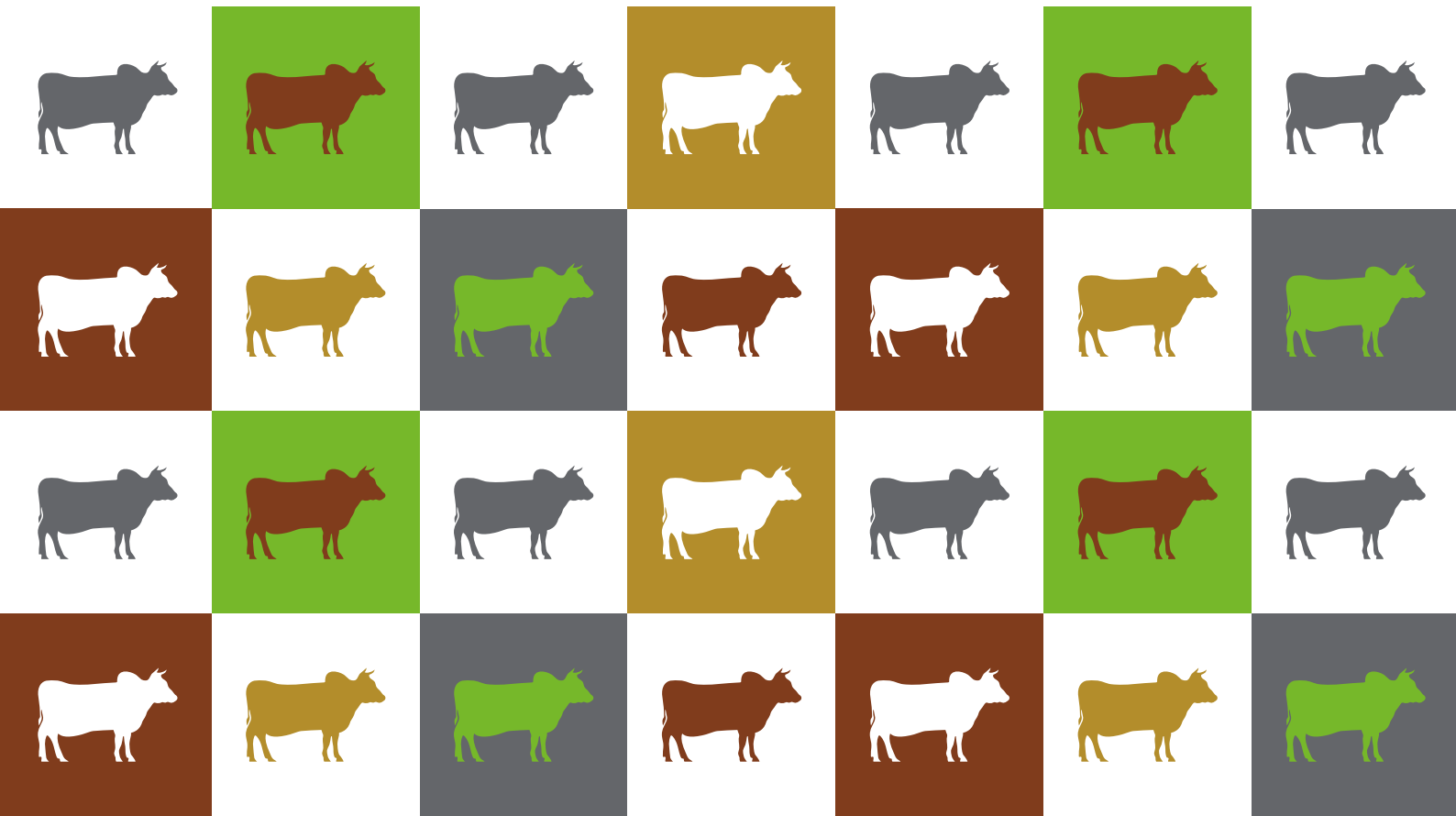


WORKSHOP FOR RETAILERS ENGAGEMENT 2021 - DEVELOPING AN EFFECTIVE BEEF PROCUREMENT POLICY



**BEEF_{ON}
TRACK**



Piracicaba, December 18, 2021

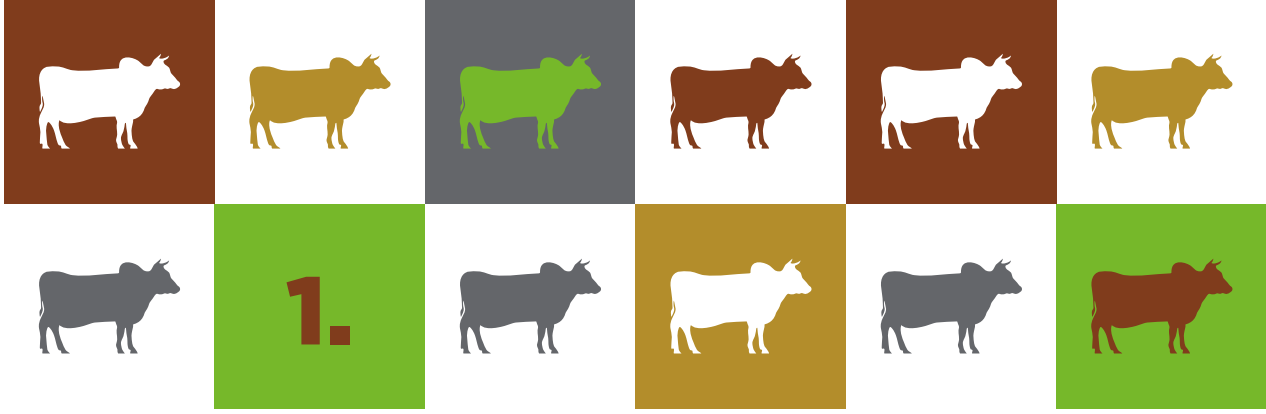


**RETAILER
WORKSHOPS**

SUMMARY



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INTRODUCTION

The progress made in the implementation of environmental and social commitments in the beef value chain in the Amazon has led more and more companies to monitor their suppliers and check the compliance of the origin of their beef, which in turn reduces purchases from rural properties with irregularities.

The **Protocol for the Monitoring of Cattle Suppliers in the Amazon** is aligned with the public commitments undertaken by meatpackers and establishes a common ground for the adoption of the same monitoring parameters. It was published in 2020 under the scope of the Beef on Track Program and with the support of the Public Prosecutor's Office (*Ministério Público Federal* - MPF). The Audit Protocol, which defined all the audit procedures for the meatpackers based on the rules established in the Protocol for the Monitoring of Cattle Suppliers in the Amazon, was published in 2021.

In the beef supply chain, the retail sector has a major role in ensuring that its consumers are offered responsible products. Therefore, in 2013, the Public Prosecutor's Office for Pará state and the Brazilian Supermarket Association (ABRAS) signed a Term of Cooperation (TC) aimed at creating systems and practices to unite the Brazilian supermarket sector against the purchase of beef from areas in the Amazon that have been deforested or have other socio-environmental irregularities.

The retail front was then created within the scope of the Beef on Track Program with the objective of engaging and increasing the transparency of the actions taken by the sector. Imaflora, along with its codevelopers, ABRAS and the main retailers with public commitments, published the **Guide for Retailers: Developing an Effective Beef Procurement Policy** to encourage other companies in the sector to adopt their own policies in alignment with the work being developed at the meatpackers.

