

# AUDIT REPORT TEMPLATE FOR THE MONITORING OF CATTLE SUPPLIERS

## Summary

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## INTRODUCTION

*Instruction for auditors: use the predefined text below and only fill in the fields in grey.*

This report aims to present the results achieved in the verification audit conducted at COMPANY NAME.

This report follows the "**Protocol for Cattle Commitments in the Amazon**" v01, which sets out the guidelines duly approved by the Public Prosecutor's Office, and which must be followed by independent auditors during the assessment of the monitoring of beef cattle suppliers put in place by the meatpackers that have signed the commitments.

The findings reported hereby include the description of the audit procedures, the description of the processes used by the companies to monitor cattle purchases, the registering of noncompliances and the respective evidence and the audit conclusion.

## I - GENERAL INFORMATION

Place and date:

DD/MM/YYYY

to

DD/MM/YYYY

City: City, State

Details of the audit organisation:

Audit organisation	
Name:	Click here to enter text.
Address:	Click here to enter text.
Contact (name and phone/e-mail):	Click here to enter text.

The audit team was composed of the following auditors (confidential):

Auditor's name	Title	Qualifications (short CV)
AUDITOR'S NAME	Choose an option.	Description
AUDITOR'S NAME	Choose an option.	Description
AUDITOR'S NAME	Choose an option.	Press TAB to add rows

Audit scope

Unit name	Type of operation	No. of inspection service (SIF, SIE or SIM)	CNPJ corporate taxpayer registry no.	Place (City, State)
				Press TAB to add rows

*Instruction for auditors: describe the business units of the company that sources cattle from the Amazon.*

Scope of public commitments of the audited organisation:

TAC with the Public Prosecutor's Office of Pará state

Beef TAC: describe the applicable states: \_\_\_\_\_

Public Cattle Commitment in the Amazon

Access to data and systems

The audit team states hereby that the access to the resources needed, such as systems, programs, documents, employees and physical areas, under the audited scope was Choose an option. and provided Choose an option. conditions for the audit to be conducted.

Database provided by the Public Prosecutor's Office:

Yes

No

Comments on the database: \_\_\_\_\_

## II - OVERALL OUTCOME OF THE AUDIT

Based on the procedures applied and the results reported, on the information and processes associated with the monitoring of cattle suppliers, for compliance with commitments, referring to the cattle purchase period from DD/MM/YYYY to DD/MM/YYYY, we have concluded that:

1. **Criterion 1** - the company has Choose an option. the requirement of keeping auditable records of production lots of its beef products by listing the origin of the cattle and other control elements.
2. **Criterion 1** - the company Choose an option. the requirement to issue a list of registered and unregistered suppliers to the Public Prosecutor's Office.
3. **Criterion 2 to 8** - the company presented XX - enter the % of compliant purchases (and a confidence interval XX - enter the %) with the terms of the applicable TACs (Pará and Legal Beef).
4. **Criterion 9**- the company Choose an option. the requirement to inform the farm lots to its consumers online, with the respective municipality/state of origin of the cattle.
5. **Criterion 10** (if applicable) - the company submitted enter number % of purchases that comply with the terms of the Public Cattle Commitments.

### Audit statement

*Instruction for auditors: mandatory completion. The description must be clear and must not contradict the above conclusion.*

*Briefly provide additional comments that the auditor believes support the above conclusion: in the case of compliance (strengths, good monitoring practices used and considered as benchmarks) or in the case of noncompliances (weaknesses and inconsistencies found).*

### Limitations of the audit

*If the auditor finds any difficulty or limitation in reaching a conclusion about the audit outcome, the hindrance must be reported in the report.*

*Important: The criteria of the Monitoring Protocol for Cattle Suppliers in the Amazon not complied with by the meatpacker will not be considered a limitation and must be recorded as noncompliances in the monitoring management criteria or as noncompliant purchases, as applicable.*

## Summary of noncompliant purchases

*Instruction for auditors: The table below must 1) consolidate the data for all company units (Overall Result), 2) have one for each state (result by TAC) and 3) have one table per audited unit, specifying the address, CNPJ taxpayer number and company's registration number with the relevant inspection service (SIF, SIE or SIM).*

**Table 1 - Summary of total/sampled cattle purchases (TAC)**

TAC criteria	Purchase transactions*		Head of cattle*	
	No.	%	No.	%
<b>Total purchases and heads of cattle (universe)</b>	10,000	100%	50,000	100%
<b>Total purchases and heads of cattle evaluated by sampling</b>	3,000	30%	25,000	50%
1. Compliant purchases	2,800	93.3%	15,000	60%
2. Justified compliant purchases	180	6.0%	7,500	30%
3. noncompliant purchases	20	0.7%	2,500	10%
<b>Description of noncompliant purchases(**)</b>				
<b>Criterion 2: Environmental embargo and slave labour</b>				
With embargo due to deforestation by Ibama (vector)	-	-	-	-
With embargo due to deforestation by Ibama list	5	0.2%	600	2.4%
With state environmental embargo (e.g: SEMAS/ PA-LDI)	2	0.1%	500	2%
On the slave labour list	-	-	-	-
<b>Criterion 3: CAR and changes to the CAR boundaries</b>				
No (or invalid) CAR	10	0.3%	700	2.8%
With change in CAR boundaries	2	0.1%	500	2%
<b>Criterion 4: Illegal Deforestation</b>				
With illegal deforestation after 01/Aug/2008	15	0.5%	2,000	8%
<b>Criterion 5: Indigenous Land and Protected Areas</b>				
With overlap on Protected Areas	-	-	-	-
With overlap on Indigenous Land	-	-	-	-
<b>Criterion 6: Rural Environmental License (LAR)</b>				
Without valid LAR in Pará	-	-	-	-
<b>Criterion 7: Animal Transit Guide (GTA)</b>				
Without GTA of property of origin	-	-	-	-
<b>Criterion 8: Productivity</b>				
Over the productivity limit without justification	18	0.6%	2,300	9.2%

(\*) The data presented must refer to the sample of verified purchases.

In procurement operations, if the audit was based on the GTA information provided by the Public Prosecutor's Office, record the number and % in relation to the GTAs. If the audit was based on information in the company's procurement list, record the number and % in relation to the purchases.

(\*\*) Some purchases may have more than one irregularity. As such, the sum of transactions/number of heads of cattle from noncompliant purchases does not match the total cattle purchases. The final percentage refers to the sum of cattle purchases, and does not consider the description of noncompliant purchases.

*Instruction for auditors: for signatory companies of the Public Cattle Commitment, the table below must also be reported, with the assessment of purchases in the zero deforestation criteria, consolidating the data for all the company units (overall result).*

**Table 2 - Summary of total/sampled cattle purchases (CPP)**

Zero Deforestation (Criterion 10)	Purchase transactions*		Head of cattle*	
	No.	%	No.	%
1. Compliant purchases				
2. Justified compliant purchases				
3. noncompliant purchases				
<b>Total purchases and heads of cattle evaluated by sampling</b>		<b>100%</b>		<b>100%</b>

\* The data presented must refer to the sample of verified purchases and that which represents the total universe of purchases.

In procurement operations, if the audit was based on the GTA information provided by the Public Prosecutor's Office, record the number and % in relation to the GTAs. If the audit was based on information in the company's procurement list, record the number and % in relation to the purchases.

