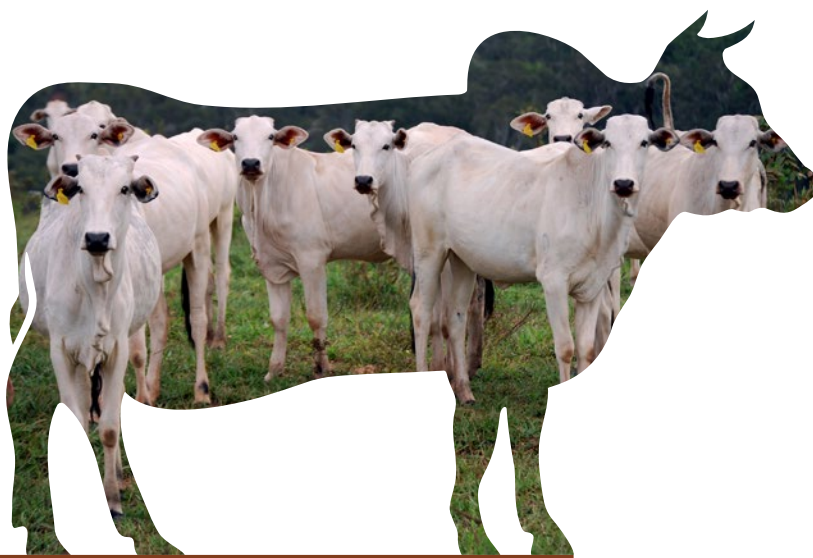




MONITORING PROTOCOL FOR RETAIL'S BEEF SUPPLIERS



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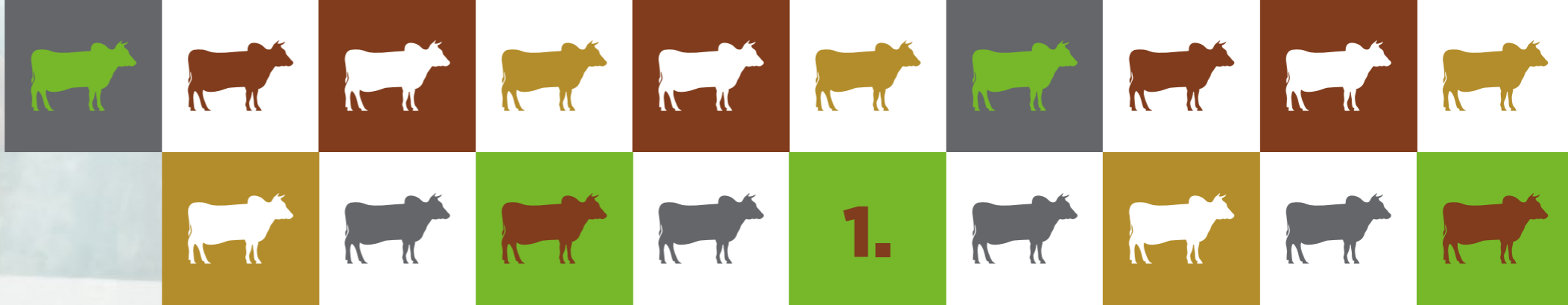
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MONITORING PROTOCOL FOR RETAIL'S BEEF SUPPLIERS



INTRODUCTION

Brazil is one of the largest beef producers in the world. Over 10 million tons are produced (USDA, 2021) with a projected increase of 23.3% by 2029 driven by technological advances in productivity (Fiesp, 2019). The local market is the main destination for Brazilian meat but exports have been increasing and reached 2 million tons in 2020, according to data from the Brazilian Foreign Trade Department.

Cattle ranching is an important economic activity in the Amazon that generates employment and income but it is also, in part, associated with deforestation and social conflict. In the past ten years, monitoring and traceability practices have evolved and been incorporated by companies in the production chain, which helps to reduce socio-environmental irregularities.

Public commitments, such as the Terms of Adjustment of Conduct (TAC) of Pará and the Beef Industry, and the Public Cattle Ranching Commitment (PCRC), required the signatory companies to implement the monitoring, verification and reporting systems on the origin of the product based on the criteria of deforestation,

invasion of Indigenous Land (IL) and Environmental Protected Areas (PA), environmental embargos, slave labour and others.

The PCRC emerged from an initiative of Greenpeace and the three leading meatpackers in the country (JBS, Marfrig and Minerva) with the aim of zero deforestation. In regard to the TACs, individual agreements started being signed by the Public Prosecutor's Office (MPF) and the meatpackers in 2009. The agreements require the companies to perform geospatial analyses and present documents to support the regularity of socio-environmental criteria (Armelin et al., 2020). There are currently more than 100 meatpacking plants who have signed the TAC in the Amazon (Beef on Track, 2021).