In the second half of 2021, online meetings were held with the main retailers and the Public Prosecutor's Offices of each of the states in the Amazon region (Acre, Amazonas, Mato Grosso, Pará and Rondônia) to engage them in the Beef on Track Program. On-site workshops were held in the five states in the Amazon region and one in São Paulo with the top retailers of the country that operate in the region to introduce them to the Guide for Retailers.

As such, the purpose of this report is to make this process more transparent and to analyse the main findings of the Workshops. The Guide for Retailers is the first product developed by the Beef on Track team to deal with this issue and our hope is that its contents will encourage companies to make a concerted effort towards eliminating environmental and social irregularities throughout the chain.

Beef on Track Program

The Beef on Track Program is a set of actions aimed at underpinning social and environmental commitments in the beef value chain in the Amazon and encouraging their implementation. It is a joint project undertaken by Imaflora with the support of the Public Prosecutor's Office and the involvement of companies and civil society organisations.

www.beefontrack.org



PREPARATION FOR WORKSHOPS

The target companies were defined in the preliminary engagement process of the workshops. The strategy involved doing a survey of the main companies operating in the Amazon region and of leading Brazilian companies based on their turnover, number of stores, ABRAS ranking and other criteria.

The reason for the creation of two groups was due to the absence of public information regarding the main destinations of Amazon-sourced beef within the country. Therefore, in order to engage the companies, it was assumed that the largest potential buyers of beef were the companies in the region and the largest companies in the country based on the ABRAS ranking. The

Amazon states are the same ones included in the Beef on Track Program, in other words, those that have a TAC in place between meatpackers and the Public Prosecutor's Office (Acre, Amazonas, Mato Grosso, Pará and Rondônia).

The first stage of the engagement consisted of online meetings in each Amazon state and one with the top companies in Brazil. The Imaflores team received support from the Public Prosecutor's Office to send invitations (Figure 1) to the companies about the online meetings and then contacted each company to follow-up on the invitation and offer more information regarding the meeting.



