

**FRIGOL**

# Annual AND SUSTAINABILITY Report 2021



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# 1.

## About the Report

In its first annual sustainability report, Frigol gathers information of an economic, social and environmental nature, and reports it according to the GRI Standards in its Core agreement option, considering the supplementation of the sector-specific notebook Food Processing. Material limits were selected, according to the materiality process described herein. [102-46] [102-52][102-54]

This publication covers the period from January 1, 2021 to December 31 of the same year, considering, whenever possible, the historical series of three years prior to the reporting year. [102-50]

To send comments, suggestions, doubts or criticisms about the Report, write to [sustentabilidade@frigol.com.br](mailto:sustentabilidade@frigol.com.br). [102-53]

Have a good reading!



# 2.

# Materiality Matrix

The main topics related to sustainability for Frigol are demonstrated through the materiality matrix which, after analysis, served as a guide and basis for the management and preparation of the 2021 sustainability report.

The material topics were defined and consolidated based on a specific process, and serve as a diagnosis for senior corporate leadership. This exercise is essential for purposes of sustainability awareness and dissemination, and to reach a strategic level in the business.

For this definition, Frigol had the support of Green Domus Desenvolvimento Sustentável, a company specialized in the subject, which led the process of definition and consultation with internal and external audiences. [102-42]

The 2021 Materiality Matrix was developed in five stages, as follows: [102-40, 102-42, 102-43, 102-44, 102-46]

**I. Selection of topics:** Identification and consolidation of the most important issues, based on sector-specific and literature analysis, with the support of the report's coordination team.

**II. Selection and engagement of stakeholders:** Selection of groups and form of consultation based on Frigol's relationship with its different audiences, conducting individual interviews with five strategic leaders (CEO, two officers and two directors), and online consultations with internal and external stakeholders (employees, customers, suppliers and cattle breeders).

**III. Consolidation:** Consolidation and application of a specific methodology for the aggregation of collected results, with the support and approval of the Frigol team.

**IV. Analysis and Weighting:** Weighting of results per significance and prioritization of topics by Green Domus Desenvolvimento Sustentável and the report's coordination team, and correlation of material topics with the topics of the GRI Standards.

**V. Validation:** Validation of the final list of material topics and GRI content by senior management and Frigol representatives.

From these activities, the selected material topics were: [102-47]

- Robust Governance and Ethical Behavior
- Financial Strength
- Guarantee of Origin and Animal Welfare
- Water use Management and Effluent Management
- Conservation of Forests and Biodiversity
- Human and Organizational Development

# 3.

## Letter from the Management

[102-14]

### 3.1 Letter from **the Chairman of the Board of Directors**

The publication of our first sustainability report is a very special moment for us, and an important milestone in the relationship with all Frigol stakeholders.

Through this document, we have the unique opportunity to share how much we have worked over the last few years, in order to achieve excellence and deliver the best results and products to the market, acting in a transparent, integral manner, and bringing more and more breadth and depth to our communication.

We know that as our relevance increases and we conquer an even greater share of the protein market, the greater will be our challenges and responsibilities. To this end, we have been increasingly focused on a greater number of fronts, including Corporate Governance, which has become more versatile, the Innovation and Technology area, investments focused on the sustainable supply of raw materials, and care for communities that interact with our business, as it can be seen by reading this report.



Speaking of community, I would like to take this opportunity to greet and thank the more than 2,500 direct employees and many other indirect employees, who have contributed and continue to contribute to Frigol's growth through value creation.

I thank everyone who trusts our work and shares our achievements, making us go further and further.

Have a good reading!

**Djalma Oliveira**  
Chairman of the Board of Directors

## 3.2 Letter from **the Chief Executive Officer**

It is with joy and satisfaction that I am part of the first edition of Frigol's sustainability report, and I share with you in a brief statement how the year 2021 was for us.

Among the challenges and complexity of the last year, **we delivered record financial results, closing the year with BRL 3 billion in sales**, a growth above the Compound Annual Growth Rate (CAGR) of recent years - a new milestone for the company - and conversion of operating cash flow above 90% of Ebitda. Record revenue was combined with strong profitability. Net profit was above 1% of Net Operating Revenue (NOR) with leverage of 1.3x, one of the best in the sector, proving an increasing robustness on the part of Frigol.

It is important to note that the business environment in 2021 challenged us mainly due to the restrictions caused by the Covid-19 pandemic, generating impacts on the manufacturing workforce, the recovering domestic market, record levels of unemployment, and limitations on exports for a quarter of the year to our main market, China. Therefore, recognizing how far we have come in the midst of an adverse scenario is a source of great pride!

Operationally, important investments were made in the factories to improve the efficiency and specialization of the plants, which generated a record level of utilization. Furthermore, there was also the maturation of the project for a plant dedicated to the Israeli market, which contributed to the overall performance.

Certainly, none of this would be possible without a dedicated and committed workforce, led by a board that goes to great lengths to deliver results. I leave here, to all of you, my thanks as a Frigol representative. I am delighted to see and

participate in this strong performance, transformational progress, operational resilience, financial discipline, and responsible corporate citizenship.

Finally, I want to thank our customers, suppliers and cattle breeders for their continued support, trust and willingness to work together with our teams over the past year.

On the pages of this sustainability report, you will find highlights of our progress across our operations, as well as our efforts to engage with the community, employees and other stakeholders. I am proud of these achievements and confident with what the future holds for Frigol.

Good reading to all!

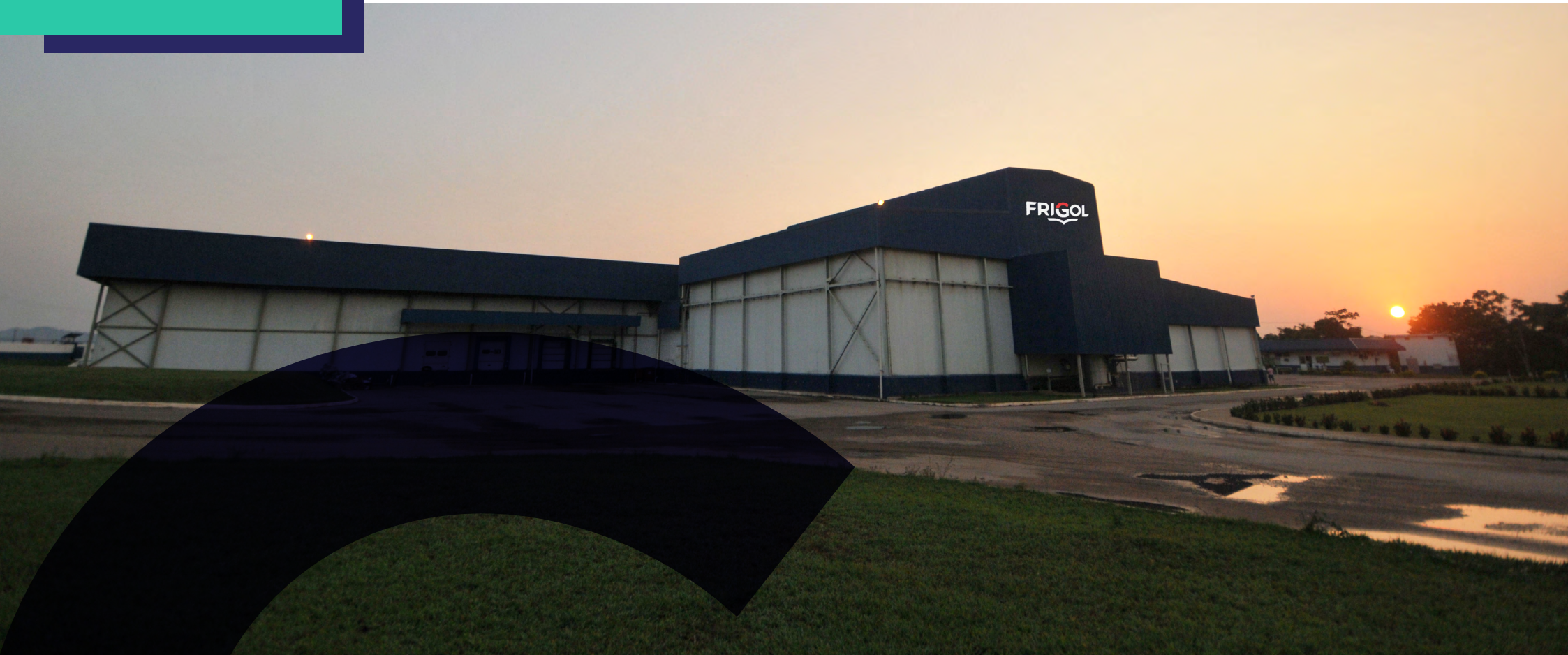
**Eduardo Miron**  
Chief Executive Officer



4.



# The Company



# 4.1 Frigol's Commitments

[102-16]

Frigol's commitment to product quality is the result of a set of daily actions, to ensure continuous improvement in processes, always focusing on food safety, socio-environmental responsibility, and animal welfare.

Frigol is committed to supplying its products with quality and conducts its activities based on its business commitments:

### Mission

To feed people's lives around the world with the highest quality products, creating the greatest long-term value for our stakeholders.

### Vision

To be a global reference in profitability and quality in the animal protein sector, promoting socioeconomic and environmental development in the regions where it operates.

### Values

Entrepreneurship, work, transparency, operational effectiveness, and a relationship that generates value.

# 4.2 Board of Directors



The Frigol Board of Directors is composed of seven members, five of whom are representatives of the shareholders' family holdings and two are independent.

[102-22]

Moreover, three of the seven seats of Board of Directors are held by women (42%, above the market average\*), which guarantees diversity from the highest level of the company.

In December 2021, Mr. José Eduardo de Oliveira Miron underwent a transition process, where he left the position of Independent Director and took over the position of Chief Executive Officer. Notwithstanding, the Company started the selection process for the new Independent Director.

\*SOURCE: <https://www.ibgc.org.br/blog/pesquisa-diversidade-mulheres-conselhos-no-Brasil>



## 4.3

# The History of Frigol

For fifty years in the market of production and processing of beef and pork, Frigol S.A is a Brazilian privately held Meatpacking and Food Company, with its principal place of business in Lençóis Paulista (SP), which operates four production units strategically distributed in the States of São Paulo and Pará. Gaining an increasingly significant share in the domestic and international market, Frigol has been consolidating itself as one of the great Brazilian food companies, specializing in meat production and processing.

Its logistics structure guarantees competitiveness, dexterity and punctuality, **allowing significant participation not only in the domestic market, but also in the foreign market**, with a presence in more than 60 countries spread over several continents, especially China, Israel, Europe, Chile and the Middle East.

[102-1] [102-3] [102-4] [102-5]



### Foreign market:

**We export to more than 60 countries: highlighting China, Israel, Europe, Chile and the Middle East**

### Domestic Market:

**Frigol operates in the following channels <sup>[102-6]</sup>  
Wholesale, retail, food service, industry**

Currently, the Company's operations are divided as follows: [102-4]

Service types	Operation units	State
Beef meatpacking	Lençóis Paulista Água Azul do Norte São Félix do Xingu	São Paulo Pará Pará
Pork meatpacking	Lençóis Paulista	São Paulo
Preparation of slaughter by-products	Lençóis Paulista	São Paulo
Wholesale of beef and pork and derivatives	Bauru	São Paulo
Breeding of beef cattle	Água Azul do Norte São Félix do Xingu	Pará

To increasingly gain the trust of new audiences and keep up with their needs, Frigol invests in infrastructure, technology and people. The group provides approximately 2,500 direct jobs, having doubled its production capacity in the last five years. Currently, the company processes around 180,000 tons of beef, and 7,000 tons of pork per year.

The care to offer the best Frigol products begins on the farms of partner ranchers.

Always aiming to carry out activities that work together with sustainable development, Frigol breeds its animals according to the Sustainable Livestock Protocol, valuing respect for the environment and the communities where the Company operates, maintaining relationships only with suppliers that have the following characteristics:

1. Free from illegal deforestation, regardless of the BIOME where they originate.
2. Free from invasion of indigenous lands, quilombolas or conservation units.
3. Free from IBAMA Embargoes and/or Illegal deforestation published by the Environment Departments.
4. Free from forced and/or slave labor.
5. Child labor free.
6. With CAR in good standing.
7. No changes to CAR limits.
8. With presentation of the Rural Environmental Licensing (LAR) for properties above 3,000 hectares (mandatory for the State of Pará).
9. With Animal Transit Guide (GTA) issued, corresponding to purchase operations.
10. That the productivity rate of animals per hectare does not exceed 3 heads/ha and/or another future rate, published in the Amazon Cattle Supplier Monitoring Protocol prepared by Imaflora (applicable to the state of Pará). It should be noted that if the property operates in a confinement and/or semi-confinement regime, it may have higher productivity accepted, as long as it issues a self-declaration with photos with evidence, geographic coordinates, and owner's signature.

