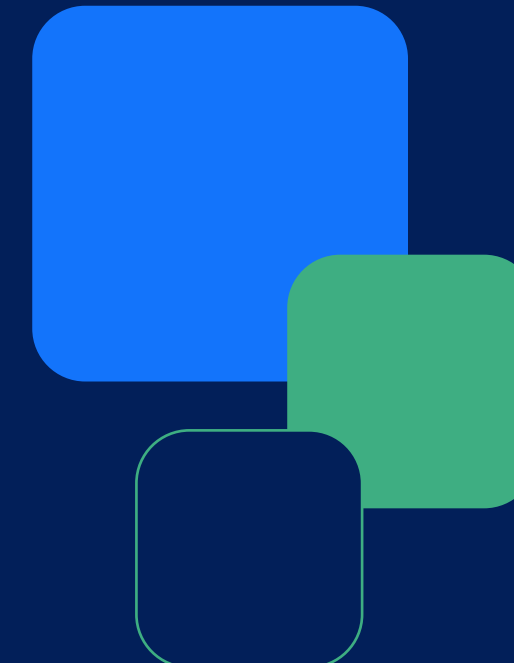




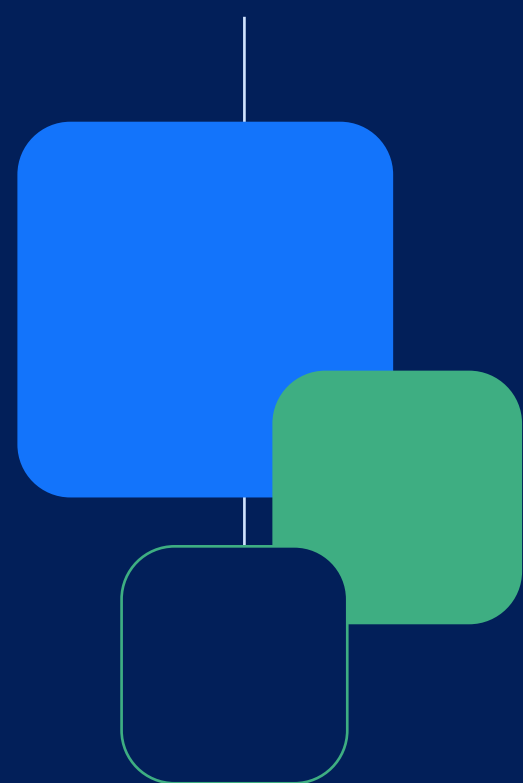
Sustainability Report



20
23

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

In 2023, Marfrig moved further forward towards its strategic objectives, consolidating its position as global leader in the production of hamburgers and as one of the world's biggest beef companies. We took important steps in driving our growth and strengthening our presence in the global markets.

One of the principal initiatives was to optimize the portfolio in the South American operation, aimed at increasing the availability of products with higher aggregate value and well-recognized brands. The sale of 16 slaughterhouses and a Distribution Center, for a total of R\$ 7.5 billion, was announced in August. This operation will allow Marfrig to focus on industrial complexes involving greater scale, efficiency and profit margins.

We also increased our stake in BRF to a controlling majority of 50.06% of the Company's capital. The acquisition forms part of Marfrig's long-term strategy of offering the global market a multi-protein portfolio containing recognized brands and quality. Marfrig and BRF currently operate in 140 countries, together offering a diverse portfolio of proteins. Both are focused on operating efficiently, profitably and sustainably, whilst generating value for all our stakeholders.

Marfrig's operational performance in 2023 was consistent, highlighted by consolidated Net Revenue of R\$ 136.5 billion and consolidated adjusted managerial EBITDA of R\$ 9.3 billion. These results were driven by the company's leadership in the North American markets and by BRF sales, which surpassed R\$ 53 billion.

In the Environmental, Social and Governance agenda (ESG), we prioritize the reduction of emissions and control of their sources, the conciliation of conservation with production, the rationalization of the use of natural resources, the welfare of the animals, and the commitment to social responsibility.

Each of these bases is accompanied by defined targets, supported by solid and transparent methodological approaches, which we will demonstrate throughout this report.

At COP 28, in December, we announced the new cycle of the Verde+ Program, involving investments of approximately R\$ 100 million in areas such as the recovery and transformation of pastureland, ecological restoration, regenerative agriculture and genetic improvement of the herd.

Furthermore, we have accelerated our target to trace 100% of the direct and indirect suppliers involved in purchasing animals for slaughter at our units by five years. Our new goal is to trace 100% of the supply chain across all biomes of Brazil by the end of 2025.

Consolidating our leadership in this area within the sector, the Farm Animal Investment Risk and Return (FAIRR) Initiative has placed us first amongst the companies evaluated within our segment. The FAIRR Initiative is a London-based collaborative network of investors, dedicated to raising awareness of the ESG risks and opportunities that exist in the animal protein sector. Additionally, for the fourth consecutive year, we are included in the B3's (Brasil, Bolsa, Balcão) Corporate Sustainability Index portfolio (ISE)

We have reaffirmed our commitment to financial responsibility, the generation of value for our stakeholders, and the responsible production of food. We will continue to seek opportunities for growth, whilst maintaining a strong focus on sustainability and operational excellence, dedicating ourselves to the maintenance of financial solidity and generating value for all those involved in our value chain, for the communities where we operate, for our investors, and for all the company's customers and employees. These are the advances, together with consistent operational performance, that enable us to face the volatile cycles that are inherent to our sector.



We would like to thank our shareholders, customers, suppliers and employees for their dedication and support. We recognize that they are essential to the success of our company.

Marcos Antonio Molina dos Santos
Controller and Chairman of the Board of Directors

A message from the Executive Board - South America [GRI 2-22]

2023 was an extremely emblematic and positive year for Marfrig. We began a process of transformation at our company, reinforcing the strategic positioning in products of high added value and in recognized brands, whilst concentrating operations in industrial complexes that produce fresh meat and processed products.

We achieved a total volume of sales of 1.5 million tons, with a net revenue of R\$ 23.5 billion and adjusted EBITDA of R\$ 2.3 billion, which is 1% higher than the 2022 EBITDA. As such, we achieved an EBITDA margin of 10%, or in other words, 1.6 percentage points above the 2022 margin.

There were numerous factors that contributed to our ability to obtain these results. One of them relates to the exports, in which China figured less this year accounting for around 60% of the South American operation's exports. The fewer exports to China over the course of practically the whole year minimized the risk of exposure and raised the potential for the increased value of our products, thereby improving our results.

Furthermore, those products with greater added value were more present, in line with our strategic positioning, combined with the operational efficiency program and the extremely precise pricing analysis. It is also important to stress that our geographical reach also contributed significantly to our results. We have operations in five countries and sell to more than 100 locations. Our operations involve 26 production units and distribution centers, all of which are strategically located, including 11 slaughterhouses, six slaughter and processing units (five of which are focused on the production of industrialized products and one on pet foods), one feedlot unit, and two of our own distribution centers. This broad presence allows us to efficiently meet both domestic and international demands.

Advances in sustainability

We continued to invest in sustainable practices, with special mention going to the Verde+ Program. In 2023, we announced that our target of ensuring that 100% of our production chain, covering all biomes, is sustainable, tracked and deforestation-free, had been brought forward to 2025.

Also in the area of controlling the origins of the raw-material, we began the first auditing cycle of the Amazon Region Cattle Suppliers Monitoring Protocol ('Beef on Track'), undertaken by the Federal Public Prosecutor's Office (MPF), with 100% compliance, thus demonstrating the robustness of our monitoring system and our commitment to promoting and encouraging production together with the conservation of biodiversity.

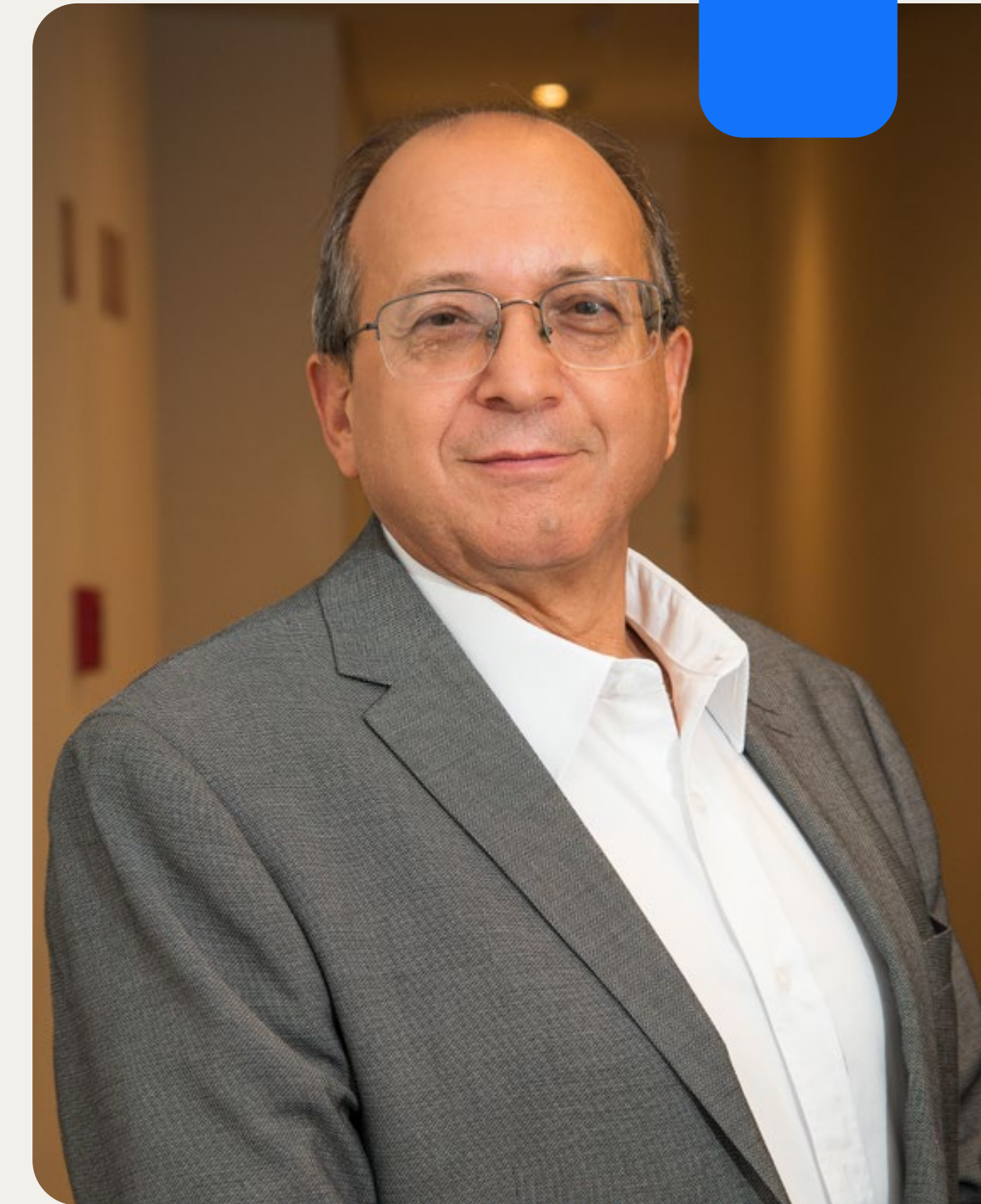
We made significant advances in the area considered to be most challenging within the sector - traceability. With 100% of the direct suppliers already monitored by satellite, in 2023 we achieved 85% coverage of indirect suppliers in the Amazon region and 71% in the Cerrado region, ensuring that the cattle purchased by the Company is not sourced from deforested areas, indigenous lands, or conservation units. This clearly demonstrates the viability of hitting the new traceability target that has been brought forward by five years to 2025.

With regard to the pillar of mitigation of climate change, I remember that Marfrig was the first beef protein company in Latin America to have its scopes 1, 2 and 3 emissions

reduction targets approved by the Science Based Target initiative (SBTi). We are actively committed to the implementation of low emissions production systems throughout our supply chain, including Integrated Crop-Livestock-Forestry (ICLF) systems, the correct management of pastureland, improved genetics, and the use of feed supplements that are proven to act on the enteric fermentation of the animals, thus reducing methane emissions. These actions are fundamental to achieving the Scope 3 target. The Company has also been working to utilize energy resources which involve lower emissions of Greenhouse Gases (GHG). We are also continually aiming to improve our production processes, through partnerships designed to optimize our industrial operations in the form of energy efficiency and modernization of our infrastructure.

When looking back at a year that has been challenging but also progressive in numerous areas, we can see that we have continued to provide the best high-quality and sustainable products for the global market.

I would like to sincerely thank every one of our employees, partners,



customers, consumers and suppliers for their dedication and trust - elements that have been essential to our ability to end another year with significant results on all fronts.

Rui Mendonça
CEO Brazil

A message from the Executive Board - North America [GRI 2-22]

Since 1992, as National Beef, we have been dedicated to achieving a prominent position in the sector, consolidating our commitment to being one of the leading companies in the field. Ever since, we have been traveling a journey notable for its firm partnerships and a strong commitment to sustainability. At National Beef, we understand how sustainability guides our business to produce beef and other products safely and to high standards of quality, taking into consideration the welfare of our employees, commercial partners, customers and the communities in which we operate. We are also committed to ensuring the welfare of the animals and adopting measures that preserve the environment and natural resources.

Over the years, we have developed strategic partnerships with our cattle suppliers, making us a benchmark as an employer brand in the communities where we operate and solidifying our reputation in terms of quality, added value and customer service. With an experienced and leading team, guided by people dedicated to offering sustainable solutions and the highest quality fresh beef,

consumption-ready products and beef byproducts, we have established ourselves as a respected company that is committed to doing everything responsibly for our stakeholders.

From an economic perspective, in 2023, our net revenue reached US\$ 11.9 billion, a rise of 0.6% against the previous year, despite having faced challenges such as a lower volume of sales and a shorter tax year. Despite the reduction in the supply of animals for slaughter and a lower demand for beef, we firmly maintained our commitment to sustainability and operational excellence, focusing on efficiency and innovation.

We have also continued investing in the implementation of a comprehensive program of animal welfare that includes training, monitoring and auditing to ensure compliance with all the protocols and standards required by the the United States' Department of Agriculture (USDA). Furthermore, by prioritizing food safety, all National Beef installations adopt the company's own Beef® Biologic® system, that involves employee training, control of pathogens in the workplace, continual

monitoring of the activities, and third party audits.

With regard to the correct disposal of waste and post-production treatment of wastewater, the unit based in Liberal, Kansas, treats roughly 7 billion liters per year, putting it to reuse in the irrigation of agricultural lands. The installation has a station specifically for the treatment of wastewater, as well as an irrigation system for the distribution of the treated effluent, which is used by local farmers on their properties near the unit.

Demonstrating resilience in the midst of a volatile business environment (a characteristic of the sector), we have invested more than US\$ 800 million over the last five years in expanding our capacity, improving our supply of products with added value, and modernizing our installations. Furthermore, our partnership with U.S. Premium Beef and our solid relations with our customers have been fundamental factors in our sustained growth and maintenance of our results.

We are extremely optimistic about the future of our industry. As per our forecasts, 2024 has confirmed our

expectations in relation to the demand for beef and price levels, which has allowed us to navigate our way more resiliently, even within the challenging context of record levels of cattle prices.

We have remained firm in our commitment to invest in our operations, seeking efficiency and maintaining an ongoing collaboration with the operations in South America. By means of this approach, and with sustainability as our guide, we have strengthened our Company's position as one of the global leaders in animal protein, at the same time as we have consolidated National Beef's unique business model, which sets us apart as the most efficient company in the sector in North America.

Tim Klein
CEO of National Beef



High lights 2023



Economic-financial

Marfrig generated Consolidated Net Revenue of

R\$ 136,485 million.

The consolidated Adjusted EBITDA totaled

R\$ 9,296 million.

The Consolidated Operating Cashflow was

R\$ 11,144 million.

The Consolidated CAPEX totaled

R\$ 3,907 million.



Sustainability platform



Origin control

We have brought forward our target of **achieving full traceability of our direct and indirect suppliers** in all biomes to 2025 - five years earlier than planned.

We invested

R\$ 100 million

in **sustainable practices** in the proposals for the new cycle in the Verde+ Program.

We achieved

85.7% traceability of indirect suppliers in the Amazon region biome and

70.9% in the Cerrado biome. In total, we monitor 73% of the indirect suppliers and aim to reach 100% by the end of 2025.



Animal Welfare

We are one of the **best positioned beef protein companies in the BBFAW**.

We audit

100%

of the slaughterhouses for animal welfare, in line with NAMI standards, bringing forward the 2025 target by three years.

More than

85% of the supplier farmers in Brazil fulfilled the Marfrig Club Program's welfare criteria.



Climate Change

We are the **best evaluated company** in the sector in all three questionnaires of the CDP.

We are also the **first beef protein company** in the Americas to be included in the CDP's "A List", in the category of climate change.

Through the Marfrig Club, we encourage the production of animals in **low emissions systems**.



Natural Resources

We invested more than

R\$ 78 million

in water and wastewater **infrastructure management improvements**, resulting in an increase in water efficiency of 3% in relation to 2022.

We reduced the total amount of water withdrawn for use in our operations by 3%, meaning more than

798 million liters of water.

We have increased the **usage index of energy drawn from renewable sources** in our South American operations by more than

20% compared to 2022.



Wastewater and Waste

We guarantee

100% environmental compliance through

wastewater treatment systems implemented at the operational units.

We reduced the generation of non-hazardous waste by a total sum of

9,236 tons across all operations.

We have adopted the **practice of fertigation** at

100% of our units where the implementation of the method was seen to be viable and economical.



Social Responsibility

We have reincluded

3,561 farms

through the Verde+ Program since it began.

160 calf breeders

are involved in the Sustainable Calf program.

Reco gnition

Coller FAIRR Protein Producer Index

Just as in 2022, of all the beef protein companies included in the index, Marfrig is the only one classified as low risk in terms of sustainability.

The Company's overall score saw an annual rise of seven percentage points, moving up from 61% in 2022 to 68% in 2023. We are the highest ranking beef protein company in the ranking, being placed fourth globally.

The FAIRR Initiative is a London-based collaborative network made up of 360 international investors, managing assets worth roughly US\$ 75 trillion and with the aim of raising awareness of the ESG risks and opportunities involved in intensive farming. Each year, the initiative evaluates 60 global animal protein company based upon ten risk indicators, including GHG emissions, water use, deforestation and animal welfare. The ranking helps large-scale investors to take decisions based upon sustainability criteria.

FOREST 500

Marfrig has received the best evaluation in relation to the beef protein commodity - which is directly related to the business.

In 2023, Marfrig recorded a five percentage point increase in its scoring on the FOREST 500 global ranking for efforts to tackle deforestation, rising from 39% to 44%. Over the most recent two evaluation cycles, this increase totals ten percentage points, demonstrating the company's progress and its leading position among companies in the sector in Brazil.

In the beef protein segment, which is fundamental to Marfrig's business, we achieved our best evaluation, improving our score even further and putting us 16 percentage points ahead of the second-placed company. Additionally, the company is also evaluated in relation to the production chains involving leather, soybean, paper and cellulose/wood.

Each year, FOREST 500, a Global Canopy initiative, monitors 350 of the world's most influential companies and 150 international financial institutions. The initiative evaluates the policies, commitments and effective practices of all the organizations with regard to management of the risk of deforestation in its value chains and investments. Each company receives a score in indicators that relate to their commitments and the effective implementation of measures designed to tackle deforestation.

B3 Efficient Carbon Index

For the fourth consecutive year, we are part of the Efficient Carbon Index (ICO2) portfolio

The ICO2 is made up of the shares of companies that are committed to the transparency of their information concerning the carbon emissions originating from their operations, including the supply chain.

Business Benchmark on Farm Animal Welfare (BBFAW)

Marfrig stood out as one of the best positioned beef protein companies in the BBFAW.

The Business Benchmark on Farm Animal Welfare (BBFAW) is globally recognized in the evaluation of the management, policy commitment, and performance and dissemination of the welfare of farm animals in food companies. The BBFAW provides companies with a clear set of expectations relating to the practice and reporting of farm animal welfare management, allowing them to compare themselves with their peers in the industry and progressively boost the standards of welfare in their supply chains.

Marfrig, one of the biggest beef proteins companies in the Americas, has stood out in this aspect. This has been possible due to the implementation of improvements and revisions of internal policies, as well as the greater availability of information on the South and North American operations. As such, the company demonstrates a significant commitment to the welfare of farm animals, integrating these practices into its business strategy and standing out as a leader in the Americas.

Carbon Disclosure Project (CDP)

We achieved the maximum evaluation ("A") in the CDP's "Climate Change" category, thus forming part of the "A List".

In the other two categories ("Water Safety" and "Forests"), we maintained our position with the second best score ("A-"). These scores make Marfrig the best evaluated company in the sector.

The CDP is a non-profit organization that mobilizes investors, companies and governments with the aim of constructing and accelerating collaborative actions for sustainable development for the current and future generations. A total of around 23,000 companies were evaluated in 2023.

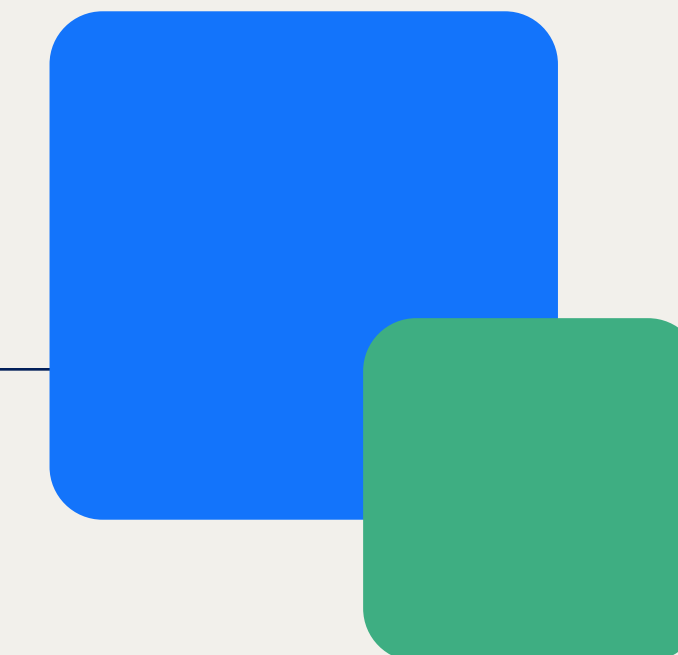
Global Child Forum Benchmark

We were one of the six companies which most evolved globally in this Benchmark between 2021 and 2023.

We also joined the select group of companies in the 'Leader' category, increasing our score from 7.3 to 7.6.

The Global Child Forum Benchmark is a global index designed to measure companies' processes and the progress they make on children's rights.

The initiative aims to evaluate how the businesses impact these rights, as well as the business and strategic commitments made to protecting the human rights of this social group. The dimensions evaluated were: governance, workplace, market, community and environment.



chapter

About Marfrig



Profile [GRI 2-1 | 2-6]

Committed to globally supplying the best protein and establishing long-lasting relationships with consumers, Marfrig's main objective is to create top quality and safe products.

We constantly strive for recognition as the world's best protein company, growing hand-in-hand with our customers, suppliers and partners, whilst promoting sustainable development. Our fundamental values, including a focus on the customer, simplicity, transparency, respect, excellence and entrepreneurship, guide every aspect of our work.

As world leaders in beef protein-based food production and the world's largest manufacturer of hamburgers, our products are consumed by millions of people in more than 100 countries every day. Our head offices are located in São Paulo, Brazil, and our production base extends throughout the Americas.

With a diverse and comprehensive portfolio, we are committed to guaranteeing excellence and quality in all we do, meaning our products are to be found in the world's leading restaurant chains and supermarkets, and, of course, in homes everywhere. We are also on the cutting edge of innovation, pioneers in the supply of 100% plant-based products to meet the growing demand for alternative proteins.

We are a publicly traded joint-stock corporation, with shares included in the B3's 'Novo Mercado', a listing segment that brings together companies that voluntarily adopt distinctive Corporate Governance practices. We also hold Level 1 American Depositary Receipts (ADRs), listed on the United States' Over-the-Counter (OTC) market.

Our operations are centered on three main areas:



Meat Processing

Our products cater to the foodservice (including restaurants and "eating out" food services) and retail segments, with globally recognized brands. We produce for both domestic consumption and the export market, being recognized as one of the world's leading exporters of animal protein.



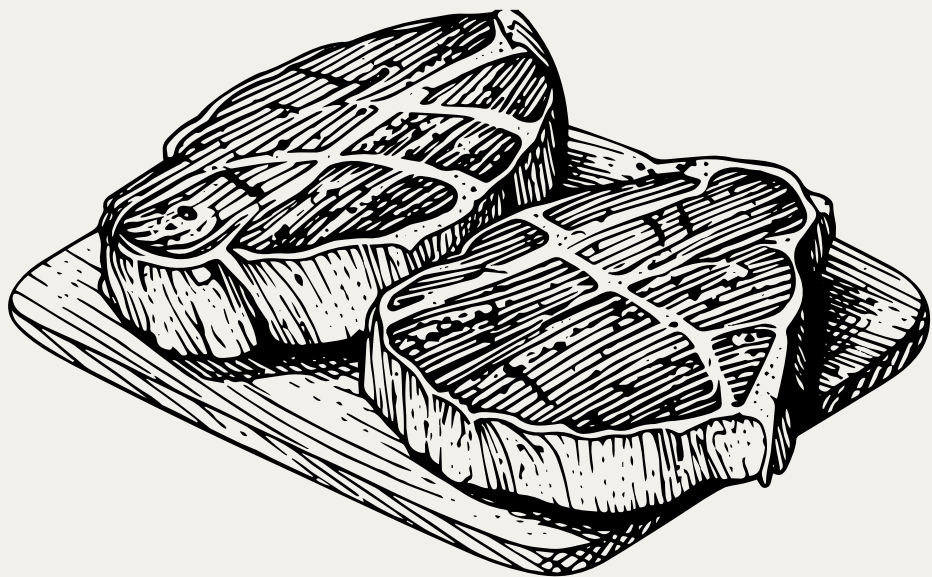
Processed Products

We have a consistent portfolio of high added value products, including not only hamburgers, but also canned meats, sausages, frankfurters, and a wide variety of ready-to-eat items, such as sauces and frozen vegetables.



Plant-based products

We are pioneers in our sector, offering 100% plant-based options such as hamburgers, meatballs, kibbeh, and sausages, as well as ground beef and other products. These alternatives are aimed at both the foodservice sector and retail channels. These items are produced in Brazil and the United States and are traded on the domestic markets and internationally. In this segment, we operate through PlantPlus Foods, a joint venture established in 2020 in partnership with the US company Archer Daniels Midland Company (ADM) (read more on [page 17](#)).



Mission

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

Vision

To be recognized as the world's best protein manufacturing company.



To **grow** with the customers, suppliers and partners through innovative products, and operate in the best markets;



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



To promote the Company's **development** and create value for our shareholders;



To **respect** the society of which we form an integral part.

Values

At the core of Marfrig, our purpose aligns with values that not only guide our actions but also shape the legacy we aim to leave in the world. These values are rooted in a philosophy that transcends mere commercial success.



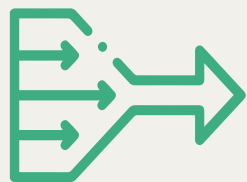
Customer Focus: Total commitment to our domestic and overseas clients. Attention and passion in all we do to meet the needs of customers at every stage of the productive cycle. Acting with integrity and doing the right thing in relation to products and procedures.



Transparency: Don't hide problems. Behavior and conduct are aimed at learning from mistakes to ensure they don't happen again. We encourage dialog with stakeholders, thus generating confidence, as well as allowing us to improve as professionals and people.



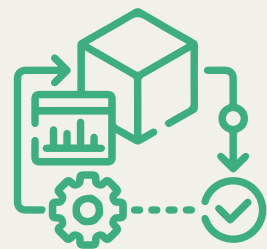
Excellence: The offer of innovative solutions is constantly being encouraged, with the aim of ensuring excellence in all that we do. This capacity is developed throughout the organization in search of customer loyalty in both the domestic and international markets.



Simplicity: Clarity, objectivity and simplicity in decision-making, seeking to facilitate procedures. The idea of "less is more" runs through all our operations.



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



Entrepreneurship: Attention to the market context and adapting ourselves to it. Working with passion and knowing how to recover from adversity with resilience. Acting responsibly, whilst taking care of processes, productivity and resources. Being attentive so that we can promptly act in the face of demands, problems and opportunities.

Our operations

[GRI 2-1 | 2-6 | SASB FB-MP-000.A]

Geographical diversification

Through our activities in the Americas, we are able to distribute our products on a global scale, reaching all the principal markets around the world. Over the last three years, we have invested more than R\$ 8.86 billion in adapting, modernizing and expanding our operations in both North and South America.







19
cattle
slaughterhouses



1
sheep
slaughterhouse

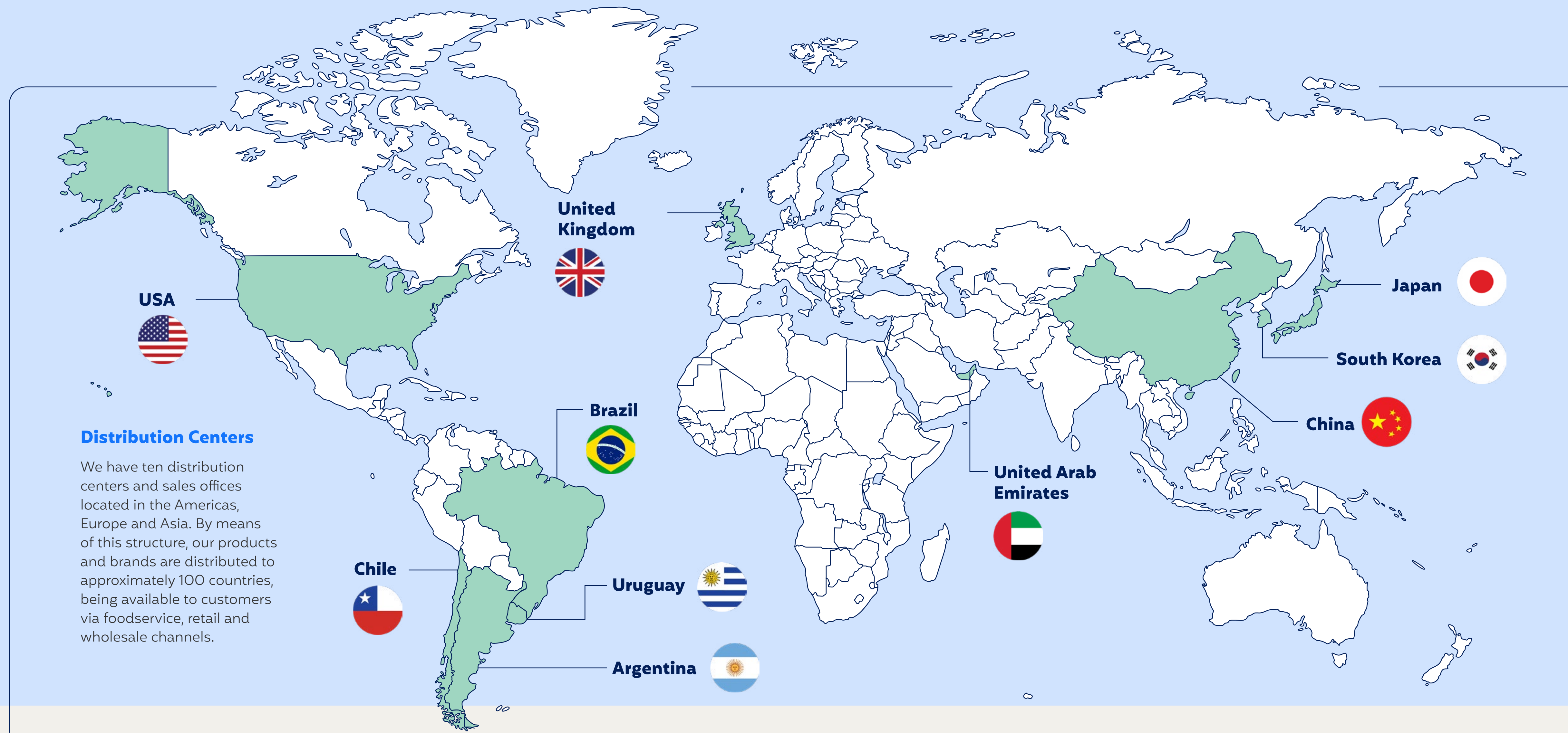


13
processing units
focused on added
value products

-  slaughterhouses
-  processing units
-  slaughter + processing units
-  feedlots

*In 2023, we held negotiations with Minerva, which, following approval from the market regulators in the countries involved, will result in the sale of 16 beef and lamb slaughterhouses currently belonging to Marfrig. These units are located in four countries: Brazil, Argentina, Uruguay and Chile.





Distribution Centers

We have ten distribution centers and sales offices located in the Americas, Europe and Asia. By means of this structure, our products and brands are distributed to approximately 100 countries, being available to customers via foodservice, retail and wholesale channels.

How we operate in South America

We have an integrated production platform which makes us one of the leading producers of beef protein-based foods, with a slaughtering capacity of approximately 16,200 animals per day.

With eight processing and sixteen slaughter units, distributed across Argentina, Brazil, Chile and Uruguay, we cater to the different markets on the five continents, placing us among the leading South American beef exporters.

We also manufacture processed products in the region, including hamburgers, canned meat, beef jerky, sauces, sachets and other products. We have a workforce of around 23,000 employees and our head offices are located in the São Paulo state capital, in Brazil.

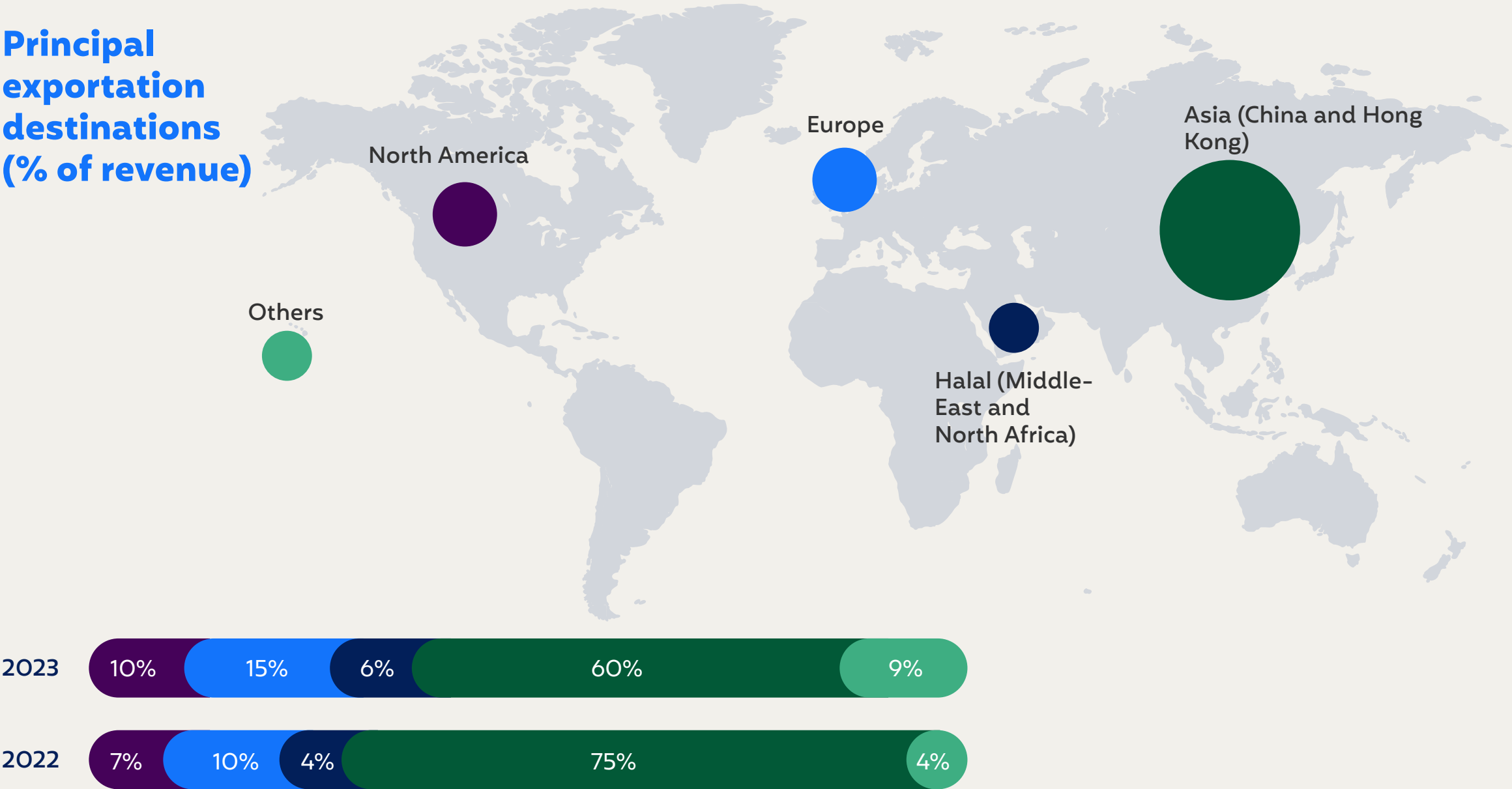
The local markets are supplied with leading, widely-recognized, brands (on **page 16** we provide a list of all the brands that make up our portfolio by country). The growth of sales confirms our prominent position.

In the international market, meanwhile, one differential in our operations is the fact that we have 13 plants certified for sales to China, which is currently the world's biggest beef importer. In 2023, this Asian country accounted for the majority of our exports in this

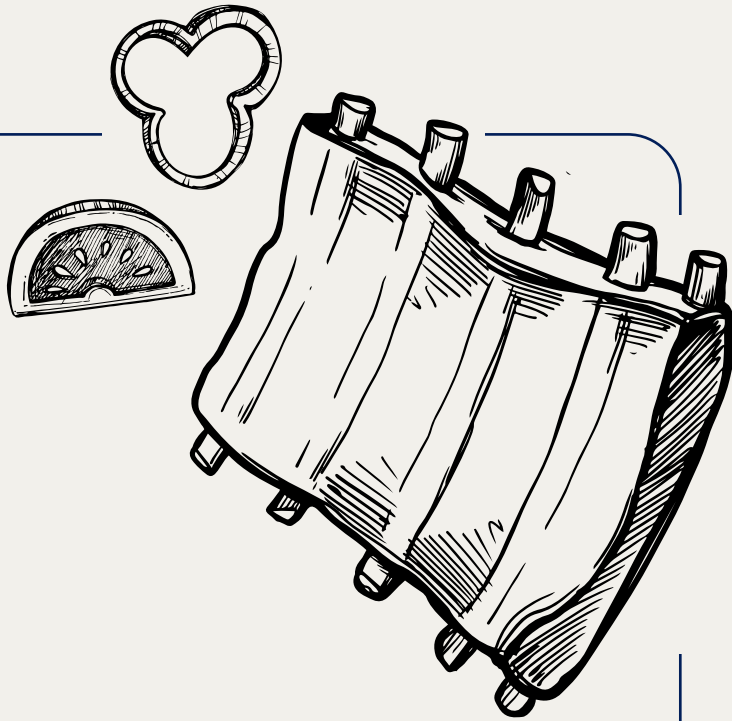
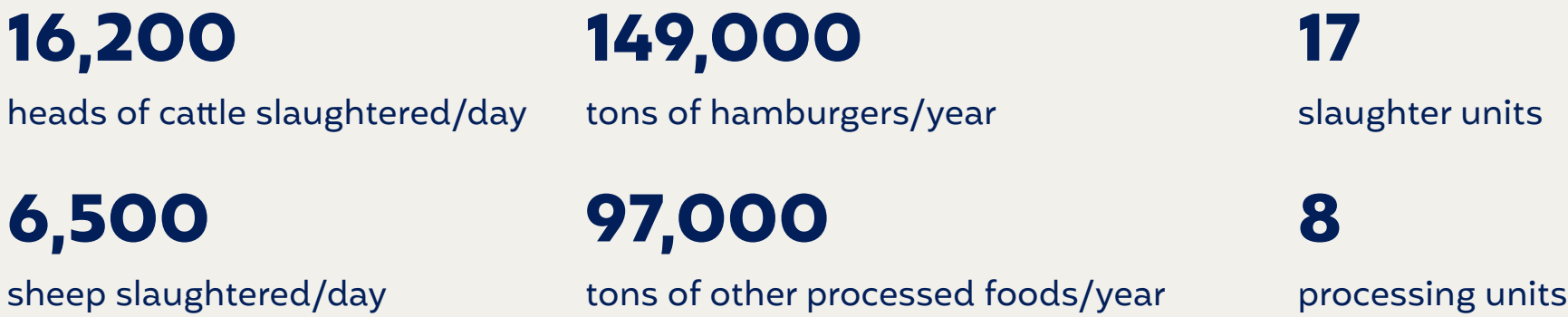
region: 57% of the total, a share which the previous year had been 61%.

Along with the significant presence of our products in the Chinese market, we have moved forward with the certification of our units to allow us to trade with other countries, such as the United States, Japan and Singapore, thereby expanding the geographical reach of our exports even further.

Principal exportation destinations (% of revenue)



Production capacity



Year's performance

[GRI 201-1]



¹ Compared to the previous year

Strategic movement within the portfolio

In line with our strategy of optimizing the portfolio with a focus on the production of brand meats and products of high added value, in 2023 we divested several cattle and sheep slaughterhouses in Argentina, Brazil, Chile and Uruguay. In Brazil, this operation involved eight active units: Alegrete, Bagé and São Gabriel (RS); Bataguassu (MS); Chupinguaia (RO); Mineiros (GO); Pontes e Lacerda, and Tangará da Serra (MT) – and three inactive units: one in Argentina (Vila Mercedes), one in Chile (Patagonia) and three in Uruguay (Colônia, Salto and San José). As such, following approval from the regulatory authorities, we will begin to concentrate our operations in industrial complexes and independent processed foods units, in segments that are growing globally.



Brazil

We are the country's second biggest beef protein company and one of the leading producers of hamburgers, with items produced at 15 industrial units (including ten slaughterhouses and five processing units) and directed to the retail and foodservice channels in Brazil and overseas. We also produce and market plant-based protein foods through PlantPlus Foods, a company established in partnership with the American company ADM, one of the world's largest suppliers of food ingredients.

In recent years, Brazil has established itself as an important exporter, responsible for roughly 60% of exports to China, a crucial market for Brazilian meat and natural products. Despite continued prosperity in the beef and natural products sector, the drop in prices that has been especially noted in the Asian market, has had an impact on the value of Brazilian beef exports.

Due to this challenging scenario, in 2023, Marfrig adopted a proactive approach to adapt its operations to the changes in the market. Having successfully faced this challenge, the company reasserted its strategy focused on added value products, a decision that proved to be correct within the circumstances.

Argentina

We are the leading company in the production and sale of hamburgers and sausages and owners of the Paty and Vieníssima! brands, two of the most valuable and recognized brands in the region. We are also the second largest player in the frozen vegetables segment and operate two slaughter units for beef protein.

2023 proved to be a positive year for our operations in the country, despite the challenging political and economic context. In the processed foods market, even when faced with price control policies and restrictions on the importation of raw materials, we managed to overcome obstacles over the course of the year. We adapted our pricing model to the local conditions, transforming the restrictions into advantageous opportunities. Furthermore, we tackled the challenge of the temporary suspension of beef exports from Brazil to China, positioning Argentina and Uruguay as substitute options in this sector.

Chile

We are the only multinational protein company with its own distribution center and processing plant. We are also notable as one of the main beef importers and distributors, with four units in the country and around 70 employees. We also operate in the lamb protein segment, with one of the main sheep slaughtering plants

in South America and the only one located in Tierra del Fuego. This unit is also notable for being the only one in the country to hold certifications from the British Retail Consortium (BRC), now known as the Global Standard for Food Safety (GSFS), a globally-recognized food safety seal, as well as certification in Animal Welfare under the North American Meat Institute (NAMI) Protocol.

Uruguay

We are the largest beef protein company in the country, and Uruguay's main exporter, accounting for about 30% of the beef sold overseas, which is then refrigerated or frozen for the most demanding markets, such as Japan, the United States, Europe, South Korea and China, among others. We are also the main private group, with more than 3,700 employees, and a pioneer in Latin America in the production of organic beef. Uruguay is also home to the only feedlot unit that we own.

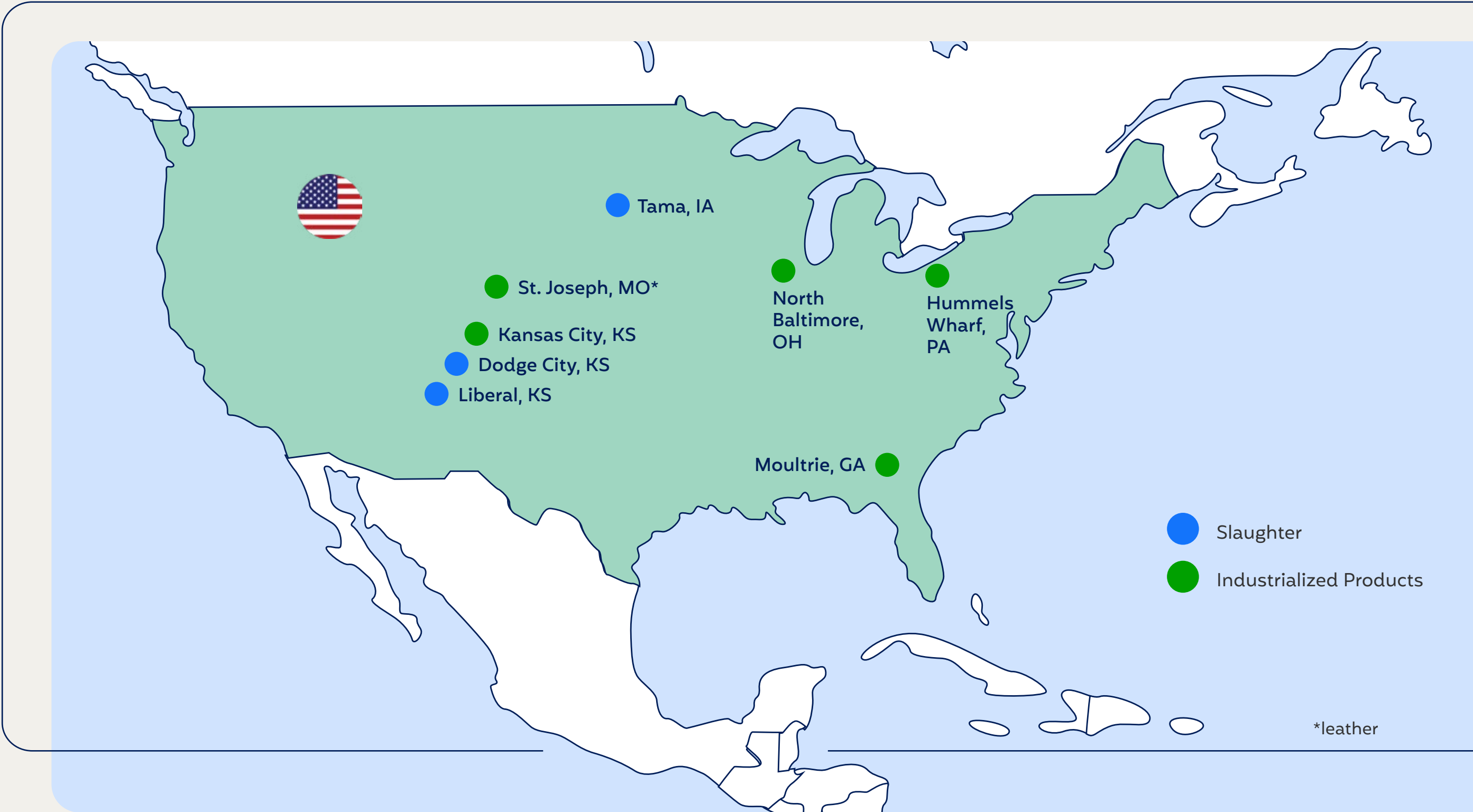
How we operate in North America

In North America, our operations are conducted through National Beef, the fourth largest meat processing company and the leader in efficiency in the sector in the United States. We slaughter and debone the locally bred cattle in the United States. The Company has three units with the capacity to slaughter 13,100 animals/day, meaning a total of more than 3.7 million heads of cattle per year, representing a 14% share (approximately) of the US annual slaughter. With a broad mix of high added value items and ready-to-eat options, National Beef offers top quality products with the best specifications, as well as widely recognized brands.

Our products, including fresh and processed beef, are distributed locally by means of a number of different sales channels, including retail, wholesale and food services, whist also being exported to the premium markets in Japan and South Korea. We also offer complementary products and byproducts arising from the process, operate tanning services, manage the logistics, and sell products directly to the consumers *online*.

In 2023, we launched 18 new plant-based products in the PlantPlus Foods retail, own brand and food services portfolio in the United States, Canada and Mexico.

- Leader in the production of Angus certified meat.
- Biggest refrigerated beef exporter in the USA, with the main destinations being Japan and South Korea.
- One of the biggest Wet Blue leather tanning operations in the world, as well as being amongst the most technologically advanced in global terms.
- 87% of sales to the domestic market are directed to premium customers.
- 70% of the beef production is Black Angus.
- In-house logistics operation: National Carriers®. Using a fleet of more than 1,200 trucks, the company offers cattle transportation and logistics services to customers throughout North America.



Production capacity

13,100 heads of cattle slaughtered/day

100,000 tons of hamburgers/year

104,000 tons of other processed foods/year

3 slaughter units

5 processing units

Year's performance

US\$ 11,949 million
in net revenue **(+0.6%)¹**

US\$ 793 million
in gross earnings **(-52.9%)¹**

US\$ 484 million
in Adjusted EBITDA **(-63.4%)¹**

¹ Compared to the previous year

Brands

We have an extensive set of well-known brands, offering high-quality products to both the domestic and international markets. This diverse portfolio covers a variety of unique products, including organic options and the 'Viva!' line, notable for offering cuts of meat produced using innovative concepts, such as the pioneering Carbon Neutral Meat (CCN) system, in Brazil.