### Summary of noncompliances

*Instruction for auditors: The NCs refer to the Management System indicators and should be consistent with the evidence included in the report.*

- noncompliance (NC) on criterion 1 - registration of cattle purchases**

No.	01/01	Aspect of the NC	Registration of cattle purchase
Description of the NC			
<i>Briefly describe the noncompliance issued with basis on the item assessed and mention the requirement and indicator that is not in compliance.</i>			
Evidence			
<i>Briefly describe the evidence found that justifies the NC.</i>			

- noncompliance (NC) on criterion 9 - procedures for communication and transparency**

No.	01/01	Aspect of the NC	Communication and transparency
Description of the NC			
<i>Briefly describe the non-compliance issued with basis on the item assessed and mention the requirement and indicator that is not in compliance.</i>			
Evidence			
<i>Briefly describe the evidence found that justifies the NC.</i>			

- **noncompliances (NC) in the management criterion - supplier monitoring system and in the Audit Process**

*Instruction for auditors: The noncompliance applies to the cattle supplier monitoring system or is related to the audit process in the assessment of the monitoring system. Issue a noncompliance for each aspect of the monitoring system established by the company that is not fully met. Replicate the table below in the case of more than one noncompliance so that every NC can be recorded individually.*

No.	01/XX	Aspect of the NC	Choose an option.
<b>Description of the NC</b>			
<i>Briefly describe the noncompliance issued with basis on the item assessed and mention the requirement and indicator that is not in compliance.</i>			
<b>Evidence</b>			
<i>Briefly describe the evidence found that justifies the NC.</i>			

### **Description of sampling applied**

*Describe which sampling methodology was applied (**complete or optimized**), as determined by Annex I of the Audit Protocol.*

*Instruction for auditors: mandatory completion. The description must include the methodology used, the confidence interval, the number of samples checked and the methodology used to stratify and select the samples.*

### **General comments**

*Instruction for auditors: blank space for the auditors to complement information that is not pertinent to other fields available in the Audit Report*

### III - RESULTS OF THE VERIFICATION Compliance with the TACs (confidential)

*Instruction for auditors: to comply with the TACs, companies with units in more than one state must have the results of Criteria 1 to 9 completed SEPARATELY by state.*

#### Criterion 1: Registration of cattle purchase

Table 3 - Compliance criteria for the registration and control of cattle purchases

<b>Criterion 1: Registration and control of cattle purchases</b>
<b>Item checked:</b> Quality of cattle purchase registration system.
<b>Indicator #11:</b> All cattle purchases from direct suppliers are registered (procurement list).
<i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the cattle procurement system that led to the conclusion about the compliance or noncompliance of the indicator. E.g.: the XXX procedure that guides the registration of purchases was checked, the procedure has a flowchart and includes the steps, necessary documents and responsibilities. The purchases registered on the HGH system were checked by the procurement agent, and are verified by the sustainability coordinator. No cattle purchases were found that were not registered in the HGH system, except for the GTAs that the meatpacker did not recognise and which will be shown in ANNEX IV. The procurement list was extracted by the IT coordinator and it was possible to verify that the only filters applied were regarding the State and the audited period.</i>
<b>Compliance:</b> <i>Compliant/noncompliant</i>
<b>Evidence:</b> <i>Objectively describe the evidence analysed. E.g.: document XXX, HGH System, interview with the cattle procurement manager and the sustainability coordinator. <u>Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.</u></i>
<b>Extraction of the cattle procurement list</b>
<i>Describe the procedure used to extract the cattle procurement list, naming the systems that were accessed by the auditor during the verification as well as their stages. What are the strengths and weaknesses of the implemented system that has been tested? E.g.: The procurement list was extracted from the HGH system using filters for production unit XXX and period XXX to XXX. The extraction was accompanied by the IT specialist and we were able to check the schedule, filters and blocks of the system. The system is fully automated, but does not have a record of the updates, which may indicate a weakness and a risk of changes after registration.</i>
<b>Conclusion:</b> <ul style="list-style-type: none"><li>• No. of total cattle purchases in the period: XX%</li><li>• No. of heads of cattle in the period: XX%</li></ul> <i>Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.</i>

<b>Criterion 1: Registration and control of cattle purchases</b>	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>
<b>Indicator #12:</b> Lists of accredited and non-accredited suppliers are maintained and provided by the Public Prosecutor's Office.	
<i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i>	
<i>E.g.: The list of accredited and unaccredited parties in the period under assessment was checked, however, the meatpacker did not send the list to the Public Prosecutor's Office even though it had not received any official letter exempting it from submitting it, which is construed as a noncompliance. No six-month lists are generated, even though all suppliers are registered in the HGH system, and when a supplier is blocked they are flagged in the system.</i>	
<b>Compliance:</b> <i>Compliant/noncompliant</i>	
<b>Evidence:</b> <i>Objectively describe the evidence analysed.</i> <i>E.g.: document YYY, HGH System, interview with the cattle procurement manager and the sustainability coordinator.</i> <u><i>Instruction for auditors:</i></u> <i>Digital or scanned records must be organised in a digital file for subsequent analysis.</i>	



Criterion 1: Registration and control of cattle purchases	
E. 01 – Insert evidence and a brief description	E. 02 – Insert evidence and a brief description

## Criterion 2: Environmental embargo and slave labour

Table 4 - register all noncompliant purchases according to the Ibama embargo list criteria

Corporate name or title of offender	CPF/CNPJ taxpayer number of the offender	Deforested area (ha)	Violation notice number	Municipality/State	Date of listing	Polygon of embargoed areas
						Press TAB to add rows

*Instruction for auditors:* Include one line per noncompliant purchase in the Ibama embargo list criteria. In the case of signatories with more than one Business Unit, the audit must include the tables for each state and for each Business Unit separately, specifying their address, tax registration number (CNPJ) and company registration number with the relevant inspection service (SIF, SIE or SIM).

Table 5 - register all noncompliant purchases according to the state embargo list criteria (e.g.: LDI Semas/PA)

Corporate name or title of offender	CPF/CNPJ taxpayer number of the offender	CodList	CAR no.	CAR status	Year of deforestation	Deforested area (ha)	Area deforested in the CAR - APRT (ha)	Municipality/State	Date of listing	Source

Corporate name or title of offender	CPF/CNPJ taxpayer number of the offender	CodList	CAR no.	CAR status	Year of deforestation	Deforested area (ha)	Area deforested in the CAR - APRT (ha)	Municipality/State	Date of listing	Source
										Press TAB to add rows

*Instruction for auditors:* Include one line per noncompliant purchase in the state embargo list criteria (e.g.: of Semas/PA) In the case of signatories with more than one business unit, the audit must include the tables for each business unit separately, specifying their address, tax registration number (CNPJ) and company registration number with the relevant inspection service (SIF, SIE or SIM).

