea Grande (MT) plant of processed products, in turn, was granted the seal Halal Certified Beef.
- **Chile:** the Patagonia plant was submitted to a third part audit, based on the protocol of the North American Meat Institute (NAMI), a reference in animal welfare.
- **Uruguay:** the Salto, Colonia, Tacuarembó and San José plants were granted the Angus and Organic certification. The Fray Bentos plant, in turn, began to be audited by SMETA.
- **United States:** three plants – Kansas City Steak, Moultrie, and Hummels Wharf – were granted the Global Standard for Food Safety certification.



Plant certifications and auditing, by country



ARGENTINA	Total certified/ audited plants	Name of the certified/audited plants
BRCGS	3	San Jorge, Villa Mercedes, Baradero
HACCP and GMP	1	Arroyo Seco
NAMI (NORTH AMERICAN MEAT INSTITUTE)*	2	San Jorge, Villa Mercedes
MCDONALD'S SQMS	2	Pilar, São Jorge
MCDONALD'S SWA	3	Pilar, San Jorge, Villa Mercedes
MCDONALD'S AHW Beef Slaughter and Deboning: Private protocol for animal welfare to supply raw material to McDonald's	2	San Jorge, Villa Mercedes
ORGANIC	1	Villa Mercedes
ANGUS CERTIFICATION	1	Villa Mercedes
FSSC 22000 (Food Safety System Certification)	1	Pilar
HQB Certification (destination Switzerland)	1	Villa Mercedes

*Audits performed by third parties according to the NAMI protocol.



BRAZIL	Total certified/ audited plants	Name of the certified/audited plants
BRCGS	12	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Chupinguaia, Alegrete, São Gabriel, Bagé, Pampeano
HACCP	12	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Chupinguaia, Alegrete, São Gabriel, Bagé, Pampeano
HALAL CERTIFIED BEEF	11	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Chupinguaia, Alegrete, São Gabriel, Bagé, Vargem Grande - Industrializados
IFS FOOD (International Food Standard)	2	Promissão, Pampeano
ISO 14001	8	Promissão, Bataguassu, Mineiros, Tangará da Serra, Chupinguaia, São Gabriel, Pampeano, Itupeva
NAMI (NORTH AMERICAN MEAT INSTITUTE)*	10	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Chupinguaia, Alegrete, São Gabriel, Bagé
BURGUER KING GLOBAL SUPPLIER**	8	Promissão, Bataguassu, Mineiros, Tangará da Serra, Chupinguaia, Alegrete, São Gabriel, Bagé
MCDONALD'S SQMS	2	Várzea Grande - Industrializados, Bataguassu - industrializados

*Audits performed by third parties according to the NAMI protocol.

** We are authorized to engage in production. So, there is no certificate issued.



BRAZIL	Total certified/ audited plants	Name of the certified/audited plants
HIGH QUALITY BEEF QUOTA (UE)	8	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Alegrete, São Gabriel, Bagé
SMETA (SEDEX Members Ethical Trading Audit)*	12	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Chupinguaia, Alegrete, São Gabriel, Bagé, Pampeano
McDonald's SWA (Supplier Workplace Accountability)	11	Promissão, Bataguassu Beef, Bataguassu Industrializados, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Alegrete, São Gabriel, Bagé
McDonald's Global BSE Firewalls	9	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Alegrete, São Gabriel, Bagé
McDonald's AHW Beef Slaughter	9	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Alegrete, São Gabriel, Bagé
ASDA – Food Manufacturing Standards (Proven quality protocol for food supplier to ASDA)	1	Pampeano
ISO/IEC 17025	4	Laboratório (Pampeano), Laboratório (Promissão), Laboratório (Tangará da Serra), Laboratório (Várzea Grande)
ORGANIC CERTIFICATION (EU and US STANDARDS)	1	Pampeano
Woolworth's Supplier Excellence Program	1	Pampeano
* Marfrig is a SEDEX member and is subject to SMETA 4 Pillar auditing every year by an independent party. This audit, based on the ETI Policy (Sedex Ethical Trade Initiative), checks the adherence to the regulatory aspects of the ILO and UN conventions, and applicable legislation in Brazil.		



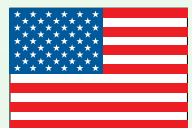
CHILE	Total certified/ audited plants	Name of the certified/audited plants
BRCGS	1	Patagônia
HALAL CERTIFIED BEEF	1	Patagônia
NAMI (NORTH AMERICAN MEAT INSTITUTE)*	1	Patagônia
*Audits performed by third parties according to the NAMI protocol.		



URUGUAY

	Total certified/ audited plants	Name of the certified/audited plants
BRCGS	5	Cledinor (Salto), Colônia, Fray Bentos, Tacuarembó, Inaler (San José)
HACCP	5	Cledinor (Salto), Colônia, Fray Bentos, Tacuarembó, Inaler (San José)
HALAL CERTIFIED BEEF	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (São José)
NAMI (NORTH AMERICAN MEAT INSTITUTE)	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (São José)
MCDONALD'S CODE OF CONDUCT AND MCDONALD'S STANDARDS	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (São José)
MCDONALD'S SQMS	2	Tacuarembó, Colônia
ANGUS	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San José)
ORGANIC	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San José)
SMETA (SEDEX Members Ethical Trading Audit)*	1	Fray Bentos

* Marfrig is a SEDEX member and is subject to SMETA 4 Pillar auditing every year by an independent party. This audit, based on the ETI Policy (Sedex Ethical Trade Initiative), checks the adherence to the regulatory aspects of the ILO and UN conventions, and applicable legislation in Brazil.



UNITED STATES

	Total certified/ audited plants	Name of the certified/audited plants
BRCGS	7	Liberal, Dodge City, Tama, Ohio, Kansas City Steak, Moultrie, Hummels Wharf
HALAL CERTIFIED BEEF	1	Tama
NORTH AMERICAN MEAT INSTITUTE (NAMI)	3	Liberal, Dodge City, Tama
MCDONALD'S CODE OF CONDUCT AND MCDONALD'S STANDARDS	4	Liberal, Dodge City, Tama, Ohio
MCDONALD'S SQMS	4	Liberal, Dodge City, Tama, Ohio
GLOBAL STANDARD FOR FOOD SAFETY	7	Liberal, Dodge City, Tama, Ohio, Kansas City Steak, Moultrie, Hummels Wharf
COSTCO CODE OF CONDUCT	4	Liberal, Dodge City, Tama, Kansas City Steak
HIGH QUALITY BEEF QUOTA (UE)	2	Dodge City, Tama
LEATHER WORKING GROUP (LWG)	1	Saint Joseph
CERTIFIED ANGUS BEEF – CHOICE	3	Liberal, Dodge City, Tama
CERTIFIED ANGUS BEEF – PRIME	3	Liberal, Dodge City, Tama
NATURAL CERTIFIED ANGUS BEEF	2	Liberal, Dodge City
NATIONAL BEEF BLACK CANION PREMIUM RESERVE ANGUS BEEF	2	Liberal, Dodge City
CERTIFIED HEREFORD	2	Liberal, Dodge City
CERTIFIED HEREFORD PREMIUM CHOICE	2	Liberal, Dodge City
EU ANGUS	2	Dodge City, Tama

Recall system

We rely on a recall procedure, to be triggered when there are cases of products that present deviations from quality or safety standards. In such situations, we have provided actions for implementation, monitoring, evaluation, registration and maintenance of products to be taken, which may include notifying customers of problems, notifying significant food safety incidents, regulatory non-compliance, recall, exchange of items or reimbursement of expenses. In all countries where our operations are based, there are specific, publicly available channels for the recall process.

In Brazil, we rely on a recall group, formed by representatives from the areas of production, purchasing, sales, quality control, and legal department. All members are prepared to deal with emergencies concerning our products, and are familiar with their assignments. This group carries out the following responsibilities:

- Execute the company's recall plan.
- Provide inventory replacement or collection, if the product has not been violated.
- Manage any correction or recall, including replacement, labeling or other arrangement of the product affected, and payments to cover recall costs.

- Inform company employees and buyers about any corrective action taken.
- Coordinate actions in conjunction with government agencies, and in accordance with the importing country's legislation.

Each operating plant holds a list with names and phone numbers of all participants of the recall group, so that they can be summoned at any time, 24 hours a day, seven days a week. All documents and records supporting the productions (including manufacturing and traceability records, analysis results, among others) are kept for at least 24 months after the expiration date of the products, in order to ensure that the items distributed in the market are provided with the necessary documents whenever needed.

Recall drills are performed to make sure the plan we have in place is working effectively, and the time to complete them takes four hours. The time to collect the product, delivered to us by the customer for proper disposal, varies according to the geographic location.

Every product that is returned, upon entering the plant - after having informed the official service and receiving authorization from it - must be unloaded, inspected, physically

counted, identified, and segregated in a specific location with restricted access for further destination. The record related to these operations must be made and filed. The destination of the products collected is the total responsibility of the company, which, in compliance with the rules in effect, will dispose of them in an environmentally appropriate manner. All the records that prove the final destination of the collected products are presented to the official agencies, along with the Collection Conclusive Report, and a copy is kept in the possession of the company.

We consider, for the performance of the drills, situations that have actually occurred with respect to some recall that, in past years, has occurred with food companies in the same category as ours, even in the case of other locations. We observe and analyze what these companies have done in terms of improvements, based on their experience, and compare this information both with the results of the drill we applied and with our procedures, in order to assess possible improvements and thus ensure the safety of the process.

Based on this practice, for example, we have introduced, in our operations in Brazil, a system for qualifying farms and analyzing

livestock at slaughter, based on lessons learned during a recall drill that considered a situation that occurred at a competitor in the United States, related to the overuse of the drug Ivermectin in animals. In addition to this review, we implemented a letter of guarantee when receiving the livestock, with a declaration of use of medication and grace period, to avoid the occurrence of similar situations in our operations.

In 2022, there were no product recalls in both South America and North America, voluntary or involuntary, related to food safety issues. The recall procedure, in the other countries where we have operations, can be accessed on our website, under the "Sustainability" tab.

[FB-MP-250a.3]

Labeling

[GRI 417-1]

All our products meet the different labeling requirements of the markets where they are present and where they are sold. Thus, in order to inform customers and consumers about the food composition - a practice aimed at ensuring quality and safety - 100% of the labels provide the information required by law and/or regulations in the different countries to which they are directed. They include, for example, information on the safe way to consume the product, the origin of the raw material and/or ingredients, and substances that may have an environmental or social impact, among others. In Brazil, for example, food product labels must indicate when there are allergenic ingredients, such as gluten.

In Brazil, the labels are developed by the research and development (R&D) team, in accordance with the regulatory specifications for each consumer market. This information is registered, by the Quality Assurance team of each plant, within the agricultural and livestock management platform, a website made available by the Ministry of Agriculture (MAPA).

There are also teams dedicated to this subject in other countries. In Chile, this task is done by the Quality Assurance and Production Control area. In Uruguay, there are specific teams, both in the corporate area and in the plants, aimed at gathering the necessary information, creating and updating technical data sheets, and developing product labels.

In Argentina, we rely on regulatory affairs teams, who monitor the updates of national and international legislation. Product registrations, in turn, include inspection by the health authority.

In 2022, the information required on labels has undergone changes both in Brazil and in China. In Brazil, the nutrition table legislation was changed, and for frozen products, the domestic storage temperatures were included. China now requires that the label be placed on the primary packaging, which made it necessary to change the material used, by replacing plastic with stickers. There have also been adjustments in the nomenclature of meat cuts.

The traceability of the meat is disclosed on the labels of 100% of the products, so that the consumer is aware of the origin of the raw material and/or ingredients. The ideal storage and conservation temperature is also disclosed in all items, so as to advise on how to prepare it safely, and guidelines on discarding it.

In the United States, for example, 100% of labels are checked by Corporate Technical Services, to ensure that they comply with the labeling regulations set forth by the USDA's Food Safety and Inspection Service (FSIS). For those products being shipped abroad, the same department also checks and ensures that all labels meet the additional export labeling rules, which include declarations of ingredients and components that may cause allergies, among others.

In Uruguay, there were three cases of non-compliance related to product and service information and labeling, all for the same reason. On the product surface packages, the label with the information was covered with a sticker from an establishment and the

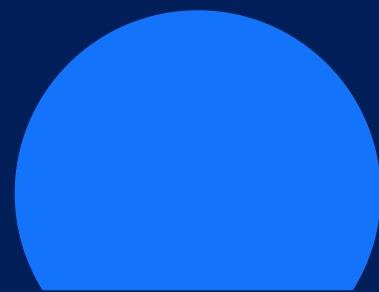
logo required by the National Meat Institute (INAC). Corrective actions, including changing the size of the labels and the place to insert them in the product, have already been taken. For the operations in other countries, there have been no cases of non-conformity related to information and labeling of products and services. There have also been no cases of non-conformity related to marketing communications in any of the operations.

[GRI 417-2; 417-3]



PEOPLE





34,607 employees



We ended the year 2022 adding 606 professionals to our workforce, aligning with the growth of our business during that period. In Brazil, for example, we generated new jobs with the inauguration of a hamburger plant in Bataguassu (MT), and with the new shifts arising from the expansion of the deboning area in Várzea Grande (MT). In Uruguay, we completed the expansion of the Tacuarembó plant, located in the center-north of the country.

Employees by type of job and contract in 2022 [GRI 2-7; 2-8]

In general, the majority of our employees are permanent, full-time staff who are directly employed by us. Instances of hiring temporary workers in South America were sporadic, and outsourced employees primarily fulfill support functions within our operations, such as security, cleaning, and reception.

Employees by type of contract	South America	North America
Permanent	23,872	10,296
Temporary	2	0
Total	23,874	10,296
Employees by type of job		
Full-time	23,865	10,147
Part-time	7	149
Total	23,872	10,296
Outsourced employees	672	0

Hiring, Layoffs and Turnover in 2022 [GRI 401-1; 2-7]

	Hiring	Layoffs	Turnover
North America	5,186	4,464	49.08%
South America	7,300	6,690	20.57%

Note: Refer to the attachment for a detailed breakdown of the information presented, by country.

⁴All tables and graphs presented in this item are detailed, by country, in the Annex to this material, starting on page 147.

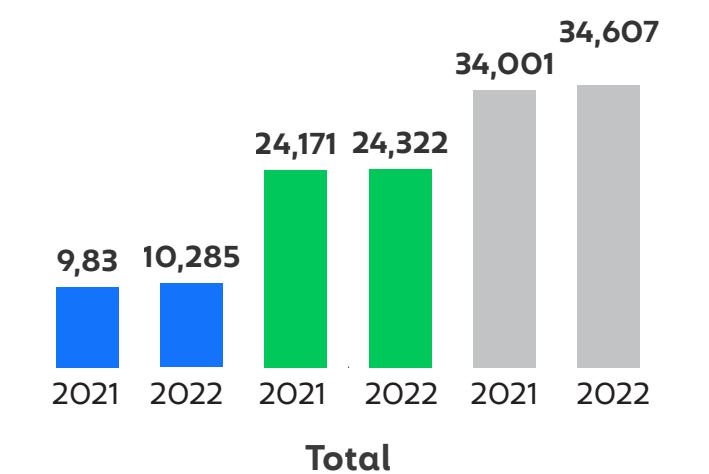
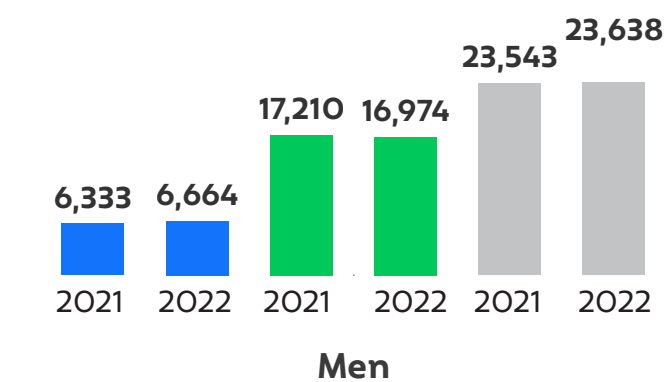
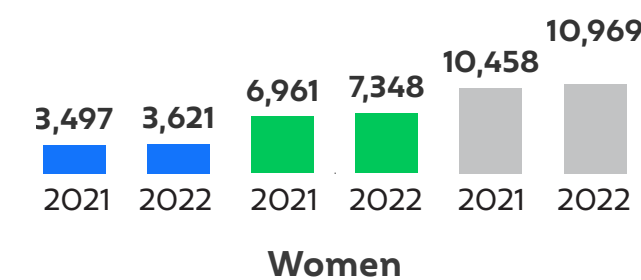
Employees⁴ [GRI 405-1]

North America

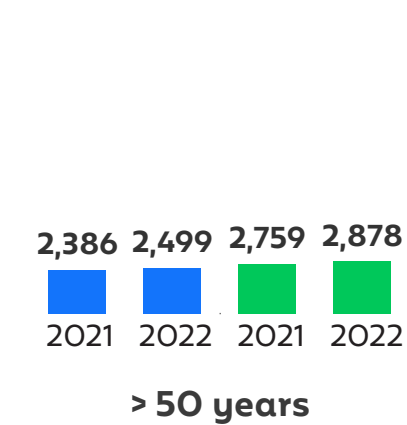
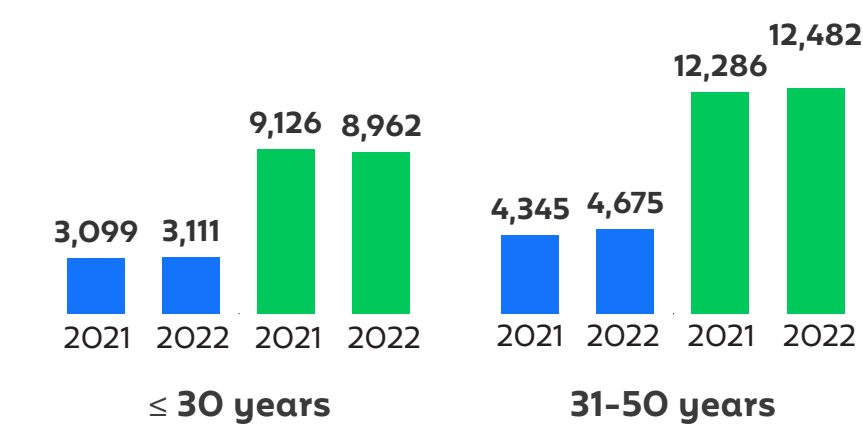
South America

Total

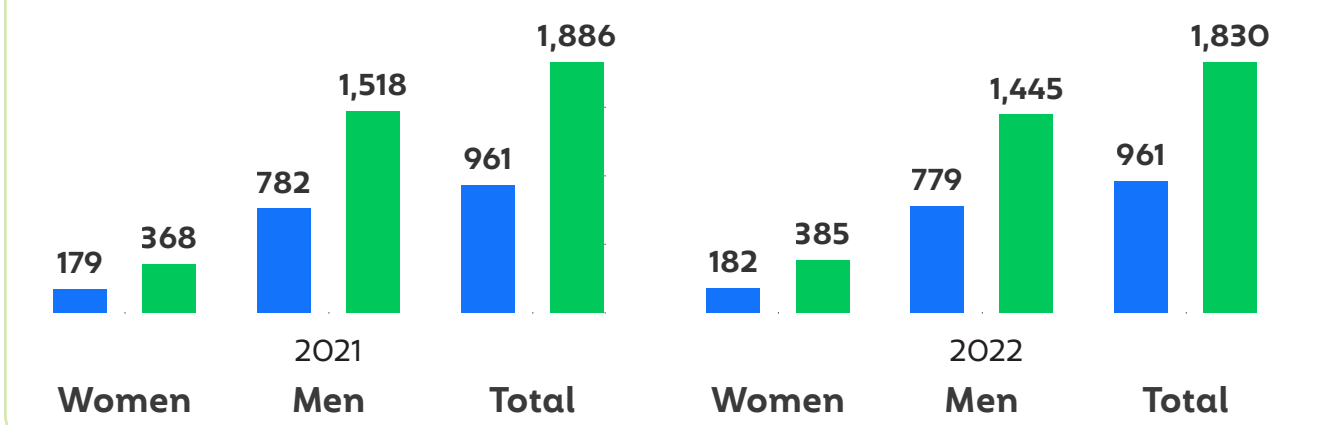
BY GENDER



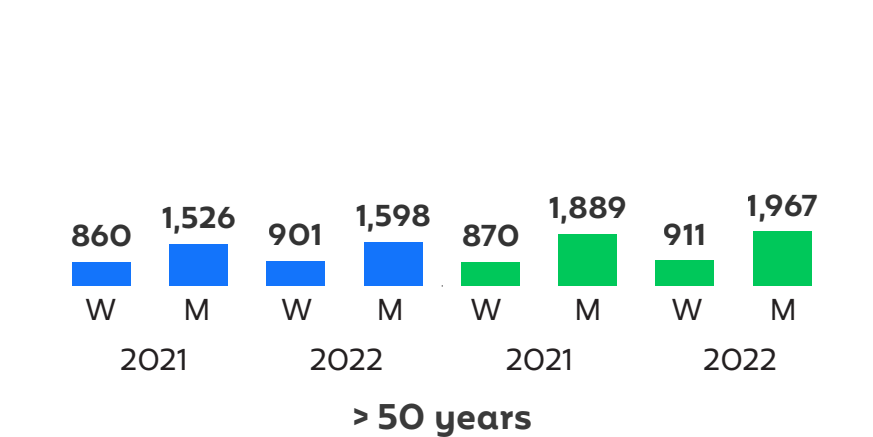
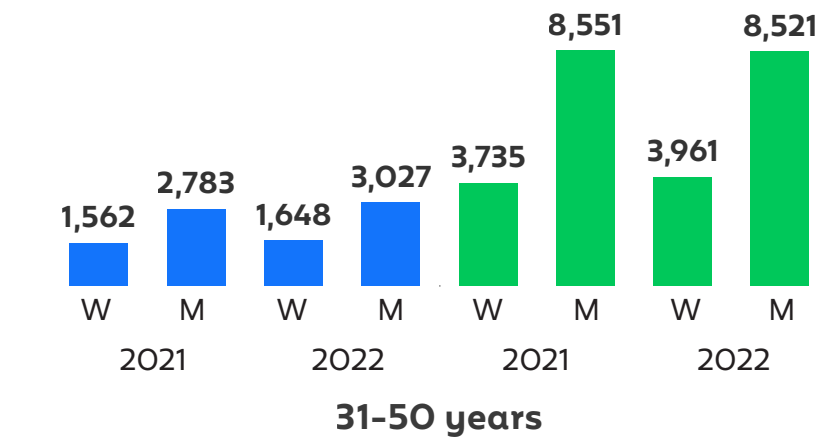
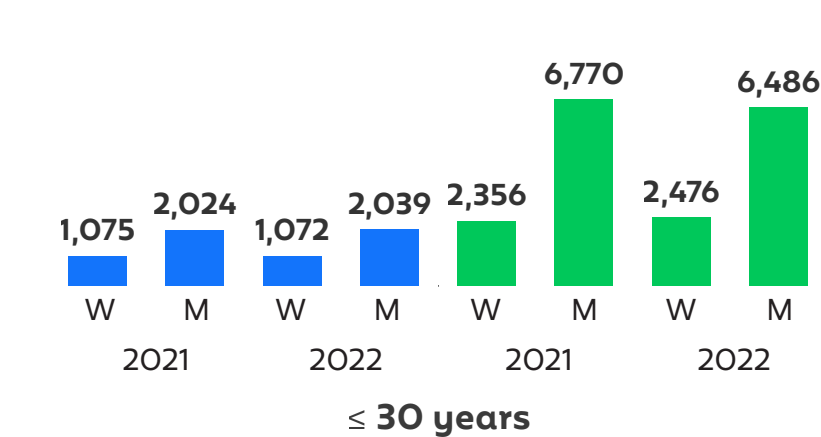
BY AGE GROUP



EMPLOYEES IN LEADERSHIP POSITIONS



BY AGE GROUP AND GENDER



Developing and stimulating our employees, providing them with the support they need to evolve as professionals, is a non-negotiable social and ethical commitment for us. In this sense, we promote multiple projects in the area of personnel, and we are attentive to the variability of socio-cultural demands from our employees. We are also convinced that a company is strong when it is inclusive, thus benefiting from the diversity of intelligences and stories of its workforce community. Thus, in addition to promoting inclusion at work, we ensure to maintain environments where everyone feels safe in relation to their choices, conditions, and identities.

We also reiterated, in 2022, our commitment to offer even safer and healthier occupational spaces. For another consecutive year, we made significant advances in this area, by reducing the number of lost time accidents by 43%. This was possible thanks to the engagement of our Health and Safety teams, as well as the collaboration and care of all workers, identifying and sharing solutions with the leadership, aiming for constant improvement. Another decisive pillar for obtaining these results was the expansion of training and routine qualification, both technical and behavioral.

Among the practices we have adopted for people management, some highlights are:

Remuneration. We believe that a safe and healthy environment requires a fair salary evaluation. This is not only a way to attract new employees, but also to recognize those who dedicate themselves to Marfrig on a daily basis. Retaining these employees assures that the company retains talents who are already integrated to the corporate practices. Among the tools to achieve this commitment, we have adopted remuneration policies based on objectives and strategies guided by the best market benchmarks.

→ **Mapping the market.** Our practice is to carry out constant mapping and periodic surveys in order to identify the reality of each location where we operate, aiming to ensure fairer remunerations. In addition to sector research, it is essential to think about our impact on the domestic economy of our employees. That is why we add to the initial indicators, those related to the contextual economic health of the countries where we operate. The compilation and processing of these data is carried out on a yearly basis by specialized consultants in the area.

→ **Remuneration and Gender.** With regard to the ratio of salaries received by women and men, we strive to ensure equitable conditions for career development and salary remuneration. An analysis performed in our operations in Brazil of the average proportion per unit and position shows that in operational positions the variations are minimal. For example, in Tangará da Serra (MT) and São Gabriel (RS), the average remuneration for women was, at the end of 2022, slightly higher than that for men, 51.33% and 51.15% respectively. In Itupeva (SP) and Várzea Grande (MT), there is an inversion of these proportions, with a slight decrease in the average remuneration paid to women: 47.26% and 48.99%. The general average of the Brazilian units, therefore, indicates a parity scenario, with a proportion of base salaries of 49.72% for women, and 50.28% for men. In North America, salaries for production teams vary. They are identical, regardless of gender, race, or any other category. Employees are hired for the same salary, and can apply for positions according to their skills and interests, granted according to seniority. **[GRI 405-2]**

→ **Variable Compensation Programs.** Additional compensation, in acknowledgment of the results achieved in the period. Depending on the profile and activity, it may include collective or individual financial targets, such as profit sharing (PLR), bonuses for leadership and the sales force, as well as long-term incentives. PLR is regulated and adjusted by collective bargaining or collective agreements, local and corporate, aimed at 100% of the employees, except for the leadership. For positions going up to supervisors, we adopt a bonus system, based on targets set at the beginning of each fiscal year. The intention, by doing this, is to maximize individual performance, thus enhancing the potential of the bonus. In the composition of these bonuses, we also consider the performance related to sustainability practices. These criteria are incorporated into the goals of all leaderships, to a lesser or greater extent, depending on how these practices relate to the routines of each professional. For those who perform functions that are related to these matters, such as the leaders of the Sustainability Department, the performance bonuses, excluding those criteria related to the company's economic

and financial results, are 100% tied to performance in questions related to origin control, animal welfare, climate change, use of natural resources, water and effluent management, and social responsibility. As for the sales force, the bonus programs are based on monthly or quarterly targets that are established according to the commercial strategy of each business.

- ➔ Benefits, in line with applicable legislation, standards, and best practices adopted in each country where we operate.

Internship Programs. In 2022, we launched the Internship Program for the company's Corporate areas, for which 20 young people from different academic backgrounds were admitted. In addition to offering opportunities for the technical training of these young professionals, this initiative aims to develop behavioral skills required by the labor market.

Flexible formats. In most of the US plants, a part-time work format is being adopted. This flexibility aims to meet a behavioral change that has been perceived by some professionals in the company, which is to achieve better balance between work and personal life. In the United States, National Beef also adopts time off policies in the beef processing units, granting employees additional breaks, according to their regular attendance. Finally, there is the policy of anticipated vacation and prior notification of work schedules, which offers employees autonomy to plan their time leaves.

Organizational Climate Survey. For the second consecutive year, we applied the climate survey in the operations in the United States, in which 91% of the employees took part. This audience highlighted in the poll the good relationship with supervisors, the intention to remain at National Beef, and the understanding of how each one contributes to the success of the company. This new survey prompted the creation of a forum for conversations with employees, accelerating the understanding and implementation of changes in favor of an increasingly better work environment.