The company uses a stringent traceability system, which guarantees the sustainable origin and transport of the herds, in accordance with all animal welfare standards.

With this concern, Frigol conquers excellence from the farm to the table of consumers, because it works to create and transform habits, making customers recognize the company as the best choice in the market. To make this possible, each Frigol professional works with dedication, commitment and transparency.

## Transparency in the Production Chain

In 2019, we implemented **Ecotracer**:

- Blockchain technology trust protocol;
- Artificial Intelligence in carcass analysis;
- During deboning process a QR Code is generated that goes on the packaging, informing about the origin of the meat



100% of slaughter carcasses are photographed



Assurance of Origin, Safety and Transparency



Detailed technical information and charts with slaughter data



Real-time slaughter notifications

The Company always seeks the continuous improvement of its processes and products and, for this purpose, carefully follows its internal quality policies and legal requirements, creating food quality and safety standards, in order to provide the best experience for its consumers. All of its units use more than 50 programs to certify the quality and safety of the food that leaves their industries, with *HACCP* and *BRC START* as the main certifications. In 2022, Frigol will undergo the *BRCGS FOOD V8* certification process.

Finally, Frigol also has a Food Quality and Safety Policy, based on which it maintains the Food Quality and Safety Programs already in place, applying self-control procedures and programs, such as:



## 4.4 Frigol Product Line

Frigol offers its customers a range of products: chilled or frozen fresh beef and pork protein, beef hamburger, beef and pork skewers, garlic bread, tender, Shepherd's pie, farofa, beef carpaccio. In 2021, Frigol developed a line of Vegan products and will launch in 2022. [102-2]

Committed to conquering new audiences and at the same time maintaining the quality of its products, in addition to the already known cuts of meat with the Traditional Frigol Line, the Company sells several special products included in various lines: [102-2]

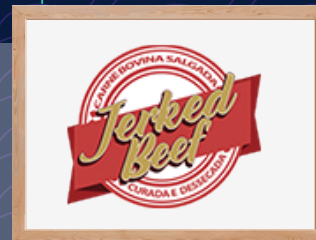
### ANGUS BEEF\* LINE

Cuts from early cattle, ensuring softness and unmistakable flavor



### JERKED BEEF LINE

Beef properly salted, cured and dried



### GRAND CHEF SUÍNOS LINE

Versatile line of pork cuts. In the line Temperados (Seasoned), they are already cut and ready to roast



### CHEF CHURRASCO LINE

Aged cuts, cleaned and deboned, ready for seasoning and roasting



### BBQ LINE

High quality standard, with superior raw material, individually selected, for a higher level of marbling and finishing



### GRAND CHEF CORDEIRO LINE

The best of frozen lamb meat



### TRADICIONAL LINE

Fractional, standardized and vacuum packed cuts



### AÇOUGUE COMPLETO LINE

The best of beef on a tray

\*The Angus Beef Line is certified by the Brazilian Angus Association, ensuring the best finish, marbling, high flavor, succulence, and softness.



5.



# Robust Governance and Ethical Behavior

## 5.1 Framework

The Frigol Board of Directors is composed of seven members, five of whom are representatives of the shareholders' family holdings and two are independent. [102-22]

In addition, of the seven seats on the Board of Directors, three are held by women (42%, above the market average), which guarantees diversity from the highest level of the Company.

Frigol's Corporate Governance relies on the support of Advisory Committees for decision-making. The current structure of Frigol Governance is presented as follows: [102-18]

### Governance: compliance and diversity



The board of directors has three advisory committees:

#### People and Sustainability Committee (CPS)

> **Coordination:** Britaldo Pedrosa Soares

> **Members:** Britaldo Pedrosa Soares, José Eduardo de Oliveira Miron, Débora Bento de Oliveira, Letícia Amélia de Oliveira

> **Guests:** Carlos Eduardo Simões Corrêa, Camila Lopes da Silva

> **Responsibilities:** a) Guide the strategic planning of people management, aligned with the business objectives.

b) Recommend the Compensation and Benefits plan for the Members of the Executive Board, including the annual base salary, short- and long-term incentive plan to be submitted for approval by the Shareholders' Meeting.

c) Review the compensation and benefits policies for the Company's employees, including incentive plans and their applicability in the recruitment, development, promotion and retention processes.

d) Evaluate and propose corporate goals and relevant objectives, to assess the performance of the Executive Board, and submit them to the Board of Directors for consideration.

e) To propose and monitor corporate People Management programs.

f) Analyze changes in organizational structure.

g) Evaluate compliance with the sustainability policy and analyze change proposals.

h) Periodically evaluate sustainability reports and propose changes to their structures.

#### Finance, Risk and Compliance Committee (CFRC)

> **Coordination:** Britaldo Pedrosa Soares

> **Members:** Britaldo Pedrosa Soares, José Eduardo de Oliveira Miron, Marina Oliveira Cançado, Carlos Eduardo Simões Correa

> **Responsibilities:** a) Analyze the Annual and Multiannual Budget, Cash Flow and Fiscal Planning.

b) Monitor the results on a monthly basis.

c) Analyze risks and returns of investment, divestment and leverage proposals.

d) Propose to the Board of Directors the definition of the risk matrix and exposure limits, as well as measures for protection against financial risks.

e) Carry out a trend/behavior analysis of the Company's indebtedness, financial operations and regular bases of Currency Hedge management and the company's positions in the BM&F futures market (cattle); Analyze proposals for amendment and/or validation of policies and procedures, processes and activities that involve market risk and credit, legal, tax and operational liquidity.

## Strategy and New Business Committee (CE)

> **Coordination:** Djalma Gonzaga de Oliveira

> **Members:** Djalma Gonzaga de Oliveira, Dorival Gonzaga de Oliveira Junior, José Eduardo de Oliveira Miron, Orlando Henrique Negrão, Pedro Aristides Bordon Neto.

> **Responsibilities:** a) advise management in the assessment and monitoring of the current market and the Company's potential for action; current and potential competitors; relevant investments; opportunities for acquisitions, investments, associations, partnerships, capitalization and divestments, in order to extract the best value for the Company.

b) advise management in the assessment of technological trends in products, services and processes; evolution of existing products and services; study of product lines and services adjacent to the current ones; development of new products and services; opportunities to buy or sell technology; establishment of product performance goals.

c) advise management on the Company's digital transformation and innovation process, bringing the best market practices applicable to the Company.

d) advise management by presenting proposals and global trends, in terms of technological innovation applicable to education and the Company's business.

e) advise management in defining the scope, guidelines, limitations, references and basic parameters to be used for the preparation of the Company's Strategic Plan.

f) advise management in the evaluation of marketing strategies; business models; strategic / preferred customers; product and service distribution channels.

g) advise management in the assessment of proposals related to the Company's brands and its operations in different markets.

The Advisory Committees aim at assisting the Board of Directors on topics relevant to the development of the Company, having as main duties the prior analysis of matters within their respective competences, and the issuance of considerations and recommendations that are formally made available by the respective coordinators during the meeting of the Board of Directors and submitted for resolution.

The composition of the Advisory Committees of the Board of Directors is made by the board of directors, and usually the components are directors and officers of the Company. For the appointment of members, the knowledge and experience of each one related to the topics addressed by each committee are considered. [102-22]

The Board of Members is responsible for the selection and appointment of the members of the Board of Directors, whether they are representatives of holding companies or independent members. The term of directors is 2 years. [102-18]

## Executive Board:

+ 100 years of experience  
in the Agribusiness market



**JOSÉ EDUARDO DE OLIVEIRA MIRON**

**Chief Executive Officer**

With solid experience in agribusiness and in the animal protein industry. His professional career in Brazil and abroad includes 10 years at Marfrig – where he was global CFO and CEO, 22 years at Cargill, and 10 years at Banco Safra. He holds a degree in Accounting Sciences, a postgraduate degree and MBA from the Business School São Paulo/University of Toronto.



**ORLANDO HENRIQUE NEGRÃO**

**Chief Operating Officer**

He has extensive experience in the meatpacking industry, where he has had a strong presence in different sectors, especially production, livestock acquisition and commercial. For more than 20 years with the Frigol Group, he performed the management of units and was the superintendent of the North region.



**CARLOS EDUARDO SIMÕES CORRÊA**

**Chief Financial and Administrative Officer**

He built his career in the food sector, in the financial and controllership areas. Ten years ago at Frigol, he began his career in Controllershship, passing through the management of Procurement, IT and Financial. He holds a degree in Business Administration, with an MBA in Financial Management and Controllershship from Fundação Getúlio Vargas.



**PEDRO ARISTIDES BORDON NETO**

**Chief Commercial and Marketing Officer**

He has been operating in the animal protein segment for over 39 years. He began his career at Bordon, his family's company at the time, and later joined Minerva, Swift and JBS as an executive. Graduated in Economics with specialization in Business and Executive Courses from London Business School.

The selection process of independent members is carried out by hiring a specialized consultancy that seeks and presents candidates, according to the profile described and desired by the Board of Members. Diversity, knowledge and experience related to the business, economic, environmental and social topics are items considered for the selection of the profile. [102-24]

The Board of Directors is responsible for the selection and appointment of the President of the Company. As for the boards, the selection and appointment process is carried out jointly by the President of the Company and the Board of Directors, always observing the determinations of the Articles of Incorporation. [102-18]

In 2021, Frigol hired the Independent Auditors Ernest & Young to ensure the Internal Control processes, aiming at preventing and eliminating financial and reputational risks. It is also important to highlight that Ernest & Young will report the results of the Audits directly to the Board of Directors, as part of the efforts towards the evolution of the Company's Corporate Governance and adherence to the best market practices. The Audit Cycles from 2021 to 2023 are:

Year	#	Frigol Audits
2021	1	Food Quality and Safety
	2	Financial Management – Treasury
	3	General IT Assessment
	4	Cattle Sourcing and Logistics
2022	5	Logistics (freight)
	6	Commercial – Internal Market
	7	Commercial – Foreign Market
	8	Industry and Traceability
2023	9	HR Management, Payroll, Occupational Health, and Safety
	10	Costs
	11	Accounting, Direct and Indirect Taxes and Asset Management
	12	Accounts Payable and Accounts Receivable

## 5.2 Code of Ethics

Transparency is a non-negotiable value for Frigol and forms the basis of the structure of its Code of Ethics that governs the Company's correct, coherent and honest performance towards its internal and external stakeholders. [103 | 205]

The Company has a Whistleblowing Channel, in order to make it possible to report violations of the Code of Ethics, standards, internal processes, laws or policies, as well as suggestions for improving programs or feedback from employees.

## 5.3 Reporting Channel

The records made in this channel are confidential, reputable, auditable and independent, with monitoring carried out by the company Deloitte Touche Tohmatsu. Thus, complaints are recorded, ensuring anonymity and protection of the whistleblower against any retaliation. The registration of complaints can be done through the website (<https://ethicspeakup.com.br/Frigol/>), via email, 0800 telephone, and voicemail. [102-17]

**All complaints are properly handled following strict rules of transparency, integrity and confidentiality of information, giving full credibility to the process and safety for the whistleblower.**

## 5.4 Anti-corruption policies, procedures and conduct

Also as part of its governance, Frigol discloses its internal policies and rules, and among them, the following stands out: [103 | 205]

- **Sustainable Origination Policy**
- **Risk, Market and Financial Liquidity Management Policy**
- **Travel Expense Policy**
- **Information Technology Policy**
- **Related Parties Policy**



All the Company's processes also undergo internal control audits, and, as of 2021, an independent audit to ensure compliance and mitigation of legal, financial and operational risks, in line with the company's procedures and policies.