It was the retailers, represented by the Brazilian Supermarket Association (Abrás), that came under the spotlight in March 2013 when they began requiring cattle-ranching no environmental irregularities after they signed a Technical Cooperation Agreement (TC) with the Public Prosecutor's Office of Pará. Abrás then began to guide member companies in implementing tracking systems and encouraging them to make information on the origin of beef publicly available (BOX 1).

TAC (Cattle-Ranching and Beef Industry)
Item 3.2. - *"Inform the lots of the farms, via the Internet, to its consumers, with the respective municipality of origin of the cattle".* Understanding that, within this context, the consumers are the buyers of the meatpackers, i.e., retailers included.

Term of Cooperation of Abrás
Item 3.4 - *"Abrás will continue to encourage supermarkets to have proper management and control of their beef suppliers, providing guidance on the importance of recording the date, company names and other information deemed necessary to verify, at the time of the transaction, if the supplier complies with environmental obligations"* and item 3.6 - *"Bearing in mind that information is a principle of consumer relations, Abrás will encourage supermarkets to disclose, whenever compatible and appropriate, at the point of sale, the origin of the beef product (meatpackers) and all actions, and those of its partners, in benefit of the improvement of the beef chain with the purpose of showing transparency to consumers and making them even more aware of this issue".*



With this in mind, the Beef on Track Program, an initiative of Imaflora in partnership with the Public Prosecutor's Office, was created to strengthen social and environmental commitments in the Amazon and boost their implementation by companies and civil society organizations. The program's actions aim to align the different links in the beef value chain and establish benchmarks for greater equality and dynamism in the implementation of commitments.

The Program has already launched the **Protocol for Monitoring Cattle Suppliers in the Amazon** with the objective of aligning criteria and parameters in the tracking of farms by meatpackers; the **Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon** containing the audit procedures of meatpackers to make the process

more reliable and transparent; the **Guide for Retailers: Developing an Effective Beef Procurement Policy** that encourages retailers to build their own purchasing policy; and now it is the turn of the **Protocol for the Monitoring of Beef Suppliers in the Retail Industry** aimed at companies in the sector.

These documents make up the monitoring, reporting and verification (MRV) system that is being developed to increase the number of participants in the beef value chain.

The evolution of the program and the details of each document can be tracked on the Beef on Track platform, a hub of information and transparency on the implementation of commitments (see box below).

Beef on Track Platform

The Beef on Track platform is a hub that offers access to systems, tools, data and technical information for a deforestation-free beef chain.

The meatpackers in the Amazon that are signatories to the TAC and PCRC, as well as information on the performance of the annual audit of third parties in the last cycle, can be found on the Transparency page.

<https://www.beefontrack.org/transparency>

1.1 PROTOCOL FOR THE MONITORING OF BEEF SUPPLIERS IN THE RETAIL INDUSTRY

The purpose of the **Protocol for the Monitoring of Beef Suppliers in the Retail Industry** is to offer a management system applicable to companies in the sector so that they do not buy beef with socio-environmental irregularities.

It can be used by any organisation that trades in beef sourced from the Amazon, such as slaughterhouses, meatpackers, processors, distributors or other commercial arrangements as suppliers.

It proposes a tracking system based on the results of audits of the meatpackers and on the traceability information of the beef lots to verify the adherence of the purchased product in relation to the retailer's beef procurement policy, and provides greater transparency to the consumer.

To build the Protocol, retailers who monitor their suppliers (Carrefour, GPA, Assaí and BIG) were interviewed to understand the difficulties and bottlenecks in this type of procedure. Based on the experiences heard, the Protocol proposes three possible requirements and tracking complexity levels (**essential,**

complementary and advanced), designed to enable companies of all sizes to implement and improve.

The system proposed by the Protocol is divided between the **prior approval stage**, and the **continuous monitoring stage** based on indicators (KPIs). Supplier management, as well as improvement measures between the parties that may come to be needed, depend on the progress of these indicators.

For the sector to move forward together in implementing monitoring and traceability systems, it is important for Abras to also offer support and the tools needed, especially for small and medium-sized companies.

Lastly, the Protocol addresses issues related to **communication and transparency**, aligned with the actions set forth in the term signed by Abras. This item addresses how to disseminate the efforts put in place in the process of monitoring beef suppliers.

The main benchmarks used are the TACs, the PCRC, the Protocol for Monitoring Cattle Suppliers, the Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon, and the Guide for Retailers: Developing an Effective Beef Procurement Policy.

1.2 RELATIONSHIP BETWEEN RETAILERS AND THEIR SUPPLIERS

One of the common goals of all companies is to better serve their customers. When there is pressure from civil society and authorities regarding the environmental agenda, it becomes necessary to make a concerted effort, ensure the sectors involved are in agreement and establish a vision of co-responsibility.

Within the context of this protocol, it is the meatpacker's role to monitor the cattle supply farms in order to offer a quality product that complies with the socio-environmental criteria. It is also the retailer's responsibility to select its suppliers, encourage them to adhere to its policy and monitor them to reduce the risk of being linked to illegalities in the sale of beef.