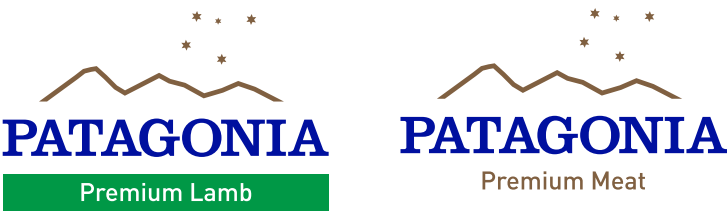
Argentina



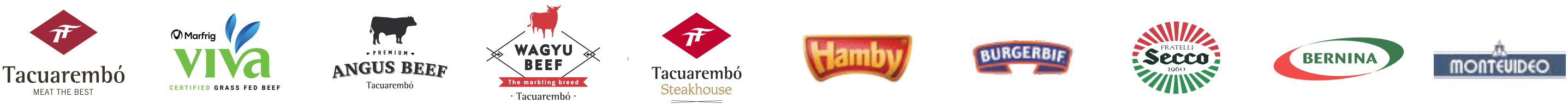
Brazil



Chile



Uruguay



United States



Plant-based products [GRI 203-2]

PlantPlus Foods is our foodtech dedicated to plant proteins. Founded in 2020 to meet the growing global demand for plant-based products, the company is a joint venture developed in partnership with ADM, a leading global company in nutrition.

The offer of plant-based products is strategic to our business since it contributes to the diversification of our portfolio of proteins, a policy that has guided our operations, strengthened by the purchase of a majority share in BRF. Furthermore, by diversifying into alternative proteins, we are also demonstrating how we are reducing the reliance of our business on foods of animal origin.

On the other hand, production in this segment causes less impact on the environment and, therefore, can be added to our efforts to minimize the adverse effects of our activities. These characteristics mean that our work with alternative proteins features in our Materiality, that was revised in 2023 (find out more on page 22).

With a 70% ownership stake, we oversee the production of PlantPlus Foods, primarily located in Várzea Grande (MT), and the distribution of the final products manufactured at our facilities in South America and manufacturing units in the United States. From its special proteins

complex, in Campo Grande (MG), and its ingredients and flavors factories in the United States, ADM, which holds the remaining 30% of the capital, provides innovative technical knowledge, development of applications and a variety of ingredients, flavors and systems of plant origin.

PlantPlus Foods has its own, well-defined, corporate governance structure. The Board of Directors is the highest level of governance, responsible for defining strategies and monitoring the execution of these guidelines by means of regular meetings. This body is composed of different members, including the CEOs of the North American and South American operations, as well as an independent member from the Marfrig board, amongst others.

The implementation of the strategy is entrusted to the executive team, led by the CEO (Executive Director), which comprises six directors representing the Financial, Marketing, Sales, Operations, Human Resources, and Supply Chain departments. This senior management group is responsible for the operational activities in Canada, the United States and Brazil, countries which also have administrative offices.

In 2023, we launched 18 new plant-based products in the PlantPlus Foods retail, own brand and food services

portfolio in the United States, Canada and Mexico. Also in 2023, the entire PlantPlus Foods line in Brazil, with six 100% plant-based products, was relaunched in the market with new packaging and formulas developed in line with Brazil's new nutrition laws. Another new development has been the arrival of two co-branded items: nuggets and hamburger hot pockets, in which the consumer can find the best features of the Sadia and PlantPlus Foods brands in a unique experience.

In 2023, we also consolidated our presence in the plant-based protein foods market through the Plant Plus line. The offering of plant-based protein in essential to our strategy. On the one hand, it contributes to the diversification of our portfolio of proteins, a fundamental policy that has always guided our operations, and which has been strengthened further by acquisition of a majority share in BRF.



In partnership with PlantPlus Foods, BRF will be increasing the presence of plant-based products in the Brazilian market. This partnership is a fundamental component in the strategic review of the products offered by BRF and Marfrig. Furthermore, the distribution of the PlantPlus products, previously managed by the Marfrig commercial team, will now be complemented by BRF's logistics and commercial infrastructure, ensuring access to 340,000 points of sale.

Strategic pillars





Sustainability

- **Recognized as a leader**, we are the sole beef protein company classified as low risk on the Collier FAIRR Protein Producer Index, a global ranking conducted by FAIRR.
- **The first beef protein company** in Brazil to have its targets approved by the SBTi.
- **Committed to achieving 100% deforestation/zero conversion** in our supply chain by 2025, in the Amazon region, the Cerrado and other biomes, by means of the already operating Verde+ program.
- **All our operational units are equipped with Water Treatment Plants (WTPs) and Waste Treatment Stations (WTSs)**, all of which operate in compliance with the local environmental regulations.
- A funding of US\$ 30 million over a ten-year period for **investment in supplier management** in the Amazon and Cerrado regions.
- A commitment to **restoring and protecting** 4 million hectares (2 million preserved and 2 million recovered hectares) of **native forest** in different Brazilian biomes by the Biomas company, launched during the COP 27, held in Egypt, over the next 20 years, in partnership with other companies.
- **Expansion of the reach of the mapping of socio-environmental risk mitigation**, involving a pioneering approach which provides a detailed risk matrix based upon a comprehensive analysis of the forest areas, combining information on cattle farming, environmental conservation and human rights.



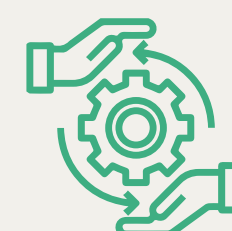
Operational excellence

- Our structure is notable for its **simplicity**, with independent and profitable operations that drive our economic-financial results.
- We maintain **rigorous health and safety protocols** throughout all our operations.
- The local markets are supplied with **leading, widely-recognized, brands** (on page 16 we provide a list of all the brands that make up our portfolio by country).
- For the overseas market, one differential of our operations is the fact that we have the **most beef slaughter plants certified for exportation to China**, with a total of 13 units in South America, including seven in Brazil, four in Uruguay, and two in Argentina, meaning we are responsible for 70% of the region's installed capacity. The Asian country is currently the world's biggest beef importer and, in 2023, **accounted for the majority of our exports from South America**: 57% of the total, a share which, the previous year, had been 61%.
- **R\$ 8.86 billion in investments** over the last three years in the adaptation, modernization and expansion of the North and South American operations.



Products and customers

- The acquisition of the Canadian company Sol Cuisine and the US company Hilary's, significantly increased the reach of PlantPlus Foods, our **foodtech focused on plant proteins**, helping to position it strategically in these markets.
- Our products marketed under the Viva! brand are the result of a **production model based on low carbon technologies in the livestock farming sector**, in line with the CCN protocol, developed in partnership with the Brazilian Agriculture Research Company (Embrapa).
- **We have extended our direct sales channels**, increasing our operations with retail and foodservice. This includes the **Bassi.com.br** e-commerce website, in Brazil, which allows for direct sales to the consumer; the strengthening of the Marfrig Market, focused on the B2B market, also in Brazil; and the growth of the Paty Market, focused on retail, in Argentina.



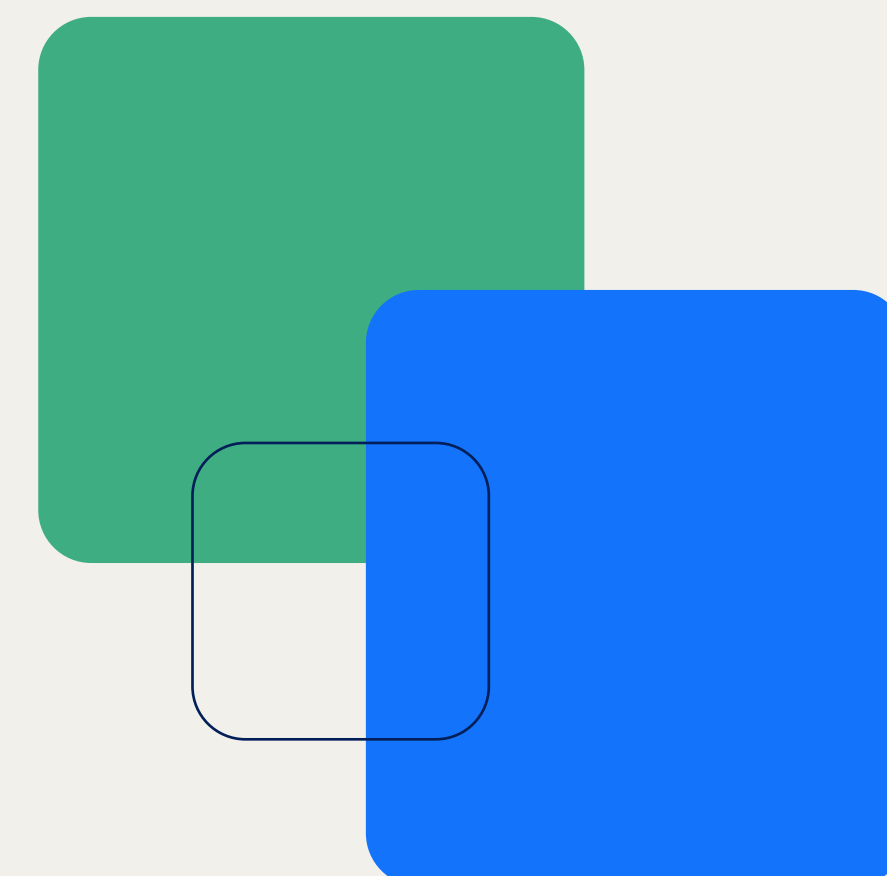
Corporate governance

- We remain fully **committed to the evolution** of the practices we have incorporated into the business.
- The **Sustainability Committee** performs an active role in supporting the Board of Directors.
- We have continued to systematically improve our system of Compliance, including **training sessions and the refinement of existing policies**.



Financial solidity

- We have a **low level of indebtedness** in foreign currencies.
- We distributed a total of R\$ 341 million in **dividends to the minority shareholders** of National Beef.
- With this robust performance, we were able to advance the **distribution of R\$ 1.1 billion in dividends** and eliminate over 30 million treasury shares. **We are also intensifying our investments in the expansion and modernization of our installations**, with an emphasis on the increased production capacity of brand products and those with higher added value.



**Our purpose:
to promote
sustainable
livestock
farming**



Our business is conducted with a clear purpose: to promote sustainable livestock farming. Sustainability is integrated into every aspect of our processes and routines, both within our operations and throughout our value chain. It is one of the central axes of our business strategy, supporting the other four aspects involved: operational excellence, products and customers, financial solidity and corporate governance.

We adopt different actions in our work routines to mitigate the impact of the operations, including measures designed to conserve natural resources and ensure best practices for the welfare of the animals. Engaging different links in the chain, the good sustainability practices that we employ can also be seen in the top quality products we manufacture, all of which meet the demands of the consumers and the more than 100 markets we serve.

Fully aware of our social responsibility, we recognize that integrating ESG practices into the livestock farming chain, and thereby contributing to the sustainable development of the industry, is a significant challenge. Due to the complexity of the objective, we understand that we cannot achieve it by means of our own efforts alone. Of course, our global reach and leadership, in this sector exercises a certain

amount of influence and contributes to the advances. But joint mobilization is necessary, which is why we have committed ourselves to working as an agent of transformation, engaging suppliers, civil society and others involved in the livestock ecosystem.

This combination of efforts is justified by the complexity of the livestock chain in Brazil. The system is subdivided into three phases, which can run simultaneously or not: breeding, rearing and fattening. In addition to this characteristic, commercial relations in the livestock sector typically occur on a 'spot' basis, meaning transactions are short-term and based on the best current offer, allowing producers the freedom to choose.

There are around 5 million rural properties in Brazil*, of which 2.5 million contain livestock, distributed across a region of continental dimensions, in which each producer adopts the production processes and styles that best fit their culture and values. To overcome this challenge we are committed to promoting and participating in collaborative actions, including actions with peer companies, aimed at disseminating good sustainability practices throughout our value chain, always guided by the balance between production and conservation and the inclusion of livestock farmers.

Over recent years, we have developed a series of actions and initiatives aimed at promoting a sustainable livestock chain, and the initiative which has been most effective in this context has been the Verde+ Program which, in 2023, celebrated its third anniversary ([find out more on page 26](#)). We are steadily progressing towards achieving the objectives and commitments we have undertaken.



*SOURCE: the 2017 IBGE Agriculture Census.

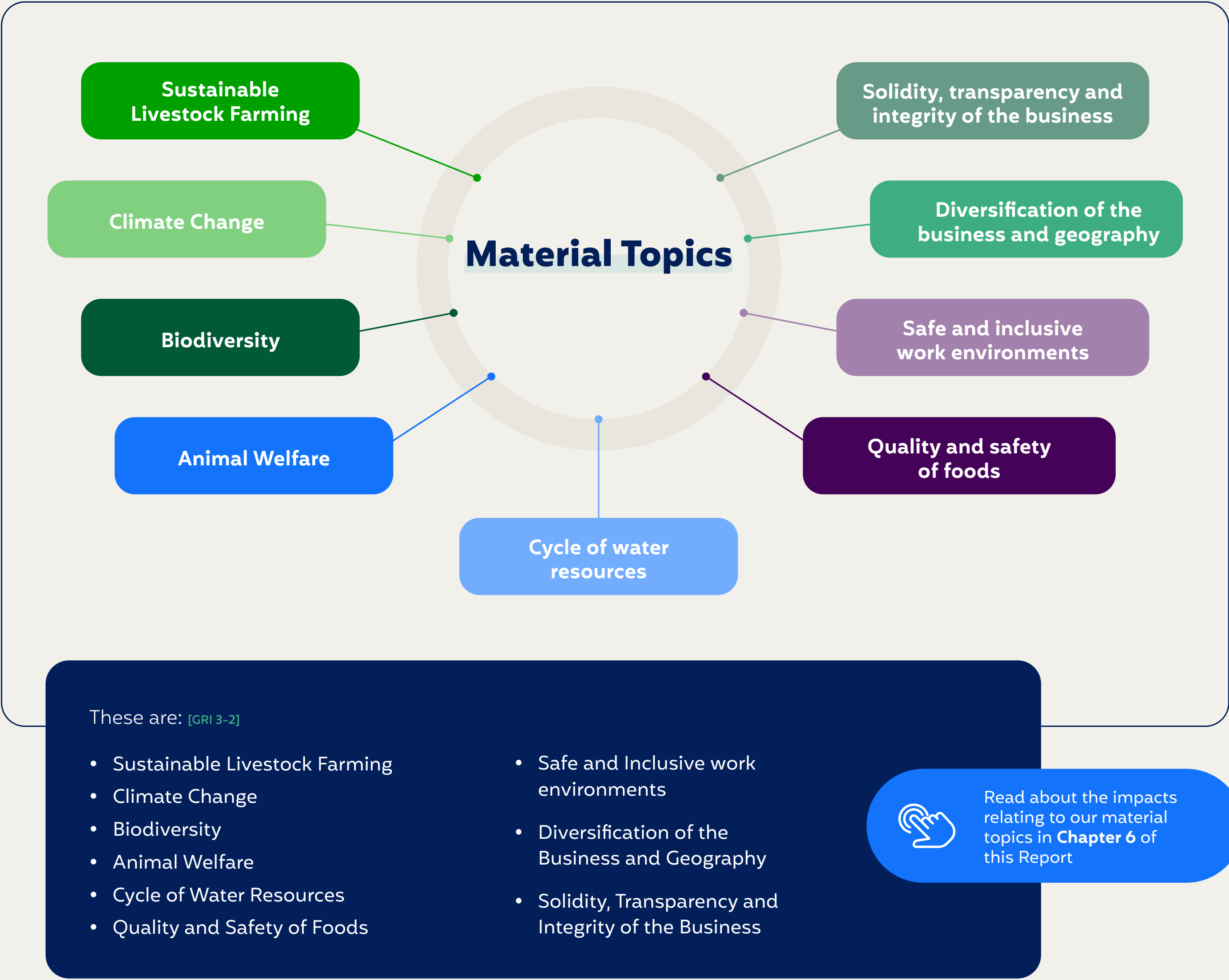
Materiality [GRI 3-1]

We have revised and reformulated our priority topics from the perspective of sustainability. This involved the performance of a new materiality survey, at the beginning of 2023, aimed at identifying the important issues that have been incorporated into the Materiality Matrix and the Sustainability Report. The revision of the Matrix involved support from an external consultancy and considered the company's impacts, risks, opportunities, business strategy, commitments and targets, as well as trends noted in the sector and the interests of society.

A number of different sources were used, including information collected by means of the Stilingue artificial intelligence platform, news, social media and analysis of the materiality matrices of other companies operating in the animal protein sector. Selection of the material topics was guided by evaluation of the impacts, after which they were prioritized by Marfrig's Sustainability Board, aligning them with the company's positioning and objectives. The results were submitted to the Board of Directors for approval.

The current Materiality Matrix covers nine essential topics. This includes the addition of biodiversity, as well as diversification of the business and geography. Some of the topics were adjusted in terms of terminology and the inclusion of practices, such as improvement of the solidity, transparency and integrity of the business. Other topics, such as sustainable livestock farming, climate change, management of water resources, and safe and inclusive work spaces, were updated and expanded to reflect the initiatives already under way, impacts measured and results achieved. The commitment to animal welfare and the quality and safety of foods remained unaltered.

This complete revision and realignment of the materiality factors demonstrates the company's continued commitment to sustainability and its ability to adapt to the challenges and opportunities that are constantly appearing and developing in the animal protein sector. These topics highlight the importance the company attributes to sustainable development and guide the creation of its Sustainability Report.



Sustainability Platform

As one of the strategic pillars of our business, sustainability is pursued by means of firm working plans, public commitments, clear targets and a solid management structure. Our efforts in the area are conducted with the intention of minimizing the impact of our operations on the environment, aware of the effects on climate change, and of being an effective agent of transformation in our production chain, promoting production models that preserve biomes and biodiversity, as well as supporting good social responsibility practices, including respect for human rights and socioeconomic inclusion.

This sustainability-focused management translates into concrete actions for operational performance, aligning with best governance practices.

Governance of sustainability

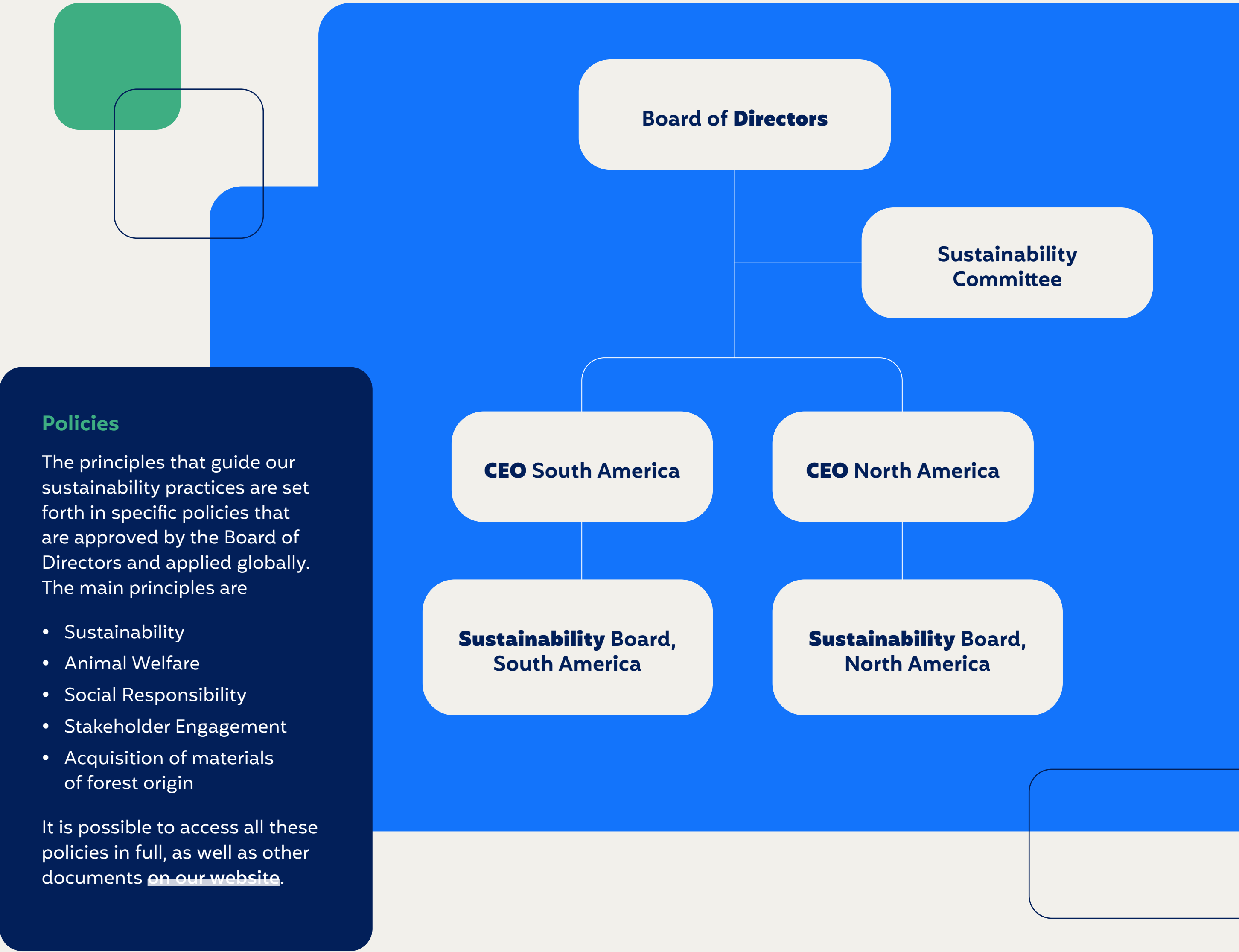
The importance of sustainability means that the directives and decisions relating to this strategic pillar are handled by the Board of Directors. To make decisions regarding the sustainable development of the business, the Board can rely on support from the Sustainability Committee, which convenes monthly and consists of specialists in the field with recognized professional experience.

The Committee convenes regularly to oversee the implementation of strategies and the attainment of results, assess the company's performance, and advance various discussions while staying abreast of emerging trends and challenges. The Committee reports its activities to the Board of Directors, which also shares concepts and insights contributing to a collective understanding and alignment of perspectives on sustainable development.

As of the end of 2023, the Sustainability Committee comprised six members. One of the members, Roberto Silva Waack, who acts as the committee coordinator, is also one of the Company's independent board members. Brief biographies of each committee member are available on the [Investor Relations website](#).

To implement our strategic planning, we have Sustainability Boards working in both the South American and North American operations. Reporting directly to their respective CEOs, these boards are tasked with translating strategies into action plans, assessing risks and opportunities, monitoring project performance, and setting performance targets.

Governance of sustainability



Strategic pillars of the Sustainability Platform

To minimize the socio-environmental impacts of our operations, we have implemented a broad working plan based upon short, medium and long-term directives and measures. Given the diversity of issues covered and the scale of our business, we have divided our operations into six main themes.

Each of these teams is managed and led by highly specialized individuals, with their respective leaders reporting to the South American and North American Sustainability Boards. In Brazilian operations alone, for instance, there are 181 employees dedicating 100% of their time to implementing our sustainability strategy.



Foundations of the Sustainability Platform

1 **Origin Control**

2 **Animal Welfare**

3 **Climate Change**

4 **Natural Resources**

5 **Wastewater and Waste**

6 **Social Responsibility**

Our targets¹



Since 2020

At least **40 hours of training** on animal welfare per year, per unit
70% of cattle transported by means of journeys lasting eight hours or less.

By 2025

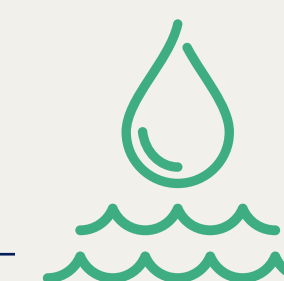
100% of the supply chain in the Amazon region, Cerrado and other biomes – direct and indirect – **free from deforestation**.
100% of the slaughterhouses (cattle and sheep) audited **in line with NAMI Animal Welfare standards**.
100% of the farms meeting at least one **of the animal welfare criteria** established in the Marfrig Club Program.
A score of 10 on the Wastewater Treatment Quality Index (WTQI).

By 2030

100% of our operations using only **renewable energy**.

By 2035

20% reduction in the volume of water consumed for the production of one ton of product.²
68% reduction in the direct emissions from our operations (scope 1) and those arising from purchased energy (Scope 2)³.
33% reduction in indirect emissions arising over the course of our production chain (Scope 3).
15% reduction in the volume of wastewater generated by our operations.



¹ In relation to the solid waste, the operational units aim to achieve rational management and energy targets which they themselves establish and work towards for the continued reduction in consumption. In the pillar of social responsibility, meanwhile, we have a great impact on supporting and promoting the compliance of the direct and indirect suppliers' operations, this being one of the objectives of the Verde+ Program, the targets of which are reflected in the "Origin Control" pillar.

² Based upon the 2020 results.

³ Based upon the 2019 results.

Performance indicators

Our work, in each one of the pillars, is monitored and evaluated using sustainability performance indicators, which are widely disseminated across our operations. To determine the information that goes to make up these data, we have specific routines, processes and systems, which allow us to monitor and manage the efficiency of our operations on these fronts, always guided by the desire to constantly improve. Following, we have outlined the main key performance indicators (KPIs) that we monitor.

Additional commitments and partnerships

In addition to the aforementioned items, we are dedicated to several other initiatives focused on sustainability. These include ecological restoration, rehabilitation of degraded pasturelands, soil carbon level monitoring, and a program for rescuing and reintegrating wild animals, primarily in the Pantanal region of Brazil. We are investing in advanced technologies and partnerships aimed not only at meeting the increasing demand for food, but also reducing our environmental impact.

This includes forest restoration in areas that can be recovered through the use of native vegetation, as well as the recovery of areas that can be used for the production of

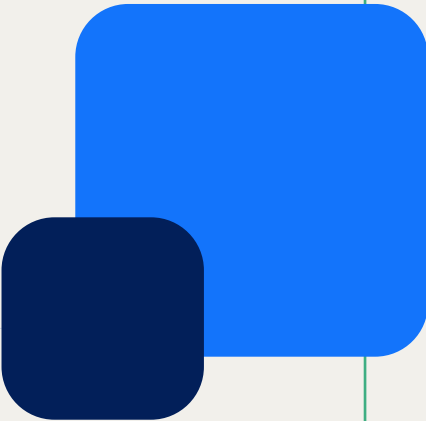
food without the need for further deforestation. This approach contributes to the preservation of natural ecosystems, the reduction of emissions arising from use of the soil, and optimization of land use.

The Company is also committed to the energy transition, aiming to use clean energy by 2030, a target that involves the use of renewable energies, such as solar and wind power, and the implementation of biodigestors to capture methane and generate clean energy at the company's units. Despite the percentage of energy produced from these sources being relatively small, every contribution is important if we are to reduce our carbon footprint.

Furthermore, Marfrig recognizes the importance of understanding the GHG emissions in different regions around Brazil. The company works in partnership with specialists to measure the emissions per region and develop specific solutions for each of them. This is essential since the conditions for livestock production vary depending upon the location and it is important to adapt the low carbon emissions strategies to each individual context.

Marfrig is also widely recognized for its commitment to the reintroduction and reinsertion of farmers. Rather than simply excluding suppliers facing socio-environmental challenges, the company aims to identify these

Pillar	KPIs
1 Origin Control	<ul style="list-style-type: none">• Percentage of animals slaughtered involving control of the indirect suppliers in all operations in different countries.• Percentage of compliance with the pillars (Environmental and Social) of the Best Practices for Cattle Production Program/Marfrig Club in Brazil.• Percentage of direct supply farms involving control over indirect suppliers in the Amazon and Cerrado biomes in Brazil.
2 Animal Welfare	<ul style="list-style-type: none">• Hours of training per year per unit.• Percentage of cattle transported by means of journeys lasting eight hours or less.• Percentage of the slaughterhouses (cattle and sheep) audited in line with NAMI Animal Welfare standards.• Percentage of the farms meeting at least one of the animal welfare criteria established in the Marfrig Club Program.
3 Climate change	<p>Percentage of greenhouse gas emissions reductions compared to targets (Scopes 1+2).</p> <ul style="list-style-type: none">• Percentage of demonstrably renewable electricity, as a total of all electrical energy consumed.• Percentage of greenhouse gas emissions reductions compared to targets (Scope 3).• Percentage of reduction of methane gas emissions from the slaughter of animals coming from systems featuring low greenhouse gas emissions.• Reduction in the methane emissions at the WTSs.
4 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 re-use water. <p>Energy</p> <ul style="list-style-type: none">• KWh per metric ton of product.• KWh per head of cattle.
5 Effluents and waste	<ul style="list-style-type: none">• WTQI.• Quantity of non-dangerous residues generated by animal slaughter.• Quantity of non-dangerous residues generated per metric ton of production procedures.



issues and provide support to help farmers align their operations with the company's expectations.. This not only contributes to a more sustainable form of production, but also helps raise the standards of sustainability throughout the entire supply chain.

We are also involved in sustainable calf production programs, supporting small farmers in the breeding phase. As well as helping the farmers to improve their practices, this contributes to the responsible production of animals in Marfrig's supply chain.

Alongside this, we are open to dialogues and partnerships with the different players operating in our sector, ranging from NGOs and academic organizations, to specialist institutes and consultancies, as well as our competitors in the market.

Our aim, and the most pressing shared challenge in our sector, is to promote livestock farming that is low in carbon emissions, sustainable, and free from deforestation. The more we unite in pursuit of this goal, the greater the benefits will be for society.

Origin Control

Origin Control is of fundamental importance to the Company, by means of which we commit ourselves to aligning our operations with the objectives of the Paris Agreement, seeking to reduce GHG emissions and promote environmental sustainability.

This pillar represents our connection with the supply chain and concentrates all of our initiatives related to the responsible acquisition of raw materials and the involvement of cattle farmers in the best sustainability practices. Furthermore, it is as part of Origin Control that we have implemented the Verde+ Program, an initiative that promotes the adoption of sustainable livestock farming and low emissions throughout the value chain.

Our work begins in the field, encouraging and supporting responsible farming practices, the fight against deforestation, and respect for indigenous and traditional communities. This approach also extends to our industrial operations, in which we implement rigorous processes designed to ensure the quality and safety of the foods produced, including control of the use of antibiotics, hormones and contentious substances on the farms, when related to cattle breeding.

In 2023, in the Origin Control pillar alone, we invested approximately R\$ 8 million to support the continuity and development of partnerships with research institutions such as Embrapa and Agroicone. The investments will also go to strengthening our participation in institutions that promote good practices in sustainable livestock farming, such as the Global Roundtable for Sustainable Beef (GRSB), the Brazilian Roundtable on Sustainable Livestock Farming (MBPS), the InPacto Institute, and the Brazil Climate, Forestry and Agriculture Coalition.

Over the next few pages, we will be highlighting some of the principal aspects that have been fundamental to our journey over the course of 2023. These aspects, as well as representing a solid commitment to sustainability, are of utmost importance to our customers, investors and society in general.

Verde+ Program

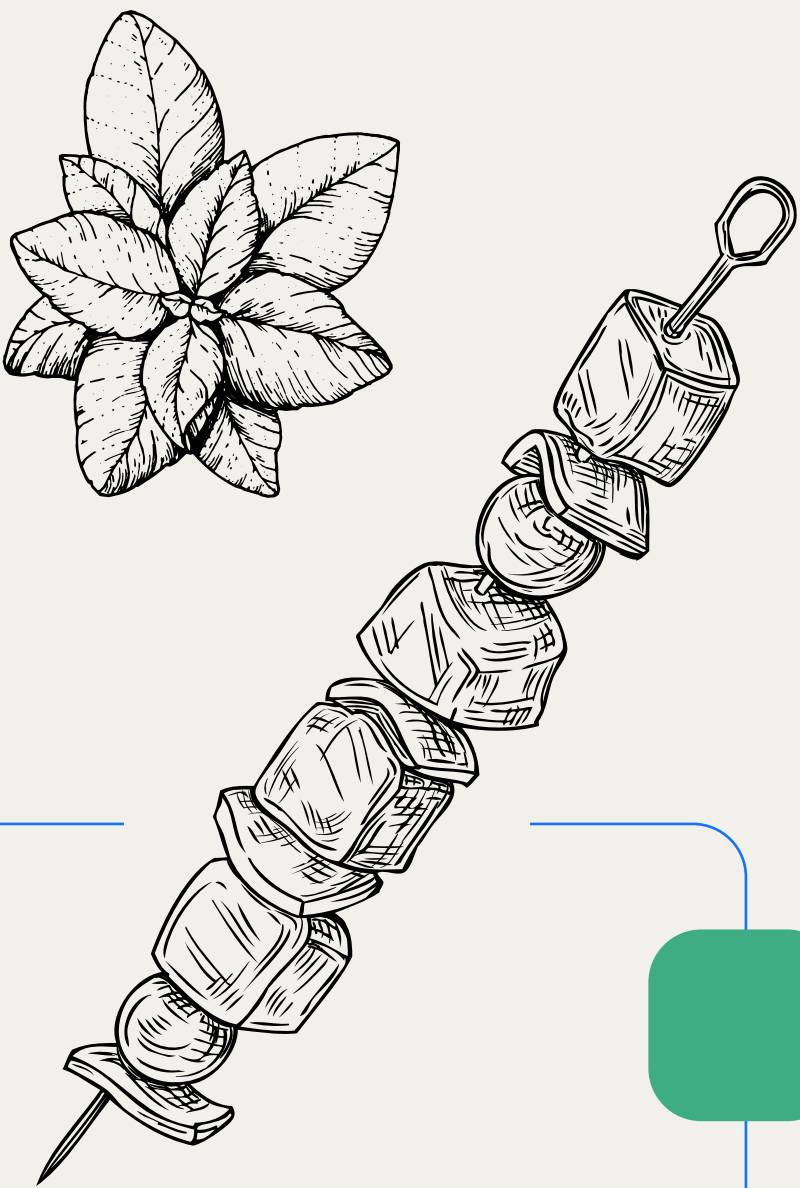
We have achieved exceptional results in relation to the traceability of the supply chain, especially with respect to suppliers in biomes such as the Cerrado and the Amazon region We have announced that the target of ensuring that 100% of our company's animal supply chain is to be sustainable, tracked and free from deforestation has been brought

forward to 2025 for all biomes, including the purchase of animals for slaughter at our own units. We should stress, once again, that we are committed to a chain that is free from deforestation and land conversion¹.

Through the Verde+ Program, we aim to contribute to accelerating the sustainability of livestock farming, minimizing the impacts of this activity on those biomes where there is a risk of deforestation. This is an objective that involves all our operations and we are therefore reinforcing our firm commitment to increasing our positive impacts and meeting the demands of our customers, investors and other stakeholders.

¹ The cut-off dates for new deforestation criterion consider the Public Commitment of the Amazon (2008), the Launch of the Green+ Program (2020), and the Guidelines of the Accountability Framework Initiative (AFI), as well as the new regulation of the European Union (EUDR). We also reinforce that our commitment is to a deforestation and conversion free (DCF) supply chain.

In 2023, we announced our decision to advance the target for fully tracing our direct and indirect suppliers of animals purchased for slaughter across all of Brazil's biomes by five years. As such, we aim to ensure that 100% of our company's production chain is sustainable, tracked and free from deforestation by 2025.



In 2023, we hosted the 'Verde+ Livestock Farming: trends and opportunities' event, in São Paulo and London. This event showcased the results from the 1,000 days of implementing the Verde+ Program, with 1,200 attendees including experts, producers, suppliers, partners, investors, academia, banks and government representatives.

Our tracking and geospatial monitoring systems

We were pioneers in the adoption of these forms of technology as far back as 2009. The technology is currently used on 100% of our direct suppliers, in all biomes, meaning that every one of the farms with which we maintain commercial relations adopts sustainable production practices and is in an area free from deforestation. Our challenge now is to achieve full supply chain coverage, including indirect suppliers, which is the most critical link in our sector.

As part of the Verde+ Program, we have also developed other initiatives, always focusing on contributing to accelerating the sustainability of livestock farming in Brazil, minimizing the impacts of this activity on the environment. Our actions aim to disseminate best practices throughout the value chain and develop solutions with a significant and long-term impact. Our efforts in this field are supported by partnerships such as that with the Sustainable Trade Initiative (IDH, the Dutch abbreviation for Initiatief Duurzame Handel) a Dutch public-private institution.

As part of our commitment to continuous improvement, we have partnered with Agroícone, one of Brazil's most respected think tanks, to develop parameters and procedures for auditing the processes and data of the Verde+ Program.

In 2023, at COP 28, we announced the new cycle of the Verde+ Program, with investments of R\$ 100 million in initiatives including pastureland recovery and transformation, forest restoration, regenerative agriculture and genetic improvement of the herd.

Between 2022 and 2025

Verde+ Program targets

- A protocol for the reinclusion of blocked farmers.
- Implementation of the technical support network program, which will address issues including intensification and restoration through the improvement of pastureland, genetics and animal nutrition.

By 2025

- Achieve full traceability of the Marfrig supply chain in the Amazon region, the Cerrado and other biomes.

We are the sole beef production company in Brazil committed to zero deforestation.



Bringing forward the target for zero deforestation and land conversion

Following three years of effective results under the Verde+ Program, Marfrig will be investing R\$ 100 million as a means of accelerating the program and committing itself to controlling 100% of its direct and indirect cattle supply chain by 2025, in all biomes, thus bringing forward the previously established target of 2030.

Recovery and transformation:

Through public-private partnerships, we aim to transform 100,000 hectares of degraded pastureland into productive areas.

Ecological restoration: Around 6,000 hectares of native forest will be restored together with well-respected partners, including the forest restoration company re.green.

Regenerative agriculture:

Intensification and proper management of pastureland, increasing productivity and preventing the need for the suppression of native vegetation.

Genetic improvement of the herd through integration:

Partnerships for the provision of semen, embryos and bulls for the supply chain. Reduction in the time necessary for preparation of the animals for slaughter, thereby improving quality and reduction emissions. Integration with the MFG Agropecuária feedlot farms, scaling up the cattle supply.

Technologies for the gauging of carbon levels in the soil: Generation of certified carbon credits, improving the profitability of the entire

production chain in partnership with Agrobiótica, a green fintech that uses artificial intelligence to work with the land more sustainably.

Low carbon and CCN certificates:

ICLF systems – certified in partnership with EMBRAPA.

Protecting biodiversity: Rescuing and rehabilitating wild animals in the Pantanal in partnership with AMPARA Silvestre.

Support for small breeder farmers:

Investment in the IDH's Sustainable Calf Production Program, which collaborates with farmers in the northern region of Mato Grosso state.

Traceability of the supply chain

Up until 2025, in alignment with the objectives of the Verde+ Program, several actions are planned to ensure that 100% of our suppliers, including the indirect ones, operate in deforestation-free areas. We aim to monitor information not only from the farms that sell us animals for slaughter but also from the farmers who supply them, comprising the group of indirect suppliers in the chain.

Our intention is to create a map of all stages of the animals' lives (breeding, rearing, and fattening) from birth. We also aim to extend the same requirements for socio-environmental best practices to our indirect suppliers, with necessary adaptations, to ensure these principles are upheld across our entire supply chain.

The set of practices we have adopted under the Verde+ program have already led to a significant number of indirect suppliers operating in deforestation-free areas. Additionally, we monitor 100% of the properties that directly supply us.

In 2023, we were able to track 85.7% of our indirect suppliers in the Amazon biome and 70.9% in the Cerrado biome, the two regions from which Marfrig

sources the majority of its animals. In total, including all the other areas, we are now able to monitor 73% of our indirect suppliers.

How we plan on getting there

The Brazilian herd is estimated at around 202 million heads of cattle according to data from the Brazilian Beef Exporters Association (ABIEC)¹, which also declares that the country's pastureland extended across an area of 159.38 million hectares in 2023. This area (equivalent to the combined territories of Peru and Paraguay) along with the complexity of the livestock chain, involving dynamics that affect the strategies designed to balance production and preservation, mean that achieving the Verde+ targets is extremely challenging.

Given this context, and in order to achieve our objectives, which include ensuring that all our indirect suppliers operate in deforestation-free areas (already achieved with 100% of our direct suppliers), we plan to extend the Verde+ Program with intermediate targets. These targets will ensure the full implementation of our commitments by the set deadlines.

Verde+ Program results

% of farms tracking indirect suppliers

Amazon biome

	2021	2022	2023	2024	2025	
Risk	Very High	High	Medium	Low	Very Low	
Results through to December/23	100%	100%	100%	82.1%	100%	Overall 85.7%

Cerrado biome

	2021	2022	2023	2024	2025	
Risk	Very High	High ³	Medium	Low	Very Low	
Results through to December/23	100%	100%	100%	75.9%	66.0% 72.1%	Overall 70.9%



By means of our inclusion process, we have reintegrated **3,561 farms** since 2021.

¹ Source: abiec.com.br.

² Based on the targets of the Verde+ Program published in December 2023.

³ The initial targets related to 2024.

Production, conservation and inclusion [GRI 413-1 | 413-2]

As a sustainable development program, Verde+ is built upon the tripartite foundation of Production, Conservation and Inclusion. Those livestock farmers who do not provide the requested information as per the schedule outlined by the Verde+ Program are temporarily excluded from our supply base. They remain excluded until they furnish the required data and align fully with our commitments.

In 2023, we reinstated 1,267 farms (that had previously been suspended) onto our list of recognized suppliers. This figure accounts for 14% of our active suppliers during that period.

Since the beginning of Verde+ three years ago, 3,561 farms have been reincluded in the program. With technical documentation support, legal advisory services, and multi-temporal geospatial technical analyses, we have helped these suppliers resume operations in accordance with our socio-environmental commitments.

Verde+ pillars

Verde+ is structured around three pillars: development of innovative financial mechanisms; structuring of technical support; and implementation of mechanisms aimed at intensifying monitoring and traceability.

Below we are outlining the most important advances achieved in each of the pillars in 2023.

Development of innovative financial mechanisms

Preservation of the biomes entails production practices that are increasingly more modern, to which the farmers supplying Marfrig do not always have access. As such, we are working to provide the supply chain with alternative means of access to capital.

Amongst the initiatives involved in this project, we should highlight our participation in the founding of the Biomas company, as well as current investments from the &Green Fund based in the Netherlands.

- **R\$ 20 million has been invested in the co-founding of Biomas**, a company launched during COP 27 in Egypt. The aim of the company is to preserve and conserve the native forests in biomes such as the Amazon region, the Atlantic Rainforest and the Cerrado, which covers a region the size of Switzerland or the State of Rio de Janeiro. Together with Itaú, Santander, Rabobank, Suzano and Vale, we have jointly founded Biomas, with each entity contributing an equal initial sum.

- **By 2030, US\$ 30 million will be invested** with the aim of engaging farmers in the Amazon and Cerrado regions in conservation of the forests. This sum, invested by &Green Fund, will be going towards a series of initiatives and commitments that the farmers need to be able to access the funds, including the intensification of pastureland management, the recovery of damaged areas and the restoration of deforested regions.

Facilitating farmers' access to capital is an effective strategy in combating deforestation, since, by investing in their properties, they can improve their farming methods, which in turn reduces the pressure on new areas of native forest.

Structuring of technical support and technification

Preservation of the environment entails increasingly more modern and effective management practices. We have been working together with our suppliers with the aim of contributing to this ongoing improvement of the production models adopted on the farms, including the implementation of technologies that improve production and make it more sustainable. We are aiming to support the suppliers to enable them to adopt farming practices that combine production with conservation.

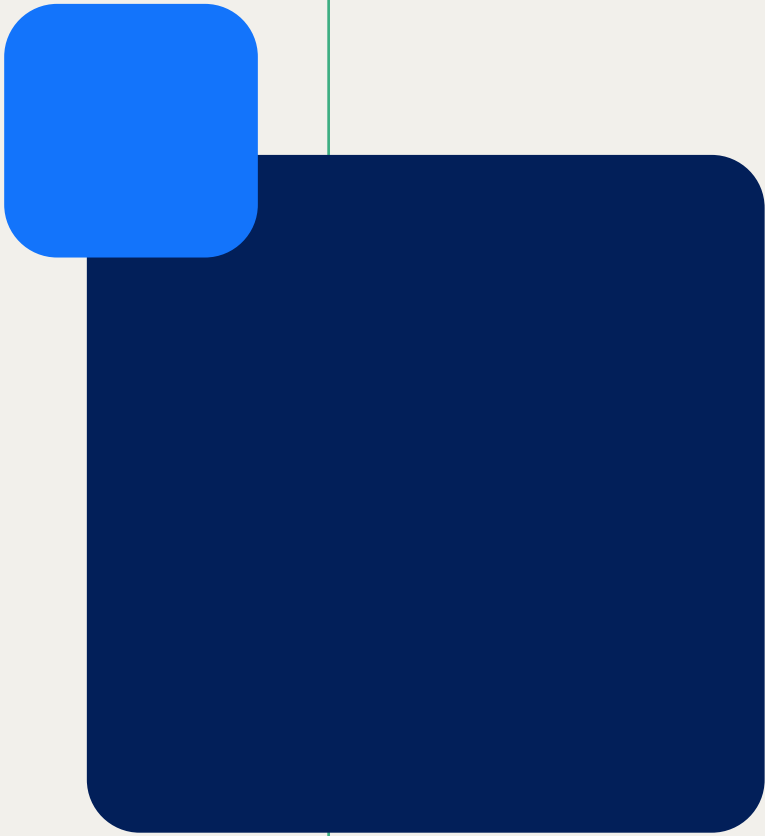
- **Technologies for the gauging of carbon levels in the soil**

A partnership with the Agrorobótica company – a green fintech that uses AGLibs technology to evaluate the soil and perform photonic analyses to gauge and determine the amount of carbon stocked, thereby permitting the generation of certified carbon credits, meaning profitability for the entire production chain.

- **Sustainable Calf Program**

In 2023, the Sustainable Calf Program moved forward with its agenda of events and engagement of small farmers in the Vale do Juruena (MT) region, ending the year with 160 actively participating properties. It is also continuing with its aim of increasing the number of participating farmers, with a schedule of events and engagement actions.

In order to expand the program, we have signed an agreement with IDH amounting to 1.75 million euros. This initiative aims to increase the program's operations in the Vale do Juruena, focusing on promoting the supply of sustainably sourced raw materials from calf production onwards. The planned actions include technical support for small livestock farmers, monitoring of the indicators of risk in the region, and on the breeding of quality calves, intensification of livestock production and forest restoration.



Monitoring and traceability mechanisms

We need to efficiently trace the origins of the cattle we acquire, including identifying indirect suppliers who provide livestock to the farms we have commercial relationships with. This is the most vulnerable link in our supply chain, which is why we have implemented a series of initiatives aimed at enhancing the scope of our monitoring and tracking tools.

Therefore, in addition to verifying the origins of directly supplied animals, we implement criteria and practices for farmers to share information with us regarding their own suppliers.

Livestock farmers who do not provide the requested information according to the schedule set by the Verde+ Program are temporarily removed from our supply base. They remain blocked until they provide the required data and fully align with our commitments.

- **Combating deforestation - monitoring of compliance**

We conduct geospatial monitoring and completed the Socioenvironmental Risk Mitigation Map, a tool that identifies areas highly exposed to socioenvironmental risks in the Amazon and Cerrado biomes, considering both direct and

indirect suppliers. Based on the risks identified by the map, we request more detailed information from farmers to ensure that local operations comply with the socio-environmental commitments made by the company.

We also have a blockchain-based tracking platform called "Conecta", which we use to improve the traceability of our suppliers and check on deforestation situations, using public information bases. Up until the publication of this report in 2024, as part of our ongoing efforts to strengthen and deploy the platform, approximately 15,000 suppliers from the states within the Legal Amazon region where we operate (Mato Grosso and Rondônia) have been pre-registered on Conecta.

We also use Visipeç, a tool developed specifically for meat packers and monitoring companies in Brazil, which enables them to track and monitor their indirect suppliers.

- **Socio-environmental Risk Mitigation Map**

In 2020, we completed the development of an important tool called the Socio-environmental Risk Mitigation Map, and began

employing it in 2021. This tool represented a significant step forward in our responsible procurement practices. It has provided us with valuable information by integrating various types of maps, including socio-environmental indicators such as deforested areas, pastureland and preserved native vegetation, along with data on forced or child labor. This new tool included an additional map containing information on the beef herds in specific regions.

By combining these different data sources, especially the socio-environmental indicators and livestock farming data, we have managed to develop a risk matrix in the form of a geographical map. This groundbreaking approach in the livestock chain has allowed us to identify and prioritize actions in regions that are more susceptible to socio-environmental risks in the Amazon and Cerrado biomes. The consolidation of this information resulted in a risk matrix with various levels, ranging from "very low" to "very high".

This risk-based zoning strategy has enabled us to initiate a process of engagement and monitoring. We began working with suppliers located in very high-risk areas and gradually moved towards

those in areas of very low risk. This progressive approach has allowed us to operate strategically, involving the suppliers in our efforts to achieve a value chain that is free of deforestation and land conversion.

One tangible example of this progress is our improved interaction with livestock farmers. Direct suppliers are now required to provide annual information on their own cattle suppliers. This increases the transparency of the supply chain, reaching as far back as the initial stages of the animal breeding - our final objective. The process is being expanded to include the other biomes where we have operations. Initially, we had maps for the Amazon, Cerrado, Pantanal and Pampas regions. In 2022, we completed the map of the Atlantic Rainforest region, thus achieving full coverage of all the biomes important to our work.

- **Livestock Farmers' Portal**

Through this communication channel, farmers in South America can access country-specific information, with data on cattle sales, slaughter, management, animal welfare and other aspects, always focused on contributing



to their sustainable development of livestock farming. The portal is also integrated with the company's registration process, providing farmers with an alternative channel to input information about their supply chains (including indirect suppliers) during registration or whenever updates are necessary.

Responsible procurement

[GRI 308-1] 414-1]

Legal compliance of the operation, good environmental conservation practices, and the type of management adopted on the properties are aspects that we have been monitoring in the process employed for the selection of suppliers and purchase of animals since 2009. By means of the requests that we make of the suppliers, we aim to promote high production standards.

100% of our beef protein suppliers are evaluated and selected using environmental, social and animal health welfare criteria. This verification process is applied to each new animal purchase, during which suppliers are consulted about characteristics such as age, weight, and carcass quality. These factors are crucial for ensuring that the animals meet the standards required by the meat market served by the purchasing slaughterhouse.