Transition assistance programs. To ease the transition from working life to retirement, Marfrig Uruguay has developed a special severance plan, in which it offers a financial bonus to workers who reach the legal contribution age limit. **[GRI 404-2]**

Employee representation in governance structures

Issues related to our employees are frequently on the agenda at meetings of our governance bodies, in particular the Compensation, Corporate Governance and Human Resources Committee, one of the four committees that provide advice to the Board of Directors; and the Ethics and Compliance Committee, which provides advice to the Executive Board. Currently, both committees do not include representatives elected by the employees at the plant level, but there are other internal local structures, of a participative nature, which advise these committees and enable the employee's voice to be taken into account in the company's decisions. Some examples of this are the Workplace Safety Committees, Occupational Health Committees, Ergonomics Committees, and the Internal Commission for the Prevention of Accidents (CIPA), present in 100% of our plants in South America, all of them comprising representatives from the workforce. The employees' demands are also accessed through the local Human Resources teams, the Compliance representatives, and via online reporting channels, promoting constructive dialogue and participative decision-making.

Freedom of association and collective bargaining

[GRI 2-30; 407-1]

We unreservedly support our workers' right to exercise freedom of association and collective bargaining, always attentive to the demands of the five countries in which we operate.






In 2022, Marfrig ensured that all of its employees in Brazil were covered by collective bargaining agreements, providing comprehensive coverage for its workforce. Similarly, in Argentina, the coverage was 80.57% of employees, while in Uruguay it was 80%, and in the United States, it was 58%. When analyzing unionization rates across different countries, the highest rate was observed in Argentina, where 75.54% of employees were union members, followed by Uruguay with 65%, the United States with 58%, and Brazil 38%. In Chile, there were no registered employees with union membership, but it is important to note that workers in Chile have complete freedom as outlined by the legislation. In this country, workers' requests are submitted to the Joint Commission on Order, Hygiene, and Safety.

Measures taken to support the right to freedom of association and collective bargaining

→ **Brazil:** All employees in all our plants are covered by union Collective Bargaining Agreements. Some of the plants even rely on suitable environments for union meetings and communications, in addition to the physical presence of union leaders. To facilitate the employees' access to information on these issues, we make bulletin boards available in all facilities, used for communications relating to labor contracts and the general interests of the category. When requested, we include clauses in our Collective Instruments, guaranteeing the use of organizational physical spaces, on agreed-upon days, to carry out membership campaigns.

→ **Argentina:** Employees are empowered to join associations and unions of their choice. All plants rely on internal commissions, composed of appointed representatives elected by the employees, and renewed according to the provisions set forth by the labor legislation in force in the country. We also commit to collaborate materially, making available physical space and time to participate in elections or assemblies. According to the legislation in force, union delegates are granted union leave hours/days. Additionally, we integrate the Business Chambers, thus participating in collective negotiations with the union federation.

→ **Uruguay:** In accordance with national legislation, employees in this country are fully entitled to join associations and unions. This right is respected both in our operations and in those of our suppliers, who are engaged and audited in order to comply with legal regulations. To support the exercise of this right, our operations rely on an open-door policy on labor issues, internal conflict resolution and employee support.

					
	Argentina	Brazil	Chile	Uruguay	United States
Employees covered by collective bargaining agreements	80.57%	100%	0%	80%	58%
Unionization rate	75.54%	38%	0%	65%	58%





Training and development



Building and developing careers is a social commitment we assume as an organization. That is why, in 2022, we invested even more in our training programs, expanding, for our employees, the scope of possibilities for personal and professional development.

As a result, we significantly increased the number of training hours provided to employees in South America. The training hours grew sevenfold, escalating from 111,000 hours in 2021 to nearly 864,000 in 2022. This increase was largely driven by the Brazilian operations. We expanded the range of courses and training - encompassing not only professional training topics, but also behavioral and of general interest - and the formats in which they are offered, including online learning, in both synchronous and non-synchronous formats. Considering that the data reported by Brazil in 2021 was limited to mandatory training, from the standpoint of occupational safety, the efforts to expand the scope of training resulted in a significant increase in attendance.

In order to facilitate our planning for employee qualification and training, our human resources teams ask various departments to identify subjects that are relevant to their

teams and can enhance overall performance. After analyzing this information, we prepare a plan and submit it for approval by the plant officers. In Brazil, this information is gathered on a monthly basis, while in the units abroad, it is gathered on an annual basis. During the year, about 855,000 hours were offered, 242,000 more than in 2021. A total of 31,360 workers were targeted, 21% more than the previous year. From this total, women accounted for 34% of the participants in North America and almost 30% in South America.

In order to enhance the management of mandatory training - which covers compliance and health and safety issues, among others - the operation in Brazil designed and tested, throughout 2022, a tool that enables tracking the training journey of each of our employees. This system is expected to become operational in 2023.

In addition to promoting continuous learning and skill development through internal programs, Marfrig also supports employees in pursuing external courses. This includes financial assistance for various courses, such as technical training, specialization programs, post-graduate studies, and more. In 2022, employees from Brazil, Uruguay, Argentina

and the United States benefited from this program. **[GRI 404-2]**

The efforts we have undertaken to expand the range and reach of our training programs, in addition to being more assertive in training our professionals, have been reflected in the internal development of our employees. Our principle, in order to contribute to the

advancement of these professionals in their careers, is to allow them to compete for vacancies that arise in different areas and hierarchical levels. In 2022, 54% of our vacancies were filled through internal transfers. Among the leadership positions, 62% were filled by our employees.

Scope of training courses offered in 2022

[GRI 404-1]



	SOUTH AMERICA		NORTH AMERICA	
	2021	2022	2021	2022
Average hours of senior management training	20	9	55	51
Average hours of management training	52	62	55	51
Average hours of supervision training	70	534	55	51
Average hours of training for other functions	136	195	0	53
Total number of employees who attended training programs	16,954	22,360	9,000	11,300
Total number of training hours	111,028	863,881	503,000	502,000

Advances in 2022

→ **"Gente que Inspira" (People Who Inspire) Program.** A training program created during the period, aimed at developing and strengthening competencies, as well as the sense of belonging of the leadership at different levels. Throughout the year, this program accounted for 3,072 hours of training in Team Building, plus more than 2,824 hours in learning trails, ensuring standards of excellence and operational efficiency, engagement, appreciation, and commitment to building and maintaining relationships and processes. In the United States, we also provide specific training for leaders, which totaled, in the year, 32 hours of training for more than 960 supervisors, managers and other employees in management positions.

→ **Learning Management Platform.** We have further improved our distance learning (DL) formats adopted in Brazil. We have gathered, on a single platform, courses with a series of audiovisual resources, both synchronous and non-synchronous, which support the learning process. As a result, both employees and leaders can plan the necessary training tracks, in addition to evaluating adherence and achievement. The platform also enabled us to expand the offer of courses. By the end of the year, the training courses covered 34 topics. The number of users, meanwhile, totaled 1,646, who altogether have attended 9,807 hours of training.

→ **Training of Operational Professionals.** In Brazil, we run a specific program for employees in the industrial area, aimed at training them to develop various skills, including behavioral, and prepare them for jobs such as trimmers, deboners, butchers and slaughtermen. In 2022, 832 employees took part in these agendas. Similar programs are also implemented in other countries. In Argentina, an annual training plan is prepared, considering the operational needs related to technical training and certifications of the plant. In Uruguay and Chile, the programs are directed to specific cases, driven, for example, by sector transfers or when facing opportunities for promotion. National Beef, in turn, adopts practices to encourage continuous learning and improvement of skills, both through internal programs and through reimbursement of costs with training outside our facilities. **[GRI 404-2]**



→ **Strengthening of HR teams.** In order to further optimize the processes and projects developed by the area, over the course of the year, Marfrig made available specific technical and behavioral training for human resources professionals.

→ **CEO Academy.** The leadership training program has been running for another year in Brazil, and has involved everyone from managers to vice-presidents. The modules are offered in the DL (distance learning) format.

Qualification in Human Rights

In addition to technical training, our training agendas also covered topics related to Human Rights, including, among others, diversity and inclusion, and the banning of slave and child labor. The North and South American plants together offered, during the year, about 45,000 hours of training, directed to more than 15,000 employees.



	 NORTH AMERICA	 SOUTH AMERICA
Total hours of Human Rights training	25,000	18,944
N. of participating employees	11,300	4,126

Performance Evaluation

[GRI 404-3]

Our strategies for offering professional development opportunities include performance assessments, which play an important role. Through the information gathered in this process, we can identify points to be improved in training, as well as enhancements that can be sought, to be even more assertive in our professional training initiatives.

These assessments also make it possible to map technical and behavioral competencies, by function. Thus, we can identify professionals prepared for new challenges, for example, or develop career plans. These analyses are carried out together with the leadership in periodic meetings. Performance evaluations, therefore, are added to the people management routines developed in all of our operations.

Brazil. All employees at all hierarchical levels (executive officers, coordination and management) have been submitted to periodic performance and professional development evaluations in 2022. These evaluations are made based on the performance of employees against their

targets, determined annually, in line with the business strategies, in experience evaluation records and in the Technical Evaluation of the Professional Training Program, as set out by the executive officers and validated by the Corporate Human Resources area.

Argentina, Chile e Uruguay. At the plants in these countries, all employees are submitted to evaluations on various topics, such as teamwork, commitment, discipline, productivity, among others. In Chile, the processes include surveys, while in Argentina evaluations are made by competence, every two years, of the leadership, and annually, of the operational teams. In Uruguay, processes associated with goals and objectives are the guidelines adopted for team evaluations.

United States. About 80% of the staff is evaluated by processes that contribute to setting salary increases, notably for management positions. Evaluations are both formal and informal, i.e. periodic reviews, face-to-face meetings between manager/supervisor and employee, and quarterly business reviews for senior management.



Occupational health and safety

[GRI 3-3; GRI 403-1]

One of the principles of our people management are the matters related to occupational health and safety. Watching over the welfare of our employees, ensuring that they find, in our facilities, safe and healthy environments to perform their duties, is a fundamental and non-negotiable requirement. We use a series of processes and guidelines to manage these issues, always in line with the best international references, and with the regulations that cover these matters in the different markets in which we operate.

In 2022, we proceeded with our continuous improvement efforts, which included an increased offer in training and capacity building on the subject, and even closer monitoring of our work routines by specialized teams. We strengthened our healthcare structures and services, making physicians and professionals from other areas available to provide help and support to our employees. We have broadened our scope of action, looking in even greater detail at risk situations, and offering our teams care that goes beyond physical health, instituting programs aimed at preserving well-being and mental health.

We were able to fully resume normal operations once the critical phase of the Covid-19 pandemic was over. However, we kept in place the protocols adopted in previous years. Our COVID-19 Task Force continued to evaluate and adjust operations at each facility, ensuring that all health regulatory guidelines currently in place were met. We hosted vaccination clinics in our plants and communities, making flu shots available to employees, their families, contractors and the community, as well as providing transportation for employees to the vaccination posts, fully funded by the company.

We also recorded consistent advances in occupational health and safety indicators. The rates of accidents with and without lost time were significantly reduced in relation to the previous year, with falls of 43% and 38%, respectively. Cases of injuries with time off work, in the same period, were 25% lower, when compared to 2021. [GRI 403-9]

Our workplace safety guidelines are consistently improved to reduce workers' exposure to the risk of labor accidents. In Brazil, for example, we hold an Occupational Health Division, given the relevance of this topic to our operations.

We comply with all the rulings set forth by the International Labor Organization (ILO), as well as the legislation in the countries where we operate, regarding the management of this issue, by developing safety awareness campaigns, training on hazards and risks during work, by means of mandatory training per function, and the appropriate use of personal protection equipment. [GRI 403-1]

OHS Management Structure

Evaluation and qualification in health and safety. Aimed at minimizing the risk of accidents, we hold an inspection schedule in our units, checking both the facilities and the work routines and dynamics, carried out during business hours, in accordance with the legislation in force. The actions were coordinated by professional instructors, with technical proficiency, and involved, for example, the identification of the workplace, potential hazards to which workers are exposed, according to legal requirements, or, yet, situations of deviations or unexpected results.

Corporate Work Safety Guidelines Program (CWSGP) and Corporate Health, Quality of Life and Well-being Program (CHQLWP).

These are two programs aimed at identifying

and eliminating hazards and minimizing risks. They also seek to standardize procedures and practices applicable to the units as to the items, rules and standards to be followed, in accordance with requirements established by the legislation in effect. The guidelines can be administrative, planning, and organizational, promoted from physical, mental, and laboratory evaluations, besides social determinants of health, work organization, and clinical epidemiology.

Audits. All workplace locations are audited internally and/or externally, regardless of whether they are occupied by employees or third parties, in order to anticipate and mitigate possible occupational diseases. This is a multidisciplinary intervention carried out by Safety, Health and Ergonomics professionals. In Brazil, for example, 12 units were audited by the SMETA 4-Pillar protocol, obtaining performance ranging from 97% to 100% compliance with the requirements. In the search for continuous improvement of the management system, we put in place immediate corrective and preventive actions in order to fully meet the requirements. Of the units checked, three achieved 100% performance, two achieved 99%, and four achieved 98%. Another three achieved 97%. [GRI 403-10]






Committees and commissions in health and safety. In Brazil, employees count on their own representatives who make up the Internal Accident Prevention Committees (CIPA), with meetings held monthly. A very similar structure exists in Chile, where internally elected workers' representatives have active participation in the company's Safety Committee. Similar to these two countries, Uruguay also maintains Health and Safety Committees, with workers' representatives, in all of its plants. These structures contribute to the mapping and mitigation of accident risks, and can be activated, by the other employees, to communicate situations that pose a risk or to obtain guidance or information. The North American units, in turn, undergo safety assessments based on the DuPont Behavior Based Observation (BBS) process. **[GRI 403-2]**

Safety Training

We promote a training program to ensure a healthy and safe space for the employees, both to guide and alert them about the precautions for personal and team safety, in addition to raising their awareness about situations that, in the performance of their duties, require extra attention. In Brazil, for example, we have a program that reinforces this approach. Named "A Regra é Clara" (The Rule is Clear), this program aims to disseminate the golden rules of safety, disseminating among the employees

Number of industrial plants that include a health and safety committee with workers' representatives

Percentage of industrial plants that include a health and safety committee with workers' representatives

					
	Argentina	Brazil	Chile	Uruguay	United States
Number of industrial plants that include a health and safety committee with workers' representatives	4	12	2	6	8
Percentage of industrial plants that include a health and safety committee with workers' representatives	80%	100%	100%	100%	100%

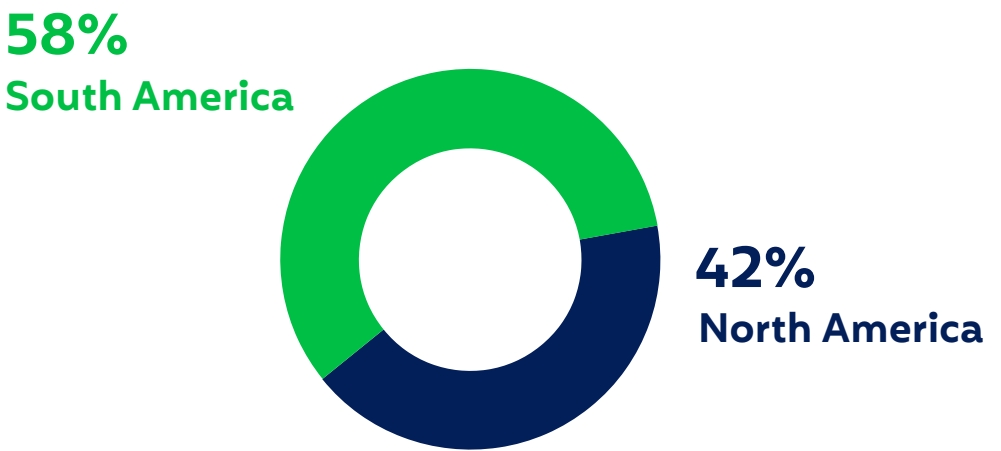
the aspects related to the process of safety in the workplace. It addresses, for example, concepts of valuing life and safe behavior, in addition to procedures to be followed on a day-to-day basis.

We add specific training for those activities that offer occupational risks or are proven to be dangerous, such as those related to energy blockage, forklift driving, and fire brigade training, among others.

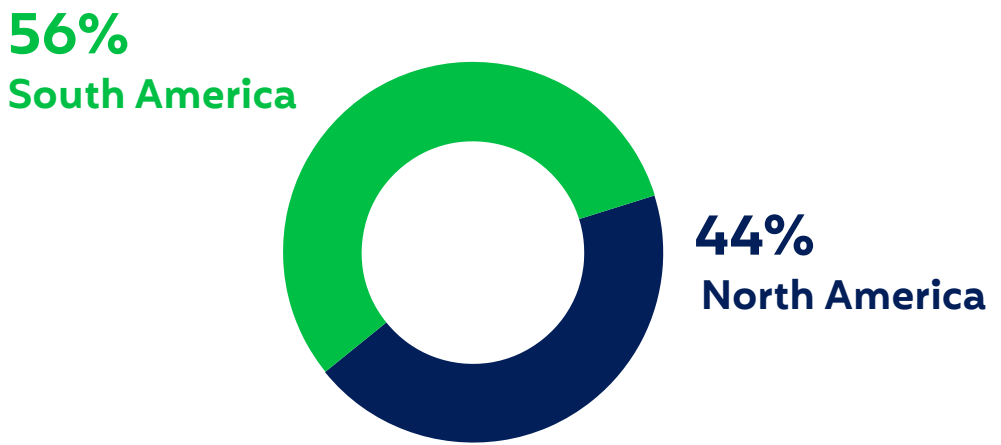
The various subjects and issues covered by our training agenda, in terms of occupational health and safety, are in line with the labor legislation and technical instructions applicable in the countries where our operations are located. The contents offered emphasize routines that are typical of our activity, such as knife handling, working in confined spaces, areas with temperature variations, first aid,

among others. In 2022, more than 31,000 employees attended training programs in health and safety, in Brazil, Chile, Argentina, Uruguay and in the United States. This represents an overall increase of 11% over the previous year, and an additional 440,000 hours. In total, in 2022, the five countries added up to more than 1.138 million hours of training offered. **[GRI 403-5]**

31,111 employees attended occupational health and safety trainings worldwide. **[GRI 403-5]**



1,138,010 hours of training in Occupational Health and Safety. **[GRI 403-5]**



Prevention and Care

Mental Health Program. Created in 2022, in Brazil, this initiative seeks to support our employees in issues related to mental health. We have a team of professionals dedicated to this front, to welcome and identify the needs demanded by people. As a result, employees can be referred to tele-consultations with psychologists and psychiatrists, free of charge. The United States has also adopted a similar program, in which it offers employees and their family members access to licensed mental health professionals, who are capable of providing support, therapy, and medical assistance. In all cases, services are 100% confidential and there are no limits to the number of consultations.

RSI / WMSD Program. Also implemented in Brazil in 2022, this program aims to identify, prevent and minimize work-related musculoskeletal disorders presented by employees, through cognitive assessment and the organization of routines. To this end, the HSE-IT is being used, which is a questionnaire on the approach to work-related stress factors, developed by the Health and Safety Executive (HSE), the official body responsible for the prevention of psychosocial risks in the United Kingdom. This multidisciplinary program integrates the areas of human resources, training, ergonomics, occupational safety, industry, maintenance, nutrition, nursing, and medicine.

Thematic campaigns. Awareness-raising actions aimed at promoting better quality of life and prevention of diseases. Held at the industries and in the administrative areas, these campaigns addressed, among other issues, Health and Nutrition, Ergonomics Week, Fight against Drug Use, Yellow September, Pink October, Blue November and sexually transmitted infections (STIs).

Occupational Diseases. We assess, for our own employees, all types of claims related to occupational diseases and musculoskeletal disorders in the Unified Daily Record (UDR) system, classified into three categories: reports to the occupational risk insurance system, internal treatment, and first aid. Outsourced employees, who work in our facilities, were instructed to take Covid-19 tests and, in case of positive results, to report them to HR. Among the 374 reportable occupational diseases reported in the five countries, not a single case led to worker fatalities. In relation to the main causes of occupational diseases, we identified, through the risk matrix prepared for these issues, musculoskeletal disorders as the most recurrent. In Argentina, in turn, there are reports concerning cases of brucellosis, an infection transmitted from animals to people. **[GRI 403-10]**

Healthcare Teams. The outpatient services offered in the plants rely on multi-professional teams. Employees can schedule medical appointments at the unit itself, laboratory and imaging exams at accredited clinics, and request referrals to specialist physicians at private clinics. Referrals are also made to physiotherapists and speech therapists, as well as the distribution of medications, free of charge, to employees at accredited pharmacies.

Leadership in Safety and Risk Perception.

Strengthening the top leadership of our plants by means of workshops. In these, guidelines are shared to help identify cases of unsafe behavior and conditions, and to refer these issues to specialist teams. **[GRI 403-3]**

Antimicrobial resistance in the workforce.

Adhering to the guidelines of the World Health Organization (WHO), we do not use or promote the use of antibiotics by employees, thus avoiding any impact of uncontrolled antimicrobial resistance. The health teams of the plants frequently carry out awareness-raising initiatives geared toward employees in the production plants about the risks of indiscriminate use of antibiotics.



Rights and Duties

Employee leave of absence. All employees are instructed to remain away from their on-site work activities until their pathologies are resolved, as advised by their respective medical assistants.

Medical certificate. In Brazil, employees can submit certificates or reports from their treating physicians for the purposes of benefiting from paid sick leave. They also have access to the company's own medical outpatient clinics inside the plants, in case they need to evaluate their health condition, for guidance or support for referral to the social security agency. For the more complex cases, after evaluation by our physicians, the employee is sent for external treatment in private clinics. In cases of occupational diseases or labor accidents, the expenses are fully borne by the organization. We hold our own medical outpatient clinic in all of our plants in Brazil, providing free health consultations to our employees, and basic medical care, since most of our plants are far from large urban centers.

Sick pay. In Brazil, as per Law 8.213, employees who are contracted under a CLT (Consolidation of Labor Laws) regime are entitled to paid sick leave by the Social Security system.

Risk assessment. We count on consolidated processes to assess risks, hazard risks and investigate incidents. In Brazil, this routine is performed on an annual basis, which is reduced whenever there are changes in the work routines, such as the introduction of new equipment, products, work methods or layout. In Chile and Argentina, this routine is carried out daily, and in Uruguay on a weekly basis. **[GRI 403-2]**

Attendance at work in case of illness. As a preventive measure, we conduct active searches for health-related complaints by employees at the production units, for proper referral and treatment. We also advise our employees to access our own medical outpatient clinics available at the plants, in case of need or complaints.

Data confidentiality. We keep all the gathering and results of our employees' health information under strict confidentiality, ensuring the protection of the fundamental rights of freedom and privacy for each one, according to the guidelines of the standards that govern this issue in different countries. In Brazil, we comply with the general law on personal data protection (GLDP). Thus, employees' health information can only be accessed by our team of physicians, and is filed physically or digitally, in a system specific for this purpose. **[GRI 403-3]**





Right of Refusal. Our employees have the right to withdraw from work situations that they consider risky, or that could lead to an accident or occupational disease. In Brazil, this is the "Right of Refusal", a legal instrument that assures the worker the interruption of a work activity for considering that it involves serious and imminent risk to his safety and health, or of other people. The employee who wishes to exercise this right must immediately communicate it to his supervisor, who will take the appropriate measures. After this stage, if necessary, the employee can contact the teams from the Nursery, Security or Human Resources to report their concern.

Paid sick leave. According to the local laws and regulations of the South American countries, employees are entitled to paid sick leave. In the Brazilian operations, employees diagnosed with any type of illness are immediately removed from their activities. In Chile, leave is paid by private or state healthcare agencies, according to the country's regulations. For those affiliated to the National Health Fund (FONASA), the costs are passed on to the Commission of Preventive Medicine and Disability (COMPIN), which evaluates each case. There are also workers who are affiliated with Social Security Health Institutions and receive payment for their sick leave. In the case of sick leave caused by a labor accident or related to professional activity, there are other entities that protect the employee, such

as private, non-profit Corporations that are members of the Social Security System.

Reporting of risk situations and incidents.

All employees are encouraged to report such cases, for which specific forms are available for reporting, which can also be submitted to the immediate leadership or to the health and safety committees.

Outpatient medical service.

We rely on our own outpatient medical service, which comprises a physician, a nurse, an ergonomist, and nursing technicians at all units, providing urgency and emergency care, as well as medical and occupational consultations, in addition to nursing care. These services are available to all employees. The outpatient clinics, besides their capacity to handle the employees' health complaints, also carry out testing for Covid-19. Additionally, we hold weekly meetings with the leaders to follow up on the indicators of the services provided by occupational and accredited physicians, and jointly analyze any aspects that require attention or opportunities for improvement.

Occupational health services.

Our service structures, such as outpatient clinics and dedicated health professionals, coupled with the efforts related to training and investments in infrastructure, make up our occupational health services and contribute to identifying and eliminating hazards, thus mitigating

risks. Connected to other regulations, such as the Risk Management Program (RMP), it aims to identify the hazards and risks, and suggest actions to minimize the issues that have been detected. We also make available occupational health services based on the Occupational Health Medical Control Program (OHMCP), which, in conjunction with the other regulations, seek to ensure that employees have their psychophysiological health taken care, of by an annual schedule of biological monitoring or preventive actions, both for the company and for the employee. In Brazil, we monitor the employees' health by means of occupational and complementary clinical examinations, and by documents relating to occupational health medical control programs, together with qualitative and quantitative assessments of the workplace environment's risks. **[GRI 403-3]**

Work-related accidents

[GRI 403-9]

In 2022, we experienced a notable trend of significant improvement in Occupational Health and Safety indicators. Particularly noteworthy is the decrease in accidents resulting in lost time, which declined by 43%. This positive trend was primarily driven by our plants in South America. Furthermore, there was a global reduction of 38% in incidents involving accidents without lost time. Similar improvements were observed in terms of total injuries, with a rate that was 25% lower compared to the previous year. While these results indicate the effectiveness of our efforts, which include training, guidance and investments in infrastructure, we regret to report one fatal accident in South America.

43%

reduction of lost time accidents

38%

incidents reduction involving accidents without lost time

Performance regarding work-related accidents



NORTH AMERICA



SOUTH AMERICA



TOTAL

	2021	2022	%	2021	2022	%	2021	2022	%
Accidents with lost time	118	85	-28	558	301	-46	676	386	-43
Accidents without lost time	193	156	-19	1060	616	-42	1253	772	-38
Days lost due to accidents	960	842	-12.3	15584	10109	-34	16544	10951	-34
Total injuries	311	241	-22.5	1232	915	-26	1543	1156	-25
Fatalities	1	0	-100	1	1	0	2	1	-50



SUSTAINABILITY PLATFORM



Sustainability: central axis of our business strategy

Sustainability is a key strategic pillar of our business. We actively pursue sustainability through tangible work plans, public commitments, clear goals, and a sound management structure. We focus our efforts on this area, with the aim of minimizing the impact from our operations on the environment, attentive to the effects on climate change, and to be an effective agent of transformation in our supply chain, by promoting production models that preserve biomes and biodiversity, in addition to fostering good social responsibility practices, including respect for human rights and socioeconomic inclusion.