Figure 1

Example of the Invitation sent by the Public Prosecutor's Office to companies in Mato Grosso state

PR-MT-00034897/2021



MINISTÉRIO PÚBLICO FEDERAL
PROCURADORIA DA REPÚBLICA - MATO GROSSO/DIAMANTINO

3º Ofício - Tutela do Meio Ambiente e Patrimônio Cultural

Ofício-PR/MT/GABPR3-ERM/Nº3780/2021

Cuiabá, [data e horário da assinatura eletrônica].

Ao Senhor

[Redacted]

Representante da Empresa [Redacted]

Email: [Redacted]

Assunto: **Reunião** - Procedimento nº 1.20.000.001672/2018-21.

Prezado Senhor,

Ao cumprimentar Vossa Senhoria, sirvo-me do presente para, no interesse do procedimento em epígrafe, **convidá-lo a participar de reunião por videoconferência no dia 27 de setembro de 2021 às 14hs** (horário de Cuiabá) com o Ministério Público Federal, IMAFLORA e a ABRAS (Associação Brasileira de Supermercados), com objetivo de informar sobre o projeto Carne Legal do MPF e auxiliar na criação de Política de Compra de Carne.

Encaminho-lhe, cópia da apresentação e o despacho PR-MT-00034499/2021 com o link da reunião.

Certo de poder contar com vossa participação, rogo-lhe que em resposta confirme o comparecimento no endereço eletrônico prmt-oficioambiental@mpf.mp.br

Respeitosamente,

(assinado eletronicamente)

ERICH RAPHAEL MASSON

Procurador da República

	PROCURADORIA DA REPÚBLICA - MATO GROSSO/DIAMANTINO	Av. Miguel Sutil, Nº 2.625, Esquina Rua J. Márcio (r. Nestelaus D, Jardim Primavera - Cep 78030010 - Cuiabá-MT -Telefone: (65)36125000 www.mpf.mp.br/mpfservicos
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Página 1 de 1

Assinado com login e senha por ERICH RAPHAEL MASSON, em 14/09/2021 16:13:11. Para verificar a autenticidade acesse <http://www.transparencia.mpf.mp.br/validacao/documento>. Chave A1FFA02A-5E1E015EE-581E06B6-2B4F77A9

It is important to point out that this was the first contact made with companies in the retail sector under the Beef on Track Program and, as such, many of them had no knowledge of the actions being developed. A total of six online meetings took place for companies based in Acre, Amazonas, Mato Grosso, Pará, Rondônia and other national companies, including Brazil's top companies located in other regions.

The purpose of the online meetings was to introduce the Program, explain the actions of Imaflora and the Public Prosecutor's Office within the scope of the project and invite the companies to take part in the on-site Workshops aimed at developing the beef procurement policies.

The ABRAS (Brazilian Supermarket Association) vice-president, who attended the online meetings with the companies from Amazonas, Pará, Mato Grosso and other local companies, reminded all the attendees of the agreement they have with the Public Prosecutor's Office of Pará through the Term of Technical Cooperation, which encourages the sector not to purchase beef from areas in the Amazon with social and environmental irregularities and is in line with the actions of Beef on Track.

At the end of these meetings, the companies received the online version of the Guide for Retailers: Developing an Effective Beef Procurement Policy and an informational folder regarding the cattle ranching chain in the Amazon ([link](#)).

The companies that were invited and those that responded to the invitation and took part in the online meetings are listed in the table below.

Table 1
Companies invited to the online meetings and those that attended.

	Invited to the online meeting	Attended the online meeting
Acre (27/Aug)	Arasuper Mercale	Arasuper Mercale
Amazonas (24/Aug)	Grupo DB Vitoria Nova Era Carrefour/Atacadão GPA/Assaí	Grupo DB Nova Era Carrefour/Atacadão GPA/Assaí
Mato Grosso (27/Sep)	Grupo Pereira Del Moro Tropical Big Master Big Lar Carrefour/Atacadão GPA/Assaí	Del Moro Grupo Pereira Big Lar GPA/Assaí
Pará (21/Sep)	Grupo Mateus Lider Macre Formosa Grupo Nazaré	Grupo Nazaré Grupo Mateus Formosa
Rondônia (21/Jul)	Irmãos Gonçalves	Irmãos Gonçalves
National companies (27/Oct)	Angeloni BIG Carrefour/Atacadão Cencosud Dma GPA/Assaí Mart Minas Muffato Supermercados BH Sonda Savegnago Zaffari Zaragoza/Spani	Angeloni Cencosud GPA/Assaí Mart Minas Muffato Savegnago Supermercado BH Zaffari Zaragoza/Spani



After the online meetings, the Beef on Track team began directly engaging with the companies to ensure they attended the on-site workshops. Individual invitations were sent out by email, WhatsApp (Figure 2 and 3) and by phone. Beef on Track's communication channels (LinkedIn, streaming and online platform) were also used.