### Description of the criteria verification:

**Table 6 - Compliance Criteria for Environmental Embargo and Slave Labour**

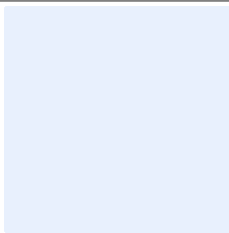
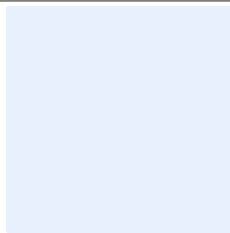
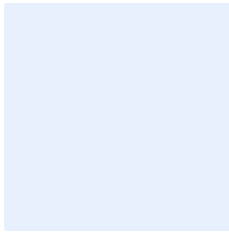
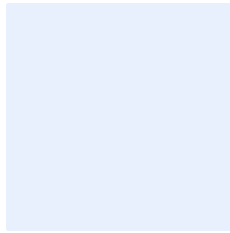
<b>Criterion 2:</b> Block suppliers who are not compliant with the environmental and slave labour embargo criteria
<b>Verified item:</b> control over cattle purchases from direct suppliers.
<b>Indicator #13:</b> Purchases of properties, producers or suppliers with areas embargoed by Ibama [Vector] are blocked.
Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator. E.g.: The company purchased no products from areas embargoed by Ibama. Based on the analyses, no purchase was made from suppliers with areas embargoed by Ibama (xx/xx/xx to xx/xx/xx). The meatpacker carries out a geo-spatial analysis through the company AgroNN and if the properties are identified as NONCOMPLIANT, they are blocked in the HGH system. The blocking system has been shown to work properly.
<b>Evidence:</b> Objectively describe the evidence analysed. HGH system. Interview with the sustainability coordinator. <i>Instruction for auditors:</i> Digital or scanned records must be organised in a digital file for subsequent analysis.
<b>Conclusion:</b> <ul style="list-style-type: none"> <li>noncompliant purchases: XX%</li> <li>Justified compliant purchases: XX%</li> </ul>

<b>Criterion 2: Block suppliers who are not compliant with the environmental and slave labour embargo criteria</b>	
<b>E. 01 – Insert evidence and a brief description</b>	<b>E. 02 – Insert evidence and a brief description</b>
<b>E. 03 – Insert evidence and a brief description</b>	<b>E. 04 – Insert evidence and a brief description</b>
<b>Indicator #14: Purchases of properties, producers or suppliers with areas embargoed by Ibama [list] are blocked.</b>	
<p><i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i></p> <p><i>E.g.: The company has made no purchase from an area embargoed by Ibama.</i></p> <p><i>Based on the analyses, no purchase was made from suppliers with areas embargoed by Ibama, from xx/xx/xx to xx/xx/xx. The meatpacker carries out an assessment of the embargo list and if the properties are found in this list, they are blocked in the HGH system. The blocking system has been shown to work properly.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>E.g.: "Purchase record, Ibama embargo list, HGH System, interview with the geoprocessing manager and the sustainability coordinator. Unblocking authorisation documents.</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>● Noncompliant purchases: XX%</li> <li>● Justified compliant purchases: XX%</li> </ul>	

<b>Criterion 2: Block suppliers who are not compliant with the environmental and slave labour embargo criteria</b>	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>
<b>Indicator #15:</b> Purchases from properties, producers or suppliers with areas under state environmental embargo due to deforestation are blocked (when applicable, e.g.: Semas-PA, LDI).	
<p><i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i></p> <p><i>E.g.: The company has not made any purchase from an area embargoed by Sema/PA.</i></p> <p><i>Based on the analyses, no purchase was made from suppliers with areas embargoed by Sema/PA, from xx/xx/xx to xx/xx/xx. The meatpacker carries out an assessment of the embargo list and if the properties are found in this list, they are blocked in the HGH system. The blocking system has been shown to work properly.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>Ex.: Purchase record, Sema/PA embargo list, HGH System, interview with the sustainability coordinator. Unblocking authorisation documents.</i></p> <p><i><u>Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.</u></i></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>● Noncompliant purchases: XX%</li> <li>● Justified compliant purchases: XX%</li> </ul>	

<b>Criterion 2: Block suppliers who are not compliant with the environmental and slave labour embargo criteria</b>	
<b>E. 01 – Insert evidence and a brief description</b>	<b>E. 02 – Insert evidence and a brief description</b>
<b>E. 03 – Insert evidence and a brief description</b>	<b>E. 04 – Insert evidence and a brief description</b>
<b>Indicator #16: Purchases of properties, producers or suppliers that are on the black list of slave labour are blocked.</b>	
<p><i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i></p> <p><i>E.g.: The company made no purchase from an area included in the slave labour list. Based on the analyses, no purchase was made from suppliers with areas included in the slave labour list, from xx/xx/xx to xx/xx/xx. The meatpacker carries out an assessment of the slave labour list and if the properties are found in this list, they are blocked in the HGH system. The blocking system has been shown to work properly.</i></p>	
<p><b>Evidence:</b>  <i>Objectively describe the evidence analysed.</i>  <i>Ex.: "Purchase record, slave labour list, HGH System, interview with the sustainability coordinator.</i>  <u><i>Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.</i></u></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>● Noncompliant purchases: XX%</li> <li>● Justified compliant purchases: XX%</li> </ul>	

<b>Criterion 2: Block suppliers who are not compliant with the environmental and slave labour embargo criteria</b>	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description
<b>E. 03</b> – Insert evidence and a brief description	<b>E. 04</b> – Insert evidence and a brief description
<b>Indicator #17:</b> Purchases from properties, producers or suppliers that have been sentenced in court by the Public Prosecution Offices for the practice of slave labour are blocked.	
<p><i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i></p> <p><i>E.g.: The sustainability coordinator reported that properties that have a court conviction when the lists from the Public Prosecutor's Office are received are blocked. The last list of properties, producers and suppliers with judicial convictions sent by the Public Prosecutor's Office was on xx/xx/xxxxx. At the time of registration of the purchase, an assessment is made of the property to check for court convictions. In the case of a farm and/or producer on the list, the property is blocked in the HGH system. The blocking is carried out manually by the sustainability area. The company presented the assessment made, including a review of the documents to assess if an unblocking can occur. All documentation is kept in a property file and was checked in the audit.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>"list of properties, producers and suppliers with a court conviction by the Public Prosecutor's Office on xx/xx/xxxxx, HGH System, interview with sustainability coordinator.</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>	

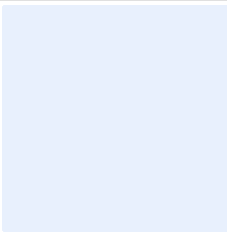
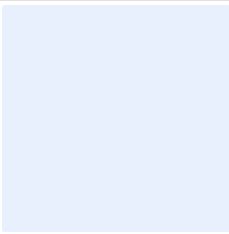
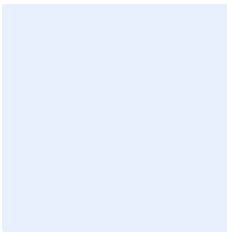
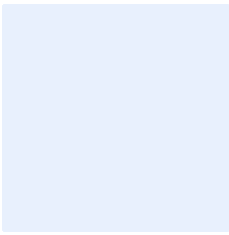
<b>Criterion 2:</b> Block suppliers who are not compliant with the environmental and slave labour embargo criteria	
<b>Conclusion:</b>	
<ul style="list-style-type: none"> <li>• Noncompliant purchases: XX%</li> <li>• Justified compliant purchases: XX%</li> </ul>	
	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
	