In 2023, 100% of the new farmers were evaluated and selected using socio-environmental criteria, such as:

- Verification of the list of regions embargoed by the Brazilian Environmental Institute and Renewable Natural Resources (IBAMA) and the "Blacklist" published by the Ministry of Labor and Social Security relating to forced or compulsory labor. From time to time, we also send out notices to our suppliers and contracted parties informing them of our policies and requesting that they also comply with them.
- Request for proof of registration of land regularity from the National Rural Registration System (SNCR), the Rural Environmental Register (CAR), the Letter of Guarantee, the List of Verification under the Marfrig Club protocol, Tax Invoices and Animal Transportation Guide (GTA), amongst other documents.
- Checking of information relating to human rights: working day, proper remuneration, fair labor conditions, non-discrimination (of any nature), non-use of child labor, and freedom of association. These data are requested as part of the questionnaire based upon the international norm

'SA80000' concerning social responsibility. This approach forms part of our sample monitoring.

Another point evaluated in the responsible process procurement relates to the use of soybean, which cannot come from deforested areas. To verify this point, we use a ratification formula that includes soybean amongst the environmental issues evaluated. Not only is the use of this feedstock as animal feed submitted for evaluation, but also the production of alternative proteins that use this commodity as a base.

The practices of responsible procurement also evaluate the availability of water in the regions where the properties are located.

If any supplier is found to be non-compliant, they are blocked in the purchasing system and prevented from trading animals with Marfrig until they resolve the issue.



Local suppliers [GRI 204-1]

Brazil: 100% of the animals slaughtered at Marfrig come from properties located within the country in question, meaning all suppliers are considered local.

Argentina: 100% of the agricultural purchases are sourced from local suppliers. The company considers national suppliers from the Republic of Argentina as a geographical definition of "local".

Chile: 100% of the animals are purchased from local suppliers. Comuna and the region of residence are considered for the definition of local suppliers.

Uruguay: 100% of the animals are acquired from local suppliers and 86% of the general purchases are acquired from local suppliers. Local suppliers are defined as being those supplying purchases made within the country.



Third Party Audits [GRI 411-1]

For the 11th consecutive year, the processes involved in purchasing cattle from the Amazon biome have met 100% of the criteria and directives established by the Amazon Livestock Public Commitment. This undertaking is gauged and certified by third parties who conduct evaluations and tests to verify the practices implemented to combat deforestation and uphold human rights. This includes respecting indigenous peoples and preventing the use of child labor or any form of forced labor. The most recent complete report is available [here](#).

One of the causes that Marfrig is committed to is preservation and respect for the rights of indigenous peoples. Marfrig contracts a third party company to evaluate the properties and report on whether they are in conflict with indigenous lands. If the supplier is noted as being non-compliant in any way, they are blocked in the purchasing system and prevented from trading animals with the Company.

In order to properly understand all cases of this type, each year we send an official letter to the National Foundation of Indigenous Peoples (FUNAI), the authority responsible for management of indigenous matters in Brazil, requesting information on the existence of disputes, as well as the names and social security numbers of

those involved in such situations, to be able to check on whether anyone is involved in our supply chain. If anyone is found to be on the list provided by FUNAI, they are prohibited from trading animals with the company.

These processes are also submitted to an annual audit and, in the case of the Amazon biome, the results of the audit are made public and published [on our website](#).

In 2023, we also implemented the first cycle of official audits under the Legal Amazon cattle suppliers monitoring protocol (involving the Amazon and Cerrado regions), adopted by the MPF, and under which we were recognized as being 100% in compliance following publication by the federal government attorney in October 2023.

Slaughterhouses in Brazil:

Mineiros/GO (SIF: 3047)
 Bataguassu/MS (SIF: 4238)
 Tangará da Serra/MT (SIF: 1751)
 Pontes e Lacerda/MT (SIF: 1900)
 Várzea Grande/MT (SIF: 2015)
 Chupinguaia/RO (SIF: 3250)
 Alegrete/RS (SIF: 2007)
 Bagé/RS (SIF: 232)
 Promissão I/SP (SIF: 2543)
 São Gabriel/RS (SIF: 847)

Transparency in tracking

One of the practices that helps us create a more sustainable value chain is transparency. In relation to this, we provide a channel that allows any interested party to trace the origin of the product, by locating the properties supplying animals for slaughter. This service is available on our website.

The Federal Inspection Service (FIS) number, which appears on the packaging of the product, is one of the pieces of information required for the search. The FIS is an inspection seal linked to the Brazilian Department of Inspection of Products of Animal Origin, aiming to ensure sanitary and technological certification, in compliance with currently applicable national and international legislation. As such, one simply needs to access the site and insert the number, along with the slaughter date, to find out the information on the origin of the cut of meat, which includes the State and the Municipality that houses the supplying farm, as well as its name.

Marfrig Club

In seeking to engage our suppliers to constantly improve their productive practices and support Brazilian livestock farmers on their sustainability journey, we have implemented the Marfrig Club protocol, aligned with the most important global sustainability indicators. In parallel with the Verde+ guidelines, the initiative was created in 2010 and revised in 2022 to ensure that production has fewer environmental impacts on the rural properties operated by our suppliers. Supported by three pillars, the Marfrig Club offers periodic training on the three themes: animal, environmental and social respect.

Through the Marfrig Club, we encourage and support the suppliers, through our Guide to Sustainable Practices, and the operations of our technical offices, installed at each of our units, to ensure good management of the agricultural practices related to Pastureland Management, Animal Nutrition and Waste Management, and other relevant topics.

We also offer guidance on best practices and provide technical support, along with periodic evaluations of productive practices. These evaluations include assessments of animal welfare, social and environmental compliance, conducted by both the farmers and our in-house experts. Whenever any environmental

adjustment is necessary, the supplier receives support in identifying and informing the required actions. This includes an implementation plan and an execution schedule designed to ensure the issue is properly resolved and not repeated.

This initiative is evidence of a move forward in the sector's value chain and reconfirms our commitment to sustainable farming. Through the Marfrig Club, suppliers are classified as beginners, bronze, silver, or gold participants based on their adherence to the protocol's principles. Currently, all of our direct suppliers (around 9,000) participate in the program and fall into one of these categories. In 2023, we observed that 19% of the farmers improved their practices, advancing into higher categories.

We have also extended this expertise to our indirect suppliers and included them in our innovation projects, with the application of research-based protocols, such as CCN and Low Carbon Meat (CBC).

The Marfrig Club monitoring protocol reflects targets and indicators that are aligned with strict international sustainability regulations, including the Rainforest Alliance, GlobalGAP, RedTractor, the International Finance Corporation (IFC), CDP, FAIRR, BBFAW and Forest500. This movement is driving a transformation in our value

chain, respecting the individual characteristics of each farmer and their situations at the given moment in time.

In addition to the Marfrig Club, in line with our efforts to manage risks related to deforestation in the value chain, we engage our suppliers in sourcing soy exclusively from companies participating in the Soy Moratorium. This initiative ensures that the companies do not acquire soybean originating from deforested regions of the Amazon. In our operations, soybean currently accounts for less than 2% of the total inputs acquired.

Livestock Farmer Relationship Program

Since 2022, the Livestock Farmer Relationship Program, created by the Cattle Purchasing Department has maintained close collaboration with our suppliers, seeking to continually strengthen the ties. Among the various actions undertaken, particular mention should be given to the in-person visits to farms, during which we provide recommendations for solutions and technologies aimed at enhancing livestock farmers' productivity and profitability. The program provides technical assistance in areas such as genetic improvement, nutrition, health control, pasture management, animal welfare, sustainability and business management.

As a result of these initiatives, the program also aims to promote more sustainable production, identifying and guiding those farmers which may be experiencing environmental non-compliance and helping them fall into line with the regulations of the relevant authorities. These actions contribute to a deeper understanding of the challenges faced by farmers, enabling us to attract new suppliers and strengthen our client base.

Since its implementation, our team has made more than 1,500 visits to livestock farmers', technical experts' and farmers' unions, and participated in more than one hundred events, including field days, training sessions, exhibitions and trade fairs, thus reinforcing the objective of the program.

Reduction in the use of antibiotics in the supply chain [SASB FB-MP-260A.1]

Also as part of this process, we have developed a policy concerning the use of antimicrobial agents that support the cattle breeders and veterinary doctors in their responsibility to maintain the health and welfare of the herd, whilst also providing guidance on the use of antibiotics. The declaration can be accessed in the Content Center of our sustainability website.

The use of antibiotics in our animal supply chain for slaughter is assessed through the verification document developed by the Marfrig Club's production system. This information is published in the form of guiding and educational materials that Marfrig has developed, including the **Marfrig Club's Guide to Sustainable Practices**, and our Animal Welfare Report.

At the end of this production process, to ensure compliance with local regulations, all animals arriving at the slaughterhouse must have mandatory origin and vaccination information (via GTA). Additionally, producers must complete a Guarantee Letter specifying any medications administered to the animals, if applicable.

Monitoring is also conducted through the National Plan for Waste and Contaminants Control (PNCRC/Animal), implemented at all our slaughterhouses in accordance with regulations set by the Brazilian Government's Federal Inspection Service (SIF). If any deviations are found, the property will be subject to restrictions according to current legislation and may, depending on the situation, be prohibited from marketing its production.

All of this is coupled with distributing various guidance materials and

conducting training sessions specifically for members of our supply chain at each of our facilities.

In 2023, we increased the scope of our antibiotic usage surveys from five to seven supply farms. These seven farms collectively represented approximately 8.5% of the total slaughter operations in Brazil for that year.

In the same year, we noted a significant reduction of 12.5% in the use of antibiotics per mg/kg of animal slaughtered on the seven farms compared to the previous year. There was also a reduction of 15% in the total number of animals requiring treatment, resulting in just 2.21% of the animals receiving medication. These improvements were attributed to the absence of specific sanitary problems, such as pneumonia.

Pilot farms	2022	2023	Variation %
Amount of antibiotics used (mg/kg of slaughtered animal)	0.24	0.21	-12.5
Percentage of animals treated with antibiotics	2.60%	2.21%	-15



Case

The company's own feedlot in Uruguay

We have a single unit dedicated to cattle feedlot operations within our global production network. Located in Río Negro, in Uruguay, and known as "El Impulso", the operation is the largest in the field of confined livestock farming in the country, with very high production figures. With the capacity to house up to 20,000 animals,

the unit covers 644 hectares and is strategically positioned at the heart of the Uruguayan agricultural pole, where the vast majority of sorghum and corn is produced within a radius of 100km.

Located in a region with easy access to frozen foods plants, highways and ports, the area is home to manufacturers of byproducts arising from the milling of corn and barley, and is also the center of the cellulose industry. In operation since 2010, our confinement business is a modern and strategic tool in driving the primary sector. It provides the farmers with the opportunity to capitalize their animals through confinement, allowing them to maximize their investment with controlled and projected 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 the GHG emissions from 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 involves a high level of ground cover, resulting in low erosion. Its use as an ingredient in feedlots also contributes to our 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.

Reductions in the use of antibiotics [SASB FB-MP-260A.1]

At this feedlot unit in Uruguay, antibiotics are not routinely used; they are exclusively reserved for therapeutic purposes. When antibiotics are the only alternative, every possible good practice is followed. This includes segregating the animals into specific areas and meticulously recording which animals have received treatment, the dosage administered, and the quantity 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 with the prescriptions being kept at the stores where these drugs are purchased. The company has a specific directive establishing that, only when extremely necessary, may this class of drugs be used for the treatment of disease, and only under the direct guidance of veterinarians.

In 2023, our disease outbreak prevention strategy, which involves carefully selecting farms from which animals are sourced, proved effective. Thanks to this proactive approach, we successfully prevented any specific outbreaks throughout the year. As a result, we significantly reduced both the number of animals requiring treatment and the amount of medication used in milligrams.

	2022	2023	%
Amount of antibiotics used (mg/kg of slaughtered animal)	0.290	0.222	-23.4
Percentage of animals treated with antibiotics	3.23%	2.66%	-17.6





Case

Organic meat

We have been developing an organic meat program in Uruguay since 2000. We reported new sales records in 2023, with the United States continuing as the principal market for certified organic beef, which is also sold in several other regions, such as Europe and South America.

Characteristics of our certified organic production:

- We do not use herbicides, synthetic fertilizers, antibiotics or hormones. Sanitary products are only applied for treatment and in a non-preventive form. Furthermore, animals are prohibited from being fed 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, being certified as grass-fed, which assures lower intramuscular fat content and lower cholesterol levels, therefore making it much healthier.
- The company has 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

- One of the highlights of the year was the farms receiving the Global Animal Partnership (GAP) Step 4 – Pasture Raised¹ certification.
- Control Union Certifications, an accredited company with renowned experience, which ensures compliance with the organic production standards required by Europe and the United States throughout all the production stages, from the producing farm to processing and sales.
- Operational units also certified for organic production, as well as the Global Standard for Food Safety (BRCGS), applying the most up-to-date systems, such as the Hazard Analysis and Critical Control Points (HACCP), Sanitation Standard Operating Procedures (SSOP) and Good Manufacturing Practices.
- Compliance with animal welfare standards and product traceability.

¹ Step 4 – breeding to pasture



Animal welfare

Under the animal welfare pillar, we oversee management strategies for animal care across both our supply chain and our own operations. To encourage the suppliers to adopt best practices in this area, we offer comprehensive guidance through the Marfrig Club, a protocol designed to promote sustainability in livestock farming (read more in the [Marfrig Club's Guide to Sustainable Practices](#)).

We have also implemented a range of processes and policies from the farms to the slaughterhouse. All activities adhere to the strictest guidelines, including domestic and international regulations, to ensure humane slaughter.

All the slaughter installations, for both cattle and sheep, were evaluated in 2023, following the standards established by NAMI, which is internationally recognized as a benchmark for good practices in animal welfare. The success achieved during this period represents a great step forward, bringing the originally established target forward to 2025. The target aims to obtain standards evaluated by a third party in line with NAMI at 100% of our global operations.

The NAMI audits serve as one of the criteria guiding our performance

in animal welfare. They are complemented by three others: employee training, livestock transport practices and engagement of the value chain with best practices. Through these key performance indicators (KPIs), we are able to closely and continually monitor the progress made in animal welfare in our day-to-day operations. By doing so, we can seek corrections and advance even further in adherence to the best available practices.

In 2023, we implemented the first cycle of auditing under the Amazon Region Cattle Suppliers Monitoring Protocol ('Beef on Track'). The company was judged to be 100% in compliance in this first cycle of auditing in the livestock farming chain, performed by the MPF, demonstrating the differential the company offers and its commitment to promoting and encouraging respect for socio-environmental legislation.

Over the course of the year, we allocated significant resources totaling approximately \$2.3 million specifically towards enhancing animal welfare across our global operations.





2023 targets and results

- **100% of our slaughter plants were assessed for animal welfare in 2023 according to the rigorous NAMI standards.**

In relation to the audit processes, all the slaughterhouses, catering to both cattle and sheep, were evaluated and deemed to be in compliance with the NAMI animal welfare standards.

As such, we have fully achieved one of our public commitments, which was to bring 100% of our animal slaughter activities into line with the NAMI standards. We continue to work towards fulfilling the remaining commitments we have made.

- **70% of cattle transported by means of journeys lasting eight hours or less.**

In 2023, 77% of the cattle slaughtered at the Marfrig units located in South America were transported overland on journeys lasting eight hours or less, exceeding our annual target of 70% set in 2022.

The transportation of live animals is a process of utmost importance, and we prioritize minimizing transport duration by planning routes and schedules. Our goal is to

ensure that the movement of cattle and sheep from producers to our operations does not exceed eight hours, adhering to internationally recommended standards.

- **40 hours of training per year per unit.**

During 2023, we provided training in animal welfare to employees at our operations. In South America, a total of 1,402 hours were offered, averaging 82 hours per slaughterhouse.

These training sessions, conducted at least once a year, target employees whose job responsibilities involve handling live animals. The training covers all stages from transportation processes to slaughter. These technical training sessions aim to raise awareness on the issue, providing greater focus for the processes and encouraging innovation.

- **100% of the farms meeting at least one animal welfare criterion from the Marfrig Club Program (Brazil only).**

In 2023, 86% of the farms met at least one of the animal welfare criteria established by the Marfrig Club in Brazil.

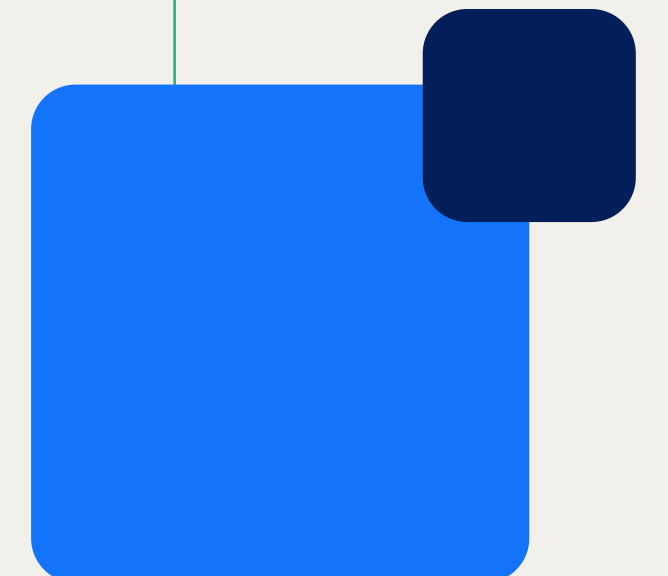
Our work

Regarding animal welfare, our goal is to uphold the five freedoms—environmental, behavioral, psychological, health, and physiological—established by the Farm Animal Welfare Committee (FAWC), an independent British council recognized globally as a benchmark in this field. We also follow the ethical principles, legal standards and regulations in place in the markets that import our products and those in which we are present, in addition to meeting the requirements of customers located in different countries.

Our performance concerning animal welfare reflects the various initiatives we have developed, aimed at preserving the welfare of animals whenever possible. In this regard, we implement policies and continue our efforts to enhance specific processes and routines within our operations. To ensure that our plants' day-to-day operations adhere to best management practices for animal welfare, our initiatives include proper facilities, rigorous procedures, and employee training in animal handling.

In our operations, accommodations not only comply with applicable legislation and standards but also adhere to recommended densities,

Throughout the year, we made significant investments in improving animal welfare, totaling approximately US\$ 2.3 million dedicated specifically to this area across our global operations.





ensuring that animals have adequate space to lie down comfortably, stand up, move around and have access to feeding when the waiting time for slaughter exceeds the number of hours established by the law.

In our supply chain, we encourage suppliers to provide favorable stocking densities for the benefit and comfort of the animals. We also monitor the handling practices of other links in the chain, particularly breeding farms and transporters, to ensure continuous 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 (read more about this in the [Guide to Sustainable Practices](#)).

We also promote and support academic research, whose results may contribute to the improvement of animal welfare practices.

Animal welfare guidelines

Our operations strictly comply with our Global Animal Welfare Policy, a set of criteria that guides our management in this area and is applicable at all operational levels, regardless of the country.

This document is not limited to the management of cattle, our main

source of raw-material, but also offers comprehensive guidelines on other species handled in our global operations, from the acquisition of protein of animal origin through to the creation of our own brand products and those of other brands included in our sales channels.

Even though cattle are central to our production, we recognize the importance of other species, such as pigs and broiler chickens, as well as the sale of fish and sauces in our own stores. The policy establishes recommendations and requirements applicable to our suppliers, reflecting our ongoing desire to achieve excellence in the value chain. Furthermore, it outlines those aspects that will not be tolerated in our internal operations.

Among the recommendations and requirements established in the policy are practices that we demand from our suppliers, in line with our ongoing efforts to guide the value chain towards the best practices, as well as aspects that are not allowed in our operations. [Click here](#) to read our Global Animal Welfare Policy.

In accordance with the animal welfare guidelines:

- We do not support the administration of hormones under any circumstances.

- We do not acquire animals bred using genetic engineering or cloning.
- We avoid performing routine mutilations in our operations. As a company operating in the meat packing sector with its only confinement unit located in Uruguay, we are committed to avoiding such practices. In our operation, we do not perform dehorning or castration on confined animals. Furthermore, we prioritize suppliers that refrain from field practices involving surgical mutilation without anesthesia, such as castration, dehorning, calving, and cesarean births. When these procedures are necessary, they should be performed by a qualified expert and include rigorous pre- and post-surgery care, following best practices.
- We do not use branding in our operations, although it is a mandatory practice in Uruguay. To comply, we requested an exception from the Ministry of Agriculture and Livestock, which was granted due to the temporary nature of our processes for fattening animals for slaughter.
- We do not slaughter animals originating from closed confinements that compromise the physical,

mental and/or psychological wellbeing of the animals.

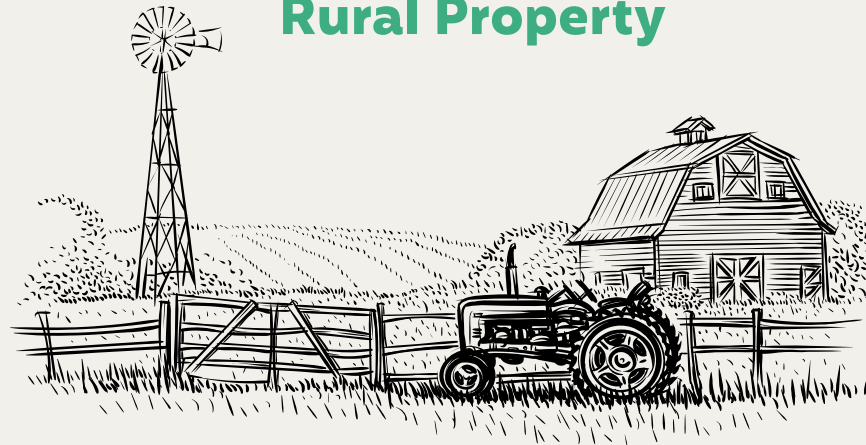
Requirements for suppliers

- We require meat packing companies responsible for slaughtering and selling meat for our operations to present an animal welfare certificate, regardless of the country of origin.
- We require detailed information on the practices adopted in animal welfare by means of questionnaires applied to all operations, with the aim of strengthening the relationship with our suppliers and guaranteeing the effective monitoring and management of this issue on a daily basis.
- We have chosen to acquire breeds of animals that are naturally polled (currently around 80% of the animals), and we provide specific guidance to our suppliers on this matter through support materials.
- We have committed ourselves to not using antibiotics that pose high risks in the breeding of animals, as defined in the [Declaration on the Use of Antimicrobial Agents](#).

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 our numerous encouragement initiatives, we have developed a series of guidance materials on the subject. Additionally, we conduct regular training sessions aimed at fostering innovation, dynamism, and awareness for the benefit of animals, handlers, producers, transporters, the industry, and consumers alike. With our transporters and employees, we work on the theme from the moment they join the company, reinforcing it through periodic training sessions.

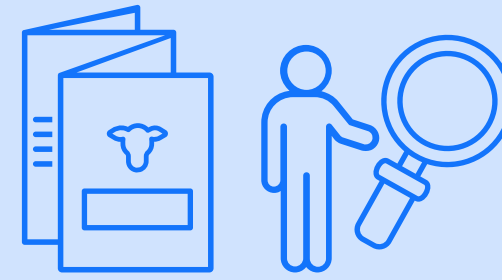
Rural Property



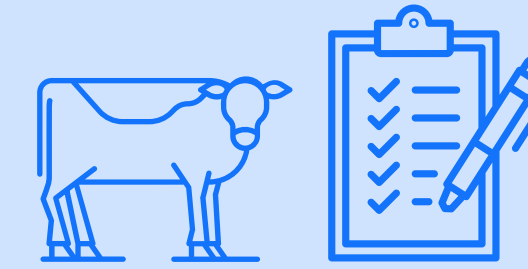
Transportation



Industry



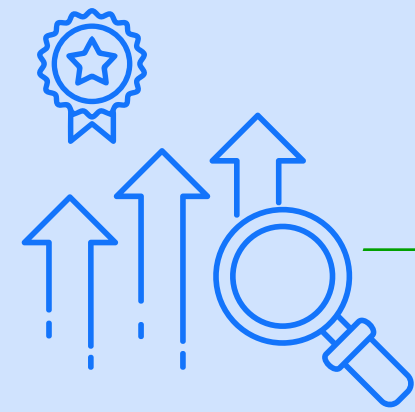
- Guiding materials (manuals and folders).
- Technical visits.¹



- Specific checklists filled out during the technical visits.



- Talks and training sessions.
- Marfrig Club Program.



- Evaluation of handling practices and transportation vehicles.



- Training and awareness raising for transporters.

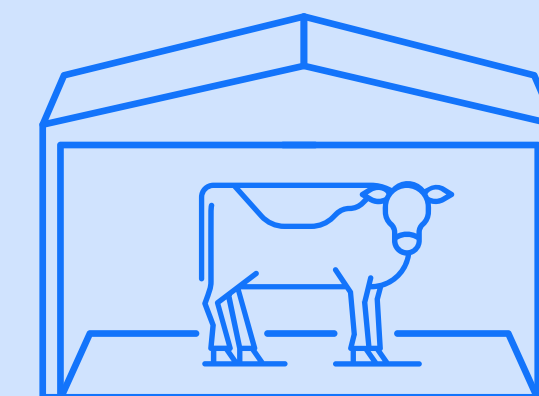
- Animal welfare audits by third parties, based on protocols of the highest standards related to the subject, such as that of the NAMI and others.²



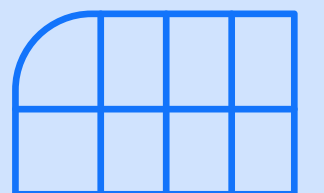
- Frequent monitoring³, both on site and via video cameras in most of the units.
- Quality feed and water, in sufficient quantity for all animals.



- Appropriate structures: appropriate densities 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.

¹ At least once every quarter, to monitor the loading of the animals onto trucks

² Specific for clients, for example.

³ In line with the standards of the NAMI, customer protocols and currently applicable laws.

Environmental enrichment

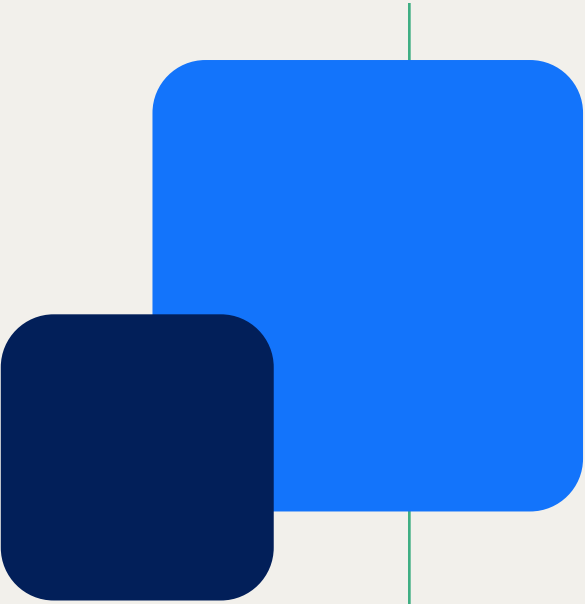
In line with the best references in animal welfare and environmental enrichment, we have adopted several animal handling practices, including the structure of the pens in which they are kept. The criteria adopted in these facilities also comply with the legislation and norms that relate to the subject. We only have an open-air cattle fattening system at our operation in Uruguay, this being the only feedlot owned by the company.

Some of the practices we employ 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.

- **Accommodation is provided in the form of properly planned facilities**, with non-slip floors that are sterilized every time a new batch of cattle is introduced. It also has the recommended densities, to provide the animal with the means of lying down, getting up, moving around and having access to food, when the waiting time exceeds the number of hours set forth by the legislation.
- **Roofing systems and water sprays**, which cool the animals housed in the industrial facilities without disturbing them, providing a favorable environment and greater thermal comfort.
- **Clean drinking troughs**, with abundant, quality water, for the entire time the animals remain at the feedlot.



Public commitments

We expect to fulfill our publicly assumed commitments related to our global operations by December each year. These include:

Deadline	Target
Relating to management	
2024	Perform an audit of the public information concerning the animal welfare throughout the Company, conducted by a third party.
Relating to the development of own-brand products:	
2023	100% of the cattle slaughter activities performed in accordance with NAMI Standards. Target achieved.
2028	100% of the suppliers operating in accordance with NAMI Standards.
Relating to own-brand products made using 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 ear mutilation procedures (known as 'notching').
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	Restrict the marketing of products containing eggs in their composition to those from cage-free chickens.

Collaboration for innovation

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

São Paulo State University (UNESP)

In 2023, we started dialogs with specialists to develop a study on **Environmental Enrichment** for cattle in Brazilian feedlots. There are plans for another partnership in the coming year, focusing on the theme of environmental enrichment. This will play a prominent role in our studies aimed at establishing an innovative strategy to improve cattle welfare.

The project and its details will be defined in the next steps, following the establishment of a new partnership with the university.

Uruguayan Institute for Agricultural Research (INIA)

We have partnered with the Uruguayan *Instituto Nacional de Pesquisa Agropecuária* (National Institute for Agricultural Research / INIA). Research is underway to evaluate and quantify the effect from different heat mitigation alternatives (shade, water spraying or a 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 our only feedlot

unit used to finish animals for slaughter (fattening), located in Uruguay, and is a step forward in environmental enrichment and an opportunity to promote the theme in the efforts to ensure better comfort for the animals.

National Meat Institute (INAC) and Veterinary School

By means of these partnerships, we develop materials and pamphlets on good handling practices. These publications are distributed to our suppliers as a means of raising their awareness concerning the procedures that should be adopted on their farms, in line with our Animal Welfare Policy and Report. In 2023 we obtained the "GAP - Step 4" animal welfare certification for establishments forming part of the pilot project we began in 2022.

Partnerships with NGOs

In 2023, we began hosting animal welfare events for suppliers. To promote the issue along the supply chain, we initiated dialogues and identified new opportunities to establish partnerships with NGOs. These partnerships aim to provide suppliers with specific training on the various animal species within our supply chain. We also control the Marfrig suppliers with support from a certified third party company and conduct second party audits on the raw-materials suppliers.

Protection of biodiversity [GRI 304-2]

Our units are rigorously analyzed and monitored in relation to their local impacts. Special mention should be made of the impacts observed on the local community, availability of natural resources, environmental impact, and job creation opportunities.

The operations are managed through operating licenses issued by environmental authorities. These licenses are granted only after a detailed evaluation of the potential risks that the activities pose to ecosystems and local communities. These licenses promote the adoption of best practices by requiring all actions and monitoring to comply with applicable environmental laws and regulations.

All Marfrig units possess these operating licenses. Furthermore, we are committed to not sourcing animals from farms that encroach upon conservation units and indigenous lands or are blacklisted by IBAMA, thereby contributing to the preservation of these areas and their biodiversity.

Marfrig has developed a number of initiatives and processes aligned with the principles of the Verde+ Program (**read more on page 26**). These initiatives include the engagement

of direct and indirect suppliers in the adoption of sustainable production practices, sustainable production models, responsible procurement, risk management, support for the farmers and a commitment to transparency, including audits in their processes.

A system exists in Uruguay called the National Protected Areas System (**SNAP**), that aims to combine environmental preservation with the country's economic and social development, allowing for productive activities to run in parallel with conservation. Our activities as well as those of our suppliers are in compliance with these regulations.

Pioneering partnership for the preservation of Brazilian wildlife

As part of our ongoing commitment to the preservation of Brazilian biomes, we can highlight our support for AMPARA Silvestre. This partnership is a reflection of our sustainability actions, evident in our Verde+ Program.

AMPARA Silvestre is an institution dedicated to the preservation and recovery of Brazilian fauna, protection of biodiversity and defense of wild animals. It has established a permanent base in the Pantanal to work with the fauna in the region. This base is dedicated to the treatment and care of rescued wild animals, following best animal welfare practices, with





the aim of reintroducing them to their natural *habitats*. The base also includes a center for the development of research and conservation of species native to the Pantanal.

The initiative also offers support for livestock farmers, mediating disputes between the farms and large carnivores. AMPARA provides free orientation to help the farmers to protect their herds from invasion by predators, such as jaguars, which can cause damage to the animals.

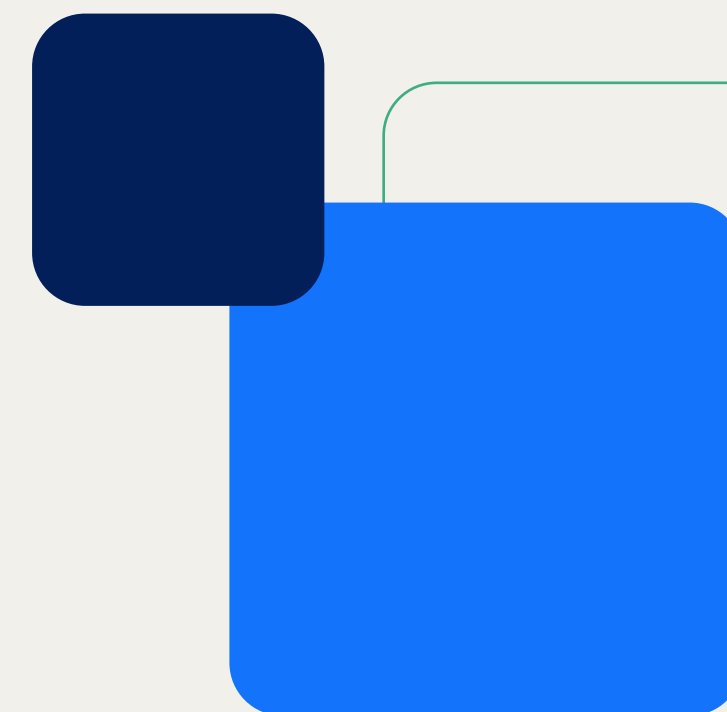
AMPARA Silvestre, an extension of AMPARA animals - the biggest animal defense and protection organization in Brazil - has been active in the region for a number of years, but has previously used a mobile base. In 2020, when a large area of the Pantanal was affected by wildfires, the organization rescued and cared for more than 90 species of animal. This operation, known as "PANTANAL IN FLAMES", mobilized 288 tons of food and more than 7 million liters of water. In total, there were 451 recorded interventions for the rescue and emergency care of Pantanal fauna.

In October 2023, the first Ampara Pantanal Service Base (BAAP) was inaugurated, dedicated to wild animals, with the aim of caring for the fauna (rehabilitation, release and monitoring), conducting of studies, environmental education and support for the local communities and organizations in the region. BAAP also has accommodation facilities for rescued animals that are treated, rehabilitated and reintroduced into the wild. The areas of activity are: anti-predation strategies to protect livestock; monitoring of fauna; environmental education; animal behavior; epidemiology of large cats; and genetics of the animal groups.

Since the project began, in 2023, 66 talks on environmental education have been given, involving 16 nationalities and 718 people. Four Brazilian schools, two international schools and an international university have participated in the project. With a highly qualified team, investigations began and areas have been monitored for the implementation of measures that will mitigate risk in the Pantanal

region and prevent predation. With all the work having been done, we have noted a reduction in the predation indexes over the year.

Donations to AMPARA in 2023 totaled R\$ 365,000, and were channeled into ensuring food for the jaguars and maintenance work. Also in this context, we have continued to hold frequent dialogs with the AMPARA Animal team, with a view to the monitoring and development of the project, as well as to evaluating new needs for the conclusion of the Pantanal Headquarters that is planned for 2024.



Climate change

This pillar encompasses initiatives aimed at managing GHG emissions from our operations (Scopes 1 and 2) and the supply chain (Scope 3). The goal is to minimize environmental impact through increasingly efficient processes.

Marfrig was the first animal protein company in the Americas to commit to the SBTi. This international initiative is a collaboration among CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

Through the SBTi, we have ensured the transparency of the measures we adopt to contribute to the aims of the Paris Agreement: to limit global warming to 2°. It should be stressed that we have established far more ambitious targets, aiming to restrict global warming to 1.5°C.

These targets, approved by the SBTi in 2022, include a reduction of the emissions that will occur in both our own operations and those of the value chain. We have continued with the scope of emissions outlined in our inventory that has been approved by the SBTi. We will be disclosing our commitment and targets related to the new factors that can be calculated, such as those relating to changes in

land use for pastureland, as soon as there are robust methodologies that support such measurement, published by the GHG Protocol/SBTi.

Additional commitments and partnerships

In addition to setting clear emission reduction targets based on scientific studies and research, other initiatives reinforce our commitment to minimizing the impact of our activities and operations on climate change:

- **Net Zero Ambition Movement**

We are part of this initiative led by the UN Global Compact, to which we are signatories, focused on accelerating the strategies of the involved companies to reduce GHG emissions. Among the actions developed by the Movement, in which we are involved, are the establishment of carbon reduction targets and the training programs offered by the Global Compact in partnership with the Brazilian Business Council for Sustainable Development (CEBDS).

The task of establishing Net Zero goals is especially challenging in the livestock production chain, in which the opportunities for reducing emissions are limited. Instead of just reducing emissions, we need to offset them by absorbing carbon dioxide from the

atmosphere. This can be achieved through sustainable management practices, and conservation of forests and green areas.

Studies prove that, by restoring forest areas, recovering unproductive areas, or successfully implementing sustainable practices such as Integrated Crop-Livestock-Forestry (ILF) or Integrated Crop-Livestock-Forestry (ICLF) systems, livestock farming can achieve a negative emissions balance thereby contributing by reducing the concentration of GHGs in the atmosphere and mitigating the impacts of climate change.

- **Emissions arising from changes in land use**

In 2022, Marfrig had the opportunity to participate as a member reviewer and tester of the new GHG Protocol methodology called 'Land Use & Removals'.

This initiative is an essential pilot test for the beef protein chain as a whole, since it provides a more precise methodology for measuring the GHG emissions across the entire production chain, including those emissions related to changes in land use. With this more comprehensive approach, it will be possible to identify specific areas where emissions can be

reduced, as well as allow for more effective monitoring of the emissions over time. In the final analysis, this improved methodology can help promote more sustainable practices and reduce the environmental impact of the meat packing sector.

Climate risks and the availability of raw-materials

We believe that climate change is a reality. Due to the challenges that this context presents, we work to minimize the impacts that could occur in our operations, which includes contributing to ensure that the value chain is better adapted and resilient to the impacts that the processes of climate change can cause, if and when they materialize.

Amongst 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 2023, we saw no evidence that adverse climate events such as droughts, floods and blizzards

have caused significant financial or material losses to our operations.

By means of the actions applied in our own operations and in the production chain, by 2035, we aim to achieve:

- **68% reduction in the direct emissions** from our operations (Scope 1) and those arising from purchased energy (Scope 2)
- **33% reduction in indirect emissions** arising over the course of our production chain (Scope 3)

Reduction of GHG emissions in practice [GRI 305-1 | 305-5]

To achieve our challenging targets for the reduction of GHG emissions, we operate on a number of fronts. We are enhancing management processes within our operations and collaborating with our suppliers to explore and implement alternatives that reduce emissions from livestock production, particularly during enteric fermentation, a phase of the digestive process in ruminant animals.

Our goal is to collaborate in transitioning livestock farming, an activity intensive in GHG emissions, to low-carbon production formats.

How we are working in our operations (Scopes 1 and 2)

[GRI 305-1 | 305-2]

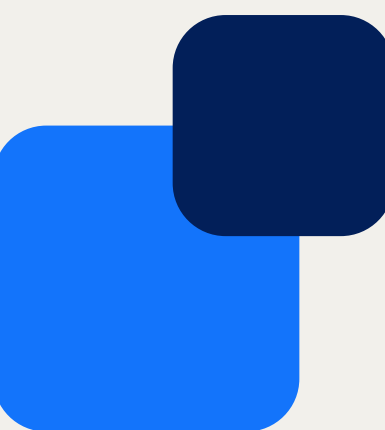
Compensation linked to combating climate change

We have implemented criteria related to good sustainability practices to determine the variable compensation of our leaders, regardless of their position in the hierarchy. In our operations, for example, those professionals in management positions, beginning with coordinators, are assigned targets linked to the responsible consumption of natural resources at the units, which directly impacts our Scope 1 and 2 emissions.

Low carbon production models

We have adopted production models in livestock farming based on low-carbon technologies, allowing us to offer differentiated products to consumers. This is the case of cuts sold under the Viva! brand, produced according to the concept of CCN. Under this format, the animals are bred within systems that integrate livestock farming and forests, thus leading to the neutralization of the animals' methane emissions.

For this purpose, techniques such as Integrated Crop-Livestock (ICL) and Integrated Crop-Livestock-Forest (ICLF) are used, aimed at harmonizing and balancing pastures and biodiversity. These models have resulted in a groundbreaking partnership we established with EMBRAPA in 2018, to stimulate the adoption of more sustainable livestock farming practices, certifying meats originating from such systems. Alongside CCN, we are also collaborating on the concept of CBC, that will be launched in 2024. For this protocol, our goal is to engage a large number of animals and properties, focusing on measuring carbon stocks resulting from proper management practices—from pasture management to soil quality preservation in livestock production systems.



Restoration actions

re.green

An innovative partnership between the forest restoration company re.green and the food company Marfrig aims to recover an area of 2,000 hectares in the border region between the Amazon and Cerrado biomes. The objective is to restore the biodiversity and capture carbon, thereby helping to combat climate change.

Working from a solid scientific base, re.green will work directly with the local communities. Marfrig will also be investing in the recovery of damaged pastureland in order to make the areas productive. In total, the project plans to recover 100,000 hectares of pastureland and restore 6,000 hectares of native forest. These actions will contribute to creating a more sustainable agricultural sector and help Brazil hit its GHG emissions reduction targets.

Biomass

Marfrig and a consortium of major companies including Itaú Unibanco, Rabobank, Santander, Suzano, and Vale, established a company named Biomass with a central objective: to restore and protect four million hectares (two million preserved and 2 million recovered) of native forest in Brazil. This area is equal to the size of Switzerland or the state of Rio de Janeiro.

Biomass will begin by planting two million native trees in damaged areas, covering two million hectares. The company will also conserve and preserve another two million hectares. All this forms part of a plan to help the environment and strengthen the local communities.

To ensure the project's financial sustainability, Biomass will sell carbon credits. This means that they will be helping to reduce GHG emissions. It is expected that, over the course of 20 years, the project will prevent the release of 900 million tons of carbon into the atmosphere. The company will also be protecting more than 4,000 species of animals and plants. This is an important initiative for our planet!

The alliance, launched at COP27, aims to reduce approximately 900 million tons of carbon equivalent from the atmosphere through removals and avoided emissions over a two-decade period. Additionally, the new company is estimated to contribute to the protection of over 4,000 species of animals and plants.

Increased share of renewable energies in the company's energy grid

Marfrig is actively committed to using low greenhouse gas (GHG) energy resources. We continuously strive to innovate our manufacturing processes through partnerships aimed at optimizing our industrial operations. Through projects aimed at increasing energy efficiency and modernizing our manufacturing infrastructure, we aim to achieve our Scope 2 emissions reduction targets, as approved by the SBTi. Regarding our electricity sources in Brazil, it's important to highlight that approximately 63% of it currently comes from incentivized sources, including biomass, small hydroelectric power stations (SHPs), wind, and solar energy.

How we are collaborating with the production chain (Scope 3)

[GRI 305-3]

Methane emissions

We are committed to reducing the greenhouse gas emissions associated with all our purchases and acquisitions, categorized as 'Purchased Goods and Services'. These goods and services represent more than 95% of the company's annual emissions. These emissions arise from the methane produced during the animals' digestive processes and from the management of waste created during the breeding process. Our aim is to reduce these indirect emissions by 33% within our production chain (Scope 3), focusing especially on reducing the methane generated by the animals during the breeding process.

New technologies applied to production

In 2022, we launched pilot projects, in partnership with our suppliers, designed to reduce emissions of the methane gas produced naturally by ruminant animals during the digestion process. Enteric fermentation is one of the main sources of direct gas emissions in our activity.

Silvafeed® BX, a natural tannin extract-based feed additive (oils), produced by the SilvaTeam, is being mixed into the feed offered to the animals during the fattening phase, at our supplier farms. According to

the studies performed by the company that distributes this product, there is an average reduction of 17% in methane emissions arising from enteric fermentation. In 2023, this technology was consolidated and its use is expected to continue steadily through 2024.

During the winter-spring period, we conducted tests to evaluate four products registered in Uruguay that are designed to mitigate methane emissions in cattle. We assessed their performance and the actual methane emissions. As of the publication of this report, the results have not yet been disclosed.

Creation of a Scope 3 proxy

In 2023, Marfrig, together with Alliance Biodiversity and CIAT (International Center for Tropical Agriculture), created a proxy for Scope 3 GHG emissions (that is, a beef production system) and a Monitoring, Reporting and Verification (MRV) emissions and mitigation system for use by the company's beef cattle suppliers in Brazil, Argentina, Uruguay, Paraguay, Chile and the United States, in line with global food demands and climate goals.

These emissions indicators were developed by means of consultations with specialists and reviews of the existing literature to identify the main production systems in each target country and collect secondary data. By taking this approach, we evaluate the GHG emissions during the breeding,

rearing, and fattening phases of cattle production, and relate the emissions to the weight of the beef carcass and the heads of animals produced, thereby creating emissions indicators.

These emissions indicators reduce uncertainties surrounding GHG emissions, enhancing the accuracy and integrity of Marfrig's current GHG inventory. They also facilitate better planning for mitigation options.

Carbon footprint measurement App

Another initiative we have implemented involves providing an app capable of measuring and managing the carbon footprint of our cattle suppliers in Uruguay. This tool has been available to all Marfrig suppliers in the country since July 2022. It involves entering farm information to generate environmental indicators, including the carbon footprint composition. It provides insights into farm activities that impact this footprint the most, along with guidance on reducing it.

The app was developed in collaboration with two companies: Climit, specializing in climate change and carbon footprint estimation, and Inzol, specializing in the digitization of manufacturing, maintenance, and logistics processes. The next stage of the project will include other environmental indicators in the tool, such as biodiversity and the water footprint, which will allow the measurement of the farmers' carbon footprint to be extended to a more comprehensive concept.

The positive impact of the Marfrig Club

The Marfrig Club, our sustainable practices program, has been a catalyst for the adoption of low-carbon production practices among our suppliers. In 2023, we recorded over 875,000 animals sourced from farms committed to these systems.

Our recommendations for suppliers include:

- Providing the animals with food from well-managed areas and pastureland, thus promoting the fixing of carbon in the soil.
- Implementing low-carbon animal breeding systems, including early development that allows the cattle to be ready in shorter spaces of time, thus reducing methane emissions.
- Investing in the improvement of the genetic quality of the cattle.
- Adopting efficient agricultural practices and processes, such as pastureland management.
- Ensuring that the pastureland is well managed and implementing direct planting techniques.

We are committed to sustainability, which is why approximately R\$ 500 million will be invested in the supply chain to promote initiatives aimed at reducing Scope 3 emissions through the Verde+ Program.

Our aim is to move forward in the sustainability of livestock farming, and the Marfrig Club is a key part in this process. We will continue to work together with

Benefits of grazing for ruminant animals

Feeding ruminant animals by means of grazing offers a number of significant advantages over the use of feed based on corn, soybean or other grains. Let us take a closer look at these benefits.

- **GHG mitigation:** The proper management of pastureland can reduce the methane (CH₄) emissions produced by ruminant animals. Avoiding the extended growth of stalks and encouraging the growth of leaves with a higher content of good fibers helps to reduce the production of methane in the rumen.
- **Carbon sequestration:** When the pasture land is well managed, it can act as a kind of 'sink' for carbon, contributing to the reduction of CO₂ in the atmosphere. One study has shown that cattle breeding systems that involve proper management of the pasture land can have a positive impact equivalent to the annual growth of six eucalyptus trees per calf.
- **Sustainability:** The use of well managed pastureland is a more sustainable practice, since it reduces the need to expand pasture lands and preserves the soil.

Basically, grazing offers both environmental and economic advantages, as well as improving the ruminant animals' health. However, it is important for the pasture management to be conducted properly in order to maximize these benefits.

our suppliers to promote sustainable production practices and reduce our environmental impact.

Climate risk management in the livestock farming production chain

We recognize that climate change is an undeniable reality. Due to the challenges this scenario poses, we are committed to minimizing the potential impacts of our operations and contributing to a value chain that is more attuned and resilient.

The Company is constantly monitoring the risk of the unavailability of raw-materials associated with climate change – and its potential effect on the prices of products. In 2023, adverse climate events such as droughts, floods and blizzards did not compromise our operations and nor did they have significant financial or material effects.

[GRI 201-2]

Our strategy for adaptation to climate change includes:

Mitigation: We have firm policies and commitments focused on establishing chains that are free from land conversion/deforestation,



Sustainable Calf Program

The Sustainable Calf Production Program is an initiative implemented in the state of Mato Grosso, Brazil, in partnership with the IDH and other private companies. The program aims to transform the dynamics of production and commercialization within the livestock farming chain, enhancing outcomes in the breeding segment across economic, social, and environmental dimensions.

Additionally, the program seeks to assist farmers in making their operations more sustainable and in tracing the origins of calves. It provides training, technical support, and access to credit. The program also emphasizes the restoration of degraded areas. [GRI 304-3]

The outcomes of the partnership encompass:

- **557 calf breeders** involved
- **7 municipalities** participating
- **583,000 tons** of CO₂ equivalent (estimated) sequestered from the atmosphere through the restoration of Permanent Conservation Areas (PCA).
- **153,000 hectares** in conservation areas associated with the program

thus preventing our activities from encroaching upon preserved ecosystems in the biomes where we operate. More details on these commitments can be found on our Sustainability website.

Adaptation: Through the Marfrig Club program, we have worked for over a decade to guide and support our suppliers in the adoption of sustainable production practices. By means of a checklist and the Guide to Sustainable Practices, the farmers have access to guidance

on good practices that can be adopted to ensure consistency in production, reduce their impact and even generate additional benefits. This includes techniques such as production intensification, better pasture and soil management and the integration and management of production systems.

We are committed to managing the climate risks in the livestock farming production chain and will continue to work to promote sustainability in all our operations.

Monitoring of our GHG emissions

We have published our GHG Emissions Inventory annually since 2014. It includes Scopes 1, 2 and 3 and covers all of Marfrig's global operations. Our inventory is audited by an independent third party.

In 2023, we conducted the second third-party audit of our emissions inventory, focusing on data from that year. This audit is a routine part of our process, and planning for the audit of the 2024 inventory cycle (addressing 2023 data) is already underway.

The results of our emissions inventory are available through the CDP platform, in the questionnaire on Climate Change, [here](#).

In 2023, we managed to reduce our emissions in scopes 1 and 2 by 2.91%, and by 2.15% in Scope 3, compared to the performance in 2022 and 2023.