With a view to ensuring the engagement of all in the fight against corruption, annual refresher training sessions are held for employees on the Code of Ethics and Whistleblowing Channel. [205-2]

Total number of training sessions on anti-corruption policies		
Level	Notified/trained	%
President	1	100%
Directors	3	100%
Executive Managements	13	100%
Unit Managers	4	100%
Technician	2,663	100%
<b>Total</b>	<b>2,684</b>	<b>100%</b>

A clause on anti-corruption practices was established for suppliers and partners under an agreement. [205-2]

Total number of business partners/suppliers by region notified about anti-corruption policies				
Region	Business partner/supplier	Notified/trained in 2019	Notified/trained in 2020	Notified/trained in 2021
North	Total number of suppliers in the year	884	884	855
	Communicated/trained	102	165	794
	Percentage of suppliers notified/trained	11.50%	18.70%	92.90%

Region	Business partner/supplier	Notified/trained in 2019	Notified/trained in 2020	Notified/trained in 2021
Northeast	Total number of suppliers in the year	6	7	4
	Total number of suppliers notified/trained	6	7	4
	Percentage of suppliers notified/trained	100%	100%	100%
Center-West	Total number of suppliers in the year	900	777	317
	Total number of suppliers notified/trained	552	620	312
	Percentage of suppliers notified/trained	61.30%	79.80%	98.40%
South	Total number of suppliers in the year	1	2	6
	Total number of suppliers notified/trained	0	2	4
	Percentage of suppliers notified/trained	0%	100%	66.70%
Southeast	Total number of suppliers in the year	578	494	347
	Total number of suppliers notified/trained	534	470	326
	Percentage of suppliers notified/trained	92.40%	95.10%	93.90%
Total	Total number of members in the year	2,369	2,164	1,529
	Total number of members notified/trained	1,194	1,264	1,440
	Percentage of members notified/trained	50.40%	58.40%	94.20%

Frigol constantly seeks to ensure that key processes within its Value Chain, such as, for instance, Animal Origination, Production and Marketing, are in accordance with applicable legislation, and allow sustainability within the biomes where it is inserted, free of reputational problems, and which guarantee the economic and financial sustainability of the Company. [103 | 307] [103 | 419]

6.



# Financial Strength

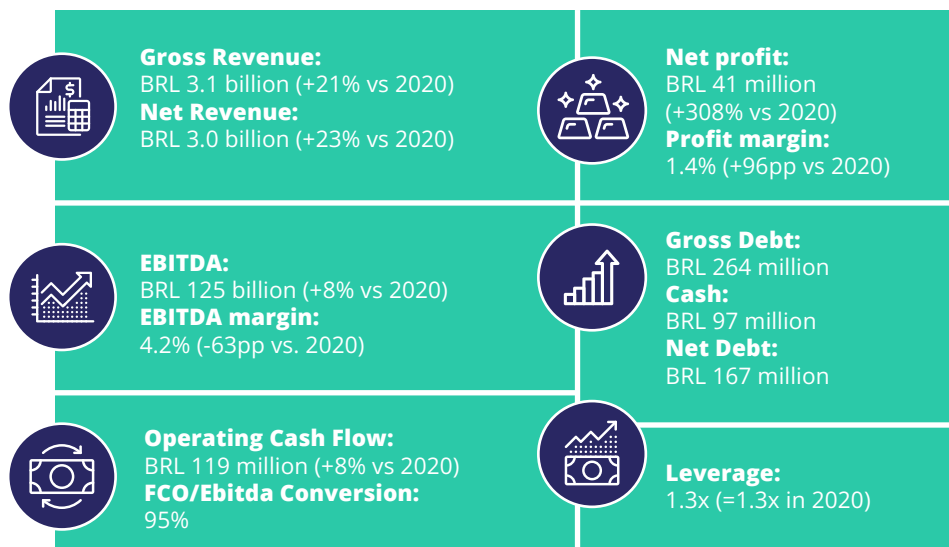


## 6.1 Financial Highlights

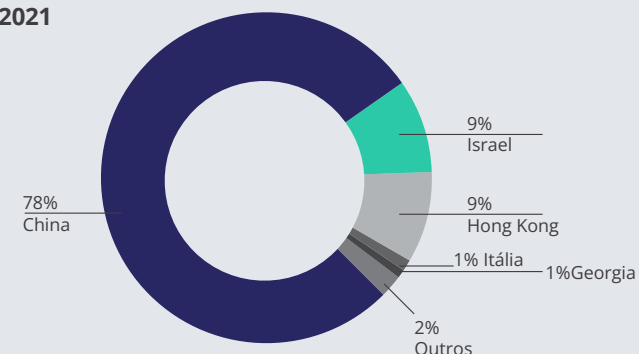
The consistent growth in Gross Revenue in the amount of BRL 3.124 billion, compared to BRL 2.582 billion in the previous year (a 21% increase), resulted from the increase in the price per ton in exports, driven by the favorable exchange rate, and the increase in the cost of the arroba, which impacted price adjustment both in exports and the domestic market.

In the Foreign Market, China continued to be the main destination for the company's exports; however, with a significant increase in Israel's share of total exports in 2021, reaching 9% of Export Revenues. Even with Brazil's self-suspension of exports to China in September 2021, that country's share reached 78% of Export Revenues.

The domestic market maintained its strong share of Revenue, increasing from 59% in 2020 to 62% in 2021, with a focus on sales and distribution in the North, Northeast and Southeast regions, especially for retail in the interior of the State of São Paulo, through our Distribution Center located in Bauru/SP.



Revenue from Exports in 2021



### Net sales revenue

The Group's Net Revenue in 2021 grew 23%, when compared to 2020, reaching BRL 2,960.2 million against BRL 2,397.2 million, respectively. [103 | 201]

Deductions on Gross Revenue dropped to 5.3% in 2021, as compared to 7.1% in 2020, driven by a lower level of returns and rebates, as well as taxes, thus reducing the 3.6% stake on NOR in 2021 versus 5.7% in 2020.

### Cost of Product Sold

BRL thousand	2021	2020	%
Net operating revenue	2,960,249	2,397,239	23%
Cost of Product Sold	(2,659,357)	(2,113,333)	26%
% Net Revenue	89.8%	88.2%	168 p.p.
Gross Profit	300,892	283,906	6%
Gross margin	10.2%	11.8%	-168 p.p.

Cost of Products Sold in 2021 totaled BRL 2,659.4 million, 89.8% of Net Revenue. This increase in the proportion of CPV, when compared to BRL 2,113.3 million with 88.2%, was mainly due to the evolution of the cost of cattle arroba, which reached the weighted average per market of BRL 301 in 2021 versus BRL 223 in the previous year.

In addition to the arroba, electricity adjustment by the IPCA and INPC index on Payroll, Charges and Benefits also affected costs. However, with the increase in plant productivity and cost control discipline, we were able to mitigate part of these impacts on the Company's costs.

In 2021, we decided to close our production unit in Cachoeira Alta/GO, due to its productive and commercial misalignment compared to the other units of the Group. We focus on the redistribution of our slaughter volumes in the other production units, according to the vocation and qualification of each unit. This decision has proven to be extremely correct, as we managed to grow 4% in our Slaughter, when compared to 2020, even with one less production unit, a fact that provided a better dilution of fixed costs.

In the search for efficiency, we have chosen to maximize the productive vocations of the units in Lençóis Paulista/SP, Água Azul do Norte/PA and São Félix do Xingu/PA, where we outsource the production of lower volume products, taking advantage of the idle capacity of competitors, and we have increased the purchase of carcasses qualified for production, destined for export to China, with a resulting increase in the use of plants.

#### Sales, General and Administrative Expenses (DVGA)

BRL thousand	2021	2020	%
Sales Expenses	(142,646)	(133,835)	7%
% Net Revenue	-4.8%	-5.6%	76 p.p.
G&A Expenses	(62,921)	(58,665)	7%
% Net Revenue	-2.1%	-2.4%	32 p.p.
Total Expenses	(205,567)	(192,500)	7%
% Net Revenue	-6.9%	-8.0%	109 p.p.

The increase in logistics costs, both in the Internal Market with the increase in fuels, and in the External Market due to the increase in international freight, were the main factors in the increase in expenses. Even so, Sales Expenses reduced their share of net revenue from 5.6% to 4.8%, as a result of a focused effort to improve logistic occupancy and increase productivity.

As to Administrative Expenses, we have maintained our cost management discipline, reducing the share to 2.1% of net revenue, as compared to 2.4% in the previous year, preserving and advancing in the continuous investment in the improvement of the Company's Governance, such as the retaining of two Independent Directors and the hiring of the Internal Audit of Ernest & Young.

This discipline led to a reduction in DVGA stake on NOR, from 8.0% in 2020 to 6.9% in 2021.

#### EBITDA

BRL thousand	2021	2020	%
Net Profit (Loss)	40,793	10,005	308%
(+) IR and CS and Deferred	12,442	8,058	54%
(+) Financial Income Net	73,110	92,852	-21%
(+) Depreciation and amortization	14,623	21,472	-32%
(+) Non-recurrent expenses	8,620	-	0%
EBITDA	124,704	116,271	7%
EBITDA margin	4.2%	4.9%	-64 p.p.

Ebitda for 2021 reached BRL 124.7 million, representing a 7% growth over the same period in 2020, with BRL 116.3 million. However, the margins sustained a reduction of 64 p.p., mainly in view of lower margins in the domestic market due to the temporary stoppage to China.

## Financial Income

BRL thousand	2021	2020	%
Net Financial Income	(73,110)	(92,852)	-21%
% Net Revenue	-2.5%	-3.9%	140 p.p.

Financial expenses for 2021 reached BRL 73.1 million, including exchange variation, representing a 21% decrease, when compared to the previous year. In the year, CDI interest increased in accordance with Bacen's Monetary Policy, from 1.90% in January 2021 to 10.65% in December 2021.

The breakdown of financial expenses for 2021 and 2020 is shown below:

BRL thousand	2021	2020	%
Interest on financing	(29,300)	(26,907)	9%
Interest with exchange agreements	(15,744)	(12,097)	30%
Losses with investments in BM&F	(48)	(3,302)	-99%
Discounts granted	(14,465)	(14,320)	1%
Other	(3,530)	(3,497)	1%
Financial Expenses	(63,087)	(60,123)	5%
% Net Revenue	-2.1%	-2.5%	38 p.p.

Interest expenses, expunged from non-recurring effects and exchange variation, reached 2.1% in 2021 versus 2.5% on Net Operating Revenue in 2020.

## Net Profit

Net profit was BRL 41 million, a material growth of 308%, as compared to 2020.

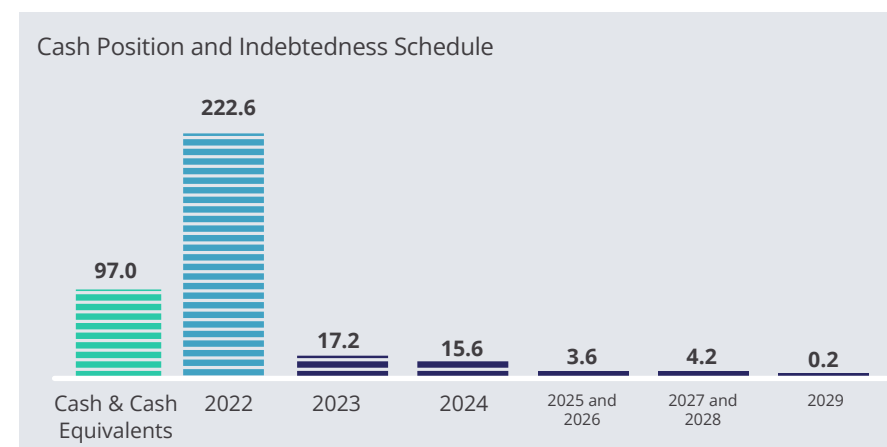
This performance is particularly important in view of the challenges faced in the year, such as the growth in inflation, interest rates, and the crisis with China in the last quarter.

In other words, discipline and efficiency in operational and financial management were the main reasons for success in 2021.

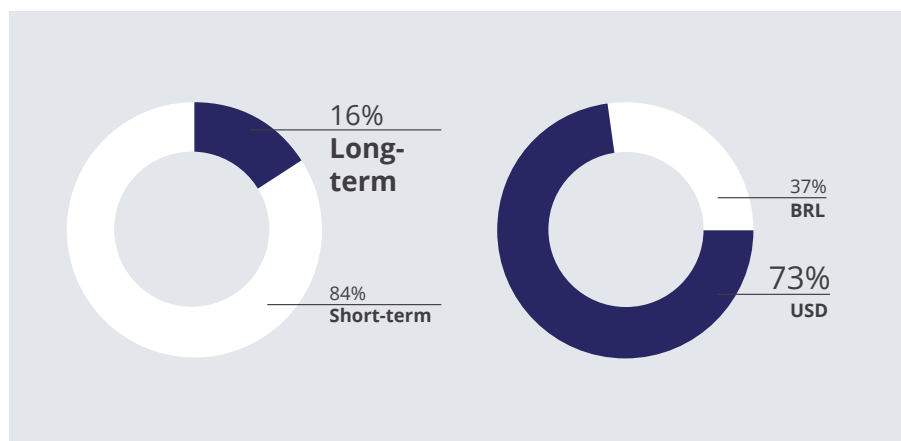
## Operational Cash Flow

Driven by greater operational efficiency, we managed to improve our Financial Cycle and, consequently, our Operating Cash Flow, reaching BRL 119 million in 2021, 8% higher than in 2020.