Figure 2
Folder sent via WhatsApp

CONVITE 8h - 17h **6.10**

Workshop de Capacitação aos varejistas no Guia de Elaboração da Política de Compras de Carne do Varejo

O workshop acontece no Diff Hotel
Rua Rio Grande do Sul, 332
Centro - Rio Branco - AC.

REALIZAÇÃO: BOI NA LINHA | Imaflora

APOIO: MPF | ABRAS | iCS

www.boinalinha.org **PARTICIPE!**

Figure 3
Folder sent via email

CONVITE 8h - 17h **01.12**

Workshop de Capacitação aos varejistas no Guia de Elaboração da Política de Compras de Carne do Varejo

O Programa Boi na Linha, parceria entre o Ministério Público Federal e o Imaflora, convidam sua empresa para workshop cujo objetivo é apoiar as empresas varejistas na construção/aperfeiçoamento de uma Política de Compra de Carne Bovina junto a seus fornecedores e clientes.

O evento tem como base o Termo de Cooperação Técnica pela Pecuária Sustentável de 2013, parceria entre a ABRAS e o MPF na mobilização do setor supermercadista brasileiro para evitar a compra de carne bovina proveniente de áreas desmatadas da Amazônia e outras irregularidades ambientais e sociais.

O workshop acontece no Hotel Slaviero Essencial Porto Velho, Av. Lauro Sodré, 2.441, São João Bosco, Porto Velho (RO).

Inscrição: CLIQUE AQUI

Suporte ao evento: Carlos Rigolo Lopes - carlosrigolo@gmail.com

REALIZAÇÃO: BOI NA LINHA | Imaflora

APOIO: MPF | ABRAS | iCS

www.boinalinha.org **PARTICIPE!**

It is worth mentioning that during this engagement period most of the contacted representatives showed interest and considered the topic relevant for the current time; however, this was not reflected in the on-site attendance of these companies as we will see next.





WORKSHOP ABOUT THE GUIDE FOR RETAILERS: DEVELOPING AN EFFECTIVE BEEF PROCUREMENT POLICY

The main target of the workshops was to introduce the **Guide for Retailers** and to work on the elements that may be included in a beef procurement policy.

Other introductory topics that were addressed included contextualising the environmental and social problems linked to beef production in the Amazon, the efforts involving the Public Prosecutor's Office and other stakeholders in the implementation of commitments with the industry, and how retailers can contribute to furthering the agenda while at the same time using this as a differential for the consumer.

In short, the agendas of the workshops were based on the following structure:

1. Sustainability and ESG agendas
2. Cattle-ranching in the Amazon and socio-environmental risks
3. Beef on Track Program
4. Guide for Retailers: Developing an Effective Beef Procurement Policy

The workshops took place in five capital cities in the Amazon (Rio Branco, Manaus, Cuiabá, Belém and Porto Velho) and one in São Paulo. The leading supermarkets operating in the states were invited to the first group. The top national retailers were invited to the São Paulo workshop, according to the ABRAS ranking, except for Carrefour/Atacadão and GPA/Assaí, which are already involved in the Beef on Track Program and have implemented and publicly announced their Beef Procurement Policy.

The workshops in Manaus, São Paulo and Cuiabá were opened by the federal prosecutors. In general, they highlighted the progress made over the past few years to implement the Terms of Adjustment of Conduct (TAC) with meatpackers in the states. They pointed out that the Public Prosecutor's Office is a partner of the companies that seek to improve and implement the monitoring of their cattle suppliers, and that the retailers present should use the workshop to begin constructing their own beef procurement policy. Another topic underscored by the prosecutors was the commercial edge that supermarkets could gain by disclosing this agenda to their clients.

Other topics mentioned were: examples of corporate sustainability policies, consumer behaviour towards beef



consumption and environmental agendas, risks that exist in the value chain of beef produced in the Amazon, main advances, concepts and criteria related to monitoring and traceability in the sector, besides, of course, the contents of the Guide for Retailers. The full presentation will be available on the Beef on Track platform on the page about the workshops and training.

The presentation of the Workshop content for the Guide followed the structure of the document by first offering what a policy could contain and then laying down a step-by-step for its accomplishment and implementation. As part of the dynamics of the workshops,

the attendees were invited to draft what could become a policy for their company, based on the examples shown.

A total of 30 people from retail companies, meatpacking plants, public entities, supermarket associations, civil society and universities attended, as shown in Table 2. The events were all on-site, with the exception of São Paulo, which took place in a hybrid format because some interested companies were from other regions of the country and their representatives were unable to attend.