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>

### Criterion 3: CAR and changes to the CAR boundaries

#### Description of the criteria verification:

Table 7 - CAR compliance criteria and change in CAR boundaries

<b>Criterion 3:</b> Block suppliers that are not in compliance with the CAR criteria and any changes in the CAR boundaries
<b>Verified item:</b> control over cattle purchases from direct suppliers.
<b>Indicator #18:</b> Purchases from properties without presentation of the CAR are blocked.
<i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i>

<b>Criterion 3:</b> Block suppliers that are not in compliance with the CAR criteria and any changes in the CAR boundaries	
<i>E.g.: Based on the analyses carried out xx purchases were made without CAR or with outdated CAR. Despite there being a blocking system, in some cases purchases were cleared by the sustainability coordinator before the document was received.</i>	
<b>Evidence:</b> <i>Objectively describe the evidence analysed.</i> <i>Ex.: HGH system, company procurement system, interview with sustainability coordinator</i> <i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i>	
<b>Conclusion:</b> <ul style="list-style-type: none"> <li>• Noncompliant purchases: XX%</li> <li>• Justified compliant purchases: XX%</li> </ul>	
	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
	
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>
<b>Indicator #19:</b> Purchases from properties with changes in the CAR boundaries are blocked.	
<i>Describe briefly the content assessed based on the guiding questions of the Protocol. Include the analysis of the documents and the system that led to the conclusion about the compliance or noncompliance of the indicator.</i> <i>E.g.: The sustainability coordinator reported that to finalise a purchase, the supplier must present the CAR of the property in force on December/16, 12 months before the first purchase and on the last purchase of the year. The documents are evaluated and farms with outdated CARs are consulted in Sicar to check for updated records. In these cases, the updated CAR is requested, and the blocking is maintained until this occurs. Farms with changes in the CAR boundary must undergo a new</i>	



**Criterion 3:** Block suppliers that are not in compliance with the CAR criteria and any changes in the CAR boundaries

*geo-spatial assessment and a case-by-case evaluation is done by the person responsible for sustainability before the unblocking or maintenance of the block is carried out. All documentation is kept in a property file and was checked in the audit.*

*xx purchases were found in which not all CARs were presented for monitoring and the company used geospatial analysis only in the document presented (xx/xxxxx)."*

**Evidence:**

*Objectively describe the evidence analysed.*

*"CAR of sample verified, HGH system, company procurement system, interview with sustainability coordinator, geospatial analyses of CAR boundary changes*

*[Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.](#)*

**Conclusion:**

- Noncompliant purchases: XX%
- Justified compliant purchases: XX%

	
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**E. 01** – *Insert evidence and a brief description*

**E. 02** – *Insert evidence and a brief description*

	
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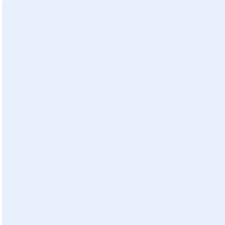
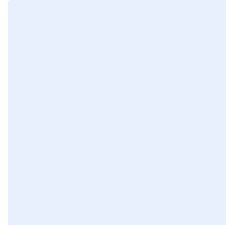
**E. 03** – *Insert evidence and a brief description*

**E. 04** – *Insert evidence and a brief description*

**Critério4: Illegal deforestation**

**Table 8 - List of suppliers not compliant with the deforestation criteria (noncompliant purchase):**

**Description of the criteria verification:**

<p><b>Criterion 4:</b> Block suppliers who are not compliant with the illegal deforestation criteria</p>	
<p><b>Verified item:</b> control over cattle purchases from direct suppliers.</p>	
<p><b>Indicator #20:</b> Purchases from properties with illegal deforestation are blocked.</p>	
<p><i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must include the content assessed with basis on the guiding questions of the Protocol.</i></p> <p><i>E.g.: Based on the analyses carried out 2 purchases were made in Prodes 2019 areas. The company explained, through records in the system, that the Prodes area was updated in the official bases after the purchases were made and the system shows the blocking after the Prodes update.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed. HGH system, interview with the sustainability coordinator. Timeline of blocked and unblocked suppliers. Geospatial analysis of xx properties</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>• Noncompliant purchases: XX%</li> <li>• Justified compliant purchases: XX%</li> </ul>	
	
<p><b>E. 01 – Insert evidence and a brief description</b></p>	<p><b>E. 02 – Insert evidence and a brief description</b></p>

Criterion 4: Block suppliers who are not compliant with the illegal deforestation criteria	
E. 03 – Insert evidence and a brief description	E. 04 – Insert evidence and a brief description

### Criterion 5: Indigenous Land and Protected Areas

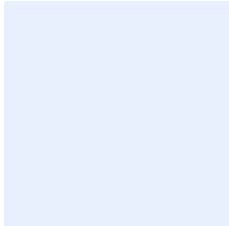
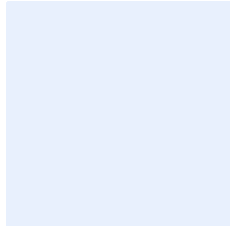
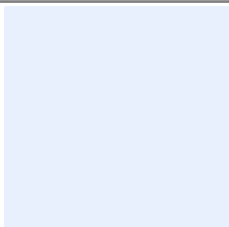
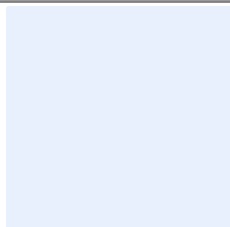
Table 9 - List of suppliers not compliant with the Indigenous Land and/or Conservation Unit criteria (noncompliant purchase)

#### Description of the criteria verification:

<b>Criterion 5:</b> Block suppliers who are not compliant with the Indigenous Land and Conservation Unit criteria
<b>Verified item:</b> control over cattle purchases from direct suppliers.
<b>Indicator #21:</b> Purchases from properties with overlaps on Indigenous Land are blocked.
<i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed with basis on the guiding questions of the Protocol. E.g.: During the check of xx purchases, it was noted that the system blocks purchases from suppliers with irregularities, with no purchases overlapping Indigenous Land in the audited period.</i>
<b>Evidence:</b> <i>Objectively describe the evidence analysed. HGH system, interview with the sustainability coordinator. History of blocked and unblocked suppliers. Geospatial analysis of xx properties</i> <u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.
<b>Conclusion:</b> <ul style="list-style-type: none"> <li>• Noncompliant purchases: XX%</li> <li>• Justified compliant purchases: XX%</li> </ul>

<b>Criterion 5:</b> Block suppliers who are not compliant with the Indigenous Land and Conservation Unit criteria	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description
<b>E. 03</b> – Insert evidence and a brief description	<b>E. 04</b> – Insert evidence and a brief description
<b>Indicator #22:</b> Purchases from properties that overlap Protected Areas are blocked.	
<p><i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed with basis on the guiding questions of the Protocol.</i></p> <p><i>E.g.: During the check of xx purchases, it was noted that the system blocks purchases from suppliers with irregularities, with no purchases overlapping Protected Areas in the audited period.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>E.g. HGH system, interview with the sustainability coordinator. Timeline of blocked and unblocked suppliers. Geospatial analysis of xx properties</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>● Noncompliant purchases: XX%</li> <li>● Justified compliant purchases: XX%</li> </ul>	