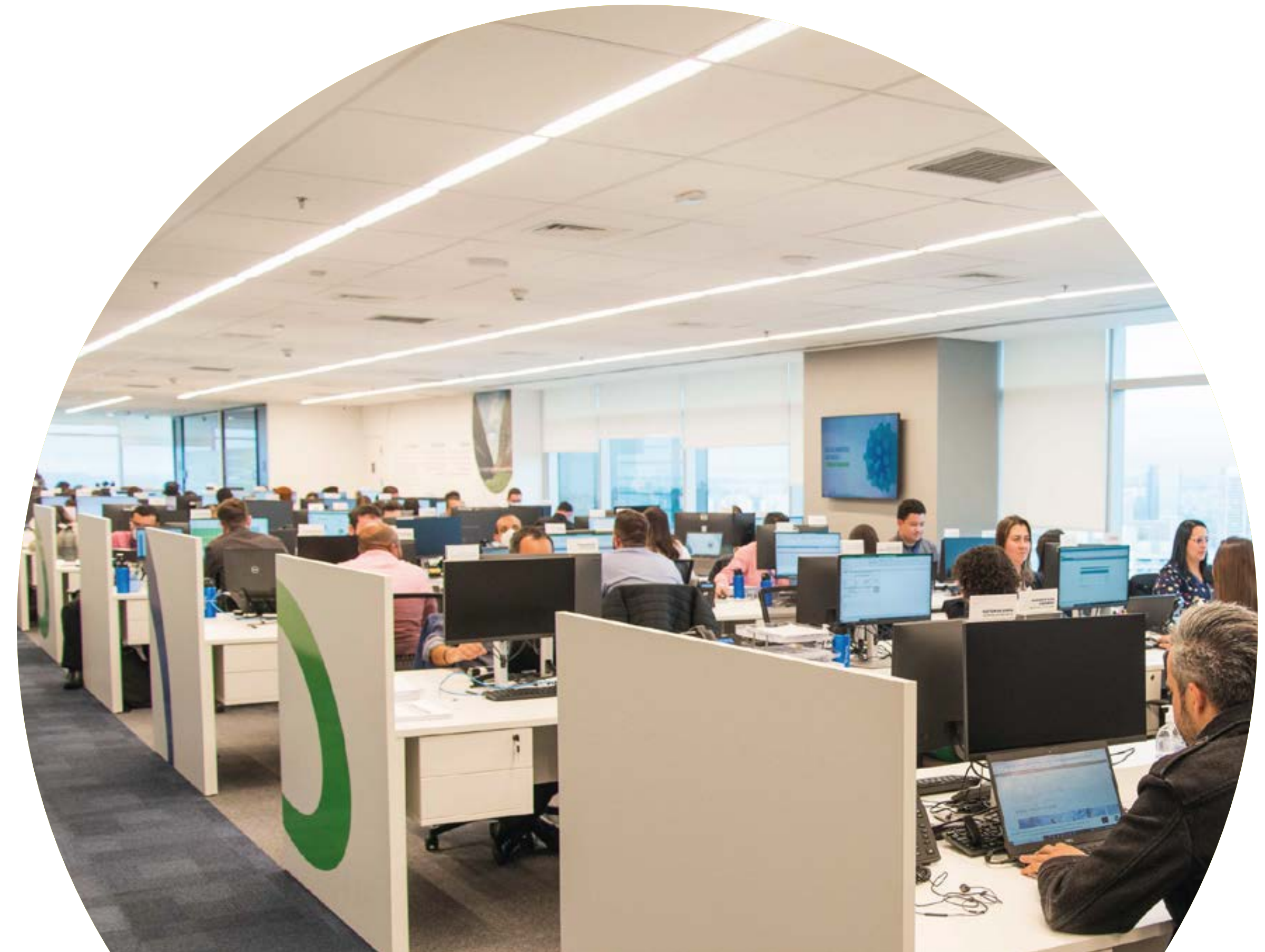
Sustainability is the central axis of our business strategy, which relates to all the other areas of the Company. Ensuring the continuity of our operations necessarily involves adopting processes and routines that are aligned with the best references, which assure that the best practices are adopted in the farms with which we maintain commercial relations, even before we acquire the raw material, and are maintained throughout all the industrial stages. This management focused on sustainability translates, in our company, into concrete actions to conduct operations under environmental and social responsibility, in line with the best governance practices on this matter.

Considering the nature of our industry, incorporating sustainability as a cross-cutting theme extends beyond what we simply develop and adhere to in our daily practices. It is, in fact, about conciliating production and environmental preservation, an aspect that makes it necessary for other links in the value chain to be involved in these efforts, also applicable to other players in our sector and to society.

GOVERNANCE

We adopt strategies, policies and principles specifically geared to supporting and guiding cattle producers in relation to the adoption of good sustainability practices. At the same time, we are open to dialogues and partnerships with the most different players in our sector, ranging from non-governmental organizations and universities to specialized institutes and consulting firms, as well as competing companies.

Our goal, which is a shared challenge in our industry, is to foster sustainable livestock farming that is low-carbon and free from deforestation. By collaborating toward this goal, we can generate significant benefits for society as a whole.

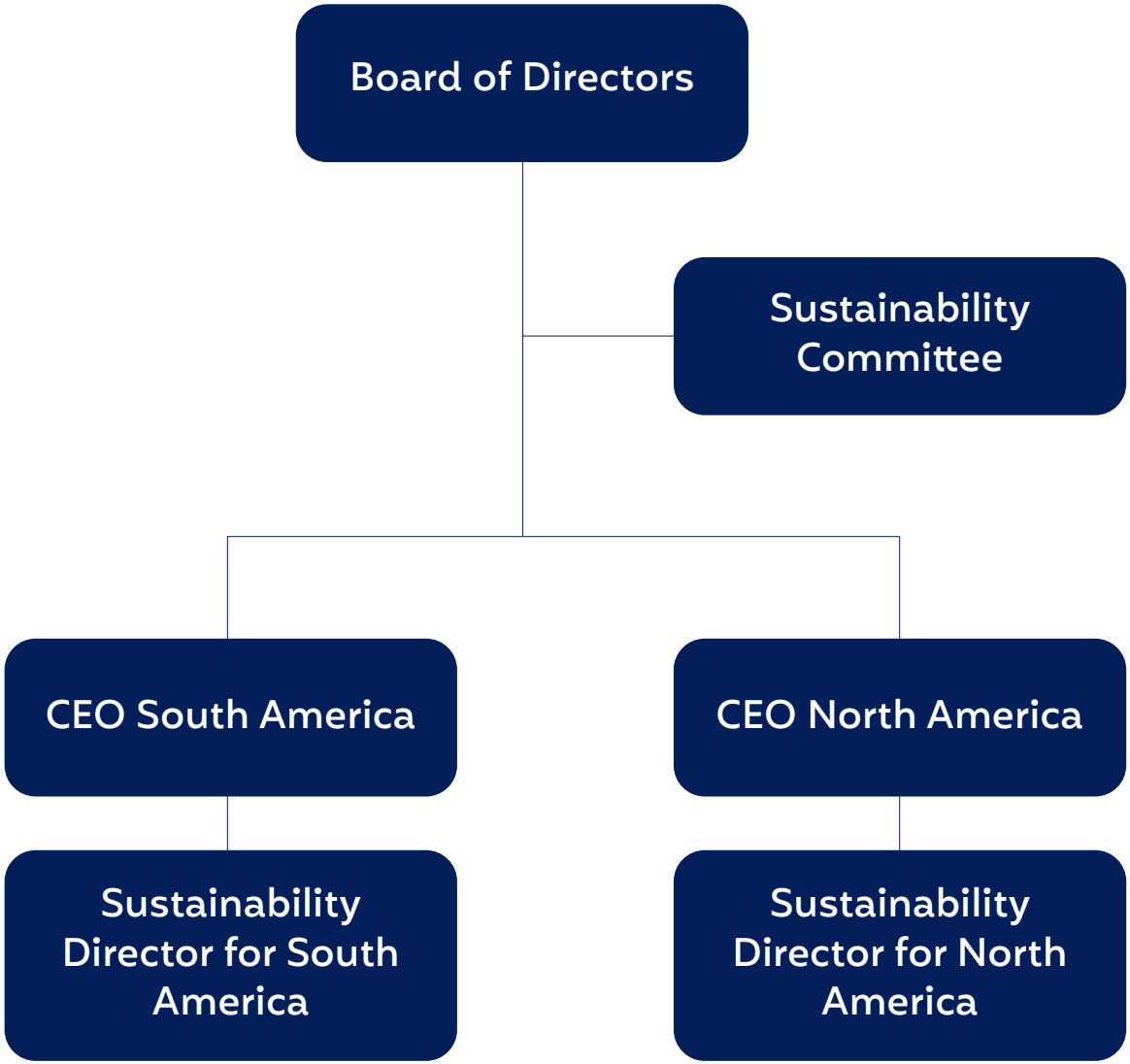


Engagement of leaderships

The relevance of the issues related to sustainability requires that the guidelines and resolutions be determined by the Board of Directors. The Board of Directors relies on the support of the Sustainability Committee, which is made up of experts on the subject, with renowned professional track records, to make decisions about the sustainable development of the business. This body maintains a frequent agenda of meetings, so as to monitor the execution of strategies, the results achieved, evaluate performance, and promote various debates, always attentive to trends and new challenges that may arise. The activities performed by the Committee are reported to the Board of Directors, in which results, performances, and analyses are presented, and concepts and content that help in the formation and alignment of opinions on sustainable development are shared. **[GRI 2-17]**

At the close of 2022, this Committee was made up of seven members. One of them, who acts as coordinator, is also an independent advisor to the Company. A brief profile for each of the members is available on the Investor Relations section of our website.

Our Sustainability Divisions in both business areas are responsible for the execution of our strategic planning. These areas, which report directly to the respective CEOs, are responsible for translating strategies into action plans, analyzing risks and opportunities, monitoring work performance, and determining performance goals.



Policies

The principles that guide our sustainability practices are provided for in specific policies, of global reach, the main ones being:

- Sustainability
- Animal Welfare
- Social Responsibility
- Stakeholder Engagement
- Acquisition of forestry sourced material

These guidelines are global in scope and are approved by the Board of Directors. The full text of these documents is available on the Sustainability section of our [website](#).



Strategic pillars

We carry out a broad work plan based on short, medium and long-term guidelines and targets, aimed at mitigating the impact of our operations on the environment, which includes, among other actions, the responsible purchase of cattle and combating deforestation, ensuring animal welfare whenever possible, conserving natural resources and biodiversity, and conducting business with social responsibility, including respect for human rights.

Given the diversity of the issues covered, the scope of our operations and the impacts produced by our activities, we have divided sustainability management into six major themes. Each of them is managed and conducted by highly specialized teams, and the leaderships report respectively to the Sustainability Officers of South America and North America. We rely on approximately 175 professionals distributed throughout our operations in Brazil, Chile, Argentina, Uruguay and the United States, dedicating 100% of their time to the implementation of our sustainability strategies.

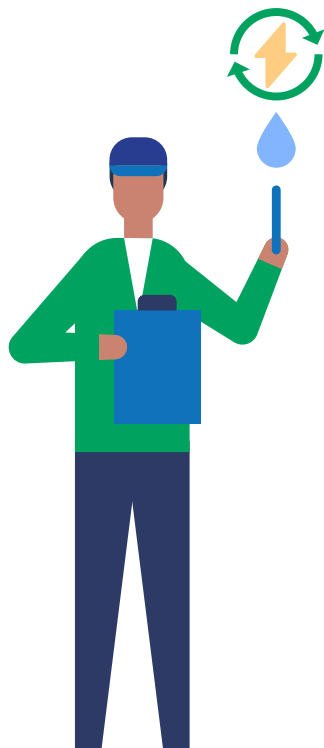
Our evolution in this journey and the performance of the actions undertaken are continuously monitored by performance indicators (KPIs). Sustainability management is divided into six pillars, aimed at encompassing all of our operations – thereby engaging and impacting our value chain:



- 1** **ORIGIN CONTROL**
- 2** **ANIMAL WELFARE**
- 3** **GREENHOUSE GAS EMISSIONS**
- 4** **NATURAL RESOURCES**
- 5** **WASTEWATER AND RESIDUES**
- 6** **SOCIAL RESPONSIBILITY**

Our targets*

- At least 40 hours** of training per year, per unit.
- 70% of cattle transported** on routes of eight hours or less.
- 100% of the Amazon** supply chain – direct and indirect – free of deforestation.
- 100% of slaughterhouses** (bovine and sheep) audited for compliance with NAMI Animal Welfare Standards.
- 100% of ranches** meet at least one criterion for animal welfare under the Marfrig Club Program.
- Grade 10** in the Effluent Treatment Quality Index (IQTE).
- 100% of the Cerrado** supply chain – direct and indirect – free of deforestation.
- 100% of our operations** using exclusively renewable energy.
- 20% reduction in the volume of water** consumed for the production of one ton of product⁵.
- 68% reduction in direct emissions** from our operations (Scope 1) and from the purchased energy (Scope 2)⁶.
- 33% reduction in indirect emissions**, generated throughout our production chain (Scope 3).
- 15% reduction in the volume of effluents** generated in our operations.



SINCE 2020

BY 2025

BY 2030

BY 2035

* In the pillar " Effluents and Waste", our focus has been the modernization of our facilities, as described in the next pages. Furthermore, by consuming less water in our operations, we discharge lower volumes of wastewater into the environment. In relation to solid residues, the operating plants pursue rational management goals, as well as in energy, a theme in which each plant establishes and endeavors to record a continuous decrease in consumption. In the pillar " Social Responsibility", we exert a strong impact by supporting and fostering the regularization of the operations carried out by direct and indirect suppliers, which is one of the objectives of the Marfrig Verde+ Program, whose targets are reflected in the pillar " Origin Control".

⁵ Based on 2020 results.

⁶ Based on 2019 results.

Key performance indicators

Our performance, regarding each of the pillars, is monitored and assessed by means of performance indicators (KPIs), which are widely disseminated throughout our operations. To ascertain the information that comprises this data, we rely on specific routines, processes and systems, which allow us to monitor and manage the efficiency of our operations along these fronts, constantly aiming for continuous improvement.



PILAR	KPIs
<div>1</div> Origin Control	<ul style="list-style-type: none"> → Percentage of animals slaughtered under controls extended to indirect suppliers and covering all operations in different countries. → Percentage meeting performance pillars (Environmental and Social) under the Best Practices for Cattle Production Program/Marfrig Club within Brazil. → Percentage of supplier ranches among direct suppliers exercising control over indirect suppliers in the Amazon and Cerrado biomes in Brazil.
<div>2</div> Animal Welfare	<ul style="list-style-type: none"> → Hours of training per year, per unit. → Percentage of cattle transported on routes of eight hours or less. → Percentage of slaughterhouses (bovine and sheep) audited for compliance with NAMI Animal Welfare Standards. → Percentage of ranches meet at least one criterion for animal wellbeing under the Marfrig Club Program.
<div>3</div> Climate Change	<ul style="list-style-type: none"> → Percentage attained in pursuit of greenhouse gas emissions reduction targets (Scopes 1+2). → Percentage of electric power, demonstrably renewable, as a total of all electric energy consumed. → Percentage of greenhouse gas emissions reduction compared to targets (Scope 3). → Percentage reduction of methane gas emissions from slaughter of animals coming from systems featuring low greenhouse gas emissions. → Reduction in emissions of methane at Effluents Treatment Plants (ETPs).
<div>4</div> Natural Resources	<p>Water</p> <ul style="list-style-type: none"> → Volume of water used per metric ton of meat produced. → Volume of water used per slaughterhouse unit. → Percentage of water re-used. <p>Energy</p> <ul style="list-style-type: none"> → KWh per metric ton of product. → KWh per head of cattle.
<div>5</div> Effluents and Waste	<ul style="list-style-type: none"> → Wastewater Treatment Quality Index (WTQI). → Quantity of non-dangerous residues generated by animal slaughter. → Quantity of non-dangerous residues generated per metric ton of production procedures.

Advances in 2022

[GRI 3-3]

This pillar connects us to the supply chain, where we bring together all the initiatives for the responsible purchase of raw materials, along with the engagement of cattle producers in best sustainability practices. It also includes the execution of the Marfrig Verde+ Program, which disseminates sustainable and low carbon livestock farming throughout our value chain. Our operations, therefore, start in the field, encouraging and promoting good production practices, combating deforestation and respect for indigenous and traditional communities. This extends to industrial operations, with processes and procedures focused on quality control and food safety, including the use of antibiotics, hormones and controversial substances on the producing farms, should they be used in cattle breeding.

MARFRIG VERDE+ PROGRAM

We proceeded to expand the scope and positive impacts pursued by the Marfrig Verde+ Program, which completed three years of existence in 2022. Through this initiative, we have taken on the commitment to have 100% of our supply chain - direct and indirect - free of deforestation: in the Amazon, by 2025. In the Cerrado and other biomes, by 2030. This goal covers all our operations, considering the level of exposure of the locations to the risk of deforestation or conversion.

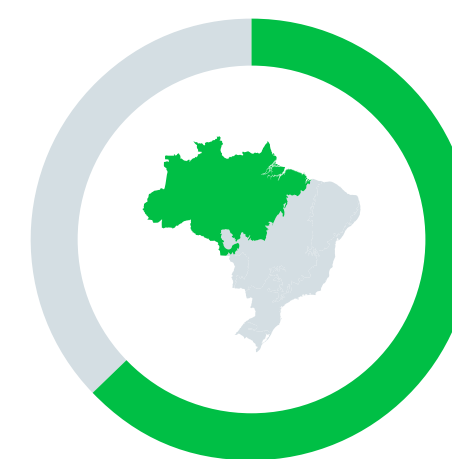
IDENTIFICATION OF THE SUPPLY CHAIN

Thus, the series of practices that we have adopted, within the scope of Marfrig Verde+, already allows us to have a high index of identification of indirect suppliers, percentages of farms that are in deforestation-free areas:

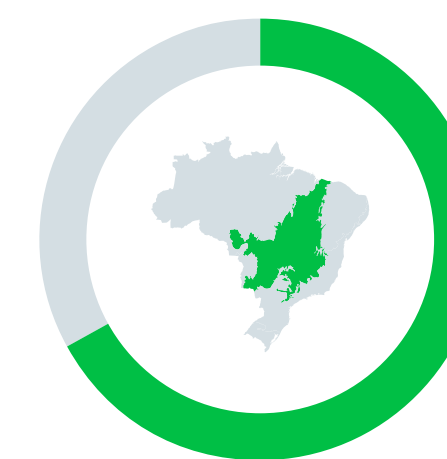
100% of direct supplier properties are monitored.

The results from the actions we are developing within Marfrig Verde+ are evidence of the rapid progress we are making toward fulfilling our commitment. Our tracking and geo-monitoring processes and systems - which we pioneered in Brazil when we adopted them in 2009 - already cover 100% of our direct suppliers, from all biomes, which means that all of the farms with which we maintain commercial relations have adopted sustainable production practices, and are in areas that are free of deforestation.

Through the Marfrig Verde+ program, we are dedicated to expanding these practices across the entire supply chain, including indirect suppliers, which is the most critical link in our industry. In simpler terms, by 2025, we aim to ensure that all our indirect suppliers operating in the Amazon region fully comply with our purchasing criteria. This means adhering to our stringent sustainability standards and operating in areas free from deforestation. By 2030, properties located in the Cerrado and other biomes will also be covered. [GRI 413-2; 414-2]



72% of direct producers, with farms in the **Amazon** Biome, accounted for their suppliers (our indirect producers).



71% of direct producers located in the **Cerrado** shared information about their respective value chains.

By means of Marfrig Verde+, we seek to contribute to accelerating the sustainability of livestock farming in Brazil, thus minimizing the impacts of this activity on the biomes. We have been developing several actions to disseminate best practices throughout our value chain, developing large-scale and long-term impact solutions. Among other organizations, we count on the partnership of the Sustainable Trade Initiative (IDH), a Dutch public-private institution, to support these efforts.

In line with our continuous enhancement efforts, we have started to develop parameters and procedures to audit Marfrig Verde+ processes and data, a project we are currently developing in partnership with Agroícone, one of the most respected think tanks in Brazil. Our intention is to submit the 2022 figures to third-party review, and publish the results of this first audit the following year. Learn more about **Marfrig Verde+** on the Sustainability section of our website.

Marfrig Verde+ Goals

Between 2022 and 2025:

- Protocol for the reinclusion of blocked producers, making it possible for them to once again comply with the company's sustainability criteria.
- Implementation of the technical support network program, which will address intensification and restoration through pasture and genetic improvement, in addition to animal nutrition.

By 2025:

- Achieve full traceability of Marfrig's supply chain in the Amazon.

By 2030:

- Full traceability of suppliers located in the Cerrado and other biomes.




100% of our supply chain shall be free of all deforestation by 2030

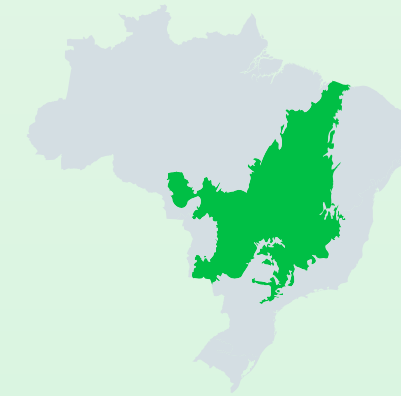
The Brazilian herd is estimated at 196.4 million head of cattle, according to data from the Brazilian Association of Beef Exporters (ABIEC), which also indicates that the area of pastureland, in turn, is expected to reach 163.1 million hectares in 2022. This size - equivalent to the sum of the territories of Peru and Paraguay - and the complexity of the livestock chain, whose dynamics impact the strategies to conciliate production and preservation (more information on page 21), make it quite challenging to meet the Marfrig Verde+ goals.

Considering this reality, and in order to be assertive in reaching our goals, which includes the achievement of our actions to ensure that all of our indirect suppliers operate in a regular manner, in deforestation-free areas - which already is the case with 100% of our direct suppliers - we plan to advance the Marfrig Verde+ Program based on intermediate goals, whose attainment will ensure the complete implementation of our commitments by the dates previously planned.

Milestones – Control of indirect suppliers – Marfrig Verde+ Program



		2021	2022	2023	2024	2025	2026	2027	2028	2029
		Risco								
		Muito Alto	Alto	Médio	Baixo	Muito Baixo				
Amazon Biome	Milestones*	100.0%	100.0%	100.0%	100.0%	100.0%				
	Result until Dec 2022	100.0%	100.0%	68.9%	71.5%	33.3%				



		2021	2022	2023	2024	2025	2026	2027	2028	2029
		Risco								
		Very high	High	Medium	Low	Very Low				
Cerrado Biome	Milestones	100.00%	100.00%	100.00%	100.00%	100.00%				
	Result until Dec 2022	100.0%	100.0%	71.3%	70.1%	68.2%				

*Milestones are cumulative with risk levels in previous years (e.g., in the Amazon, milestone for 2022 corresponds to 100% of farms located at very high level cumulated with 100% at high level).

Production / conservation / inclusion

As a sustainable development program, Marfrig Verde+ is based on the tripod of PRODUCTION / CONSERVATION / INCLUSION. This approach allowed us to reinclude 532 producing farms in 2022 - which had been previously suspended from supply - back on our registers, a number that represented 6.6% of our active suppliers in the period. Going back to the beginning of the Marfrig Verde+ Program, the number of farms reincluded exceeds 3,000. With technical documentary support, legal advice and multitemporal geospatial technical analyses, we helped these suppliers to return to operating in compliance with our social and environmental requirements.

Pillars - Advances in 2022

The Marfrig Verde+ Program is structured on three pillars: development of innovative financial mechanisms; structuring of technical support and intensification; and monitoring and traceability mechanisms.

DEVELOPMENT OF INNOVATIVE FINANCIAL MECHANISMS

The preservation of biomes implies increasingly modern production practices, to which producers do not always have access. For this reason, we have been endeavoring to bring the supply chain closer to capital alternatives. Among the actions developed with this objective is the company Biomas, of which we are co-founders, and the investments that are underway, obtained with the Dutch &Green Fund.

→ **R\$ 20 million** in the co-creation of Biomas, a company launched during the COP 27, in Egypt, with the intention of conserving and preserving native forests in biomes such as the Amazon, Atlantic Forest and Cerrado, an area similar to the size of Switzerland, for example, or the state of Rio de Janeiro. We are co-creators of Biomas, together with the banks Itaú, Santander and Rabobank, and the companies Suzano and Vale, which also contributed the same amount.

→ **US\$ 30 million in investments, up to 2030**, in actions aimed at engaging producers located in the Amazon and Cerrado in forest conservation efforts. This amount, raised by the Dutch &Green Fund, foresees a series of initiatives and commitments to be accessed, which include intensification of pasture use, recovery of degraded areas, and restoration of deforested areas. Facilitating the access to capital to producers, as in this case, is a way to combat deforestation: by having resources to be invested in the farms, they will improve their production systems and, consequently, stop advancing over new areas of native forest.

TECHNICAL ASSISTANCE STRUCTURING AND TECHNIFICATION

Preservation of the environment implies increasingly modern and efficient management practices. We have been working in partnership with our suppliers in order to contribute to this constant improvement of the production models adopted on the farms, which includes the adoption of technologies that improve production and make it more sustainable. Our objective is to support the suppliers, so that they adopt livestock farming practices that can conciliate production and conservation. Some advances in 2022:

→ **Bezerro Sustentável (Sustainable Calf) Program.** An initiative designed to offer technical and environmental support to small livestock farmers, including guidance on best production practices, technical assistance for genetic and pasture improvement, support for land and environmental legalization, as well as facilitating access to suitable financing lines. By 2025, we expect to invest € 1.75 million, so that more small farmers can be reached by this program, which is being developed in the Juruena Valley (MT), a region inserted in the Amazon biome, and is being carried out in partnership with the non-governmental organization "Iniciativa para o Comércio Sustentável (IDH)" (Sustainable Trade Initiative).

→ **Environmental Adjustment:** Process to reinclude, in our supplier base, farms that have been suspended for failing to comply with the environmental criteria we have adopted. Through this process, we conduct an environmental diagnosis for the producer, and jointly outline an action plan to restore the vegetation on the properties. Launched in 2021 as a pilot, this initiative has gained scale in 2022, with three suppliers located in the Amazon biome, to be reincluded after they show progress with the corrective measures established.

4,000,000 hectares of restored and protected forests

Biomas was launched with plans to initially restore 2 million hectares of degraded areas by planting approximately 2 billion native trees in a large-scale business model. The company will also conserve and preserve 2 million hectares. In this first stage of the company's activities, the focus is on identifying and prospecting areas, fostering nurseries, for the production of native trees on a large scale, and engaging local communities in these efforts. The company will also carry out actions to discuss the application of the project in public areas, as well as partnerships with carbon credit certification platforms and the development of pilot projects. Starting in 2025, the goal is to increase the scale up to the target of 4 million hectares of restored and protected forests over 20 years.

The reduction in carbon equivalent emissions released into the atmosphere is estimated to be approximately 900 million tons through the operation of Biomas - and with the removals and emissions avoided through the initiatives that will be undertaken. Furthermore, it is estimated that the new company will contribute to the protection of more than 4,000 species of animals and plants.

→ **Production models based on low-carbon technologies.** Our good sustainable livestock farming practices already allow us to offer differentiated products to consumers. This is the case of the cuts marketed under the brand Viva! The animals originate from farms that adopt crop-livestock integration (CLI) and crop-livestock-forest integration (CLFI) production techniques, which are systems that enable the neutralization of methane gas emissions. Learn more on page 29.

MONITORING AND TRACEABILITY MECHANISMS

We need to be efficient in identifying the origin of the cattle we purchase, including the indirect suppliers that supply the farms with which we maintain commercial relations. This is the weakest link in the supply chain, which is why we are introducing a series of initiatives to increase the reach of our monitoring and traceability tools, which will allow us to identify the origin of the cattle we purchase. Thus, in addition to verifying the origin of the animals by direct supply, we have adopted criteria and practices for producers to share information with us about their own suppliers. This gives us greater clarity and traceability in relation to indirect suppliers. Farmers who do not share the requested information with us, according to the schedule of the Marfrig Verde+ program, are blocked from our supply

base, a condition maintained until such data is made available and adheres to our requirements.

Advances in 2022

Socio-environmental Risk Map. This tool identifies and prioritizes actions in the livestock supply areas in Brazil that are most exposed to socioenvironmental risks. In 2022, the tool is expected to cover 100% of the national territory, with the inclusion of the Atlantic Forest biome. With a pioneering approach, this map offers us a detailed risk matrix from a broad picture of the forest areas, combining information on:

- Livestock Production: herd of cattle present in a given space.
- Environmental conservation: deforestation, pastureland, and native vegetation areas, identifying preserved areas and production/degradation levels.
- Human Rights: occurrences of forced labor or child labor, in addition to the mapping of indigenous lands and protected areas destined for traditional communities, such as quilombola territories.

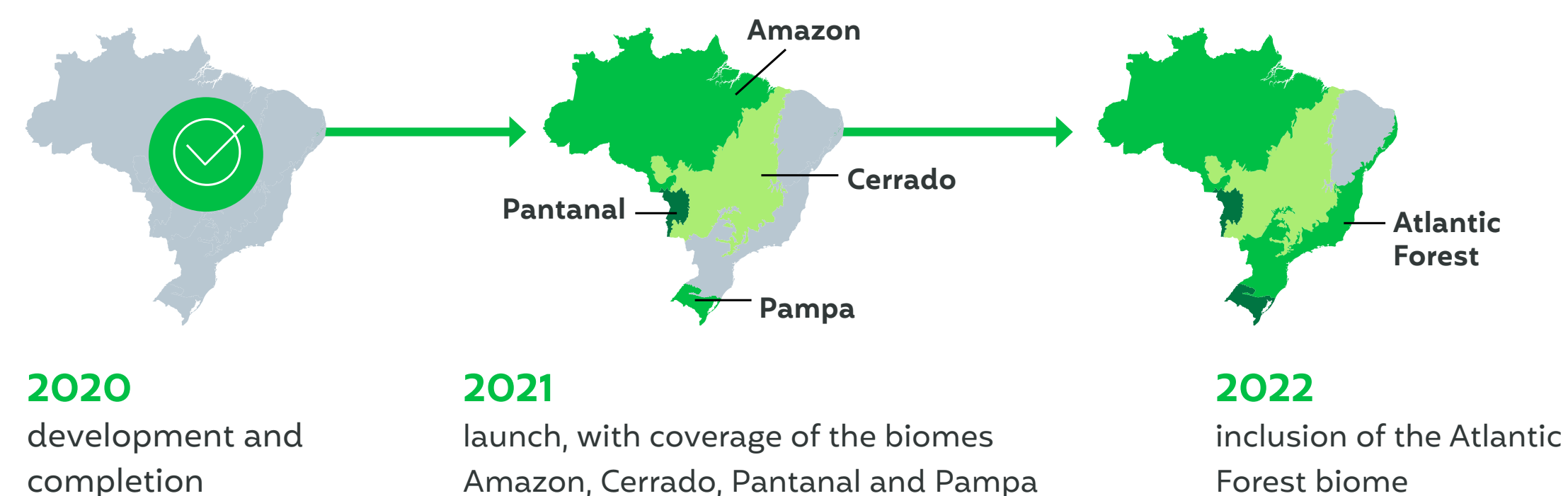
Through this tool, we can obtain information that results from "crossing" various types of maps, with data on socio-environmental indicators, including deforestation areas, preserved pastures and native vegetation,

as well as occurrences of forced labor or child labor, and the cattle herd present in a given space. The combination of these two approaches (socio-environmental indicators x livestock farming), coupled with the joint evaluation of the information, results in the preparation of a risk matrix, reflected in a geographical map, in which we can identify the different levels of risk, from "low" to "very high", marked with colors.