Any exchange of information between the parties that is needed to ensure traceability from the origin of the product to the farm, must take place based on the General Data Protection Law (GDPL)¹. This guidance aims to ensure the rights of the holder of the personal data, in this case the rural producers.

Further information regarding the application of the GDPR within the context of the Protocol can be found in **Annex I**.

Although there are risks, there are also opportunities inherent in co-responsibility. Responsible cattle-ranching leads to benefits not only for the environment and society but also for the companies involved in the stages along the chain. When products that comply with socio-environmental criteria are offered, value is added to the company's image in the eyes of consumers and national and international investors.

Furthermore, the Protocol adopts the assumption of non-exclusion, i.e. efforts should be made to include all suppliers, even those who are not yet ready to meet the full requirements of a beef procurement policy. Therefore, the parties should work together to establish targets and deadlines for continuous improvement with the aim of reaching mainly small and medium suppliers.

¹ The GENERAL PERSONAL DATA PROTECTION LAW (LEI GERAL DE PROTEÇÃO DE DADOS PESSOAIS LGPD), Law 13.709/2018, aims to regulate the treatment of personal data by companies, given that such has become very important in the modern economy because it can be used for the creation of forecasts, consumer profile analysis, opinions, and other activities. Accessed on: February 6, 2020, available at: <https://www.lgpdbrasil.com.br/>





MONITORING BEEF SUPPLIERS

In order to ensure beef free of socio-environmental irregularities, the retailer must monitor mandatory and predefined minimum requirements. It is recommended for the company to have its own Beef Procurement Policy with preset objectives and targets².

The management adopted in the monitoring of suppliers may vary according to the capacity of the companies but the improvement in internal processes must be continuous so that possible flaws can be identified and the monitoring and traceability (M&T) model can be improved.

It is recommended for the management of suppliers to be the responsibility of a specialised team or sector or that they have the support of an outsourced company that is trained in carrying out M&T work. The sales teams must be fully engaged in the dialogue with suppliers, presenting the Retailer's Policy and the requirements needed to meet it.

Any improvements in the chain that are required by the supplier must be agreed through targets and action plans that enable the retailer to identify and assess their compliance and, when applicable, suspend supply until compliance has been reached.

2.1 APPROVAL OF BEEF SUPPLIERS

The approval stage aims to select suppliers on the basis of common minimum qualifications. As such, the beef supplier must agree to:

- Formally adhere to the retailer's **beef procurement policy** or have a public or private **commitment** that meets the retailer's demand in terms of monitoring requirements.
- Have a **system for geo-monitoring** its cattle suppliers based on the criteria of the **Protocol for the Monitoring of Cattle Suppliers in the Amazon (PMCSA)**.
- Carry out the annual 3rd party audit, following the **Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon**.
- Present all the necessary information for **socio-environmental tracking of suppliers and beef traceability**.

As mentioned in the Guide for Retailers: Developing an Effective Beef Procurement Policy, the retailer must establish a plan to achieve its Monitoring and Traceability targets and ensure that all suppliers meet the approval requirements.

It is recommended for the retail company to establish these conditions in the commercial contract as a prerequisite for approval and with risk of breach of contract if such are not followed.

² To learn how to construct your own policy, go to the "Guide for Retailers: Developing an Effective Beef Procurement Policy"

2.2 COMMITMENT OF RETAILER AND ITS BEEF SUPPLIERS

The retailer's policy or commitment must be presented at the approval stage to clarify what the minimum requirements are, in the event of the supplier not being a signatory of the TAC or if it does not have its own cattle procurement policy. For example, if the retailer makes a commitment to zero deforestation, its suppliers will need to adhere to the same commitment.

The Protocol considers compliance with the 11 criteria of the PMCSA as essential and minimum. The retailer can take on more ambitious commitments (complementary or advanced level) in line with its strategy and capacity to demonstrate progress in the M&T process, as follows:

Level of Commitment	Commitment to monitoring suppliers
Essential	Commitment to the 11 PMCSA criteria (including illegal deforestation) with demonstrated performance in monitoring direct suppliers.
Complementary	Commitment to the 12 PMCSA criteria (including zero deforestation) in monitoring direct suppliers.
Advanced	Commitment to the 11 PMCSA criteria (including illegal deforestation) with demonstrated performance in monitoring indirect suppliers.
	or Commitment to the 12 PMCSA criteria (including zero deforestation) with demonstrated performance in monitoring indirect suppliers.

PROTOCOL TO MONITOR CATTLE SUPPLIERS IN THE AMAZON

What are the 11 criteria that meatpackers must adopt for minimum compliance with the TAC requirements?

1. Illegal deforestation (as of 01/Aug/2008)
2. Indigenous land
3. Protected Areas
4. Environmental Embargo (IBAMA vector)
5. Changes to CAR boundaries
6. Environmental Embargo list (IBAMA and SEMAS/PA)
7. Slave Labour
8. Rural Environmental Registration (Cadastro Ambiental Rural - CAR)

9. Rural Environmental License in Pará
10. Animal Transit Guide (Guia de Trânsito Animal - GTA)
11. Productivity (productivity index)

What is the criterion that together with the previous ones meets the Public Cattle-Ranching Commitment?