<b>Criterion 5: Block suppliers who are not compliant with the Indigenous Land and Conservation Unit criteria</b>	
<b>E. 01 – Insert evidence and a brief description</b>	<b>E. 02 – Insert evidence and a brief description</b>
<b>E. 03 – Insert evidence and a brief description</b>	<b>E. 04 – Insert evidence and a brief description</b>
<p><b>Indicator #23:</b> Purchases are blocked from properties, producers or suppliers that have been legally sentenced for Indigenous Land invasions, land violence, land grabbing and/or deforestation and other land conflicts; causing harm to indigenous people, quilombola communities and traditional populations; or whose CCIR has been repressed due to litigation and/or overlaps on Indigenous Land, Protected Areas, traditional quilombola community areas and public areas.</p>	
<p><i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed based on the guiding questions of the Protocol.</i></p> <p><i>E.g.: No purchase with these conditions were identified in the audited period. The blocking system proved to be effective in all evaluations and simulations.</i></p>	
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed. E.g. HGH system, court conviction list xx/xx/xxxxx, interview with sustainability coordinator"</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>	
<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>● Noncompliant purchases: XX%</li> <li>● Justified compliant purchases: XX%</li> </ul>	

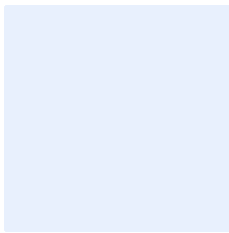
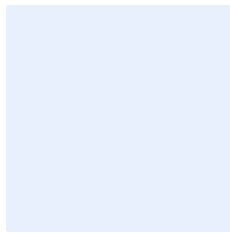
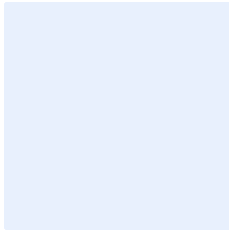
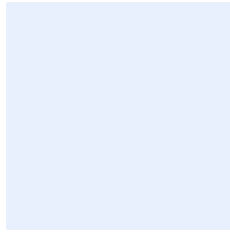
<b>Criterion 5:</b> Block suppliers who are not compliant with the Indigenous Land and Conservation Unit criteria	
	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
	
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>

### Criterion 6: Rural Environmental License (LAR)

Table 10 - List of suppliers not compliant with the LAR criteria (noncompliant purchase):

#### Description of the criteria verification:

<b>Criterion 6:</b> Block suppliers who are not compliant with the Rural Environmental License (LAR) criteria
<b>Verified item:</b> control over cattle purchases from direct suppliers.
<b>Indicator #24:</b> Purchases of properties $\geq 3,000$ hectares in PA, without presentation of current LAR or protocol, are blocked.
<i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed based on the guiding questions of the Protocol. E.g.: Based on the analyses, xx purchases were made without LAR. Despite there being a blocking system, in some cases purchases were cleared by the sustainability coordinator before the document was received.</i>
<b>Evidence:</b> <i>Objectively describe the evidence analysed.</i>

<b>Criterion 6:</b> Block suppliers who are not compliant with the Rural Environmental License (LAR) criteria	
Ex.: LAR of the sampled farms, HGH system, blocking of properties without LAR. <i>Instruction for auditors:</i> Digital or scanned records must be organised in a digital file for subsequent analysis.	
<b>Conclusion:</b>	
<ul style="list-style-type: none"> <li>• Noncompliant purchases: XX%</li> <li>• Justified compliant purchases: XX%</li> </ul>	
	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description
	
<b>E. 03</b> – Insert evidence and a brief description	<b>E. 04</b> – Insert evidence and a brief description

**Criterion 7: Animal Transit Guide (GTA)**

**Table 11 - List of suppliers not compliant with the GTA criteria (non-compliant purchase):**

**Description of the criteria verification:**

<b>Criterion 7:</b> Block suppliers that are not compliant with the Animal Transit Guide (GTA) criteria
<b>Verified item:</b> control over cattle purchases from direct suppliers.
<b>Indicator #25:</b> Purchases without presentation of the GTA of the property of origin are blocked.

**Criterion 7: Block suppliers that are not compliant with the Animal Transit Guide (GTA) criteria**

Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must include the content assessed with basis on the guiding questions of the Protocol.

E.g.: Based on the analyses, no purchase without GTA was made in the period (xx/xx/xx to xx/xx/xx).

**Evidence:**

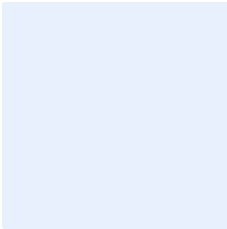
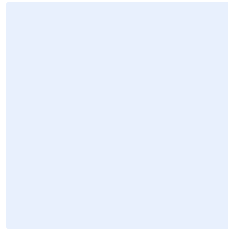
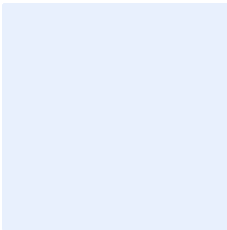
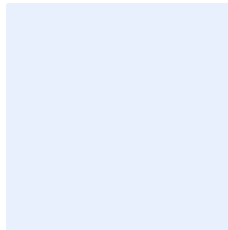
Objectively describe the evidence analysed.

E.g.: HGH system. Sampling of xx GTAs, flagging of blocks.

Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.

**Conclusion:**

- Noncompliant purchases: XX%
- Justified compliant purchases: XX%

	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description
	
<b>E. 03</b> – Insert evidence and a brief description	<b>E. 04</b> – Insert evidence and a brief description

**Criterion 8: Productivity**



**Table 12 - List of suppliers not compliant with the Productivity criteria (noncompliant purchase**

**Description of the criteria verification:**

**Criterion 8:** Block suppliers who are not compliant with the productivity criteria

**Verified item:** control over cattle purchases from direct suppliers.

**Indicator #26:** Purchases from properties with a productivity index above the maximum limit are blocked.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed with basis on the guiding questions of the Protocol.*

*E.g.: Purchases were identified from 5 farms that exceeded the productivity limit and no documentation was provided as justification. For 4 farms, statements were submitted and a technical study was conducted confirming the possibility of a higher productivity rate.*

**Evidence:**

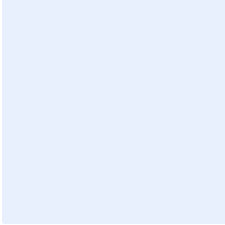
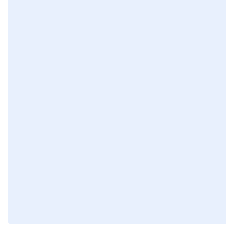
*Objectively describe the evidence analysed.*

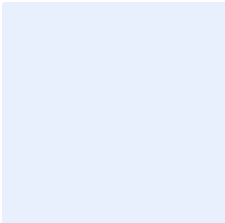
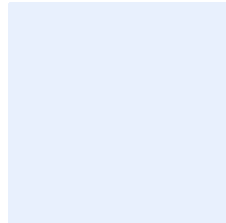
*Ex.: HGH system with blocked properties. Evaluation of the productivity index of xx properties. Statements. Productivity documentation (confinement report, pasture changes, farm technification). Technical evaluation of evidence. Timeline of blocked areas.*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