[GRI 305-1 | 305-2 | 305-3 | SASB FB-MP-110A.2]

Categories¹	2022	2023	Variation (%)
Scope 1	330,212.37	320,670.93	-2.89%
Scope 2	174,688.87	169,532.41	-2.95%
Scope 3	28,305,844.77	27,696,558.51	-2.15%
Total	28,810,746.02	28,186,761.85	-2.17%

Intensity (tCO₂ e/t production) [GRI 305-4]


Categories¹	2022	2023	Variation (%)
Scopes 1 + 2	0.1419	0.1424	0.36%
Scope 3	7.95	8.04	1.14%

¹ The volume of emissions in 2022 was updated following the audit assessment. The amounts relating to 2023 may be altered and the corrections can be accessed on the CDP's climate change panel. [GRI 2-4]

- **Reduction of Scope 3 emissions:** We have observed a reduction of 2.15% in the volume of Scope 3 emissions compared to 2022. It is known that Scope 3 is responsible for roughly 99% of the company's total emissions, as gauged in the most recent inventory, with this sum including emissions arising from the enteric fermentation in the cattle, the management of waste, and feed for cattle.
- **Emissions arising from feed production:** The total volume of emissions at our only company-owned feedlot, in Uruguay, where feed is produced and cattle are bred, amounted to 6,457.80 tons of CO₂e.

Variables considered in measuring greenhouse gas (GHG) emissions

Scope 1

-  **Enteric fermentation*** (belching by oxen)
-  **Waste management*** (decomposition of the manure at the feedlot)
-  **Waste**
-  **Stationary combustion** (boilers, generators and furnaces)
-  **Mobile combustion** (transportation of raw-material at the units and equipment used for production)

Scope 2

-  **Procurement of electricity**

Scope 3

-  **Enteric fermentation*** (belching by oxen, arising from animals on the supplier's farms)
-  **Purchase of raw materials from third parties** (poultry, lamb, pork and beef)
-  **Purchase of raw materials for feed** (feed at feedlots)
-  **Transportation and distribution** (upstream)
-  **Waste generated** (treatment by outsourced companies)
-  **Composting**
-  **Business trips** (ground and air transportation)
-  **Transportation from home to work** (ground transportation)

* Arising from the sole company-owned feedlot, located in Uruguay.



Natural Resources

This pillar encompasses the management of water and energy use in production processes. These strategies also include initiatives aimed at reducing our environmental impact, such as our efforts to utilize renewable energy sources.

Water [GRI 303-1]

The imbalance of the planet's water reserves is leading to more frequent and more serious scenarios in which access to water is scarce. This situation partially results from climate change, that affects the water cycle, but is also aggravated by human activity. Recognizing this reality and the vital importance of water to the safety and quality of food, we base our operations on certain principles:

- We have established a global and uniform directive for the entire company.
- We aim to reduce water consumption by 20% by 2025, using our 2020 performance as a reference point. To achieve this target, we distribute the aims for reduction of water consumption to each of our operational units, taking into consideration the local

water conditions. Units located in regions suffering water scarcity have more challenging targets, whilst those in regions with more water resources have more lenient targets. We have also tied the water consumption reduction targets to the variable remuneration of those responsible for the units and the Board of Directors.

- We analyze the water risks faced by our operations, attributing levels of importance to each impact and prioritizing those that are more significant. We have developed mechanisms to reduce these risks.
- We are constantly evaluating the efficiency of our water use, through regular measurements and monitoring.
- We use daily consumption indicators cited in tons per cubic meter (t/m³) and establish sectoral targets based upon these measurements.
- We meet the water quality demands of the markets to which we export our products.
- We have implemented measures to encourage the rational use of water at our installations, including the adoption of efficient equipment and training for the employees.

- We provide our value chain with guidance on good water management practices, with the aim of establishing regulatory compliance and environmental sustainability.
- We have invested in WTPs at all our operational units and begun performing internal audits to guarantee the quality of the input used.
- Each month we measure the volume of water withdrawn at all our units in all the countries where we operate.
- We publish detailed information on the use and consumption of water in our operations using the CDP's Water Security questionnaire that can be accessed on our website.

Management of water use

[GRI 303-1 | SASB FB-MP-140A.2]

We implement various measures to reduce water consumption at our facilities, including the installation of leak reduction devices, automation equipment, and other strategies. Additionally, we conduct training sessions for our employees on water conservation practices. In those areas that do not require water of potable standard, we have implemented reuse projects.

Our approach to this issue revolves around "quantity" and "quality". Regarding quantity, our focus is on the efficient use of resources, achieved through the implementation of various processes, routines, and goals across all our operations. Concerning quality, we continually invest in enhancing water treatment facilities at our installations to maintain the highest standards of potability. We have also adopted measures designed to mitigate the risks related to water availability.

Areas addressed in the management of water:

- Measurement and monitoring
- Treatment
- Management of water risks
- Water efficiency
- Consumption targets

Measurement and monitoring

We use a set of procedures to continually monitor the use of water in our operations, which includes observing the demands made by the environmental agencies in the respective countries in which we operate and to which we export.

In Brazil, for example, we have electromagnetic flow gauges to be able to measure the water consumption at each unit. The data ascertained globally are audited by a third party. This ongoing procedure allows us to identify opportunities for improvement and contributes to the measurement of our performance in this area.

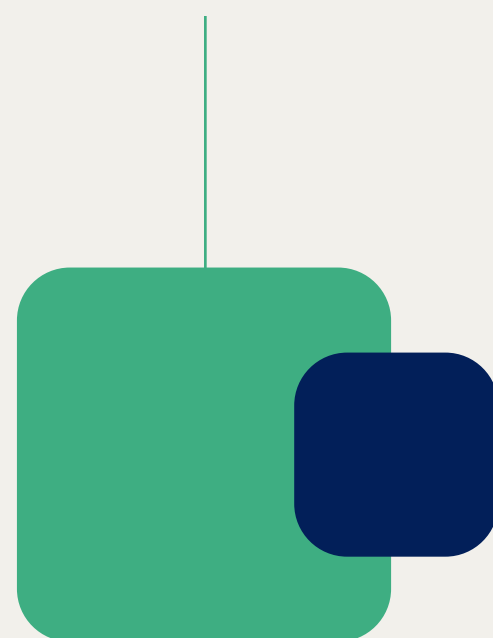
One of the aspects that we measure and monitor is the total amount of water withdrawn by source and the volume collected, by industrial unit and head of cattle.

Total water withdrawn by origin [GRI 303-3]

In South America, surface water represents the principal source of use, accounting for 66.6% of the total, followed by groundwater (32.9%). Another 0.5% of our withdrawal comes from other sources.

In North America, the inverse is the case. Groundwater sources account for a large portion of the withdrawal, which in 2023 stood at 54.7%. Groundwater withdrawal at some North American units includes waters drawn from a combination of wells supplying the public, whilst in South America the collection is made using surface collection points and acquisition from third parties, in addition to wells.

All our units hold withdrawal concessions. No withdrawal of water is made above the established limits, a measure that protects the supplier water sources. As a food manufacturing company committed to food quality and safety, we have restrictions regarding water reuse in our operations.



Total water withdrawn, by source [SASB FB-MP-140A.1]

In m³	NORTH AMERICA			SOUTH AMERICA			TOTAL		
	2022	2023	%	2022	2023	%	2022	2023	%
Surface waters	102,924.00	(-)		8,660,912.00	8,904,105.59		8,763,836.00	8,904,105.59	
Groundwater	13,595,466.00	7,181,060.47		4,861,962.00	4,396,092.50		18,457,428.00	11,577,152.97	
Water from other sources	(-)	5,951,502.26		82,260.00	71,777.00		82,260.00	6,023,279.26	
TOTAL	13,698,390.00	13,132,562.73	-4.31%	13,605,134.00	13,371,975.10	-1.74%	27,303,524.00	26,504,537.82	-3.01%

Reuse water

In m³	NORTH AMERICA			SOUTH AMERICA			TOTAL		
	2022	2023	%	2022	2023	%	2022	2023	%
Reuse waters	559,333	403,427	-27.9%	327,623	393,462.70	16.73%	886,956	796,890	-10.1%

Volume of water withdrawn per production unit

	2022	2023	%
Volume of water withdrawn per production unit (m³/ t of products) – production units/plants			
Argentina	10.7 m³	8.3 m³	-22%
Brazil	17.3 m³	20 m³	15%
Chile	No processed foods units		
Uruguay	32.3 m³	32.5 m³	0.6%
United States	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
Volume of water withdrawn per production unit (m³/head) – slaughterhouses/plants			
Argentina	3.6 m³	2.9 m³	-19%
Brazil	3.7 m³	3.5 m³	-5%
Chile	0.4 m³	0.2 m³	-50%
Uruguay	3.7 m³	3.3 m³	-10%
United States	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE

Therefore, the initiatives in this direction are primarily focused on processes that do not necessitate potable water input. For instance, we utilize backwash water from the Water Treatment Plant (WTP) filters for activities in external areas at the meat packers, such as gardening, patios, and road maintenance.

As for our performance, we achieved a 1.74% reduction in the total amount of water withdrawn across both regions. This improvement reflects increased efficiency in water resource consumption at our units. In Chile, for instance, we have implemented a new water treatment system that has resulted in a 9% reduction in water usage and eliminated the need for

chemical products. Our consumption results are reported annually in the Supply Chain and Water indicators in the CDP reports. More information can be found [here](#).

Water withdrawal [GRI - 303-3]

The total volume of water withdrawn to supply our global operations was less than the previous year, totaling 26.5 million cubic meters, which is a 3.01% reduction compared to 2022.

Treatment

Each of our units has its own WTS designed specifically to handle the type of water withdrawn at the unit, be it groundwater or surface water. This approach ensures that the water treated

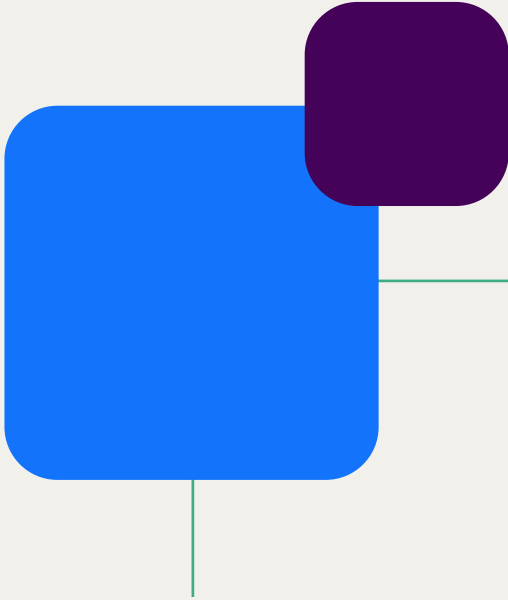
meets the rigorous standards of potability established by the legislation of each country in which we operate and those to which we export.

Water risk management

To assess the water availability for our operations in the regions where our plants are located, we continuously analyze the water situation in those areas. By means of this study, we are able to identify the quality and quantity of reservoirs. In this work, we use a specific tool called ‘AQUEDUCT’, made available by WRI.

The majority of our units are located in areas considered as having little exposure to significant water risks, in the different countries where we are

present: The complete list of Marfrig units that are located in water stressed regions, both from the perspective of water availability and in terms of the quality of wastewater, is available on our [Sustainability website](#).



Investments and operating expenses

CAPEX		
	2022	2023
Argentina	R\$ 5,800,762.98	BRL 2,747,782.87
Brazil	R\$ 31,805,740.00	BRL 18,680,455.23
Chile	R\$ 36,558.99	R\$ -
Uruguay	R\$ 28,383,822.17	BRL 23,268,012.98
United States	R\$ 4,879,431.77	BRL 33,917,862.71
TOTAL	R\$ 70,906,315.91	BRL 78,614,113.79

OPEX		
	2022	2023
Argentina	R\$ 6,757,663.60	BRL 27,920,202.60
Brazil	R\$ 47,470,114.00	BRL 51,161,220.70
Chile	R\$ 649,396.28	BRL 359,584.85
Uruguay	R\$ 13,697,925.34	BRL 15,618,456.75
United States	R\$ 57,461,838.23	BRL 91,452,054.04
TOTAL	R\$ 112,054,883.55	BRL 186,511,518.94

Level of water stress <small>[GRI 303-1]</small>	N° of units
Low	21
Low to medium	5
Medium to high	4
High	0
Extremely high	3

Source: Aqueduct - WRI

Water withdrawal per water stress level (in m³) [GRI 303-5 | SASB FB-MP-140a.1]

	North America	South America	Total
Low	1,368,104.44	11,157,660.88	12,525,765.32
Low to medium	40,720.86	1,773,985.21	1,814,706.07
Medium to high	1,219,080.75	440,329.00	1,659,409.75
High	0	0	0.00
Extremely high	10,504,656.70	0	10,504,656.70



Water efficiency

We have implemented a number of initiatives designed to reduce the consumption of water at our units, including the installation of leak reduction devices and automation systems, along with training programs for our employees. In regions where the quality of the water is not critical, we have developed projects for the reuse of this resource.

Our CAPEX investments in improving water and effluent management infrastructure to enhance water efficiency in our operations increased by 10.87% between 2022 and 2023, rising from R\$ 70.9 million to over R\$ 78 million. Expenditures related to the treatment of effluents and general maintenance (OPEX) increased by approximately 66.45% compared to the 2022 figure. [\[GRI 201-2\]](#)

Consumption targets

Our goal is to achieve a 20% reduction in water consumption by 2025, based on our performance in 2020. This target is pursued globally, and to determine it, we allocate specific water consumption reduction goals to each of our operational units, taking into account the water situation in each location. Or in other words, units in regions of water stress have more challenging targets than others located in regions with a

greater availability of water. Another distinguishing feature is that the water consumption reduction target is linked to the variable remuneration of the unit managers and the Board of Directors.

Water management in the supply chain

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

Just like in other areas, our efforts to properly manage the use of water, from the perspectives of "quantity" and "quality", also extend to the supply chain. On rural properties, quality water is an essential resource, since it can guarantee people's health, quench the thirst of animals, and provide irrigation for planted 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. Management of the withdrawal and control of the volume used, the change in user habits, and the training provided for workers all

result in better water efficiency of the company's activities. Managing the use, seeking to minimize the volumes withdrawn and reduce waste are crucial for achieving sustainable production.

To encourage our partners to adopt good practices in water management, we have disseminated a series of guidelines through the Marfrig Club, specifically under the "Environmental Respect" pillar. This initiative aims to mitigate the environmental impacts of livestock breeding activities. Livestock farmers can access this information through the Marfrig Club Guide to Sustainable Practices. Some examples of the practices covered are:

- 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 resource in the production of ingredients for animal feed.
- Rational use of water: recommendations of practices aimed at reducing water consumption on the farm, while assuring production quality. Among these practices are

the collection of rainwater, crop rotation, no-till farming, drinking fountains for the animals, fertigation, and the adoption of a specific tool to measure water consumption.

- Rainwater containment: adoption of practices designed to contain rainwater, aiming to avoid erosion and facilitate infiltration, deriving, for example, from terracing or contour lines. It is advisable to have some form of vegetation to preserve springs and waterways. Find out more about the Marfrig Club Guide to Sustainable Practices [here](#).

We are also attentive to the water risks faced by producers. To engage them in adopting best practices in this area, we have started mapping water availability in our supply chain. This measure will complement our geospatial monitoring system and our map for mitigating deforestation risks. 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.

Consequently, we have been able to assess water risks and implement both proactive and preventive actions to enhance water management in our supply chain, including setting targets, control and rational use. This water mapping also extends to the sourcing of products for animal feed.

In Brazil, in 2022, we initiated partnerships with suppliers to provide technical support on environmental issues, including water availability and treatment. The aim is to consolidate the environmental performance of these cattle farmers, ensuring the availability and quality of the water resources available in the regions surrounding the farms. This project is initially being developed together with three large-scale cattle farmers, who are jointly responsible for around 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 responsible approach has also led us to establish the goal of using exclusively renewable

energy in 100% of our operations by 2030, as published on the CDP platform since 2020. International Renewable Energy Certificates (I-RECs) will be purchased for the offsetting of emissions caused by the Brazilian and Chilean operations.

Energy consumption

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

Promoting conscientious consumption through training, continuous communication actions, and dissemination of 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.

Actions designed to reduce energy consumption [GRI 302-4]

In the Brazilian operations, the consumption of energy is monitored on a monthly basis using the Industrial Panel and the Marfrig Integrated Energy Grid System (SIMEM). The Industrial Panel is a tool which is fed information on a daily basis (partial) and consolidated each month (official) to be able to monitor the electricity indicators. SIMEM, meanwhile, is a panel of technical indicators relating to invoices, consumption evaluation, demand and fines, amongst other factors concerning the revenue directed to the company's production units.

In 2023, we replaced a number of pieces of equipment at the factories with the aim of improving production efficiency, whilst we also modified the lighting, motors, and refrigeration and compressed air generation systems.

We have also now stopped using diesel powered generators at the Mineiros, Bagé, Alegrete and Pontes e Lacerda units, which now use energy from the free energy market. All these actions together have led to a 1% drop in the consumption of electricity.

In Uruguay, we perform a daily control of the electricity consumed. We pursue good practices in the areas of refrigeration and in the machine room, and, whenever possible, we turn off the compressors at peak hours (when the cost of energy per kWh is higher and there is a greater demand for electricity in the country). We have also replaced certain pieces of equipment with others that are more efficient whilst also maintaining a periodic maintenance schedule.

In Chile, we have implemented a project involving solar panels that will result in a possible 27% reduction in electrical energy consumption.

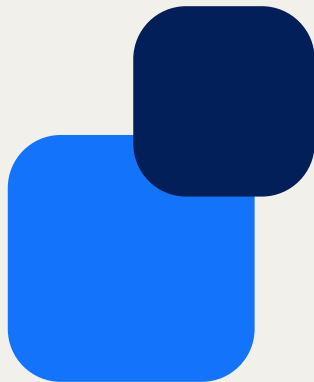
In our North American operations the units have replaced equipment and revised their processes, resulting in a reduction in electricity and thermal energy consumption calculated per head of cattle slaughtered.

Energy consumption [GRI 302-1]			Non-Renewable			Renewable			Total	
In GJ	2022	2023	Variation (%)	2022	2023	Variation (%)	2022	2023	Variation (%)	
North America	1,065,878	1,049,962	-1.49%	228,378	211,186	-7.53%	1,294,256	1,261,148	-2.56%	
South America	445,145	501,555	12.67%	1,102,294	1,069,530	-2.97%	1,547,439	1,571,085	1.53%	
TOTAL	1,511,023	1,551,517	2.68%	1,330,672	1,280,716	-3.75%	2,841,695	2,832,233	-0.33%	

Energy use intensity index¹ [GRI 302-2]

Energy Consumption (GJ/t)			
	2022	2023	Var
North America	0.62	0.64	3.30%
South America	1.06	1.07	1.32%
TOTAL	0.80	0.82	3.02%

¹ We experienced an increase in the energy intensity in 2023 compared to 2022 due to reduced production.



Wastewater and waste

Under this pillar, we have streamlined procedures and practices for treating liquid waste generated from our operations, aiming to minimize impact on water resources and the environment. Additionally, this includes implementing measures for the proper management of solid waste produced at our units.

Wastewater management

Using water responsibly in the operations also includes caring for the water sources. This is why, year after year, we have sought to improve the practices used in the disposal of wastewater, aimed at mitigating the impact of our activities on the environment.

Wastewater Treatment Plants (WTPs)

The wastewater generated during the various production stages at our units is treated before it returns to the environment. This is possible since all our units have WTPs, which consist of structures in which the input undergoes physico-chemical treatment, followed by biological procedures, so that, at the end of the process, it meets the discharge standards required by the applicable 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 the discharge of wastewater

Created in 2022, this system refines and streamlines 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, thus allowing us to constantly monitor the WTSs, identify opportunities for improvement, and foresee corrective measures that may prove necessary.

Reduction in the volume generated

By 2035, we expect to reduce the volume of wastewater generated in our operations by 15%. This is the global target we pursue. To achieve this figure, the target is adapted to each national operation and then redistributed depending upon the individual realities of the industrial units.

Wastewater generated

In 2023, our operation generated 23.9 million m³ of wastewater, meaning a reduction of 0.5% compared to 2022. In Chile, there was a reduction of wastewater of 19%, whilst in Argentina it was around 3.27%. In the United States, the volume of wastewater generated dropped by 1.87%. In Brazil and Uruguay, there was an increase of 1.45% and 4.18% respectively.

Wastewater quality

Total volume of wastewater generated (m³)

	2022	2023	% variation
Argentina	1,045,829.46	1,011,573.62	-3.27
Brazil	7,131,632.40	7,235,195.84	1.45
Chile	30,542.27	24,720.70	-19.06
Uruguay	1,869,787.00	1,947,876.00	4.18
United States	13,979,224.47	13,718,411.47	-1.87
TOTAL	24,057,015.60*	23,937,777.63	-0.50

* The total volume of wastewater in the operations in the United States for 2022, as reported in our last Sustainability Report, was reassessed following reviews of the collection and checking process. The total that was published initially was 16,269,084.00 m³, however, following the adjustments, the correct volume was determined as being 13,979,224.47 m³. [\[GRI 2-4\]](#)

Volume of wastewater generated (m³ per head slaughtered) - slaughter units

	2022	2023	% variation
Argentina	2.70	2.20	-18.52
Brazil	2.73	2.90	6.23
Chile	0.25	0.15	-40.00
Uruguay	2.89	3.67	26.99
United States	3.94	3.53	-10.41

Volume of wastewater generated (m³ per ton of processed products) - processed foods units

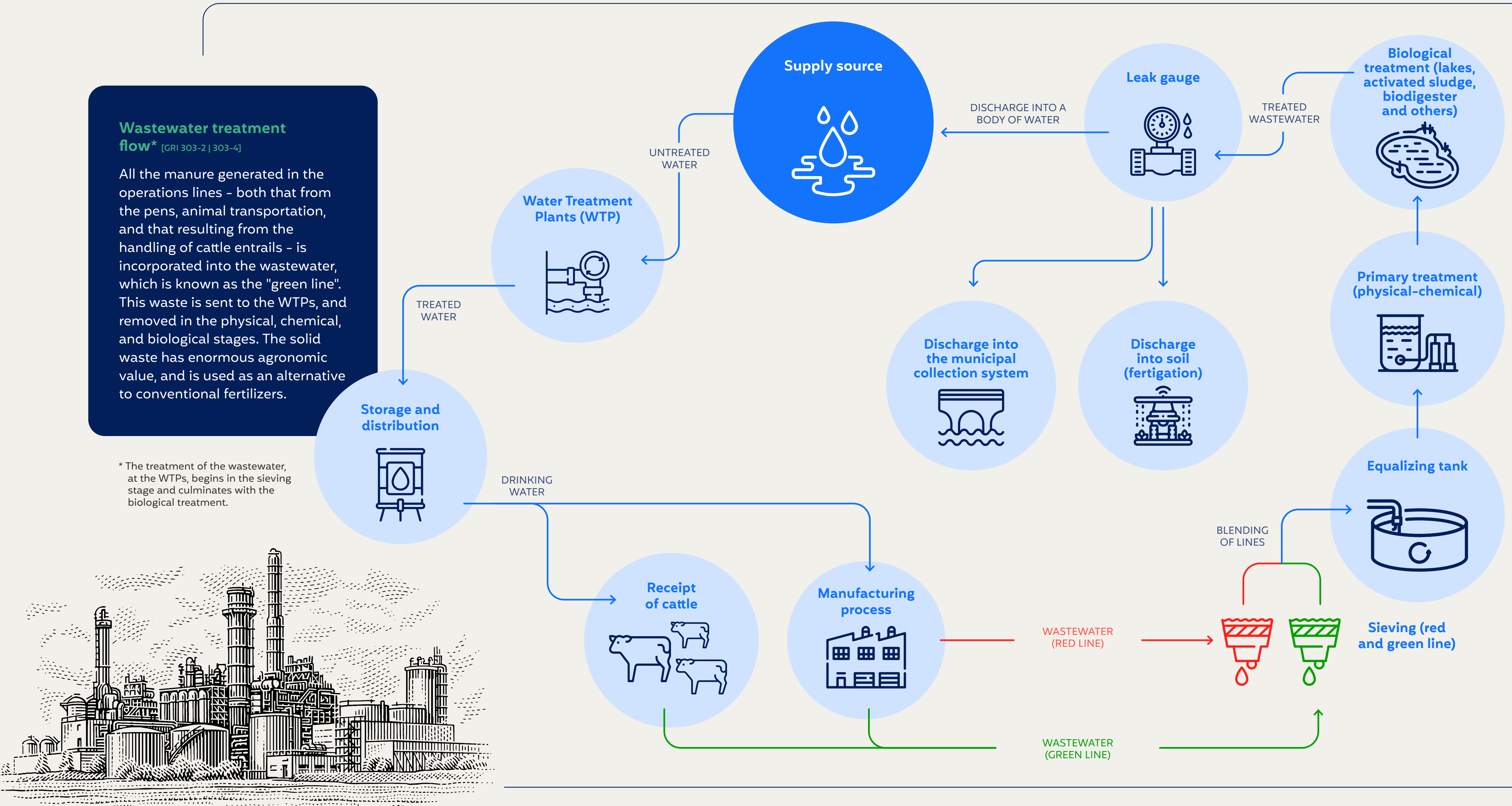
	2022	2023	% variation
Argentina	7.42	6.90	-7.01
Brazil	10.08	11.47	13.79
Chile	No processed foods units		
Uruguay	10.41	18.40	76.75
United States	Unavailable	Unavailable	Unavailable

By 2025, our goal is to achieve a score of ten on the Wastewater Treatment Quality Index (WTQI). This score will ensure that we meet acceptable internal quality standards and comply with local legislation for wastewater discharge standards. We monitor our performance on the WTQI, which is specific to each operation, across all our units in South America.

Quality of the wastewater

	2022	2023
Average BOD (mg/L)	46.50	51.78
Average WTQI*	9.80	9.85

* The figures relate to the operations in Argentina, Brazil and Uruguay. In Chile, where there is only one slaughterhouse, only the primary treatment of wastewater is conducted, after which it is discharged to the waste collection system. The secondary treatment is the responsibility of the municipality, as is the discharge into the body of water. Despite an increase in the average BOD (Biochemical Oxygen Demand), what we evaluate with the WTQI is whether these amounts are within the acceptable limits. As such, the relationship between the average BOD and the WTQI is not directly proportional.



Fertigation

We have been expanding the use of fertigation in our operations. Instead of discharging the water after it is used in our production processes, we direct the treated wastewater to the irrigation of productive areas in farms near our plants. By collecting the organic matter and nutrients during the industrial process, the plantations are provided with opportunities for soil and crop improvement, including the reduction in fertilization through conventional fertilizers.

In Brazil, for example, the Tangará da Serra (MT) and Bataguassu (MS) units carry out fertigation, sending the treated wastewater to be used as fertilizer on plantations and pastureland. Of the total operations, 25% have already adopted fertigation in their daily routines. Furthermore, 8% completed environmental studies in 2023 and are now in the phase of concluding the technical projects. Other units, in both North and South America, employ the practice of collecting biogas from the treatment of waste effluents, and burning it by means of the flaring method, a process that is reflected in the reduction of our Scope 1 emissions.

In the United States, all the wastewater from the Liberal plant in Kansas (USA) – approximately 7 billion liters per year – is treated and reused for irrigation of

farmland. The unit has a WTP and an irrigation system making use of the treated effluent, which is used as fertilizer by farmers whose farms are located close to the meatpacking plant.

Standards met in wastewater management [GRI 303-2]

The WTPs comply with the standards established by all local and international regulations and legal requirements, which vary for each unit depending upon its location. In general, they monitor and obey requirements involving: Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), pH, Total Suspended Solids (TST), and temperature, amongst others.

In Brazil, we control the wastewater by raising the employees' awareness and monitoring the consumption of water at each unit. It is also essential that we comply with the limits of the individual operating concessions and licenses at each unit to ensure the responsible use of the water resources.

The minimum standards adopted are monitored by internal audits conducted by different departments within Marfrig. These audits are in line with the export regulations of every country where we hold certifications, as well as the recognized audit norms, such as BRC, McDonald's and the SEDEX Members Ethical Trade Audit (SMETA), where 'SEDEX'

is yet another abbreviation, this time for 'Supplier Ethical Data Exchange'.

In the Brazilian operations, for example, eight units hold the ISO 14001, which certifies companies that have implemented an Environmental Management System in accordance with the requirements of the Brazilian Technical Standards Association (ABNT) regulations. As such, the company's wastewater, in terms of generation, volumes, discharge standards and other legal requirements, is verified annually by an external audit.

In Argentina, meanwhile, our criteria involves compliance with the legal regulations relating to the guidelines on the discharge of wastewater. These include: COD, BOD, pH, TST, and others. The minimum criteria are established externally and vary depending upon the location of the unit.

In Uruguay, the discharge is performed in line with national and local standards. In the case of the INALER and Tacuarembó units, as well as the abovementioned Decree 253/79, they are also required to comply with the Ministerial Resolution that imposes additional demands on the NTK (total Kjeldahl nitrogen) and NO₃ (anion nitrate) for the discharge of wastewater.

In Chile, Marfrig also complies with the criteria established by currently applicable legislation.

In 2023, Marfrig did not incur any significant fines, enforcement orders, or penalties related to regulatory violations concerning water quality.

The complete list of Marfrig units that are located in water stressed regions, both from the perspective of water availability and in terms of the quality of wastewater, is available on our Sustainability website.

The data on wastewater generation in 2022 from all our activities were audited by a third-party company as part of the auditing process for our greenhouse gas (GHG) emissions inventory, covering all our operations. We plan to undergo similar external verification in 2024 for the data related to 2023.

Production chain

The management of wastewater is also one of the topics that we work on with our suppliers. They receive guidance

on best practices for the treatment and discharge of wastewater on the farms through the Marfrig Club. There is also guidance on the protection of water sources and avoiding contamination that could be caused by residual waters arising from the housing, cowsheds and other installations (read more about this in the **Guide to Sustainable Practices**). The suppliers can also access information on the treatment of wastewater on our Sustainability website.

We also conduct regular visits to these partners to assess their adherence to relevant legal requirements regarding wastewater and waste management. During these visits, we use a checklist to evaluate practices and ensure compliance with minimum standards. If any irregularities are identified, we provide technical guidance to help correct them. These visits also serve to identify improvement opportunities and educate farmers on best practices.



Solid waste [GRI 306-5]

We adopt different practices to ensure that the solid waste generated in our operations is disposed of correctly. All the processes incorporated in this sense are in compliance with the requirements of the regions in which our units operate.

In Brazil, for example, they follow the guidelines established by the National Solid Waste Policy (PNRS). Amongst other points, this legislation is designed to encourage shared responsibility for the correct discharge of the materials, as well as reuse and recycling. One example of a practice outlined in this legislation is the environmental offsetting of the waste arising from post-consumption packaging, a reverse logistics process based upon a collective model, in which the offsetting/purchase of reverse logistics credits is performed by a management entity certified to do so, depending upon the type of material (paper, plastic, metal or glass).

Other waste management practices employed by our operations include:

Environmental Management System – all of our units 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 use the following metrics: WTQI, volume of non-hazardous waste generated per animal slaughtered, and volume of

non-hazardous waste generated per ton of processed products. Through the Marfrig Club, we offer guidance designed to motivate our suppliers to adopt good waste management practices, recommending that all supplier farms have a documented plan on how to do so. Read more about this here.

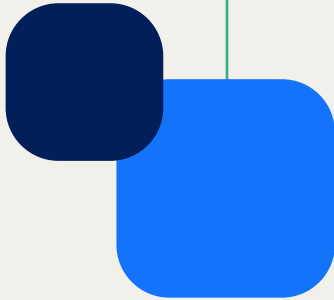
Performance in 2023

Our operations generated 209,844,000 tons of nonhazardous waste in 2022, down by 4.22% on 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, and mercury vapor lamps, amongst other items – the volume produced during the year totaled 197.25 tons – equivalent to less than 1% of the amount of non-hazardous waste – originating, almost entirely, from the South American operations.

NORTH AMERICA							SOUTH AMERICA					
In thousands of tons	Hazardous			Non-hazardous			Hazardous			Non-hazardous		
	2022	2023	%	2022	2023	%	2022	2023	%	2022	2023	%
Landfill - company owned + third-party managed	0.001	0.001	0.001%	46.28	39.286	-15.11%	0.03	0.029	-4.33%	20.57	16.137	-21.55%
Composting	0.000	0.000	0.00%	65.1	32.791	-49.63%	0	0.000	0.00%	71.95	102.387	42.30%
Co-processing	0.000	0.000	0.00%	0	0.000	0.00%	0.02	0.034	69.18%	0.99	0.403	-59.27%
Incineration	0.000	0.000	0.00%	0	0.000	0.00%	0.15	0.076	-49.46%	0.05	0.023	-53.60%
Recycling	0.000	0.000	0.00%	5.53	2.920	-47.19%	0.01	0.000	-100.00%	8.62	15.896	84.41%
Others	0.000	0.000	0.00%	0	0.000	0.00%	0.03	0.058	94.47%	0	0.000	0.00%
TOTAL	0.001	0.001	0.00%	116.9	74.997	-35.84%	0.24	0.197	-18.05%	102.18	134.847	31.97%

* The sum of 0.000562000488 thousand tons was rounded out to 0.001



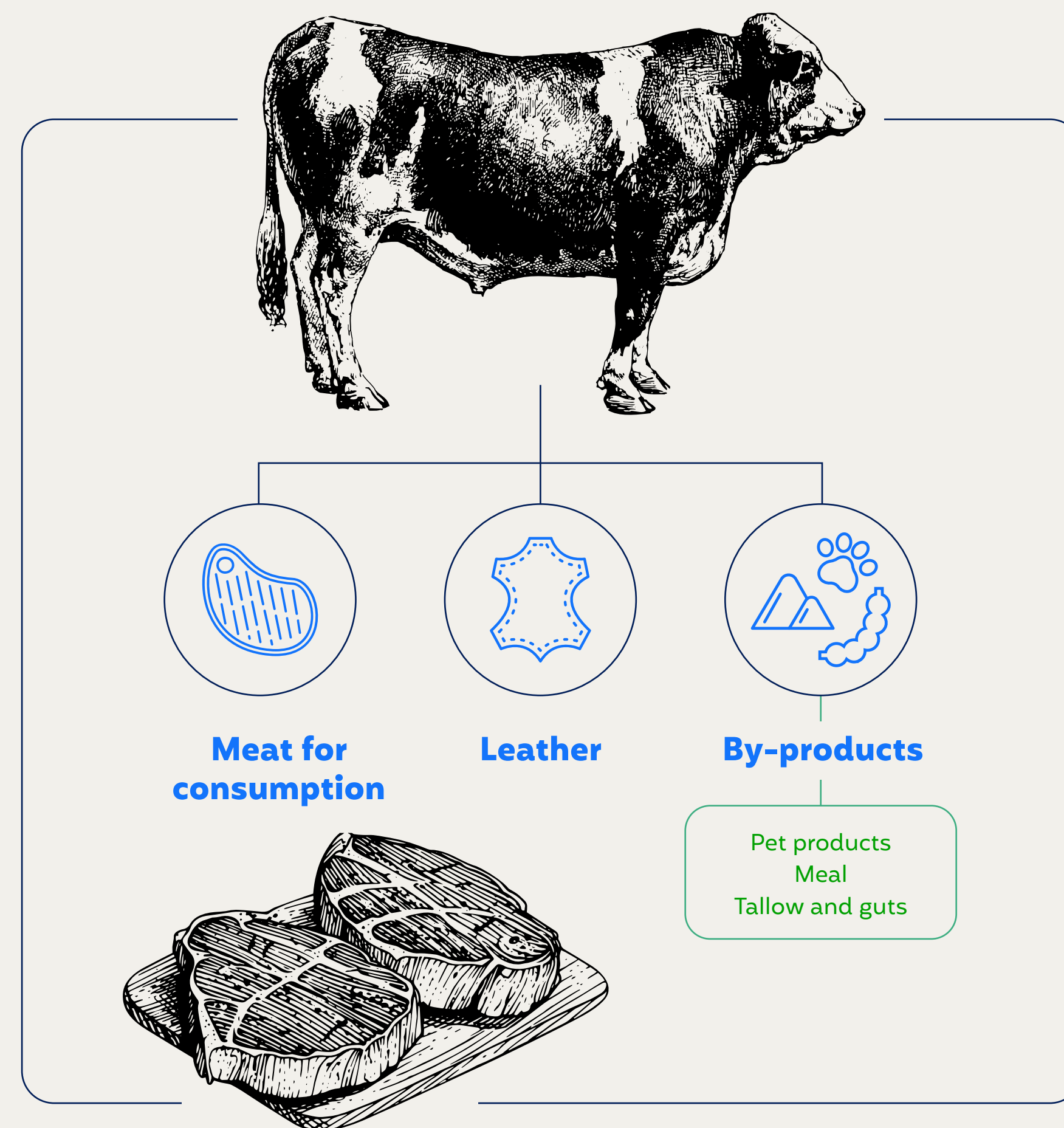
100% reuse of raw-materials

Meat is the main but not the only product extracted from cattle. Other parts of the animals include raw materials for several other products and industries. Besides the leather (used in industries such as automobile, furniture and fashion footwear), guts, fat, cartilage and bones are animal parts used by sectors such as cosmetics, pharmaceuticals and fertilizers, among others. Tallow, for example, is used as an ingredient in hygiene and cleaning products, or in the production of *biodiesel*.

At Marfrig, we make use of 100% of the raw-material. Our industrial structures process and sell all the other parts of the cattle not intended for human consumption. Once the meat has been removed, the production line works to obtain these other parts, which are then sent for sale or the creation of other products. By means of this process, we minimize the disposal of waste, reducing the impact of our operations on the environment and generating a great many jobs in the processing of these products. As well as the leather, the meat and bone meal is sold to segments such as fish farming, pet foods and small farmers.

Other items, such as chewable items for pets, are sold under the Bona Pet brand, with 60% of the line being exported. The volume of meal produced, meanwhile, is

extremely high, being sold entirely to the domestic market. We also process and refine the cattle entrails to supply both the domestic and international markets.



Social responsibility

This is the pillar that involves those measures designed to promote inclusion in the production chains, using technologies and production practices that have a positive impact on the suppliers' communities, and which promote respect for human rights.

With the aim of contributing to the social development and welfare of the communities in which it is present, Marfrig develops important programs in support of these communities

in the different countries where it operates. The contributions range from partnerships with healthcare institutions to financial support for social causes, including campaigns designed to raise the awareness of employees and collection of donations at the units.

We also develop different actions to promote inclusion in the production chains, involving technologies and production practices that have a positive impact in the regions where our suppliers operate.

As a matter of policy, we suspend commercial relations with cattle farmers who do not work in accordance with our principles, a policy which amongst other issues, involves environmental and social aspects, with special emphasis placed on respect for human rights. We reject the use of child and forced labor (in Brazil, we are signatories to the National Pact for the Eradication of Slave Labor) and disseminate this same approach to our value chain, requiring everyone to act similarly, both at the time of hiring and in the maintenance of our commercial relations.

Socioeconomic inclusion in the production chain

Operating in a way that is socially responsible is a principle that runs throughout our focus on promoting sustainable livestock farming. Preserving and caring for Brazil's biodiversity, especially in the Amazon and Cerrado biomes, includes encouraging the socioeconomic inclusion of farmers, reinstating blocked livestock farmers following implementation of the required improvements, meaning they are able to reassume compliance with our sustainability criteria.

Since 2021, more than 3,500 farms have been reintegrated based on actions outlined in the Verde+ Program, which help these suppliers return to compliance with our socio-environmental commitments. The inclusion of suppliers, a key aspect of the Verde+ Program

alongside production and conservation, has a significant positive impact that extends beyond environmental preservation.

By suspending suppliers due to irregularities in their operations, we cause a reduction in their earnings. This reduction affects not only their productivity but also results in employee layoffs and a decrease in income for families, thereby impacting local economies. When a livestock farmer is operating improperly, there is also an imminent risk to the environment since the situation may, in some cases, lead to deforestation in new areas. This is why we have programs focused on providing support to suppliers so they can bring their operations into compliance, enabling them to resume their contracts with us.

Contracting of local suppliers

Also in relation to the supply chain, another feature of our operations with relevant socioeconomic impact on the regions where our industrial units operate is the fact that we maintain business relations with local suppliers. By doing so, we generate a commercial and employment cycle. Considering the size of our operations, this is an important effect.

Respect for human rights

Another fundamental principle throughout our operations is respect for human rights. We strongly oppose the

use of child labor and forced labor, and we promote this stance throughout our value chain. We expect all parties involved in hiring and maintaining commercial relations to adhere to these principles.

We have adopted strict protocols to ensure that the cattle acquired does not originate from farms that adopt such practices and clauses that reinforce this principle in the agreements we sign. The Marfrig Club also emphasizes this premise, and our geospatial tracking and monitoring devices observe whether the properties are in compliance, using information published by the official organs (read more about this in the **Marfrig Club's Guide to Sustainable Practices**).

In our Socio-environmental Risk Mitigation Map, we actively monitor for any instances of slave and/or child labor. If irregularities are identified, we promptly terminate commercial relations.

Mechanisms for dialog with the community

Our concern for minimizing the negative impact of our operations in the communities neighboring the industrial units, has also led us to establishing channels to listen and talk to all those who may be affected. All our operations in Uruguay, Argentina and the United States undertake evaluations of the potential to cause environmental damage to the regions neighboring the units, and work to continually monitor these aspects.



Socioeconomic welfare and growth in the regions in which we operate

In 2023, our commitment to social responsibility was evidenced by the different initiatives performed by the 'Marfrig Fazer e Ser Feliz' Institute over the course of the year. This Institute, a non-profit entity, focuses its efforts on essential areas such as Social Welfare, Culture, Health, Education, Healthy Eating and Sports, with the aim of meeting the needs of the communities where the company operates.

One of the highlights of the activities of the Marfrig Institute was the operation of two homes for children in need in the municipalities of Promissão/SP and Chupinguaia/RO. At these homes, the children not only receive healthy meals but also get to participate in different activities, including sports, environmental education, handicrafts, painting, music and dance. These initiatives aim to meet the children's basic needs and promote their full development, providing them with opportunities to learn and grow.

It is important to stress that the Marfrig Institute counts upon the valuable support of volunteers from within the company, who contribute significantly to the development and implementation of the proposed activities.

As well as the direct actions developed by the Marfrig Institute, the company also maintains a relationship of solid governance with the entity in the form of a funding associate. The investments in social responsibility are wholly directed to the Institute's own projects.

With respect to healthcare, Marfrig is widely recognized for the significant contributions it has made to well-know entities such as the Hospital do Amor in Barretos and the Casa Hope organization, through monthly donations of quality animal protein. Furthermore, the company also collaborates with the Ronald McDonald Institute, supporting children and adolescents during their cancer treatments, and promoting initiatives to increase the chances of curing cases of cancer amongst children and young people in Brazil. These actions are reinforced by support for McHappy Day, with the funds raised from this promotion also being donated to the Ronald McDonald Institute. Via the donation of animal protein, Marfrig also participated in the Telethon, an event that the Brazilian TV channel SBT broadcasts annually on behalf of the Associação de Assistência à Criança Deficiente (Support for Disabled Children Association / AACD).



We also develop other actions focused on the welfare of the communities neighboring our operations:

Argentina: we have had a donation agreement with the Banco de Alimentos Foundation in place since July 2022. In 2023, we donated 1,300 kg of food (frankfurters and cold cuts) to the Institution.

Uruguay: in 2023, we offered courses at learning institutions near to our units with the aim of training the public on specific matters that the Marfrig employees are well versed in, thus providing the participants with the tools to be able to enter the job market. Training sessions were also offered on how to develop a curriculum and labor regulations.

We also make donations of food to institutions and of school materials to schools, including the Liceo Impulso and the Liceo Francisco schools. In 2023, we also made donations to the Telethon, Ronald McDonald House, and the Pérez Scremini Foundation (a hospital dedicated to treating children with cancer).

Chapter 2

Operational excellence in the production chain





Quality Management [GRI 416-1]

2023 was a favorable year for the Marfrig Group in terms of Quality Management. We were awarded certifications at 36 units (27 operating with fresh foods, four with industrialized products, and five with byproducts), working with both processed foods and beef, thus opening up new doors and increasing the visibility of our products.

We achieved the highest score in certifications for our units, underscoring our steadfast commitment to upholding the highest standards of food quality and safety. We are proud for all our installations to have been awarded 'AA' classification in the Brand Reputation Compliance Global Standard (BRCGS). Furthermore, we were also elected Supplier of the year by the McDonald's Group, bearing testament to our dedication to exceptional quality and performance.

In 2023, we paid special attention to our principal investments in the area of Quality Guarantee, focusing specifically on the UniLIMS project. This testing laboratory automation and management system represents a significant advance in our processes. UniLIMS offers comprehensive solutions, from the management of laboratories to advanced statistical

analyses, guaranteeing efficiency, precision and regulatory compliance.

Despite not having obtained new certifications in 2023, we can highlight the BRCGS Certification Seal of Excellence which all our units received. With seven units receiving the 'AA+' score and four being awarded 'AA', we have reinforced our commitment to quality in all stages of production.

Quality management guidelines

Our operations are guided by the Integrated Management System (IMS), which standardizes and regulates critical aspects related to the quality and safety of food, whilst also addressing environmental, health, occupational safety and social responsibility issues. This system works to establish uniformity and ongoing improvements at all our units, facilitating synergy between the different sectors.

Worthy of special mention from amongst the practices we have implemented in relation to quality management are:

- Prerequisite programs, including procedures such as Pre- and Operational Hygiene Standards, Operational Sanitation, and plans covering different areas such as Supply Water, Pest Control, Traceability and Recall.
- The Hazard Analysis and Critical Control Points (HACCP) Program

- Our own microbiological analyses and laboratories holding ISO 17025 certification for the evaluation of products.
- Full traceability of our production chain, from receipt of the animals, ingredients and inputs, to the shipping of the finished product.

We also adhere to the SMETA protocol, based on the Ethical Trade Initiative (ETI) Code of Conduct, for ethical audits, and we are members of the Supplier Ethical Data Exchange (SEDEX) platform. All our units in Brazil underwent third-party audits in 2023 according to this protocol, and the reports are available on the platform.

As a result of our practices, no cases of non-compliance with voluntary codes were identified in 2023, nor were there any occurrences of fines, penalties or notifications related to the safety of our products for consumers.

Controls and processes

We have adopted a preventive approach to the management of factors that influence the quality of our products. Included in this set of controls and processes are the internal food safety audits and management of the quality indicators, which observe a range of different variables, from complaints and returns of products to the management routines of the work teams, covering matters such as

absenteeism, turnover and training sessions. Some of the practices we use to gauge quality are:

Quality indicators

Food safety audits

Our units in different countries are subject to a continual process of food safety audits. These are conducted both internally and by third parties, covering customers and government bodies both in Brazil and in other countries, in relation to the certifications that the units hold and their export licenses. Furthermore, we are also audited, both online and in-person, by international authorities related to areas involving sanitary control in other countries. In 2023, 100% of our units underwent food safety audits, performed both in relation to our certificates and by the Brazilian government, for the Chinese, European Union and United States markets, as well as other countries. At least one of our units was also audited by the governmental authorities of these countries.

- In **Argentina**, the quarterly internal audits are complemented by checks performed by third parties, with a total of five being performed in 2023.
- In **Brazil**, the internal audits were performed each month by the Quality Guarantee Team, with further audits also being performed

by the Ministry of Agriculture, Livestock and Supply (MAPA) under the supervision of the SIF, as well as customer and certifying authority audits, with a total of two BRCGS certification audits in 2023, seven audits performed by MAPA, 23 international missions and ten client audits.

- In 2023, in **Chile**, there were seven annual internal audits, along with audits performed by third parties, clients and the competent authorities.
- In **Uruguay**, the quarterly internal audits were monitored by annual third party audits, whilst there was also a total of ten monthly inspections performed by the *Ministerio de Ganadería, Agricultura y Pesca* (Ministry of Livestock, Agriculture and Fishing / MGAP) in 2023.
- In the **United States**, the National Beef units have adopted their own in-house Beef® Biologic® system, that includes employee training, control of pathogens in the workplaces, continual monitoring of the activities and third party audits. In 2023, six audits were performed.

Laboratories

In addition to the directives and processes, we have laboratories installed at our units as part of our dedication to quality control. These

laboratory units perform micro-biological and physico-chemical analyses designed to ensure non-contamination from pathogens, and evaluation of the levels of pesticide. We have also checked on the composition of the foods in relation to proteins, fats humidity and waste analysis amongst others.

In Brazil, we have five of our own laboratories, including that performing physico-chemical and microbiological analyses, with accreditation in the form of the ISO 17025 norm (the international standard that is the benchmark for testing and calibration laboratories) located in regions that are strategic to our operations: Tangará da Serra (MT), Várzea Grande (MT), Promissão (SP), Pampeano (RS), and Chupinguaia (RO).

Traceability

Our entire production process is tracked in relation to food safety and quality, from the entry of the animals, inputs and ingredients to the shipping of the finished products - a practice we have adopted since 2007.

As well as not purchasing cattle from farms located in critical regions of the Amazon and Cerrado biomes, this tracking aims to document the history of the meat supplied, and, together with the suppliers, manage the traceability of the entire chain,

thereby ensuring the safety of the entire process. It is therefore 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 provide a section on our website, under the 'Sustainability' tab, where it is possible to find out all about the origin (traceability) of our meat. In this section, the interested party simply needs to inform the place and date of production - that can be found on the product label - to verify its origin. This page can be accessed [here](#).

Certifications

We follow specific directives aligned with best international practices and the requirements of the consumer markets, involving processes, controls and qualified teams to ensure that we maintain the highest standards of food quality and safety in our operations.

To monitor and evaluate our performance and operational efficiency in relation to quality, our production units undergo regular audits performed both internally by our own teams, and by third parties, including clients, to ensure compliance with the established protocols.

Our operations and processes are evaluated periodically by independent certification authorities, in accordance with international regulations, and in compliance with the requirements of the importing clients and markets. This routine, focused on evidencing the excellence of our products, operations and processes, covers issues relating to social responsibility, health and safety, the environment and quality guarantees.

The certifications of our units in the different countries differ depending upon the nature of the operations or demands of the markets or countries served. In Uruguay, for instance, the units have specific certifications for the production of items using organic meat. Other examples:

- 100% of our units (in Argentina, Brazil, Chile, Uruguay and the United States) are certified with the BRCGS, a global benchmark in food safety, recognized by the Global Food Safety Initiative (GFSI), having been awarded A, AA, A+ and AA+ scores (with the '+' meaning the unit has been subject to a spontaneous, unannounced audit).
- 100% of the units in Brazil and Uruguay, as well as one unit in Argentina, hold the HACCP quality certification relating to food hygiene and safety.