12. Zero deforestation (as of 01/Oct/2009).

More on the Protocol: <https://www.beefontrack.org/categoria/monitoring-protocol/>



2.3 MONITORING AND TRACEABILITY STAGE

Following the approval, the retailer can then monitor its beef suppliers continuously to ensure that the beef sold to the consumer originates from a farm with no irregularities.

The monitoring may be carried out in three ways: (i) Receipt of declared information, (ii) Double-checking of information received, or (iii) Double-checking plus 2nd party annual audit. The choice determines the level of management adopted by the retailer (essential, complementary or advanced).

Essential Level:

The retailer must ask the meatpacker to periodically submit traceability information of the rural properties that make up the beef lots³. It is suggested that the information be requested on a monthly basis or at most every three months so that there is no mismatch between the receipt of the beef and the management of information.

At this level, traceability is of the informed type, since the information is not checked.

Complementary Level:

The retailer implements its own monitoring system to double-check the information received from the purchased beef lots. At every invoice issued by the meatpacker, the retailer receives the traceability information of the lot and monitors it based

on the criteria defined in the **PMCSA**, checking for any non-compliance in that lot.

It is important to consider the supplier's capacity to present the traceability data in a complete manner, and it is up to the parties to draw up individualised strategies and suitability plans in case of insufficient information or irregularities.

Similarly, retailers can double-check every lot received or at fixed periods (e.g. weekly, monthly, quarterly) but it is recommended that this monitoring be done regularly.

Advanced level:

At the advanced level, the retailer strives for greater assurance and accuracy of the information received. Besides double-checking, the second part audits are carried out at the meatpackers (annually or every six months, for example) to confirm if the monitoring system is effective in identifying irregularities (deforestation, slave labour, etc.). The audit can be done by the company itself, through a sample of beef purchases, or through an audit firm.

The traceability information passed on may be from direct or indirect farms, depending on the retailer's commitment. The types of monitoring proposed, as well as the traceability information available, are summarised in the table below:

Management level	Type of monitoring adopted by the retailer	Information for M&T of direct-source farm	Information for M&T of direct and indirect-source farm
Essential	(i) Declared information: Information made available by supplier to retailer (minimum every 3 months).		
Complementary	(ii) Double-check: information provided by the supplier at every transaction (invoice) which is used by the retailer for social and environmental monitoring.	Traceability information of direct supplier	Traceability information of direct and indirect supplier
Advanced	(iii) Double-check + 2nd party annual audit: verification of the accuracy of the information received from the supplier for monitoring by the retailer.		

³ Traceability information is detailed in the next item.

It is recommended for the retailer to always adopt the most advanced level of monitoring of its suppliers to avoid the sale of lots with irregularities, with the help of the meatpackers.

At any monitoring level adopted, the retailer may request the Socio-Environmental Statement⁴ of any property from the supplier if a non-compliance is found in the assessment so it can understand the reason the lot was cleared.

2.4 MEAT TRACEABILITY INFORMATION FOR MONITORING SUPPLIERS

The purpose of the information made available by the supplier to the retailer is so that the origin of the cattle in the beef lot can be tracked. This information enables the retailer to assess the compliance of the farm sourcing the products with the social and environmental criteria. This is, therefore, traceability information and it is shown in the table below. The retailer may request the social and environmental statement from the meatpacker for clarification.



TRACEABILITY INFORMATION OF THE SOURCE FARMS:

1. GTA [Animal Transit Guide] number
2. Total number of heads of cattle
3. CAR [Rural Environmental Registry] number
4. Latitude and Longitude of the supplier property
5. Name of farm
6. Municipality and state
7. Name of supplier
8. CPF or CNPJ taxpayer number of supplier
9. Date of slaughter