This approach, based on risk zones - and unprecedented in our industry until we created this map in 2021 - has allowed us to begin the work of engagement and monitoring. We started with suppliers located in very high-risk areas, until we reached the very low-risk areas. We were thus able to build a progressive approach, in order to act in a strategic way to engage them in our efforts to achieve a

deforestation/conversion-free value chain. An example of progress in this interaction with livestock farmers is that direct suppliers are now required to provide information on their livestock suppliers on an annual basis. As a result, we will be able to increase the visibility of the chain, reaching the initial stages of livestock breeding, which is our goal.

The Socioenvironmental Risk Map is being improved every year:



Cooperation agreement with MapBiomass.

We continue to expand the information base for the analysis and tracking of our chain. We have further improved our geospatial social and environmental monitoring, via satellite, with the inclusion of information collected by MapBiomass, a collaborative network of non-governmental organizations (NGOs), universities and technology companies. The addition of this new base to our systems has enabled us to advance in crosschecking information, providing even greater consistency to the social and environmental analyses of direct and indirect suppliers.

Management Committee for the Voluntary Monitoring Protocol for Cerrado Cattle Suppliers. We have become members of this Committee, which aims to contribute to the alignment of best socio-environmental monitoring practices for the purchase of beef products in the Cerrado biome. Through this Committee, responsible purchasing criteria and parameters to be followed by companies are being developed, in order to ensure that supply chains are not linked to socio-environmental issues.

Direct and Indirect Supplier Network Map.

We have created a tool that provides us with a snapshot of the network of interconnections from livestock farmers to our direct suppliers. Through this tool, we can measure how many indirect suppliers maintain links with the

farms that supply us directly, and the status of these relationships. This platform has been built with several databases and information, including:

- **Socio-environmental Risk Map.** Based on the identification of our direct suppliers on the risk map, we are getting even closer to those that are in very high, high and medium risk areas, and engaging them in an effort to identify the indirect ones. We started to request from them annual information on the farms from which they acquired cattle, which has helped us to track and view this profile of producer, under the optics of priority areas, moving sequentially to the less exposed areas. This routine is part of our efforts to mitigate socio-environmental risks in our supply chain.
- **Marfrig Registration.** Once the priority areas have been identified on the Risk Map, we establish a specific schedule in which, starting with very high-risk areas, we invite direct suppliers to inform their indirect suppliers (if any), through the RFI tool (Request for Information). Based on these data - which must be reported within a maximum period of one year - we conduct socio-environmental analyses of these properties, using BrainAg's tools (geospatial system monitoring platforms). If they are in compliance, the producers can continue to negotiate the cattle with Marfrig. If any noncompliance is identified, and following

the principle of inclusion, through the technical assistance sector (Marfrig Club support hub), the producers are advised on the procedures for the due regularization, total control of origin and, consequently, adherence to the Marfrig Verde+ Program.

- **Conecta.** This monitoring tool, which uses blockchain technology, makes it possible to check production and other socio-environmental non-compliances in the production chain. Through this tool, our suppliers can input, via application or website, information on the farms from which they purchased livestock, data that is analyzed in conjunction with other information provided by public databases. In addition to helping increase the scope of our tracking, this platform can also be used by direct suppliers to monitor their respective supply chains, and access social and environmental analyses, both of their operations and of the supplier farms. In 2022, Conecta was made available to nearly 4,000 direct producers operating in the states of Mato Grosso and Rondônia.
- **Visipec.** An initial evaluation of this system, which monitors and tracks the cattle production chain, showed that 99.5% of our indirect supply chain adhered to sustainable livestock production criteria, in particular those related to operations in deforestation-free areas, indigenous lands and conservation units. We are integrating

Visipec with other controls we already adopt in cattle purchasing decisions, and we are currently developing ways for Visipec to become, by 2023, an additional indirect supply chain data checking support, complementing the checks we already routinely perform.

- **Livestock breeder's Portal.** In this communication channel, Brazilian producers can find information and content on livestock sales, slaughter, management, animal welfare and others, always aimed at helping them develop livestock farming in a sustainable way. The portal is also being integrated to the company's registration process, becoming another channel and alternative for producers to provide information on their supply chain (indirect suppliers), as already happens at the time of registration.

Origin & Engagement

In the "Origin Control" pillar of the Sustainability Platform, we also focus on the various initiatives we adopt in the process of acquiring raw materials, including responsible purchasing practices, geomonitoring of supplier farms and product traceability, in addition to engaging suppliers in best sustainable livestock farming practices. For the latter, we rely on the Marfrig Club, a protocol designed to share with producers the social and environmental commitments we have undertaken, while offering them technical support to contribute to the constant improvement in the application of good animal welfare practices and social and environmental compliance.

As part of Marfrig's Verde+ goals, by 2030, several actions are planned to ensure that 100% of our suppliers, including indirect ones, operate in deforestation-free areas. We seek to monitor information not only about the farm that sells us livestock for slaughter, but also the producers that supply them, which are our indirect suppliers in the chain. We intend to introduce a mapping for all the stages, all the way to the farm where the animals were born. We also seek to extend to our indirect suppliers the same requirements for good socio-environmental practices that we make to our direct suppliers, with adaptations whenever necessary, to ensure that these principles are followed throughout our supply chain.

Acquisition of raw material

Practices that we already adopt and advances in 2022:

Responsible purchasing. Legal compliance of operations, good environmental conservation practices, and the type of management adopted in the properties, are aspects that we consider in our process for selecting our suppliers and purchasing animals, principles that we have adopted since 2009. Through the requests we make to suppliers, we seek to promote high production standards. We are careful to monitor conversion/gross deforestation⁷ in our supply chain, which is why we evaluate and select 100% of our beef protein suppliers based on environmental and social criteria. We apply this criterion not only to those who operate in the Amazon, but also in the Cerrado, Atlantic Forest, Pantanal and Pampa, biomes that are home to properties from which we purchase livestock to produce meat, leather and byproducts in our plants. We are also committed to working towards a chain free of conversion/deforestation in all countries where we operate, besides Brazil: Argentina, Chile, the United States and Uruguay.

To this end, the checking of social and environmental criteria is done upon each new purchase of livestock, when suppliers are also inquired about the age, weight and carcass quality characteristics of the animals sold,

which is important to understand if they are in accordance with the meat market served by the purchasing slaughter unit. Currently, 100% of our suppliers meet the criteria we adopt, which include: **[GRI 308-1; 414-1]**

- ➔ Not to be included in the list of areas embargoed by the "Instituto Brasileiro do Meio Ambiente" ("Brazilian Institute for the Environment") (IBAMA), nor to have any record of forced or compulsory labor (to be included in the "Dirty List" published by the Ministry of Labor and Social Security). We live with the risk of slave or child labor, and in order to mitigate this risk, we check 100% of our requests to purchase animals for slaughter. In the United States, all of our National Beef facilities adhere to the strict guidelines set forth by the U.S. Child Labor Act, which bans the hiring of anyone under the age of 18 in industries such as beef slaughtering and processing. In addition, we send out periodic mailings to suppliers and contractors, informing them of our policies and requesting them to comply as well. **[GRI 408-1; 409-1]**
- ➔ Present documents, such as proof of Land Regularity Registration (SNCR), Rural Environmental Registration (CAR), Letter of Guarantee, Checklist of the Marfrig Club protocol, Invoice, and Animal Transit Guide (ATG), among others.

- ➔ Information regarding human rights, working hours, adequate remuneration, fair working conditions, non-discrimination of any kind, non-use of child labor, and freedom of association, are requested in a questionnaire based on the SA8000 international standard for social responsibility. This approach is part of a sample monitoring process, so that we can follow up on these factors throughout our production chain. **[GRI 408-1; 409-1]**



⁷ The cut-off dates for the criterion of new deforestation consider the Public Commitment of the Amazon (2008), the Launch of Marfrig Verde+ (2020) and the AFI Guidelines – Accountability Framework Initiative. We also reinforce that our commitment is to a chain free of deforestation and conversion (Deforestation and Conversion Free – DCF).

The animals for slaughter are purchased from local farms, those operating in the same country as the purchasing plant. Based on this parameter, 100% of the purchase budget for these raw materials comes from local suppliers. **[GRI 204-1]**

Another aspect evaluated within the responsible purchasing process is the use of soybeans, which must not come from deforested areas. We use an approval form to check this, in which this practice is addressed in one of the environmental aspects evaluated. This focus on soybean controls takes place not only for use in animal feed, but also for the production of alternative proteins that use this commodity as a base, such as PlantPlus Foods, a company that resulted from our partnership with Archer Daniels Midland Company (ADM), dedicated to the production of plant-based foods. Routines like this are in line with sustainable practices throughout the supply chain, which contributes to the conservation and biodiversity of the biomes, especially the Amazon. The responsible purchasing practices also consider the availability of water in the territories where the properties are located.

Third-Party Audits. For the tenth consecutive year, the processes for purchasing cattle from farms in the Amazon Biome met 100% of the criteria and guidelines established by the Public Commitment to Amazon Cattle Farming. This performance is measured and certified by third-party auditors, by means

of evaluation and tests, in which practices applied in the fight against deforestation and for the defense of human rights are checked, which includes respect for indigenous peoples and the prohibition of the use of labor analogous to slavery or child labor. The latest full report is available on the Sustainability section of our website.

Geospatial monitoring. The supplying farms are continuously tracked by geospatial monitoring, a routine that contributes, among other aspects, to check the preservation of the ecosystem in the areas where the farms are located. The farms in the Amazon biome have been monitored since 2009, and those in the Cerrado have been monitored since 2020. This task is based on the maps of the farms obtained by the Rural Environmental Registry (RER), information that is cross-referenced with satellite images of the farms, provided by the National Institute for Space Research (INPE), and aims to ensure that the properties are free of deforestation and conflicts with indigenous lands or conservation units.

Some of the practices included in this routine:

Conflicts and/or overlap with indigenous lands. The monitoring is performed by a specialized company and complemented with information requested annually from FUNAI, the agency responsible for managing indigenous affairs in Brazil, among other procedures, all audited by a third party.

Irregular suppliers are blocked. In 2022, no cases of violations of indigenous peoples' rights were found. **[GRI 411-1]**

Heat spots. Identification of wildfires in supplier farms located in the Amazon biome, which allows warning suppliers and disseminating preventive actions.

In the event of any non-compliance detected by the monitoring, the supplier is restrained – or blocked – from negotiating livestock with us, until the issue is resolved. Given this procedure, 100% of the suppliers in Brazil were evaluated throughout the year, with regards to environmental and social impacts. Within the criteria of the monitoring carried out, 8,072 suppliers were evaluated in connection with environmental impacts in 2022. From this total, 763 properties presented significant negative environmental impacts (actual and potential). From this group, 75% (573) showed improvements according to our evaluation. For the remaining (190), the supply contract was terminated. **[GRI 308-1; 308-2; 414-2]**

Traceability of the origin of the livestock

We seek to always offer quality products, without neglecting care for the environment and workers' rights. One of the practices that help us create a more sustainable value chain is transparency. In this sense, we have made available a channel, so that any interested party can trace the origin of the product, by locating the supplying properties for slaughter. This consultation is available on our [website](#).

The Federal Inspection Service (FIS) number, which appears on the packaging of the product, is one of the required information to make this search. FIS is an inspection seal linked to the Brazilian Department of Inspection of Products of Animal Origin, which aims to ensure sanitary and technological certification, in compliance with national and international legislation in force. As such, all that is needed is to access the site and, in addition to the slaughter date, to find out the information on the origin of the cut of meat, which includes the Federative Unit (State) and the Municipality that houses the supplying farm, as well as its name.

Slaughtering plants in Brazil:

Cattle slaughter – Mineiros/GO (SIF: 3047), Cattle slaughter – Bataguassu/MS (SIF: 4238), Cattle slaughter – Tangará da Serra/MT (SIF: 1751), Cattle slaughter – Pontes e Lacerda/MT (SIF: 1900), Cattle slaughter – Várzea Grande/MT (SIF: 2015), Cattle slaughter – Chupinguaia/RO (SIF: 3250), Cattle slaughter – Ji-Paraná/RO (SIF: 3405), Cattle slaughter – Alegrete/RS (SIF: 2007), Cattle slaughter – Bagé/RS (SIF: 232), Cattle slaughter – Promissão I/SP (SIF: 2543), and Cattle slaughter – São Gabriel/RS (SIF: 847).

SUPPLIER ENGAGEMENT TO BEST PRACTICES

We reviewed and updated Marfrig Club, a protocol designed to engage suppliers in the continuous improvement of their production practices, aligned with the most relevant global sustainability indices. Aligned with Marfrig Verde+ guidelines, the protocol assists our suppliers in the development of sustainable production models, addressing various subjects, such as climate change, quantification of greenhouse gas emissions and environmental risks, among others.

Established in 2010, Marfrig Club assists Brazilian livestock farmers on the journey to sustainability. Through this program, we encourage and guide suppliers, through the Sustainable Practices Guide, to ensure good management of processes related to Pasture Management, Animal Feed and Waste Management, among other topics. This initiative represents an advance in the sector's value chain, and reinforces our commitment to sustainable production. We also offer guidance on best practices and technical support, and have set up a routine for periodic assessments of production practices, covering animal welfare, and social and environmental compliance, carried out by the producers themselves and by our technicians.

The evaluated performance classifies the suppliers as beginner, bronze, silver or gold, according to their adherence to the principles of the Marfrig Club. Currently, 100% of the direct suppliers - around 8,000 - participate in the program and are included in these categories. In 2022, 37.9% of the producers have improved their practices, thus migrating to higher classifications.

We are expanding Marfrig Club's expertise to our indirect suppliers in an innovative manner. In doing so, we are disseminating good practices for more efficient and low-carbon livestock farming to this link in the chain, and are including them in our innovation projects and in the application of research-based protocols, such as Carbon Neutral Meat (CCN) and Low Carbon Meat (CBC).

The Marfrig Club monitoring protocol reflects the targets and indicators of the most demanding international standards in relation to Sustainability criteria, such as Rainforest Alliance, GlobalGAP, RedTractor, IFC, CDP, FAIRR, BBFAW and Forest500. Through this movement, we promote a transformation in our value chain, respecting the individuality and the moment of each producer.

In addition to Marfrig Club, and in line with the efforts to manage the risks associated with deforestation in the value chain, we engage our suppliers to purchase soybeans, for processing or animal feed, only from companies that participate in the Soy Moratorium, an industry commitment, established over ten years ago, which ensures that companies do not purchase soybeans planted in deforested areas in the Amazon. In our operations, soy currently represents less than 2% of the total inputs we purchase.



Alignment to the 1.5°C target - partnerships

We are members of a coalition comprised of thirteen companies in the agrocommodities sector, coordinated by the international organization Tropical Forest Alliance (TFA), which published a Joint Declaration at the COP26 in 2021, in which we made a public commitment to accelerate actions to curb deforestation in the supply chain, in line with the goals set by the Paris Agreement. This declaration culminated in a document called the "Agri-commodity Sector Roadmap", presented in 2022 at COP27 in Egypt, which consists of a set of actions to address deforestation and accelerate the transition to a sustainable forest economy. The roadmap includes specific goals and initiatives aimed to achieve these objectives. It is important to emphasize that this document represents a joint effort by the industry. However, in some cases, Marfrig's actions are more robust than those proposed in the document. An example of this is the policy of non-tolerance to any type of deforestation, legal or illegal. It is worth pointing out that Marfrig is not directly involved in lobbying actions on the Climate Change issue.

Organic beef

We reported new sales records in 2022, a reflection of the expansion of this program in 2021. The United States is the main market for certified organic beef, which is also sold in several other regions, such as Europe, the Middle East and South America. The organic beef program in Uruguay has been developed since the year 2000.

Timeline of the Certified Organic Beef Program



Characteristics of our certified organic Production:

- ➔ We do not use herbicides, synthetic fertilizers, antibiotics, or hormones as growth boosters. The use of sanitary products is limited to treatment, rather than prevention, and it is forbidden to feed the animals with genetically modified products.
- ➔ The animals, bred in the open air and on large plots of land, are not fattened with grains or other concentrated foods. Our Organic Beef is pasture-raised, with the attribution of certified grass-fed, which assures lower intramuscular fat content and lower cholesterol levels, thus rendering it healthier.
- ➔ The company relies on a group of certified producers, which assures compliance with the regulations. The producers are audited by an external certifier, along with internal controls carried out by a team of specialized technicians.

Certifications

- ➔ Control Union Certifications (former Skal International), an accredited company with renowned experience, which ensures compliance with the international organic production standards, required by Europe and the United States, throughout all the production stages, from the producing farm to processing and sales.
- ➔ Operational plants are also certified for organic production, in addition to the GSFS (formerly BRC) certifications, applying the most modern systems, such as Hazard Analysis and Critical Control Points (HACCP), Standardized Sanitary Procedures (SSOP), and Good Food Preparation Practices (GMP).
- ➔ Compliance with animal welfare standards and product traceability.

Our feedlot facility in Uruguay

110,000 animals sent to slaughter every four years.

67,000 tons of feed manufactured per year, 184 tons per day on average.

85% of the animals are capitalized.

Throughout the entire global production structure, we hold only a single operation engaged in raising cattle in confinement. Located in Uruguay, in Río Negro, and named "El Impulso", the unit is the country's largest in this type of livestock production, with installed capacity for 16,000 animals.

The plant, which is also dedicated to the manufacturing of animal feed, holds 644 hectares of land and is strategically installed in the country's agricultural hub, where 82% of the sorghum and corn production is concentrated (within a maximum radius of 100 km). With easy access to meat packing plants, roads, and ports, the region is also home to producers of corn and barley milling byproducts, as well as pulp.

In operation since 2010, our feedlot is a strategic and modern tool to boost the primary sector, because it offers producers

the possibility to capitalize the animals in the feedlot. In other words: the producer who sends his cattle to be confined in "El Impulso" can maximize his investment with controlled and predictable production costs.

Sustainable feed production. For the production of feed, the feedlot counts on equipment that uses the "Steam Flake" technology. In this process, grains (such as sorghum, corn, barley and wheat) are preconditioned and subjected to steam treatment. This technology promotes the hydration of the grains, changing the structure and increasing the digestibility of the food by the confined cattle, significantly reducing greenhouse gas emissions by the ruminants.

Most of the corn and sorghum used in the production of cattle feed originates from Uruguay. In agricultural rotation and crop diversification practices, sorghum stands out, since it maintains high soil coverage, resulting in low erosion. Its use as an ingredient in feedlots also contributes to compliance with Law 15.239, which requires Uruguayan grain producers to present a Responsible Land Use and Management Plan. Such practices make a significant contribution to regenerative, resilient, and sustainable agriculture.

Composting manure into fertilizer. Another good practice adopted in our feedlot is the management of the manure generated. The cleaning of the pens is performed mechanically, and the removed residue is piled up for fermentation, which is later used as fertilizer. We distribute the material free of charge to grain suppliers, who are located within a 25-kilometer radius of the feedlot facilities. The fertilizer is also made available for activities that promote involvement and participation of the community, such as improvement of soccer fields, use in nurseries and in vegetable garden programs in the towns of Soriano and Río Negro, municipalities surrounding the feedlot.

Use of antibiotics in our own operations. In this feedlot, we do not routinely use antibiotics, only and exclusively for therapeutic purposes. When antibiotics are required as the only alternative, all good practices are followed, such as segregating the animals in specific areas, in addition to recording which animals received the treatment, the dose and amount used. It is worth mentioning that in Uruguay, according to local government regulations, the use and purchase of antibiotics for animal use must be accompanied by a veterinarian,

and prescriptions are retained in the stores where these drugs are purchased. The company adopts a guideline that, when in case of extreme need, the use of this class of drugs is only performed for disease treatment, and under the guidance of veterinarians. You can access our Statement on the Use of Antibiotics, available on our website. **[FB-MP-260a.1]**

In 2022, the amount of antibiotic used in our feedlot was 0.290 mg per kilo of slaughtered animal, an amount 29% higher than in 2021. On the other hand, only 3.23% of the animals that spent confinement in Uruguay received medication, 7% less compared to 2021.

[FB-MP-260a.1]

Figures	2021	2022
Amount of antibiotics used (mg/kg of slaughtered animal)	0.234	0.290
Percentage of animals treated with antibiotics	3.48%	3.23%

2 Animal welfare



[GRI 3-3]

Under this pillar, we manage the livestock handling practices adopted both in the supply chain and in our operations. We provide a number of guidelines in the Marfrig Club, whose protocol we use to foster sustainable livestock farming, to engage suppliers in the best practices related to this subject. Furthermore, we have adopted several processes and practices, from the farm to the slaughterhouse. All routines comply with the recommendations of the World Animal Protection, in addition to the strictest international standards for humanitarian slaughter.

100%
of our global operations
were audited, in 2022,
in NAMI standards

All our slaughter units, including cattle and sheep, were audited in 2022 under NAMI (North American Meat Institute) standards, which are the international reference in good animal welfare practices. The result, achieved during the period, anticipates by three years the goal we are pursuing. We had aimed to accomplish, by 2025, 100% of our global operations with this seal. **[MP-410a.3]**

NAMI audits are one of the criteria used to guide our performance in animal welfare. It is combined with three others, related to employee training, livestock transport and engagement of the value chain with best practices. Through these four key performance indicators (KPIs), we monitor our progress in animal welfare, in our day-to-day operations, in a close and constant manner. This way we can seek corrections and advance even further in adherence to best practices.



Performance in 2022

Animal welfare goals

2,648 hours of training in animal welfare offered to employees in our global operations. In South America, a total of 1,461 hours were offered, equivalent to 85.94 hours per slaughter unit, a performance 34% higher than that recorded in 2021.

These qualification courses, held at least once a year, are aimed at all professionals whose work routines involve the handling of livestock, positioned throughout the transport processes until slaughter. These technical training courses aim to promote awareness on the subject, to provide dynamism to the processes, and to stimulate innovation.

77% of the cattle slaughtered at Marfrig's plants in South America have been transported on overland journeys lasting eight hours or less, exceeding the 70% goal that we pursue annually, a goal that was reviewed in 2022. When we set it, in 2020, the target was 65%. The change, making the target more stringent, further reinforces our commitments to providing animal welfare, also at this stage, whenever possible.

The transportation of livestock is a process of utmost importance, and we seek to carry it out

in the shortest time possible, by setting out routes and schedules, so that the movement of cattle and sheep between the producer and our operations does not take more than eight hours, and is done within the internationally recommended standards. These principles reinforce our commitment to good animal welfare practices and the adherence of our practices to current legislation. Part of our operations is based in Brazil, a country of continental dimensions, which eventually impacts the transport time limit we pursue, and influenced our performance in 2022, compared to 2021, when 80.42% of the cattle were transported within our time limit. The distances and poor road infrastructure, therefore, make reaching this goal an even greater challenge.

88.1% of the farms in Brazil met at least one Marfrig Club animal welfare criterion during the period.

This figure is lower than that recorded in 2021, and was influenced by the revision of the checklist for this program, carried out during the second half of 2022, which now includes criteria related to climate change and biodiversity. These new parameters have changed the

standard of the responses submitted by suppliers, but we remain committed to engage all producers to adopt best practices, seeking continuous improvement, so that we can reach all farms complying with these parameters, in order to achieve the goal set for 2025. **[GRI 304-2]**

In addition to the practices set forth in goals, we recorded the following marks during the period:

- ➔ US\$ 2,500,000 worth of investments in structural improvements, geared towards animal welfare practices.
- ➔ 6,611 evaluations of animal transport vehicles, conducted by the animal welfare officers from the Brazilian plants, a figure that is 5.4% higher compared to the previous year, when we had reported 6,273 evaluations.
- ➔ 3,106 employees trained in animal welfare.
- ➔ 421 training programs offered, addressing this subject.
- ➔ 116 technical visits to monitor the rural properties.
- ➔ 99.9% of the drivers evaluated among the

best standards, a check made at the time of boarding the cattle, in the rural properties, in Brazil. This performance exceeds that of 2021, of 92%, even after the inclusion of new accredited drivers, and an increase in the rate of adherence to the filling out of the document.

- ➔ 98% of transport cages in perfect conditions, in Brazil.

Our performance concerning animal welfare reflects the various initiatives we have developed, aimed at preserving the welfare of animals whenever possible. In this sense, we implement policies, and maintain our efforts to improve specific processes and routines in our operations. To ensure that the day-to-day operations of the plants comply with the best management practices for animal welfare, our initiatives include appropriate facilities, strict routines, and animal handling training for employees.

In our operations, for example, the accommodations, besides complying with the applicable legislation and standards, follow the recommended densities, providing the animal with the right to lie down, stand up, move around and have access to feeding,

when the waiting time for slaughter exceeds the number of hours established in legislation. In our supply chain, we encourage suppliers to provide favorable storage densities for the benefit and comfort of the animals.

We also monitor the handling of other links in the chain, in particular the breeding farms and the transporters, so that we are always in compliance with the highest standards of animal welfare. With livestock farmers, for example, we use the Marfrig Club, our sustainable livestock farming protocol, to guide them in relation to best animal welfare practices.

Our activities regarding animal welfare seek to ensure, as much as possible, the five freedoms – environmental, behavioral, psychological, health and physiological – determined by the Farm Animal Welfare Council, an independent British council that is a global reference in this matter. We also follow ethical principles, legal standards and regulations prevailing in the markets that import our products, and in which we are present, in addition to meeting the clients' requirements, located in different countries. We also encourage and support academic research, the results of which may contribute to the improvement of animal welfare practices.



Animal welfare guidelines

Our practices follow our Global Animal Welfare Policy, a document that comprises the criteria we adopt in managing this subject, which must be complied with by all our operations in the different countries. This document includes guidelines to be adopted in the handling of other species, not only cattle. Cattle are our main raw material, but we also produce items that include pork and chicken in their composition, and we sell fish in our own stores. For more details on the document, click [here](#).

Among the recommendations and determinations established in the policy, are practices that we require from our suppliers - consistent with our efforts to always guide the value chain on the best references - and aspects that are not allowed in our operation.

100%
of our practices observe
the global animal welfare Policy

Requirements to suppliers:

- Presentation of the animal welfare certificate of the meatpackers that slaughter and sell meat for our operations, regardless of the country in which they operate.
- Information on animal welfare practices adopted, in response to questionnaires, regardless of the country of operation. This routine contributes to fostering an even closer relationship with this public, and to monitoring and managing this matter in the day-to-day operations.
- We purchase animals from naturally hornless breeds (currently about 80% of the animals), and we guide our suppliers on this issue, by means of specific support materials for this subject.
- Not to use, in livestock breeding, any type of higher risk antibiotics, classified as HPClAs (Highest Priority Critically Important Antimicrobials). This provision is set out in the [Declaration on Antimicrobial Use](#).