## Debt Profile

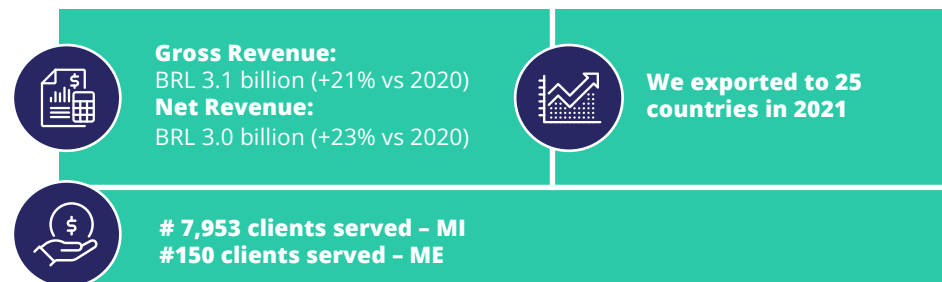


## Indebtedness Breakdown

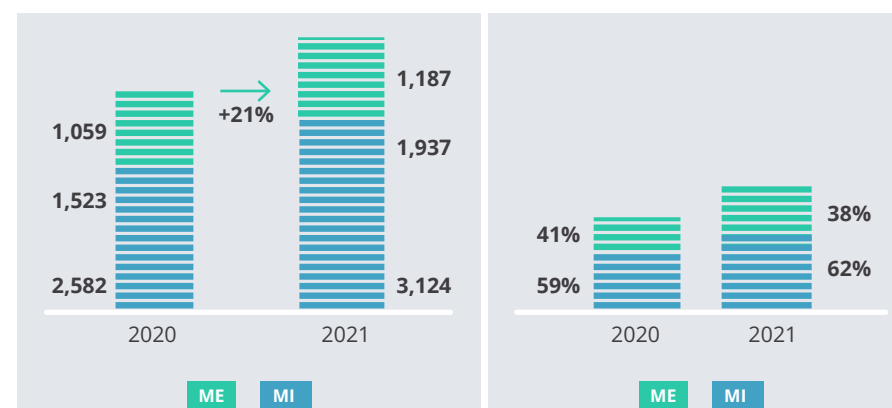


BRL thousand	2021	2020	%
Gross Financial Indebtedness	263,512	206,588	28%
Short-term	222,646	152,972	46%
Long-term	40,866	53,716	-24%
(-) Cash and cash equivalents	96,956	54,889	77%
Net Financial Indebtedness	166,556	151,699	10%
LTM Ebitda	124,704	116,271	7%
Net Debt/Ebitda	1.3x	1.3x	0.0x

## 6.2 Commercial Highlights

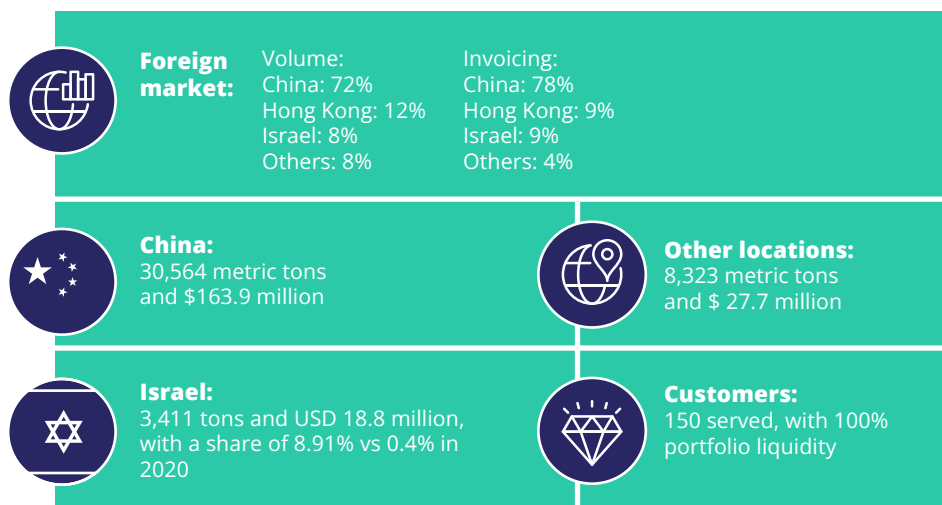


### Gross Revenue - BRL million



The company reached a leverage level of 1.3x for the second year in a row, one of the lowest in the industry. This demonstrates the company's commitment to financial discipline, which has been managing its leverage in a sustainable manner year after year. According to the Company's Financial Policy, the Leverage level shall not exceed 2x.

## 6.3 Foreign Market Highlights

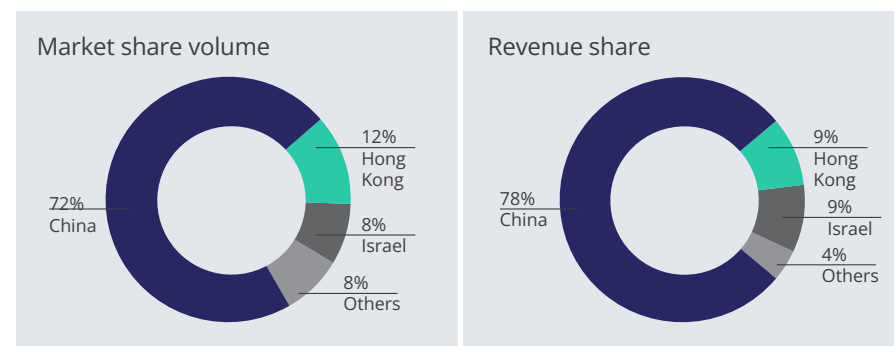


Even with the self-suspension of exports to China, we reached a significant volume of exports to that destination, reaching in 2021 a 72% share of exported volume, and a 78% share of Export Revenue.

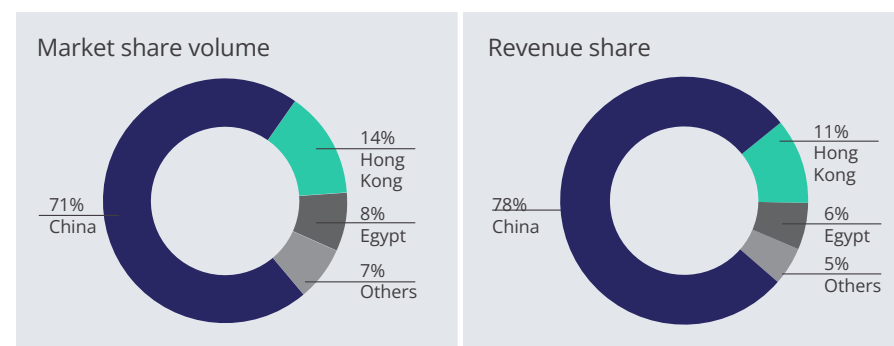
With regard to other destinations, we continued the process of diversification with Israel's entry into exports, reaching 8% in volume and 9% in Export Revenue in 2021.

### Breakdown of exports per destination

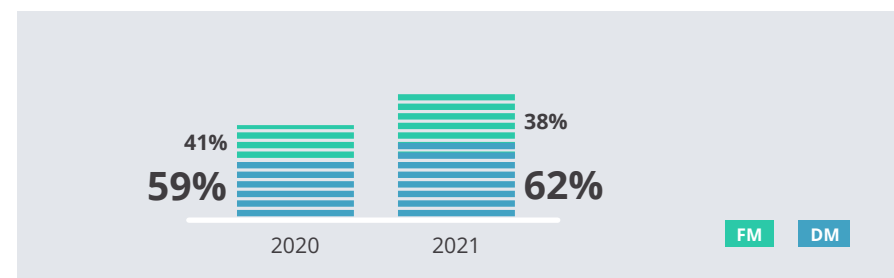
2021



2020



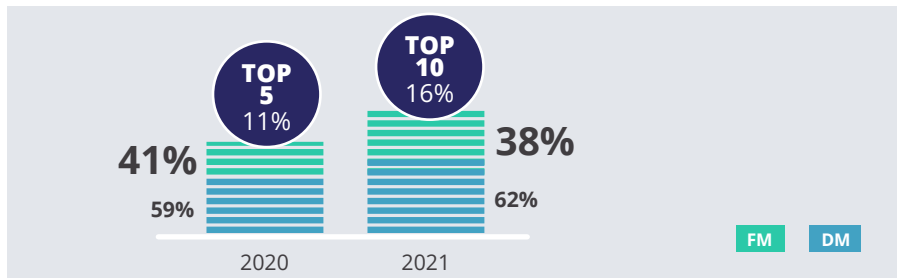
### Export share



## 6.4 Domestic Market Highlights



### Net Revenue Share



We have maintained our very high liquidity and very low concentration of our Domestic Market portfolio. The Company's 5 largest customers in the domestic market represent only 11% of sales and the 10 largest customers only 16%.

## 6.5 Production Highlights



### São Félix do Xingu Plant

Swine

**Slaughter Capacity:**  
600 animals/day  
**Employees:** 120  
**Start of Operation:** 1992

### Lençóis Paulista Plant

Cattle

**Slaughter Capacity:**  
750 animals/day  
**Employees:** 980  
**Start of Operation:** 1992

### Bauru-SP Distribution Center

Distribution for retail in the interior of SP

**Monthly volume:**  
3,000 tons/day  
**Start of Operation:** 2019



### São Félix do Xingu Plant

Cattle

**Slaughter Capacity:**  
600 animals/day  
**Deboning:** 2,000 items/day  
**Employees:** 530  
**Start of Operation:** 2013

\* Most modern meatpacking plant in the country for production to the Israeli market (Kösher)

### Água Azul do Norte Plant

Cattle

**Slaughter Capacity:** 850 animals/day  
**Deboning:** 2,800 items/day  
**Employees:** 697  
**Start of Operation:** 2004

### Confinement

#### Água Azul do Norte/PA

Cattle

**Capacity:** 12,600 animais p.a.  
**Cycles:** 2 p.a.  
**Termination:** 120 days

### Semi-confinement

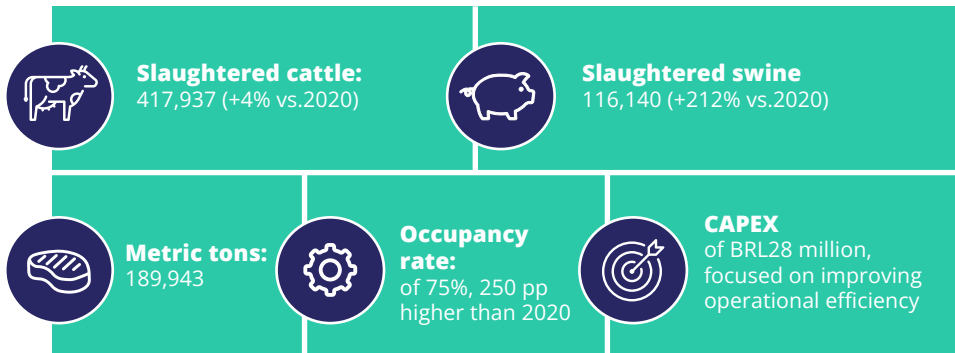
#### São Félix do Xingu/PA

Cattle

**Capacity:** 10,500 animais p.a.  
**Cycles:** 2.5 p.a.  
**Termination:** 120 days



## 6.6 Operational Highlights



### Supply of Raw Material

#### Cattle

The scenario observed in the national Cattle Sector throughout 2021 was challenging, with exports especially to China at an intense pace, and restricted supply of live cattle for slaughter.

#### Cattle arroba price

As a result, the 2020 average arroba weighted per market reached BRL 301 against BRL 223 in the previous year, approximately a 35% increase. We had a 4% growth in the total number of heads slaughtered in 2021, a total of 417,937 heads.

We grew in productivity, jumping to 75% of installed capacity use, as compared to 72% in 2020.