**Conclusion:**

- Noncompliant purchases: XX%
- Justified compliant purchases: XX%

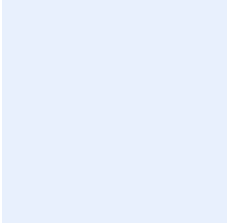
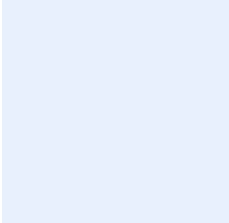
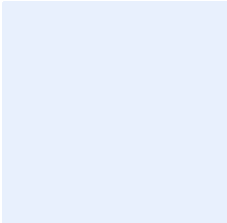
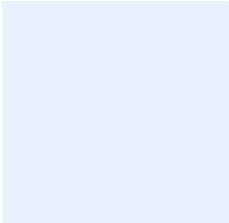
	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description

Criterion 8: Block suppliers who are not compliant with the productivity criteria	
	
<b>E. 03</b> – Insert evidence and a brief description	<b>E. 04</b> – Insert evidence and a brief description

### Criterion 9: Consumer information

#### Description of the criteria verification:

<b>Criterion 9: Consumer information</b>
<b>Item checked:</b> Tracking system that adds transparency about the origin of the acquired cattle.
<b>Indicator #27:</b> The consumers are informed of the origin of the product.
<p><i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the product tracking control documents and system. The description must include the content assessed with basis on the guiding questions of the Protocol.</i></p> <p><i>E.g.: "During the audit it was found that the company has a tracking system, which is comprised of the lot by slaughter date that can be related to the GTAs on the day of slaughter. This tracking is carried out by the person in charge of quality control. The lot information is available on the website <a href="http://www.xxxxxxxx.xxx.xx">www.xxxxxxxx.xxx.xx</a> where the following data can be checked: xxxxx and xxxxx. On the packaging, the company provides the website and the QR Code for information access.</i></p>
<b>Compliance:</b> <i>Compliant/noncompliant</i>
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>E.g.: Website <a href="http://www.xxxxxxxx.xx">www.xxxxxxxx.xx</a>, interview with the person responsible for lot formation, examples of codes on packaging, verification of lots xxx,xxx and xxx on the website.</i></p>

<b>Criterion 9: Consumer information</b>	
	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
	
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>

## IV - OUTCOME OF THE VERIFICATION OF COMPLIANCE WITH THE PUBLIC CATTLE COMMITMENT (confidential)

Instruction for auditors: Companies with units in more than one state can fill in the results for Criterion 10 in a consolidated manner.

### Criterion 10: Zero deforestation (exclusive to signatories of the Public Cattle Commitment)

Table 13 - List of suppliers not compliant with the deforestation criteria (noncompliant purchase):

Supplier's name	Supplier status (owner, lessee)	CPF/CNPJ number	Property name	Code of the property at the Agricultural Defence Agency	CAR registration number	Total number of cattle sold (according to GTAs)	Comments
							Press TAB to add rows

#### Description of the criteria verification:

**Criterion 10: No new deforestation for cattle ranching will be accepted after 5 October 2009 (Item 1 of the Minimum Criteria for Industrial-scale Cattle and Beef Product Operations in the Amazon biome)**

**Verified item:** control over cattle purchases from direct suppliers.

**Indicator #28:** Purchases of properties with new deforestation after 5 October 2009 are blocked.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the purchase documents and the criteria analysis. The description must contain the content assessed with basis on the guiding questions of the Protocol.*

*E.g.: Based on the analyses, 02 purchases were made in Prodes 2017 areas. The company submitted a false positive analysis of the Prodes area that was considered compliant.*

#### **Evidence:**

*Objectively describe the evidence analysed.*

*Ex.: HGH system. Geospatial analysis. Interview with the sustainability coordinator. Detailed analysis of unblocked areas.*

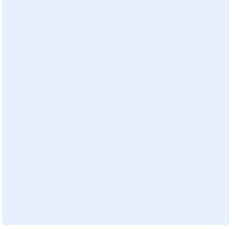
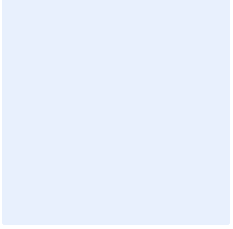
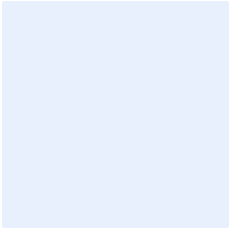
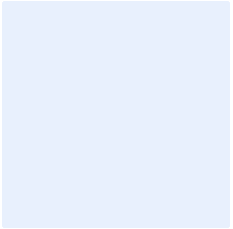
*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

#### **Conclusion:**

- Noncompliant purchases: XX%

**Criterion 10: No new deforestation for cattle ranching will be accepted after 5 October 2009 (Item 1 of the Minimum Criteria for Industrial-scale Cattle and Beef Product Operations in the Amazon biome)**

- Justified compliant purchases: XX%

	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>
	
<b>E. 03</b> – <i>Insert evidence and a brief description</i>	<b>E. 04</b> – <i>Insert evidence and a brief description</i>

## V - RESULTS OF THE VERIFICATION OF THE MANAGEMENT SYSTEM (confidential)

Instruction for auditors: Companies with more than one unit can fill in the results of the Management System Criteria in a consolidated manner.

**Management criteria: avoid buying from suppliers who are not in compliance with the criteria of the cattle commitments for the Amazon**

### Description of the criteria verification:

**Item checked:** Quality of the information system on direct suppliers.

**Indicator #1:** The business registry (registry of suppliers) is complete and continuously updated.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the supplier registration documents and system.*

*The description must contain the content assessed with basis on the guiding questions of the Protocol.*

*E.g.: It was found that the purchase registration procedure, followed by each purchasing unit, is used to register direct and indirect suppliers. Documents such as CAR, LAR, lease agreements, etc. are requested. The registration of every supplier includes the following data (name, property, address, geographic coordinates,...).*

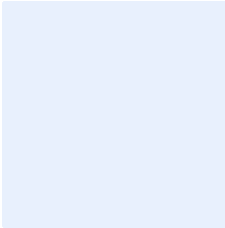
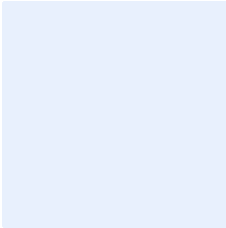
**Compliance:** *Compliant/Non-compliant*

#### Evidence:

*Objectively describe the evidence analysed.*

*Ex.: Supplier Registration System. Interview with the person responsible for the register. Verification of registration of xx purchases.*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>

**Item checked:** Quality of the geospatial monitoring system

**Indicator #2:** The geospatial database is complete and up to date.

**Item checked: Quality of the geospatial monitoring system**

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the geomonitoring documents and system.*

*The description must include the content assessed with basis on the guiding questions of the Protocol.*

*E.g.: The company hires an outsourced company (AgroNN) to keep the geospatial database up to date. There is a contract with the meatpacker and the head technician with ART. The contract identifies the number of reviews, the data processed and the form and frequency of information (weekly reports, database that can be integrated into other systems, etc.). There is no described procedure, but those responsible were interviewed and stated that the procedure consists of receiving the information from the supplier, carrying out the reviews as defined by the meatpacker (Indigenous Land, Ibama embargoes, Protected Areas, Prodes <dates>, etc.). The parameters are adjusted according to the MP. The databases are updated according to a routine established by the company (Prodes at every publication, Ibama, slave labour, Protected Areas and Indigenous Land - weekly). The update is done by the person in charge of the scheduling and the timeline of the images analysed are available in the xxx system and may be consulted by period.*