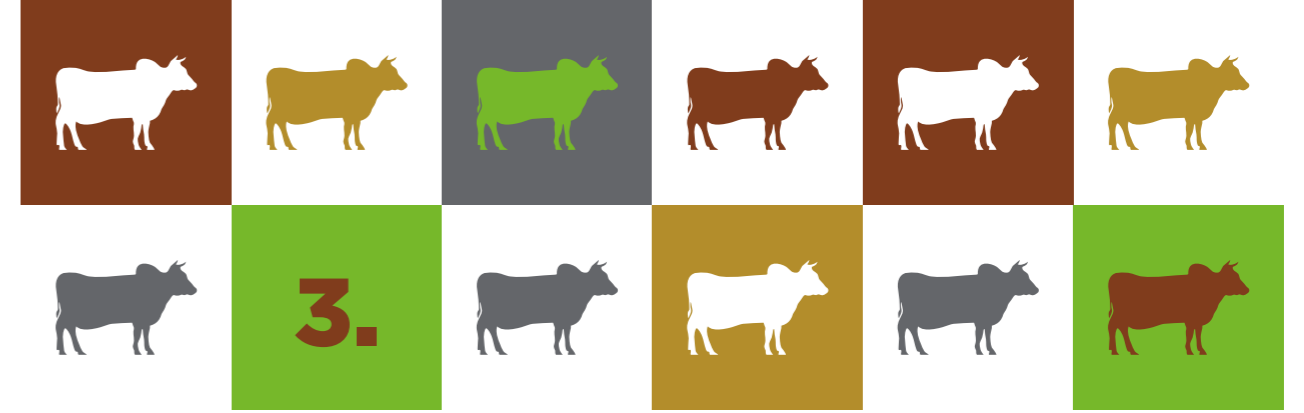
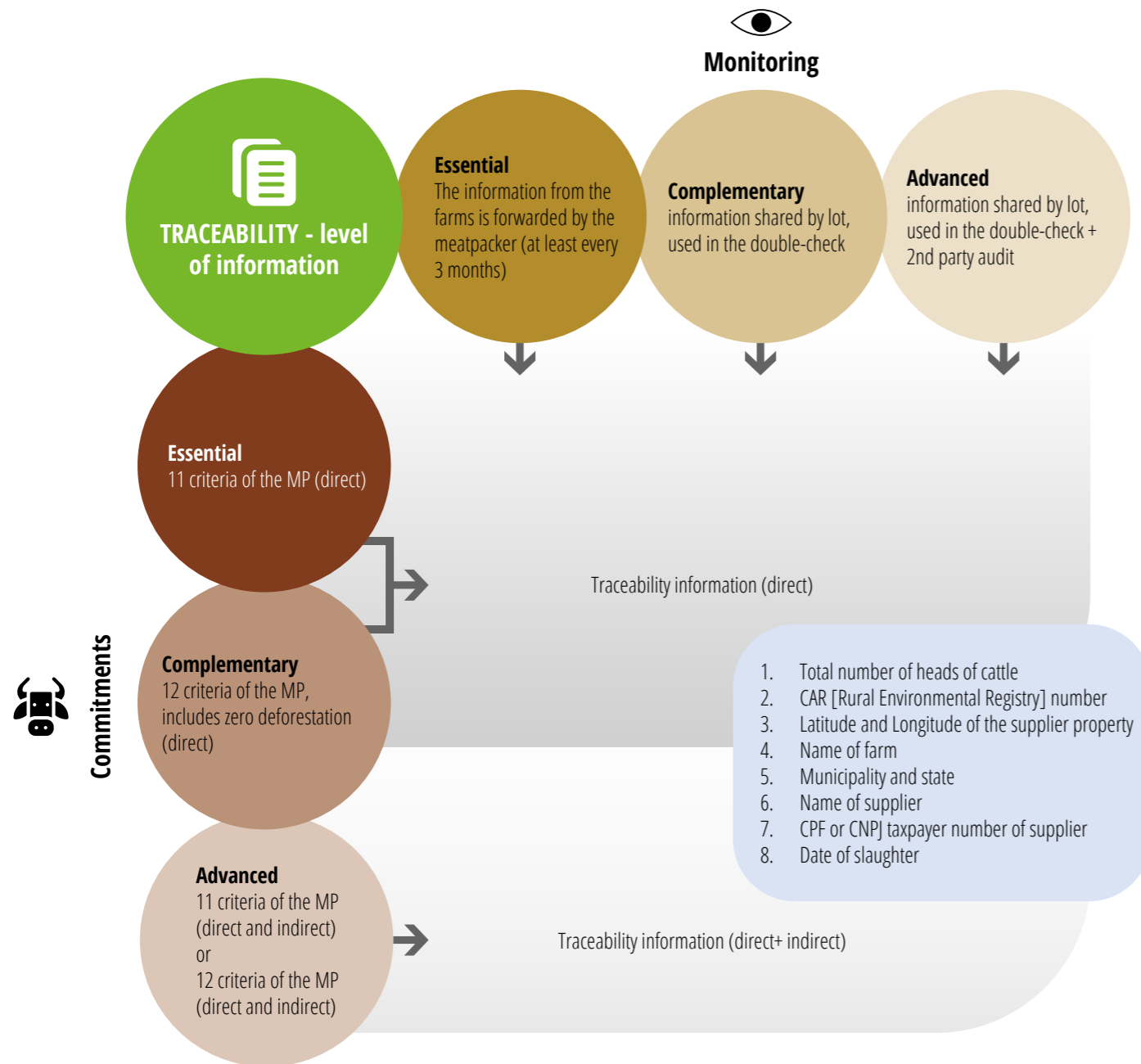
It is essential for the supplier to display the data correctly and in a standardised manner (**Annex III**) to ensure the retailer fully understands the criteria and the results.

The information must be analysed by a trained team, with knowledge in geomonitoring systems and a minimum understanding of environmental laws.