According to the animal welfare guidelines:

- We do not encourage the prescription of hormones to animals under any circumstances.
- We do not acquire animals that have been genetically engineered or cloned.
- We do not perform routine mutilations in our own operations. We are committed to avoid them, since we are a meat processing company with only one confinement unit, located in Uruguay. In this operation, dehorning and castration practices are not performed on any of the confined animals. We also prioritize suppliers that avoid using animals that come from practices that involve mutilations generated in the field, thus understood as surgical procedures without the use of anesthetics, such as castration, dehorning, birth and cesarean sections. These, if applicable, must be performed by a competent technician, and pre- and post-surgical care must be strictly adhered to best practices.
- We do not perform fire branding on the animals in our direct operations, despite this practice being a mandatory technique in Uruguay. In order not to perform this procedure, we sent an exception request

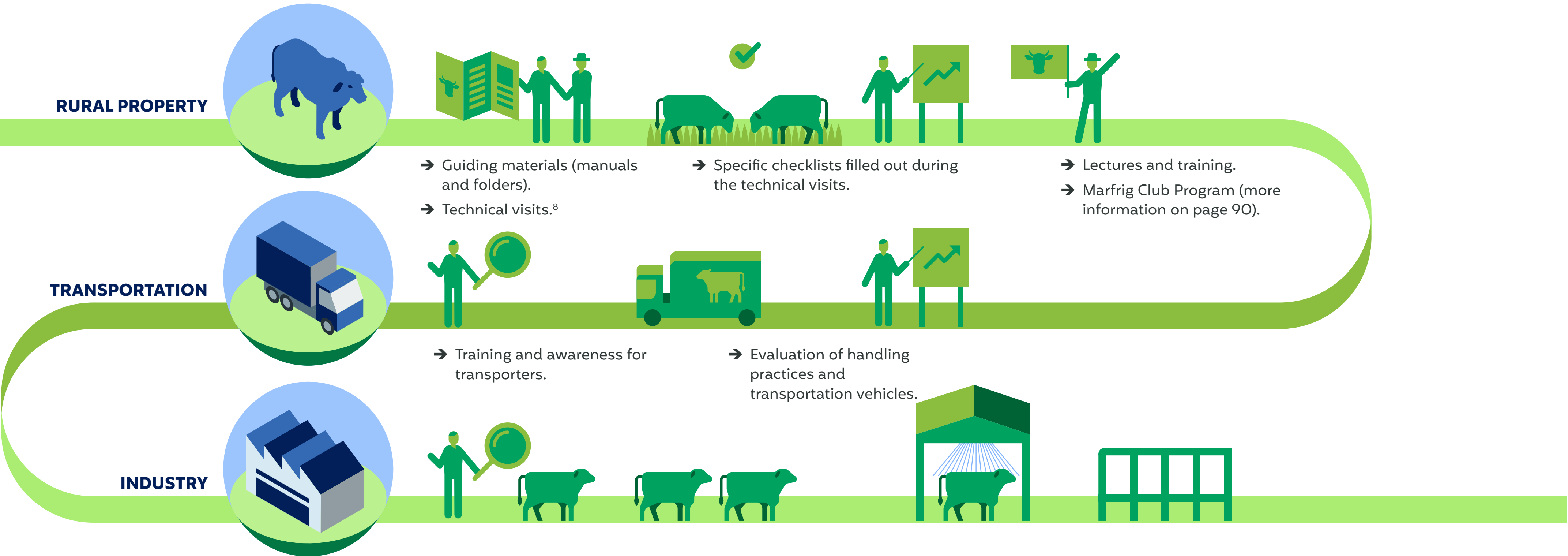
to the Ministry of Agriculture and Fisheries, which has already been granted, since this is a unit with short-term processes for fattening animals for slaughter.

- We do not slaughter animals that come from the practice of raising in closed confinement, which compromises the physical, mental, and psychological health of the animals.



From farm to slaughter

We encourage good animal welfare practices throughout our value chain, from the farm, through the transporters, to our industrial operations. Among the many initiatives that we encourage, we have developed a series of guidance materials on the subject, in addition to offering regular training sessions, always seeking innovation, dynamism and awareness, for the benefit of all: animals, handlers, producers, transporters, industry and consumers. With our transporters and employees, we work on the theme right from the time of integration, and we reinforce it with a periodic training agenda.



- Animal welfare audits by third parties, based on protocols of the highest standards related to the subject, such as NAMI and others.⁹
- Frequent monitoring¹⁰, on site and via video cameras in most of the units.
- Quality feed and water, in sufficient quantity for all animals.
- Appropriate structures: appropriate density and non-slip floors.
- Roofing systems in most of the pens and water sprays, which cool the animals housed in the industrial facilities, without disturbing them, providing a favorable environment and better thermal comfort.
- Modern containment and prior stunning equipment.

⁸ At least every quarter, to follow up on the shipment of the animals.
⁹ Specific for clients, for example.
¹⁰ Following the standards of the North American Meat Institute (NAMI), customer protocols and applicable laws.

Collaboration for Innovation

We support and develop a number of research projects in the countries where we operate. This way, we seek to contribute to the improvement of welfare practices in livestock farming.

- **Brazil:** We concluded, in 2022, a study developed in partnership with UNESP (São Paulo State University), started in the previous year, about the relationship of the impacts of animal transport time from farms to slaughterhouses in the country and animal welfare. The first step of this research consisted in the mapping of data sequenced by statistical analysis. The conclusion of the study suggested practices that we have already incorporated, such as intensifying the training of drivers who transport live cargo, and the awareness of those responsible in rural properties, according to evidenced results and strategy.
- **Uruguay:** we have renewed, in 2022, the contract with the Uruguayan Institute for Agricultural Research (INIA), a partnership that we have maintained since 2016. Research is underway to evaluate and quantify the effect from

different heat mitigation alternatives (shade, water spraying or combination of both), and from two diets, with different fiber contents, on the productive performance of summer-finished steers. This study is being developed in the only feedlot unit for finishing animals for slaughter (fattening) that we own, located in Uruguay, and it is an advance and an opportunity to promote the environmental enrichment theme for a better comfort of the animals. We also count on partnerships with the National Meat Institute (INAC) and the Veterinary School for the development of several projects on Animal Welfare. Among them, the preparation of materials and primers on good handling practices. These publications are distributed to our suppliers in order to make them aware of the procedures that should be adopted in their farms, in line with our Animal Welfare Policy and Report. For 2023, a pilot project is planned to implement the 5-Step® Global Animal Partnership (G.A.P.) standards for some cattle suppliers in the country.

Environmental Enrichment

We have a cattle fattening system, outdoors, only in our own confinement located in Uruguay. In line with the best references in animal welfare and environmental enrichment, we have adopted several animal handling practices, including the structure of the pens in which they are kept. The criteria adopted in these facilities also comply with the legislation and norms that relate to the subject. Some examples are:

- **Minimum density** of 20 m² per animal. Kept in an open environment, the animals have a place to rest, in addition to a spraying system to reduce heat during the hottest hours of the day, shade and access to quality water. To minimize stress, the structure of the pens follows the parameters and recommendations of Dr. Temple Grandin, an international reference in animal welfare.
- **Lodging** is done in suitable facilities, with non-slippery floors, and cleaned every time a new batch of cattle is moved. It also has the recommended densities, to give the animal the right to lie down, get up, move around and have access to food, when the waiting time exceeds the number of hours set forth by the legislation.

- **Systems for roofing and water spraying**, which cool the animals housed in the industrial premises, without disturbing them, providing a favorable environment and better thermal comfort.
- **Clean drinking troughs**, with abundant, quality water, for the entire time the animals remain in the feedlot.



Protection of biodiversity

[GRI 304-2]

In line with our commitment to contribute to the preservation of the Brazilian biomes – materialized in the many actions we develop, mainly in the Marfrig Verde Program –, we support AMPARA SILVESTRE. This initiative, aimed at preserving and restoring the Brazilian fauna, preserving biodiversity and protecting wild animals, is setting up a fixed center in the Pantanal, focused on serving the local fauna – rescuing, treating and caring for wild animals, in line with the best animal welfare practices, to later return them to their habitats – and for the development of research and conservation of Pantanal species.



The initiative will also provide support to livestock farmers, mediating possible conflicts between their farms and large carnivores. AMPARA will provide free support and guidance to producers to protect their herds from jaguar invasions, which can cause damage to animals.

Installed on the Transpantaneira highway, near the municipality of Poconé (MT), the fixed center is being set up in a 100-hectare area, and is expected to start operating in the second half of 2023.

AMPARA SILVESTRE – which expands the activities of AMPARA ANIMAL, the largest animal protection and defense organization in Brazil – has already been operating in the region for some years now, but on a mobile stand. In 2020, for example, when a large area of the Pantanal was hit by fire, it rescued and cared for animals of more than 90 species. This operation, named "PANTANAL em Chamas" (Pantanal on Fire), mobilized 288 tons of food and more than 7 million liters of water. Altogether, 451 rescue interventions and emergency assistance to the Pantanal fauna were registered.

Public commitments

Another important aspect concerns our public commitments throughout our global operations:

Deadline	Goal
In management:	
2024	Conduct third-party auditing of public information regarding animal welfare throughout the Company.
In the development of own brand products:	
2023	100% of the cattle slaughter activities done according to the North American Meat Institute (NAMI) Standards.
2028	100% of suppliers performing in compliance with NAMI Standards.
With regard to own-brand products made with other proteins (eggs and/or pork):	
2025	Use eggs from chickens raised in cage-free systems.
2026	Purchase pork from collective breeding systems (allowing a maximum of 28 days in individual breeding systems).
2026	Purchase pork from livestock breeding systems that are not subject to the procedure of ear mutilation.
2026	Acquire pork from immunocastrated breeding systems, not generating pain or animal suffering (a practice that replaces surgical castration).
2026	Restrict purchases of pork from systems of breeding that do not involve cutting the teeth of the animals. In extreme cases, when there is proof of aggressive behavior among animals, for example, the practice will be admitted.
2028	Use pork from breeding systems that feature environmental enrichment (manipulable materials).
In the marketing of products of other brands:	
2028	Restricting the marketing of products containing eggs in their composition, to those from cage-free chickens.

[GRI 3-3; FB-MP-110a.2]

Pillar that comprises the initiatives aimed at managing greenhouse gas emissions (GHG) that result from operations (Scopes 1 and 2) and the supply chain (Scope 3), in order to mitigate the impact from operations on the environment, with increasingly efficient processes.

We are the only company in our industry in Brazil with science-based targets for reducing greenhouse gas emissions. In addition to a pioneering attitude, our outstanding targets – approved in 2022 by the Science Based Targets Initiative (SBTi), an international reference in this matter – are not limited to our operations. We also aim to reduce the emissions produced throughout our supply chain. Our goal is to achieve these targets by 2035:

- 68% reduction in direct emissions from our operations (Scope 1) and from our purchased energy (Scope 2)

- 33% reduction in indirect emissions, deriving from throughout our production chain (Scope 3)¹¹

We intend to provide transparency to the measures we have adopted, in this direction, as determined by the SBTi methodology, an international initiative that results from the collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). We will proceed in keeping the scope of emissions and their sources measured in our inventory, as approved by the SBTi. The information related to the achievement of the targets is to be published in the CDP's climate change questionnaire.

Furthermore, we will disclose our commitment and goals related to new drivers that can be accounted for, such as those related to the change of land use to pasture, when there are robust methodologies that support such measurement, as disclosed by the GHG Protocol.



¹¹ We are focused on meeting our Scope 3 emissions reduction target. In order to achieve this, we are actively pursuing the reduction of methane emissions produced by animals in their digestion process, a source of emissions known as enteric fermentation. These gases represent more than 95% of all the company's emissions. Given the relevance of this issue, our target for reduction, in Scope 3, focuses mainly on cutting down on the methane generated through our production chain.

Apart from setting up clear emission reduction targets, based on scientific studies and research, other moves we made in 2022 reinforce the commitment we have made to mitigate the impacts from our activities and operations towards climate change:

→ **Movimento Ambição Net Zero (Net Zero Ambition Movement).** Initiative geared toward accelerating the strategies adopted by companies to reduce GHG emissions. It is led by the Global Compact, of the United Nations (UN), for the engagement of the private sector with the best sustainability practices, and to which we are signatories. Among the actions developed by the Movement, in which we are involved, is the setting up of carbon reduction targets, in addition to the training programs offered by the Global Compact, in partnership with the Brazilian Business Council for Sustainable Development (CEBDS).

Establishing Net-Zero goals is an extremely challenging decision, especially in the livestock production chain, which offers limited alternatives for reducing emissions and, therefore, makes the evaluation process even more complex. Considering the characteristics of this activity, instead of just reducing emissions, it would be necessary to offset them by absorbing carbon dioxide from the atmosphere, which could be achieved through sustainable

management practices, in addition to the conservation of forests and green areas. If this approach is well succeeded, the balance of emissions from livestock would become negative, and thus contribute to reducing the concentration of greenhouse gases in the atmosphere, thereby mitigating the impacts from climate change. However, it is necessary to thoroughly assess all emission sources and factors related to livestock production, in order to ensure that our goals are both science-based and achievable. So far, due to the complexity of the challenge involved, we have not completed the study that will serve as the basis for the SBTi assessment.

→ **GHG Protocol Land Use & Removals.**

This initiative aims to build and establish parameters for calculating GHG emissions that result from the change in the use of land, and to provide tools for calculating the removals of carbon dioxide in biological and biogenic processes. We participated in the project to evaluate and apply this new methodology with the GHG Protocol. As a result, we were able to include, in our inventory of emissions, the source related to the change in the use of land, which was not accounted for in previous versions of the inventory. As a result, we have been able to move towards a more accurate accounting of the greenhouse gases that derive from our operations.

This initiative represents a key pilot test for the beef protein sector as a whole, as it provides a more accurate methodology to measure greenhouse gas emissions throughout the production chain, including those related to the change in land use. This more comprehensive approach will enable the identification of areas where emissions can be reduced, and allow for more effective monitoring of emissions over time. Ultimately, this improved methodology can help promote more sustainable practices and reduce the environmental impact from the meatpacking industry.



Low Carbon Products

We are currently in the process of launching a new line of beef cuts produced under the low carbon concept, in partnership with the "Empresa Brasileira de Pesquisa Agropecuária" (Brazilian Agricultural Research Corporation, EMBRAPA). To this end, in 2022, we conducted training sessions for the independent auditors, who will certify the farms that supply the raw material, which must be aligned with the sustainable management criteria of the property, established in the identification of this new product.

This line of Low Carbon Beef (CBC) cuts will be added to another line that we already market, produced under the concept of Carbon Neutral Meat (CCN). Identified with the brand Viva!, this product, also developed in partnership with EMBRAPA, is characterized by cuts of meat from animals raised in systems that integrate livestock and forest, in which the methane emissions by the animals are neutralized. To this end, techniques such as Crop-Livestock Integration (CLI) and Forest-Livestock Integration (FLI) are applied, aimed at conciliating and balancing pastures and biodiversity. **[GRI 304-2]**

Reduction in GHG emissions in practice

Once the goals were established, we have intensified the adoption of measures to achieve them. Within this context, we are improving the management processes in our operations, and working in partnership with our suppliers in the search for and use of alternatives that reduce the gases emitted during the livestock breeding, especially in enteric fermentation, a phase of the digestive process of ruminant animals. Our goal is to join efforts to make livestock farming, an activity that is intensive in greenhouse gas emissions, migrate to low-carbon production formats.

In operations (Scopes 1 and 2)

Management of data and information

Management requires data and indicators that allow us to evaluate our performance and identify opportunities for improvement. In our routines, the tool that supports us in this regard is the GHG emissions inventory. Conducted on an annual basis and encompassing our global operations in its scope, since 2014, we have improved the processes of calculation and collection of information, given the importance it plays in our work routines. The quality of the information collected gives us a picture of the emissions resulting from our activities

(Scopes 1 and 2), as well as those released by the value chain (Scope 3), pointing out the progress made and possible corrections. We have concentrated the information from all our plants, in different countries, on a single platform, which has made it easier and faster to continuously monitor our performance in this area. The data collected are audited by a third party, a process that also assists us in improving the collection. In 2022, we conducted this audit for the second consecutive year, a process that will be repeated in the 2023 cycle. The results of our emissions inventory are available on the CDP platform, in the Climate Change questionnaire, [here](#).

Emissions Offsetting

We introduced, in 2022, the practice of offsetting greenhouse gas emissions (GHG) from our activities. We started by offsetting the emissions in the period that resulted from electric energy consumption, through the purchase of I-Rec (International Renewable Energy Certificate) certificates that guarantee the production of one megawatt-hour (MWh) of clean energy, and help promote the transition to renewable sources of this input. This practice is being adopted by 100% of our operations in Brazil, and by our distribution center in Chile.

Investments in the operational units

A comprehensive program to modernize the equipment and infrastructure of our operations is underway, which is also expected to reduce the emission of gases in our work routines. These efforts include R\$46 million directed to the refurbishment of Effluents Treatment Plants (ETPs), in addition to biodigester construction and maintenance projects, to which R\$ 39 million is being allocated.

Clean Energy

92% of our operations in Brazil use energy purchased on the free market from clean sources, such as solar and wind power, as well as from small hydroelectric plants, among others. All of our plants also rely on energy efficiency equipment, which results in savings in consumption and, consequently, reduced Scope 2 emissions.

Reducing fossil fuel usage

We have encouraged the exchange of gasoline for ethanol in the equipment operation, in our plants, which enables this configuration.

¹² Energy distribution via the free market still does not cover the entire Brazilian territory, which limits us to achieving, for the time being, 100% coverage in our operations.

Compensation linked to efforts in combating climate change

We adopt criteria related to good sustainability practices to determine the variable remuneration of our leadership, regardless of hierarchy. Within the operations, for example, professionals in management positions, starting from coordinators, are assigned targets linked to the responsible consumption of natural resources in the plants, which directly impacts our Scope 1 and 2 emissions.

In the production chain (Scope 3)

Within our goals to reduce greenhouse gas emissions (GHG), we include the indirect ones, which come from our value chain. We have carried out several initiatives, both to support and foster low-carbon livestock farming practices - such as the crop-livestock-forest integration, among other production systems - and for genetic improvement for the slaughter of premature animals, or to develop appropriate pasture management and waste disposal, among other initiatives that help reduce the gases released into the atmosphere throughout our supply chain, minimizing the impact of the Scope 3 emissions.

Process Management

We have engaged this public to adopt low-carbon production practices, through the Marfrig Club protocols, a program of sustainable practices to be followed by suppliers. In 2022, more than 134,000 animals came from farms that declared they adopted systems within this profile. Some examples of shared recommendations:

- ➔ Offer the animals feed from properly managed areas and pastures, which allows carbon fixation in the soil.
- ➔ Adopt low emission systems in livestock breeding, which includes precocity, which allows cattle to be finished in shorter periods of time, thus reducing methane emissions.
- ➔ Invest in improving the genetic quality of the cattle.
- ➔ Use efficient agricultural practices and processes, such as Pasture Management.
- ➔ Keep the pastures well managed.
- ➔ Perform integration and no-till techniques.

Moreover, we recommend our largest suppliers to start reporting to the CDP Supply Chain information on the initiatives adopted to mitigate the impacts from their operations on climate change, as a way to engage them in the efforts we are undertaking in this direction. We are also allocating approximately R\$ 500 million in investments to foster initiatives aimed at reducing Scope 3 emissions, via the Marfrig Verde+ Program.

Climate risks and raw material availability

Climate change is a reality, as we understand it. Faced with the challenges this context poses, we act to minimize the impacts that may occur from our operations. This includes our contribution to make the value chain more attuned and resilient to the impacts that climate change processes may entail, if and as they materialize.

Among the many effects of climate change on our operations is the risk of disruption in the availability of raw materials and, consequently, the availability of products for our customers, which would trigger unhealthy price volatility for customers and consumers, for producers, and for our business. This is a long-term perspective, for which we are now preparing ourselves. In 2022, we had no evidence that adverse climate events such as droughts, floods and blizzards have caused significant financial or material losses to our operations.

What we have done to adapt ourselves to climate change:

MITIGATION: We follow robust policies and commitments, guided by the search for chains that are free of conversion/deforestation, thus preventing companies from advancing their activities over preserved ecosystems in the biomes where they operate. Details on these commitments can be found on our website under the Sustainability section.

ADAPTATION: We have worked for over a decade, through the Marfrig Club program, to guide and support our supplier producers in adopting sustainable production practices on their respective properties and farms. By means of a checklist and the Sustainable Practices Guide (in Livestock Farming production), producers have access to guidance on good practices that can be adopted to ensure consistency in production, reduce their impact and even generate positive externalities. This can be achieved, for example, through techniques such as production intensification, better pasture and soil management, in addition to management and integration of production systems, among others.

New technologies applied to production

We have initiated pilot projects, in partnership with our suppliers, to reduce the emission of methane gas that is naturally produced by cattle in digestion processes. Enteric fermentation is one of the main sources of direct gas emissions in our operations. Two initiatives aimed at reducing methane emissions are underway:

- Silvafeed® BX, a feed supplement manufactured by SilvaTeam, is being mixed into the feed offered to animals in the fattening phase at one of our supplier farms. According to studies developed by the company that distributes the product, there is an average 15% reduction in methane emissions, resulting from enteric fermentation.
- SilvAir®, also adopted in livestock diets, is being used by one of the supplier farms. Developed by Cargill, the product is offered to the animal during the confinement phase. It is a source of nutrients, and thus allows the optimization of the diet formulation. SilvAir® stimulates a natural process in the rumen, producing ammonia instead of methane. This effect is demonstrated by more than 25 articles published on ruminants by institutions such as the American Society of Animal Science, in the United States. This project is in its first stage, and is being introduced, on a commercial scale, to 350 animals.

Decreasing the use of fossil fuel

The recommendation given to our plants, to favor the use of ethanol in the equipment, whenever possible, instead of gasoline, is being extended to the companies that serve us with fleets of commercial vehicles. We have encouraged the use of less polluting fuel.

App for measuring carbon footprint

Livestock farmers in Uruguay have a new tool to help them measure and manage greenhouse gas (GHG) emissions from their operations. We have developed an application for this purpose. The livestock farmer, by entering information about the farm and production into this tool, can access several environmental indicators, such as the composition of the carbon footprint and the activities of the farm with the highest emissions. The app also offers guidance to the producer on how to reduce these impacts.

The application is about to gain new features, the result of a partnership between Marfrig Uruguay with the companies Climit, which operates in the area of climate change and carbon footprint estimates, and Inzol, a specialist in the digitalization of manufacturing processes, maintenance and logistics. A further stage of the project will add other environmental indicators to the tool, such as biodiversity and water footprint, which will allow the measurement of the producers' carbon footprint to acquire a more comprehensive concept.

Greenhouse gas emissions

1 SCOPE 1



Enteric fermentation*
(Cattle belching)



Waste handling*
(Manure decomposition in feedlots)



Stationary Combustion
(Boilers, Generators, Furnaces)



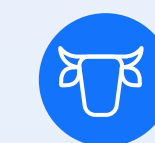
Mobile Combustion
(Transport of raw materials in units, equipment used for production)

2 SCOPE 2



Purchase of electric energy

3 SCOPE 3



Enteric fermentation
(Cattle belching)



Purchase of raw material from third parties (poultry, lamb, pork and beef)



Purchase of inputs for feed
(feed in feedlots)



Transportation and distribution
(upstream)



Residues generated (Treatment in third-party companies)



Composting



Business trips
(land and air transportation)



Home-to-work commuting
(land transportation)



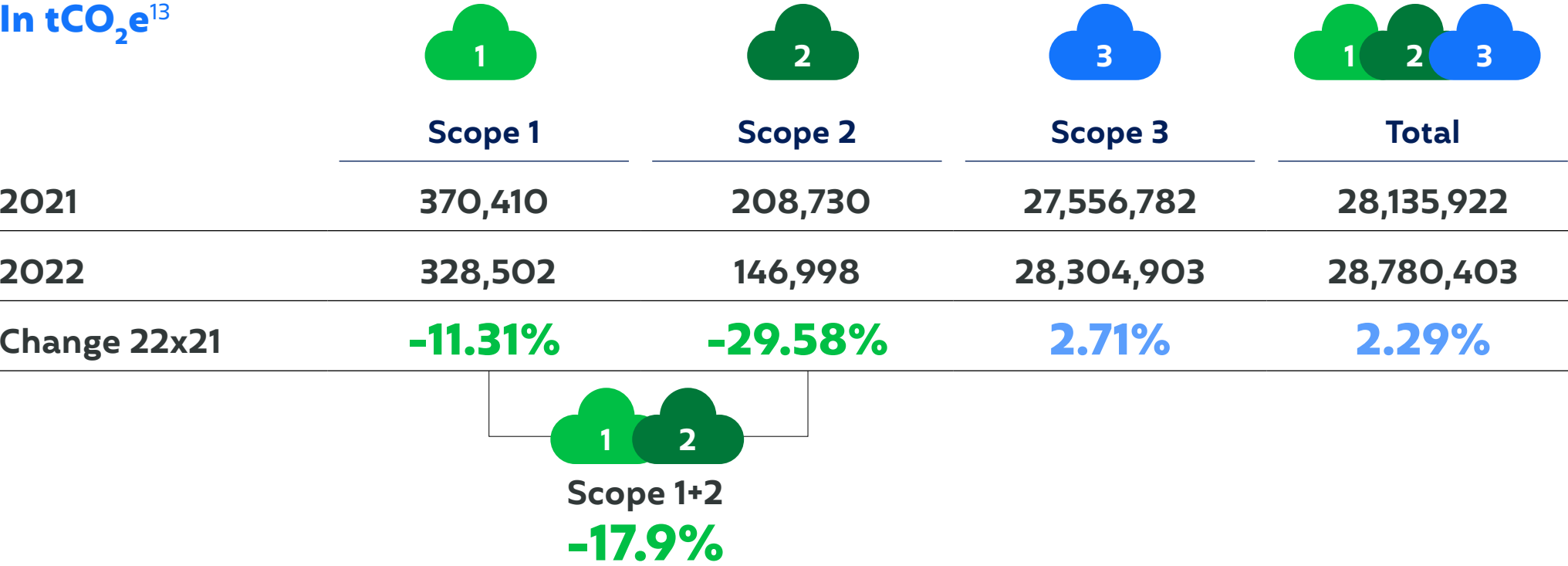
*Arise from the only own feedlot, located in Uruguay

Performance in 2022

[GRI 305-1; 305-2; 305-3; FB-MP-110a.1]

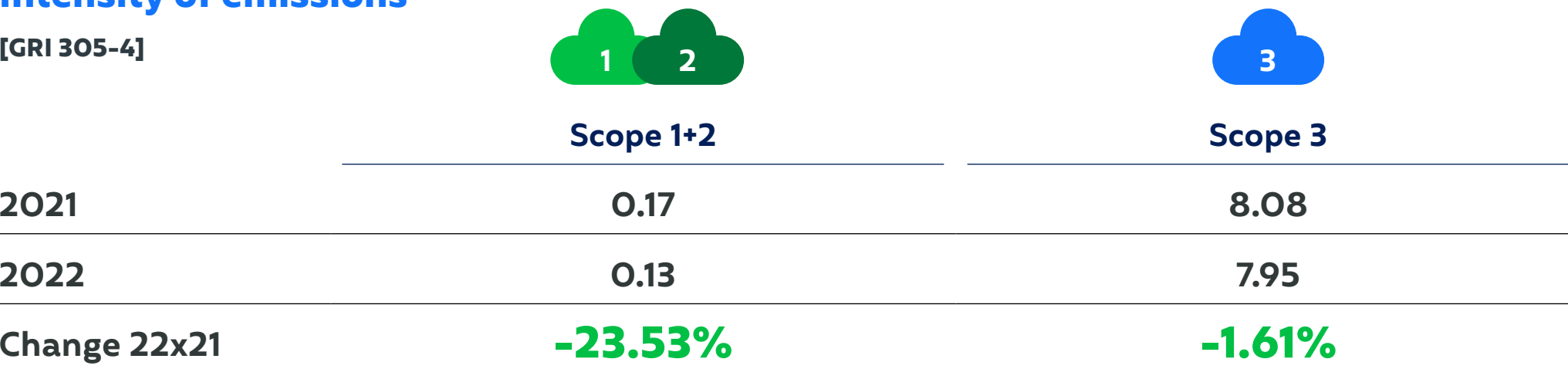
Our total carbon emissions for the year, including scopes 1, 2, and 3, amounted to 28.7 million tons of CO₂-equivalent. This figure considers emissions from cattle enteric fermentation and waste management that occur in scope 1 at our only feedlot, located in Uruguay, and in scope 3 in our value chain. Other emissions from suppliers are also calculated under scope 3. More information can be found at [CDP Climate Change](#).

In tCO₂e¹³



Intensity of emissions

[GRI 305-4]



¹³ The figures for emissions in 2021 have been updated to the values obtained after the audit of the company's inventory. The data for 2022 may also change after the audit scheduled for May 2023.

- **Reduction in absolute emissions:** 17.9% reduction in scope 1 and 2 emissions, and a 2.71% increase in scope 3, when comparing the performances of both years. [GRI 305-5]
- **Emissions stemming from feed production:** the total volume of emissions in our only feedlot of own property, located in Uruguay, producing feed and breeding livestock in its facilities, came to 23,500 tons of CO₂eq.
- **Reduction of scope 3 emissions:** In 2022, we saw a 1.61% reduction year-over-year, in the volume of scope 3 emissions, for each ton produced. As we know, scope 3 is responsible for about 99% of the company's total emissions, as measured in the last inventory, and is composed of emissions stemming from the enteric fermentation of cattle, waste management, and feed for cattle. [GRI 305-5]

Benchmarks used to calculate emissions:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) IPCC Guidelines for National Greenhouse Gas Inventories, 2006.
- IPCC (enteric fermentation and waste management), to the emission factors of animal and meat purchases.
- Brazilian Agricultural Yearbook (FNP - Agrianual): emission factors used as a basis for calculating the emission forecasts associated with products and animals acquired from third parties.

17.9%

reduction in scope 1 and 2 emissions

[GRI 3-3]

Pillar that encompasses the management of water and energy consumption in production processes. Such practices are also permeated by efforts to reduce our environmental footprint, reflected in the search for clean energy sources.



¹⁴ Plants located in South America.