**Compliance:** *Compliant/Non-compliant*

**Evidence:**

*Objectively describe the evidence analysed.*

*Ex.: Geoprocessing system. Interviews with the technical manager of AgroNN. Geospatial analysis of the sampled properties. Parameters for evaluation. Timeline of analysis. Detailed analyses requested by the company (xxx,xxx,xxx and xxx)."*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

**Indicator #3:** The geospatial monitoring is implemented and ensures accuracy in the analysis of deforestation, environmental embargoes, changes in CAR boundaries and overlaps on protected areas.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the geomonitoring documents and system.*

*The description must include the content assessed with basis on the guiding questions of the Protocol.*

*Ex.: The monitoring is done by the company (xxx), as described in indicator #2. The meatpacker does not assess other CARs of the same owner, only the CAR of the property that is selling the cattle. Other reviews may be carried out at the request of the meatpacker. The monitoring is done with each new purchase and the base is updated weekly. The results of noncompliant areas are informed to the meatpacker in reports of the areas. More detailed analysis is also possible upon request.*

*The following criteria are assessed: Prodes, Ibama embargoes (vector), Indigenous Land and Protected Areas*

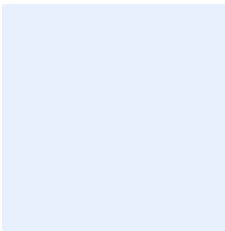
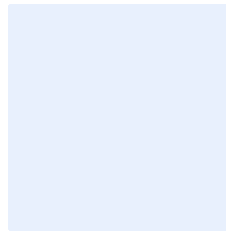
**Compliance:** *Compliant/Non-compliant*

**Evidence:**

*Objectively describe the evidence analysed.*

*E.g.: Interviews with the technical manager of AgroNN. Geospatial analysis of the sampled properties. Parameters for evaluation. Timeline of analysis. Detailed analyses requested by the company (xxx,xxx,xxx and xxx).*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

Item checked: Quality of the geospatial monitoring system	
	
<b>E. 01</b> – <i>Insert evidence and a brief description</i>	<b>E. 02</b> – <i>Insert evidence and a brief description</i>

Verified item: monitoring system for official public lists (environmental embargo and slave labour)
<b>Indicator #4:</b> There is no cattle acquisition from suppliers on environmental embargo lists for deforestation or slave-like labour.
<p><i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the official public lists for the monitoring documents and system.</i></p> <p><i>The description must include the content assessed with basis on the guiding questions of the Protocol.</i></p> <p><i>E.g.: The blocking procedures adopted by the company have been checked. When the purchase is registered, the property is assessed in relation to the Ibama Embargoes list (updated daily) and the Slave Labour list (updated monthly). Should an area or producer be found on the list, the property is blocked in the HGH system. The blocking is carried out manually by the sustainability area. The company asks the supplier for documents that can be used in the unblocking, and only unblocks it when there is documentation (such as finalised legal processes). All the documentation is kept in the property file.</i></p>
<b>Compliance:</b> <i>Compliant/noncompliant</i>
<p><b>Evidence:</b></p> <p><i>Objectively describe the evidence analysed.</i></p> <p><i>Ex.: Purchase record, embargo list, slave labour list, HGH System, interview with the sustainability coordinator. Unblocking authorisation documents.</i></p> <p><i><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i></p>



**Item checked:** documentation monitoring system.

**Indicator #5:** No cattle acquisition from suppliers without GTA from the farm of origin, without CAR (or protocol) and without LAR (or protocol) on properties > 3,000 hectares.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the documents.*

*The description must include the content assessed with basis on the guiding questions of the Protocol.*

*Ex. It has been verified that for all purchases the GTA is required. The GTAs are maintained and the system flags operations that have been blocked for lack of documentation. In case of unblocking, the justifications are registered in the system.*

*The sustainability coordinator reported that to finalise a purchase, the supplier must submit the property's updated CAR. An evaluation is made of the documents to verify that the required data has been included, such as the name of the property, name of the owner/supplier, geographic location, total area and consolidated area of the farm. In the absence of these documents the purchase is not finalised, the property is blocked (manually) in the HGH system, until the CAR is presented. All the documentation is kept in the property file. A list can be generated in the system with the properties where the CAR is not available.*

*The company requests all properties larger than 3,000 ha (Pará) to submit the LAR along with the initial documentation. In the absence of these documents the purchase is not finalised, the property is blocked (manually) in the HGH system, until the LAR is presented. All the documentation is kept in the property file. A list can be generated in the system with the properties where the LAR is not available.*

**Compliance:** *Compliant/noncompliant*

**Evidence:**

*Objectively describe the evidence analysed.*

*Ex.: HGH system, company procurement system, interview with sustainability coordinator, sample of GTA, CAR and LAR*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

**Item checked:** system for monitoring the productivity index of supplier properties.

**Indicator #6:** No purchase of cattle from suppliers with limits above the maximum productivity index.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the cattle procurement documents and system.*

*The description must include the content assessed with basis on the guiding questions of the Protocol.*

*E.g.: during the audit, the company presented its control of the productivity index, which considers the number of heads delivered and the consolidated area described in the CAR. When this index exceeds the limit of 3 heads/ha./year, the system automatically blocks the property. xx examples were checked.*

*To unblock these areas, producers must submit a statement and documents proving how they produce above this index. The documentation is evaluated by the technical area and if necessary other information is requested from the supplier, such as GTAs of purchase properties, technical analyses of production conditions, registrations and others. For all assessments, the documentation and decision to unblock is documented and is in accordance with the Monitoring Protocol*

**Item checked:** system for monitoring the productivity index of supplier properties.

**Compliance:** *Compliant/noncompliant*

**Evidence:**

*Objectively describe the evidence analysed.*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

**Item checked:** Quality of the system for blocking purchases from irregular suppliers.

**Indicator #7:** The purchasing system blocks suppliers with irregularities.

*Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the cattle procurement documents and system.*

*The description must include the content assessed with basis on the guiding questions of the Protocol.*

*Ex.: The company hires a geoprocessing company (ISN) that carries out weekly reviews including an analysis of overlaps on Protected Areas (PA) and Indigenous Land (IL), in addition to the Prodes assessment. The reviews that get a NONCOMPLIANT assessment are filed. In all situations where NONCOMPLIANT assessments are found, the farm is blocked in the HGH system. The blocking is carried out manually by the sustainability area. The company asks the geoprocessing company for a detailed analysis of the area, depending on the result of this analysis, the area is unblocked in the system. The reviews that led to the blocking and unblocking are kept in a supplier file.*

**Compliance:** *Compliant/noncompliant*

**Evidence:**

*Objectively describe the evidence analysed.*

*E.g. HGH system, interview with the sustainability coordinator. Timeline of blocked and unblocked suppliers. Geospatial analysis of xx properties*

*Instruction for auditors: Digital or scanned records must be organised in a digital file for subsequent analysis.*