Table 2
Number of participants in each workshop, according to the entity

WORKSHOPS	Rio Branco - AC 6/Oct	Manaus - AM 20/Oct	Belém - PA 10/Nov	São Paulo - SP 18/Nov	Cuiabá - MT 24/Nov	Porto Velho - RO 1/Dec
Supermarket association			1	1		
Retailer	1	2	2	3	6	1
Consulting Firm		1		1		
Meatpacker		5		1		
Public Entity		1		2	1	
Civil Society Organisation				1		
University			1			
Total attendees	1	9	3*	9	7	1

*At the Belém workshop one of the attendees represented the state association and a company.

Manaus and São Paulo had the most participants, nine each, and Cuiabá had the most representatives from retailers. In Rio Branco and Porto Velho, only one supermarket representative was in attendance at each.

The presence of meatpackers in the workshops, particularly in Manaus, is worth noting. The experiences of these companies

helped to exemplify and value the efforts being made by the sector to offer products without environmental irregularities to retailers.

The supermarket entities were present in Pará, through the Paraense Supermarket Association (ASPAS), and in São Paulo, through the Brazilian Supermarket Association (ABRAS). The ABRAS vice-president's speech pointed out the partnership

the entity has with the Public Prosecutor's Office of Pará state through the Term of Cooperation for sustainable cattle ranching executed in 2013, and the intention to offer its members a course on beef procurement policy at the Supermarket School (e-learning) in 2022.

The following table shows which supermarkets were invited and which attended the Workshops. The full list of attendees is available in the Annexes of the Report (Annex I).

	Invited retailers ¹	Retailers present	Total retailers present
Rio Branco (AC) - 06/Oct	Arasuper Mercale	Mercale	1
Manaus (AM) - 20/Oct	Grupo DB Nova Era Vitoria Baratão da Carne Supermercado Rodrigues Atack	Grupo DB	1
Belém (PA) - 10/Nov	Macre Formosa Grupo Nazaré Grupo Mateus Lider Y Yamada Lojas Portugal Cidade Supermercado	Lojas Portugal FortDeli	2
São Paulo (National companies) - 18/Nov	Angeloni Grupo BIG Cencosud Dma Mart Minas Muffato Supermercados BH Sonda Savegnago Zaffari Zaragoza/Spani	Cencosud Savegnago Zaragoza/Spani	3
Cuiabá (MT) - 24/Nov	Del Moro Tropical Big Master Big Lar Grupo Pereira	Big Lar Grupo Pereira Supermercado Machado	3
Porto Velho (RO) - 01/Dec	Irmãos Gonçalves Arasuper	Arasuper	1
Total	34	11	

¹ Carrefour/Atacadão and GPA/Assaí were not invited since they are members of the Beef on Track Program and already publicly disclosed and implemented their Beef Procurement Policy.



Only eleven of the 34 companies invited showed up. A few reasons may justify the low attendance number, but the main one is that the topic is still not a priority for the retail sector. Only Cencosud attended and has a published beef procurement policy. Other justifications given by the companies for the non-attendance was the time of year, which is the busiest time in retail.

It is worth noting that in most cases this agenda is not earmarked by most companies. The workshops were attended

by employees from different departments: a representative of the legal department, a manager of the procurement and supply department, an environment supervisor, a shop director, a social responsibility manager, a commercial manager and a human resources employee.

The full list of attendees for each workshop is in Annex I of the report.



Belém Workshop - Pará



Rio Branco Workshop - Acre



Manaus Workshop - Amazonas

During the workshops, it became clear that the topics of social and environmental monitoring and traceability in the beef chain are little known and are not part of the daily routine of retailers. Those present, however, agreed that having a beef procurement policy favours and helps meatpackers implement control mechanisms, as well as adds more security to the products on offer on supermarket shelves.

The attendees also stated that they do not consider the retailer as having the same responsibility as the meatpacker in controlling

the source of the beef. In their opinion, public entities are not doing enough to supervise and provide greater assurance that no irregularities are occurring along the chain. They agree that the issue is dear to the public and any accusations could be damaging to the image of the supermarket that sold the beef.

The Beef on Track transparency page was of much interest to the attendees because they claimed that it could help them take their first step towards assessing their beef suppliers.