Water

The imbalance of water reserves on the planet is bound to make unsafe access to water increasingly recurrent and radical, a condition that partly reflects climate change – a phenomenon that alters the hydrological cycle – but is also reinforced by human interventions. Aware of this context, and given the crucial importance that water plays for the safety and quality of food and, consequently, for our operations, we approached this matter from the perspective of a few parameters:

- **Global, single** Company-wide **directives**.
- **20% reduction in the volume of water consumed by 2035**. This target, pursued at a global level, is based on our performance in 2020. For this purpose, we have apportioned the reduction levels of water consumption to be pursued by the operational plants, taking into account the water resources situation of each one. In other words: plants in areas of water stress are subject to more challenging targets than others, in regions with greater water availability. Another differential is that the water consumption reduction target

is linked to the variable remuneration of those responsible for the plants and the board of directors.

- **Analysis of the water risks** to which our operations are exposed, establishing degrees of relevance to each impact, and then prioritizing the most relevant ones and creating mechanisms to mitigate them.
- **Consistent evaluation of the efficiency in the use of the inputs**, through constant measurement and monitoring. We carry out metric analysis of daily consumption indicators in the plants, expressed in tons per cubic meter [t/m³]. Data are composed of sectorial and combined targets, obtained by electromagnetic flow measurement devices.
- **Meeting the requirements on the quality of the treated water** by the markets to which we export products.
- **Measures towards the rational use of water in our plants**, which include the adoption of efficient equipment, alongside team training on the subject.
- **Dissemination of guidelines on good water management practices throughout our value chain**. In 2022, Marfrig was not

subject to any significant fines, enforcement orders and/or other penalties for regulatory violations related to the quality of water.

Other practices that make us stand out as regards water consumption management, among many other companies in the sector:

- **100% of our operational units hold Water Treatment Plants (WTPs)**. Since 2021, we have introduced internal audits in these facilities, to further reinforce the control of the quality of the input used in our work routines.
- **100% of our effluents treatment plants** are submitted to internal audits on a monthly basis, which further reinforces the quality control of the raw material used in the work routines. The average compliance rate was 90%.
- **100% of our plants**, located in the different countries where we are present, **measure the volume of water collected**.

Detailed information on the use and consumption of water in our operations is available in the CDP (Carbon Disclosure Project) Water Security questionnaire, available on their website.

How water is managed

[GRI 303-1; FB-MP-140a.2]

Our management is based on the principles of "quantity" and "quality". For the former, the focus is to use the input in a rational way, a goal that involves a series of processes, routines and targets, disseminated throughout our operations. On the "quality" front, we continuously invest in water treatment structures in our plants, so as to ensure the highest standards of potability, and we adopt measures to mitigate water risks.

The fronts addressed in water management

-  **Measuring and Monitoring**
-  **Treatment**
-  **Water risk management**
-  **Water efficiency**
-  **Consumption targets**



Measuring and monitoring

We use this set of processes to continuously monitor the use of water in our operations, including compliance with the requirements laid down by the environmental agencies, from the respective countries in which we operate and to which we export. In Brazil, for example, we rely on electromagnetic flow meters to measure water consumption in each plant. The data obtained, globally, are audited by a third party. This routine, carried out continuously, ensures the identification of opportunities for improvement, and contributes to measure our performance regarding these issues.

Among the aspects that we measure and monitor are the total water withdrawal per source, the volume collected, per industrial plant, and per head of cattle, among others.

Total water withdrawal, by source

In South America, surface water is the main source of use: it accounts for 64% of the total, followed by groundwater (36%). In North America, the opposite is true. Underground springs account for a significant portion of the abstraction, which in 2022 accounted for 99.25% of the overall volume. Groundwater abstraction in some North American units comprises water from a combination of wells

and public supply, while in South America it is made up of surface and third-party acquisition sources, in addition to wells. In Brazil, for example, we have added three more wells for water catchment, with two drilling in the vicinity of the Bataguassu (MS) units and one in Promissão (SP). All of our plants hold water abstraction licenses. No extraction exceeds the established limit, as a measure to protect the water supply springs.

As a food manufacturing company, and in view of our commitment to food quality and safety, we are restricted regarding the usage of reuse water in our operations. Thus, the initiatives undertaken in this direction are focused on processes that do not require the input to be potable, as is the case of the reuse of backwash water from the filters of the water treatment plants (WTP), for procedures in the external areas (gardens, patios and roads).

As for our performance, we saw an increase in water withdrawals in both regions, driven by a rise in production. In South America, this was up by 7.99%, and up by 3.10% in North America. However, there was an improvement in efficiency, as we achieved a reduction in the volume of water withdrawal per unit of production (m3/ton of products and m3/head slaughtered) in all our South American operations. Our consumption results are reported annually in the Water, Supply Chain and Water indicators in the CDP reports. Further information can be found [here](#).





Water withdrawal

[GRI 303-3]

The volume of water withdrawn for the supply to our operations was greater than in the previous year for both of our operations, totaling 27.3 million cubic meters for the period. This was 5.48% more than the total for 2021, a variation that is in line with the increase in production observed in both South America and North America. From the viewpoint of efficiency, the Latin American plants achieved a reduction in water withdrawn per slaughter unit and per ton of products.

In m ³	NORTH AMERICA			SOUTH AMERICA			TOTAL		
	2021	2022	%	2021	2022	%	2021	2022	%
Surface water	102,133	102,924	0.77	8,339,310	8,660,912	3.86	8,441,443	8,763,836	3.82
Groundwater	13,184,300	13,595,466	3.12	4,195,388	4,861,962	15.89	17,379,688	18,457,428	6.20
Water from other sources	(-)	(-)		63,873	82,260	28.79	63,873	82,260	28.79
TOTALS	13,286,433	13,698,390	3.10	12,598,571	13,605,134	7.99	25,885,004	27,303,524	5.48

Water for reuse:

In m ³	NORTH AMERICA		SOUTH AMERICA		TOTAL	
	2021	2022	2021	2022	2021	2022
Water for reuse	1,887,005	559,333	623,100	327,623	2,510,105	886,956

Volume of water withdrawn per production unit (South America)

	2021	2022	%
Volume of water withdrawn per production unit (m ³ /ton of products) - production units/plants			
Argentina	11.6 m ³	10.7 m ³	-7.76
Brazil	17.4 m ³	17.3 m ³	-0.57
Chile	There are no units of processed products		
Uruguay	37.2 m ³	32.3 m ³	-13.17
United States	Not available	Not available	Not available
Volume of water withdrawn per production unit (m ³ /head) - units/slaughtering plants			
Argentina	3.8 m ³	3.6 m ³	-5.26
Brazil	3.9 m ³	3.7 m ³	-5.13
Chile	0.6 m ³	0.4 m ³	-33.33
Uruguay	3.7 m ³	3.7 m ³	0
United States	Not available	Not available	Not available

327,623 m³

of water for reuse in South America and

559,333 m³

in North America



Treatment

All of our plants have Water Treatment Plants (WTPs) that are appropriate for their respective water sources, whether it's underground, surface water, or other sources. This ensures that the treated water meets the drinking water standards required by the prevailing legislation in each country we operate and export to.



Water Risk Management

We perform a continuous analysis of the water supply status in the locations where our plants are based, in order to measure the risks of water availability for our operations. Through this study, we identify the quality and quantity of reservoirs. For this task, we use a specific tool, namely AQUEDUCT, made available by the World Resources Institute (WRI).

Most of our plants are located in areas considered to bear low exposure to significant water risks, in the different countries where we are present:

Water Stress Level	N. plants
Low	24
Low to medium	4
Medium to high	3
High	1
Extremely high	1




Source: Aqueduct

A plant that is located in an area classified as extreme risk is Liberal, in the United States. The one with high water stress, on the other hand, is Itupeva (Brazil). The complete list of plants can be found on our website, under Sustainability/ Natural Resources/ Water Risk Based Management.

The plants located in areas at risk of low and low medium water stress withdrew 15,602,553.00 m3 of water in 2022, equivalent to 57% of the water withdrawn in our overall global operations. The remaining plants, in medium high, high and extremely high areas, accounted for the other 11,700,970.33 m3 of water withdrawn, or 43% of the total.

Water withdrawal per water stress level [FB-MP-140a.1]

In m³

	 NORTH AMERICA	 SOUTH AMERICA	 TOTAL
Low	1,349,259.64	12,134,569.73	13,483,829.37
Low to medium	1,157,524.92	961,199.00	2,118,723.92
Medium to high	5,885,088.33	497,526.00	6,382,614.33
High	0	11,839.00	11,839.00
Extremely high	5,306,517.00	0	5,306,517.00





Water efficiency

We have adopted several measures to reduce water consumption in the plants, such as flow reduction and automation equipment, among others, in addition to a training agenda for our employees. In areas that do not require potable water standards, we have adopted projects to reuse the input.

Our investments (CAPEX) in wastewater and effluent management infrastructure improvements, aiming at gains in water efficiency in our operations, practically tripled between 2021 and 2022, climbing from R\$ 25 million to more than R\$ 70 million, representing an increase of 175%. The disbursements with expenses related to the treatment of wastewater and effluents, in addition to general maintenance (OPEX), rose by around 12.5%, when compared to the figure recorded in the previous year.

Investments (CAPEX) and operating expenses

In R\$

	Capex		Opex	
	2021	2022	2021	2022
Argentina	2,950,000.00	5,800,762.98	–	6,757,663.60
Brazil	18,710,000.00	31,805,740.00	32,140,000.00	47,470,114.00
Chile	–	36,558.99	–	649,396.28
Uruguay	134,000.00	28,383,822.17	10,900,000.00	13,697,925.34
United States	3,990,299.06	4,879,431.77	69,014,883.55	57,461,838.23
Total	25,784,299.06	70,906,315.91	112,054,883.55	126,036,952.00

Note: 2022 data was calculated in local currencies in Argentina, Chile and the United States, and in US dollars in Uruguay, whose amounts were converted into Brazilian reais on 03/29/23. In 2021, in Chile, where there is a lamb slaughter plant in Patagonia, there were no infrastructure or wastewater treatment projects on that date.



WATER MANAGEMENT IN THE VALUE CHAIN

We believe that, besides the responsible consumption of water, rural producers should also be concerned with the correct disposal of the effluents generated after the processes. The effluents are a potential source of contamination, which can harm the property's water supply sources.

Just like on other areas, our efforts to properly manage the use of water, under the perspectives of "quantity" and "quality", also extend to the supply chain. In rural properties, quality water is an essential resource, since it is the water that can assure people's health, quench the thirst of animals, and provide irrigation for crops.

The protection of water sources (such as rivers, springs, wells and dams, among others), therefore, contributes to a profitable agricultural and livestock farming activity. The management of the catchment and the control of the volume used, the change of habits in the use and the qualification of the workers result in better water efficiency of the productive activity. Managing the use, seeking to minimize the volumes withdrawn and reduce waste are crucial for the attainment of sustainable production.

We seek to engage our partners to also adopt good practices in water management.

In this sense, we disseminate a series of guidelines through the Marfrig Club, under the "Environmental Respect" pillar, which addresses the efforts to mitigate the impacts of livestock breeding activities on the environment. Livestock farmers can find this information in the Marfrig Club Sustainable Practices Guide. Some examples of practices addressed:

- ➔ Reduction in water consumption in livestock breeding activities: we encourage producers to invest in animals that have genetic characteristics that allow for early slaughter.
- ➔ Use of water in animal feeding: Early slaughter also leads to a lower demand for the input in the production of ingredients for animal feed.
- ➔ Reasonable use of water: recommendations of practices aimed at reducing water consumption on the farm, while assuring production quality. Among these practices are rainwater harvesting, crop rotation, no-till farming, drinking fountains for the animals, fertigation, and the adoption of a specific tool to measure water consumption.
- ➔ Rainwater containment: to adopt practices to contain rainwater, aiming to avoid erosion and facilitate infiltration, deriving,

for example, from terracing or contour lines. It is advisable to maintain some form of vegetation to preserve springs and waterways.

Get to know the Marfrig Club Sustainable Practices Guide [here](#).

We are also alert to the water risk to which producers are exposed, and in order to engage them in best practices in this area, we began mapping the water availability in our value chain, a measure that will be added to our geospatial monitoring system and the deforestation risk mitigation map. In this regard, we have intersected maps of the water situation in the regions where we operate with the location of our suppliers of cattle for slaughter. Thus, we were able to assess the water risk and direct actions, both oriented and preventive, to improve water management in our supply chain, including targets, control and rational use. This water mapping also extends to the supply of products for animal feed.

In addition to this project, two other initiatives are underway, aimed at supporting livestock breeders to have access to better quality water for their activities, and in a more efficient manner, also helping them to minimize the risk of water shortages:

- ➔ **Uruguay:** Through the "Água Segura" (Safe Water) project, we finance projects on the farms, aimed at drilling the soil and placing water pumps that use solar energy or other solutions that best fit the needs of the location. The access to the funds depends on the farmer structuring a project, including a business plan and a budget, in partnership with one of the previously selected drilling companies, and submitting it to our appraisal. If approved, the project is carried out.
- ➔ **Brazil:** In 2022, we set up partnerships with suppliers, in which we offer technical support with environmental issues, including water availability and treatment. The goal is to consolidate the environmental performance of these livestock breeders, ensuring the availability and quality of the water resources available in the vicinity of the farms. This project is being developed initially with three large livestock producers, who together account for about 10% of our supply in the country.

Energy

Our operations both in Brazil and Chile began offsetting the carbon emissions generated by energy consumption throughout their routines. This newly implemented measure, introduced in 2022, comes on top of other good practices already consolidated in our plants, aimed at promoting the rational use of this input and, as a result, minimizing the impact from our operations on the environment. Our commitment to this consumption discipline has also led us to establish the goal of having 100% of our operations using exclusively renewable energy by 2030, as published in the CDP platform since the 2020 cycle.

In this sense, we register the following advances in the period:

→ **100% of the industrial units in Brazil and the distribution center located in Chile have been integrating, in their routines, the purchase of renewable energy certificates**, a practice that aims to offset the carbon emissions generated by energy consumption in operations. These certificates are traded by the International REC Standard (I-REC), a global system for trading these certificates, which certifies the generation of energy through renewable sources.

- **100% of our operations use energy-efficient equipment** in some of their routines.
- **92% of our operations in Brazil¹⁵ are supplied by energy purchased on the free market**, a type of contract that gives us freedom to choose suppliers that sell inputs generated by clean sources, such as solar and wind, or energy generated by small hydroelectric plants. This practice also allows us to manage price change risks, as it guarantees the purchase of inputs at pre-fixed values.

In addition to these practices, some of our plants adopt differentiated practices to generate clean energy for their own consumption. Some examples:

- **Uruguay:** The plant in Tacuarembó, located in the Center-North region of the country, holds a wind farm that generates enough energy to meet 30% of its energy demand on average.
- **United States:** biomethane is one of the fuels used to run the boilers, a practice that helps reduce scope 1 greenhouse gas emissions (which comprises those originating from our operations).

Biomethane is derived from the purification of biogas produced from organic waste, such as cattle manure. This practice has been developed and is currently in place at the Liberal, Kansas facility. The volume of biomethane supplies one-third of the energy needed to operate the boilers, which are also powered by natural gas. This process is based on the experience of the facility located in Dodge, Iowa, which developed, in partnership with the local municipality, a municipal effluents treatment plant. This structure also collects methane from wastewater and injects it into the municipal natural gas distribution system, benefiting the entire city, and distributes treated effluent for use in land irrigation.



¹⁵ Some units are located in regions that still do not have access to the free market, supply infrastructure that still prevents us from having 100% of the plants using clean energy sources.

How we manage energy consumption

In our operations, the measures we adopt to manage energy consumption include:

- **Responsible consumption.** Through training and continuous communication efforts, we disseminate good practices regarding the use of energy among our employees.
- **Adoption of energy-efficient equipment in our operations.**
- **Reuse of energy,** such as the reuse of thermal energy in boilers and rendering plants.

Performance in 2022

In 2022, our energy consumption was 2.84 million GJ, which is 18% lower than the previous year's consumption. The highest energy demand was observed in our South American operation, which accounted for 54.5% of the total consumption, mainly due to the larger number of plants in this region. Nevertheless, it is also in these countries that we have seen important developments in the use of renewable energy. During the period, these sources accounted for 45% of the total energy used.

With respect to energy intensity, we reached a ratio of 0.8 GJ for every ton produced, down by 21% year-over-year, and North American operations were more efficient than the South American ones. **[GRI 302-4]**

ENERGY CONSUMPTION

[GRI 302-1; FB-MP-130a.1]

In GJ	Non-Renewable			Renewable			Total		
Energy Consumption	2021	2022	Chg.	2021	2022	Var.	2021	2022	Chg.
North America	968,679	1,065,878	10%	330,733	228,378	-31%	1,299,412	1,294,256	0%
South America	1,391,976	445,145	-68%	761,251	1,102,294	45%	2,153,228	1,547,440	-28%
Total	2,360,655	1,511,024	-36%	1,091,984	1,330,672	22%	3,452,640	2,841,697	-18%

Energy use intensity index

[GRI 302-3]

GJ/Ton	Total		
Energy Consumption	2021	2022	Var.
North America	0.63	0.62	-3%
South America	1.58	1.06	-33%
Total	1.01	0.80	-21%

18%

reduction in energy consumption

21%

reduction in the intensity of energy use



5 Effluents and waste



This pillar encompasses the processes and routines for disposing of the effluents that result from our operations, so as to mitigate the impact on water sources and on the environment. This front also includes actions to correctly dispose of the solid residues generated in our plants.

Wastewater Management

[GRI 3-3; 303-2]

Using water responsibly in our operations also includes caring for the water sources. For this reason, we have sought, each year, to improve the practices used in the disposal of wastewater, aimed at mitigating the impact from our operations on the environment. In this sense, the processes and routines include:

→ **Effluents Treatment Plants (ETP):** the wastewater generated throughout the various production stages in our plants is treated before it returns to the environment. This can be done, as all our plants rely on WTPs, which consist of structures in which the input goes through physical-chemical treatments, followed by biological procedures, so that, at the end of the process, it meets the discharge standards required by the prevailing federal or state legislation. This structure also gives the industrial units autonomy to receive and treat the wastewater generated in the various production stages.

→ **Online monitoring system for wastewater discharge.** Created in 2022, this system refines and speeds up our routines for monitoring the volumes of wastewater discharged during our operations. In this online platform, the flow and volume data from each of our plants are concentrated, in real time, which enables us to monitor the ETEs on an ongoing basis, identify opportunities for improvement, and anticipate corrective measures that may prove necessary.

→ **Investments (CAPEX).** We are developing a comprehensive project to modernize the WTPs. In this regard, R\$ 30 million are being disbursed in investments in the modernization of the WTPs and ATPs installed in our operating units. With the use of biological systems and segregation technologies, we have advanced in efficient wastewater treatment processes.

→ **Goals.** We are committed to both reducing the volume of wastewater generated and increasing its quality, which will be attained by improving structures and processes:

→ **Reduction of volume generated.** By 2035, we expect to reduce by 15% the volume of effluents generated in our operations. This is the global target we pursue. For the attainment of this figure, it is adapted to each national operation and, subsequently, redistributed to meet the individual realities of the industrial units. Reduction of volume generated.

→ **Quality.** We are pursuing to achieve, by 2025, a score of 10 in the Wastewater Treatment Quality Index (WTQI), which assures to us an acceptable value both in terms of internal quality standards and in terms of compliance with local legislation for wastewater discharge standards. WTQI performance¹⁶, an index that is specific to the operation, is tracked in all plants in South America.

100%

of our plants have Effluent Treatment Plants



¹⁶ The WTQI is the comparison between the BOD (Biochemical Oxygen Demand) of the final effluent, on a scale from 0 to 10, with 129.6 mg/L (or lower value) being the reference for grade 10, and 423.7 mg /L, as a zero grade, based on the legislation.

Performance in 2022

During the period, our operations produced approximately 26 million m3 of wastewater, representing a 13.33% increase compared to 2021. While Argentina and Uruguay showed a reduction in wastewater generation, the overall increase was primarily driven by the United States.

The 2022 performance data was collected in all plants, monitored by internal audits carried out by our own teams, and summarized in Environmental Operation Reports. The parameters include analyses of the wastewater discharged (monthly/ weekly sampling), alongside the quality of the water courses into which the wastewater is discharged, adapted to the local legislation currently in force.

In the period, the data of wastewater generated in 2021 were certified by a third-party company, in the process of auditing the inventory of greenhouse gas emissions that involves all our operations. This external checking is also scheduled to take place in 2023, for the 2022 data.

In Brazil, 58% of our plants are ISO 14.001 certified, a rule responsible for certifying companies that implement an Environmental Management System in accordance with the requirements of the Brazilian Association of Technical Standards (ABNT). Thus, the

topic "effluents", covering generation, volumes, release standards and other legal requirements, is verified annually by an external audit.

Wastewater generated

Our operations generated 26.3 million cubic meters of wastewater in 2022. In Argentina, we reduced by 25.48% the generation of wastewater per ton produced in the industrialized products units, and by 13.85% when we relate the effluent generated to the number of heads slaughtered. In Brazil, the processed food plants also reduced their wastewater per ton produced by 30.77%. The wastewater generated per head slaughtered maintained a similar performance to the previous year. Uruguay, Chile and the United States, on the other hand, increased their wastewater generation.

1. Total by country, in 2022

In m³	
Country	Volume
Argentina	1,045,829.46
Brazil	7,131,632.40
Chile	30,542.27
Uruguay	1,869,787.00
United States	16,269,084.22
Total	26,346,875.35

2. Volume of wastewater generated - per production unit/ slaughterhouse

In m³

	2021	2022	% change
Wastewater volume generated (m3/head) - slaughter units/plants			
Argentina	3.13	2.70	- 13.85
Brazil	2.73	2.73	- 0.05
Chile	0.23	0.25	7.87
Uruguay	2.92	2.89	- 1.14
United States	3.13	3.94	26.04

Volume of wastewater generated (m3/ton of product) - production units/plants			
Argentina	9.96	7.42	- 25.48
Brazil	14.56	10.08	- 30.77
Chile	It does not hold a processed food plant		
Uruguay	6.05	10.41	72.07
United States	N/D	N/D	N/D

Note: The calculation considers tons of processed products, in the industrialized products units, and heads of cattle slaughtered, in the slaughtering units.

58%
of our units in Brazil are ISO 14,001 certified

Wastewater Quality

The investments made in recent years, especially in the primary treatment systems (physical-chemical), led to an improvement in the indicators we use to assess the pollution load of our effluents. One of them is the biological oxygen demand (BOD) per mg/L, whose average, as measured for 2022, showed a reduction of approximately 60%, when compared to the previous year. Another advance was found in the WTQI, of 9.8 in the period, a result that exceeds the previous year's mark by approximately 1%.

Wastewater quality management indicators*

Performance in 2022

	2021	2022
Average BOD (mg/L)	114.24	46.5
Average WTQI* (0 to 10)	9.75	9.8

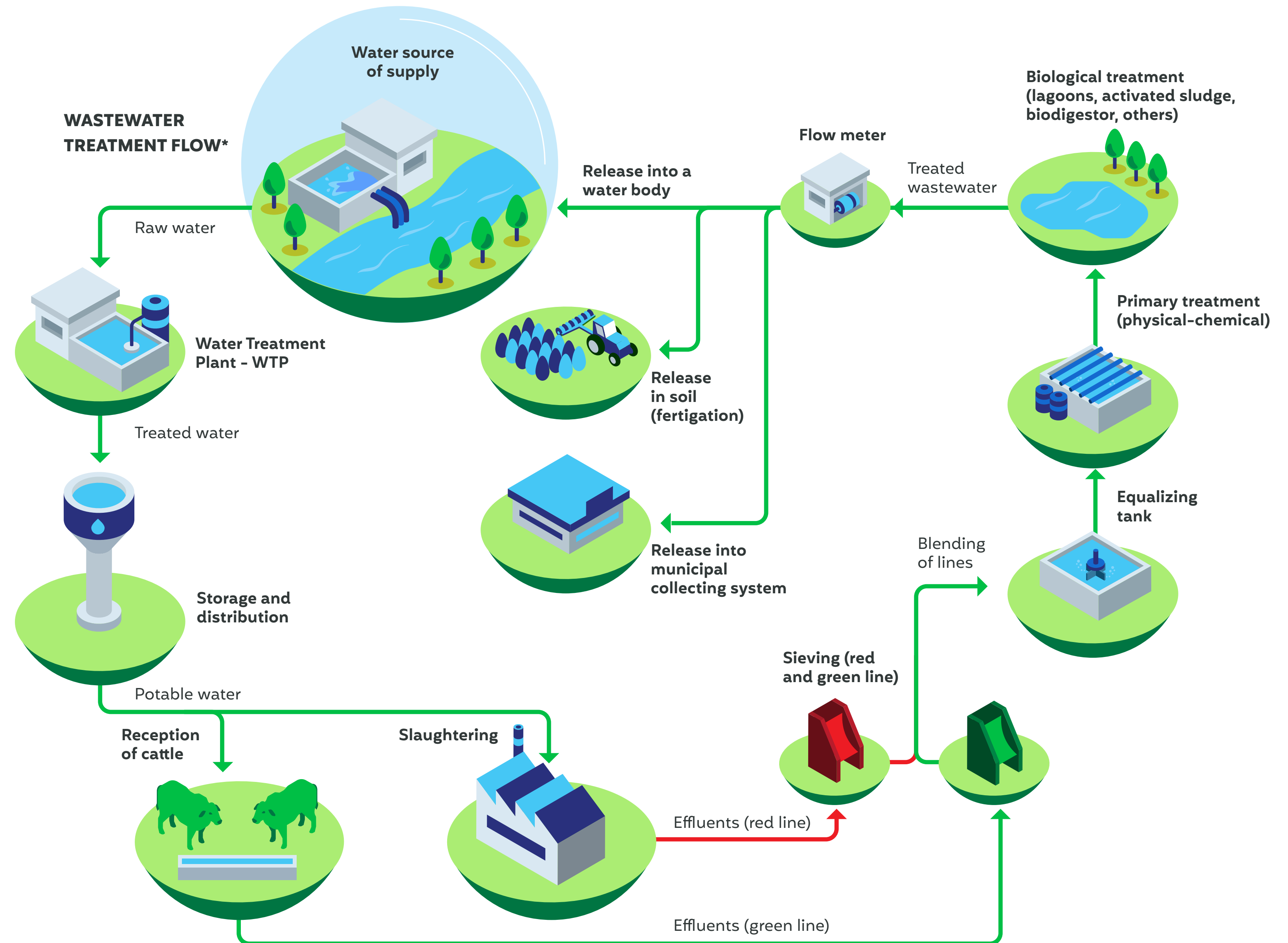
* Figures are related to operations in Argentina, Brazil and Uruguay. In Chile, where there is only one slaughtering unit, only the primary treatment of wastewater is carried out, with subsequent discharge into the collection system. The secondary treatment, as well as the discharge into a body of water, is a municipal responsibility.

Wastewater Treatment Flow

All the manure generated in the operations lines – both that from the pens, transported with the animals, and that resulting from the handling of the bovine stomach – is incorporated into the wastewater, which is known as the "green line". These discharges are forwarded to the effluents treatment plants, and removed in the physical, chemical, and biological stages. The solid residues have high agronomic value, and are used as an alternative to conventional fertilizers.

Fertigation

We have been expanding the use of fertigation in our operations. Instead of discharging the water after being used in our production processes, we direct the treated wastewater to the irrigation of productive areas in farms near our plants. By capturing organic matter and nutrients throughout the industrial process, it offers, to the plantations, soil and crop improvement, including the reduction in fertilization with conventional fertilizers. In Brazil, for example, the Tangará da Serra (MT) and Bataguassu (MS) plants carry out fertigation, sending the wastewater, after being treated, to be used as fertilizer in plantations and pastures. In other plants, both in North and South America, the practice of collecting biogas from the treatment of waste effluents, and its respective burning by the flaring method is used, a process that is reflected in the reduction of our scope 1 emissions.



*The treatment of the wastewater, in the WTPs, begins in the sieving stage and culminates in the biological treatment.

- **United States.** All wastewater from the Liberal plant in Kansas (USA) – approximately 7 billion liters per year – is treated and reused for irrigation of farmland. The plant holds a effluents treatment plant and an irrigation system for the treated effluent, which is used as fertilizer by farmers, whose farms are located close to the meatpacking plant.
- **Brazil.** From the total number of operations, 17% have already adopted fertigation in their work routines. Another 8% are in the final phase of installation of the process, and 17% have completed environmental studies in the period, with the conclusion of technical projects. We expect, therefore, to continue increasing the number of plants that use fertigation as one of the options for disposing of effluents in the coming years.

17%

**of all operations in Brazil
adopt fertigation in their
work routines**

Standards met in wastewater management

[GRI 303-2]

Our wastewater management practices comply with the export requirements of each recipient country, as well as third-party audit standards. In 2022, our operations held 18 certifications, including BRC Global Standards, Hilton Quota, McDonald's SWA, ISO 14001. The full list of certifications can be found on page 59.