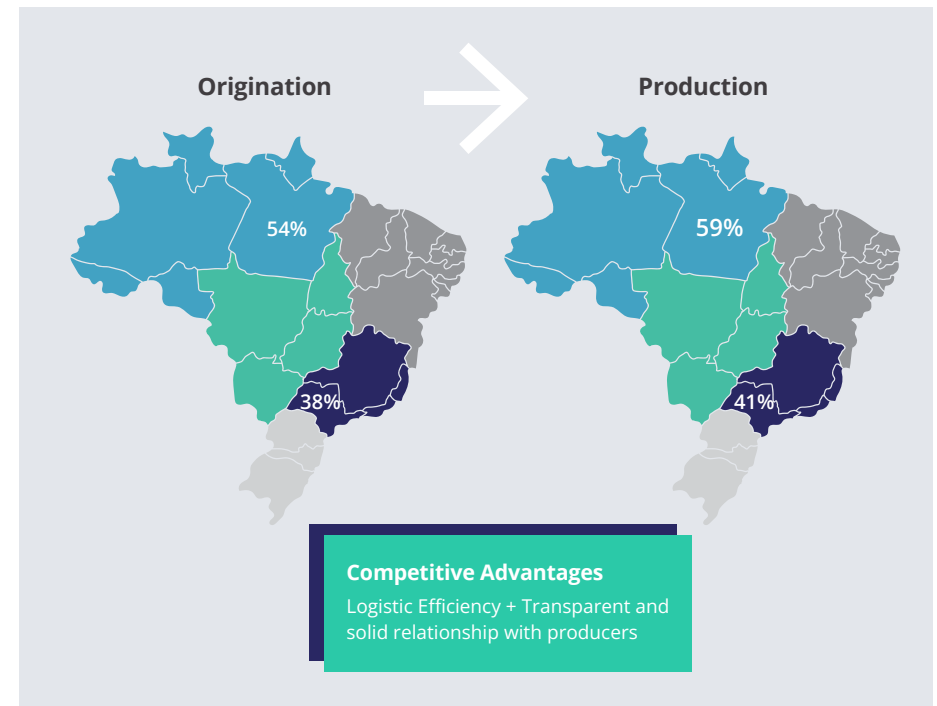
Our investments in 2021 totaled BRL 28 million, focused on improving operational efficiency, to provide the Company with greater dexterity and flexibility in production.

We highlight the main investments:

- Second Deboning Shift to expand sales by benefitting from the inefficiency of other meatpacking houses that do not have deboning capacity, through the purchase of carcasses.
- Implementation of a Continuous Freezing Tunnel at the São Félix do Xingu unit, providing more dexterity in production and shipment.
- Investment in confinement infrastructure to improve the termination of animals with greater adherence to the classifications required for export.

We are located in only two states and our Origination is also very concentrated, significantly reducing our logistical costs to make animals available for slaughter.

### From origin to processing - Logistic Efficiency



# 7.



# Sustainability



# Frigol 2030 Program



# Frigol 2030 Agenda

Continuous improvement of procedures and systems capable of identifying and mitigating environmental risks in a predictive, preventive and corrective manner.



“We are transforming agents in the production chain and we act in a responsible manner and in line with the UN 2030 Agenda and its Sustainable Development Goals.”

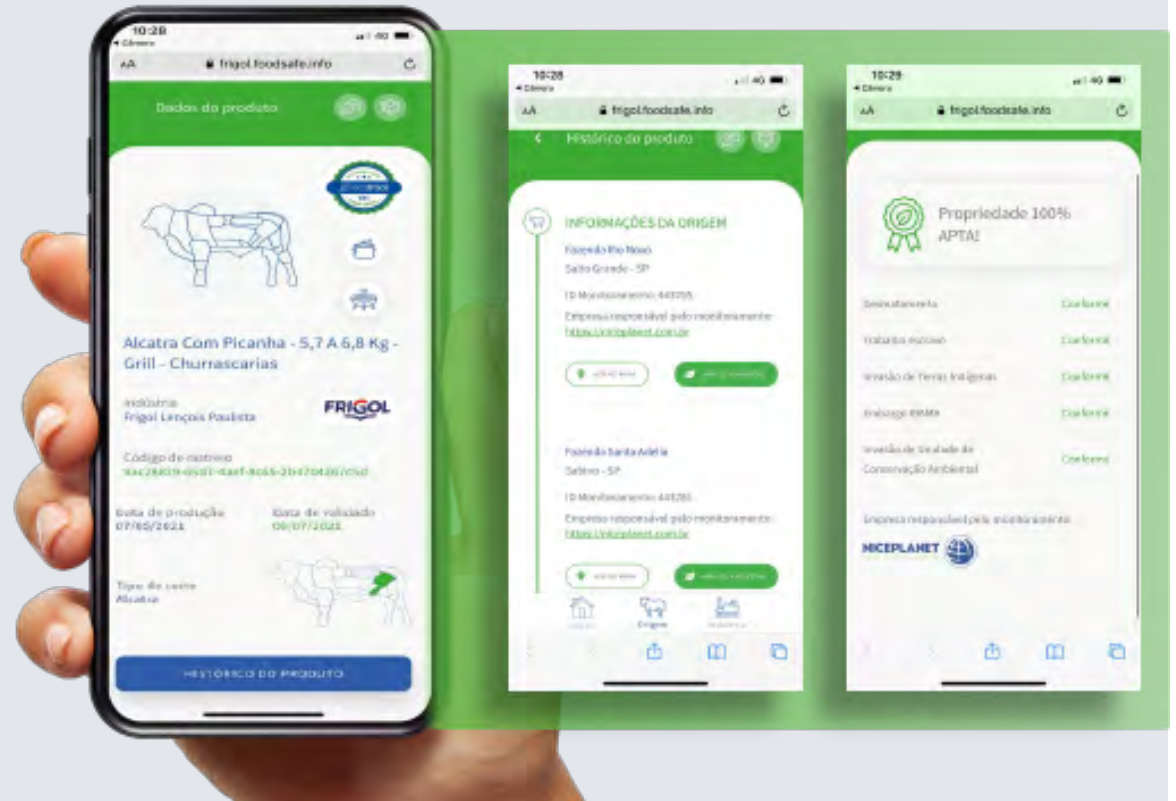
## 7.1 Guarantee of Origin

Sustainability is at the heart of Frigol's strategy and its operation is carried out with the most stringent sustainability processes, from the Origination of the animals to be slaughtered to the delivery of the products to the final consumer.

### Control of origin

QR Code available to consumers, implemented in 2020

Tool developed in partnership with Ecotrace, Niceplanet and Frigol



Frigol, through its Sustainable Origination Policy, aims at setting criteria for the acquisition of animals for slaughter or fattening, taking into account socio-environmental criteria. The performance is based on the following pillars:

- Preserve the environment.
- Preserve social rights.
- Effectively protect the Company in its exposure to environmental risks.
- Proactively and continuously manage environmental risks related to the origination of animals for slaughter or fattening.
- Analyze operations risks based on internal policies.
- Align the objectives of the teams responsible for the Company's risk management process.
- Protect the Company's results.
- Evaluate the effectiveness of policies, together with the People and Sustainability Committee and the Board of Directors periodically.

When it comes to the topic, Frigol has come a long way to promote the improvement of origin control, where the following stands out:

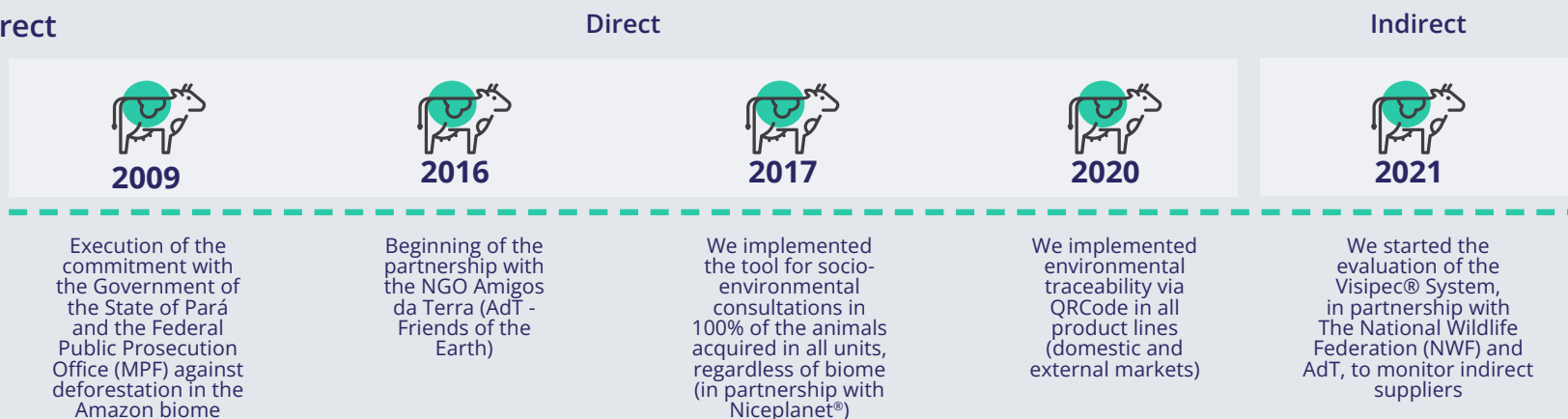
## Direct Suppliers [102-9]

Sustainability is at the heart of Frigol's strategy and production is carried out with the most stringent sustainability processes in the Origination of slaughtered animals. Frigol is the only Brazilian company for the production of animal protein that tracks 100% of the animals originated, and takes the traceability to the final consumer through QRcodes present in 100% of the products in the Domestic and External Markets.

Frigol buys animals in several States — however, predominantly in the States of São Paulo and Pará — ranging from the Amazon biome to the Cerrado. The Company's commitment is to acquire animals from regulated properties, which comply with environmental regulations and fully respect the biomes and biodiversity in which they are inserted. The Sustainability Policy judiciously addresses Origination in the supply chain, requiring environmental documents and rural environmental registration of suppliers. [103 | 304]

The Company defined that, in order to establish any commercial relationship with suppliers, it is first necessary to obtain the basic documents that prove the

## Control of origin – Direct and Indirect



origination and legality of the activities from the CAR (Rural Environmental Registry of the Property) and from the LAR (Rural Environmental Licensing), when applicable. In case of leased property, it is necessary to present an agreement, RG and CPF of the Owner or Lessee. [102-10]

All animals originated for slaughter, in all Frigol units, undergo socio-environmental geomonitoring analysis, where the properties that supply them must be able to meet the following criteria:

- Free from illegal deforestation, regardless of the BIOME where they originate.
- Free from invasion of indigenous lands, quilombolas or conservation units.
- Free from IBAMA Embargoes and/or Illegal deforestation published by the Environment Departments.
- Free from forced and/or slave labor.
- Free from child labor.
- With CAR in good standing.
- No changes to CAR limits.
- With presentation of the Rural Environmental Licensing (LAR) for properties above 3,000 hectares (mandatory for the State of Pará).
- With Animal Transit Guide (GTA) issued, corresponding to purchase operations.
- That the productivity index of animals per hectare does not exceed 3 heads/ha and/or another future index, published in the Monitoring Protocol for Amazon Livestock Suppliers prepared by Imaflora (applicable to the state of Pará). It should be noted that if the property operates in a confinement and/or semi-confinement regime, it may have higher productivity accepted, as long as it issues a self-declaration with photos with evidence, geographic coordinates, and owner's signature.

Frigol monitors producers through the SMGeo platform, which carries out geomonitoring by satellite, based on data from the CAR (rural environmental registry) of the respective properties. The properties that supply animals to Frigol have more than 1 million hectares of preserved area in PPA or Legal Reserve.

After the evaluation and validation of documents considering socio-environmental criteria and geomonitoring in the Platform for Socio-Environmental Analysis and Monitoring of Direct Suppliers of Cattle and Swine, accurate information is generated regarding compliance with agreements and regulations, and from this definition the supplier is cleared or blocked for supply.

Please find below the monitoring summary for the years 2019 to 2021:

Properties per status						
Accommodation	2019		2020		2021	
	Qty.	%	Qty.	%	Qty.	%
Cleared	2,624	83%	2,688	82%	2,120	83%
Blocked	524	17%	581	18%	448	17%
<b>Total</b>	<b>3,148</b>	<b>100%</b>	<b>3,269</b>	<b>100%</b>	<b>2,568</b>	<b>100%</b>

Frigol does not have its own, leased or managed operating units within or adjacent to protection areas. However, it closely monitors its suppliers that fit these characteristics and, in 2021, it had 4,314 operating units of suppliers, and of these 3,554 units fit these characteristics.

**Frigol also monitors the productivity index of suppliers, and those who do not have proof that their activities are carried out in confinement projects are limited to the supply of three heads per hectare.** [102-11]

**Indirect Suppliers**

In 2021, the information cross-checking process was started, to identify deforestation in indirect suppliers, in other words, for the supplier of the Frigol supplier.