São Paulo Workshop (National companies)



São Paulo Workshop (National companies)



Porto Velho Workshop - Rondônia



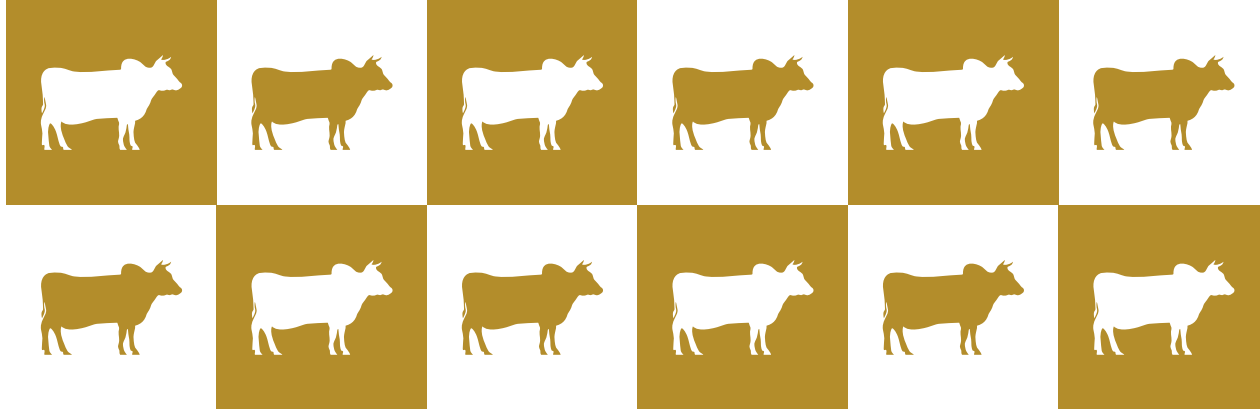
Cuiabá Workshop - Mato Grosso

The final remarks concerning the Beef Procurement Policy Workshops are shown below.

Remarks about the Workshops

- The adherence of the retailers to the Workshops was lower than expected. Even so, the whole process of engagement and direct communication with the companies caused them to take notice of the issue. The fact that they are not yet as exposed as the meatpackers was a decisive factor in their decision not to attend. This agenda will continue to be worked on together with these and new stakeholders to increase adhesion.
- The whole process of engagement and implementation of the Workshops was important as a first contact of the companies with the agenda of social and environmental commitments in the beef value chain. Many of those present did not know the TACs nor the criteria used in monitoring suppliers, such as the CAR, GTA, Embargos, etc.
- Companies recognise the importance of the agenda, however, they do not see themselves as primarily responsible for it. From their point of view, meatpackers and public entities carry more of the responsibilities. Nevertheless, they did acknowledge that there were risks, mainly associated with image, if the retailer is associated with some kind of irregularity in the sale of beef from their stores.
- The Transparency portal of the Beef on Track Platform was well received by companies, and many said they would use it to get information about their suppliers.
- At the events where the Workshop was evaluated, those in attendance rated it as very satisfactory (Annex II).
- ABRAS announced that it will work on the responsible beef agenda within the ESG agenda being developed by the Association. They also announced at the São Paulo Workshop that they will offer an e-learning course on the Supermarket School platform aimed exclusively at helping retailers set up a beef procurement policy.
- The expectation is for some of the companies that attended the Workshops to engage in building or improving their own beef procurement policy in the coming months. The next stage of the retail front of the Beef on Track program is to work on a pilot version of a beef procurement policy based on the Retail Guide with one or more companies that have yet to be defined.