Furthermore, we comply with regulatory requirements and other regulations applicable to each country in which we operate:

- **Argentina:** the legal requirement on wastewater discharge from the San Luis Province Sewage System is considered – Decree 1494, which modifies Attachment X of Decree 7755.
- **Brazil:** our practices meet the requirements of the CONAMA (Brazilian Environmental Council) Resolution No. 430, as well as the individual operating permits and licenses for each plant.
- **Chile:** the regulations are laid down by the municipal sewage system.
- **Uruguay:** Decree 253/79 is the main regulatory framework, which establishes the transfer of data to the Ministry of

Environment. The Ministry, in turn, keeps track of the figures for flow, pH, and temperature of the discharges on an hourly basis, 365 days a year.

Production chain

Wastewater management is also one of the subjects we address with our suppliers. We rely on the Marfrig Club Program to provide guidance on the best practices for the treatment and disposal of these effluents on the farm. This protocol also includes guidelines on protecting springs, as well as precautions to avoid contamination by the wastewater generated in the houses, stables and other facilities. Suppliers can also find further information on wastewater treatment on the Sustainability section of our website.

Moreover, we carry out periodic visits to suppliers, aiming at evaluating their compliance with the legal requirements applicable to the subject of environmental management, also including the issues of wastewater and residues. On such occasions, a checklist of practices and minimum requirements is applied. If any irregularity is detected, we offer technical support to the supplier, so that the correction can be made. The visits can also signal, to the livestock breeders, opportunities for improvement that can be pursued.



Solid Residues

We adopt several practices to ensure that the solid waste generated in our operations is disposed of correctly. All the processes adopted, in this regard, comply with the requirements of the locations where our plants are based. In Brazil, for example, they follow the guidelines established by the Brazilian Solid Waste Policy (PNRS). This legislation aims, among other aspects, to disseminate the shared responsibility for the correct disposal of materials, also encouraging reuse and recycling. An example of the practice provided for in this regulation is the environmental compensation of waste derived from post-consumption packaging, reverse logistics process that is carried out by means of a group model, in which the compensation / purchase of reverse logistics credits is performed by a managing entity qualified to conduct it, according to the type of material (paper, plastic, metal or glass).

Other practices adopted in our operations, regarding the management of solid residues:

→ **Environmental Management System:** all of our plants operate under our Environmental Management System, which, among other practices, sets forth procedures for the storage, transportation, and final destination of the solid residues generated, including those denominated as hazardous,

such as chemical substances, for example.

- **Selective waste collection:** the plants perform the sorting of the materials, separating them into different categories, so that they can be reused, recycled, or recovered, according to the characteristics, legal requirements, and demands of the environmental agencies in each country.
- **Awareness and training:** the employees attend periodic training on the subject, and are constantly guided to ensure the correct disposal of the waste material in their work routines.
- **Hazardous products:** we adopt strict procedures for storing, transporting and disposing of hazardous products, which includes environmental monitoring and contingency plans segmented by type of occurrence and substance. Our plants rely on environmental management systems to monitor the destination of these items.
- **Management by indicators:** our practices regarding the treatment of wastewater and effluents are tracked by indicators that allow us to assess the performance of the plants in these areas and pursue improvements. We keep track of the following metrics: Wastewater Treatment Quality Index (WTQI), volume of non-hazardous waste generated per animal slaughtered, and volume of non-hazardous waste generated per ton of processed products.

We offer guidance, through the Marfrig Club, to motivate our suppliers to adopt good waste management practices, which, among other recommendations, is that all supplier farms have a documented plan for this purpose. Learn more [here](#).

Performance in 2022

Our operations generated 219,000 tons of non-hazardous waste in 2022, down by 29% from the previous year, reflecting the reduction in the disposal of materials that occurred in both operations. With regard to hazardous waste - a concept that, in our

business, includes items such as paint cans, contaminated rags, mercury vapor lamps, among others - the volume produced during the year came to 240 tons - equivalent to less than 1% of the amount of hazardous waste - originating, almost entirely, from the South American operations.



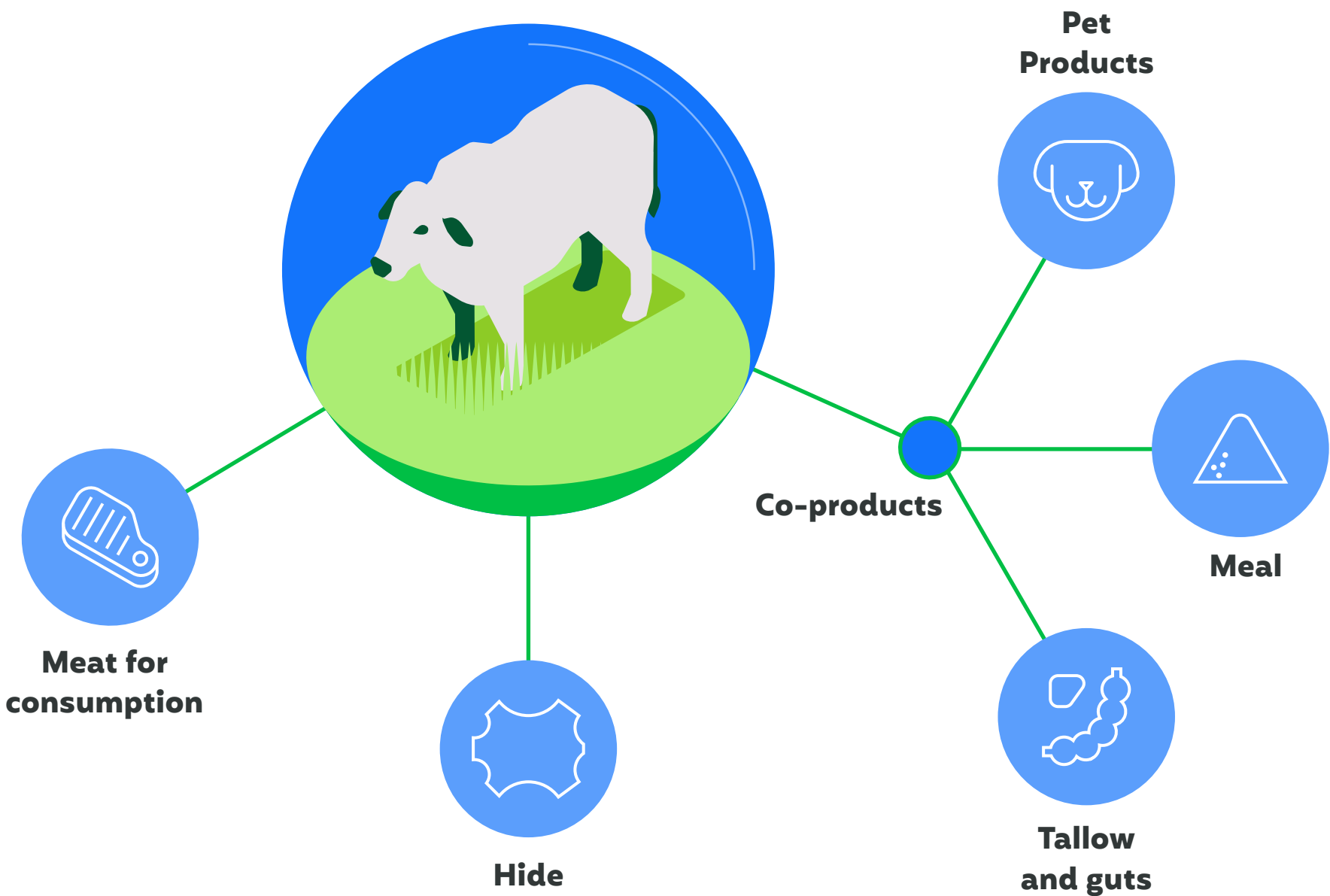
Destination of residues

[GRI 306-5]

In thousand tons	NORTH AMERICA						SOUTH AMERICA					
	Hazardous			Non-hazardous			Hazardous			Non-hazardous		
	2021	2022	%	2021	2022	%	2021	2022	%	2021	2022	%
Landfill - our own and third-party disposal	0.001	0.001	0%	56.79	46.28	-19%	0.3	0.03	-91%	34.88	20.57	-41%
Composting	-	-	-	75.83	65.10	-14%	-	-	-	86.09	71.95	-16%
Co-processing	-	-	-	-	-	-	0	0.02	-	0.34	0.99	191%
Incineration	-	-	-	-	-	-	16.08	0.15	-99%	1.27	0.05	-96%
Recycling	-	-	-	5.08	5.53	9%	-	0.01	-	27.09	8.62	-68%
Others	-	-	-	-	-	-	-	0.03	-	-	-	-
Total	0.001	0.001	0%	137.70	116.90	-15%	16.38	0.24	-99%	149.67	102.19	-32%

100% use of the raw material

Meat is the main, but not the only product extracted from cattle. Other parts of the animals are raw material for several other products and industries. Besides leather - used in the automobile and furniture industries - guts, fat, cartilage, and bones are demanded by the cosmetics, pharmaceutical, and fertilizer industries, among others. Tallow, for example, becomes an ingredient in hygiene and cleaning products, or in the production of biodiesel.



Thus, we use 100% of the raw material. After removing the meat, which is the part that can be consumed as food, the production line works to dismember the other parts of the cattle, which are then sold or used to generate byproducts. Through this process, we not only add value to residues that would otherwise be discarded. By means of this process, we minimize the disposal of those materials, thus mitigating the impact from our operations on the environment.

In Brazil, we rely on industrial structures to extract, from the inedible part of the cattle, two co-products, in addition to the hide: meat and bone meal, sold to other industries, such as fish farming and pet food, and chewable items for dogs, produced from cattle giblets. Marketed under the brand name Bona Pet, this line has already registered an average of 80 tons per month of produced treats, 60% of which are exported. The meal, in turn, attains a monthly production volume of six tons on average, part of which is also sent to overseas markets, which places Marfrig among the major exporters of by-products in the country. We also process and grade beef casings, supplying both the domestic market and other countries.



Social responsibility



Pillar that comprises the actions to promote inclusion in the production chains, with technologies and production practices that have a positive impact on the locations where our suppliers operate and foster respect for human rights.

We implement several actions to promote inclusion in production chains, with technologies and production practices that positively impact the locations where our suppliers operate. Our policy is to discontinue commercial relations with livestock farmers who do not act in accordance with our principles, which involve, among other issues, environmental and social aspects, with a particular emphasis on respect for human rights. We repudiate the use of child labor and labor analogous to slavery – we are, in Brazil, signatories of the National Pact for the Eradication of Slave Labor –, and we disseminate this same conduct to our value chain, by demanding it from 100% of our suppliers, both at the time of contracting and in the maintenance of our commercial relationships (read more on page 90). **[GRI 414-1]**

When a producer is excluded, however, the impact goes beyond the break in sales, which is felt by the producer. There are social and economic consequences, such as layoffs of employees, drop in family income, and less circulation of income to the local economy. The irregular operation of a livestock farmer is also an imminent risk to the environment, since it can, in some cases, lead to the deforestation of new areas. For this reason, we run programs aimed at supporting suppliers to regularize their operations, so that they can reinstate their agreements with us. **[GRI 308-2]**

Another aspect of our operations, which has a significant socioeconomic impact on the regions where our industrial plants are located, is the fact that we maintain business relationships with local suppliers. By doing so, we generate commercial circulation and jobs. Considering the dimension of our operations, the repercussion is relevant. In Uruguay, for example, we are the largest employer and exporter of beef. In Tierra del Fuego, Chile – an archipelago located in the South of the continent, with about 150,000 inhabitants – we are the largest company, and 100% of our suppliers are based in that region.

The concern in minimizing the negative impact from our operations on the communities surrounding the industrial plants has also led us to provide channels for listening and interacting with the people that may be affected. All our operations in Uruguay, Argentina and the United States conduct assessments of the potential environmental impacts on the surroundings of our plants, and monitor these aspects on a regular basis **[GRI 413-1]**

In Uruguay and Argentina, we rely on labor and health and safety committees, aimed to discuss such impacts. In Argentina, there are also formal processes for receiving complaints from local communities, a practice that, in the other operations, takes place through the ethics and conduct channels (more information on page 47). **[GRI 2-25; 413-1]**

In addition to these routines, the Uruguay plants carry out consultation rounds with local communities regarding impacts, including vulnerable groups. The operations in that country also adopt local development programs based on the needs of the target communities, a practice also adopted by 25% of the operations in the United States. All Uruguay-based plants also rely on stakeholder

engagement plans, based on mapping. In Argentina, in turn, this practice takes place in 40% of the plants. **[GRI 2-25; 413-1; 413-2]**

Based on these practices, guidelines, and target audiences, we have adopted effective actions aimed to have a positive impact on the communities, which are broken down into three fronts:

Socioeconomic inclusion in the production chain. Suppliers that do not work in conformity with our social and environmental standards are blocked in our registers. This measure is combined with another, aimed at helping them regularize their operations, so that they can resume trading with us. Livestock producers generate jobs and income for the surrounding communities. The drop in sales, which occurs when they stop supplying cattle to the slaughterhouses, leads to layoffs and difficulties in maintaining production, which can further jeopardize the practices adopted, degrading the properties and the environment. The implementation of these guidelines has resulted in the following social impact:

- ➔ 532 farms reincluded in 2022, 6.6% of the total number of livestock suppliers in the period.

→ 3,036 suppliers reincluded since 2021, once again operating in compliance with our requirements, which demonstrates our commitment to the principle of inclusion, in line with the objectives of the "Marfrig Verde+" Program.

Respect for Human Rights. We repudiate the use of child and slave-like labor, and require this same conduct from our entire supply chain. We adopt strict protocols to ensure that the livestock acquired does not come from farms that adopt these practices, and clauses that reinforce this principle in the contracts signed. The Marfrig Club also highlights this aspect, and our tracking and geospatial monitoring tools monitor whether the properties are in compliance, based on information published by official agencies. In the Socioenvironmental Risk Map (more information on page 89), we also monitor for occurrences of slave and/or child labor. In the event of any irregularity, we terminate commercial relations.

Welfare and socioeconomic growth in the locations where we are present. As one of the leading companies in the sector, we generate direct and indirect jobs. We also contribute economically to the communities surrounding our operations, which is accomplished through partnerships with institutions that, besides being references

in promoting health and well-being, are geared towards assisting socially vulnerable populations, through free medical care offered to low-income individuals. These initiatives include:

→ **Instituto Marfrig Fazer e Ser Feliz ("Do and Be Happy").** A non-profit entity created in 2011. It assists 6 to 11-year-old children under socially vulnerable condition, through a series of physical and intellectual development programs, which include sports and leisure activities, in order to disseminate principles related to citizenship and respect for the environment.

→ **Hospital de Amor (Hospital of Love).** We supply the meat necessary to meet the daily consumption of the hospital, which is a center of excellence in oncology and treats around 20,000 people per month. Located in Barretos (SP), the institution has maintained this partnership with us since 2017. This approach was expanded to include the participation of livestock farmers, in the form of donations. The funds raised are used for the maintenance of cancer treatment, prevention and early diagnosis, offered free of charge to the public, through the "Sistema Único de Saúde" (SUS), the Brazilian Unified Healthcare System.

*During the first three years of Marfrig Verde+.



- **AACD.** We are a supporting company to the "Associação de Assistência à Criança Deficiente" (AACD, Association for Assistance to Disabled Children), which is dedicated to offering them excellent medical assistance in Orthopedics and Rehabilitation. In 2022, we supported, through the donation of R\$ 320,000, the construction of a floor of a new hospital.
- **São João XXIII Hospital Boat.** We allocated more than R\$ 2.5 million to the São João XXIII Hospital Boat, which takes healthcare and assistance to the riverbank and indigenous communities in the Amazon River and its tributaries. The boat is 48 meters long, with four floors, a space adapted to offer hospital structure, including medical and dental offices, medication and vaccination rooms, beds, surgical centers and laboratories for diagnosis and clinical analysis.
- **Jantar do Bem (Goodness Dinner) 2022.** We are sponsors of the gala dinner held every year in favor of Ronald McDonald's Institute, a non-governmental organization that supports projects aimed at curing cancer among children and teenagers. With the 2022 edition, the event raised R\$ 900,000, the highest amount raised over the 13 years the dinner has been held. Of this amount, we contributed R\$ 140,000.



Socioenvironmental Risk Management

We are adding social variables to our sustainability risk matrix. For this task, we hired the Instituto Pacto Nacional pela Erradicação do Trabalho Escravo (InPACTO) (National Pact Institute for the Eradication of Slave Labor), linked to the Ethos Institute, a reference in the dissemination of good social responsibility practices among Brazilian companies. InPACTO, specialized in this theme, has assessed aspects such as slave and child labor, and land use rights. The information produced became part of the Socio-environmental Risk Map, contributing to the analysis of direct and indirect supply farms and, consequently, to the mitigation of risks in our value chain.

[GRI 408-1; 409-1]

ECONOMIC AND FINANCIAL PERFORMANCE



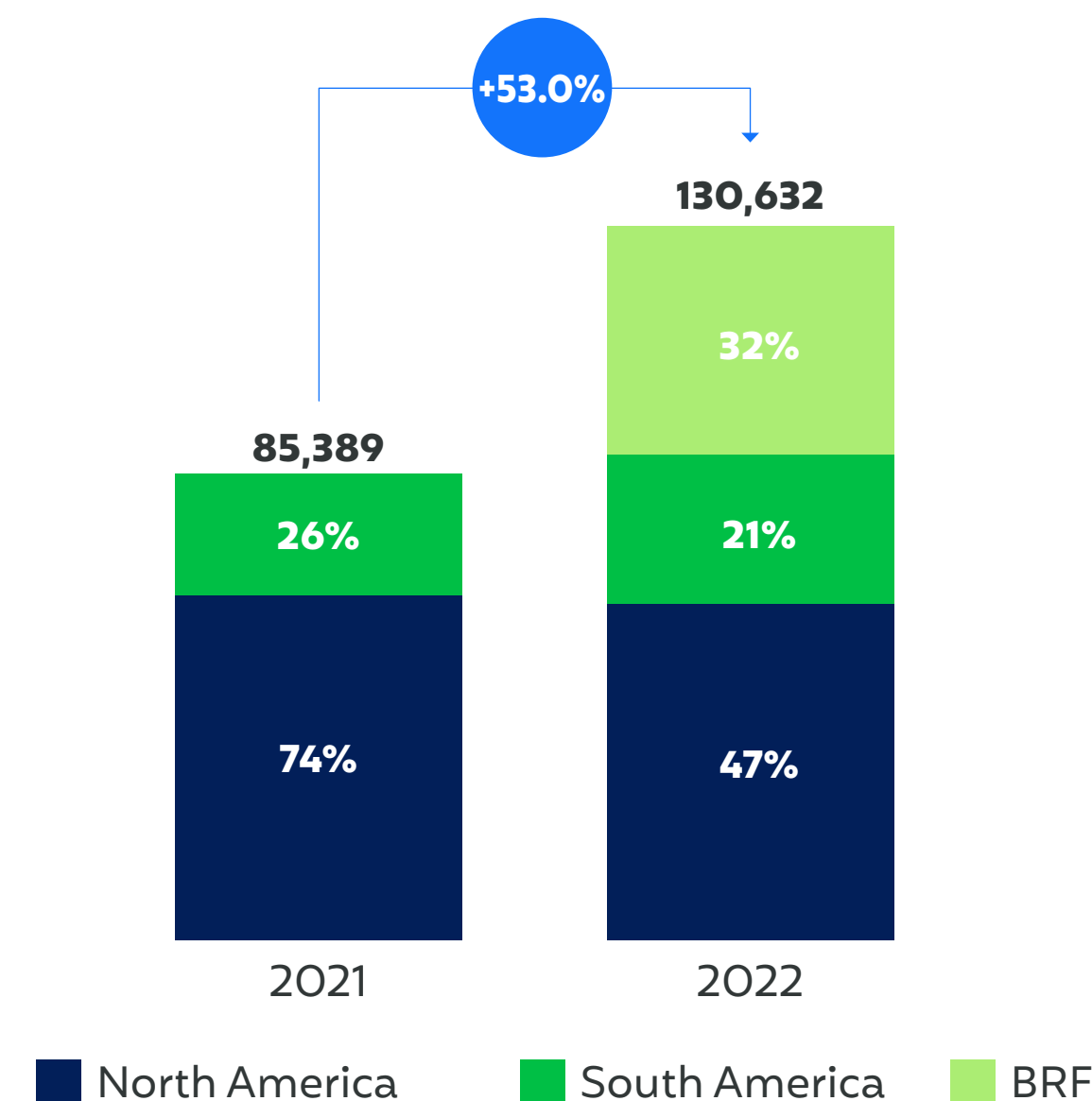
Economic and financial performance

[GRI 3-3]

Marfrig closed the year as an even more diversified company, both in terms of proteins and geographies. During the period, the company added BRF S.A., one of the largest food companies in the world, to its operations in North America and South America, focused on beef protein. Thus, the economic-financial results for 2022 include the performance of BRF, in which Marfrig became the controlling shareholder in the period, with a 33% stake in the company's capital. In the period, new records have been achieved. Among them, we can mention the net revenues from the North American operation, which came to R\$ 11.9 billion, and the South American operation, which amounted to R\$ 27.6 billion. Regarding this operation, EBITDA showed a 157% growth over the previous year, and the EBITDA margin, of 8.4%, was 4.4 percentage points higher, in this comparison.

NET REVENUES

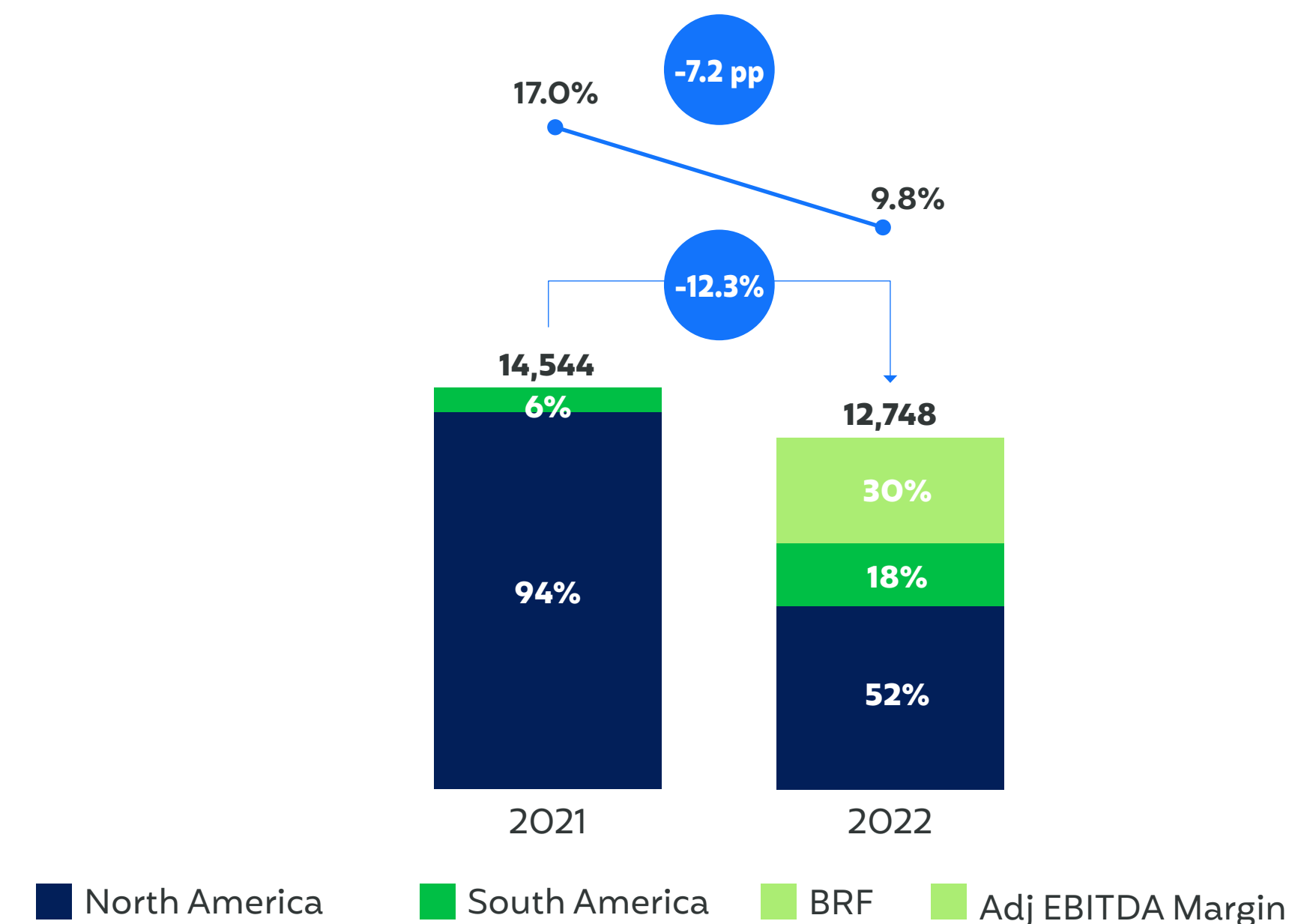
R\$ 130.6 billion, representing a 53.0% growth, explained by the higher sales volume in the markets where it operates.



Revenue by Currency:: Dolar: 75% | Real: 22% | Other: 3%

ADJUSTED EBITDA & EBITDA MARGIN (R\$ million)

R\$ 12.7 billion, down by 12.3% compared to the previous year. Adjusted EBITDA margin dropped by 7.2 pp, closing 2022 at 9.8%. This movement is explained by the operation in the US, impacted in 2022 by a combination of higher livestock prices, inflationary pressures, especially in labor and packaging, added to lower sales prices, only partially offset by the higher sales volume in that market, coupled with an improved Adjusted EBITDA in South America.





NET INCOME

R\$ 4.2 bilhões, down by 4.1% from 2021, explained by the gains in margin from the North America operation and the minor impact from the share in BRF's result (33.27%).

OPERATING CASH FLOW

R\$ 9.0 bilhões, flat when compared to the previous year.

FREE CASH FLOW

R\$ 678 milhões, mainly due to the investments made during the period (R\$ 5,134 million), plus the amount spent on financial expenses (R\$ 3,471 million).

CAPEX, RECURRING

R\$ 5.1 billion, up by 123% year-over-year. Highlights include the completion, in Brazil, of the new hamburger plant in Bataguassu, MS, which holds a production capacity of up to 24,000 tons per year, and whose focus is to meet the growing demand in the foodservice segment. In Uruguay, the expansion of Tacuarembó has been completed, increasing Marfrig's slaughtering capacity in Uruguay from 3,700 head of cattle per day to 4,200 head per day. Furthermore, investments were made in the expansion of the deboning area in Várzea Grande (MT), and in the automation at Liberal (KS), in the North American operation.

NET DEBT

R\$ 38.7 billion, up by 76.4% in comparison with the debt at the close of 2021, already considering the inclusion of BRF's debt.

Leverage (in R\$):

2022: **2.99x**

2021: **1.51x**

Leverage (in US\$):

2022: **2.95x**

2021: **1.45x**

Statement of added value (SAV)

[GRI 201-1]

In 2022, the total added value to be distributed (consolidated) totaled

R\$ 38.5 billion, exceeding by 54% the figure recorded in the previous year. The largest portion of this total (49%) went to third-party capital remuneration, such as payment of interest or rents, followed by remuneration of personnel (30%).

	Consolidated (In thousands of R\$)	
	2021	2022
Income	86,580,502	139,163,357
Distribution of added value	25,055,046	38,516,886
Personnel	7,538,861	11,559,223
Taxes, fees and contributions	3,051,525	5,239,060
Remuneration of third-party capital	7,818,281	18,955,628
Remuneration of Own Capital	6,646,379	2,762,975

→ The complete 2022 economic-financial results may be found [here](#).

ABOUT THIS REPORT



About this report



We have been publishing our Annual Sustainability Report for 15 years, starting from 2007 when Marfrig listed its shares on the Novo Mercado of B3 – Brasil, Bolsa, Balcão. In 2010, this report began to be prepared based on the methodology of the Global Reporting Initiative (GRI), an international reference for the preparation of materials aimed at reporting on advances in environmental, social and governance practices (ESG). **[GRI 2-3]**

In line with the continuous improvement efforts that guide our activities, in the 2020 version, we included Integrated Reporting guidelines from the International Integrated Reporting Council (IIRC), in addition to responses to accounting metrics from the Sustainability Accounting Standards Board (SASB). Both parameters have been maintained in the preparation of this annual report, for the year 2022, as a complement to the use of the GRI Standards, a methodology that has not only guided our reports for more than a decade, but is also considered in our sustainability management guidelines. Furthermore, this document has maintained the connection of the information with the commitments we have made to the Global Compact and the 2030 Agenda, which

comprises the Sustainable Development Goals (SDGs) of the United Nations Organization (UNO).