The aim is to apply to indirect suppliers the same protocols applied to direct suppliers, in all Biomes and for all production units. This work is being developed together with companies of systems and departments of agriculture

and the environment, allowing the Company to develop monitoring programs within the chain where the direct supplier can carry out its socio-environmental consultations, and avoid purchases in breach of sustainable livestock protocols.

It is important to note that, for the project to be 100% successful, direct access to information or partnerships with the departments of agriculture and environment of each state is essential, which provide access to information on the GTAe (digital animal transit guide), which currently is not public.


With regard to Pará, the project is being developed in partnership with the National Wildlife Federation (NWF) via Software Visipec. For the other states, in partnership with Amigos da Terra — Amazônia Brasileira (AdT) and with Safe Trace (developer of solutions for active traceability) via Connecta software.

**Control of origin**  
Frigol goals



**2022**


Make the checking tool available to direct and indirect supply partners



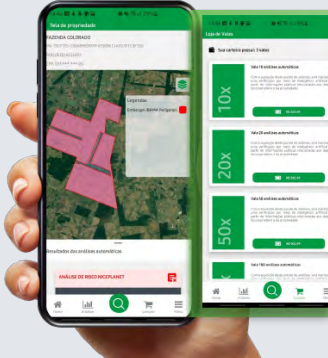
**2030**

Achieve 100% compliance in monitoring indirect suppliers

**Control of origin**  
Checking tool for direct and indirect suppliers

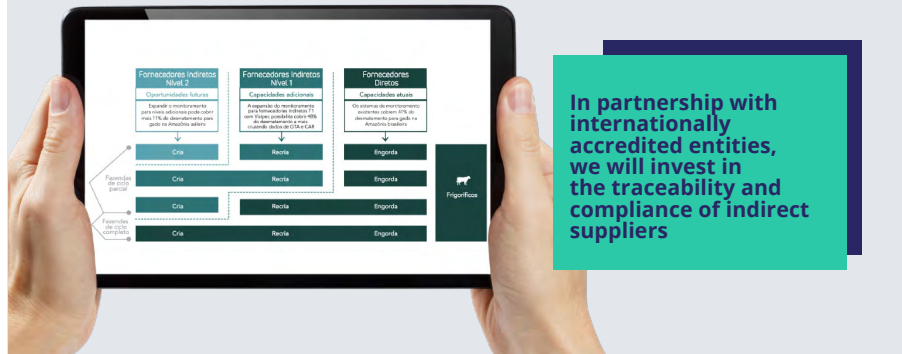


**SMGeo PROSpec®**  
We will make the consultation App available to our partners



**Work collaboratively and proactively, offering tools to develop the segment and for advisory support to partner cattle breeders, with a focus on ensuring compliance and regularization, when applicable**

## Control of origin Indirect Supplier Traceability Tool



### Other Projects

Frigol believes in initiatives for sustainable development and socio-environmental requalification and in 2021 participated in some projects: [\[102-11\]](#)

- Project to fight forest fires in São Félix do Xingu (PA), in partnership with the NGO Amigos da Terra (AdT), where Frigol developed the civil brigade to fight fires, as well as the production of material for guidance for the proper animal management. [\[102-12\]](#)
- Partnership for the development of the Forest Rehabilitation System Project (Sirflor), which provides for the creation and approval of a Requalification Software for cattle breeders that have some type of environmental problem.

In addition to the concern with the management of its chain and operations and aiming at exchanging knowledge and good practices, as well as being part of sectoral changes, Frigol is part of two associations: [\[102-13\]](#)

- ABIEC - Associação Brasileira das Indústrias Exportadoras de Carnes (Brazilian Association of Meat Exporting Industries)
- UNIEC - Associação das Indústrias Exportadoras de Carne/PA. (Association of Meat Exporting Industries/PA)

## 7.2 Animal Welfare

Animal Welfare is established in Frigol's internal policy referred to as BEA (Animal Welfare and Humane Slaughter). The BEA is the set of technical and operational procedures through which the Company provides animal welfare and stress reduction through the precepts of humane slaughter, from loading on the rural property to the meatpacking. [\[103 | FP\]](#)

Frigol is strongly committed to promoting relevant rules for animal protection, guarantee an ethical and safe product, comply with domestic and foreign legislation. The goals are primarily based on the continuous improvement of processes with the animals from loading on the property to slaughter, data collection to quantify some requirements for the preparation of indicators, in addition to seeking international level animal welfare certifications for all the units of the group.

The Company has established and follows the following precepts:

- Practice respect for all animals, avoiding unnecessary suffering with those destined for slaughter at the Company.
- Constantly apply procedures for the welfare of the animals received, respecting legislation, and producing quality products for our customers.
- Increase partnership with cattle suppliers.
- Assist in the management practices on the properties, in the quest for the best animals.

The processes carried out by the Company follow the recommendations established by the Ministry of Agriculture and Food Supply (MAPA), the STEPS Program of the World Animal Protection (WSPA) and the Farm Animal Welfare Committee (FAWC).





## Guarantee of animal welfare



01

Free from thirst, hunger and malnutrition



02

Free from pain, injury and disease



03

Free from discomfort



04

Free to express its normal behavior



05

Free from fear and stress

In the Humane Slaughter and Animal Welfare programs, Frigol implements protocols and best practices during the pre-slaughter and slaughter stages, with the purpose of guaranteeing better quality and safety of the final product. We follow the recommendations established by the Ministry of Agriculture and Food Supply (MAPA), the STEPS Program of the World Animal Protection (WSPA) and the Farm Animal Welfare Committee (FAWC).

Frigol works with different species of animals and three types of accommodation: confinement, pasture and semi-confinement. In the last three years there is a pattern of an increasingly larger number of confined animals, followed by animals raised on pasture and finally semi-confined. [FP11]

### Origin of livestock per type per accommodation

Accommodation	2019		2020		2021	
	Qty.	%	Qty.	%	Qty.	%
Confined	206,973	41%	209,778	43%	197,883	46%
Semi-confined	130,261	26%	138,092	28%	102,205	24%
Pasture	167,252	33%	145,300	29%	128,711	30%
Total	504,486	100%	493,170	100%	428,799	100%

## Animal welfare

Frigol's goals



2025

2025 Implement PAACO\* Certification in cattle and swine units

\*PAACO (Professional Animal Auditor Certification Organization), comprises a series of rules and standards for the transportation and humane slaughter of cattle and swine.

## 2021 Highlights:

- The management team was trained in 2021 by Cloverleaf Animal Welfare Systems, an internationally recognized company specializing in animal welfare, and employee training was intensified, encouraging a culture of good animal welfare practices.

- Event held where the theme of animal welfare was included to disseminate knowledge to all employees of the production units.

- A new training work was also started with carriers, explaining the importance of transportation for the welfare of the animals.

- A manual on animal welfare and humane slaughter was prepared for producers and informative material related to diseases and vaccination of animals.

- In 2021, a corporate manager was hired exclusively responsible for matters related to Animal Welfare.



## 7.3 Waste Management and Treatment

At Frigol, 100% of the water collected and used in the industrial process is treated and returned to the environment, respecting all parameters of applicable state and federal legislation.

As Frigol grows, its impacts also increase, as well as the subsequent concern for them. The Company is aware that a high-quality product is one that is result of a responsible production chain.

Frigol is committed to protecting the environment by avoiding negative impacts. Thus, through internal controls, it monitors its waste generation, electricity, fuel and water consumption, and effluent generation, in addition to its impact on biodiversity. To this end, it strictly complies with the conditions for obtaining Operating Licenses and the legal requirements applicable to each topic.



Natural resources are of essential importance to society and can be depleted if not used correctly. Therefore, Frigol's focus is on the continuous improvement of procedures and systems capable of identifying and mitigating environmental risks in a predictive, preventive and, ultimately, corrective manner. [102-11]

What we do:


- reverse logistics of cardboard packaging and plastic material at customers;
- directs the residual by-products from the slaughter of animals to the Rendering Plant, transforming them into raw material for other industries, such as soap and animal feed. The rumen generated by the animals are destined for composting and become fertilizer that are sent to local rural producers.

Waste management is done responsibly, separating recyclables and non-recyclables, and then sent to a material recycling company.


The Company is committed to encouraging the use of post-consumer recycled materials in packaging, extending reverse packaging logistics to the entire Brazilian territory by 2022 and reducing the volume of waste sent to landfills by 30% by 2025.

### Waste treatment

#### Frigol Goals



Reduce by 30% the volume of waste sent to landfills by 2025



Extend packaging logistics to the entire Brazilian territory by 2022.\*

\* According to the National Solid Waste Policy

## 7.4 Environmental Management

**“Taking care of each process is to respect the environment and the life of everyone.”**

### 7.4.1 Natural Resources and Conscious Use



Natural resources are of essential importance to societies, but can be depleted if not used correctly. We can call natural resources all the elements made available by nature that can be used by human activities.

We are implementing policies and consumption reduction targets for the following items:



## 7.4.2 Water

The animal protein processing activity demands the consumption of a high amount of water resources and, consequently, generates high volumes of wastewater. Aware of its water footprint (and impacts thereof) and its great dependence on the resource, Frigol monitors the performance of water consumption in all its processes, as well as prioritizes the treatment of wastewater, which is why BRL 8.8 million has already been invested from 2013 to 2021 in improvements to its wastewater treatment systems. [303 | 103]

Prior to the discharge of wastewater into water bodies, internal and external analyses (in an accredited laboratory) of wastewater quality parameters are performed, considering the presence of heavy metals, biochemical oxygen demand (BOD), chemical oxygen demand (COD), pH and presence of sedimentable solids, in order to meet the applicable legal requirements and the Operating License (LO) conditions of the units. [303-2]

The Company plans to launch the Zero Waste Water (DAZ) internal program in 2022, and the goal linked to the program is a 15% reduction in water consumption per m<sup>3</sup>/slaughtered animal. Nevertheless, Frigol complies with the regulatory standard that governs the standards of control and surveillance of potability of water of Ordinance GM/MS No. 888 of 05/04/21. As for liquid wastewater, the regulation in the state of São Paulo is Decree No. 8468 of 09/08/76 and in Pará it is in pursuant to CONAMA resolution No. 430 of 05/13/11.

Currently, the Company is supplied by different types of water catchment. At the units located in Lençóis Paulista, the collection is underground and takes place through the pumping of water from wells. For disposal, the Cattle unit discharges after treatment in the Lençóis River and the Rendering Plant and Swine units in an outfall of the industrial district (administered by the municipal authority), then directed to the Lençóis River. [303-1]

In the units located in Pará, water is collected from surface catchment from the river and the disposal after treatment of the unit of Água Azul do Norte/PA is done through the discharge in the Pium river and in the unit of São Félix do Xingu through the discharge in the Xingu river. [303-5]



### What we have already accomplished:

- We monitor the performance of our water consumption in all our operations.

- The treatment of our wastewater has always been a priority in our operations, which is why we have already invested BRL 8.8 million in improvements to treatment systems

**Frigol's goals:** reduce water consumption by 15% by 2025 (liters/animal slaughtered indicator)

Below are the volumes of water harvesting by source:

Swine Unit – Lençóis Paulista, SP Total water harvesting, in m <sup>3</sup> , by source			
Source	2019	2020	2021
i. Surface water	0	0	0
ii. Underground water	617,173	650,284	656,448
<b>Total</b>	<b>617,173</b>	<b>650,284</b>	<b>656,448</b>

Swine Unit – Lençóis Paulista, SP Total water harvesting, in m <sup>3</sup> , by source			
Source	2019	2020	2021
i. Surface water	0	0	0
ii. Underground water	95,728	39,403	123,744
<b>Total</b>	<b>95,728</b>	<b>39,403</b>	<b>123,744</b>

\* In 2020, the Lençóis Paulista, SP Swine Slaughter unit underwent expansions that caused the interruption of activities

Beef Unit – Água Azul do Norte, PA Total water harvesting, in m <sup>3</sup> , by source			
Source	2019	2020	2021
i. Surface water	513,296	518,590	544,864
ii. Underground water	0	0	0
<b>Total</b>	<b>513,296</b>	<b>518,590</b>	<b>544,864</b>

Beef Unit – São Félix do Xingu, PA Total water harvesting, in m <sup>3</sup> , by source			
Source	2019	2020	2021
i. Surface water	263,908	302,193	592,244
ii. Underground water	0	0	0
<b>Total</b>	<b>263,908</b>	<b>302,193</b>	<b>592,244</b>

\* in 2021, Kosher slaughter was started for the Israeli market, its specificities requiring greater use of water for slaughter.