- Two processing units in Brazil hold the IFS (International Featured Standards) Food certification, a food safety regulation recognized by the GFSI for the auditing of the quality of the manufacturers' processes and products.

Corrective actions and action plans

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 ensure that the corrective action rate is always at 100%.

In 2023, all our units were certified, evidencing that the action plans had been submitted within the maximum deadline of 24 days established by the certifying authorities, and validated for all non-conformities that were identified. As such, we were able to confirm that 13 action plans (in line with the GFSI) were completed within 24 days. Furthermore, no form of significantly greater non-compliance was identified in the audits performed in Brazil. And all the units were awarded the 'AA' certification.



Read more about all our certifications and audits, by country, in the **Annexes to this report**.

Quality certification held by our suppliers

Engaging our value chain to follow the best practices, an approach that runs throughout all our activities, also forms a part of the efforts made in relation to our quality management. In this sense, we conduct on-site or documentary audits, in accordance with the risk rating and historic performance of all our input suppliers that do not hold a GFSI Certification or Certifications or Audit Reports for Socio-Environmental Protocols. We therefore encourage our input suppliers to apply for certification, a move which accelerates the evaluation and approval stages, thus adding even more transparency and reliability to the process.

In Brazil, around 48.42% of suppliers hold some level of certification from a GFSI accredited program. This category includes the suppliers of raw materials, packaging and ingredients, thus making them eligible for this type of seal. The GFSI is a nonprofit corporate initiative, aimed at promoting good practices related to food safety on a global level. In Chile, on the other hand, 87.5% of our suppliers are certified, and in Argentina this figure stands at 54%. In Uruguay there are no certified suppliers, but in the United States every one of the suppliers is certified.

Recall system [GRI 416-2 | SASB FB-MP-250A.3]

In 2023, our global operations experienced no voluntary or non-voluntary recalls related to issues of food safety. The food recall system performs a fundamental role in ensuring the quality and safety of the food. Despite not having made any significant changes to this system last year, we continue to recognize its importance in preventing risks to consumers. Our main focus has continued to be on the prevention of non-compliance through rigid programs of internal control and food safety management.

We have a recall procedure ready to be engaged *whenever there arise any deviations from the product quality or safety standards*. In such situations, we follow a set of planned actions, including the implementation, monitoring, evaluation, registration and maintenance of the affected products. This may include notifying customers of problems, reporting significant food safety incidents, addressing regulatory non-compliance, recalling and exchanging the items or reimbursing the customers.

In Brazil, we have a focused recall group, made up of representatives from the production, procurement, sales, quality control and legal

departments. All the members are prepared to deal with emergencies concerning our products and they all understand their individual duties. This group has the following responsibilities:

- Execute the company's recall plan.
- Replace or recall the product if it has not been violated.
- Manage any correction or recall, including replacement, labeling or other arrangement relating to the product affected, as well as the payments to cover recall costs.
- Inform company employees and buyers about any corrective actions taken.
- Coordinate actions in conjunction with government agencies,

and in accordance with the importing country's legislation

Each operating plant has a list containing names and phone numbers of those participating in the recall group, so that they can be contacted at any time, 24/7. Furthermore, all documents and records relating to the production, including manufacturing and traceability records, are kept for at least 24 months following the expiry date of the products, thus ensuring that the documents are available.

Recall simulations

Recall simulations aim to allow the company to feel confident in relation to its procedures and prepared to face crisis situations. This preparation can

make all the difference. Incorporating the drills in the company's routine is key to avoiding future problems. The recall drills are performed annually so that we can be certain that the adopted plan operates efficiently, and the procedure can be concluded within four hours. The time allowed for recall of the product will vary depending upon the geographical location, being separated by the customer to reach the correct destination.

More information on the recall procedures and market restrictions in the countries where we have operations can be found under the 'Sustainability' tab of **our website**.





Labeling [GRI 417-1]

Our products are in compliance with the different labeling regulations exacted by the markets where we trade. Aiming to inform customers and consumers of the composition of the foods and ensure their quality and safety, all our labels contain the information required by the laws and regulations of the countries to which they are sent. This includes guidance on use, the origins of the ingredients and substances that could have an environmental or social impact.

In Brazil, for example, the food labels need to state the presence of any allergens, such as gluten. These labels are created by the Research and Development (R&D) department, in accordance with the specific legislation of each consumer market. The information is recorded on MAPA's agricultural management platform by the Quality Guarantee team.

There are also teams dedicated to these matters in other countries. In Chile, the Quality Guarantee and Production Control Department is responsible, whilst in Uruguay both the corporate team and the local units handle the collection and updating of the necessary information, developing technical specifications and product labels.

The traceability of the meat is stated on the labels of all the products, ensuring that the consumer understands the origins of the ingredients. The labels also provide information on the ideal storage and conservation temperatures, as well as guidance on safe disposal.

Monitoring of the labels used in production is performed every day. All the models are created by the R&D corporate team, guaranteeing standardization between all the units, and ensuring that they are registered on the MAPA website and approved by the regulatory authority. In 2023, no non-compliance was recorded in relation to the information on the product labeling. [GRI 417-2]

In the event of demands made of marketing communication, those filing the complaint contact the company via our Customer Services Center (SAC), and there are cases of direct complaints being made on our social media platforms. The majority are handled directly with the consumer, with support from a contracted third party agency. All the complaint data are compiled in a management tool. There were no cases of non-compliance concerning marketing communications in 2023. [GRI 417-3]



Innovation

Guided by the ongoing search for improvement and by the creation of value for all stakeholders with whom we maintain a relationship, innovation has become a strategic issue, running through all our business and work routines.

Products

In partnership with EMBRAPA, we are preparing to launch a line of beef cuts produced under the low-carbon concept, which will join another brand that we already sell, with both being produced under the CCN model and marketed under the Viva! brand.

System for Laboratories

Installation and configuration of a new system for the laboratories and WTPs, aiming to improve all the analytical processes, automate the routines, and provide greater control over the checking plans and monitoring of compliance with domestic and international specifications. This provides agility in the programming of the collection of routines, meaning a reduction in the time necessary to send the results of analyses to the units, and in turn directly affecting the time spent on production loading.

Employees' health

At the beginning of 2024, we were amongst the companies recognized with the '100+ Innovators in IT Use Award', organized by the IT Forum, a platform for content, relations and business for the Information Technology (IT) community. The list highlights the quality of the MeuSoc app, used to manage the documents and security of the healthcare information concerning Marfrig employees. Through this app, it is possible to send and monitor the processing of the medical certificates and reports, as well as ensure the standardization of information at the clinics operating at the Company's operational units in Brazil.

Logistics monitoring

In 2024, we began a project aimed at tracking containers at our Brazilian units, controlling the loading, boarding point and destination of cargo in order to ensure the secure transportation of the commodities. Another advantage is that the tracking streamlines the exchange of information on the status of the delivery. At the Várzea Grande industrial complex, in Mato Grosso, due to the sheer scale of the operation, the company will be constructing a control tower similar to that at airports to be able to monitor the trucks at the unit.

By doing so, the logistics team will be able to more easily locate the vehicles and direct them to the docks.

Argentina project

Together with the National Institute of Industrial Technology (INTI), we have implemented a local pilot initiative that will span the lifecycle of two products: hamburgers and frozen beef. This innovative project, developed over the course of a year, is pioneering and carries the potential to influence operations in other countries.



Economic and financial performance

In 2023, Marfrig took significant steps forward in its strategic growth in two essential areas. First, in relation to the optimization of its portfolio, with the aim of increasing the inclusion of products with higher added value and strengthening the brands in South America. Second, in terms of consolidating its majority share in the Brasil Foods - BRF subsidiary, this being a significant advance in its plan for expansion and consolidation of the market.

Also last year, at the end of August, we announced the sale of 16 slaughterhouses and one Distribution Center forming part of the South American operation, for a total sum of R\$ 7.5 billion, whilst holding on to the larger industrial complexes, connected to the processing units and brand manufacturers.

The company also strengthened its cash generation capacity and implemented actions designed to control the financial leveraging, maintaining it at around three times the adjusted leveraging indicator, even during such a challenging scenario as

that experienced in 2023. As such, at the end of the period, the consolidated net revenue reached R\$ 136.5 billion, with the highlights being the records registered in the North American operations and the BRF sales. The consolidated Adjusted EBITDA was R\$ 9.3 billion, with a margin of 6.8%.

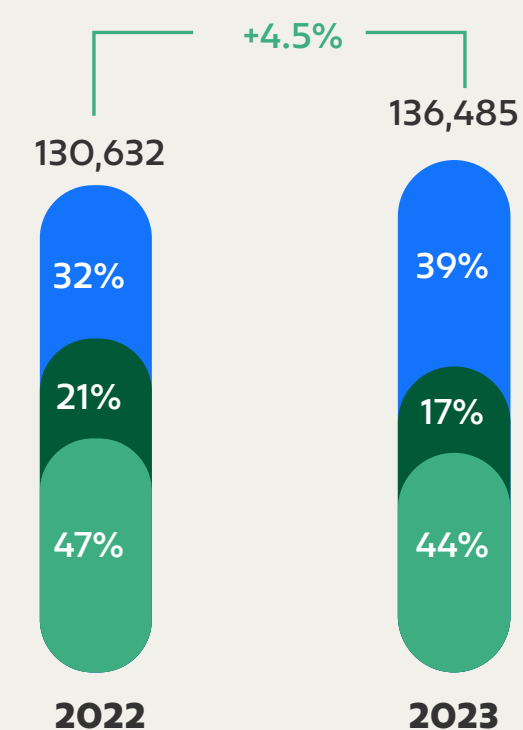
Net Revenue

Marfrig's consolidated net revenue reached R\$ 136,485 million in 2023, a record for the Company, showing an increase of 4.5% against the previous year. This rise can mostly be explained by the higher prices practiced in the North American Operation and by the full accounting inclusion of the results of BRF which, in 2022, were included in the set of financial information only as of the 2nd quarter.

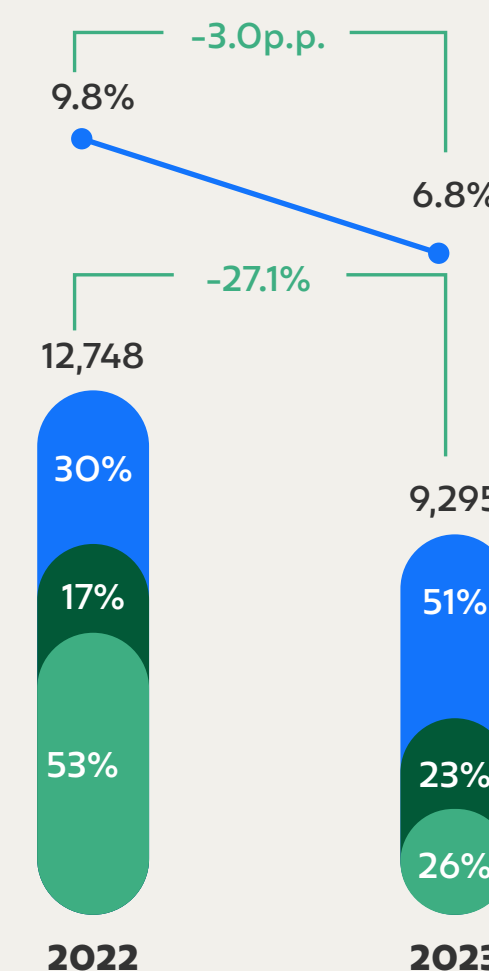
Adjusted EBITDA and Margin

In 2023, the Adjusted Ebitda was R\$ 9,296 million, a reduction of 27% compared to the previous year. The Adjusted Ebitda margin was 6.8%, lower by 295 pbs in relation to the 2022 margin. The reduction in profitability is explained principally by the drop in performance of the North American Operation which was partially compensated by the South American Operation and BRF.

Net Revenue (BRL millions)



ADJUSTED EBITDA (R\$ millions) & ADJUSTED EBITDA Margin (in %)



● BRF ● South America ● North America — Ebitda Margin

Net Results | Attributed to the controller

In 2023, the consolidated net result attributed to the controller was negative by R\$ 1,518 million, compared to a positive net result of R\$ 4,171 million in 2022. It should be highlighted that the previous year was impacted by approximately R\$3.8 billion due to the appraisal report at fair value in the BRF investment.

Cashflow

In 2023, the consolidated operational cashflow, including the financial information of BRF and the advance payment of R\$ 1,500 million on the sale of assets, meant a positive input of R\$ 11,144 million. The investments made in the industrial park growth and maintenance projects during the period were in the order of R\$ 3,907 million and the financial expenses totaled R\$ 5,751 million. As a result, the year's recurring free cash flow was positive in the order of R\$ 1,486 million.

CAPEX

In 2023, the company made consolidated investments of R\$ 3,907 million, with R\$ 1,470 million of this sum being invested in cattle operations such as the expansions, already under way, at the Várzea Grande unit, in

Brazil, Tacuarembó, in Uruguay, San Jorge, in Argentina, and Liberal, in the United States, as well as the recurrent maintenance work performed at all the manufacturing units.

Net Debt

In 2023, the Consolidated Net Debt reached R\$ 7,132 million, considering the indebtedness of BRF, with a 4% reduction in Brazilian Reais, totaling R\$ 34,530 million, a reduction of 11% against 2022. Numerous factors influenced this improvement:

- Generation of a recurring free cash flow of R\$ 1,486 million.
- Early receipt of R\$ 1,500 million from the sale of assets in South America.
- Disbursements of:

R\$ 11,144 million in investments.

BRL 5,751 million in interest.

R\$ 3,907 million in capital expenses.
- Investment of R\$ 3,011 million in shares to increase the Marfrig share in BRF to 50.06%.
- Payment of R\$ 341 million in dividends to the minority shareholders in National Beef.

The leveraging index, measured by the ratio between the net debt and the Adjusted Ebitda, stood at 3.87x

in dollars and 3.72x in Reais. If we adjust the indicators considering the amount to be received from the sale of the South American assets, Marfrig's consolidated net indebtedness would be R\$ 28.6 billion or US 5.9 billion, resulting in a leveraging index of 3.20x in dollars and 3.07x in Reais.

Value Added Statement (VAS) [GRI 201-1]

Consolidated (in thousands of R\$)	2021	2022	2023
Revenue	86,580,502	139,163,357	141,993,605
Distribution of added value	25,055,046	38,516,886	33,303,709
Personnel	7,538,861	11,559,223	12,253,073
Taxes, charges and contributions	3,051,525	5,239,060	4,648,520
Remuneration of third-party capital	7,818,281	18,955,628	20,023,362
Return on proprietary equity	6,646,379	2,762,975	(3,621,246)



A photograph of a wooden cutting board with several pieces of grilled meat, including a large roast and two steaks, and some grilled vegetables like onions and mushrooms. A blue square graphic is overlaid on the left side of the image.

Simplicity and transparency in management



Corporate governance

Our main pillars of Corporate Governance include the Board of Directors, which is responsible, amongst other duties, for protecting the Company's equity and establishing the strategic directives for the business, and the Statutory Board, responsible for the executive management.

In order to support the Board of Directors in the performance of its duties, we have established four committees (Statutory Audit Committee; Remuneration, Corporate Governance and Human Resources Committee; Financial Committee; and Sustainability Committee) which assist in the decision-making process, by providing detailed information, data and metrics on specific matters and facilitating preliminary discussions. This results in efficiency, agility and quality in the working processes, whilst also assisting in management of the impacts of our business on society, people and the environment.

These committees also address the critical concerns identified by means of analyses of the scenario or implementation of the business strategies by the operational areas, forwarding pertinent questions to the

Board of Directors for consideration.

[GRI 2-16] Completing this Corporate Governance structure is the permanent Fiscal Council. [GRI 2-13]

The members of these bodies are highly-qualified professionals, selected in accordance with the criteria established in our Appointment Policy. As well as having an excellent reputation, their varied experiences cover both our own sector of activity and related areas and industries, providing a broad range of perspectives to enrich discussions, the evaluation of the impacts of the business, and the decision-making process. The composition of these governing bodies takes into consideration criteria related to performance, culture and diversity, with the aim of creating a committed group that is aligned with our mission, principles and ethical values.

The appointment and selection of candidates are subject to the applicable legal and regulatory provisions, whilst also complying with the rules of the B3's Novo Mercado listing regulations 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. [GRI 2-10]

Levels of corporate governance [GRI 2-9]

Board of Directors [GRI 2-12] 2-15]

The collegiate body that represents the shareholders performs a crucial role in formulating the business strategies, aligned with the best practices for mitigation of adverse impacts on society and the environment. It also supervises the implementation of these guidelines and establishes internal regulations to promote sustainable development of the company and regulate the responsible corporate conduct, based upon ethical commitments and integrity. It is also responsible for designating and supervising the management of the Statutory Directors, and for contracting/dismissal of the independent auditors.

The commitments that guide the Board's activities cover a variety of issues, ranging from respect for human rights to the promotion of fair competition, all of which are detailed in specific policies approved by the Board. These documents, which are available on the Investor Relations website, also assist in the supervision of the impacts of the business.

The Board should be made up of at least three and at most eleven members, all of whom are elected and may be dismissed by the General

Shareholders' Meeting, with a unified mandate of two years, with reelection being permitted. At least 20% of the members of the Board of Directors should be Independent Members. In 2023, the Board of Directors was composed of seven members, including the Chairperson, who does not perform executive functions at Marfrig. [GRI 2-11] Of these members, three are independent, representing 42.9% of the total, thus surpassing the 20% required by the B3 Novo Mercado regulations. The Board is made up of six men and one woman (find out more [here](#)).

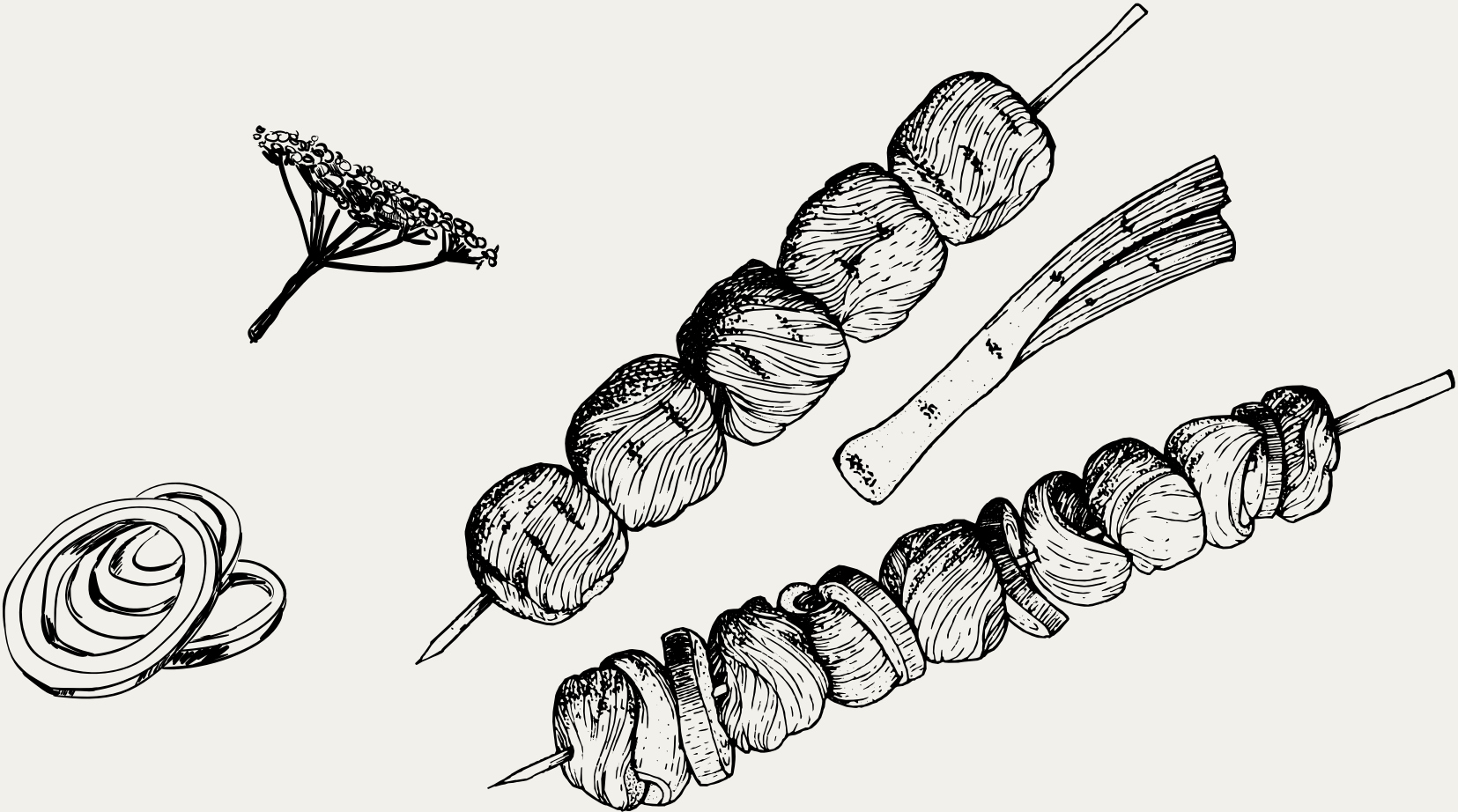
One of the primary responsibilities of the Board of Directors is the mitigation and prevention of conflicts of interest, which may arise in situations involving individuals or entities which, when undertaking any type of business with Marfrig or its subsidiaries, are also involved in the decision-making process.

In order to deal with such risks, we have established directives and conduct in our Conflict of Interests Policy which are to be followed in management of these issues. The Company also has a Related-Party Transactions Policy that outlines the processes used in such transactions, including the need for verification of good standing and legality by the Legal and Compliance departments, and a detailed analysis by the Statutory

Audit Committee. The Company's representatives should follow the regular procedures for the signing of related-party transactions, properly analyzing the operations, without interventions that can influence the contracting processes.

It also falls to the board members to monitor and administrate any potential conflicts of interest between the Board of Directors itself, the Executive Board and the Fiscal Council, to avoid the undue use of the organization's assets and, especially, any form of abuse in related-party transactions. Any member of these organs who has a private interest or one that conflicts with that of the Company in relation to any specific decisions should immediately communicate such fact and abstain from participating in the discussions and decisions on the matter.

The information concerning the equity capital of the shareholders, including the controlling and other shareholders, as well as the relations with related-parties and other related matters, are public, according to the Corporate Governance policies we pursue and the regulatory and self-regulation norms of the Brazilian and United States' capitals markets, where Marfrig's shares are traded, and are available on our Investors Relations website. The disclosure of any possible situations of conflict of interest that could have an impact on our business is always to be evaluated on a case-by-case basis, in compliance with the legislation and regulations applicable to the jurisdictions to which the Company is subject. [GRI 2-15]



Advisory Committees to the Board of Directors [GRI 2-13 | 2-16]



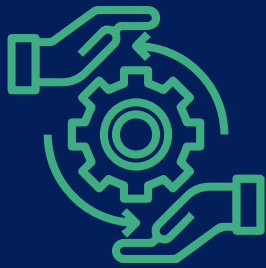
Statutory Audit Committee

This Committee analyzes balance sheets, and oversees and coordinates internal and external auditing and accounting procedures, especially in relation to accounting, internal financial controls, risk management, related-party transactions, and other procedures involving legal compliance. At the close of 2023, it was made up of three professionals: one independent member, who coordinates the Committee, and two independent members with experience in the area of corporate accounting. [GRI 2-13 | 2-15]



Financial Committee

This committee monitors the maintenance of predetermined liquidity and capital structures and periodically examines the investment and financing plans along with the impact of the contracted operations that affect the Company's capital structure, amongst other attributes. At the close of 2023, it was made up of three members: two directors (one of whom is independent and who also coordinates the Committee) and a statutory director. [GRI 2-13 | 2-15]



Remuneration, Corporate Governance and Human Resources Committee

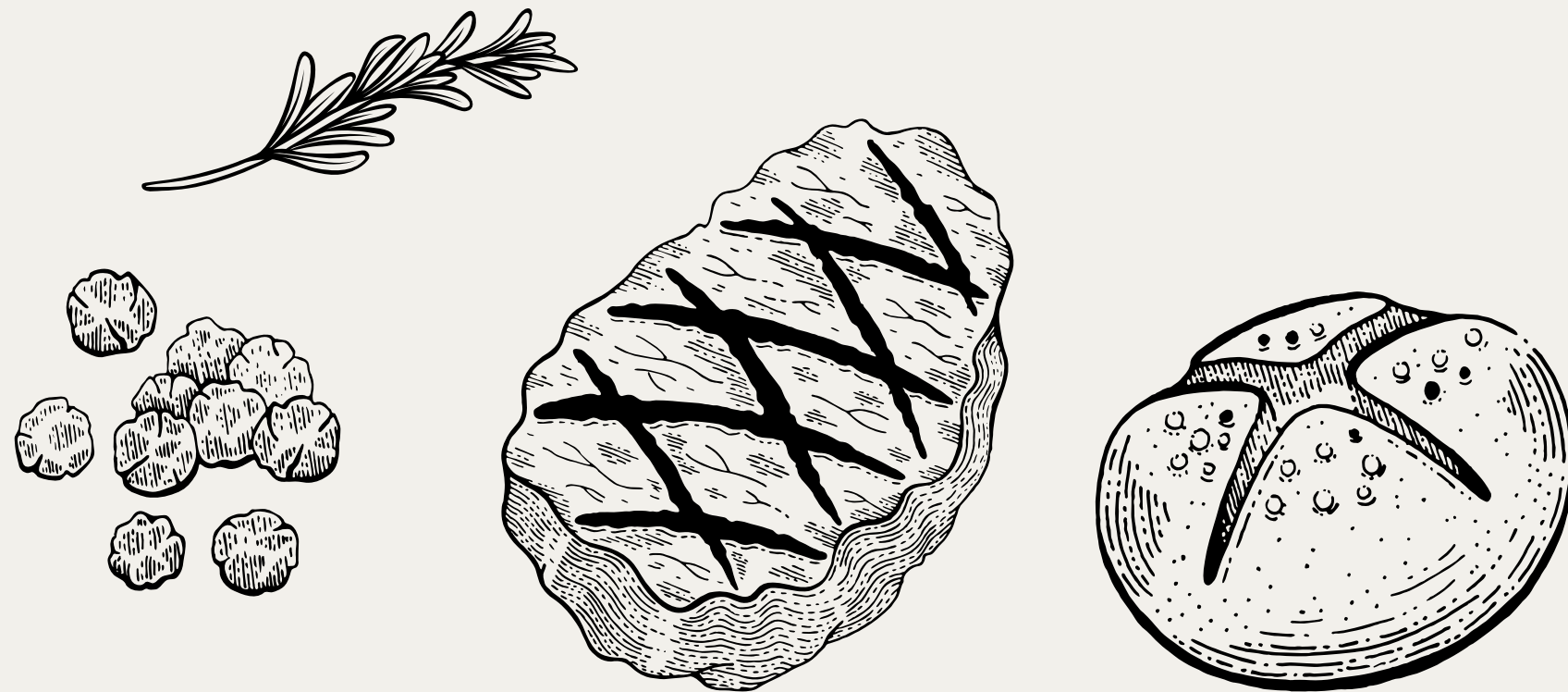
This committee evaluates issues relating to corporate governance, internal Human Resources policies and norms, such as, for example, the remuneration and benefits of administrators, employees, and service providers. In 2023, it was made up of four members: two independent members (one of whom coordinates the Committee), a statutory director, and a Company executive.



Sustainability Committee

This Committee monitors the implementation of the strategy relating to this topic, encouraging good practices in the areas of sustainable development, control management of the origin of raw materials, animal welfare, GHG emissions, conservation of natural resources, and wastewater and waste, aiming to minimize the impact of our operations on the environment.

In 2022, it was made up of six members: two board members (one of whom, being independent and a specialist in the area, coordinates the Committee), a representative of the controlling shareholders, two external members, both of whom have a recognized track record in sustainability issues, and the Sustainability Director. Of the six members, two are women. [GRI 2-17]



Statutory Board

Responsible for implementing the general policies and guidelines set out by the Board of Directors. Marfrig's Bylaws set forth that the Executive Board shall be composed of at least two members and a maximum of seven.

At the end of 2023, it was made up of four members: a Legal director, a Financial Administration director, an Investor Relations director, and a director without a specific title, as well as the chairperson. All the members, who are Marfrig's legal representatives, are nominated for mandates of three years, with reelection permitted, whilst they may be removed from office by the Board of Directors at any time.

Fiscal Council

A permanent statutory body, acting independently from the Management and external auditors. Its main responsibilities are to supervise the Management's activities, review the Company's financial statements, and report its conclusions to the shareholders. At the end of 2023, it was composed of three effective members and three alternate members, all with a one-year mandate, with reelection permitted. One of the effective members is a representative of the minority shareholders.

Annual evaluations [GRI 2-18]

Every year, the members of the Board of Directors carry out a self-assessment process, which allows us to assess the differences in perceptions,

along with the individual performances of the Board members. The process also allows us to follow the progress of the performance of each individual and of the entire group, indicating ways in which we can improve and preserve our Corporate Governance practices.

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, covering topics related to ESG aspects, thus contributing to strengthening and disseminating knowledge about these subjects among the board members

This process is conducted by the Corporate Governance Secretary and is based on the "Board Evaluation: Recommendations and Practice" manual, published by the Brazilian Institute of Corporate Governance (IBGC). The self-assessment results are disclosed in the Reference Form, which is available on our Investor Relations website.

Another practice we have adopted is to submit an evaluation of our CEO to the Board of Directors, as a means of establishing the annual variable remuneration. This is done with the support and supervision of the

Compensation, Corporate Governance and Human Resources Committee.

Compensation [GRI 2-19] 2-20]

The Company's remuneration policy aims to attract and retain professionals and establish the criteria, responsibilities and remuneration of its administrators. It also seeks to encourage the Company's executives to grow and develop so that they can achieve their full potential, in line with the Company's objectives, with their performance being recognized in the form of short and long-term incentive payments.

The Remuneration, Corporate Governance and Human Resources Committee is responsible for assessing the Company's administrators and establishing the consequent remuneration due to each of them under the terms of the Remuneration Policy. The committee is made up of members of the Board of Directors.

The guidelines used for definition of the administrators' remunerations are based upon market practices.

The remuneration policy for the administrators was approved at a meeting of the Board of Directors held on October 31, 2018, and is designed to establish the operational and control procedures that are to be applied in defining the remuneration of the Company's Administrators. This

policy is available for consultation on the Company's [Investor Relations website](#) and on the Brazilian Securities Commission's 'Empresas.Net' system.

Marfrig does not have an attraction bonus policy, nor does it make hiring incentives payments, and nor does it have a bonus or incentives refunding policy. The company does not offer retirement benefits to its executives.

The remuneration policies for members of the highest governance body and for senior executives are not tied to the company's objectives, nor to its performance in relation to the management of the organization's impacts on the economy, environment and people.

Board of Directors

The remuneration of the members of the Company's Board of Directors includes a fixed monthly salary, established annually for each of the members, as well as benefits designed to provide them with financial remuneration according to their professional skills and experiences with the Company.

The members of the Company's Board of Directors receive different remunerations, with such being defined in accordance with the level of participation by each one. This is why there are members of the Company's Board of Directors who receive more

remuneration than that provided for statutory directors. The Company's option plan sets forth the possibility of variable remuneration for the Board of Directors. Variable remuneration was not, however, granted to the Board in the 2023 fiscal year and nor will it be granted for the 2024 fiscal year.

Statutory and Non-Statutory Board

The remuneration of the Company's statutory and non-statutory Board members is made up of a fixed portion, which includes a fixed monthly salary, established annually for each of its members, as well as different benefits aimed at providing monetary compensation depending upon the members' skills and experiences with the Company; and a variable portion, which includes (i) a share in the Company's results; and (ii) remuneration based upon the Company's share call option plan.

As part of the remuneration payments, the Company offers for up to 70% of its administrators' variable remuneration to be paid by means of the direct assignment of treasury stock, with the calculation of the price of the shares, under the terms of the sole paragraph of article 4 of Brazilian Securities Commission (CVM) Ruling nº 567, being the average of the 20 most recent stock market trading sessions prior to the date of the granting of the variable

remuneration set to take place on April 30, 2024. All the other conditions for the direct assignment of shares as part of the remuneration are to be defined by the Company's Board of Directors.

Fiscal Council

The remuneration of the members of the Fiscal Council is made up of a fixed portion, which includes a monthly remuneration, determined annually for each of its members, as well as benefits aimed at providing monetary compensation for the members of the Fiscal Board in accordance with their skills and experiences with the Company.

Policies

Each year, Marfrig endeavors to improve its corporate governance practices, refining its structures, policies and processes. All the policies require approval from the Board of Directors, thus ensuring transparency and responsibility. Issues concerning ESG are incorporated into our remuneration policies and into the Board's self-evaluation. These policies can be accessed on our Investor Relations website. Having a strong system of corporate governance is crucial to sustainability and long-term success, providing benefits for all the company's stakeholders.

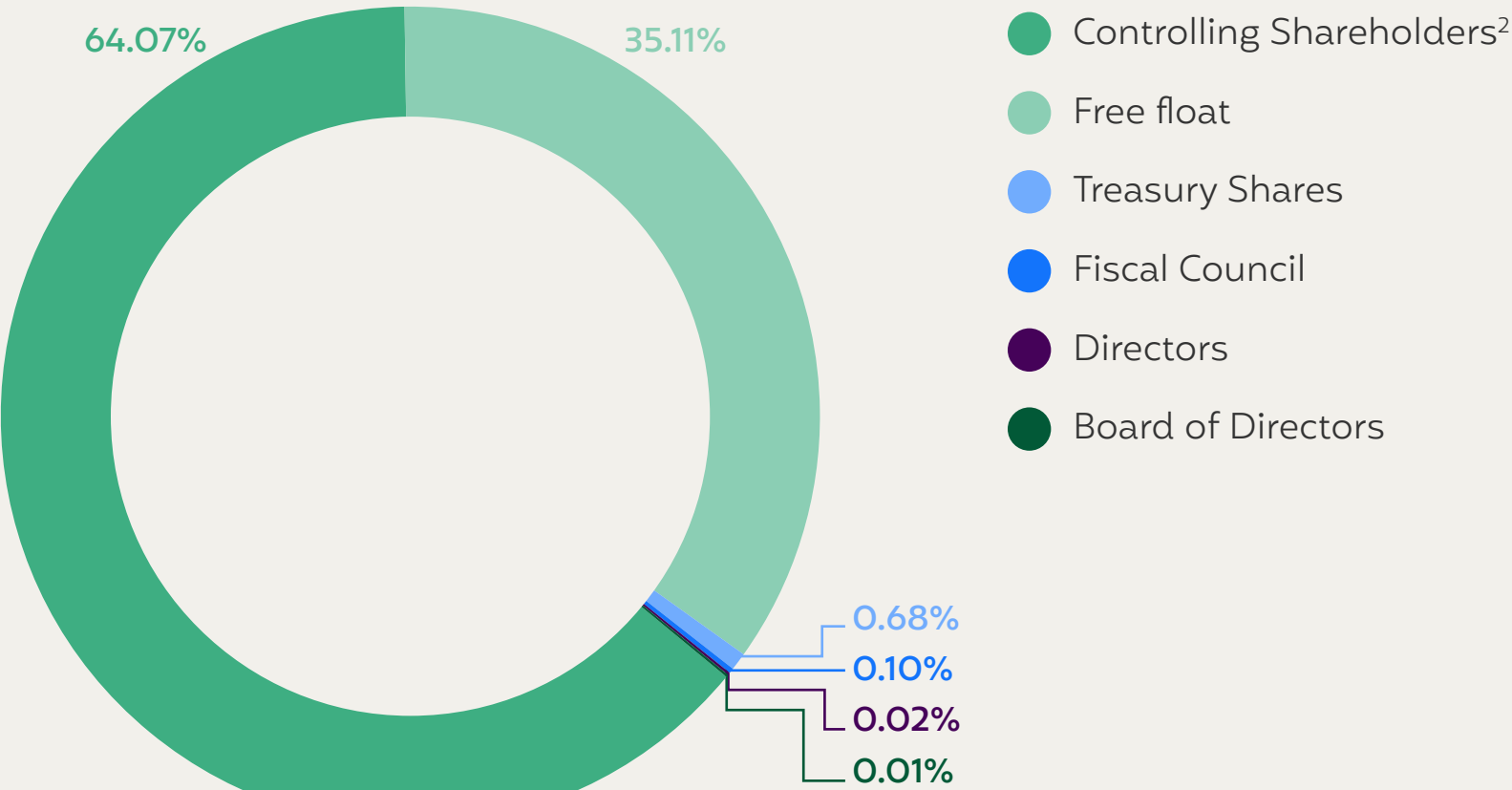
Capitals market

Marfrig's shares are traded on the B3's 'Novo Mercado' category, under the ticker MRFG3. At the close of 2023, they were quoted at R\$ 9.70 per share, a rise of 11.5% compared to the previous year.

The daily trading financial volume reached, on average, approximately R\$ 75.2 million. The shares are also traded in the United States as Level 1 ADRs on the Over-the- Counter (OTC) market.

In 2023, our shares were included in the portfolios of 15 B3 indexes, notably the Corporate Sustainability Index (ISE) and the Carbon Efficient Index (ICO2).

Corporate structure⁵



IBOV B3	ISE B3	ICO2 B3	IVBX B3	AGFS B3
IBRA B3	IBSD B3	IBXX B3	ICON B3	IGCT B3
IGNM B3	IGCX B3	ITAG B3	SMLL B3	IDIV B3

¹ Updated in January 2024
² The "Controlling Shareholders" group is made up of Marcos Antonio Molina dos Santos, Marcia Aparecida Pascoal Marçal dos Santos and shareholding companies.

Ethics and compliance [GRI 2-23 | 2-24]

In the management of our operations, ethics and integrity are essential values that need to be internalized and followed by all members of the team. To promote the principles and guidelines of responsible corporate conduct within the company, we have established a strong Compliance structure, made up of mechanisms and policies (including the Code of Ethics and Conduct), which offers clear guidance on the practices to be adopted in the professional interactions with our different stakeholders.

To spread the values and directives concerning the form of ethical behavior we expect of our employees as they perform their functions (including interaction with different publics), we have developed a series of actions, all of which have been brought together in our Compliance Program. Supported by five pillars and in place since 2015, the program has been improved each year.

We require the same standard of ethical and irreproachable behavior of all our partners and suppliers. To ensure their compliance with our guidelines, we have implemented regulations and procedures designed to involve them in best practices and monitor any irregularities in conduct.

Support from Senior Management

The Compliance Board receives unrestricted support from the Senior Management for all its actions, which is essential for the effective implementation of the Program. One example of this is the frequent demonstrations of accountability presented to the Company's Board by the Compliance Officer, relating to the advances made by the Compliance Program and the results of the different initiatives employed.

The Compliance team holds quarterly strategic meetings with the Company's CEO to present the key-indicators related to the area. This includes detailed analyses of the number and types of complaints received during the period, as well as general reports covering all the Company's units.

Compliance meetings were also held with the Statutory Audit Committee with the aim of providing the senior management with a more detailed understanding of these important issues.

These meetings are designed to provide the senior management with a comprehensive vision of the performance of the compliance program and promote a culture of transparency and responsibility throughout the organization. They serve as an opportunity to discuss possible actions and strategies that could

further strengthen the compliance processes and mitigate risks.

Furthermore, the Compliance Policies were approved by the Company's Board of Directors, and any modifications implemented during the annual revision process are also submitted to the Board for due approval.

Compliance Program

In effect since 2015, this Program involves actions designed to disseminate ethical behavior throughout the Company, engaging employees and business partners in best practices.

Accountable party

Management of this subject is conducted by the Compliance Department, which reports to the Vice-President of the Legal Department. The structure also involves an Ethics and Compliance Committee, which reports to the Executive Board. Made up of representatives from the Human Resources, Legal, Internal Audit, and Operations and Compliance departments, the Committee meets on a regular basis with the aim of monitoring ethics and conduct issues, as well as ensuring the effectiveness of actions designed to disseminate the Code that deals with these issues, the Compliance Hotline and the Compliance Program, among other related matters.

The Compliance structure also involves employees known as "compliance agents", operating at all the facilities in South America. These agents are responsible for spreading the culture of Compliance in all regions in which Marfrig has operations, as well as

supporting the process involved in the investigation of complaints, since they operate closely with the work routines of the employees, specifically those who work on the production lines.



'Mais Integridade' seal

In 2022, the MAPA renewed the 'Mais Integridade' ('Greater Integrity') Seal we had been awarded for another two years. As such, in 2024 we will once again be participating in the process for another renewal.

The *Mais Integridade* Seal, granted by MAPA, is a form of recognition for Brazilian agribusiness companies which adopt exemplary practices in terms of integrity, ethics, social responsibility and sustainability. To be awarded this recognition, we fulfilled the requirements set forth by the Ministry, covering areas such as Anti-corruption, Labor Issues and Sustainability. The evaluation process, conducted in 2021, analyzed indicators and documents relating to the operation of our Compliance Hotline, the engagement of the Senior Management with Compliance, the training offered to employees and communications on ethics and conduct, as well as Marfrig's absence from blacklists establishing restrictions on companies.



Compliance Policies [GRI 2-23]

- Code of Ethics and Conduct
- Code of Ethics and Conduct for Third Parties
- Gifts, presents, entertainment and hospitality
- Conflict of interests
- Donations, endorsements and contributions
- Prevention of money laundering and financing of terrorism
- Relationship and communication with public officials
- Use of social media
- Competition
- Anti-corruption

The active dissemination of the policies and guidelines over the course of the year is performed by the continuing communication program, which keeps our employees informed and updated on the important issues involving compliance. These policies are easily accessible on the Company's website, in Portuguese, English and Spanish, as well as on our Intranet.

Annual cycle of compliance training sessions [GRI 205-2]

Based upon the Compliance Policies Package, the obligatory training sessions concerning this matter are aimed at all the employees, and involve sections focused on integrity and ethics. In 2023, we invested in replacing the platform that provides

the online training, with the aim of increasing access by different means, including web, tablet, cell phone, etc. Furthermore, for the online training sessions, we have developed a more interactive path, with obligatory questions at the end of each section, designed to evaluate how much the employees have remembered.

More than 21,000 employees in South America participated in the Compliance training sessions, offered either in-person or online:

- **Administrative staff:** More than 4,000 employees exercising administrative duties in the Southern region, with access to computers and e-mail, participated in the training program on the e-learning platform. The courses are entirely online and available in three languages: Portuguese, English and Spanish. The modules include the following topics: mission and values; working environment; safety

at work; moral and sexual harassment; child and forced labor; social and environmental responsibility; diversity and inclusion; freedom of union membership; intellectual property; use of the Company's devices; use of privileged information; use of social media; anti-corruption; relationships with public officials; gifts and presents policy; donations and endorsements policy; conflict of interests; prevention of money laundering; competition; transactions with related-parties; and the compliance hotline.

- **Operational staff:** More than 16,000 employees working on the production lines took part in the Compliance training sessions. All these employees received pamphlets, in Portuguese and Spanish, using easy-to-understand language, addressing topics related to the Company's principal policies and to the procedures, thereby bringing them into alignment with the Marfrig culture.

Training on human rights and anti-corruption issues*

2023	Argentina	Brazil	Chile	Uruguay	United States
Online	495	4,079	66	286	880
In-person	1,580	12,080	80	3,055	
TOTAL	2,075	16,159	146	3,341	880**

* The table refers to the number of employees trained by country
** In the United States, the training is aimed at new employees, whilst the re-training actions are designed for existing employees, both incorporating a combination of in-person and online methods.



Integrity Week [GRI 205-2]

Integrity Week is an annual event that takes place during the first half of the year at all our units in South America. During the event, we address a variety of issues relating to integrity, aimed at encouraging a culture of ethical conduct throughout the organization.

During the 2023 event, the main theme was “The Best Version of Yourself Makes Marfrig Better”, by means of which we sought to raise the employees' awareness of the importance of constructing interpersonal relations founded on respect, emphasizing attitudes that contribute to mitigating the risk of moral harassment.

We emphasized the standards of behavior expected during contact with public officials, stressing the importance of acting in an upstanding and responsible manner at all times. This open and proactive approach demonstrates Marfrig's commitment to ethics and integrity in all its operations.

Total number of employees trained: 22,601



Code of Ethics and Conduct [GRI 2-23] 2-26]

Now in its fourth edition, this Code was revised in 2023 and approved by the Board of Directors. Amongst the issues addressed in the code are our position in relation to diversity and inclusion, harassment and intimidation; and child and forced labor. The current version of the code is available on our website. The other policies are also revised annually, with the intention of keeping them in line with best market practices.

To ensure that the responsible conduct commitments are adopted by all our employees, regardless of their position in the hierarchy, the Code establishes that the Compliance department is responsible for such efforts. The Ethics and Compliance Committee, made up of representatives from the Human Resources, Legal, Internal Auditing and Operations departments is responsible for the periodic monitoring of the fulfillment of the directives by our employees. The employees can also call upon the Committee to clarify any doubts, ask for advice or raise any concerns they may have relating to the guidelines of our policies or codes of conduct. [GRI 2-24]

In our Code of Ethics and Conduct, we stress that the Company is a signatory to the United Nations' Global Compact and the Ethos Institute's Business Pact for Integrity and Fighting Corruption

and, through the implementation of their values and principles, there exist mechanisms designed to support human rights, fair labor, respect for the environment and the prevention of corruption.

The policy commitments adopted by the organization comprehensively and fully apply to all our activities and business relations. Our ethical and responsible approach runs through every aspect of our operations, ensuring that the standards established in our policies are observed in every sector and in all our commercial interactions.

These commitments are not restricted solely to internal operations, but also extend to our partners, suppliers and any other stakeholders with whom we operate. We actively seek to align our business partners with the same ethical standards and responsibility that guide our internal practices, thereby encouraging an ethical and sustainable value chain.

As part of this approach, we make the Code of Ethics and Conduct available to our business partners, and we include compliance clauses in our contracts, thus ensuring that our partners share the same ethical standards. All our policies are available on the Company's website, and are occasionally mentioned in postings on social media.

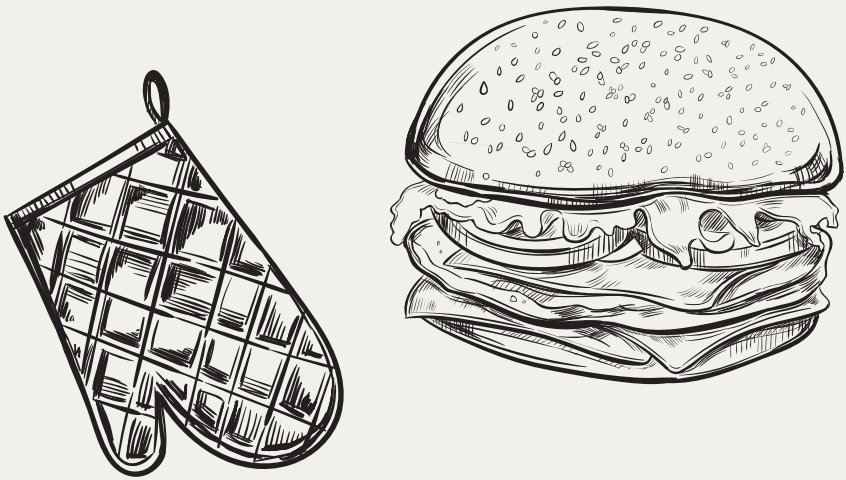
Compliance Hotline [GRI 2-25]

The Company's Compliance Hotline is available to anyone - whether they are Marfrig employees or not - wishing to report any kind of violation of our Code of Ethics and Conduct, or of any other policies, legislation or regulations applicable to the Company.

These channels, that are managed internally, offer support in three languages (Portuguese, English and Spanish), providing a means of registering complaints, either anonymously or not, with the claimant having the option of providing or withholding their name and e-mail. Clear guidance is provided to ensure that the self-identification fields are entirely optional.

The complaints can be filed in any of three ways: by telephone, e-mail or by means of a link available on the Company's website called the 'Helpline'. In 2023, we started offering the telephone service 24/7.

Changes were made to the HelpLine, in order to improve the user's experience and encourage them to provide the maximum amount of detail possible. A number of other information fields were added to our website, many of which simply require the user to choose from a series of options, thus simplifying the channel's use and making it more intuitive.



Complaint hotlines

Argentina

Tel: 0800 555 0019

E-mail: etica@marfrig.com

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

Brazil

Tel: 0800 223 1000

E-mail: etica@marfrig.com.br

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



Chile

Tel: +562 2413-2406

E-mail: etica.cl@marfrig.com

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

Uruguay

Tel: 46323641 int. 2232

E-mail: cometica.uruguay@marfrig.com

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

United States

Tel: 1-800-789-6796

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

Events in 2023

In 2023, the Compliance Hotline received reports that were grouped into 22 distinct categories, including: 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. Irregularities regarding Inputs and Products; 12. Theft/Robbery; 13. Behavior in non-compliance with policies (regarding behavior that is not in compliance with our guidelines, but cannot be specifically categorized); 14. Conflicts of Interest; 15. Gifts and Presents; 16. Physical Violence; 17. Environment; 18. Drug Dealing; 19. Disclosure of confidential information; 20. Leakage of personal data; 21. Retaliation; 22. Others.

In 2023, our Complaint Hotlines received 709 contacts. In relation to their origin, 644 (approximately 99%) were from Brazil. With regard to the matters reported, around 47% (309 contacts) were related to human rights (moral or sexual harassment, discrimination or physical violence). In 2023, no material operations were evaluated in relation to risks involving corruption, nor were there any reported confirmed cases of corruption, of any nature, of which the public was aware.

[GRI 205-1] 205-3]

In Uruguay, the channel registered four reports, three of which were from employees, with one report being made anonymously. All of these occurrences related to cases of moral harassment. In Argentina, two events were reported, one of which concerned moral harassment and the other a conflict of interest, both being reported by employees. In Chile, on the other hand, no reports whatsoever were filed in 2023.

