

JBS official response

JBS has a **zero-tolerance policy for illegal deforestation**, or any other illegal activity, associated with our supply chains. All producers must adhere both to our Responsible Raw Material Procurement Policy and the [Protocol for Monitoring Cattle Suppliers in the Amazon](#), established by the NGO Imaflora and the Federal Prosecution Office. For the past 10 years, we have used the **best available official data and a satellite monitoring system** to assess daily all potential suppliers across an area larger than the states of Texas and Louisiana combined, and have immediately blocked any non-compliant farms.

The Company has been open about the industry-wide challenge of monitoring our supplier's suppliers. JBS has even formally requested access to the official documents that would allow us to have visibility into the previous links in our value chain. However, our requests were never granted. To overcome this obstacle, **we are the first in the industry to use blockchain technology to enable due diligence of the suppliers of our suppliers by 2025**. We have also established [16 Green Offices](#) that **provide free assistance and access to credit to producers**, aiming at improving their environmental practices and creating a roadmap for regularization.

JBS remains committed to promoting a **fully sustainable production chain in the Amazon and in other biomes where it operates**, to ensure that its social and environmental policy and Brazilian legislation are fully respected by its entire beef chain.

Additional relevant information

- We are sending attached JBS' responses for both reports mentioned: [this one](#) and [this one](#).
- *"I spoke to a number of experts who mentioned that while there are some efforts to monitor indirect suppliers, such as through voluntary questionnaires given to suppliers about their suppliers, on the whole, large meatpackers are not systematically monitoring and enforcing a zero-deforestation policy among their indirect suppliers, even though in regions those tools are available and Brazil tracks the necessary information (though I understand that it's no longer as readily accessible in most states)"*
 - JBS has long recognized the complexity of monitoring indirect cattle suppliers. With blockchain technology, it became possible to develop and launch, in 2021, the [Transparent Livestock Farming Platform](#), which allows the extension of the monitoring to previous links in cattle supply chain, always respecting the confidentiality of data required by Brazilian law. Precisely because of the restrictions imposed by data privacy legal framework in Brazil, the implementation of this tool requires the engagement of suppliers, who need to register voluntarily their information, not making it possible to execute it overnight. From January 1st 2026, JBS will only buy cattle from suppliers registered in its platform.
- *"One reason meatpackers like JBS are not more proactive at monitoring indirect suppliers is that if they were to stop sourcing from indirect suppliers with illegal deforestation the supply*

of beef would be diminished and they wouldn't be able to process sufficient numbers of cattle to support demand and/or be profitable”.

- o We are not aware of studies that support this claim, if you can please kindly share it with us this will be greatly appreciated.
- o It is entirely in our interest to have enhanced transparency in the Brazilian cattle value chain, for several reasons, including continuity of market access for Brazilian beef. Restrictions imposed by the Brazilian Legal system associated with restricted access to supply chain information is not beneficial to JBS or to the sector as a whole.
- *“Meatpackers like JBS also claim that they can't access the necessary data (GTA/CAR records) for indirect suppliers, though it's clear that this information is available in at least some regions of the Amazon”.*
 - o The [Protocol for Monitoring Cattle Suppliers in the Amazon](#), established by the NGO Imaflora and the Federal Prosecution Office, includes a list of limitations for full compliance with TAC requirements on its page 42. For the *“traceability of information from indirect suppliers”*, it recognizes that there is an *“unavailability of public information”*. Therefore, it seems inaccurate that the industry has enough access to data that could enable a complete and reliable traceability of their entire value chains, and base their sourcing decisions on it.
 - o It is also relevant to notice what the new study featured in the Vox’s story says:
 - **“Monitoring indirect suppliers has been technically challenging and continues to be hampered by data transparency issues**, though solutions are emerging (JBS, 2021; Mano, 2021; Krauss et al., 2019)”.
- *“Another reason why large meatpackers like JBS might not put more effort and money into monitoring is that it doesn't come with a lot of rewards. It can put them at a disadvantage to other meatpackers that are more lenient with their suppliers, at least until every meatpacker is doing the same degree of monitoring”.*
 - o JBS does not see a more sustainable value chain as a disadvantage, quite the opposite. Enhancing our sustainability criteria will allow us to become more efficient, effective and competitive. Nevertheless, the fact that there are several meatpackers with less stringent socio-environmental criteria than the three largest in Brazil is a relevant aspect to be considered.
 - o JBS has already blocked 14,000+ producers in due diligence processes for failure to comply with its socioenvironmental criteria. However, farms with social and environmental irregularities are supplying countless properties and companies within the industry. Thus, simply blocking these ranchers does not provide a solution to the problem in its entirety. JBS believes in being part of the solution and, in addition to blocking, we believe in offering instruments that assist producers looking to improve their production practices, making them more effective and sustainable.
 - o To that end, JBS has created a network of 16 Green Offices that provide free-of-charge Legal and technical assistance intended for environmental

regularization of these properties, creating a roadmap for legality, in addition to facilitating access to rural credit through two partner financial institutions for environmentally compliant and enhanced productivity projects.

- *“A new study, featured in our story, shows that a large number of cattle purchased by meatpackers, including the big ones, were at least partially raised in protected areas.”*
 - We would like to reinforce that, through its monitoring system, JBS has immediately blocked any non-compliant farms and all occurrences of illegal practices seeking to breach our monitoring that are brought to our attention. Every single situation has have been dealt with: we have acted decisively to preventatively block the producer and related bad faith actors.
- *“More than 80% of the deforestation is missed by meatpackers' monitoring tools that just look at direct suppliers”.*
 - Studies from the University of Wisconsin-Madison in Pará have demonstrated that, by extending the capabilities of monitoring system from its direct suppliers to its T1 indirect suppliers, meatpackers cover 92% of the deforestation cases. The author is encouraged to discuss these findings and recommendations directly with the scientists and the NGOs behind the working Group of Indirect Suppliers – GTFI.