### 7.4.3 Biomass

At Frigol, 100% of the biomass used for the production of steam for the industrial units is certified and comes from forests of exotic trees such as Eucalyptus and Teak. Biomass from management areas or sawmill residues is not consumed.

In 2021, the biomass self-sufficiency (by 2028) project started in Pará with the planting of approximately 280 hectares, divided between the cities of Água Azul do Norte and São Félix do Xingu.

With this project, in addition to generating its own biomass, it will be possible to reduce atmospheric emissions generated in the transportation of firewood, especially in the state of Pará, where these distances reach 700 km.



#### What we have already accomplished:

100% of the biomass of sustainable origin, coming from planted forest areas.

**Frigol Goals:** In 2021, we started planting 280 ha of eucalyptus, which will ensure our self-sufficiency in biomass from 2025 onwards. With planting, approximately 44,880 tons of CO<sub>2</sub> will be sequestered from the atmosphere in the next 7 years.

Please find below the volumes of Biomass consumed:

<b>Beef Unit – Lençóis Paulista, SP</b> <b>Biomass consumption, in m<sup>3</sup></b>			
Source	2019	2020	2021
Biomass	14,398	13,918	11,356
<b>Total</b>	<b>14,398</b>	<b>13,918</b>	<b>11,356</b>

<b>Swine Unit – Lençóis Paulista, SP</b> <b>Biomass consumption, in m<sup>3</sup></b>			
Source	2019	2020*	2021
Biomass	1,396	707	1,891
<b>Total</b>	<b>1,396</b>	<b>707</b>	<b>1,891</b>

<b>Beef Unit – Rendering Plant – Lençóis Paulista, SP</b> <b>Biomass consumption, in m<sup>3</sup></b>			
Source	2019	2020	2021
Biomass	17,206	17,086	19,722
<b>Total</b>	<b>17,206</b>	<b>17,086</b>	<b>19,722</b>

<b>Beef Unit – Água Azul do Norte, PA</b> <b>Biomass consumption, in m<sup>3</sup>, by source</b>			
Source	2019	2020	2021
Biomass	6,451	5,149	5,219
<b>Total</b>	<b>6,451</b>	<b>5,149</b>	<b>5,219</b>

<b>Beef Unit – São Félix do Xingu, PA</b> <b>Biomass consumption, in m<sup>3</sup></b>			
Source	2019	2020	2021
Biomass	3,632	6,369	4,574
<b>Total</b>	<b>3,632</b>	<b>6,369</b>	<b>4,574</b>

#### 7.4.4 Electric Power

Since 2016, we have been purchasing renewable energy on the Free Market. The total amount of renewable energy acquired and consumed from 2016 to 2021 led to the removal of 11,260 tons of CO<sub>2</sub> from the atmosphere.



#### What we have already accomplished:

Since 2016, 11,260 tons of CO<sub>2</sub> have not been emitted by the Company through the acquisition of electricity generated by renewable sources – equivalent to the area of 13,512 soccer fields of planted trees.

**Frigol's goals:** By 2025, ensure that 100% of the electricity used is generated from renewable and/or certified sources.

Below are the volumes of Electric Energy consumed (MWm):

<b>Beef Unit – Lençóis Paulista, SP Energy consumption, in MWm</b>			
<b>Consumption Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MW/h	20,720	21,424	23,852
MW/m	2,365	2,439	2,723

<b>Swine Unit – Lençóis Paulista, SP Energy consumption, in MWm</b>			
<b>Consumption Unit</b>	<b>2019</b>	<b>2020*</b>	<b>2021</b>
MW/h	1,044	597	1,664
MW/m	0.119	0.068	0.190

\*In 2020, the Lençóis Paulista, SP Swine Slaughter unit underwent expansions that caused the interruption of activities.

<b>Rendering Plant - Lençóis Paulista/SP Energy consumption, in MWm</b>			
<b>Consumption Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MW/h	1,050	1,039	1,235
MW/m	0.120	0.118	0.141

<b>Beef Unit – São Félix do Xingu/PA Energy consumption, in MWm</b>			
<b>Consumption Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MW/h	5,027	7,785	7,869
MW/m	0.574	0.886	0.898

<b>Beef Unit – Água Azul do Norte/PA Energy consumption, in MWm</b>			
<b>Consumption Unit</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
MW/h	9,275	10,725	12,655
MW/m	1.059	1.221	1.445

For the year 2022, Frigol already has contracted energy and is prospecting the contracting of Renewable Energy Self-Production projects, aiming at guaranteeing the availability of energy for the next 15 years and the sustainability of the operation, as the prospected projects are from solar sources, fully renewable.

#### 7.4.5 Reduction of Greenhouse Gases

In 2021, Frigol initiated the first Greenhouse Gas Inventory to measure the company's emission level in Scopes 1, 2 and 3.

The report aims at quantifying and identifying emissions, classified by the GHG Protocol (Greenhouse Gas Protocol) into 3 scopes, each with its own specificity. When producing its report, Frigol will work to establish goals and action plans in 2022 to reduce greenhouse gas emissions.



## 7.4.6 Biodiversity and Forest Conservation

Frigol believes that awareness campaigns and private public projects are the way to contribute to raising awareness among the population regarding the containment of deforestation and fires.

With this in mind, the Fire Project was created in partnership with AdT (Amigos da Terra NGO), which seeks through simple actions to make the population aware of the problem of fires, particularly in the municipality of São Félix do Xingu.

The National Center for the Prevention and Combat of Forest Fires (Prevfogo) held between 7/30/2021 and 08/01/2021 the first training of volunteer firefighters in São Félix do Xingu/PA for city residents. The action aims at training participants to build a volunteer brigade in the municipality that can act quickly in the event of a fire.

In addition to the Fire Project, a partnership was established for the development of the first civil brigade to act in the dry season in the prevention and containment of fires. In addition to support in qualification, a donation of leaf blowers was made for effective combat.



### Actions 2020/2021 Fire Project

- 1) Reducing the incidence of fire through commitments and actions to be coordinated and developed by the different sectors interested in participating and cooperating in firefighting work.
- 2) Encourage the replacement of the use of fire when possible.
- 3) Seek alternatives for economic activities in the region, which do not use fire and provide diversification and income to the producer, ensuring environmental sustainability.
- 4) Contribute to improving the quality of life of the population of the municipality, in particular health conditions; as well as strengthening and engagement of society.



8.



# Human and Organizational Development





## 8.1 The meatpacking sector

Traditionally, the meatpacking sector is labor intensive, due to the characteristics of production and the lack of standardization of raw material (animals), which makes the use of more complete automations unfeasible. Due to these characteristics, absenteeism and turnover levels are traditionally higher than in other segments.

## 8.2 The Pandemic

Due to the pandemic and the need for preventive leaves in case of symptoms or family contact with infected people, the industry absenteeism numbers increased in 2020 and 2021. To contain the risks of spreading the disease, sectors have adopted protocols to make the food production environment risk-free.

At Frigol, the challenges were identical and in line with the specific Administrative Rules for the sector and their respective updates, such as Interministerial Ordinance No. 7 of 12/06/2021. A strict protocol was implemented to combat the pandemic, where 97 actions were used to ensure the safety of employees and the safe production of food, among them we highlight:



- An internal policy to prevent Covid in the Workplace was created.
- More than BRL 2 million were invested to guarantee the health and safety of workers.
- Increase in the number of specific employees for cleaning toilets and common areas.
- Creation of a team to audit the policies created and inspection of the use of masks.
- Purchase of rapid tests and PCR, and testing for new employees, return from vacation, control of visitors, etc.
- Increase in the number of employees to supply and guarantee the safety of necessary quarantine from those who tested positive.
- Investments in masks, protective barriers and training.



### 8.3 Profile of Employees

In the last three years, Frigol's workforce has remained stable, most of hiring is for an indefinite period/ full-time. The Company seeks to continually improve working conditions and situations, focusing on employee satisfaction and engagement. [102-8]

During 2021, the retention target and absenteeism rate was not achieved, mainly due to factors related to the region's market competitiveness, as well as the pandemic. Thus, the Company has acted on work strategies, strengthening care and investments in protective masks, support teams for better integration and auditing of work environments. [102-8]

Frigol enables the rights of employees guided by the Consolidation of Labor Laws (CLT) and other legislation and/or administrative rules of the Ministry of Labor. Negotiations are carried out in each Trade Union Regional Office, and preferably with direct negotiation at the base to guarantee the specificities and needs of each region or branch. Currently, 100% of the 2,570 employees are covered by collective bargaining agreements. [102-41]

### 8.3.1 Diversity and Inclusion

#### "At Frigol, opportunities are for everyone"

Frigol is committed to gender equality and does not allow or accept any type of racial, color, religion, weight, special needs, ancestry, social origin or sexual orientation discrimination.

Frigol's workforce is 30% female, both in the State of Pará and in the State of São Paulo.

In 2021, Frigol took another step towards diversity, increasing the presence of women on the Company's Board of Directors, with the inclusion of three female members in a total of seven components.

For People with Disabilities (PwD) the demand, although timid, is growing. There are currently 13 PwD employees, three of whom are women. We maintain publications offering job positions for PwD in regional newspapers to attract this workforce; however, the demand for these vacancies is still small.

With regard to racial distribution, in the last three years the Company had a workforce consisting of a group mostly self-declared brown, followed by white. The number of undeclared for the presented historical series is greater than the self-declared black and yellow group.

Total number of employees who left the Company and turnover rate, by race						
Gender	2019		2020		2021	
	Number	%	Number	%	Number	%
Undeclared	280	10%	282	10%	429	17%
Asian	4	0%	3	0%	3	0%
White	983	35%	967	35%	957	37%
Black	130	5%	121	4%	128	5%
Brown	1,376	50%	1,370	50%	1,053	41%
<b>Total</b>	<b>2,773</b>	<b>100%</b>	<b>2,743</b>	<b>100%</b>	<b>2,570</b>	<b>100%</b>

Over the past few years, the number of women participating in the workforce has increased. It can be seen that, in 2019, the representation of women was 25% of the total number of employees, and in 2021 this number increased to 30%, resulting in an increasing female participation in Frigol operations, as it can be reviewed below:

Distribution by gender			
Gender	2019	2020	2021
	%	%	%
Women	25%	28%	30%
Men	75%	72%	70%
Total	100%	100%	100%

Of the total hiring made by the company, the number of women jumped from 38% in 2019 to 66% in 2021.

Frigol has a relatively young workforce. Last year, 52% of the workforce was under 30 years old, 44% between 30 and 50 years old and only 5% over 50 years old, and basically the same proportion remained for previous years, as shown below:

Total number of own employees, by age group			
Age group	2019	2020	2021
Under 30 years	1,177	1,297	1,331
30 to 50 years	1,455	1,266	1,121
Over 50 years	141	180	118
Total	2,773	2,743	2,570

For outsourced employees, the proportion between men and women is equivalent to that of Frigol and for the year 2021, 82% of outsourced employees were men, as shown below:

Number of outsourced workers, by gender									
Functional category	2019			2020			2021		
	Women	Men	Total	Men	Homens	Total	Women	Men	Total
Intern	1	2	3	0	0	0	3	1	4
Young/ Adolescent Apprentice	0	2	2	0	1	1	7	1	8
Trainees	0	0	0	0	0	0	0	0	0
Service providers	33	356	389	74	384	458	51	277	328
Total	34	360	394	74	385	459	61	279	340

### 8.3.2 Value proposed to the society

Frigol's essence is the search for constant improvement, taking into account that to do better it is necessary to act correctly, and the only way to achieve the Frigol Way - honesty, humility, respect and being accessible - is to develop skills.

The training programs comprise all employees; however, they focus more on leaders, through programs such as Padrinho (Godfather), Desenvolvimento de Líderes e Sou Líder (Leader Development and I'm Leader), Sou Exemplo (I'm an Exemple). All training processes go through the stage of determining objectives, scope, responsibility, classification of training types and updates. [103 | 401] [103 | 404] [404-2]

Efforts to create an environment that is competitive with the market and welcoming to employees are constant and it is understood as evolving together with the Company's growth, so, year after year, initiatives have been created. [103 | 401]

“It’s only good for us if it’s good for everyone.”



Letícia Amélia  
de Oliveira

“Frigol is constantly learning and evolving in the Diversity theme. **We are committed to promoting and generating actions that value differences, always focusing on people’s development**, regardless of their orientations or preferences. We have no doubt that through Diversity and interpersonal relationships we are generating value for society, the Company and its Stakeholders.”