⁴ **Socio-environmental Statement:** result of the socio-environmental assessment of the cattle ranchers, carried out by the meatpacker, according to the parameters and rules of the Protocol for the Monitoring of Cattle Suppliers in the Amazon.

2.5 SUMMARY ON MONITORING & TRACEABILITY

The summary of the monitoring and traceability system seen so far is shown in the table below.



PROGRESS INDICATORS

It is essential for the retailer to use indicators (KPIs) for the internal follow-up of the results of the beef supplier monitoring.

Each indicator must have an objective and target with achievable percentages in the short, medium and long term, according to the company's commitment and the guidelines described in the **Guide for Retailers: Developing an Effective Beef Procurement Policy**.

Some examples of targets are available in **Annex IV** of the Protocol. The following table shows important indicators for internal follow-up and chapter **"4.2 Dissemination of results"** includes the indicators that will be disclosed publicly.

	Essential	Complementary	Advanced
Monitoring beef supplier management	<ul style="list-style-type: none"> % of beef volume from suppliers that pass on traceability information at least every 3 months 	<ul style="list-style-type: none"> % of beef volume from suppliers that pass on traceability information per lot % of beef volume from suppliers where the double-check was carried out. 	<ul style="list-style-type: none"> % of suppliers that have undergone 2nd party audits
Monitoring beef supplier results	<ul style="list-style-type: none"> % of supplier farms in compliance with retailer commitments, in accordance with the information received (on a quarterly basis) 	<ul style="list-style-type: none"> % of supplier farms in compliance with the retailer's commitment, in accordance with the double-checks of the information received. 	<ul style="list-style-type: none"> % of supplier farms in compliance with retailer commitments, in accordance with the double-checks of the information received. % of supplier farms in compliance with the retailer's commitments and with accuracy checks (2nd party audit) of the information provided.



With the result of the indicators, suppliers can be categorised based on complete, intermediate or insufficient compliance in regard to the sharing of information or compliance. This makes it simpler to establish improvement measures for every category.

It is worth pointing out that there are no infallible systems, and non-compliances can be identified in cattle purchases either by process failure, human error, or even decisions made by the representatives of the meatpacker. This should be avoided by the supplier that shows that it has a management system in place to minimize errors, has engagement actions with cattle suppliers and is committed to the targets established in the retailer's procurement policy.



COMMUNICATION AND TRANSPARENCY

Communicating and ensuring transparency is crucial for valuing the efforts and results that the company is implementing.

The recommended means of communication are: sustainability reports, website, social networks, policy progress reports, communication vehicles, and others.

The actions that are usually available refer to:

- Beef procurement policy, monitoring and traceability commitments and targets
- action plan to meet commitments
- supplier engagement plan
- supplier monitoring system
- monitoring verification and reporting of results

Communication contributes to supplier engagement, consumer awareness and accountability to investors, public entities and society.

ABRAS and the state associations can also help in disseminating the efforts being made by the sector.

4.1 TRACEABILITY OF BEEF

With information on the traceability of the beef, the retailer is able to boost consumer trust in regard to the products sold in its stores, developing educational communication actions that provide, for example, a panorama of the origin of the product.

Even if the retailer chooses not to work with information about each of the products available in the stores, controlling the traceability of the beef ensures that the company is supported if confronted with the need to answer any questions about the product's origin.

It is important to point out that any and all information shared about traceability must be supported by the General Personal Data Protection Law (GDPL).



4.2 DISSEMINATION OF RESULTS

Some progress indicators can be used to disseminate the results of supplier monitoring. It is important for every retailer to define its dissemination strategy, but this practice should be prevalent in the sector.

The following table proposes a few easily constructed indicators for companies to start the disclosure process.

More advanced indicators can and should be used as the retail sector evolves in monitoring beef suppliers. This decision is based on an assessment of internal strategy, society's requirements and compliance with other sustainability standards and instruments (Consumer Goods Forum, CDP, GRI, for example).

The following table offers more elaborate indicators that may be made available on the **Transparency Platform of Beef on Track** or in the company's communication channels.

	Essential	Complementary	Advanced
Beef on Track's Retail Transparency Platform	<ul style="list-style-type: none"> • % of beef suppliers that are included on the Beef on Track transparency platform and are signatories to the TAC or the Public Cattle-Ranching Commitment • % of beef suppliers listed on the Beef on Track transparency platform and audit their commitments 		
Communication of KPIs	<ul style="list-style-type: none"> • Engagement: % of beef suppliers in compliance with the conditions predefined in the approval • Traceability: % of volume of purchased beef for which the company receives traceability information to the following links in the supply chain: direct or indirect 		
		Monitoring: % of volume of purchased beef that the company monitors by double-checking it against the requirements of the company's commitment (direct or indirect)	
		Verification: % of volume of purchased beef that the company verifies through a 2nd party audit to be in accordance with the requirements of the company's commitment (direct or indirect)	

Initial Proposal of Indicators

- % of suppliers committed to the retailer's beef procurement policy
- % of suppliers with signed TAC
- % of suppliers with a geomonitoring system
- % of monitored fresh beef suppliers
- % of suppliers blocked due to non-compliance
- % of suppliers unblocked after adaptations were put in place



ANNEXES

I. ABOUT THE GENERAL DATA PROTECTION LAW - "GDPL"

Law no. 13709 of 14 August 2018 (General Data Protection Law - "GDPL") regulates the processing of personal data by individuals or legal entities of public or private law. **PERSONAL DATA** is information that can identify a living individual immediately or can identify the person through a combination or addition of other information.