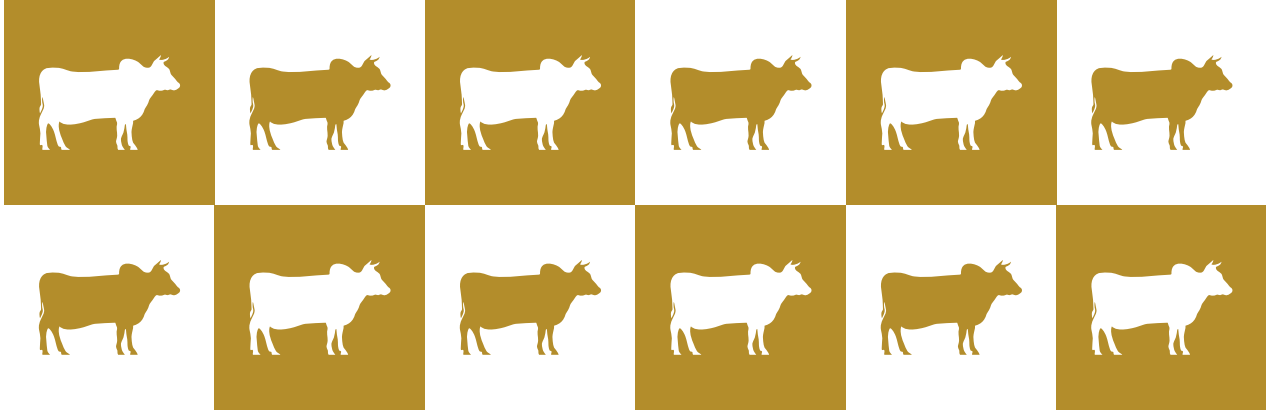


ANNEX I - FULL LIST OF ATTENDEES OF THE WORKSHOPS

Workshop	Name of Institution	Name of Attendee
Rio Branco	Mercale	Bruno Itani
Manaus	Public Prosecutor's Office of Amazonas	Rafael Rocha
	Frizam	Ana Paula Bittencourt
	Frizam	Kalinka Medeiros
	DB Group	José Josino Filho
	DB Group	Osvalcineia M. da Costa
	Duprado Consultancy	Juliana Prado
	NR Comercio de Frios	Carlos Eduardo Brasil
	Frizam/Agropam	Geize Medeiros
	Distribuidora JK	Katerine Redivo
Belém	FortDeli	Jaqueline Sousa Almeida
	Embrapa/UEPA	Osmar José de Aguiar
	ASPAS	Jorge Luiz Portugal dos Santos

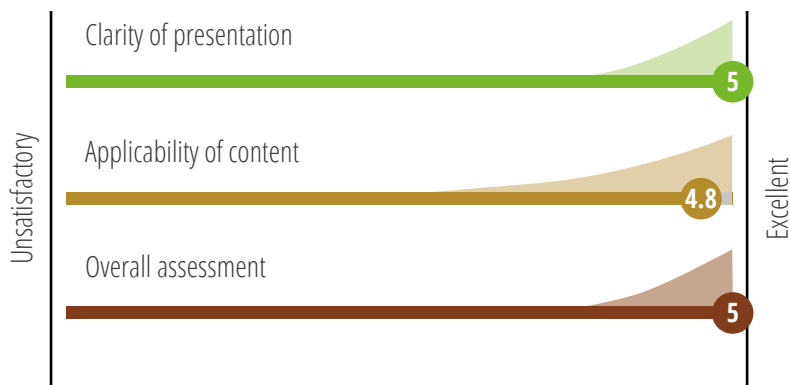
Workshop	Name of Institution	Name of Attendee
São Paulo	Public Prosecutor's Office	Marcio K. Odo
	Public Prosecutor's Office of Pará	Ricardo Negrini
	Frigol S.A.	Renato Teles Silva
	Ernest Young (EY)	Lucas Engelbrecht
	ABRAS	Marcio Milan
	Cencosud	Fabio Sento
	Savegnago	Vieira
	Zaragoza Group	Evedson Felix Bandeira
	ICV (Inst. Centro da Vida)	Ana Paula Valdiones
Cuiabá	Public Prosecutor's Office of Mato Grosso	Erich Masson
	Girus Mercantil (Big Lar)	Lyton Franco
	Girus Mercantil (Big Lar)	Charles Baccan Junior
	Comper (Gr. Pereira)	Kroll Leite Gonçalves
	Comper (Gr. Pereira)	Josuel Barros da Silva
	Supermercado Machado	Bruno Mazzaro
	Supermercado Machado	Angelo Silva
Porto Velho	Arasuper Supermarkets	Maele Amaral Carvalho





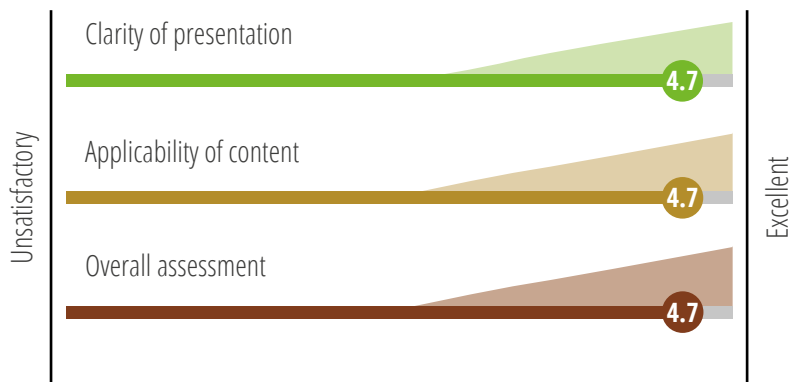
ANNEX II - WORKSHOP ASSESSMENT

Assessment of event: Workshop for Set-Up of the Beef Procurement Policy - Manaus



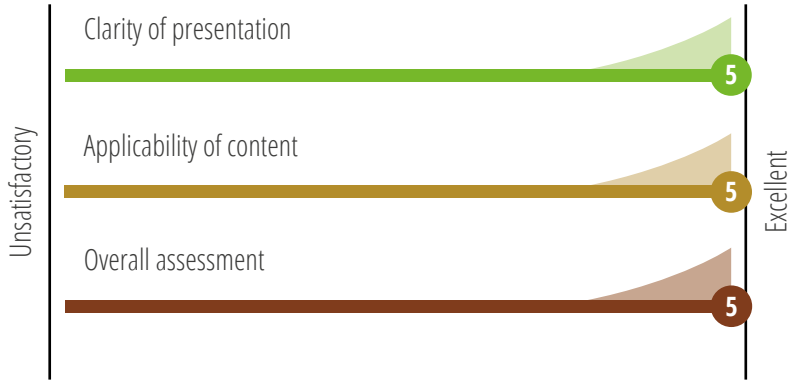
Assessment of the Workshop in Manaus - Amazonas