In the United States, 59 complaints were recorded, covering a variety of issues. This includes ten reports of poor conduct or inappropriate behavior, three cases of violations of internal policies, ten incidents of harassment or discrimination, one case of violation of confidentiality or undue appropriation, one incident relating to environmental protection, and health and safety, four cases of conflicts of interest, two complaints involving accounting, auditing and internal financial control, two cases of retaliation, two incidents of substance abuse, two situations of threatening or violent behavior, two reports of inappropriate or unauthorized use of equipment or installations, and 21 reports classified as 'others'.

Reported grievances

South America

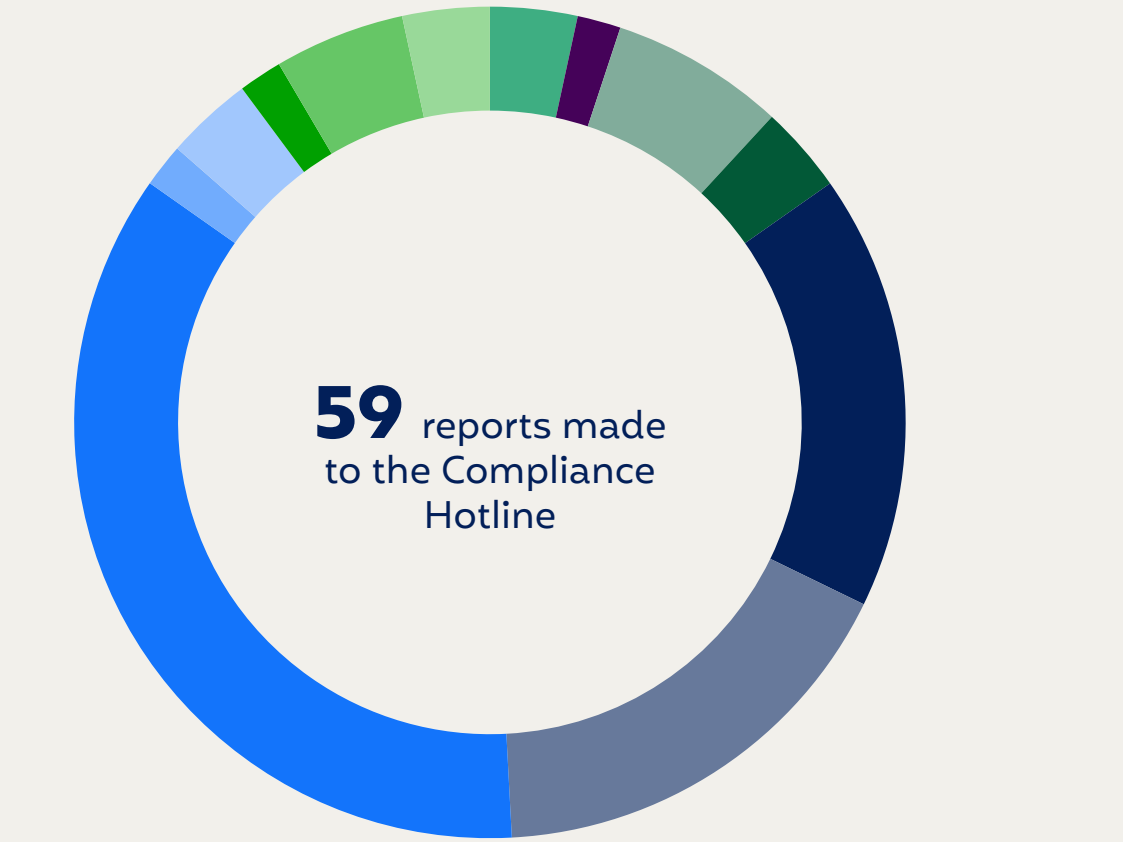


- Moral harassment (41.38%)
- Sexual harassment (4.15%)
- Behavior not in line with the company's policies (15.69%)
- Conflicts of interest (2.92%)
- Discrimination (0.31%)
- Corporate fraud (1.38%)
- Theft/robbery (2.00%)
- Incidents (0.15%)
- Others (0.46%)
- Retaliation (0.77%)
- Health and safety (2.62%)
- Doubts and clarifications (25.85%)
- Suggestions (0.46%)
- Drug dealing (0.15%)
- Physical violence (1.69%)

- 0% Competition
- Corruption¹
- Irregularities of inputs/products
- Disclosure of confidential information
- Environment
- Leakage of personal data

¹ Marfrig considers corruption to be the concept defined in Law No. 12,846/2013 and Decree No. 8,420/2015 of Brazil.

North America



- Substance abuse (3.39%)
- Confidentiality and irregularities (1.69%)
- Conflicts of interest (6.78%)
- Accounting, auditing and internal financial controls (3.39%)
- Discrimination or harassment (16.95%)
- Poor conduct or inappropriate behavior (16.95%)
- Others (35.59%)
- Environmental, health or safety protection (1.69%)
- Retaliation (3.39%)
- Unauthorized/fraudulent use of the company's installation and/or equipment (1.69%)
- Policy violations (5.08%)
- Violence or threats (3.39%)

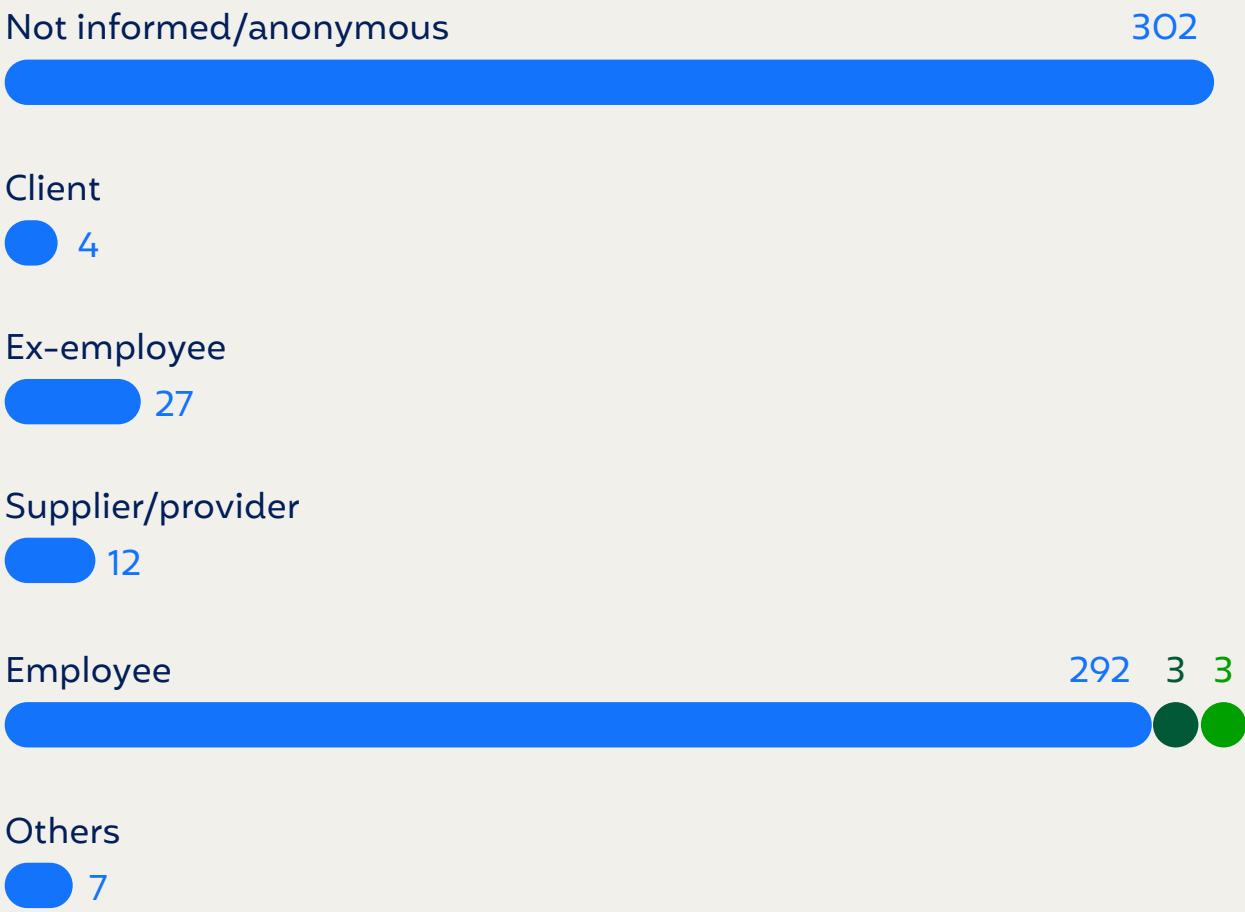
Accusations related to human rights

2023	Argentina	Brazil	Uruguay	United States
Moral Harassment	1	264	4	10*
Sexual Harassment	0	27	0	0
Discrimination	0	2	0	10**
Physical Violence	0	11	0	2***

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

Profile of the user^{1,2}

● Brazil ● Argentina ● Uruguay



¹ For the United States operations we have reported this information in percentages: 64.4% anonymous and 35.6% identified.
² In Chile, no reports whatsoever were filed in 2023.

Ongoing evolution of indicators

The increasing use of the compliance hotline is being viewed positively, since this reflects the confidence placed in the tool, as evidenced by the survey presented on [page 76](#). It is also encouraging to see a reduction in the incidence of reports relating to moral harassment. Whereas in 2022 this proportion stood at 47%, in 2023 it had fallen to 41%.

We see moral harassment as a serious problem that requires immediate attention and action and we are fully engaged and committed to eradicating this practice in all areas.

In 2023, as well as the obligatory compliance training, that includes a specific module on harassment, we paid special attention to the topic during the Integrity Week, hosting a number of discussions and activities. We also offered specific training sessions on the matter at all our units and contracted coaching services focused on the topic which were made available to certain employees. In addition to this, we should highlight that, in cases of proven and recurring harassment behavior, we take disciplinary action, including the dismissal of employees. These are some of the initiatives we have implemented to mitigate the practice of moral harassment in our organization.

Addressing the complaints

All the complaints received are registered and treated seriously, serving as indicators to guide the actions of the Compliance department. As part of the department's responsibilities, all the complaints received by the Compliance Hotline are forwarded to the Ethics and Compliance Committee for discussion, ensuring a transparent and impartial approach to addressing the complaints.

Once received by the designated channels, the complaints are registered and uploaded into our internal control tool. Once registered, the report is classified according to its nature and forwarded for handling in accordance with the following guidelines:

- Accusations Related to Human Resources: all reports relating to Human Resources matters are forwarded to the HR Department to be properly addressed, being monitored by the Compliance Department and submitted to the Company's Ethics and Compliance Committee.
- Accusations not related to Human Resources: the Compliance Department is responsible for the initial investigation of accusations not relating to HR topics, receiving support from the related areas.

Once the nature of the accusations has been established, those responsible for its investigation are designated

according to the areas involved in the report. The handling of the investigation takes into account the particular aspects of each case, which can include measures such as in-person interviews with those involved and climate surveys in the department involved.

We should stress that the handling of accusations is conducted impartially and confidentially, guaranteeing anonymity to those making the accusations in good-faith, even if the person has provided their name at the time of the complaint.

The investigation/handling process should be concluded within a maximum of 90 days, although this period may be extended in the event of complex situations.

Once the investigation has been completed, the accusation may be considered to be:

- Lacking grounds: if the accusation is found to lack grounds it is shelved by the Compliance Department.
- Valid: if an accusation is deemed to be valid, the Compliance Committee, together with the area responsible, will monitor the actions implemented to correct the confirmed irregularities, as well as present a plan designed to mitigate any possible similar occurrences. Following implementation of the corrective and preventive actions, the accusation will be shelved by the Compliance Department.

In more complex cases that require specific understandings, the Company may contact a specific third party once such measure has been authorized by the Board of Directors.

Non-retaliation

The company has adopted a policy of non-retaliation, ensuring that the employees who make accusations in good faith do not suffer, maintaining full confidentiality during the investigation, offering support and

protection against any form of retaliation, thus promoting a culture of integrity and transparency. The company also facilitates clear and simple access to the compliance hotline, with guidance on how to use it properly. The accusations can be made anonymously or not, with the information recorded being handled entirely confidentially, within the established legal limits. Marfrig does not tolerate any form of retaliation and ensures that those making accusations

in good-faith do not suffer any type of persecution, penalty or discomfort.

The users' faith in the compliance hotline can be gauged by the increase in the number of times it has been contacted. In 2023, we received 650 contacts (South America), whilst in 2022 there were only 468. This is a significant rise of almost 39%. We believe that this reflects the encouragement we have provided to our employees to immediately report irregularities. This incentive is included in all our training sessions, in the constant communication of our channels and, principally, in our Code of Ethics and Conduct.

Dissemination of the channel

The Compliance Hotline is widely disseminated by means of communication and training sessions, measures designed to confer even more legitimacy and faith in its use. All of our units have fixed noticeboards, by means of which we advise our employees of the three means of accessing the channel (website, telephone and e-mail). The noticeboards are positioned in busy areas such as changing rooms and canteens. The employees also receive instructions on how to access and use the channel by means of e-mail and WhatsApp. These are actions designed to ensure that everyone understands and trusts the tool.

The Integrity Week and Annual Training Cycle are also means by which the contacts enabled by the channel are disseminated, with the training sessions in 2023 including a specific module about the channel itself. This module explained that the channel is available for the reporting of any and all activity that is in violation of either currently applicable legislation or our internal policies, with it being made clear that all the reports can be made anonymously if so desired. Finally, information was provided on all the available means (telephone, e-mail and helpline), including those relating to the international units.

Monitoring of the effectiveness

By means of different campaigns and broad dissemination of the channel, we encourage all of our employees to access and report any non-conformities. 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 the channel. In parallel, the indicators drawn from the reporting channel related to the nature of the reports, area involved and region, enable the Compliance area to guide and structure its actions, in such a way as to positively address and respond to the incidents reported.

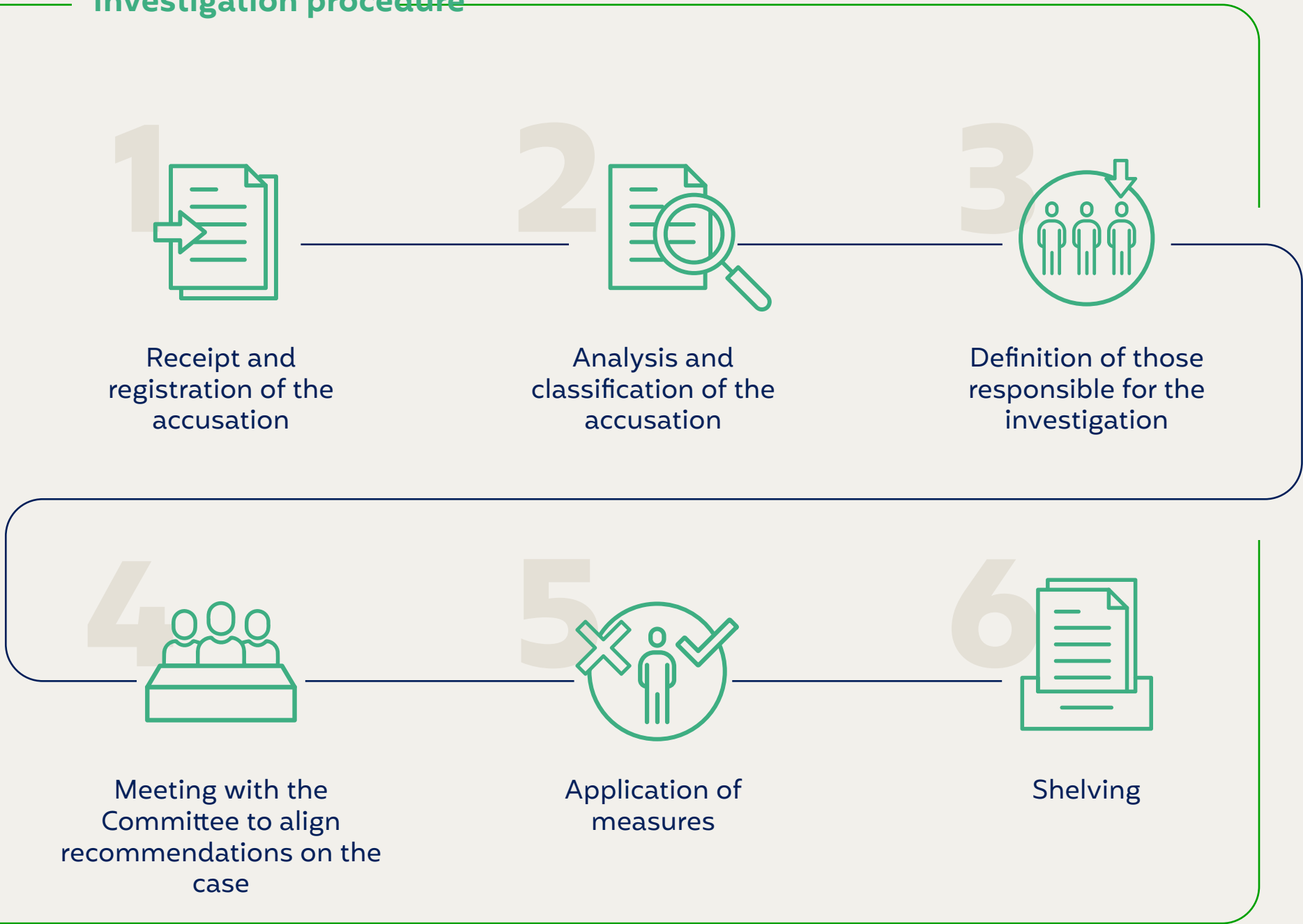
During the 2023 Integrity Week, we conducted a survey related to the

compliance hotline at all the units in South America. We chose an approach that involved samples of personnel to ensure a broad representation of our employees. Approximately 30% of all the employees were interviewed, guaranteeing that the information was gathered from different sectors of the Company.

The survey consisted of three questions that aimed to evaluate the employees' perceptions of the compliance hotline. Of those interviewed, 88% confirmed that they were aware of the existence of the channel, 81% reported that the channel's contacts were available at their respective work units, and 81% stated that they felt comfortable making an accusation by means of the channel.

These results are crucial in guiding our forthcoming actions. We consider these figures to be positive and we are committed to working to achieve the target of 100% awareness, accessibility and trust in the compliance hotline.

Investigation procedure



Engagement in the value chain

We are also committed to spreading information on the ethics and integrity guidelines to our value chain. As part of this, we have adopted the Code of Ethics and Conduct for Contractors, one of the ten policies covered by the Compliance Program. Launched in 2020 and revised in 2021 (with a new version also approved by the Board of Directors), the document brings together the values we defend and the

guidelines that are to be observed in all commercial relations established with us.

All of our suppliers and service providers, including Marfrig Global Foods S.A., its affiliates and all companies controlled and/or administrated by it, receive a copy of this code. For us, it is important not only that the third parties are aware of its content, but that they

actually observe the guidance in order to strengthen the culture of integrity in our commercial relations. The current version of the code is available on our website, under the 'Compliance' tab.

Due diligence [GRI 205-1 | 308-1 | 414-1]

In 2023, in Brazil, we were able to fully implement the SAP Ariba tool for the registration of new suppliers. On this platform, all the suppliers and service providers providing quotations to the Company or which wish to work with

us need to complete questionnaires, including a Compliance questionnaire.

These contractors provide information on their Compliance programs, covering questions on the prevention of child or forced labor, anti-corruption practices, adoption of a compliance hotline, previous histories of environmental crimes, business conducted with public authorities, and possible conflicts of interest, amongst other information.

In addition to this, the contractors are screened by a *due diligence* platform and *background check* called 'UpMiner'. This tool, which is widely recognized in the market and developed by UpLexis, allows us to obtain information on the methods available to prevent possible risks that third parties could present.

Following this, the Compliance team performs an evaluation process that could suspend the contracting of third parties that present a risk to the Company. Even if the supplier has been approved in the bidding process by the areas responsible, non-compliance with the requirements established by the Compliance could veto the operation.

In relation to international clients, there is a routine that involves daily monitoring of all the clients in the South American operations. A tool called 'BNC' ('Batchnamecheck'), developed by LexisNexis, which is widely recognized in the market, checks on whether those companies with which we have established relations have been subject to penalties relating to money laundering, corruption, or arms trafficking, amongst other crimes.

With the aim of making this monitoring process even more sophisticated and effective, over the course of 2023, together with Dow Jones, the Company customized the tool called 'Risk Center Third Party', which performs research, screening and ongoing monitoring of these contractors. By means of dossiers, it is possible to identify penalties, individuals who are exposed to political risk, negative media and other categories or specialist risk. The solutions developed by Dow Jones are widely recognized as the best practices in the market for this type of monitoring.





Risk management

2023 will be remembered as a period of significant advances in Marfrig's risk management, reflecting the company's continued commitment to improving its governance and sustainability practices. The integration of risk management into Marfrig's sustainability agenda is an essential element. The inclusion of the socio-environmental risk in the risk management policy highlights the company's commitment to sustainable and responsible practices.

One of the company's principal achievements was the creation and approval of new risk management and financial policies, which replaced the old policy of market risk management. These principles, which can be accessed on the company's website, are more comprehensive and detailed, taking into consideration a broader range of risks, including liquidity, counterparty, operational, socio-environmental, health and technological risks.

The party primarily responsible for management of the company's corporate risks reports directly to the Vice-President of Finance and Investor Relations, ensuring strategic monitoring of the matter within the organization.

Improvement of procedures

The improvement of the procedures for financial operations and the definition of limits for derivatives were important steps in this process. Furthermore, the continuous monitoring of the treasury operations, focused on risk factors such as FX, commodities and interest, demonstrates Marfrig's commitment to constant supervision and adaptation to market conditions.

We should also highlight the investments made in the updating and creation of processes for the Risk Management department, allowing for the periodic and effective monitoring of the risks involved in the company's operations.

2023 saw a number of challenges and uncertainties in the meat sector in Brazil, but Marfrig managed to tackle them head on. The effective control of livestock derivatives and the purchase of physical cattle, allied to a hedge strategy, mitigated significant losses, even in the face of a drop in the price of an 'arroba' (15 kg of meat).

With regard to the increased share in BRF, despite this having been a strategic move for the company, the risk management and treasury departments remained independent, ensuring the continuity and effectiveness of the risk management processes.

It is important to stress that no critical cases in the area of risk management were recorded in 2023. This demonstrates the effectiveness of the controls and practices adopted by the company.

Corporate risks

In the administration of the corporate risks faced by our businesses, we have adopted two different approaches:

Policies

In cases that we consider to be significant and which represent threats to our operations, we establish specific mitigation policies. These policies need to be formally approved by the Board of Directors. We currently have policies in place for two principal fronts: related-party transactions and situations of conflict of interests; and market risks, which include exchange rate variations, fluctuations in the price of commodities and interest rates, and liquidity. For more details on these risks, please refer to section 5.1 of our Reference Form, which is available on the Investor Relations website, in which it is also possible to access the relevant policies.

Monitoring

To deal with risks related to less significant events or those over which we exercise no direct control, we adopt processes, practices and monitoring routines to minimize them. These risks may include issues such as changes

to the legislation of the countries to which we export, economic crises, trade restrictions, the entry of new competitors, regulatory changes, and environmental and market conditions, amongst others. Despite there not being any formal policies regarding these risks, each of them is evaluated individually and monitored regularly to mitigate possible impacts. The list of risks that are recognized and monitored is available in section 4.1 of our Reference Form, which is available on the Investor Relations website.

Risk management structure

In order to gauge, monitor and mitigate risks, Marfrig has implemented an internal structure on a scale compatible with its operations and the complexity of its business. The responsibilities of the components of this structure are as follows:

Board of Directors

The Company's Board of Directors, with advice and support in this area from the Statutory Audit Committee, is responsible for defining the strategic objectives relating to the Company's risk environment. It falls to the Board of Directors to approve the Risk Management Policy. The Board of Directors is responsible for:

- Approving the Risk Management Policy and ensuring it is applied;
- Approving any possibilities that may arise in relation to this Policy.

Executive Board

Marfrig's Executive Board should operate directly with the Management of Risk, taking into consideration the following responsibilities:

- Achieving the Company's strategic objectives, whilst ensuring that its activities are conducted in such a way that protects and adds value to the equity, through the definition of guidelines for the mitigation of the monitored risks;
- Evaluating the Company's position on each risk identified, according to the guidelines and policies defined by the Board of Directors;
- Approving the performance indicators to be used in the Management of Risks;
- Monitoring the execution of the Risk Management Policy and proposing updates of such to the Board of Directors, in compliance with the regulations, ethics and internal controls established by the Company.

Risk Management

The primary duty of the Risk Management Department is to accompany, monitor, evaluate and communicate the risks incurred by the Company. The main responsibilities, according to the definitions contained in this Policy, are:

- To monitor fulfillment of the exposures to risk, comparing them to the limits established by the Policy;
- To develop, control and improve the risk exposure calculation model;
- To control and disseminate the reports on the Company's exposure to risk;
- To frame and evaluate the exposure to market risk with the aim of demonstrating the potential impacts that could cause the Company financial loss;
- To encourage discussions on other potential risk factors that could have an impact on the Company's results in the future.

Socio-environmental risks

The concerns over sustainability, essential to our business, form an integral part of all areas of the operation, being addressed from the perspective of risk management. This includes attention to sensitive issues related to animal welfare, origin control, management of natural resources, wastewater, waste and the impacts of climate change. Our social responsibility practices also fall within this scope.

The Sustainability Board manages the risks associated with these topics. We have identified those aspects

that could affect our business, using analyses of the positive and negative influence resulting from our operations.

We have implemented processes, routines and systems designed to monitor and manage these risks, and these are outlined in our Sustainability Policy, which can be accessed here. All of our initiatives are guided by compliance with the environmental and social legislation in effect in the regions where we operate. We use specific tools to monitor these legal requirements and guarantee that our practices are in compliance.

In 2023, we did not suffer any non-monetary penalties or fines due to non-compliance with laws and regulations. [\[GRI 2-27\]](#)

Some examples of how we address the risks relating to sustainability include:

Origin Control: We have implemented responsible purchasing routines, for which we use social and environmental criteria to select suppliers of raw materials and inputs. In addition to this, we use the Socio-environmental Risk Mitigation Map, which covers the whole of Brazil, to identify those areas of cattle supply that are most exposed to risks and obtain a comprehensive understanding of the forest areas in terms of

livestock production, environmental conservation and human rights.

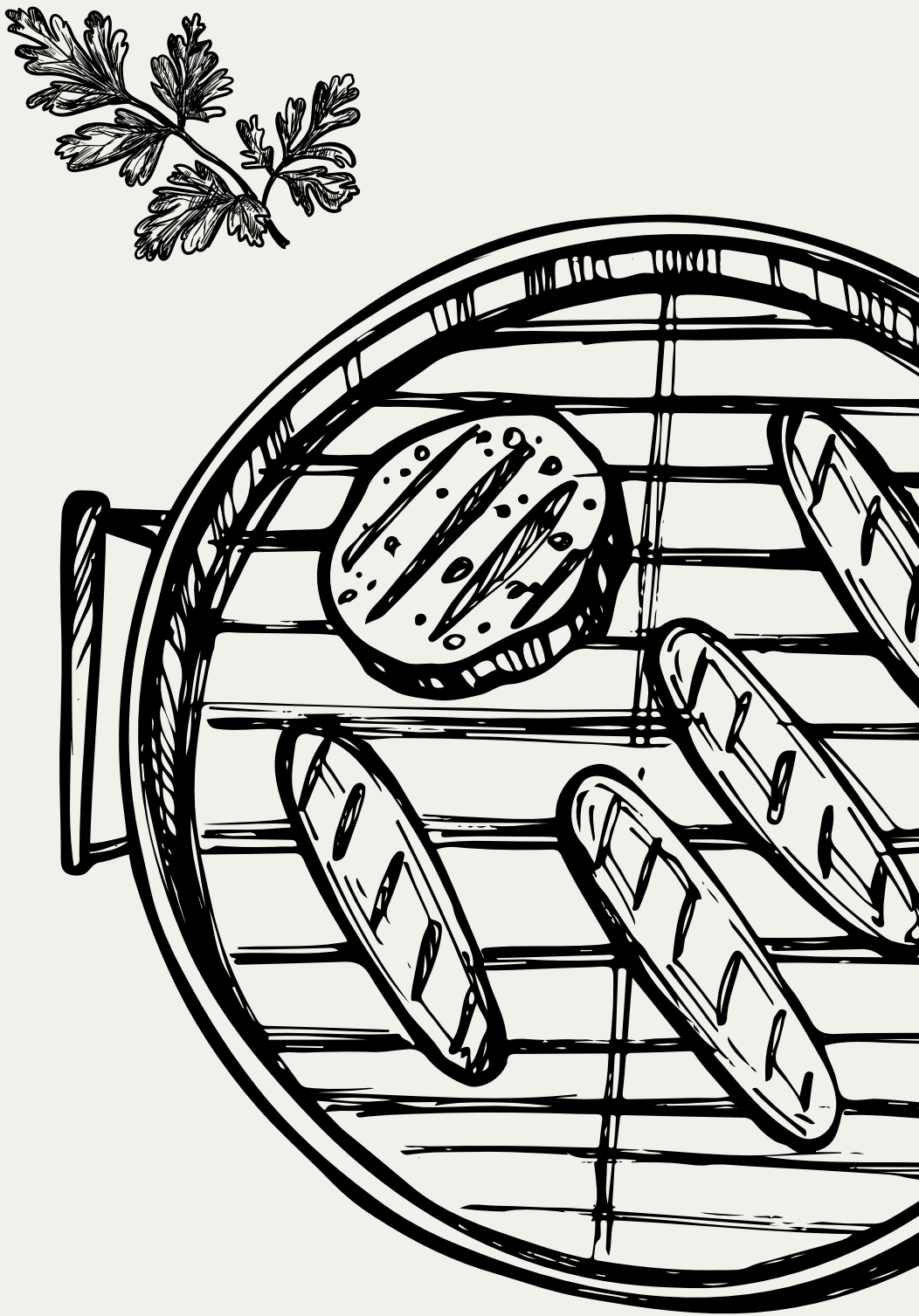
Climate change: We have established targets for the reduction of GHG emissions based upon the SBTi methodology, with the aim of continually improving the management of emissions and mitigating the operations' impact on climate change.

Animal welfare: We have adopted practices designed to guarantee the humane management of the animals throughout the production chain, including training for our employees, drivers and suppliers. Furthermore, our processes are audited every year by third parties.

Use of Natural Resources: In order to manage the risk of water shortage, we provide support in the form of a water risk map, which is able to identify the availability of water in the regions where we operate and allow us to develop limitation plans. We constantly monitor the consumption of water and energy, which involves clear reduction targets.

Wastewater and waste: We have implemented processes to manage the discharge of wastewater and solid waste with defined criteria and targets to mitigate environmental impacts. We conduct third party audits and have modernized the WTSs at all our units.

Social responsibility: We monitor our raw-material suppliers to ensure that the regions we source from are free from deforestation, and forced and child labor, whilst we also avoid disputes with indigenous lands and quilombola territories.





Information Technology and Data Privacy

In 2023, Marfrig maintained its commitment to data privacy, implementing a number of actions and initiatives designed to guarantee compliance with laws and regulations, as well as promote a culture of respect for privacy and protection of the personal data of both employees and customers.

During the period, the company's policies and procedures were revised and updated to better align them with the recent regulatory changes, such as the "Regulation of Dosages and the Application of Administrative

Sanctions" published by the National Data Protection Authority (ANPD).

We also began an obligatory training and awareness-raising program relating to the General Personal Data Protection Law (LGPD), involving all our employees, with the aim of ensuring an understanding of the importance of data privacy. The company continued using a single specific tool for the governance of its personal data, and also offers an open channel for requests and doubts concerning these data.

The procedures of the Data Privacy department were audited by Grant Thornton, without any detection of risk, demonstrating the effectiveness of the practices adopted. We develop and implement clear and transparent policies relating to the collection, storage, handling and sharing of personal data.

A responsible approach and continued commitment

Marfrig integrates the principles of privacy right from the beginning of its development of products and services, taking the approach of "Privacy by Design" to ensure the protection of privacy at every stage of the process. We aim to minimize the amount of data handled, guaranteeing that only that information which is essential and necessary is collected and stored,

thus reducing the environmental impact associated with the handling of large quantities of data, whilst also encouraging the ecologically-friendly disposal of technology equipment.

The company maintains a clear and transparent privacy policy, demonstrating its commitment to the protection of personal information and regulatory compliance. The company is committed to protecting the users' individual rights and data privacy, promoting an ethical and responsible approach to the collection, handling and sharing of such.

We are fully prepared to adapt our operations to any new data protection regulations that could be implemented in 2024, ensuring that we remain in compliance with all legal requirements. The company will continue to provide training and awareness-raising programs for its employees, ensuring that they all understand the privacy practices and are aware of the changes to the policies and regulations.

We are also committed to actively participating in discussions on data ethics and Artificial Intelligence (AI), guaranteeing ethical practices in the collection and use of data, especially within the context of AI and machine learning.



Relations based on respect



Management of Human Resources

Developing and encouraging our employees, supporting them to evolve as professionals, is a non-negotiable social and ethical commitment for us. As such, we have put a number of projects in the personnel area into practice and remain aware of our workers' broad range of socio-cultural demands.

We are also convinced that a company is strong when it is inclusive, thereby benefiting from the diversity of knowledge and histories within its community of workers. As such, as well as promoting inclusion at work, we take care to offer spaces in which everyone feels safe in relation to their choices, conditions and identities.

Matters related to our employees are frequently discussed at the meetings of our governance bodies, specifically the Remuneration, Corporate Governance, and Human Resources Committee, one of the four committees that advise and support the Board of Directors; and the Ethics and Compliance Committee, which advises the Board.

At present, neither of the committees have representatives elected by the workers at the units, although there

do exist other local internal structures allowing for their participation, which support these committees and allow the workers' voices to be heard in the company's decisions.

One example of this is set of the Occupational Safety Committees, Occupational Health Committees, Ergonomics Committees, and Internal Accident Prevention Commissions (CIPA), installed at 100% of our units in South America, all of which include representatives from the workforce.

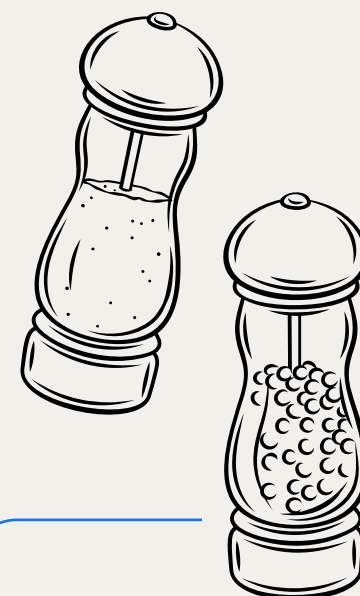
The employees' demands are also heard by local teams from within the Human Resources departments, representatives from Compliance, and via online listening channels, favoring constructive dialog and participative management.

Our employees' profile

In 2023, our efforts were focused on attracting and retaining talents, above all within the context of expansion and increased demand for operational labor, which is a current feature of many industries.

We ended 2023 with 378 more professionals having been welcomed into our workforce, bringing our total number of employees to 32,917. This increase aligns with the growth of our business during this period. It is

standard practice for the majority of our employees to be directly employed, permanent and fully registered for full-time work. The cases of temporary hirings, in South America, were one-off situations, and the outsourced workers perform support functions, such as security, cleaning and reception.



New employee hires and employee turnover [GRI 401-1]

	SOUTH AMERICA	NORTH AMERICA
Total number of hires	6,853	3,978
Total number of dismissals	7,661	3,926
Turnover rate (%)	29.84	38.42



Number of employees broken down by type of contract [GRI 2-7]	Argentina	Brazil	Chile	Uruguay	United States	Total
Permanent	2,144	16,131	193	3,789	10,167	32,424
Temporary	0	0	470	0	23	493
Total	2,144	16,131	663	3,789	10,190	32,917

Number of employees broken down by type of employment [GRI 2-7]	Argentina	Brazil	Chile	Uruguay	United States	Total
Full time	2,144	16,131	663	3,777	10,169	32,884
Part time	0	0	0	12	21	33
Total	2,144	16,131	663	3,789	10,190	32,917

Number of outsourced employees [GRI 2-8]	Argentina	Brazil	Chile	Uruguay	United States	Total
Outsourced workers	498	325	8	138	0	960

Remuneration [GRI 2-19]

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

Marfrig also encourages its outsourced companies (as well as these companies' suppliers/subcontractors) to make punctual and correct payment of their taxes, and labor and social security contributions, paying fair salaries that are in line with the market in which they operate. Within this context, third parties should operate in accordance with the applicable legislation, including, but not limited to, compliance and respect for health, human rights, the environment and local legislation, including fiscal, tax and anti-corruption laws.

Mapping of the market

In order to ensure fairer remunerations, we perform constant mapping and periodic surveys in order to identify the reality of each location in which we operate. As well as sector-based research, it is essential that we think

about our impact on the domestic economy of our employees. This is why, in addition to the initial indicators, we include those related to the economic health of the countries where we operate. The compilation and processing of these data are conducted on a yearly basis by specialist consultants in the area.

Remuneration and gender

With regard to the salary ratios received by women and men, we strive to ensure equitable conditions for career development and salary remuneration. An analysis of our operations in Brazil relating to the average proportion per unit and job shows that in operational positions the variations are minimal. For example, at the São Gabriel (RS) unit and the Itupeva DC (SP), the average remuneration for women was, at the end of 2022, slightly higher than that for men, 50.88% and 50.85% respectively. At the Itupeva (SP) and Bataguassú (MS) units, there is an inversion of these ratios, with a slight decrease in the average remuneration paid to women: 46.67% and 48.37%.

[GRI 405-2]

Variable remuneration programs

Additional compensation, in acknowledgment of the results achieved in the period. Depending on the profile and activity, these may include collective or individual financial targets, such as profit sharing (PSR),

bonuses for leaders and the sales team, as well as long-term incentives.

The PSR is regulated and adjusted by collective bargaining or collective agreements, local and corporate, aimed at 100% of the employees, except for the leaders. For positions higher than supervisors, we adopt a bonus system based on targets defined at the beginning of each fiscal year. The intention here 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 the leaders, to a greater or lesser extent, depending on how these practices relate to the routines of each individual. For those who perform functions that are related to these matters, such as the leaders of the Sustainability Board, the performance bonuses, excluding those criteria related to the company's economic and financial results, are fully tied to performance on issues related to origin control, animal welfare, climate change, use of natural resources, water and wastewater management, and social responsibility.

As for the sales team, the bonus programs are based on monthly or quarterly targets that are established according to the commercial strategy of each business.

The majority of our 16,131 employees located throughout Brazil occupy operational positions, meaning their remuneration is closer to the minimum wage for the category, which is defined by means of a collective bargaining agreement in line with those of other companies in the sector. As such, the salary of the highest paid individual recognized in the most recent financial year is 300 times higher than the average individual remuneration of the employees. This sum is justified by the size of the Company, as well as the professional skills and experience necessary for exercising the position.

[GRI 2-21]

Internship Program

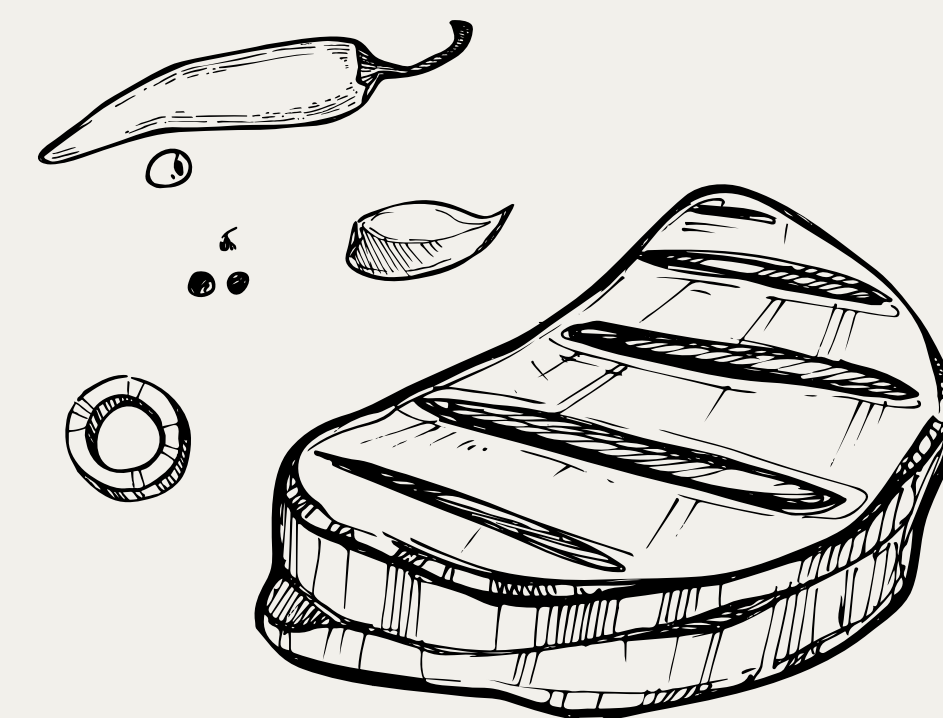
There was a significant rate of full-time hiring of those participating in the Internship Program, demonstrating the initiative's importance for the training and development of new talents at the company. We have also strengthened our young learners programs, maintaining a high rate of full-time hiring and providing these employees with opportunities for growth. The company has established strategic partnerships with institutions such as the Centro de Integração Empresa-Escola (Company-School Integration Center / CIEE), the Legião da Boa Vontade (Legion of Good Will / LBV), and the Serviço Nacional de Aprendizagem Industrial (National Industrial Learning

Service / SENAI) to ensure the quality and range of these programs.

Climate Survey

In 2023, we performed our first Engagement Survey, involving all our units in Brazil, aiming to understand how our employees view Marfrig, its leaders, their own career paths and their perspectives in relation to the Company. The survey included 13,000 participants and a general engagement rate of 83%.

This high rate of participation, which is above the market average, reflects the company's commitment to listening to its employees and responding to their needs and expectations, using the survey to guide future initiatives for improvement, an important target for Marfrig. The Company's leaders analyze the results, with specific action plans consequently being outlined for use in our continued evolution.



Diversity

Since 2021, Marfrig has been a member of the Movement for Racial Equality (Mover), which brings together 50 organizations from different sectors that jointly employ around 1.3 million people, with a mission to be an effective tool in fighting racism through actions that work to reduce racial inequality in Brazil.

In partnership with Mover, three of our employees took part in the 'Pro-Lider' Black Leadership Development Program, and more than 300 English scholarships were distributed to Black employees.

In 2023, we established an internal diversity discussion group comprising directors, managers, and representatives from various areas of the company. This group meets regularly to strategize on promoting racial diversity within the organization. Throughout the year, we distributed materials on discrimination and racism across our operations in Brazil. Additionally, we conducted racial awareness sessions for the HR, Marketing, Communication, and Supply departments.

Also in 2023, we formed a partnership with 'Operação Acolhida', facilitated by the International Organization for Migration (IOM), a UN agency that ensures the safe and orderly integration of immigrants and supports their access to employment, among other objectives.

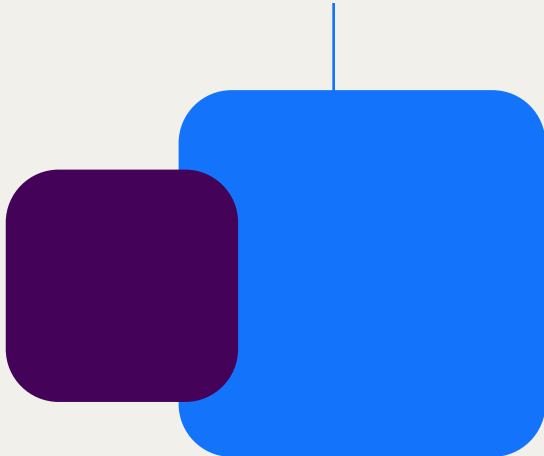
By means of this and other partnerships, we offer professional opportunities to these immigrants, thus increasing the potential diversity of the company. In Brazil, Marfrig's workforce includes 537 foreigners, which is 45% more than in 2022. In order to assist with adaptation and retention, we have adopted initiatives such as translators in the support areas, to improve understanding in communication, and Discussion Groups which help to identify opportunities for improvement of the process.

In 2023, we registered two cases of discrimination in Brazil and one in Uruguay. In those cases in which the report was found to have grounds, the applicable corrective measures were implemented. [\[GRI 406-1\]](#)

Total number of employees: age group vs. gender ¹ [\[GRI 405-1\]](#)

Country	Gender	Up to 30 years	31 to 50 years of age	Over 50	Total
Argentina	Female	41	178	40	259
	Male	572	1,095	218	1,885
	Total	613	1,273	258	2,144
Brazil	Female	1,980	2,978	619	5,577
	Male	4,411	5,561	1,283	11,255
	Total	6,391	8,539	1,902	16,832
Chile	Female	66	133	29	228
	Male	176	166	93	435
	Total	242	299	122	663
Uruguay	Female	309	426	57	792
	Male	979	1,703	260	2,942
	Total	1,288	2,129	317	3,734
United States	Female	936	1,629	914	3,479
	Male	1,948	3,157	1,548	6,653
	Total	2,884	4,786	2,462	10,132

¹ Data referring to 31/12/2023.



Freedom of association and collective bargaining [GRI 2-30]

We recognize the right to freedom of association and collective bargaining. In Brazil, 100% of our employees are covered by collective bargaining agreements. In Argentina, this ratio is 81.67%, in Uruguay, 100%, and in the United States, 57.9%. With respect to unionization rate the highest rate was to be found in Argentina, with 75.84% of the employees belonging to labor unions, followed by Uruguay with 70%, the United States with 57.9%, and Brazil, with 35.58%.

In Chile, none of our employees belong to unions, although they are free to join, in accordance with the provisions of Chilean law, and there exists support from labor protection organizations to assist with this type of membership. In Chile, the workers' requests are filed via a mixed Order, Health and Safety commission, meaning there is no collective bargaining.

The units did not record any reported risks or violations of the employees' or outsourced workers' rights to join a union. Furthermore, we have formally established this right in our Code of Ethical Conduct and we reinforce our employees' freedom of association in our annual agreements. [GRI 407-1]

Measures adopted to support the right to freedom of association and collective bargaining:

Brazil: at all our operational units in Brazil, all our employees are supported by Collective Bargaining Agreements and senior union representatives are physically present at each of the units. As well as other actions, there are wall panels at all the units that are available for the unions to display information concerning our employment agreements and anything else of general interest in the broad area of employment. Whenever requested by the central union office, we include clauses in our Collective Agreements that guarantee the right to a physical space (leisure area and

other available areas) to be reserved on agreed days for union membership campaigns to take place.

Argentina: we have internal commissions at all our units, made up of delegated representatives elected by the workers. These commissions are renewed in accordance with the provisions of the currently applicable legislation of the country. Furthermore, at each of our units, we have representatives of two different unions simultaneously, something which is not very common at companies, but which is provided for by legislation and which we support. Our employees are free to join the associations and unions of their choice. We also make the necessary physical spaces and time available on election days to allow the employees to participate. Meetings are not only permitted, but facilitated whenever requested by the relevant union. The union delegates forming part of the internal commissions of each unit are authorized to take days or hours off as union leave, as established in currently applicable legislation, and they have the same benefits as the other workers. We are members of the Company Chambers, which participate in the collective bargaining sessions with the union federation which represents the unions operating at the units, a feature that also demonstrates our commitment to dialog with the union representatives.

Uruguay: the employees at all the production units are free to join the associations and unions of their choice. The operations have open-door policies in relation to issues including labor rights, resolution of internal disputes and worker support.

United States: we comply with all the laws and regulations relating to freedom of association and the possibility of joining a union. We explicitly state in our employment documents and employee guides that the company defends the rights of both the employer and employees.

Training and development

In 2023, we reinforced our social commitment by investing heavily in the development of our employees' careers. We expanded the range of courses offered, including professional, behavioral and general interest subjects, and we also diversified the learning methods, including distance learning, and synchronous and asynchronous methods.

To ensure that our programs serve our employees' needs, we ask for suggestions from different departments, prioritizing those topics that contribute to the improvement of all. Our planning is revised and approved by the directors of the units, with collection of the information being performed monthly in Brazil and annually at the overseas units.

We also began operating the tool that accompanies each employee's training cycle, implemented in 2023. We invested in an online learning platform, called 'Conecta', which offers courses in different areas and allows the employees broad and flexible access. Despite specific paths still being open to different levels or areas, the platform represents a move forward in the availability and monitoring of the training offered by the company.

Freedom of association and collective bargaining [GRI 2-30]

2023	Argentina	Brazil	Chile	Uruguay	United States
Percentage of employees covered by collective bargaining agreements	81.67%	100%	0%	100%	57.9%
Unionization rate	75.84%	35.58%	0%	70%	57.9%



In support of continued learning, Marfrig funds external courses, such as technical and post-graduate courses, benefiting workers in various countries. These efforts are reflected in the employees' internal development.

In 2023, we offered a total of 572,803 hours of training, a significant increase in relation to the previous year, educating more than 19,000 workers, of whom 6,098 were women in South America.

Transition assistance programs

For those employees wishing to transition from one area to another, the company evaluates the skills that are needed and, depending upon the merit criteria, the employee's course may receive funding. Exchange programs between departments may also be applied for development of the new employee's skills. [GRI 404-2]

Performance evaluation

As part of our strategy to offer professional development opportunities, performance evaluations play an important role. By means of the information collected during this process, we are able to identify points in need of attention during the training sessions, as well as improvements that can be made, in order for us to be even more assertive in our professional training initiatives.

These evaluations also allow us to map the technical and behavioral skills by function. By doing so, we

can identify those professionals who are prepared for new challenges, for example, or construct career plans.

These analyses are performed together with the leaders, at periodic meetings. The performance evaluations, therefore, can be added to the personnel management procedures developed at all our operations.

Average number of training hours per year broken down by employee [GRI 404-1]

By hierarchical level	Argentina	Brazil	Chile	Uruguay	United States
Senior management	6	1.16	0	6	N/A
Coordination	8	24.12	15	9	N/A
Management	8	13.5	4	7	N/A
Other functions	7	37.39	466	2.7	N/A
Total number of women	428	5,010	12	648	N/A
Overall total	2,372	15,185	80	2,181	N/A
Hours of training	13,160	554,443	482	4,718	N/A

Percentage of employees receiving regular performance and career development reviews [GRI 404-3]

	Argentina	Brazil	Chile	Uruguay	United States
Senior management	2%	0%	0%	0%	N/A
Coordination	5%	0%	7%	100%	N/A
Management	4%	0%	30%	50%	N/A
Other functions	10%	2.5%	93%	100%	N/A
Total number of women	2%	2%	39%	93%	N/A
Total number of men	3%	3.8%	61%	95%	N/A
Total number of employees	5%	2.5%	100%	95%	N/A





Occupational health & safety

One of the premises of our personnel management involves those matters related to occupational health and safety. Taking care of the welfare of our employees and ensuring that they find in our facilities safe and healthy environments to perform their duties is a fundamental and non-negotiable aspect of our responsibility. We use a series of processes and guidelines to manage these issues, always in line with the best international benchmarks, and with the regulations that cover these matters in the different markets in which we operate.