When personal data of public origin is processed, the GDPL states that the purpose, good faith and public interest must be taken into consideration to justify the provision of the information (Art. 7, item 3 of the GDPL). Such data may be processed for purposes other than those constituting them, provided that legitimate and specific purposes for the new processing are observed, as well as the RIGHTS of the holder and principles of law.

DATA FOR PRODUCT TRACEABILITY AND SUPPLIER MONITORING

The Protocol to Monitor Beef Suppliers in the Retail Industry proposes the sharing of producers' personal data, between meatpackers and retailers, and aims to demonstrate the compliance of the product's origin with the social and environmental criteria that appear in the sector's public commitments. This justifies the interest of these companies in sharing information that enables them to monitor and check these criteria.

Society as a whole is also interested in this practice since, ultimately, checking compliance aims to assess if the beef production chain is abiding by socio-environmental rules. It is, therefore, possible to argue that sharing for the purpose of auditing and verifying the compliance of the beef production chain is legitimate under the proposed Retail Monitoring Protocol.

Personal data that can identify the holder, directly or via a combination or addition of other information, is: (i) Animal Transit Guide (Guia de Trânsito Animal - GTA); (ii) Rural Environmental Registry number (Cadastro Ambiental Rural - CAR); (iii) latitude and longitude of the farm; (iv) municipality and State of the farm; (v) name and (vi) CPF tax number of the producer.

On the other hand, other information determined by the Monitoring Protocol regarding the total number of heads of cattle and date of slaughter is information that pertains mostly to the cattle and the transactions and are not subject to the scope of the GDPL.

PRODUCERS RIGHTS

Art. 18 of the GDPL states that the data subject may exercise certain rights in relation to their personal data with the data controller (i.e. company or entity that decides on the processing). The rights include: (i) confirmation of the existence of processing; (ii) access to personal data; (iii) correction of incomplete, inaccurate or outdated data; (iv) anonymisation, blocking or erasure of data in specific circumstances; (v) data portability; (vi) objection to processing in case of non-compliance with the law; (vii) receipt of clear information about data processing, including information about the entities with which the controller has shared data.

The interest that a producer may possibly have in not allowing sharing does not overlap, and obtaining the consent of the data subject is not necessary for this type of data processing. However, the parties involved must ensure compliance with the PRINCIPLES set forth in the GDPL to ensure the data subject is entitled to (i) easy access to the shared use of such data and their respective purposes (art. 9(V) of the GDPL) and to (ii) obtain information about which entities the controller has shared the data with (art. 18(VII) of the GDPL).

RECOMMENDATIONS TO THE PARTIES INVOLVED

Given the existing correlations between the GDPL and the Retail Monitoring Protocol, some recommendations are highlighted for data controllers (meatpackers and retailers) to carry out the necessary procedures for verifying and auditing the beef, respecting the rights of the data subjects regarding the sharing of their personal data. The recommendations are described below under four topics:

1 - Transparency: the meatpackers must ensure that the titleholders are informed that their personal data will be shared with retailers and what the reason for the sharing is in order to meet the transparency principle established by the GDPL. Therefore, the meatpackers must **maintain a privacy policy to provide clear information on sharing** or include contractual clauses that guarantee the provision of such information in the contract with producers (if there is a contract), among other formats that make information easily accessible.

2 - Reasonableness of the processed data: the meatpackers must **share only the personal data strictly necessary** for the purpose intended.

3 - Data sharing rules between processing agents: the parties may include **rules and commitments in a specific data sharing agreement**. As such, the meatpackers must agree to only share personal data that has been lawfully collected/received, and retailers must agree to use personal data received exclusively for the purpose of auditing and verifying the compliance of the beef production chain, in line with the rules and rights established by the GDPL. It is possible to include clauses with fines and/or clauses underlining the duty of indemnification in case of breach of the rules and commitments undertaken in terms of data processing.

4 - Drawing up a Personal Data Protection Impact Report: Considering art. 10(3)(38), caption and sole paragraph of the GDPL, the National Data Protection Authority (Autoridade Nacional de Proteção de Dados - ANPD) may order the controller to prepare a **personal data protection impact report regarding its data processing operations**. Should the ANPD order the preparation of this document, the report must contain at least the description of the types of data collected, the methodology used for the collection and for ensuring the security of the information, and the controller's analysis in regard to the measures, safeguards and risk mitigation mechanisms adopted. In addition to the possibility of being requested by the ANPD, the report helps to demonstrate the efforts of each of the parties to comply with the GDPL.