Therefore, in this publication, we have gathered details on our business strategies, governance, management, operations, impacts, and economic and financial results. We have also addressed how ESG issues permeate our performance, in addition to the directives that guide them. For us, this transparency in accountability goes beyond reporting data. We wish to share our advances and results, many of which have been achieved through partnerships and joint actions with our stakeholders, relationships of trust that we value and cherish.

→ **Period covered:** January 1 to December 31, 2022 **[GRI 2-3]**

→ **Scope:** Marfrig comprises the operating divisions North America, in which it operates through National Beef, and South America, with operations in Argentina, Brazil, Chile and Uruguay. The initiatives and actions reported throughout this material are presented, for the most part, separately between these two business units. When the information, including

economic and financial data, refers to the sum of the operations, we indicate that it is global data. Likewise, when it refers to the operation of an individual country, or to specific information regarding a particular industrial plant, the data source will be indicated. **[GRI 2-2]**

→ **Changes in activities and/or operations.**

The economic and financial results for 2022 include the performance of BRF, in which Marfrig became the controlling shareholder in the period, with an equity stake of around 33%. The operations of both companies remain independent. **[GRI 2-4]**

→ **Criteria adopted:** While compiling the content presented in this report, we used the GRI Standards as the main guideline. Through these standards, complemented by other international methodologies (IIRC and SASB), we have consolidated the non-financial information of our global operations by means of indicators, calculated by our own management systems.

We have also used, as parameters, aspects observed and considered in international rankings related to good ESG practices,

with special mention of those applicable to our sector and/or area of operation, and in questionnaires that are used to assess these aspects, such as the Corporate Sustainability Index (ISE), of B3 – Brasil, Bolsa, Balcão. These references are considered by investors, analysts, specialists, and other stakeholders when making decisions. By including them in the preparation of the content, we sought to provide these audiences with data that they consider relevant. The information contained in this Sustainability Report has not been subject to external validation. **[GRI 2-5]**

International references:

→ **FAIRR Initiative.** A collaborative network of investors, based in London (UK), aimed at raising awareness on the ESG risks and opportunities arising from intensive livestock farming.

→ **FOREST 500.** Ranking conducted every year by Global Canopy, a British-based think tank, which compiles and analyzes data from companies that operate in supply chains involving risk of deforestation, such as palm oil, soy, livestock, timber, paper and pulp.

→ **GLOBAL CHILD FORUM.** A non-profit foundation, based in Sweden, dedicated to promoting children's rights, an activity that is framed by the United Nations Convention on the Rights of the Child.

The economic and financial data, in turn, have been prepared in accordance with the International Financial Reporting Standards (IFRS), and audited by Grant Thornton Auditores Independentes. The complete report is available on our Investor Relations website (<http://ri.marfrig.com.br/>). **[GRI 2-2]**

For the purpose of ensuring that the content of the non-financial information is aligned with Marfrig's sustainable development strategy, the report has been reviewed by the Sustainability Committee, who advises the Board of Directors on this theme and is led by a counselor independent. The material has been checked by Committee and subsequently forwarded to the approval of the Board of Directors, to be announced during the event about Marfrig Verde+, one of the main initiatives undertaken by the Company in area of sustainability, and which took place in date prior to the board meeting. **[GRI 2-14]**

→ **Date of publication:** April 27, 2023.

→ **Contact us:** Questions, suggestions or requests for additional information to that presented here can be forwarded through the following channels: **[GRI 2-3]**

→ **Sustainability**
(55 11) 3792-8600
sustentabilidade@marfrig.com.br

→ **Investor Relations**
(55 11) 3792-8600
ri@marfrig.com.br



MATERIALITY





[GRI 3-1]

We reviewed and reformulated the priority subjects for the performance of our business, from the standpoint of sustainability. Through a new materiality study, conducted in early 2023, we have identified issues and aspects that will be considered in our matrix and, consequently, in the improvement of our new reporting cycle. Based on the reformulation of materiality, we have selected the GRI indicators and other parameters considered in this report.

The review of the matrix was conducted by an external consulting firm, and was based on the analysis of the main impacts, risks and business opportunities. Marfrig's business strategy, as well as its short and medium-term prospects, along with the commitments and goals adopted by the company, have also been taken into consideration.

At the same time, a survey of trends was conducted through specific publications on the sector and area of activity, by non-governmental organizations and institutions, both from Brazil and abroad, as well as academic articles. Another aspect considered were the subjects of greatest interest to

society in general, measured by research in news channels and the main social networks. This work, aimed at mapping the dimension of visibility of the livestock sector in relation to environmental and social aspects, has analyzed information published between April 2022 and March 2023, which totaled more than 4.47 million mentions. In this compilation, the Stilingue tool, an artificial intelligence platform, has been used.

Furthermore, we analyzed the materiality matrices adopted by multinationals in the animal protein sector, involving 11 companies from five continents. It was checked whether the issues were consistent with aspects addressed by SASB, FAIRR Initiative and GRI, references used in the preparation of our materiality matrix.

The selection of relevant subjects was guided by the evaluation of impacts, following the recommendations of the GRI 2021 Standards to no longer encompass two independent concepts - that of stakeholders and that of Management - represented in a matrix. The process of prioritization, in turn, was carried out by Marfrig's Sustainability Board, based on the consistency of the issues that the subjects have with the positions the

Company has taken and the goals it has pursued. Some issues were grouped into a single concept, given their complementarity and synergy. Once the themes were defined, the matrix was submitted to specialists for validation. A survey was carried out by nine representatives of local and international non-governmental organizations, as well as academics and researchers, to indicate their perception regarding the issues we presented, and the results were convergent with what was proposed. Following the conclusion of the development process, the Materiality Matrix is now composed of nine themes.

When comparing the new materiality matrix with the previous one, drawn up in 2020, the subjects biodiversity and business, as well as geographic diversification, have been included. Other subjects have been adjusted in terms of terminology or the inclusion of practices, such as solidity, transparency, and business integrity. The subjects sustainable livestock farming, climate change, water resources cycle, and safe and inclusive work environments have been updated to previous subjects, but are now approached in a broader manner, in line with the initiatives underway, the impacts measured, and the results already achieved. The themes animal welfare, and

food quality and safety have been maintained, with no changes. [GRI 3-2]

Previous Matrix (2020)	Current Materiality Matrix
→ Supply Chain Management	→ Sustainable livestock farming
→ Animal Welfare	→ Climate change
→ Food Quality and Safety	→ Biodiversity
→ Employee Health and Safety	→ Animal welfare
→ Reduction of Greenhouse Gas Emissions	→ Water resources cycle
→ Management of natural resources and the environment	→ Food quality and safety
→ Business Solidity and Perpetuity	→ Safe and inclusive work environments
	→ Business and geographic diversification
	→ Business soundness, transparency, and integrity

Material Subject Impacts

[GRI 3-3]

→ Sustainable Livestock Farming

Subject managed under the "Origin Control" pillar of our Sustainability Platform (more information on page 84). Several practices are in place, since one of the purposes of our operations is to promote sustainable livestock farming. These include the Marfrig Verde+ Program, the Marfrig Club protocol and our responsible purchasing principles.

- (+) Combating deforestation of biomes, by means of several initiatives (read more on page 84).
- (+) Engagement of producers in various initiatives, aimed at ensuring, whenever possible, animal welfare.
- (+) Socioeconomic inclusion of cattle suppliers and other links in the production chain.
- (+) Dissemination of practices concerning human rights throughout the value chain, such as the repudiation of labor analogous to slavery and child labor.
- (-) Impact on climate change, resulting from deforestation of the biomes and GHG emissions, carried out by irregular producers, a practice that we expect to eradicate through the Marfrig Verde+ Program (read more on page 84).
- (-) A drop in income generation and unemployment caused by the blocking of farms operating in irregular areas, a situation that we are in the process of reverting by means of the Marfrig Verde+ Program.

→ Climate change

These measures are conducted under a pillar also called "climate change". Based on processes and goals, we have strived to mitigate the impacts from our operations, both through the reduction of GHG emissions and through the offsetting of these emissions, as well as through the use of renewable energy, for which goals have been established. Read more on page 82.

- (+) Active fight against deforestation of biomes, making sure that our stakeholders take responsible actions, through responsible purchasing, for example.
- (+) Reduction of greenhouse gas (GHG) emissions from our operations.
- (+) Offsetting GHGs by encouraging the use of sustainable energy sources.
- (+) Engagement of producers to the practices aimed at GHG reduction, in their activities.
- (+) Intensifying the acquisition of energy resources from renewable sources.
- (-) High levels of methane gas emission, characteristic of the livestock farming activity, since it occurs during livestock breeding, mainly due to enteric fermentation, a phase of the digestive process of ruminant animals.
- (-) Rural exodus, driven by climate change and soil degradation, which causes a drop in productivity and rural income.

→ Biodiversity

This subject permeates all of the practices adopted in the pillars of our Sustainability Platform. This issue is related to the fight against deforestation and, consequently, to the promotion of sustainable livestock farming, as well as to the management of the water resources cycle and the efforts to minimize climate change impacts. Read more from page 78.

- (+) Combat deforestation, preserving the biomes.
- (+) Protection of water sources, through responsible water consumption and good wastewater disposal practices.
- (+) Promotion of good practices, throughout the chain, for the use of natural resources (water and energy), thus minimizing the impacts from livestock farming on biodiversity.
- (-) Deforestation of forests, associated with agricultural business and, consequently, livestock farming. We are fighting this practice, with concrete actions, carried out in partnership with other players in the sector.

→ Animal welfare

Management is grouped under the pillar of the same name, in our sustainability platform. As with other themes, our work is performed based on guidelines, policies, processes, management indicators, and targets. Read more on page 95.

(+) Respect for the animal's five freedoms - environmental, behavioral, psychological, sanitary, and physiological - whenever possible, as established by the Farm Animal Welfare Council.

(+) Dissemination of good animal welfare practices among producers.

(+) Training and performance monitoring of drivers, contributing to the improvement of animal transportation.

(-) Risk of long distances in the transportation of cattle, depending on the distances between producers and slaughterhouses, in addition to the quality of the roads. Our goal is to keep these journeys to no longer than eight hours.

→ Water resources cycle

A subject that involves a series of processes, from water collection to the return of the wastewater to nature, after we have used the input in our operational processes. We rely on separate treatment plants, for both wastewater and effluents, in 100% of our operations. The management is performed considering the quantity - always seeking to reduce consumption - and quality, an aspect that is considered both in the water consumed in the production of food and in the wastewater that is sent to the rivers. The management of this issue, therefore, is broken down into the "Natural Resources" and "Wastewater and Residues" pillars.

(+) Effluents treatment plants (ETP) in 100% of our operational sites, ensuring the correct disposal.

(+) Responsible water collection.

(+) Continuous analysis of the availability of water at the locations where we operate.

(+) Frequent monitoring of the river courses neighboring our plants.

(+) Reduction of the consumption generated from effluents, by means of processes and improved management.

(-) High demand for the input, which is an inherent feature of our operations.

→ Food Quality and Safety

We adopt the highest standards of food quality and safety in our operations, guaranteed by third-party certifications. Learn about the processes and practices we adopt starting on page 55.

(+) Very high-quality food supply.

(+) Production infrastructure among the most modern in the world.

(+) Production practices that meet the most demanding markets.

(+) Traceability of the product, from the farm of origin.

→ Safe and inclusive work environments

Occupational health and safety are essential issues in our operations. Conducting this subject combines continuous investments in infrastructure and training, along with alignment with the best international references and standards that address these issues in the different markets where we operate, among other practices. Learn more about this topic on page 72. *Considering the work environments, we are committed to evolving in diversity and inclusion practices, a theme that is still incipient in the sector in which we operate and, therefore, in our company.*

(+) Access to healthcare services for employees, offered by the outpatient clinics maintained in our plants, located, for the most part, far from urban centers.

(+) Safe and healthy environments for employees to develop their professional careers.

(+) Respect and acceptance of differences.

(+) Combat against any kind of discrimination in the organization (racial, gender, and age), based on inclusive and equitable spaces and remuneration.

(-) Diversity and inclusion policies, processes, and goals under development.

→ Business and geographic diversification

Our products are shipped to over 100 countries, from an operations platform concentrated in the Americas. We are the leading company in Latin America in plants qualified to export to China, which is currently the largest meat consumer market. We are expanding our product portfolio, with the inclusion of new proteins, such as vegetables, and industrialized items.

(+) Composition of professional teams exclusively dedicated to the reduction of environmental impacts from operations, whether in their locations and biomes, such as air, water, soil, and the potential reduction of natural resources.

(+) High quality and safe products, including options aligned to the different demands of society and the various markets, such as vegetarian, organic, and plant protein-based foods.

(+) Generation of direct and indirect jobs within the locations of our operations.

(+) Payment of taxes.

(+) Capturing of operational efficiency.

(+) Gains from synergies.

→ Soundness, transparency and integrity of business

Business strategies executed by a simple structure, with independent and profitable operations, and efficient management, which are the main drivers of the excellent results we have achieved. We operate without compromising ethics and integrity, with solid compliance structures in our operations, and management aligned with the best corporate governance practices.

(+) Creation of value to shareholders, through the payment of dividends.

(+) Investments worth R\$7 billion, over the last three years, in adapting, modernizing, and expanding operations in both North and South America.

(+) Fighting corruption.

(+) Compliance required from third parties.

(+) Monitoring of international customer practices.



Materiality Matrix

[GRI 3-2]

The actions and initiatives undertaken in each of the material topics effectively contribute to the achievement of 15 Sustainable Development Goals (SDGs).

Material topic	Related Issues	Disclosures		
		GRI	SASB	SDG
Sustainable livestock farming	Combating deforestation	3-3		1
	Responsible raw material purchasing	204-1		2
	Promotion of production and management systems, aiming at soil conservation and recovery of pastures	308-1		8
		308-2		10
		408-1		11
		409-1		12
		411-1		13
		413-1		15
		413-2		17
		414-1		
		414-2		
Climate change	Control of GHG emissions from operations	3-3	FB-MP-110a.1	7
	Compensation of GHG emissions	302-1	FB-MP-110a.2	12
	Low carbon livestock	302-3	FB-MP 130a.1	13
	Technologies applied to production, reducing emissions in the value chain	302-4		
	Treatment and correct disposal of solid waste	305-1		
	Use of clean energy	305-2		
	Rational energy consumption	305-3		
	Energy efficiency	305-4		
		305-5		
Biodiversity		306-5		
	Preservation of biomes	3-3		12
	Responsible management of the water resources cycle	304-2		15
	Reduction and compensation of GHG emissions			



Material topic	Related Issues	Disclosures		
		GRI	SASB	SDG
Animal welfare	Employee training on the topic	3-3	FB-MP-260a.1 FB-MP-410a.3	12
	Cattle transport			
	Guidance on good practices and technical visits to farms			
	Third party audits			
	Good animal welfare practices			
Water resources cycle	Water use management	3-3	FB-MP-140a.1	6
	Water risk management	303-1	FB-MP-140a.2	12
	Correct treatment and disposal of liquid effluents	303-2		13
	Rational use of water	303-3		15
	Water efficiency			
Food quality and safety	Quality controls	3-3	FB-MP-250a.1	12
	Quality Indicators	416-1	FB-MP-250a.2	
	Non-compliance management	416-2	FB-MP-250a.3	
	Food safety audits	417-1		
	Product traceability	417-2		
	Certifications	417-3		
Safe and inclusive work environments	Investments in safe work structures	3-3		3
	Work accident risk management	401-1		5
	Trainings	403-1		10
	Occupational health services	403-2		12
	Physical and mental health promotion programs	403-3		
	Diversity and inclusion	403-5		
		403-9 403-10		
Business and geographic diversification	Product innovation	3-3	FB-MP-000A	9
	Portfolio expansion, with industrialized and branded products	203-2		11
	Protein diversification (BRF)			12
	Offer of vegetable protein-based products, in line with the diversification strategy			17
	Leadership in plants enabled for exports to China			
	Enabling units for other countries, diversifying the destination of exports			
Business soundness, transparency, and integrity	Economic-financial management	3-3		16
	Low debt	201-1		17
	Adoption of the best Corporate Governance practices	205-1		
	Continuous evolution of the Compliance system	205-2		
		205-3		

CONTENTS



GRI content index



Declaration of use	Marfrig reported in accordance with the GRI Reporting Standards, for the period from January 1 to December 31, 2022.
	GRI 1 - Fundamentals 2021

GRI DISCLOSURE	DEFINITION	PAGE/ANSWER	OMISSION
The organization and its reporting practices			
2-1	Organizational details	14; 15; 25	
2-2	Entities included in the organization's sustainability reporting	"Marfrig Global Foods S.A. and subsidiaries, such as NBM US Holdings, Inc., BRF S.A., Marfrig Argentina S.A., Marfrig Chile S.A., Quickfood S.A., among others"	
2-3	Reporting period, frequency and contact point	130	
2-4	Restatements of information	129	
2-5	External assurance	This report has not been submitted to an external audit.	
Activities and workers			
2-6	Activities, value chain and other business relationships	14; 15; 17; 18; 19; 25	
2-7	Employees	65; 149	
2-8	Workers who are not employees	65; 149	
Governance			
2-9	Governance structure and composition	37	
2-10	Nomination and selection of the highest governance body	37	
2-11	Chair of the highest governance body	38	
2-12	Role of the highest governance body in overseeing the management of impacts	38	
2-13	Delegation of responsibility for managing impacts	37	
2-14	Role of the highest governance body in sustainability reporting	130	
2-15	Conflicts of interest	38; 39	
2-16	Communication of critical concerns	37	



GRI DISCLOSURE	DEFINITION	PAGE/ANSWER	OMISSION
2-17	Collective knowledge of the highest governance body	39; 40; 80	
2-18	Evaluation of the performance of the highest governance body	40	
2-19	Remuneration policies	40	
2-20	Process to determine remuneration	41	
2-21	Annual total compensation ratio		Data available in the Reference Form (item 10), pursuant to CVM Resolution 59/21
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	3	
2-23	Policy commitments	44	
2-24	Embedding policy commitments	44	
2-25	Processes to remediate negative impacts	53; 122	
2-26	Mechanisms for seeking advice and raising concerns	44; 47	
2-27	Compliance with laws and regulations	54; 56	
2-28	Membership associations	33	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	31; 33	
2-30	Collective bargaining agreements	67	

GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ANSWER	OMISSION
Sustainable livestock farming				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	21, 84	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	91	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	90; 91	
	308-2	Negative environmental impacts in the supply chain and actions taken	91; 122	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	90; 91; 124	



GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ANSWER	OMISSION
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	90; 91; 124	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	91	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	122	
	413-2	Operations with significant actual or potential negative impacts on local communities	84	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	90; 122	
	414-2	Negative social impacts in the supply chain and actions taken	84; 91	
Climate change				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	102	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	115	
	302-3	Energy intensity	115	
	302-4	Reduction of energy consumption	115	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	107	
	305-2	Energy indirect (Scope 2) GHG emissions	107	
	305-3	Other indirect (Scope 3) GHG emissions	107	
	305-4	GHG emissions intensity	107	
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GRI 306: Waste 2020	306-5	Waste directed to disposal	121	
Biodiversity				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	84, 95, 102	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	96; 101; 104	
Animal welfare				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	95	

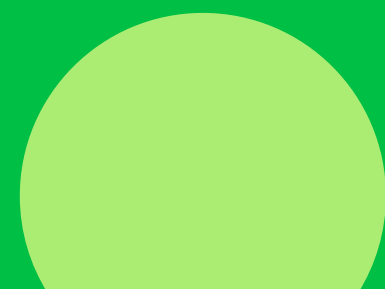


GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ANSWER	OMISSION
Water resources cycle				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	108; 116	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	109	
	303-2	Management of water discharge-related impacts	116	
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Food quality and safety				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	55	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	55	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	56	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	63	
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Safe and inclusive work environments				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
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GRI STANDARDS	GRI TOPICS	DEFINITIONS	PAGE/ANSWER	OMISSION
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	69	
	404-2	Programs for upgrading employee skills and transition assistance programs	67; 69; 70	
	404-3	Percentage of employees receiving regular performance and career development reviews	71	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	65	
	405-2	Ratio of basic salary and remuneration of women to men	66	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	67	
Business and geographic diversification				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	17; 18; 25; 26	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	122	
Business soundness, transparency, and integrity				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	133	
	3-2	List of material topics	136	
	3-3	Management of material topics	37; 43; 126	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	127	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	52	
	205-2	Communication and training about anti-corruption policies and procedures	45	
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TOPIC	CODE	ACCOUNTING METRIC	PAGE
Greenhouse Gas Emissions	FB-MP-110a.1	Gross global Scope 1 emissions	107
	FB-MP-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	102
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Water Management	FB-MP-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	111
	FB-MP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	109
Food Safety	FB-MP-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	58
	FB-MP-250a.2	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	55
	FB-MP-250a.3	(1) Number of recalls issued and (2) total weight of products recalled	62
Antibiotic Use in Animal Production	FB-MP-260a.1	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type	94
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Activity Metrics	FB-MP-000.A	Number of processing and manufacturing facilities	17



CORRELATION OF OUR PRACTICES WITH THE TEN PRINCIPLES

PAGE

Human Rights

- 01. Businesses should support and respect the protection of internationally proclaimed human rights; and
- 02. make sure that they are not complicit in human rights abuses.

43; 84; 122

Labour

- 03. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 04. the elimination of all forms of forced and compulsory labour;
- 05. the effective abolition of child labour; and
- 06. the elimination of discrimination in respect of employment and occupation.

66; 84; 122

Environment

- 07. Businesses should support a precautionary approach to environmental challenges;
- 08. undertake initiatives to promote greater environmental responsibility; and
- 09. encourage the development and diffusion of environmentally friendly technologies.

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Anti-Corruption

- 10. Businesses should work against corruption in all its forms, including extortion and bribery.

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APPENDIX



Appendix



People

The information referring to people, indicated in this report between pages 65 and 70, is presented on a consolidated basis, gathering data referring to our two operating platforms: South America, which includes Argentina, Brazil, Chile and Uruguay, and North America, whose activities, concentrated in the United States, are conducted by National Beef.

The tables below provide a snapshot of this information, broken down by country.

By age group and gender

		2021		2022	
		Female	Male	Female	Male
ARGENTINA	Up to 30 years of age	52	730	44	512
	From 31 to 50	190	1153	173	1,087
	Over 50	48	211	38	210
	Total/gender	290	2,094	255	1,809
	Total	2,384		2,064	
BRAZIL	Up to 30 years of age	2,136	5,130	2,086	4,624
	From 31 to 50	2,985	5,489	3,189	5,749
	Over 50	612	1148	775	1,463
	Total/gender	5,733	11,767	6,050	11,836
	Total	17,500		17,886	
CHILE	Up to 30 years of age	37	66	72	131
	From 31 to 50	46	93	109	139
	Over 50	21	62	32	86
	Total/gender	104	221	213	356
	Total	325		569	
URUGUAY	Up to 30 years of age	131	844	274	1,219
	From 31 to 50	514	1,816	490	1,546
	Over 50	189	468	66	208
	Total/gender	834	3,128	830	2,973
	Total	3,962		3,803	
UNITED STATES	Up to 30 years of age	1,075	2,024	1,072	2,039
	From 31 to 50	1,562	2,783	1,648	3,027
	Over 50	860	1,526	901	1,598
	Total/gender	3,497	6,333	3,621	6,664
	Total	9,830		10,285	



Leadership

	Occupation	2021					2022				
		Female		Male		Total	Female		Male		Total
ARGENTINA	Coordination	16	24.2%	50	75.8%	66	19	25.0%	57	75.0%	76
	Management	7	33.3%	14	66.7%	21	7	21.2%	26	78.8%	33
	Directors	0	0.0%	2	100.0%	2	0	0.0%	2	100.0%	2
	Other leaders	8	11.4%	62	88.6%	70	15	16.3%	77	83.7%	92
	Total	31	19.5%	128	80.5%	159	41	20.2%	162	79.8%	203
BRAZIL	Coordination	40	22.0%	142	78.0%	182	50	24.0%	158	76.0%	208
	Management	25	16.3%	128	83.7%	153	29	18.4%	129	81.6%	158
	Directors	0	0.0%	30	100.0%	30	2	6.7%	28	93.3%	30
	Other leaders	176	19.8%	712	80.2%	888	192	20.8%	730	79.2%	922
	Total	241	19.2%	1,012	80.8%	1,253	273	20.7%	1,045	79.3%	1,318
CHILE	Coordination	9	28.1%	23	71.9%	32	9	26.5%	25	73.5%	34
	Management	1	25.0%	3	75.0%	4	1	16.7%	5	83.3%	6
	Directors	0	0.0%	2	100.0%	2	0	0.0%	2	100.0%	2
	Other leaders	6	46.2%	7	53.8%	13	5	45.5%	6	54.5%	11
	Total	16	31.4%	35	68.6%	51	15	28.3%	38	71.7%	53
URUGUAY	Coordination	36	18.4%	160	81.6%	196	0	0.0%	0	0.0%	0
	Management	8	26.7%	22	73.3%	30	0	0.0%	0	0.0%	0
	Directors	0	0.0%	1	100.0%	1	0	0.0%	0	0.0%	0
	Other leaders	36	18.4%	160	81.6%	196	56	21.9%	200	78.1%	256
	Total	80	18.9%	343	81.1%	423	56	21.9%	200	78.1%	256
UNITED STATES	Coordination	20	11.6%	153	88.4%	173	11	9.6%	104	90.4%	115
	Management	50	21.8%	179	78.2%	229	54	24.3%	168	75.7%	222
	Directors	0	0.0%	6	100.0%	6	0	0.0%	6	100.0%	6
	Other leaders	109	19.7%	444	80.3%	553	117	18.9%	501	81.1%	618
	Total	179	18.6%	782	81.4%	961	182	18.9%	779	81.1%	961

Employees by type of occupation and labor contract

[GRI 2-7; 2-8]

Total number of employees by labor contract	Argentina	Brazil	Chile	Uruguay	United States
Permanent	2,062	17,886	122	3,802	10,296
Temporary	2	0	0	0	0
Total	2,064	17,886	122	3,802	10,296

Total number of employees by type of occupation	Argentina	Brazil	Chile	Uruguay	United States
Full-time	2,062	17,886	122	3,795	10,147
Part-time	2	0	0	7	149
Total	2,064	17,886	122	3,802	10,296

Total number of outsourced employees	Argentina	Brazil	Chile	Uruguay	United States
Outsourced	399	146	11	116	0

Hiring, Dismissals and Turnover

[GRI 401-1]

	Argentina	Brazil	Chile	Uruguay	United States
Hiring	234	6,413	364	289	5,186
Dismissals	250	6,136	96	209	4,464
Turnover rate (%)	10.14	35.85	70.74	6.28	49.08



Employee turnover during the reporting period, broken down by age group and gender, in 2022

		Argentina	Brazil	Chile	Uruguay	United States
Female Gender: Up to 30 years old	(un)	17.79	51.03	97.69	33.59	76.19
Female gender: Between 31 and 50 years old	(un)	16.84	30.90	96.73	4.57	42.29
Female gender: Over 51 years old	(un)	6.25	8.99	65.69	4.50	15.70
Male gender: Up to 30 years old	(un)	11.99	50.55	36.70	13.09	80.34
Male gender: Between 31 and 50 years old	(un)	7.42	27.31	44.62	2.48	45.01
Male gender: Over 51 years old	(un)	11.61	10.02	44.18	3.74	21.76

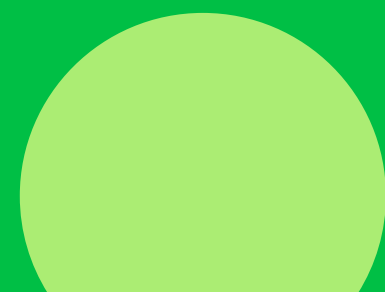
Employee turnover during the reporting period, broken down by seniority, in 2022

	Argentina	Brazil	Chile	Uruguay	United States
Coordinator	13.64	19.23	0.00	1.02	2.31
Director	0.00	8.33	0.00	0.00	0.00
Manager	28.57	9.48	0.00	16.67	7.21
Other Leaders	26.79	19.93	0.00	2.81	8.14
Other employees	9.35	37.21	83.91	6.68	53.66

Training in Occupational Health and Safety

[GRI 403-5]

Country	N. Participants	Hours of training
Argentina	1,532	3,470
Brazil	13,728	335,705
Chile	426	7,944
Uruguay	2,465	291,601
United States	12,960	499,290
TOTAL	31,111	1,138,010



Corporate information



MARFRIG GLOBAL FOODS S.A.

Avenida das Nações Unidas, 14,401 Edifício Jequitibá
Chácara Santo Antonio – CEP 04730-090 – São Paulo – SP
Tel: + 55 11 3792-8600

CONTACTS

Investor Relations:
(55 11) 3792-8907
ri@marfrig.com.br

Sustainability:
(55 11) 3792-8600
sustentabilidade@marfrig.com.br

CREDITS

COORDINATION

Sustainability Office

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Aiurú ESG

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