The Company invests in employee welfare and engagement programs to promote a healthy and stimulating work environment. Our security guidelines in the workplace are constantly being improved to reduce the workers' exposure to the risk of work-related injuries. In Brazil, for example, given the importance of this issue for our operations, we have an Occupational Health Board.

We comply with all the resolutions of the International Labour Organization (ILO), as well as the legislation of the countries in which we operate, developing awareness-raising

campaigns focused on safety, involving training sessions on the dangers and risks involved in the work, providing obligatory training focused specifically on each individual job and the importance of the proper use of personal protective equipment.

Our management system covers all the manufacturing units, and all the workers, including those who are outsourced. [GRI 403-8] It aims to establish administrative, planning and organizational guidelines designed to implement control measures and preventive safety systems based upon the early recognition and evaluation of both the existing risks and those which may appear in the work environment.

OHS Management Structure [GRI 403-1]

Evaluation and training on health and safety

In order to minimize the risk of accidents, we have implemented an inspection schedule at our units, checking both the facilities and the work routines and dynamics, which is conducted during business hours, in accordance with the legislation in effect. The actions are coordinated by technically proficient professional instructors, involving,

for example, identification of the workplace, potential hazards to which workers are exposed, according to legal requirements, and irregular situations or unexpected results.

Corporate Work Safety Guidelines Program (CWSGP) and Corporate Health, Quality of Life and Welfare Program (CHQLWP)

These two programs aim to identify and eliminate hazards and minimize risks. They also seek to standardize procedures and practices applicable to the units in relation to the items, regulations and standards that should be followed, in accordance with requirements established by the legislation in effect. The guidelines can be of an administrative, planning or organizational order, developed using physical, mental, and laboratory evaluations, as well as social factors relating to health, work organization, and clinical epidemiology. [GRI 403-3]

Health and safety committees and commissions

In Brazil, employees have representatives who participate on the CIPAs, with meetings held monthly. A very similar structure exists in Chile, where internally elected workers' representatives play an active role in the company's Safety Committee.

Similar to these two countries, Uruguay also has Health and Safety Committees, with workers' representatives at all of the units. 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, meanwhile, are subject to safety assessments based on DuPont's 'Behavior-Based Safety' (BBS) process.

Marfrig 2023	Argentina	Brazil	Chile	Uruguay	United States
Number of units with health and safety committees with worker representatives	4	12	2	6	9
Percentage of units with health and safety committees with worker representatives	80%	100%	100%	100%	100%

Audits

Every one of the work locations are audited internally and/or externally, regardless of whether they are occupied by employees or third parties, as a means of predicting or mitigating any possible work-related risks and illnesses. This involves a multi-disciplinary intervention performed by Safety, Health and Ergonomics professionals, which allowed us to achieve the excellent results seen in 2023.

Risk evaluation [GRI 403-2]

Our security directives at the workplace are constantly improved and updated to reduce and mitigate the exposure of the workers to occupational risks. This happens whenever there is a material fact that requires the alteration of controls, continued improvement of procedures and alterations to the legal requirements relevant to the matter.

In 2023, we implemented an app-based inspection system for use in a tablet, allowing the occupational safety department to operate with greater agility and much faster in addressing the actions. The Power BI data analysis software was also implemented to provide daily monitoring of the indicators.

In Argentina, procedures involved in the identification of hazards,

evaluation of risks and investigation of incidents follow the guidelines of Law 19,587, as well as the relevant local decrees and regulations. These evaluations are performed regularly and routinely. Although there is no formal process for the workers to report hazardous or risky situations, they are all informed of the risks and dangers identified when they join the company, and they are encouraged to communicate any irregularities to the unit's Occupational Health and Safety professional, as well as report any unsafe actions and conditions.

The hierarchy of control applies to all the situations of risk and unsafe actions, with the aim of mitigating, reducing and eliminating the risks, prioritizing them according to their level of seriousness and likelihood of occurrence. In 2023, we also incorporated a regulation concerning the standard at which the machines, equipment and tools should be maintained.

In the event of accidents or incidents, there is an established procedure for their investigation, a revision of the risk map, and development of an action plan to provide for improvements.

In Brazil, the processes involved in the identification of dangers, evaluation of risks, and investigation of incidents, are grounded in the relevant legal requirements, regulations and directives, including

MTb Ordinance nº 3,214, dated June 8, 1978, , and its updates, the Consolidated Labor Laws (CLT), ISO 45001, and the ABNT regulations.

The identification and evaluation of dangers and risks are performed each year, but the actions are performed more frequently whenever there are any alterations to the process, such as the introduction of new equipment, products, working methods or layout.

In the event of a worker identifying dangers or hazardous situations that have not been identified in the initial evaluation, there exist communication channels which allow them to be reported. Furthermore, the workers' representatives on the CIPA hold monthly meetings at which these issues can be discussed.

The workers have the right to remove themselves from work situations that they feel present serious and imminent risks to their health and safety, employing their right of refusal. The worker should immediately communicate the decision to their hierarchical superior, who then takes the necessary measures. The right of refusal is discussed at safety discussions, included in the procedures performed at the time of hiring, and addressed as a matter of routine whenever necessary. The workers are protected against retaliation, with complaint and compliance hotlines being widely

communicated at all the units. This process is guaranteed by means of technical instructions and audits.

Based upon the results of the 'severity versus likelihood' matrix, the risks are classified according to their acceptability for the definition of levels of risk and proposals for improvement actions. These actions are reassessed once they have been implemented, ensuring the continued improvement of the system.

The hierarchy of control is applied in order to provide an order, such being:

- Elimination of the Dangers;
- Substitution of the less dangerous processes, materials or equipment;
- Engineering Controls (EC) and reorganization of the work;
- Administrative Controls (AC) - training, breaks, signposting, etc.;
- Personal Protective Equipment (PPE).

Health and Safety Training Sessions [GRI 403-5]

Country	Number of people trained	Total hours of training
Argentina	2,161	2,161
Brazil	15,307	138,370
Chile	1,040	720
Uruguay	2,193	2,959
United States	10,500	139,000

Health and safety training sessions [GRI 403-5]

We have implemented comprehensive Occupational Health and Safety training programs at all of Marfrig's units with the principal aim of reducing the risks associated with the operations. These programs are conducted by a multi-disciplinary team, made up of Occupational Safety Engineers and Experts, and nursing and occupational health professionals. We also offer First Aid training, ambulance first responder training and ergonomic advice to ensure a safe and healthy work environment for all the employees.

Training on Occupational Health and Safety has been implemented at all Marfrig's units with the aim of minimizing the risks involved in the operations. The training sessions were generally provided by Occupational Safety Engineers, Occupational Safety Experts, Occupational Nursing Experts, and Occupational Doctors.

Considering a total of 60,325 trained employees and 283.21 hours of training applied

Prevention and Care [GRI 403-1 | 403-3]

The healthcare and management system adopted by Marfrig is comprehensive and integrated, reflecting the company's proactive approach to the health and welfare of its employees. This system is notable for a number of key features:

- **A Multi-disciplinary Healthcare Team:** Marfrig makes a healthcare team available at each unit, including doctors, nurses and ergonomic specialists. This multi-disciplinary arrangement allows an holistic assessment of the health of each worker, addressing everything from clinical and ergonomic aspects to psychosocial issues.
- **Monitoring of Health Indicators:** The healthcare team closely monitors the employees' health indicators. This includes analysis of the epidemiological profile, monitoring of short and long-term periods off work and identification of cases of occupational illness.
- **Reporting and Action Plan:** There is a continual need to report the health data and analyses to the management of the units and the corporate team. This allows the decisions to be based upon data and for the actions to be planned and implemented strategically. The transparency and communication between the different hierarchical levels are fundamental to the success of this system.

Read about the initiatives that make up our health management system:

- **Mental Health Program**
Following the collection and identification of the cases by our healthcare team, we offer online appointments with psychologists and psychiatrists at no additional charge to the employees, included in the program after evaluation of the unit's healthcare team.
- **Management of Employees on Sick Leave**
This aims to identify those employees on sick leave and provide support for them to be able to return to a suitable form of work following time off and treatment.
- **LER/DORT Program**
This program seeks to prevent work-related musculoskeletal problems, with cognitive evaluation and organization of the work through the use of the HSE-IT (Health Safety Executive – Indicator Tool). The program is multi-disciplinary, involving the following different departments of the company: Human Resources, Training, Ergonomics, Safety at Work, Industry, Maintenance, Nutrition, Nursing and Medicine.
- **Theme-based campaigns**
Over the course of the year, we also host numerous campaigns designed to raise awareness in the area of health, and promote better quality of life and prevent illness amongst our employees. Of these campaigns, the following are worthy of mention: Health and Nutrition, Ergonomics Week, Fighting Drug Use, Yellow September, Pink October, Blue November and Sexually Transmitted Diseases (STDs).
- **Chronic Illnesses Program**
This program monitors those suffering from serious illnesses, such as diabetes and high blood pressure, through monitoring and medical consultation performed at the outpatients clinics located at the units, preventing cases of decompensation relating to these comorbidities.
- **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 amongst our employees, thus avoiding any impact of uncontrolled antimicrobial resistance. The health teams at the units frequently carry out awareness-raising initiatives geared toward employees in the production units concerning the risks of indiscriminate use of antibiotics.

Work-related ill health [GRI 403-10]

During the period in question, there were no recorded work-related illness in our units in Brazil. However, it should be highlighted that the most common work-related illness are of a musculoskeletal nature.

The dangers associated with the risk of work-related illness were identified using the Risk Management Program (RMP), involving Ergonomic Job Hazard Analyses (EJHA) performed at the different work stations, and clinical evaluations conducted by doctors at the units, as established in the Occupational Health Medical Control Program (PCMSO).

To eliminate the hazards and reduce the risks, periodic environment evaluations are performed, involving action plans based upon a risk matrix. It is important to stress that no employees were excluded from these actions and all were informed of the prioritization of the risk matrix.

Work-related illnesses are addressed by a multi-disciplinary team made up of Health, Safety and Ergonomics professionals. The musculoskeletal problems identified in the risk matrix were identified as one of the leading causes of occupational illnesses.

In Argentina, 22 cases of Brucellosis and musculoskeletal problems were recorded, with the majority occurring in the shoulder and hand.

At the Uruguay unit, 345 cases of work-related illnesses were reported, including pain in the muscles and joints, tendinitis, epicondylitis and omalgia. The factors associated with these illnesses include repetitive movements, manual handling of loads and hard manual labor.

Rights and duties

Paid sick leave

In accordance with the local laws and regulations of the countries where we operate, the workers have the right to paid sick leave. Namely:

Brazil: In the Brazilian operations, remunerated sick leave is regulated by Law nº 8,213, dated July 24, 1991, which sets forth the Social Security Benefits Plans, and by the CLT, created by Decree-Law nº 5,452, dated May 1, 1943. The sick leave may result from a work-related injury, an accident suffered on the way to or from work, a common illness or work-related illness: in all such cases, the employer pays the first 15 days of the leave and, as of the 16th day, the National Institute of Social Security covers the costs of the leave. The beneficiaries receive a sum equal to 91% of their salary each month. The calculation is based upon the arithmetic average of the 12 most recent salaries prior to the month in which the illness or accident occurs. This coverage includes payment of the remuneration of the worker until they are certified to return to work.

Chile: Chilean labor legislation guarantees remuneration for employees with a medical certificate, with payment being made by the public or private health organizations, depending upon the worker's membership. For short periods of up to three days, 100% of the

contributions are paid. For leave of between four and ten days, the total salary is paid less three days, plus 100% of the contributions. As of the 11th day, the total salary is paid per day off, plus 100% of the contributions. These regulations apply to all salary levels, with the minimum salary being established by state law.

Uruguay: The *Banco de Previsión Social* (BPS) or the *Banco de Seguros del Estado* (BSE) state banks provide cover for sick leave. Active workers unable to work due to medical reasons, resulting from medical illnesses or due to labor incidents, receive 70% of their taxable income. The calculation is based upon the earnings of the 180 days that precede the month prior to the beginning of the illness or the accident unrelated to work.

Argentina: sick leave is divided into two types: blameless Sick Leave, regulated by the Employment Agreement Law, under which the employer is responsible for the payment (this type of leave provides the worker with remuneration for between three and six months, depending upon the length of the employment relationship, and up to twelve months if they have family responsibilities) , and Sick Leave due to Work-Related Injury, under which the employer pays the first ten days and, if proven, the Labor Risks Insurance Company covers the costs of the

leave, including remuneration for up to twelve months and benefits through until the employee has fully recovered.

United States: In our operations in North America, National Beef guarantees its salaried employees one full week of remuneration per year in the event of work-related illness or injury, as well as one week at half salary for cases not related to work. Furthermore, in the event of leave due to disability, these employees have the option to acquire an additional long-term plan that offers a monthly benefit.

For those employees working in positions of production management support on an hourly basis, the company provides a weekly benefit for up ten weeks. Although there is a waiting period of seven days, this is waived in the event the employee is hospitalized. Furthermore, these employees have the option to acquire an additional long-term disability plan, which provides a weekly benefit for up to 93 weeks.

Work-related injuries [GRI 403-9]

	North America			South America			Total		
	2022	2023	%	2022	2023	%	2022	2023	%
Accidents with lost time	85	94	11%	301	255	-15%	386	349	-10%
Accidents without lost time	156	60	-62%	616	523	-15%	772	583	-24%
Days lost through accidents	842	4,514	436%	10,109	9,155	-9%	10,951	13,669	-25%
Total accidents	241	154	-36%	917	778	-15%	1,156	932	-19%
Fatalities	0	0	-	1	0	-100%	1	0	-100%

Rates

Calculation methodology		Argentina	Brazil	Chile	Uruguay
Injuries	Total injuries	63.11	8.01	59.19	29
	Rate of injuries with lost time	3.69	2.32	59.19	19
	Rate of injuries without time lost	59.41	5.7	4.55	10
Others	Rate of days off work, restricted work or involving a transfer of function	147.12	0.81	330.86	754
	Rate of days lost	147.12	245	330.86	N/A



Human Rights

At its units in Brazil, Marfrig conducts a comprehensive annual evaluation of both actual and potential human rights risks. This process is conducted by means of due diligence performed by an independent audit company, in line with the criteria of the SMETA 4 Pillar, which covers essential requirements for human and labor rights. The results of this evaluation are fully published in reports that are accessible by interested parties, demonstrating the company's commitment to transparency and responsibility.

Monitoring, analysis and action plans

At the operations

We have had a Social Responsibility Management System, based upon the SA80000 International Norm, implemented since 2012. The company has adopted a transparent approach towards the monitoring and revision of compliance with human rights, as well as the identification of the next measures to be taken. This process involves a detailed analysis of physical and digital evidence, subject to annual reviews, to guarantee compliance with applicable laws, regulatory requirements and the demands of domestic and international clients related to human and labor rights.

The documents and records created internally are submitted annually to due diligence conducted by an independent auditing firm. These audits, which evaluate the requirements of the SMETA 4 Pillar, including those relating to human and labor rights, provide the company with valuable *insights* for the creation and development of corrective and preventive action plans. The main focus is to maintain the ongoing improvement of our Social Responsibility Management System.

Both the audit reports and the resulting action plans are available to all

interested parties, reinforcing Marfrig's commitment to transparency and responsibility in its business practices.

In the production chain

[GRI 414-2]

Information relating to human rights, working days, adequate remuneration, fair labor conditions, non-discrimination (of any nature), non-use of child labor, and freedom of association is requested in the questionnaire based upon the SA8000 international norm on social responsibility. This approach forms part of the sample monitoring of these factors in our production chain.

Fair working conditions

Auditing in the operations

Marfrig is a member of SEDEX and annually receives a third party audit relating to the SMETA 4 Pillar, which, based upon the Sedex Ethical Trade Initiative Policy (ETI), verifies compliance with the normative requirements of the ILO, UN and applicable domestic legislation. Its pillars are:

- Working Conditions (Social): freedom of choice of work / forced and slave labor, child labor, fair remuneration, discrimination, subcontracting and domestic work, disciplinary practices, working days,

freedom of association and collective bargaining, workers' rights, and the System of Management and Good Practices;

- Health and Safety at Work: safe environment, emergency services, ergonomics, workers' health, risk management, and the System of Management and Good Practices;
- Environment: evaluation of the environmental conditions of the business, System of Management and Good Practices;
- Business ethics: anti-bribery and anti-corruption policies, code of ethics, complaint hotlines, taxes and the System of Management and Good Practices;

In 2023, we identified no operations with significant risk for incidents of child labor, or forced or compulsory labor. [GRI 408-1] 409-1]

Suppliers

In a questionnaire based on the international SA8000 standard for social responsibility, we request information regarding human rights, working hours, fair wages, safe working conditions, non-discrimination of any kind, the prohibition of child labor, and freedom of association. This approach is part of a sample monitoring process to track these factors within our supply chain.

Combating forced or compulsory labor [GRI 409-1]

As part of its criteria for the slaughter of animals, Marfrig consults the MTE's 'Slave Labor' list, thus guaranteeing that it does not acquire animals from suppliers included in this list. Its system for the purchase of animals automatically checks the inclusion of the supplier on the 'Slave Labor' list, whilst a manual check is also performed by an analyst of the sector. If the supplier is on the list, it is immediately blocked from doing business with Marfrig. This practice is audited every year by an outsourced company, with the results of the audit performed in the Amazon region being published on the company's website.

Furthermore, Marfrig is a member of the 'Instituto Pacto Nacional pela Erradicação do Trabalho Escravo' ('National Pact for the Eradication of Slave Labor Institute' / 'Inpacto'), collaborating to raise awareness and increase corporate mobilization against forced labor in the production chains. In partnership with InPacto, Marfrig has improved the social evaluation of the Risk Map, with the aim of improving its practices and policies relating to the theme in its supply chain.
<https://inpacto.org.br>.

All the suppliers of animals are checked to ensure they are not on the 'Slave Labor' list and those that are listed

are immediately blocked from doing business with Marfrig. Furthermore, the company monitors its suppliers at each manufacturing unit through the use of questionnaires on social responsibility, covering areas such as the registration of employees, proper working conditions, non-discrimination and prohibition of child labor.

Given the importance of the issue, Marfrig performs checks for 100% of the purchase orders for animals for slaughter, including the 'Slave Labor' list, as part of its internal procedures, including the 'Register of Employers'. Known as the 'Blacklist', this is as an essential part of its policy for fighting slave labor.

Identified cases

The company shares detailed information on cases in which human rights risks are identified, developing action plans that outline future corrective and preventive steps. These plans are created with the aim of driving the continued improvement of our Social Responsibility Management System.

In order to ensure transparency and free access to information, the action plans are made available to all interested parties by means of an online request. They are accessible through the SEDEX members' platform and are also available to all the employees in the Human Resources

departments. The action plans are also included in the agendas of the weekly and monthly management meetings held at all the units, thus ensuring that they are under constant discussion and analysis.

Training in human rights [GRI 412-2]

Training in human rights	South America
Total number of hours	3,891
Employees trained	4,067



Stakeholder relations [GRI 2-29]

As one of the global leaders in the production of animal protein, we prioritize sustainability as the foundation of our strategic actions. By means of consistent guidelines and actions, we aim to reduce the impact of our operations on the environment, always seeking to involve our different stakeholders whenever possible.

We are dedicated to monitoring the impacts of our strategy and operations on the environment, maintaining an unwavering commitment to best practices. This includes the rigorous control of our products, promotion of animal welfare, reduction of GHG emissions, preservation of natural resources, and effective management of wastewater and waste.

We have identified all the relationship groups which make up the structure of the company, including employees, the Board of Directors, committees, customers, suppliers and the

communities in the regions where we operate. We recognize the enormous importance of each one of these groups to our continued growth.

We are committed to achieving the established targets, acting as effective agents of transformation in the production chain. We encourage production models that respect and preserve the biomes and biodiversity. Our actions aim to guarantee areas free from deforestation and promote the development of new forms of production, all of this together with a firm commitment to sustainability.

Management of the topic

One of the principles that guide the interactions we conduct with our stakeholders involves the partnerships. As well as committing ourselves to maintaining a close and accessible relationship with all our stakeholders, we aim to effectively contribute to having a positive impact on their businesses (in the case of the commercial relations we pursue), or to combining our efforts, establishing joint actions to improve the practices adopted in livestock farming, as is the case with the Verde+ Program (read more on [page 26](#)).

We keep a variety of different communication channels open with

the public by means of which we have developed strategies that have helped us get ever closer to our customers. We also aim to share information on our sustainable development and the related topics that we develop internally, which, due to the vital role they play, we feel it important to share.

In relation to this, we developed different relationship actions over the course of the year and we have improved on others. The technology in this area has been a huge ally, enabling us to increasingly implement our initiatives.

Retail

Açougue Mais

The partnership between butchers and our company is designed to improve the efficiency and profitability of their operations. Through the 'Açougue Mais' program, we offer free training to the stores' employees, with the aim of standardizing processes and procedures. This includes guidance on receipt of the commodities, hygiene, organization of stock, and the handling and presentation of products. In addition to this, we also address issues such as waste reduction, cutting techniques, prevention of spoiling and contamination, and the correct way to store meat. The training lasts for one to two weeks, with later

revision classes for adjustments and reinforcements if necessary.

In addition to Açougue Mais, we offer the 'Virada de Loja' ('Store Turnaround') project, focused on the visual overhaul and layout of the butchers stores, thus improving the product displays as a means of optimizing the purchasing experience. In 2022, 62 stores in São Paulo and Rio de Janeiro took part in a complete version of this project, combining the Açougue Mais and Virada de Loja projects, aiming to drive sales and customer satisfaction.

Livestock farmers

In 2023, the Livestock Farmer Relationship Program, that seeks to strengthen ties with the farmers, celebrated its second anniversary. We continued to make in-person visits to the farms, offering solutions and technologies designed to increase the livestock farmers' productivity and profitability. In addition to this, we offer technical support in areas such as genetic improvement, nutrition, sanitation, management and animal welfare.

The program is also focused on attracting new suppliers and identifying and resolving issues involving those suppliers who have been blocked or are inactive. Since it began, we have made more than 900 visits to livestock

farmers, technical experts and farmers' unions, whilst participating in more than 70 events, including field days, training sessions, exhibitions and trade fairs, thus maintaining the initial focus.

As part of this program, we address different themes, including:

- Genetic improvement: guidelines for production-oriented genetics, depending upon the system used.
- Animal welfare: working closely with the animal welfare department to monitor the slaughtering, offer training, and make visits to farmers.
- Nutrition, mineralization, diet formulation and handling of pastureland: assistance in formulating feed rations for feedlots, field supplements and breeding, and guidance on pasture management.
- Sanitary Control: guidance on the use and control of the grace period for veterinary products.
- Sustainability: highlighting the importance of sustainability in the production system.
- Management: promotion of improvements in business management.



Clients and suppliers

In 2023, we moved forward with the adoption of tools and systems to improve and streamline the relationship with clients and suppliers. Some of the highlights are:

- **Portal for Overseas Clients** This integrated platform, which can be accessed by either desktop or mobile phone, allows orders to be placed with all our South American units. Marfrig's overseas clients, including large retail chains and global restaurants, can monitor their orders from the moment they are placed through to receipt, including the customs documentation. It also includes the sales processes, and is used by our commercial teams in Brazil.
- **Introduction of the Customs Brokers' Portal:** This tool supports customs issues, improving the exchange of documents and information on cargo, as well as providing more agility in the post-sales process. The system is able to generate data, such as the processing period and unit invoicing, thus allowing us to make decisions together with our partner brokers more strategically. This platform can also be accessed in desktop or mobile versions.

Society

Content Hub focused on ESG and innovation

The 'Prato do Amanhã' ('Tomorrow's Meal') project is a content hub providing an intersection between ESG and innovation. This new digital space is especially focused on addressing crucial issues in the livestock sector, highlighting sustainability issues such as environmental preservation, animal welfare and alternatives to animal protein, whilst also exploring innovations and business opportunities. Through this initiative, our aim is to provide relevant and updated information on these topics for our different publics.

The 'Prato do Amanhã' is a definite benchmark, making us pioneers in the industry and establishing our own content hub.

Brand awareness

The past year was extremely positive, with definite focus on the growth of the brands and the offer of products of high added value. We prioritized the acceleration of sales at the points of sale through trade marketing actions and initiatives. Our principal investments were directed at the points of sale, aiming to boost the 'sell-out' of products, or in other words, increase the turnover of items to generate more

sales. We faced the challenge of building solid partnerships and cultivating relationships with our customers, seeking to establish firm collaborations and undertake brand-strengthening activities at the points of sale.

Direct sales

We continued to expand our channels of communication with our consumers, facilitating direct sales both to retail and to foodservice.

Bassi platform: We celebrated the one year anniversary of the electronic website 'Bassi'. Initially, this platform, designed for direct sales to the consumer, is offering products under the Bassi, Bassi Angus, Montana Steakhouse and PlantPlus Food (plant-based protein) brands in the city of São Paulo. The orders are delivered quickly, within one hour, thanks to the infrastructure we have established, with small storage units distributed around the city, thus ensuring that we are always close to our customers. In the future, the Bassi e-commerce business will establish partnerships with butchers stores, boutiques, supermarkets and other companies so as to expand its range of products and area of delivery, as well as offer additional services, such as scheduled deliveries, customer chat services and subscription purchase orders.

Marfrig Market: This is an online platform focused on the B2B sector, serving foodservice clients, such as restaurants and bars of different sizes in Brazil. The portal offers a range of services, including promotions, real time customer service via chat, and payment via PIX.

Paty Market: This is an e-commerce portal for retail products operating in Argentina. Also accessible via cell phone, the portal allows clients to purchase combinations of foods, including hamburgers, vegetables and other frozen foods, and receive the products at home. The Paty Market has experienced rapid growth and is available to residents of the Buenos Aires metropolitan area.

Kansas City Steaks: At National Beef, we also have our own channel for sales direct to the consumer. Read more about this [here](#).

Institutional partnerships

[GRI 2-28 | 2-29]

As one of the world's biggest animal protein companies, we understand the reach and influence we can have in the engagement and relations with different players in society and government.

As such, we seek to establish and encourage cooperative dialog and support different initiatives, as well as actively participate in sector initiatives on behalf of the improvement of the sustainability practices performed in our business sector relating to issues such as climate change, animal welfare, pollution, antibiotics and alternative proteins.





Some of the main organizations with which we have established relations are:

Animal Welfare

- **ABIEC:** we actively engage in discussions about animal welfare in the industrial segments, providing input for public inquiries that aim to develop standards and legislation on the subject.
- **World Animal Protection (WAP) and MAPA:** 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 to the training of the STEPS team at our unit in the city of Promissão (SP).
- **Ministry of Agriculture and Livestock Farming - Legal transportation:** provision of images captured during the monitoring of shipments, transportation, and unloading of European animals, at one of the units located in Rio Grande do Sul, to be used in training material (the DVD 'Legal Transportation' produced by MAPA, aimed at the development of professionals and encouraging best practices in cattle farming.
- **Compassion in World Farming (CIWF):** support for the identification of improvement opportunities and training based upon recommendations for practices applicable to our value chain.
- **Alianima (non-governmental animal protection organization):** support in the form of training based upon recommendations for practices applicable to our value chain.
- **INIA:** development of materials and pamphlets on good animal management and welfare practices.
- **INAC and Veterinary School:** different projects focused on animal welfare.
- **Suppliers:** development of training sessions and projects, together with equipment manufacturers, aiming to facilitate operation and ensure better welfare for the animals and employees.
- **UNESP – Júlio de Mesquita Filho São Paulo State University/Agricultural and Forest Studies and Research Foundation (FEPAF):** development of a beef cattle environmental enrichment project aimed at improving animal welfare.
- **AMPARA Animal:** encouragement for the development of projects related to Ampara Silvestre, specifically the implementation of the first fauna emergency first aid treatment center in the Northern Pantanal region.

Support for the construction of the first center for wildlife recovery, the maintenance, monitoring, promotions and dissemination of local biodiversity, creation of an eco-volunteer system aimed at guaranteeing maintenance and expanding the wild animal protection and welfare project, through awareness-raising.

Climate change and sustainable livestock farming

- **Sustainable Trade Initiative (Iniciatief Duurzame Hande I IDH):** a partnership with the Verde+ Program and the Sustainable Calf Program in Mato Grosso state, the Dutch organization 'IDH' works with companies, financiers, governments and civil society on behalf of sustainable trade in global value chains.
- **Global Roundtable for Sustainable Beef:** we are members of 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.
- **Brazilian Roundtable for Sustainable Livestock Farming (MBPS):** this group discusses and formulates principles, standards and common practices to be adopted by the sector, with the aim of constructing sustainable, fair, environmentally correct, and economically viable livestock farming. Amongst the projects developed by the Sustainable Livestock Farming Working Group (GTPS) and its partner members, special mention should be made of the Guide to Sustainable Livestock Farming Indicators (GIPS), focused on engaging all the links in the production chain with the best sustainable practices applied to livestock farming. It is composed of farmers, industries, research centers and universities. We have been members of the 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 Brasil – Clima Floresta e Agricultura (Brazilian Coalition on 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. Within this context, it acts to promote synergy between the agendas of protection, preservation, sustainable use of natural and planted forests, agriculture, and adaptation to climate change.

- **Meat Traceability Task Force:** a group led by the Brazilian Coalition on Climate, Forest and Agriculture, which involves the cooperation of the ABIEC, the Brazilian Agribusiness Association (Abag), and other institutions and companies.
- **MPF and the Institute of Forestry and Agricultural Management and Certification (AMAFLORA):** an interaction enabled by the Protocol for the Monitoring of Cattle Suppliers in the Amazon region.
- **MPF and the Mato Grosso Meat Institute (IMAC):** an interaction aimed at reintegrating blocked suppliers: direct suppliers, in the short term, and indirect suppliers, in the long term.
- **Agroícone:** develops the mapping of risks involving direct suppliers in the Amazon.
- **Instituto Produzir, Conservar e Incluir (Produce, Conserve and Include Institute / PCI):** the party officially responsible for implementing the 'Produce, Conserve, Include' strategy in the state of Mato Grosso, Brazil.
- **Safe Trace and The Nature Conservancy:** these organizations are acting with us in the development of a blockchain-based app designed to report zootechnical and environmental information for the beef industry, through the use of our geomonitoring system.

- **Amigos Terra Amazônia Brasileira (Friends of the Brazilian Amazon) and the NWF (National Wildlife Federation):** a partnership in the fight against triangulation in the sale of cattle, by means of the Visipéc system, a technological solution developed for this purpose.
- **Brain Ag:** a provider of services for the geomonitoring of the Marfrig supply chain.
- **EMBRAPA:** creation and development of CCN and CBC products.
- **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 and wastewater

- **São Paulo State Environmental Company (CETESB):** 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 GHG emissions 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, together with other participating companies, been discussing matters relating to the regulation of the carbon market, good practices and actions aimed at complying with the São Paulo Environmental Agreement, whilst also sharing success stories.

- **Rio Sepotuba Drainage Basin Committee, in Brazil:** The active participation of the company on this committee, since 2011, reflects its dedication to collaborating with different interested parties, including local NGOs, with the aim of addressing challenges relating to water management.

Sustainable finances

- **CEBDS:** We are members of the CEBDS, an entity that brings together companies willing to work on behalf of sustainable development. One of the group's axes of activity is sustainable finance, through the publication of reference materials, such as the Guide to the Issuance of Green Bonds in Brazil ([access here](#)). As a member of the CEBDS, we support the institution's work and assume the commitment to working for sustainable development, as we have done through actions developed within the scope of the Verde+ Program, enabling financial mechanisms for the livestock farming value chain.

Alternative proteins

- **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) for the performance of academic research on the transition to protein-based food systems.
- **Good Food Institute:** a collaboration focused on studies concerning 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.

Working conditions

- **OIM:** a UN agency which, amongst other premises, works to guarantee the safe and ordered incorporation of Venezuelan immigrants and assist with their access to employment. By means of this partnership, we offer job opportunities to the immigrants, providing those hired with an opportunity to start again, and more diversity for the Company's workforce.
- **MOVER– Movement for Racial Equality:** this was founded to be a Transforming Agent and, collectively, to generate more impact. Its aim is to be an effective tool in the fight

against racism through actions that work to reduce the scenario of inequality in Brazil. Marfrig, together with another 50 large companies in Brazil, forms part of this movement.





**How we
prepare
our report**

About the report

Marfrig Global Foods has been publishing its Annual Sustainability Report for 16 years, ever since 2007, when its shares were first listed on the B3's 'Novo Mercado'. In 2010, we adopted the methodology recommended by the Global Reporting Initiative (GRI), an international benchmark for the creation of materials dedicated to accountability on advances in ESG practices.

In line with our continued efforts for improvement, we have included the recommendations for Integrated Reporting, published by the International Integrated Reporting Council (IIRC), and responses to the accounting metrics published by the Sustainability Accounting Standards Board (SASB) in its 2020 version. We continued to follow these guidelines in the creation of the 2023 Annual Report, complementing the use of the GRI Standards, a methodology that has been guiding our reports for more than a decade and that is included in the guidelines for our sustainability management.

The information in this document retains its connection with the commitments assumed in the Global Compact and the 2030 Agenda,

which covers the UN's Sustainable Development Goals (SDGs).

As such, we bring together details concerning our business strategies, governance, management, operations, impacts and economic-financial results. We also address the way in which the ESG topics run through our operations and the directives which guide them. For us, transparency in accountability goes beyond reporting data; we want to share our advances and results, many of which were achieved through partnerships and actions undertaken jointly with our stakeholders - trusting relations which we value and appreciate.

Period covered: January 1 to December 31, 2023 [\[GRI 2-3\]](#)

Scope: Marfrig Global Foods includes the operational divisions of North America, in which it operates in the form of National Beef, and South America, with operations in Argentina, Brazil, Chile and Uruguay. The initiatives and actions relating to the two business units reported over the course of the material are, in the most part, presented separately. Whenever the information, including economic-financial data, relates to the sum of the operations, we state that it relates to global data. Likewise, when referring to the operation of a single

country or something relating to a specific industrial unit, there is a note concerning the origin of the data. [\[GRI 2-2\]](#)

Changes in activities and/or operations: The economic and financial results for 2023 include the performance of BRF, in which Marfrig assumed a controlling stake in the period with a share in the equity capital of around 45.01%. The operations of both companies remain independent. [\[GRI 2-4\]](#)

Criteria adopted: For the compilation of the content presented in this report, we used the GRI Standards as the main guideline. By means of these standards, complemented by other international methodologies (IIRC and SASB), we have consolidated the non-financial information of our global operations using indicators calculated by our own management systems. As parameters, we have also used aspects observed and considered in international rankings relating 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 B3's ISE.

These references are considered by investors, analysts, specialists, and other stakeholders when making decisions. By including them in the

preparation of the content, we have sought to provide these stakeholders with data that they consider to be relevant. The information contained in this Sustainability Report has not been subject to external assurance. [\[GRI 2-5\]](#)

The economic-financial data, meanwhile, were elaborated in accordance with the International Financial Reporting Standards (IFRS), audited by Grant Thornton Independent, and covering the same period as the non-financial information. These figures are available in full on our Investor Relations website. [\[GRI 2-2\]](#)

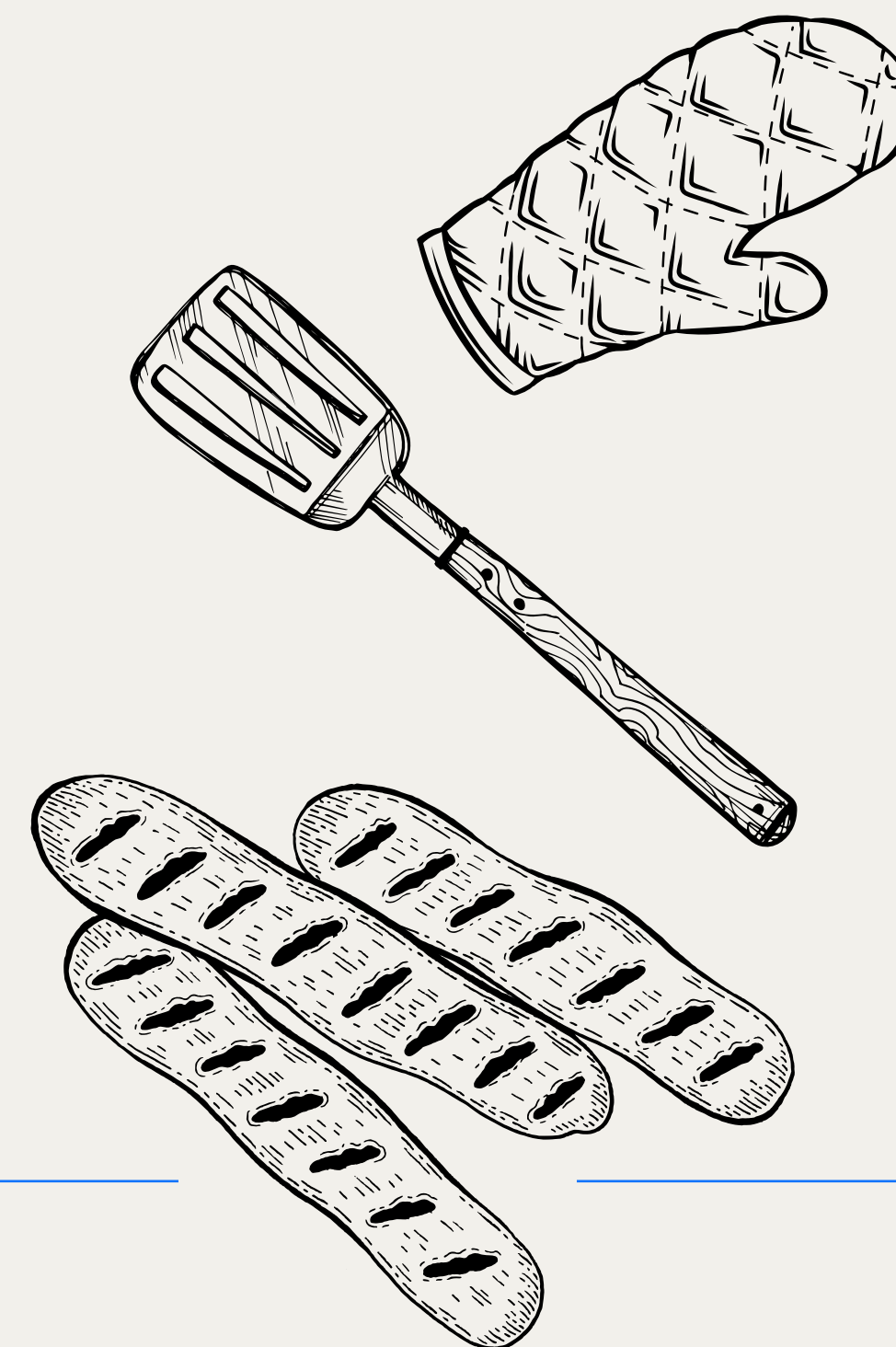
To ensure that the content of the non-financial information is aligned with Marfrig's sustainable development strategy, the report has been reviewed and approved by the Sustainability Committee, which advises the Board of Directors on this theme and is led by an independent member. The material was checked by the Committee and subsequently forwarded to the Board of Directors for approval. [\[GRI 2-14\]](#)

Data of Publication: May 31, 2024

Contact us: Doubts, suggestions or requests for information in addition to that presented herein should be sent to the following contacts: [\[GRI 2-3\]](#)

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Materiality [GRI 3-1]

We have reviewed and reformulated the priority topics to be able to conduct our business from the perspective of sustainability. By means of a new materiality study, conducted in early 2023, we 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 the 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, based on an analysis of the main impacts, risks and business opportunities. Marfrig's business strategy, as well as its short and medium term perspectives, 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, using materials specifically focused on the sector and area of activity published by NGOs and institutions both from Brazil and abroad, as well as academic articles.

Another aspect considered those subjects of greatest interest to society in general, gauged by research performed by news channels and the leading social media networks.

This work, aimed at mapping the scale of visibility of the livestock sector in relation to environmental and social aspects, has analyzed information published between April 2022 and March 2023, totaling more than 4.47 million mentions. For this compilation, we used the Stilingue tool, an artificial intelligence platform.

We also analyzed the materiality matrices adopted by multinationals in the animal protein sector, involving 11 companies from five continents. We checked that the topics were in line with aspects addressed by SASB, FAIRR Initiative and GRI, all of which are references used in the preparation of our materiality matrix.

In line with the recommendations of the GRI 2021 Standards, in order to no longer encompass two different concepts (that of stakeholders and that of the Management), as represented in a matrix, selection of the material topics was guided by the evaluation of impacts.

The process of prioritization, meanwhile, 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 assumed and the goals it has pursued. Some issues were grouped into a single concept given their complementarity and synergy.

Once the topics had been defined, the matrix was submitted to specialists for validation. A survey was carried out by nine representatives of local and international NGOs, as well as academics and researchers, to understand their perception regarding the issues we presented, with the results proving to be in line with what had been proposed.

Following the conclusion of the development process, the Materiality Matrix is now composed of nine topics. When comparing the new materiality matrix with the previous one, drawn up in 2020, it will be noted that the topics of 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 topics relating to sustainable livestock farming, climate change, the cycle of water resources, and safe and inclusive work environments are updates

on previous topics, but are now approached more broadly, in line with the initiatives underway, the impacts measured, and the results already achieved. The topics of animal welfare, and food quality and safety have been maintained, with no changes.

Previous matrix (2020)

- Managing the supply chain
- Animal welfare
- Quality and safety of foods
- Employee health and safety
- Reduction of GHG emissions
- Management of natural resources and the environment
- Business solidity and longevity

Current Materiality Matrix

- Sustainable Livestock Farming
- Climate change
- Biodiversity
- Animal welfare
- Cycle of water resources
- Quality and safety of foods
- Safe and inclusive work environments
- Diversification of the business and geography
- Solidity, transparency and integrity of the business



Impacts of the material topics [GRI 3-3]

Sustainable Livestock Farming

The topic is managed under the 'Origin Control' pillar of our Sustainability Platform (**more information can be found on page 26**). Different practices are under way, considering that one of the objectives of our activities is to promote sustainable livestock farming. These include the Verde+ Program, the Marfrig Club, and our values concerning responsible procurement.

- (+) Combating the deforestation of biomes by means of several initiatives (**read more on page 27**).
- (+) Engagement of producers in various initiatives focusing on ensuring animal welfare whenever possible.
- (+) Socioeconomic inclusion of cattle suppliers and other links in the production chain.
- (+) Dissemination of practices that respect human rights throughout the value chain, such as the repudiation of compulsory labor and child labor.
- (-) Impact on climate change, resulting from deforestation of the biomes and GHG emissions, performed by farmers operating illegally, a practice that we expect to eradicate by means of the Marfrig Verde+ Program (**read more on page 27**).

(-) 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 issues are addressed under a pillar also called "Climate Change". Based on processes and targets, we have worked to mitigate the impacts caused by 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 43**).

- (+) Actively combating the deforestation of biomes, ensuring that our stakeholders act responsibly, in the area of procurement, for example.
- (+) Reduction of the GHG emissions arising from our operations.
- (+) Offsetting GHGs by encouraging the use of sustainable energy sources.
- (+) Engagement of producers in practices aimed at reducing GHGs in their activities.
- (+) Increase of acquisition of energy from renewable sources.
- (-) High levels of methane gas emissions, a characteristic of the

livestock farming sector, since they occur 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, leading to 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, the promotion of sustainable livestock farming, the management of the water resources cycle and the efforts to minimize climate change impacts (**read more on page 42**).

- (+) Combating deforestation and preserving 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 of livestock farming on biodiversity.

(-) Deforestation associated with agribusiness and, consequently, livestock farming. We are tackling this practice in the form of concrete actions, carried out in partnership with other players in the sector.

Animal Welfare

Management of this topic is grouped under the pillar of the same name, on our sustainability platform. Just as with other themes, our work is performed based on guidelines, policies, processes, management indicators, and targets (**read more on page 37**).

- (+) Respect for the five freedoms guaranteed to animals – environmental, behavioral, psychological, sanitary, and physiological – whenever possible, as established by the FAWC.
- (+) Dissemination of good animal welfare practices among farmers.
- (+) Training and monitoring of the performance of drivers, contributing to the improvement of animal transportation.
- (-) Risk of long distances in the transportation of cattle depending on the distances between the farmers and the meat packers, and the quality of the highways. We are working to ensure that these journeys take no longer than eight hours.



Cycle of water resources

This is a matter that involves a series of processes, from water withdrawal to the return of wastewater to nature after we have used this vital input in our operations. We have separate WTPs and WTSs at 100% of our operations. Management of this matter is performed considering the quantity (always aiming to reduce consumption) and quality, an aspect that is considered both in terms of the water consumed in the production of food and in the wastewater that is discharged into rivers. The management of this issue, therefore, is broken down into the "Natural Resources" and "Wastewater and Waste" pillars.

(+) WTSs at 100% of our operational sites, ensuring correct discharge.

(+) Responsible water collection.

(+) Continuous analysis of the availability of water at the locations where we operate.

(+) Frequent monitoring of the courses taken by the rivers neighboring our units.

(+) Reduction of the generated consumption of wastewater by means of processes and improved management.

(-) High demand for the input, which is an inherent feature of our operations.

Quality and Safety of Foods

We have adopted the highest standards of food quality and safety in our operations, guaranteed by third party certifications. More about the processes and practices we adopt can be found starting on **page 61** of this report.

(+) We supply very high-quality foods.

(+) A production infrastructure amongst the most modern in the world.

(+) Production practices that meet the requirements of 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. Management of this area combines continuous investments in infrastructure and training, involving alignment with the best international references and standards that address these issues in the different markets where we operate, among other practices (**read more about this topic on page 87**). With regard to the work environments, we are committed to evolving in terms of diversity and inclusion, a theme that is still in its earliest stages of development in the sector in which we operate and, therefore, in our company.

(+) Access to healthcare services for employees offered by the outpatient clinics installed at our units, the majority of which are located far away from urban centers.

(+) Safe and healthy environments for employees to develop their careers.

(+) Respect and acceptance of differences.

(+) Combating of 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 targets under development.

Diversification of the business and geography

[GRI 203-2]

Our products are shipped to over 100 countries from an operations platform concentrated in the Americas. We are the leading Latin American company in terms of units certified to export to China, which is currently the largest meat consumer market. We are expanding our product portfolio to include new proteins, such as vegetables and processed items.

(+) Composition of professional teams exclusively dedicated to the reduction of the environmental impacts of the operations at the unit locations and in the biomes, and the reduction of natural resources.

(+) High quality and safe products, including options aligned with the different demands of society and the various markets, such as vegetarian, organic, and plant protein-based foods.

(+) Generation of direct and indirect jobs in the regions neighboring our operations.

(+) Payment of taxes.

(+) Increases in operational efficiency.

(+) Gains in synergy.



Solidity, transparency and integrity of the business

Business strategies executed by means of a simple structure, with independent and profitable operations, together with efficient management, features which have always driven the excellent results we have achieved. We operate without compromising our ethics and integrity, with solid compliance structures in our operations and management aligned with the best corporate governance practices.

(+) Creation of value for our shareholders through the payment of dividends.

(+) Investments worth R\$8.86 billion, over the last three years, in adapting, modernizing, and expanding operations in both North and South America.

(+) Fighting corruption.

(+) Compliance demanded of third parties.

(+) Monitoring of international customer practices.