Assessment of event: Workshop for Set-Up of the Beef Procurement Policy - São Paulo



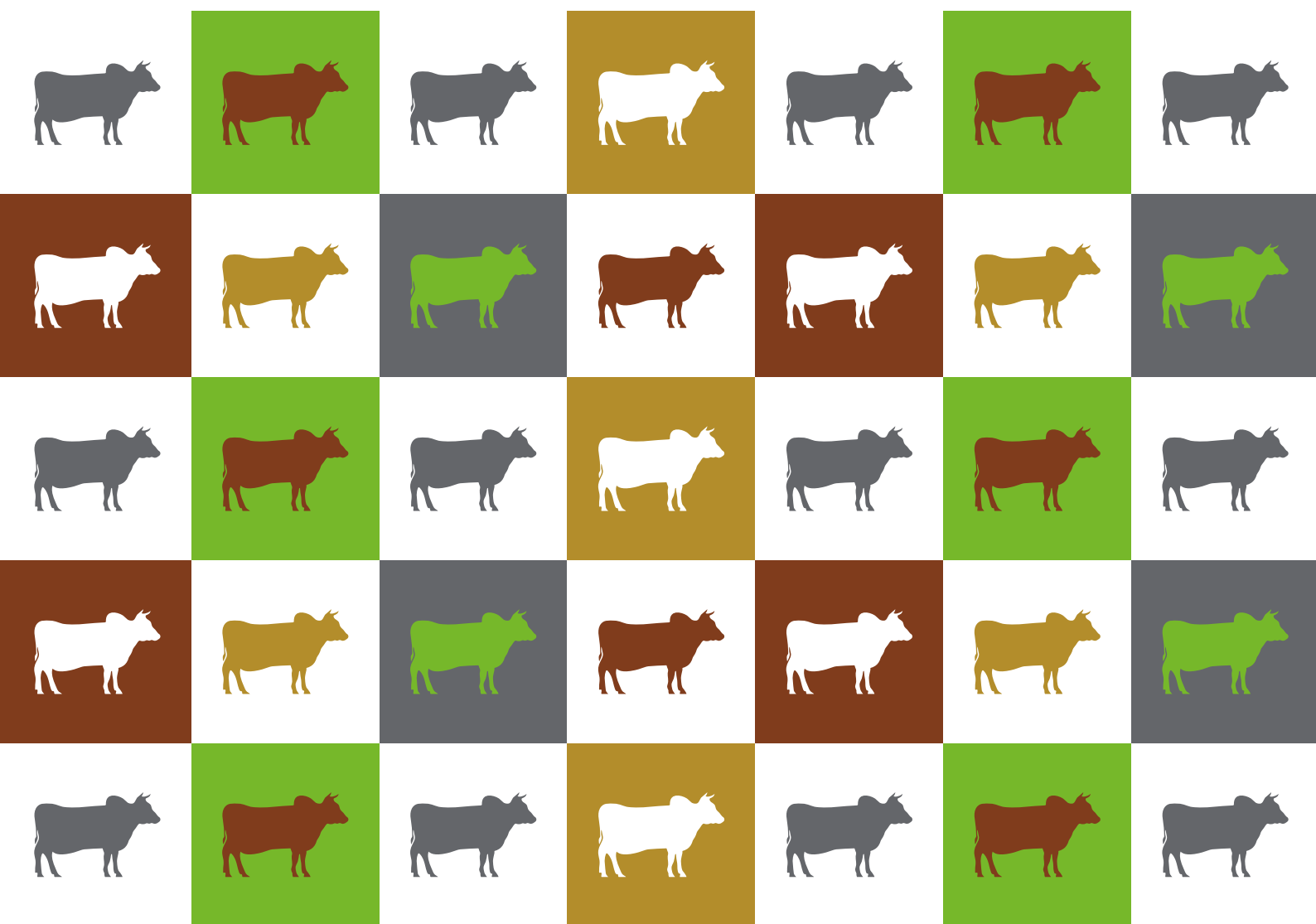
Assessment of the São Paulo Workshop with national companies

**Assessment of event:
Workshop for Set-Up of the Beef Procurement Policy - Cuiabá**



Assessment of the Workshop in Cuiabá - Mato Grosso





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Piracicaba, December 18, 2021