Débora Bento  
de Oliveira

“Transparency and accountability about a company’s practices reflects on its success and prosperity, and ESG is an excellent guide for business. The publication of Frigol’s first Sustainability Report is a way of consolidating all actions and undertaking a commitment, showing that our deliveries are the result of a consistent and lasting process. **We want a more equitable and sustainable society, and we are aware of our interference in social, environmental and governance aspects**. Gender equality is at the forefront at Frigol, and we are expanding women’s leadership positions, thus contributing to diversity and equality.”



Marina Cacciolari  
Oliveira Caçado

“The business environment is increasingly competitive and demanding, and Frigol stands out among the players in the segment. The company’s evolution in recent years and decisions focused on sustainability have brought results that will be detailed throughout the Report. **We want to demonstrate what adds value to us and society**, in addition to understanding our exposure to risks, so that we know how to mitigate them in order to continue generating value in our processes and adapt to changes in the short, medium and long term.”

To encourage the development of its employees, Frigol provides training of the workforce in order to meet delivery expectations, standards and avoid reprocesses. [103 | 404]

The main training provided by the Company is: Leadership Training, Communication, Code of Ethics, Workplace Safety, Good Manufacturing Practices, Safety Dialogue and integrations.

In 2021, Frigol committed to investing in: Personal Protective Equipment (PPE), safety against Covid-19, expanding the external living area of employees, training managers and hiring a company to update positions and salaries. [103 | 401]

The Company is able to identify the positive impact of such stimulus on employee deliveries, because when employees are aware of their routine and activities, delivery is faster due to practical experience with work routines. [103 | 404]



### 8.3.3 Attracting and retaining talents

The Company aims at providing encouragement to employees by offering a package of benefits according to the hierarchical level. Please find below the benefits per group and total invested in the last 3 years: [401-2]

- Health care plan
- Dental Plan
- Life insurance
- Payroll-Linked Loan
- Meal voucher
- On-site restaurant
- Education allowance
- Parking

Expenses with benefits, in BRL thousand	2018	2019	2021
	BRL 11,702	BRL 11,512	BRL 12,084

The well-being of employees is a priority for the Company, and there is an increasing demand for attracting qualified professionals and retaining talent. For this reason, Frigol is constantly improving its benefits.

To increase employee engagement, Frigol implemented actions that aim at creating purpose and meaning for employees:

- Birthday celebration
- Active listening with the Factory through special lunches involving Management and employees
- Individual feedback with new employees
- Congratulation for promotion with letter from presidency
- Framework for the dissemination of new employees to encourage integration and reception
- Communication improvement in bulletin boards
- Celebration on special dates
- Breakfast with new employees
- Sponsor project for welcoming new employees, among others.

Frigol seeks to employ, whenever possible, people from the local community. As it can be seen below: [102-8]

Total number of own employees, by region			
Region	2019	2020	2021
North	1,069	1,062	1,250
Northeast	0	0	0
Center-West	435	423	0
Southeast	1,269	1,258	1,320
South	0	0	0
<b>Total</b>	<b>2,773</b>	<b>2,743</b>	<b>2,570</b>

It also has policies that make it possible to create first job opportunities, develop careers within the Meatpacking plant, as well as create internal opportunities for growth, increasing internal recruitment. Another relevant point is the search for hiring within the family. The Company believes that creating ties and generating employment opportunities for a family generates commitment and an increase in income in these households, providing a better financial condition for these employees. For family members, the selection process takes place on an equal basis for non-family members of employees, and the hiring is a result of the performance in the selection process.

When a new internal job position is opened, the Human Resources department communicates the opening of a spot to employees with the requirements, description of activities and form of application. Those who fit the profile have to go through interviews, psychological and practical tests and, after hiring, a job transition. [404-2]

The hiring profile continues to be young adults under the age of 30, a group that in 2021 had a hiring rate of 69%, followed by the hiring of employees between 30 and 50 years old, with a rate of 30%, as shown in the table:

Total number and rate of new hires, by age group						
Age Group	2019		2020		2021	
	Number	%	Number	%	Number	%
Under 30 years	833	62%	800	63%	1,067	69%
30 to 50 years	489	36%	446	35%	473	30%
Over 50 years	32	2%	32	3%	17	1%
<b>Total</b>	<b>1,354</b>	<b>100%</b>	<b>1,278</b>	<b>100%</b>	<b>1,557</b>	<b>100%</b>

In 2021, one unit in the group was closed - Cachoeira Alta - GO. Despite this event, there is an increase in hiring over the years. The increase in the hiring of labor under 30 years of age is mainly due to the incentives to generate a first job.

The region with the highest employability for 2021 refers to the North of the country. The Pará units accounted for 61% of hiring increases between 2020 and 2021.

Total number and rate of new hires, by region						
Region	2019		2020		2021	
	Number	%	Number	%	Number	%
North	537	40%	515	40%	951	61%
Northeast	0	0%	0	0%	0	0%
Center-West	282	21%	237	19%	36	2%
Southeast	535	40%	526	41%	570	37%
South	0	0%	0	0%	0	0%
<b>Total</b>	<b>1,354</b>	<b>100%</b>	<b>1,278</b>	<b>100%</b>	<b>1,557</b>	<b>100%</b>

Retaining talent is a sector challenge. There are a large number of rules, operational quality practices and technical standards to be followed, and the employee is directly affected.

The search for retaining new employees is constant; however, there is still a high turnover, as shown in the table: [401-1]

Total number of employees who left the Company and turnover rate, by age group						
Age group	2019		2020		2021	
	Number	%	Number	%	Number	%
Under 30 years	702	56%	717	53%	1,048	59%
30 to 50 years	501	40%	569	42%	669	38%
Over 50 years	52	4%	76	6%	49	3%
<b>Total</b>	<b>1,255</b>	<b>100%</b>	<b>1,362</b>	<b>100%</b>	<b>1,766</b>	<b>100%</b>

We can analyze below that the rate is similar for the genders:

Total number of employees who left the Company and turnover rate, by gender						
Gender	2019		2020		2021	
	Number	%	Number	%	Number	%
Women	239	19%	322	24%	520	84%
Men	1,016	81%	1,040	76%	1,246	84%
<b>Total</b>	<b>1,255</b>	<b>100%</b>	<b>1,362</b>	<b>100%</b>	<b>1,766</b>	<b>84%</b>

To reduce this indicator, the Company developed specific actions for new employees, such as the specific performance evaluation for this audience with more frequent feedback, appointment of an older employee of the Company to “sponsor” those who are joining the company with a focus on creating interaction and welcoming the new member, identification and appreciation with “be welcome” and dissemination to other employees, as well as investment in uniforms, badges and items that demonstrate appreciation and positive expectations of the Company towards employees. Investment in training and salary structure through market research are applied to achieving the goals.

**In 2021, we hired a market salary survey with the main competitors and segment, in addition to hiring a consulting firm to review and design a more strategic HR, reviewing policies, structure of positions and salaries and performance.**







### 8.3.4 Our Communities

#### “Supporting the communities in which we operate”

Frigol has intensified its efforts to build partnerships to improve the communities where it operates. Through donations to charitable institutions and the allocation of tax incentives, such as incentives to culture, it provides better living conditions, sports and culture to the population of the communities.

This is a growing topic at the Company and in 2021 a specialized company was hired to develop project analysis in the cities of Lençóis Paulista, Água Azul do Norte and São Félix do Xingu. This project aims at identifying regional needs so that Frigol can define priorities for social investment. The project will be completed in the first half of 2022 and will guide social investment.

In the meantime, it will maintain investments in traditional institutions to guarantee the necessary assistance to communities. As follows:



Frigol recognizes its role as an agent of change and fosters development beyond the borders of its units, enabling the growth of the community in which it operates. It has invested more than BRL 2 million in social actions since 2013.



9.



# GRI Content Index

[102-55]

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	102-44 Key topics and concerns raised	Page 04 In addition to engaging stakeholders to prepare the Materiality Matrix, the last internal climate survey was carried out in 2017 and will not be presented	-

General Disclosures			
Reporting practices			
GRI Standard	Disclosure	Page / Answer	Omission
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	The Consolidated Financial Statements cover all operations	-
	102-46 Defining report content and topic boundaries	Page 03	-
	102-47 List of material topics	Page 04	-
	102-48 Restatements of information	-	NA This is Frigo's first sustainability report
	102-49 Changes in report	-	NA This is Frigo's first sustainability report
	102-50 Reporting period	Page 03	-
	102-51 Date of most recent report	-	NA This is Frigo's first sustainability report
	102-52 Reporting cycle	Page 03	-
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	102-54 Claims of reporting in accordance with the GRI Standards	Page 03	-
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	102-56 External assurance	The information presented in this document has not undergone external assurance.	-

Material topics			
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	103-3 Evaluation of the management approach	Page 19	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 20	-
	205-2 Communication and training about anti-corruption policies and procedures	Page 20	ND Worker data, as well as employee data for 2019 and 2020, has not been presented, as the company did not carry out this control.
	205-2 Communication and training about anti-corruption policies and procedures	Page 20	-

Material topics			
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GRI Standard	Disclosure	Page / Answer	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 36	-
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GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Page 36	-
	303-2 Management of water discharge-related impacts	Page 36	Data for 2019 and 2020 not available as the Company is undergoing a process of standardizing water meters to calculate consumption and control reduction targets.
	303-5 Water consumption	Page 36	Data for 2019 and 2020 not available as the Company is undergoing a process of standardizing water meters to calculate consumption and control reduction targets.
Biodiversity			
GRI Standard	Disclosure	Page / Answer	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 38	-
	103-2 The management approach and its components	Page 38	-
	103-3 Evaluation of the management approach	Page 38	-

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	NA There are no owned, leased or managed operating units within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas.
	304-2 Significant impacts of activities, products and services on biodiversity	-	NA
	304-3 Habitats protected or restored	-	NA
Environmental compliance			
GRI Standard	Disclosure	Page / Answer	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 22	-
	103-2 The management approach and its components	Page 22	-
	103-3 Evaluation of the management approach	Page 22	-
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	-	NA Frigol has not recorded significant fines or non-monetary sanctions for noncompliance with environmental laws or regulations.
Employment			
GRI Standard	Disclosure	Page / Answer	Omission
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 43	-
	103-2 The management approach and its components	Page 43	-

GRI 103: Management approach 2016	103-3 Evaluation of the management approach	Page 43	-
GRI 401: Employment 2016	401-1 New hires and employee turnover	Page 47	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 46	-
<b>Training and education</b>			
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page / Answer</b>	<b>Omission</b>
GRI 103: Management approach 2016	GRI 103: Management approach for 2016	Page 44	-
	103-2 The management approach and its components	Page 44	-
	103-3 Evaluation of the management approach	Page 44	-
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	-	NA There is no control of training hours tool, and for this reason, the values were not presented in the report.
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 44	-
	404-3 Percentage of employees receiving regular performance and career development reviews	-	NA Frigol does not have a performance evaluation process. It will be carried out as from the year 2022. Project under development.

<b>Socioeconomic compliance</b>			
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page / Answer</b>	<b>Omission</b>
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 17	-
	103-2 The management approach and its components	Page 17	-
	103-3 Evaluation of the management approach	Page 17	-
GRI 419: Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	-	NA Frigol has not recorded significant fines or non-monetary sanctions for noncompliance with socioeconomic laws or regulations.
<b>Procurement/Sourcing Practices</b>			
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page / Answer</b>	<b>Omission</b>
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 32	-
	103-2 The management approach and its components	Page 32	-
	103-3 Evaluation of the management approach	Page 32	-
GRI G4 Food Processing Sector Disclosures - Procurement/ Sourcing Practices	FP1 Percentage of the volume purchased from suppliers in compliance with the company's purchasing policy	-	-
	FP5 Percentage of the production volume manufactured at sites certified by an independent third party in accordance with internationally recognized food safety management system standards	-	NA There is no international certification for the sustainable purchase of animals.

GRI 103: Management approach 2016	103-1 Explanation on the material topic and its limits	Page 32	-
	103-2 Management approach and its components	Page 32	-
	103-3 Evaluation of the management approach	Page 32	-
GRI G4 Food Processing Sector Disclosures - Animal welfare	FP9 Percentage and total of animals raised and/or processed, by species and breed type	-	NA The Company does not control this data, only the number of animals raised.
	FP11 Percentage and total of animals bred and/or processed, by species and breed type, by housing type	Page 33	-
	FP13 Total number of incidents of significant noncompliance with laws and regulations and adherence to voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	-	NA Frigol has not recorded significant fines or non-monetary sanctions for noncompliance with animal welfare laws or regulations.

# 10.



## Credits

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