Reporting of the material topics in relation to GRI, SASB and SDGs

Material topic	Related matters	Disclosure		
		GRI	SASB	SDGs
Sustainable Livestock Farming	<div><div>- Combating deforestation</div><div>- Responsible raw material purchasing</div><div>- Promotion of production and management systems, aimed at soil conservation and recovery of pastureland</div></div>	3-3; 204-1; 308-1; 308-2; 408-1; 409-1; 411-1; 413-1; 413-2; 414-1; 414-2		1, 2, 8, 10, 11, 12, 13, 15, 17
Climate Change	<div><div>- Control of GHG emissions from operations</div><div>- Offsetting of GHG emissions</div><div>- Low carbon livestock</div><div>- Technologies applied to production, reducing emissions in the value chain</div><div>- Correct treatment and disposal of solid waste</div><div>- Use of clean energy</div><div>- Rational energy consumption</div><div>- Energy efficiency</div></div>	3-3; 302-1; 302-3; 302-4; 305-1; 305-2; 305-3; 305-4; 305-5; 306-5	<div><div>FB-MP-110a.1</div><div>FB-MP-110a.2</div><div>FB-MP 130a.1</div></div>	7, 12, 13
Biodiversity	<div><div>- Preservation of biomes</div><div>- Responsible management of the water resources cycle</div><div>- Reduction and offsetting of GHG emissions</div></div>	3-3; 304-2		1, 2, 15
Animal Welfare	<div><div>- Employee training on the topic</div><div>- Cattle transportation</div><div>- Guidance on good practices and technical visits to farms</div><div>- Third party audits</div><div>- Good animal welfare practices</div></div>	3-3	<div><div>FB-MP-260a.1</div><div>FB-MP-410a.3</div></div>	12
Cycle of Water Resources	<div><div>- Management of water use</div><div>- Management of water risk</div><div>- Correct treatment and disposal of liquid effluents</div><div>- Rational use of water</div><div>- Water efficiency</div></div>	3-3; 303-1; 303-2; 303-3	<div><div>FB-MP-140a.1</div><div>FB-MP-140a.2</div></div>	6, 12, 13, 15
Quality and safety of foods	<div><div>- Quality controls</div><div>- Quality indicators</div><div>- Management of non-compliance</div><div>- Food safety audits</div><div>- Product traceability</div><div>- Certifications</div></div>	3-3; 416-1; 416-2; 417-1; 417-2; 417-3	<div><div>FB-MP-250a.1</div><div>FB-MP-250a.2</div><div>FB-MP-250a.3</div></div>	12

Material topic	Related matters	Disclosure		
		GRI	SASB	SDGs
Safe and inclusive work environments	- Investments in safe work structures			
	- Work related injury risk management			
	- Training			
	- Occupational health services			
	- Physical and mental health promotion programs			
	- Diversity and inclusion	3-3; 401-1; 403-1; 403-2; 403-3; 403-5; 403-9; 403-10		3, 5, 10, 12
Geographical and business diversification	- Product innovation			
	- Portfolio expansion, with processed and branded products			
	- Diversification of proteins (BRF)			
	- Offering of vegetable protein-based products, in line with the diversification strategy	3-3; 203-2	FB-MP-OOOA	9, 11, 12, 17
	- Leadership in units certified for exportation to China			
	- Certification of units for exportation to other countries, diversifying the destination of exports			
Solidity, transparency and integrity of the business	- Economic-financial administration			
	- Low indebtedness			
	- Adoption of the best Corporate Governance practices	3-3; 201-1; 205-1; 205-2; 205-3		16, 17
	- Continued evolution of the Compliance system			

GRI content summary

Declaration of use: Marfrig reported the information cited in this GRI content summary for the period from January 1, 2023 to December 31, 2023 based on the GRI Standards. GRI Standard 1 used: Foundation 2021

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General Disclosures 2021							
The organization and its reporting practices	2-1 Details of the organization	Pages 9 and 10					
	2-2 Entities included in the organization's sustainability reporting	Page 100					
	2-3 Reported period, frequency and point of contact	Page 100					
	2-4 Restatements of information	Pages 47 , 53 and 100					
	2-5 External assurance	Page 100					
Activities and workers	2-6 Activities, value chain and other business relationships	Pages 9 and 10				3	
	2-7 Employees	Page 84					
	2-8 Workers who are not employees	Page 84				8, 10	
Governance	2-9 Governance structure and composition	Page 69	2-9c iv	Information not available			
	2-10 Nomination and selection of the highest governance body	Page 69					
	2-11 Chair of the highest governance body	Page 70					
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 69				16	
	2-13 Delegation of responsibility for managing impacts	Pages 69 and 70				5, 16	
	2-14 Role of the highest governance body in sustainability reporting	Page 100				16	
	2-15 Conflicts of interests	Pages 69 and 70				5, 16	
	2-16 Communicating critical concerns	Pages 69 and 70				16	
	2-17 Collective knowledge of the highest governance body	Page 70					
	2-18 Evaluation of the performance of the highest governance body	Page 71					
	2-19 Remuneration policies	Pages 71 and 85					

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
	2-20 Process to determine remuneration	Page 71				16	
	2-21 Annual total compensation ratio	Page 85					
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Pages 3, 4 and 5					
	2-23 Policy commitments	Pages 73, 74 and 75	2-23f	Information not available			
	2-24 Embedding policy commitments	Pages 73 and 75	2-24a iv	Information not available			
	2-25 Processes to remediate negative impacts	Page 75					
	2-26 Mechanisms for advice and presentation of concerns	Page 75					
	2-27 Compliance with laws and regulations	Page 81. In 2023, no relevant fines or sanctions were recorded, given the degree of relevance determined by the Company (greater than US\$ 1M).					
	2-28 Membership of associations	Page 96				16	
Stakeholder engagement	2-29 Approach to stakeholder engagement	Pages 95 and 96					
	2-30 Collective bargaining agreements	Page 87				8	
GRI 3: Material topics 2021							
	3-1 Process to determine material topics	Pages 22 and 101				17	
	3-2 List of material topics	Page 22					
Sustainable Livestock Farming							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Page 32				8	

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using social criteria	Pages 31 and 79					
	308-2 Negative environmental impacts in the supply chain and actions taken	"Page 115. Of the 8,904 suppliers evaluated, evidence of significant negative environmental impacts was detected in 374 of them. It was noted that 65 had evolved as a result of the previous evaluations and 35% had their contracts terminated. The negative environmental impacts identified were: Inclusion in the IBAMA list of embargoed areas Overlapping onto IBAMA embargoed areas Inclusion in the SEMA-MT list of embargoed areas Overlapping onto SEMA-MT embargoed areas New deforestation Overlapping onto Conservation Units"					
GRI 408: Child labor 2016	408-1 Operations and suppliers considered to have significant risk for incidents of child labor	Page 93				5, 8, 16	5
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 93 and 94				5, 8	4
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving the rights of indigenous peoples	Page 32				2	1
GRI 412: Human Rights 2016	412-2 Employees trained in human rights policies or procedures	Page 94					
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Page 29	Yes	Information unavailable/incomplete	It was not possible to expand the information on the impact evaluation projects at all the units.		1
	413-2 Operations with significant actual and potential negative impacts on the local communities	Page 29				1, 2	1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 31 and 79				5, 8, 12, 16	2, 8
	414-2 Negative social impacts in the supply chain and actions taken	Page 93				5, 8, 16	2, 8
Climate Change							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 52				7, 8, 12, 13	7, 8
	302-3 Energy intensity	Page 52				7, 8, 12, 13	8
	302-4 Reduction of energy consumption	Page 52				7, 8, 12, 13	8, 9
GRI 305: Emissions 2016	305-1 Direct (Scope 1) emissions of greenhouse gases (GHG)	Pages 44 and 47				3, 12, 13, 14, 15	7, 8
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) arising from the acquisition of energy	Pages 44 and 47				3, 12, 13, 14, 15	7, 8
	305-3 Other indirect (Scope 3) GHG emissions	Pages 45 and 47				3, 12, 13, 14, 15	7, 8
	305-4 Intensity of emissions of greenhouse gases (GHG)	Page 47				13, 14, 15	8
	305-5 Reduction of emissions of greenhouse gases (GHG)	Page 44				13, 14, 15	8, 9
GRI 306: Waste 2020	306-5 Waste directed to final disposal	Page 56				3, 6, 11, 12, 15	
Biodiversity							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Page 41				6, 14, 15	8
	304-3 Habitats protected or restored	None of the Marfrig units occupy protected or restored areas which require reporting.				6, 14, 15	8
Animal welfare							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
Cycle of water resources							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Pages 48 and 50				6, 12	
	303-2 Management of water discharge-related impacts	Pages 54 and 55				6	
	303-3 Water withdrawal	Pages 49 and 50				6	7, 8

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
Food quality and safety							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 61				3, 12	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 63				16	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 64				3, 12	
	"417-2 Incidents of noncompliance concerning product and service information and labeling"	Page 64				16	
	417-3 Incidents of noncompliance concerning marketing communications	Page 64				16	
Safe and inclusive work environments							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 401: Employment 2016	401-1 New hirings and employee turnover	Page 84				5, 8, 10	6
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Pages 89 and 91				3, 8, 12	
	403-2 Hazard identification, risk assessment and incident investigation	Page 90				3, 8, 12	
	403-3 Occupational health services	Pages 89 and 91				8	
	"403-5 Worker training on occupational health and safety"	Page 90				8	
	403-8 Workers covered by an occupational health and safety management system	Page 89				8	
	403-9 Work-related injuries	Page 92	Partial	Information unavailable/incomplete	Information about incidents with differences between units	3, 8, 12, 16	
	403-10 Work-related ill health	Page 91				3, 8, 16	
GRI 404: Training and Education 2016	404-1 Average hours of training per year, per employee	Page 88				4, 8	6
	404-2 Programs for upgrading employee skills and transition of assistance programs	Page 88				8	
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 88				5, 8, 10	6

GRI STANDARD	CONTENT	LOCATION	OMISSION			SDG	GLOBAL COMPACT
			Requirement(s) omitted	Reason	Explanation		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 86				5, 8, 10	6
	405-2 Ratio of basic salary and remuneration of women to men	Page 85				5, 8, 10	6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 86				5, 8	6
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association or collective bargaining may be at risk	Page 87				8	3
Diversification of the business and geography							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	Pages 13, 17 and 103				3, 8, 10	
Solidity, transparency and integrity of the business							
GRI 3: Material topics 2021	3-3 Administration of material topics	Page 102					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 13 and 67				8, 9	
	201-2 Financial implications and other risks and opportunities due to climate change	Page 51				13	7
GRI 205: Anti-corruption 2016	205-1 Operations assessed in terms of the risks relating to corruption	Pages 76 and 79				16	10
	205-2 Communication and training on anti-corruption policies and procedures	Page 74				16	10
	205-3 Confirmed incidents of corruption and actions taken	Page 76				16	10
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal proceedings were recorded concerning unfair competition, monopoly practices or free competition				16	

SASB tables

Topic	Metrics	Code	Location
Emissions of Greenhouse Gases	Global gross Scope 1 emissions	FB-MP-110a.1	Page 47
	Discussion of the long and short-term strategy or plan for managing scope 1 emissions, emission reduction targets and an analysis of performance against those targets	FB-MP-110a.2	Page 47
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-MP-130a.1	(1) Total consumed - 2,832,232 GJ (2) 46% consumed from the distribution system (3) 54% consumed from renewable sources
Water Management	(1) Total water withdrawal, (2) Total water consumption; percentage of each in regions with high or extremely high Baseline Water Stress	FB-MP-140a.1	Pages 49 and 50
	Description of water management risks and discussion of strategies and practices to mitigate these risks	FB-MP-140a.2	Page 48
Food Safety	Global Food Safety Initiative (GFSI) audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-MP-250a.1	Page 114
	Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program	FB-MP-250a.2	Page 63
	(1) Number of recalls issued and (2) total weight of products recalled	FB-MP-250a.3	Page 63
Use of Antibiotics in Animals Production	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics, by animal type	FB-MP-260a.1	Page 36
Animal care and welfare	Percentage of production certified according to a third-party animal welfare standard	FB-MP-410a.3	Page 114
Activity metrics	Number of processing and manufacturing facilities	FB-MP-000.A	Page 11

annexes



Certifications and Audits

[SASB FB-MP-250A.1, FB-MP-410A.3]

Argentina	Total number of units certified/ audited	Names of the certified/audited units
BRCGS	4	San Jorge, Villa Mercedes, Baradero, Pillar
HACCP and GMP	1	Arroyo Seco
NAMI*	2	San Jorge, Villa Mercedes
MCDONALD'S SQMS (Supplier Quality Management System)	2	Pillar, San Jorge
McDonald's SWA (Supplier Workplace Accountability)	3	Pillar, San Jorge, Villa Mercedes
McDonald's Animal Health & Welfare (AHW) – cattle slaughter and beef deboning: Private animal welfare protocol for supply of 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	Pillar
HQB certification (destination – Switzerland)	1	Villa Mercedes

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

** Marfrig is a member of SEDEX and an annual third party audit is conducted in SMETA Pillar 4, which, based upon the ETI Policy, checks compliance with the regulatory elements of the ILO and UN Conventions and the applicable domestic legislation.

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

Brazil	Total number of units certified/ audited	Names of the certified/audited units
BRCGS	13	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Chupinguaia, Alegrete, São Gabriel, Bagé, Pampeano, Bataguassu Hamburger
HACCP	13	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Várzea Grande Industrializados, Chupinguaia, Alegrete, São Gabriel, Bagé, Pampeano, Bataguassu Hamburger
HALAL CERTIFIED BEEF	12	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Várzea Grande – BEEF, Chupinguaia, Alegrete, São Gabriel, Bagé, Vargem Grande – Processed foods, Pampeano
IFS FOOD	2	Promissão, Pampeano.
ISO 14001	8	Promissão, Bataguassu, Mineiros, Tangará da Serra, Chupinguaia, São Gabriel, Pampeano, Itupeva.
NAMI*	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, Pontes e Lacerda,
MCDONALD'S SQMS	2	Várzea Grande – Industrializados, Bataguassu – Industrializados
HIGH QUALITY BEEF QUOTA (EU)	8	Promissão, Bataguassu, Mineiros, Tangará da Serra, Pontes e Lacerda, Alegrete, São Gabriel, Bagé

Brazil	Total number of units certified/ audited	Names of the certified/audited units
SMETA**	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	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 (private quality protocol for suppliers of foods to the British supermarket chain ASDA)	1	Pampeano
ISO/IEC 17025	4	Laboratory (Pampeano), Laboratory (Promissão), Laboratory (Tangará da Serra), Laboratory (Várzea Grande)
ORGANIC CERTIFICATION (EU and US STANDARDS)	1	Pampeano
Woolworth Supplier Excellence Program	1	Pampeano

Chile	Total number of units certified/ audited	Names of the certified/audited units
BRCGS	1	Patagonia
HALAL CERTIFIED BEEF	1	Patagonia
NAMI*	1	Patagonia

Uruguay	Total number of units certified/ audited	Names of the certified/audited units
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	5	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San Jose), Fray Bentos
NAMI*	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San José)
MCDONALD'S CODE OF CONDUCT and MCDONALD'S STANDARDS	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San 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**	1	Fray Bentos
BURGER KING	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San José)
COSTCO	4	Cledinor (Salto), Colônia, Tacuarembó, Inaler (San José)

United States	Total number of units certified/ audited	Names of the certified/audited units
BRCGS	7	Liberal, Dodge City, Tama, Ohio, Kansas City Steak, Moultrie, Hummels Wharf
HALAL CERTIFIED BEEF	1	Tama
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
FOOD SAFETY GLOBAL STANDARD	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 (EU)	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
US ANGUS	2	Dodge City, Tama

* Audits performed by third parties in accordance with the NAMI protocol.

** Marfrig is a member of SEDEX and an annual third party audit is conducted in SMETA Pillar 4, which, based upon the ETI Policy, checks compliance with the regulatory elements of the ILO and UN Conventions and the applicable domestic legislation.

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&Green Review of Environmental and Social Monitoring

January/December 2023

Introduction

Marfrig is the biggest global manufacturer of hamburgers and one of the world leaders in the production of beef-protein based foods, with head offices in Brazil and operations throughout South America and the US. Its activities include the production, processing, marketing and distribution of animal protein foods, principally beef, as well as a variety of other food products.

In 2024, as part of its Sustainability Report assurance process, Marfrig will also be analyzing its progress in relation to the Environmental and Social Action Plan (ESAP) of &Green, as well as other contractual obligations, outlined in the scope of the operation.

Fund

&Green Fund

The &Green Fund ('&Green') finances the transition of the principal commodities supply chains from extractive models to truly sustainable blueprints for others to adopt, replicate and scale. The investment strategy aims to protect and restore tropical forests and peatlands and make agriculture more sustainable and

inclusive, involving local communities, farmers, financiers, companies in the supply chain, local and national governments, and civil society.

The aim of the Fund is to demonstrate that funding of the production of inclusive, sustainable and deforestation-free commodities can be commercially viable and replicable, thereby strengthening the defense of a model of rural development that protects valuable forests and swamplands and supports high-productivity farming. The Fund's vision is that tropical forests and peatlands are protected and restored, that small farmers' means of subsistence are improved, and production increased.

&Green's borrowers have made a public commitment to the transition of their operations and the sector in which they are involved through the implementation of a **Landscape Protection Plan** (LPP) and the related ESAP.

An LPP is a sustainable land use and management plan, that quantitatively defines how the impact is to be managed during the funding period. It includes a description of the scenario,

business and planning scenarios, parties interested in the scenario, and an MRV strategy.

The implementation of the ESAP is monitored in line with the MRV strategy outlined in the LPP. This includes internal reports and an annual independent review. Furthermore, those receiving the investment are required to comply with &Green's list of excluded activities. This compliance is evaluated by means of an annual independent review.

SAIL Investments (previously SAIL Ventures)

Sail Investments, as &Green's investment consultant, supervises the fund's day-to-day business and operations according to the decisions of the Board and its general policies, especially the Loan Guidelines, the Articles of Incorporation, the Operational Memorandum and the Environmental & Social Management System (ESMS).

The investment consultant is specifically responsible for fund raising and implementing the investment strategy, that includes sourcing operations, due diligence, structuring

and executing transactions, and monitoring and management of the investment portfolio. The investment consultant manages all the relations with current and potential investors, potential contributors, civil society, co-investors and other important interested parties, whilst also supporting the Board in involving the contributors.

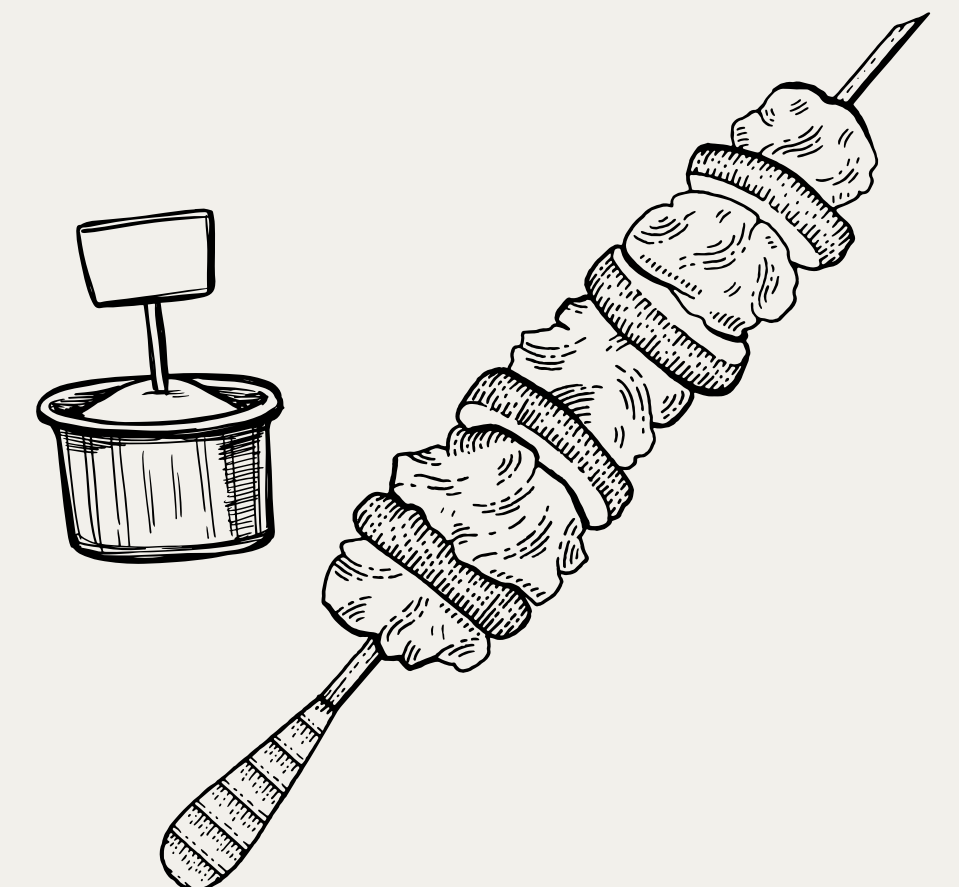
&Green's investment in Marfrig

On January 7, 2021, Marfrig signed a US\$ 30 million, ten-year loan agreement with the 'Stitching andgreen Fund' (&Green), a global impact investment fund that finances the sustainable production of commodities to protect tropical forests. The &Green Fund ('&Green' or 'Fund'), invests in commercial agricultural production value chains, with the aim of protecting and restoring tropical forests and peatlands and making agriculture more sustainable and inclusive, involving local communities, farmers, financiers, companies in the supply chain, local and national governments, and civil society.

Through its investment in Marfrig, &Green is aiming to ensure the full traceability of the supply chain;

environmental and social (E&S) standards (including forest protection) that go beyond Marfrig's legal requirements (including the Brazilian Forest Code) for the procurement of cattle through direct and indirect suppliers (or in other words, livestock farmers); and the provision of technical assistance to support the farmers' ability to comply.

This transaction could constitute a model for businesses that actively encourage the transition to cattle production that is deforestation-free at various levels of the Brazilian beef sector.

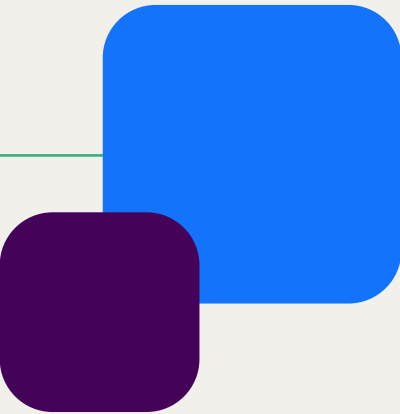


1. Scope and presentation of the Independent Verification of the 2023 reported period

The verification focused on Marfrig’s activities during the period covered by the report, that is, from January 1, 2023 to December 31, 2023 (‘evaluation period’). This commitment applies to all the units located in the state of Mato Grosso and their associated service providers and suppliers.

The inspector evaluated the progress made in the items contained in the ESAP that were due during the evaluation period, as well as those that were late and which had not been concluded during the previous evaluation periods, as outlined in the table below. The respective items were presented as described in the ESAP, considering their content, scope and functions.

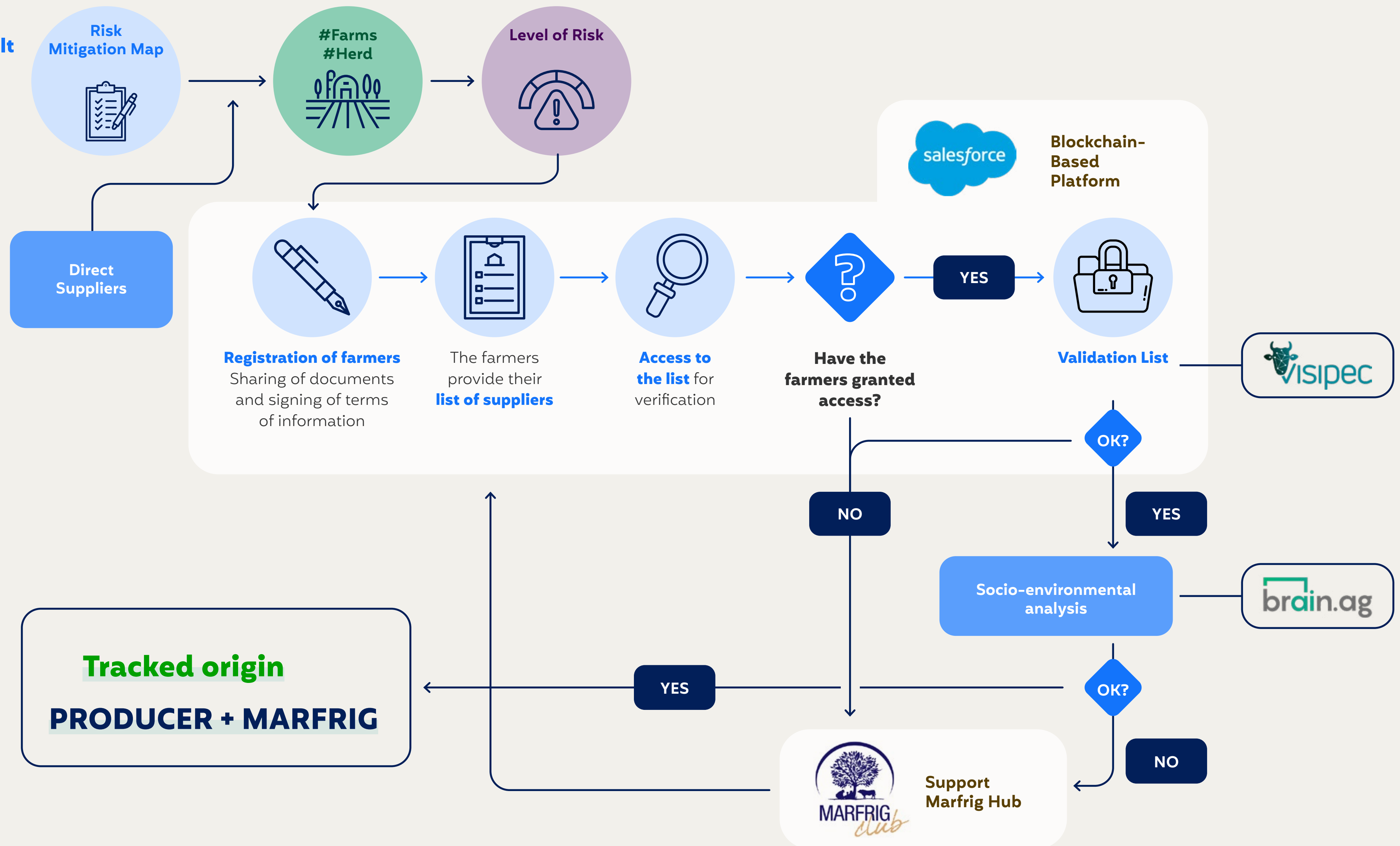
ESAP item	Due (d) or excellent (o) in the evaluation period	Discovered	Status (complete - y/n)
1.4.4	Get involved with the IDH to strengthen the Vale do Juruena program in terms of: (i) risk of forced labor; (ii) adaptation of the workers' living conditions; and (iii) OHS practices.	Together with the IDHI, Marfrig defined the checklist that is to be used with the farmers registered in the program to check on work practices.	Yes
2.1	Risk Assessment (RA) Target 1 for direct suppliers in the State of Mato Grosso: keep an annually updated and approved list of direct suppliers of cattle in the Amazon region biome, and the Cerrado biome of Mato Grosso, which conserve, on their properties, an aggregate sum of 1.2 million hectares of Conserved Forest. Of the 1.2 million hectares, at least 600,000 hectares will be above the legal requirements of the Brazilian Forest Code, or in other words, they will go beyond the APP and the Legal Reserve (LR) requirements.	Those included in Marfrig's list of direct, approved suppliers occupy a combined area of 2,759,176,053ha of Conserved Forest. Of this area, 242,035.01ha exceeds the requirements of the Brazilian Forest Code.	Yes
2.2	Initial Risk Assessment (RA) Targets 1, 2 and 3 for indirect suppliers in the State of Mato Grosso: by means of indirect suppliers in the Amazon region biome (initially through the partnership with IDH within the sphere of the Sustainable Calf Production Program), deliver 4,500 ha of conserved RE forest 1; 7,000 ha of sustainably improved lands (RA 2); and 1,500 ha of restored forest (RA 3). For more information on the RE presentation program and the reporting mechanisms, see Annex 1 of the Marfrig-&Green LPP.	Marfrig has initiated a partnership with IDH. A new timeline for these items will be provided in the future.	No
4.2	Report to &Green concerning the Environmental Return (ER) and the social inclusion developed through the supply chain in the Amazon region biome and Cerrado biome in the state of Mato Grosso and through implementation of the Marfrig LPP. As well as the progress achieved in relation to the contractual Environmental Return (ER) targets defined in section 2, Marfrig will report on the additional impact achieved through the LPP (or in other words, in the Cerrado biome). For more details on these additional impacts, please refer to Annex 1 of the LPP.	Marfrig reported having more than 646 small rural properties in its supply chain in the state of Mato Grosso by the end of 2023.	Yes
5.3	The target of the ER is indirect suppliers in Mato Grosso: make every effort to provide an estimated and verifiable target (such as additional impact), the delivery schedule and reporting structure for RE 1 are to be created between the indirect suppliers in the Marfrig supply chain in Mato Grosso by 2030, by means of (a) partnerships and (b) compliance with Brazilian legislation and P&C Protocols. The target should be quantified at an aggregate level (or in other words, for all indirect suppliers involved with Marfrig) in hectares of forest to be conserved annually, according to the hectares of legal forest required and hectares of forest conserved above the LR.	This item was postponed to 2024.	No



2. Review of the socio-environmental compliance result

Marfrig has a stringent animal procurement policy and a policy containing criteria and procedures that are pre-requisites for the approval of suppliers and purchase authorizations. To ensure compliance, the company has developed and continues to maintain a platform for the satellite monitoring of suppliers that operates 24/7.

The figures relating to control of the farm origins, in line with Marfrig's commitments as outlined above, are obtained as a result of the practical daily routines related to integration of the monitoring tools and initiatives covered by the Verde+ Program (see the diagram on this page), with special mention going to the Marfrig Club Checklist, Request for Information (RFI), Visipec, Brain and a blockchain-based tool. To the right is a flowchart showing Marfrig's registration and authorization process for suppliers:



Marfrig works in line with concepts based on **Proforest** and **NWF** to monitor its supply chain and understands that the focus on the origin of the animals from the time they are calves is fundamental to ensuring its policy of a deforestation-free supply chain. Based upon the concepts mentioned above, Marfrig considers the areas where the animals were bred, whilst this may be on just one farm (full-cycle farms) or more than one (partial-cycle farms). This takes into consideration the complexity of Brazilian livestock farming, where the farms may involve numerous stages (and a combination of phases) right from the reproductive cycle, meaning the cattle move around between farms.

As such, the focus of Marfrig's tracking strategy is to monitor the locations where each one of the stages of the productive cycle (creation, breeding, fattening) takes place, from calf to fattening. In the diagram on this page, we can see some examples of the production chain structures in Brazil, which can be made up of a complex network of farmers:



Based upon this, at the end of 2023, Marfrig achieved 100% tracking of its direct suppliers. As a result, the company fulfilled the tracking schedule agreed upon with &Green shown below:

Direct suppliers	
Origin Control	
Amazon biome	Maintain
Cerrado - areas of high risk	2021
Cerrado - other areas	2023
Compliance with the procurement criteria	
Amazon biome	Maintain
Cerrado - areas of high risk	2021
Cerrado - other areas	2023
Compliance with the procurement criteria	
Amazon biome	Maintain
Cerrado - areas of high risk	2023

At the end of 2023, Marfrig had achieved 100% tracking of its direct suppliers up to farm level in the Brazilian state of Mato Grosso. Of these farms, 68% of the direct suppliers operating solely in the fattening and rearing stages provide data on the origin of their suppliers or reproducers (or in other words, Marfrig's indirect suppliers). Furthermore, 67% of the direct suppliers who are solely involved in the management of the fattening

stage provide information on the location of the breeding farms, which are also considered to be indirect suppliers.

In terms of the general production stages (full cycle, rearing and fattening), Marfrig ended the year having mapped 89% of the farms involved in the rearing stage and 76% of the farms involved in the breeding stage. These figures refer solely to Marfrig's operations in the Brazilian state of Mato Grosso.

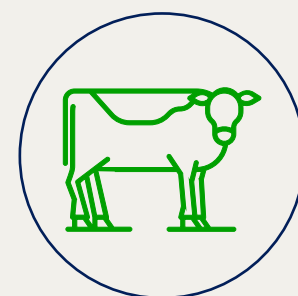
3. Description of the monitoring procedure and compliance control of indirect suppliers

Marfrig used land intelligence to map those farmers operating in the first stage of production (breeding) and who are mainly indirect suppliers, then, once we had obtained this geographical and geopolitical understanding (municipalities), we could include it in other maps. For example, it is possible to combine maps that locate the reproduction areas with those that track deforestation and the presence of native vegetation. By means of this cartographic overlaying, and based upon methodology and calculations developed by Marfrig, we have managed to identify those areas that present greater or lesser risk using a five-level scale (very high, high, medium, low and very low).

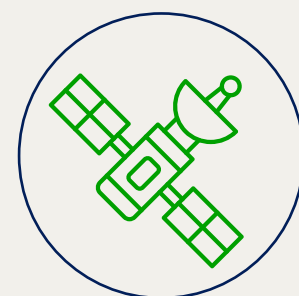
In order to construct an intelligent approach that is applicable in the field, the risk map was structured with a scope that covers practical matters directed to livestock farming, such as the location of the farming in the Brazilian biomes; where the livestock farming is located in relation to deforestation; the data that should be cross-referenced to identify this association; the best methodology for the cross-referencing; the extent of this cross-referencing to involve indirect suppliers; and which municipalities are at greatest risk and thus need immediate attention.

Moving ahead with this approach, we have listed five risk indicators: presence

Database



Livestock production



Deforestation



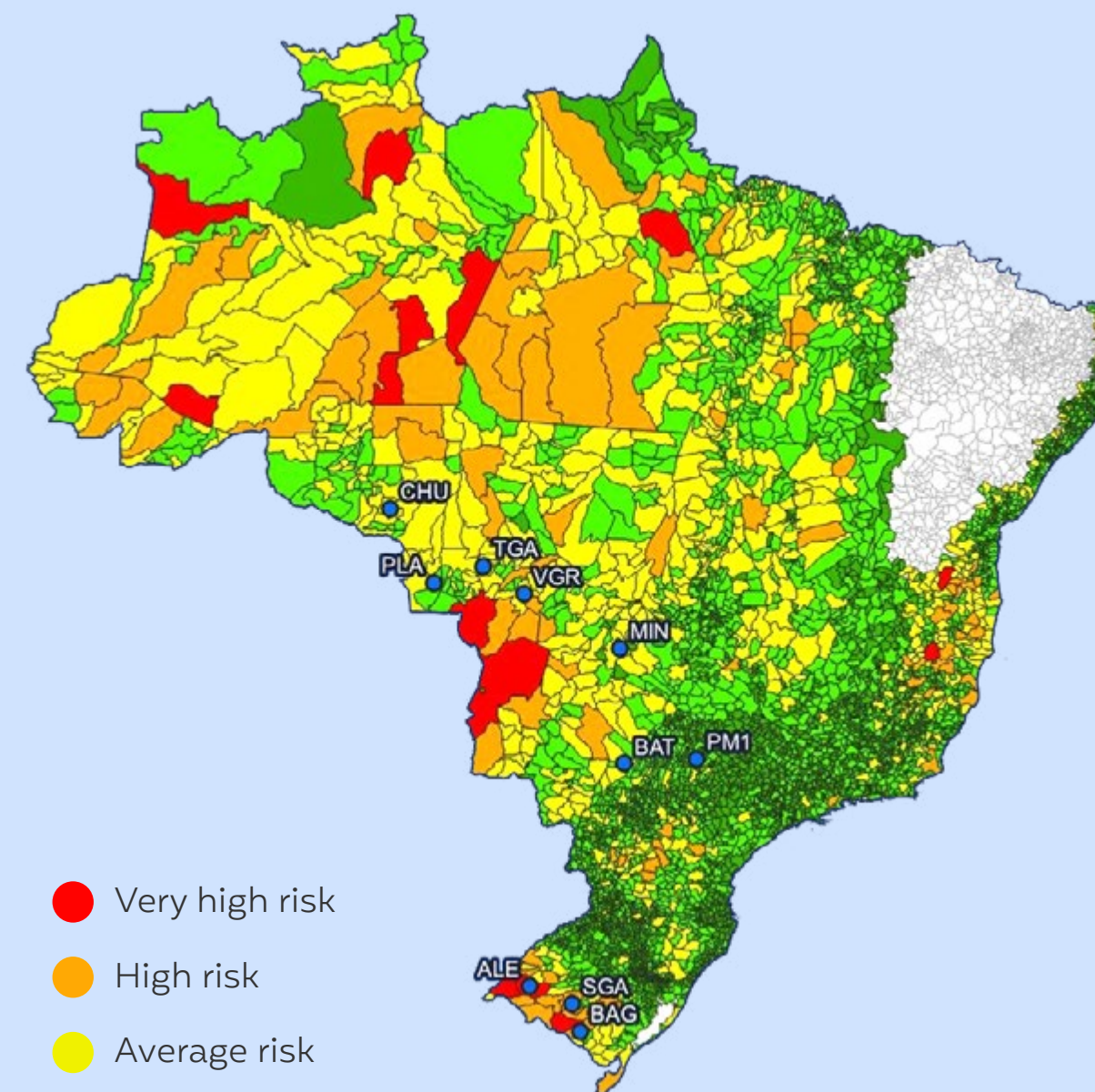
Pastureland



Native Vegetation



Social Indicators



- Very high risk
- High risk
- Average risk
- Low risk
- Very low risk

Definition of five classes (Very Low to Very High) for each variable studied

All farms are obliged to declare their indirect sources, defined by time lines

of cattle, deforestation, social indicators, pastureland and native vegetation. After cross-referencing all this information, the Risk Map provides five levels of risk: very high, high, medium, low and very low.

The Risk Mitigation Map is a compass for identifying priority regions for the application of risk mitigation actions.

It is important to stress that all the information collected is processed by a robust control system and monitoring via satellite in real time, 24/7, a process that has been annually audited by third parties since 2010, and the results of which have so far shown 100% compliance. These results are public and the most recent, those from 2023, were published by the MPF itself and are available [here](#).

During the registration process, Marfrig requests at least ten documents from the farmers, which are cross-referenced with georeferenced data and environmental and land documents containing official public information, to identify any potential instances of non-compliance in situations such as deforestation, embargoed areas, conservation units, indigenous and quilombola lands, and slave labor.


Marfrig checks whether the Animal Transportation Guides (GTAs) are included in the Rural Environmental Register (CAR) of a farm with the same name as that registered with the National Institute for Colonization and

Agricultural Reform (INCRA), through examination of the Rural Property Registration Certificate (CCIR). In the event it does not belong to the land owners, we request a copy of the lease contract or commercial agreement between the parties to confirm the origin and legality of the land supplying the animals. Whenever any irregularity is identified, the farm is immediately blocked and no further purchasing is performed until the situation has been duly rectified and clarified. Marfrig's geo-monitoring system performs analyses prior to each new negotiation for cattle, to ensure that the information pertaining

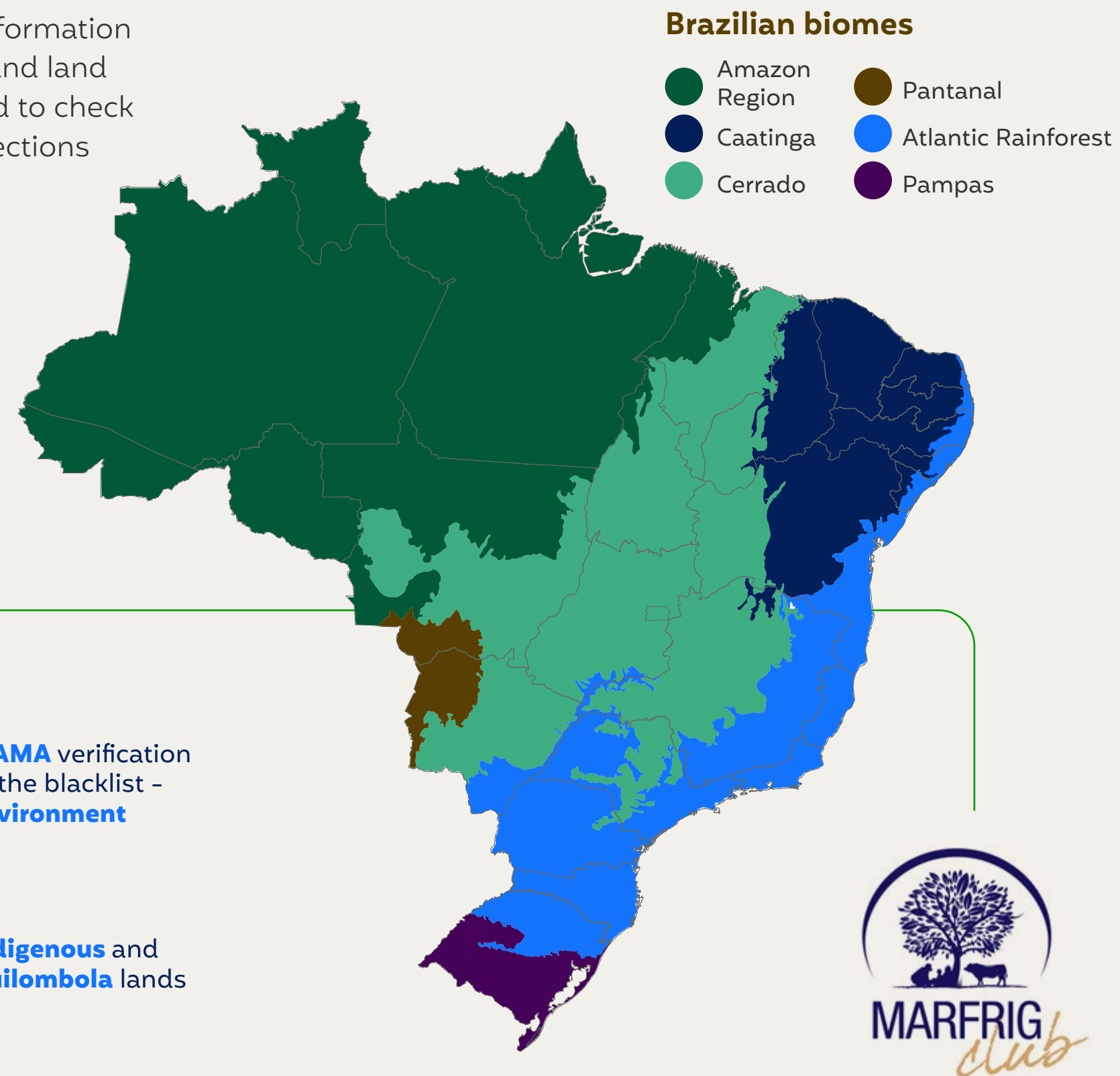
to the livestock farmers and farms is up-to-date and in line with the commitments assumed by the company. For Marfrig, this practice is non-negotiable.

Furthermore, all the information in the environmental and land documents is analyzed to check and validate the connections between them all.

Only farms that pass this screening process are allowed to supply animals to Marfrig.



Below we have listed the principal documents requested by Marfrig and examples of positive and negative cases arising from the satellite analyses:



1 Animal Transportation Guide (GTA) – Official Brazilian document for transportation of cattle

4 Ministry of Labor and Employment (MTE) checking on the blacklist – Labor

7 Deforestation and Zero Conversion - Official PRODES monitoring system

Supplier's Letter of Guarantee

5 Registration with INCRA - land ownership document

8 Protected Areas - Conservation Units

3 IBAMA verification of the blacklist - Environment

6 Indigenous and Quilombola lands

9 CAR Registration – Environmental use of the land

10 MARFRIG CLUB checklist

- good agriculture, social and environmental practices on the farms

Approved Supplier





FARM 1

Situação Área total Biomass Relacionamento

CAR Ativo








PROCES Cerrado



CPF/CNPJ - lista de embargos do IBAMA



Mapa de embargo IBAMA



Mapa de embargo ICMBIO



CPF/CNPJ - lista de embargos do ICMBIO



CPF/CNPJ - lista de embargos SEMA-MT



Território Quilombola



CAR - Cadastro Ambiental Rural



Terras Indígenas




Trabalho Escravo



Unidades de Conservação

Rejected Supplier










FARM 2

Situação: Ativa Normal

CAD Ativa

Essa propriedade não está habilitada por protocolo.

Protocolo Marfrig (1 de 13 critérios em não conformidade)

- ☒ DETER Amazônia Legal
- ☒ PRODES Amazônia Legal

A propriedade possui 5 áreas de PRODES Amazônia Legal superfor ou igual a 01/08/2008, excetuando o valor máximo de 6,25 ha de subinscrição.
- ☒ CPF/CNPJ - lista de embargos do IBAMA
- ☒ Mapa de embargo IBAMA
- ☒ Mapa de embargo ICMBIO
- ☒ CPF/CNPJ - lista de embargos do ICMBIO
- ☒ Mapa de embargo SEMA-MT
- ☒ CPF/CNPJ - lista de embargos SEMA-MT
- ☒ Território Quilombola
- ☒ CAR - Cadastro Ambiental Rural
- ☒ Terras Indígenas
- ☒ Trabalho Escravo
- ☒ Unidades de Conservação

In order to ensure these commitments, the company maintains a robust system of control and monitoring, via satellite, in real time, 24/7, a process that has been annually audited by third parties since 2010, and the results of which have so far shown 100% compliance. These results are public and the most recent, those from 2023, were published by the MPF itself and are available [here](#).

Marfrig stresses that it follows the public commitments assumed since 2009 and adopts official protocols to achieve this. It therefore makes use of the Legal Amazon Deforestation Satellite Monitoring Project (PRODES) by means of a concept aligned with the official and sectoral protocols arising from public commitments made with Greenpeace and later under sectoral agreements that were objectively included in the Amazon Cattle Suppliers Monitoring Protocol (Beef on Track), signed with the MPF, by means of which Marfrig is audited each year, as explained above. Its commitment with the Brazilian Public Prosecutor's Office covers the entire state of Mato Grosso.

Marfrig is also a member of the advisory board of the Cerrado Cattle Suppliers Voluntary Protocol, which aims to standardize the socio-environmental criteria for the purchase of animals in the Cerrado biome. The Protocol is coordinated by a number of organizations, namely: Proforest, the Institute of Forestry and Agricultural Management and Certification (Imaflora), and the National Wildlife Federation (NWF). Other beef companies and large purchasing companies also participate on the board.

Publication of the Cattle Suppliers Voluntary Monitoring Protocol ('Beef on Track') is planned for 2024.

Marfrig uses the Cerrado PRODES in areas of the Cerrado that lie outside the area covered by the Beef on Track commitment.

4. General vision of other social and environmental items in the ESAP – 1.4.4 / 2.1/ 2.2/ 4.2

Marfrig believes that the approach of developing and reinserting farmers into livestock farming is essential. To do so, the company has entered into a partnership to promote the Sustainable Calf Program in Mato Grosso. In this area, it has been working with IDH to improve the checklist designed to evaluate whether the farmers are in compliance with the best Occupational Health and Safety (OHS) practices.

Also within the sphere of the partnership with the IDH, the restoration of forest areas is planned and has, indeed, been postponed due to the complexities of the program. The actions within this initiative are being replanned based upon the lessons learned.

Finally, Marfrig is committed to promoting best practices and

reinclusion. The company has been working with small farmers to enable them to supply animals. By doing so, Marfrig has managed to license 646 small farmers and 51 of these farms have been reinserted with technical support from Marfrig.

The company offers documentary technical support, legal advice and multi-temporal geospatial expert analysis, so that these suppliers can once again begin operating in accordance with our socio-environmental commitments.

As well as the items of social impact on environmental item 2.1, Marfrig's list of direct, approved suppliers covers a combined area of 2,759,176,053 ha of Conserved Forest, considering its direct suppliers in the state of Mato Grosso. Of this area, 242,035.01 ha exceeds the legal requirements of the Brazilian Forest Code.

5. Verification of the database of suppliers approved during the evaluation period and shared with &Green.

&Green uses an automated process within its Geographic Information System (GIS) to calculate the ER 1 target (conserved forest both in LP and in excess). To achieve this, &Green uses 'shapefiles' (digital, vectorial graphic files referencing geospatial data – such as points, lines and polygons – involving attributes associated with these entities) representing the areas of the farms owned by the ratified suppliers. The verification process monitored whether the file shared with &Green contains the shapefiles of all the suppliers considered as having been "approved" during the evaluation period. The extraction of Marfrig's or the monitoring partner's CAR database was checked.



6. Verification of fulfillment of &Green’s list of excluded activities

(this commitment applies to all of Marfrig’s operations in Brazil)

Excluded Activity	Applicable (Y/N)	Policy in Effect (Y/N)	Compliance (Y/N)
1. Forced labor ¹ or child labor ²	Yes	Sustainability / Social Responsibility / Modern Slavery Statement	In compliance
2. Activities or materials considered to be illegal according to the laws or regulations of the receiving country, or international conventions or agreements either subject to exclusions or international prohibition, such as:	-	-	-
a) Substances that destroy the ozone layer, polychlorinated biphenyls (PCB) and other pharmaceutical products, pesticides/herbicides, or specific and hazardous chemical products;	Yes	Sustainability	In compliance
b) Wildlife or products regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); or	Yes	Sustainability	In compliance
c) Unsustainable fishing methods (for example, fishing with explosives or with drift nets at sea, using nets measuring over 2.5km long)	N/A	N/A	N/A
3. Cross-border trade of waste and waste products, unless it is in compliance with the Basileia Convention and the underlying regulations	Yes	Sustainability / Waste Plan (Internal)	In compliance
4. Destruction ³ of areas of high conservation value ⁴	Yes	Sustainability / Forest Source Material Acquisition Policy	In compliance
5. Radioactive materials ⁵ and unlimited asbestos fibers	N/A	N/A	N/A
6. Pornography and/or prostitution	Yes	Code of Ethics	In compliance
7. Racist and/or anti-democratic means of communication	Yes	Code of Ethics	In compliance
8. In the event of any of the following products making up a substantial portion of the principal funded commercial activities of a project ⁶ :	-	-	-
a) Alcoholic drinks (except beer and wine);	N/A	N/A	N/A
b) Tobacco;	N/A	N/A	N/A
c) Arms and ammunition; or	N/A	N/A	N/A
d) Games of chance, casinos, and similar projects.	N/A	N/A	N/A

¹ Forced labor means all work or service not performed voluntarily that is required of an individual under the threat of force or penalty, as defined by the conventions of the ILO.

² People may only be employed if they are aged at least 14, as defined in the ILO’s Fundamental Conventions on Human Rights (Minimum Age Convention C138, Art. 2), unless the local legislation specifies obligatory school attendance or a minimum working age. In such cases, the higher age will be applied.

³ Destruction means: (1) entire elimination or reduction of an area caused by an important and long-term change in the use of the land or water; or (2) modification of a habitat in such a way that the ability of the area to perform its natural role is lost.

⁴ Areas of High Conservation Value (HCV) are defined as natural habitats where these values are considered to be of great or critical importance ([see here](#)).

⁵ This does not apply to the purchase of medical equipment, quality control equipment (gauging) or any other equipment where the radioactive source is considered insignificant and/or sufficiently protected.

⁶ For companies, “substantial” means more than 10% of its balances or consolidated income. For financial institutions and investment funds, “substantial” means more than 10% of its underlying portfolio.

Employee turnover rate by seniority, age group and gender

GRI 401-1 New hirings and employee turnover

Employee turnover (%) during the reporting period, broken down by seniority, in 2023

2023 (%)	Argentina	Brazil	Chile	Uruguay	United States
Coordinators	11.1	16.83	0.00	Unavailable	10.87
Directors	0.00	3.33	0.00	Unavailable	25.00
Managers	4.55	8.86	0.00	Unavailable	10.36
Other Leaders	25.00	18.33	140.91	2.54	9.06
Other Employees	7.39	36.64	104.94	6.41	41.39

Employee turnover (%) during the reporting period, broken down by age group and gender, in 2023

	2023 (%)	Argentina	Brazil	Chile	Uruguay	United States
Women	Up to 30 years	28.41	48.61	85.14	6.93	47.95
	31 to 50 years of age	16.18	33.43	108.72	5.00	28.94
	Over 51 years old	2.63	13.48	78.13	17.42	15.21
Men	Up to 30 years	7.42	48.82	82.06	5.13	61.82
	31 to 50 years of age	6.62	28.38	88.13	3.82	40.40
	Over 51 years old	9.05	14.73	80.81	30.77	21.31

*In Chile, we recorded a high turnover rate due to the fact that our sole slaughterhouse (in Patagonia) is only operational between January and mid-April, when the sheep slaughter season ends and almost all of the employees involved in the operations are dismissed. New employees are hired for the following season.

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