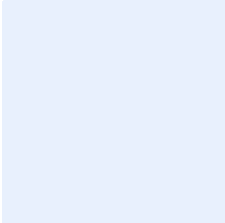
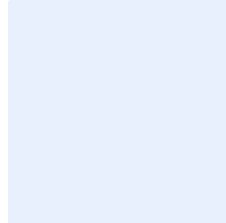
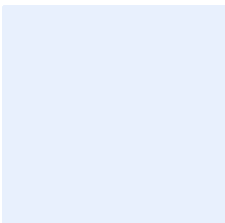
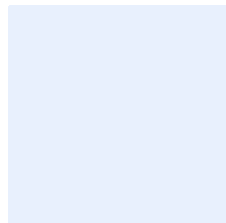
**Test of the blocking system by simulating purchases with data from suppliers found to have irregularities.**

*Describe the procedure used to perform the blocking system test, naming the systems that were accessed by the auditor during the verification as well as their stages.*

*What are the strengths and weaknesses of the implemented system that has been tested? Based on the test, decide if the blocking system is effective.*

**Test Conclusion:**

- No. of simulations performed:
  - a. Geospatial analysis:
  - b. Analysis of official public lists:
  - c. Analysis of documentation:
  - d. Analysis of the productivity index:

<b>Item checked:</b> Quality of the system for blocking purchases from irregular suppliers.	
<ul style="list-style-type: none"> <li>• Simulations with noncompliant results: XX%</li> </ul>	
	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description
<b>Indicator #8:</b> When a supplier has been unblocked, the steps required for the unblocking have been completed.	
<p>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the cattle procurement documents and system. The description must include the content assessed with basis on the guiding questions of the Protocol.</p> <p>Ex. The company hires a geoprocessing company (ISN) that carries out weekly reviews including an analysis of overlaps on Protected Areas (PA) and Indigenous Lands (IL), Prodes assessment and Ibama embargoes. The reviews that get a NONCOMPLIANT assessment are filed. In all situations where NONCOMPLIANT assessments are found, the farm is blocked in the HGH system. The blocking is carried out manually by the sustainability area. The company asks the geoprocessing company for a detailed analysis of the area, depending on the result of this analysis, the area is unblocked in the system. The reviews that led to the blocking and unblocking are kept in a supplier file.</p>	
<b>Compliance:</b> Compliant/Non-compliant	
<p><b>Evidence:</b></p> <p>Objectively describe the evidence analysed.</p> <p>E.g.: xx unblocked purchases were found and it was possible to verify the documents and the correct completion of the unblocking.</p> <p><u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</p>	
	
<b>E. 01</b> – Insert evidence and a brief description	<b>E. 02</b> – Insert evidence and a brief description

<b>Item checked:</b> Analysis of ongoing improvement of the monitoring system.
<b>Indicator #9:</b> Improvements in the system for monitoring cattle suppliers are implemented.
<i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the cattle procurement documents and system. The description must include the content assessed with basis on the guiding questions of the Protocol. E.g.: the company is investing to improve its monitoring system, including the assessment of indirect suppliers and an internal audit program will be implemented in the strategic plan that is planned to take place next year (2021).</i>
<b>Compliance:</b> <i>Compliant/noncompliant</i>
<b>Evidence:</b> <i>Objectively describe the evidence analysed. E.g.: Interviews with the coordinators. Strategic Plan 2021-2023. <u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i>
<b>Indicator #10:</b> The company assesses other criteria in monitoring cattle suppliers.
<i>Briefly describe the procedure used for the verification. This audit procedure must include at least a review of the cattle procurement documents and system. The description must include the content assessed with basis on the guiding questions of the Protocol. E.g.: The company assesses Amazônia Protege, CCIR, state MT embargoes and other criteria in addition to those described in the MP.</i>
<b>Compliance:</b> <i>Compliant/noncompliant</i>
<b>Evidence:</b> <i>Objectively describe the evidence analysed. E.g. Interview with the people in charge; system XYZ <u>Instruction for auditors:</u> Digital or scanned records must be organised in a digital file for subsequent analysis.</i>

### Summary of opportunities for improvement

The auditor must consider:

- Quality of information provided by public entities and the audited company
- Improvements that the audited company must make in its compliance procedures

- Suggestions for the improvement of the Monitoring and Auditing Protocols, aiming at eliminating flaws in the control of suppliers, both direct and indirect, through the inclusion, change or exclusion of procedures or commitments contained in the TACs and the Public Cattle Commitment;
- Improvements to the information available (frequency, quality, format, automation, etc.).

**Table 14 - Opportunities for improvement**

No.	Category	Description
1	Choose an option.	
2	Choose an option.	
3	Choose an option.	<i>Press TAB to add rows</i>

*Instruction for auditors: The auditor must record the aspects observed in the audit process that indicate opportunities for the company to make improvements in its supplier monitoring system, so it can better achieve compliance with the cattle commitments. Reminder: an opportunity for improvement is not a correction of a noncompliance.*

**Points of disagreement between auditor and auditee**

Description
<i>Objectively describe any points of contention between the company and auditor during the audit and in the final conclusions.</i>

## VI - SUMMARY OF TAC EVIDENCE (confidential)

**Instruction for auditors: for companies with units in more than one state, the summary of evidence must be filled in SEPARATELY by state.**

*Include one line per noncompliant purchase. In the case of signatories with more than one business unit, the audit must include the tables for each state and for each business unit separately, specifying their address, tax registration number (CNPJ) and company registration number with the relevant inspection service (SIF, SIE or SIM).*

### Evidence of noncompliant purchases

**GTAs issued to the meatpacker and not recognised by the company:**

**Table 15 - register all GTAs not recognised by the meatpackers**

GTA			Source/origin				Consignee/Buyer			
Document number	Date of issue	Number of animals	Supplier's name	CPF/CNPJ taxpayer number of supplier	Property name	Municipality/State	Name of buyer	Name of establishment	CPF/CNPJ number	Municipality/State
										Press TAB to add rows

**noncompliant purchases - list of GTAs:**

**Table 16 - Record of GTAs of all noncompliant purchases**

*Instruction for auditors: describe in the table below all GTAs of the noncompliant purchases found during the audit.*

GTA			Source/origin				Consignee/Buyer			
Document number	Date of issue	Number of animals	Supplier's name	CPF/CNPJ taxpayer number of supplier	Property name	Municipality/State	Name of buyer	Name of establishment	CPF/CNPJ number	Municipality/State
										Press TAB to add rows

**noncompliant purchases - list of CARs:**

**Table 17 - Record of CARs of all noncompliant purchases**

*Instruction for auditors: describe in the table below all GTAs of the noncompliant purchases found during the audit.*

Supplier's name	Supplier status (owner, lessee)	CPF/CNPJ number	Property name	Code of the property at the Agricultural Defence Agency	CAR registration number	Total number of cattle sold (according to GTAs)	noncompliant criteria	Comments
								<i>Press TAB to add rows</i>

**Evidence of justified compliant purchases (supporting documents of inconsistencies)**

**Table 18 - Register all justified compliant purchases and the evidence presented for unblocking**

Supplier's name	CPF/CNPJ number	Property name	Evidence of unblocking
			<i>Press TAB to add rows</i>

**Supplementary evidence**

*Instruction for auditors: this annex may include supplementary evidence to that which is requested above, and which demonstrates noncompliances with the cattle commitments in the Amazon.*

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