GLOSSARY

- **Processing agents:** the controller and the operator.
- **National authority:** public administration entity in charge of ensuring, implementing and monitoring compliance with the GDPL nationwide
- **Sharing:** communication, dissemination, international transfer, interconnection of personal data or shared processing of personal databases by public agencies and entities in compliance with their legal powers, or between such and private entities, reciprocally, with specific authorisation, for one or more processing modalities allowed by these public entities, or between private entities.
- **Controller:** An individual or legal entity, governed by public or private law, who is responsible for decisions concerning the processing of personal data. This is the party with most interest and on whom rests the greatest responsibility in relation to the sharing.
- **Personal data:** information that can identify a living individual immediately or can identify the person through a combination or addition of other information.
- **Operator:** Individual or legal entity, either governed by public or private law, who carries out the processing of personal data on behalf of the controller.
- **Titleholder:** Individual to whom the personal data which is the subject of the processing pertains to.
- **Processing:** Any operation carried out with personal data, such as that related to collection, production, reception, classification, use, access, reproduction, transmission, distribution, treating, filing, storage, elimination, assessment or control of information, modification, communication, transfer, dissemination or extraction.



IMPORTANT

The best line of action regarding the sharing of data to check the social and environmental compliance of beef concerns only and exclusively the company itself. Therefore, **this document is not intended to replace the guidelines determined by the privacy, data protection or legal teams of each company, but it can be an initial starting point for internal discussions or even a possible course of action.**

This analysis should not be considered an exhaustive and complete analysis regarding compliance with other aspects presented in the LGPD.

We emphasize that the analysis presented considers the rules provided for in the legislation and regulations in force and the relevant decisions and understandings published to date. Assuming that future legislative or regulatory changes may significantly interfere with the orientations presented herein, we recommend periodically analysis of possible effects of these changes in this Memorandum.

II. LIST OF LIMITATIONS FOR FULL COMPLIANCE WITH CATTLE-RANCHING COMMITMENTS

The limitations of this protocol for the full compliance with the commitments on which it is based (TAC and Public Cattle-Ranching Commitment) are shown in this annex.

It is hoped that with the sectoral alignment of the monitoring and traceability rules by the retailers, in line with the implementation of the **Protocol to Monitor Cattle Suppliers in the Amazon** by the meatpackers, the management for the full service of the chain will become possible.

Requirements	Limitations
Monitoring and traceability of indirect suppliers	Unavailability of public and systematised information
Geomonitoring System	Cost in deployment for small businesses

III. TEMPLATE FOR THE CORRECT FILLING IN OF ALL TRACEABILITY INFORMATION

- GTA number: State XX; Series XX; Number xxxxxxx
- Total number of heads of cattle: no template
- CAR number: UF-1302405-E6D3.395B.6D27.4F42.AE22.DD56.987C.DD52
- Geographic Coord.: Latitude XX°XX'XX"S Longitude XX°XX'XX"O (in Brazil) or -XXX.XXXX
- Farm name: no template
- Municipality and State: xxxxxx/XX
- Supplier name: no template
- CPF or CNPJ taxpayer number of supplier: CPF: xxx.xxx.xxx-xx; CNPJ: xx.xxx.xxx/xxxx-xx
- Date of slaughter: DD/MM/YYYY

IV. TEMPLATE OF TARGETS AND FLOW TO UNDERSTAND KPI'S

Examples of monitoring **management** targets:

- Essential Level:** Cover 90% of the volume of beef acquired from suppliers that transfer traceability information, by December 2022.
- Complementary and Advanced Levels:** Cover 70% of the volume of beef purchased with traceability information per lot by December 2022.
- Complementary and Advanced Levels:** Cover 70% of the volume of beef acquired with double checking, by December 2022.
- Advanced level:** Cover 90% of suppliers with 2nd party audits by December 2025.

Below is an example of the results of the management targets, by level:

Example by level	100 tons of purchased beef	
Essential	90 tons of beef with traceability information	10 tons of beef without traceability information
Complementary and Advanced	70 tons of beef with traceability information per lot	30 tons of beef without traceability information lot per lot
	50 tons of beef with double-checked information	50 tons of beef without double-checked information
Advanced	90 tons of beef with 2nd party audit at suppliers	10 tons of meat without 2nd party audit at suppliers

Examples of monitoring **result** targets:

- Essential Level:** Cover 80% of supplier farms in compliance with the commitments and beef procurement policy by December 2022.
- Complementary Level:** Cover 80% of supplier farms in compliance with the commitments, verified through the double-check by December 2022.
- Advanced level:** Cover 80% of supplier farms in compliance with the commitments, analysed using the double-check and audits by 2nd parties by December 2025.

Below is an example of the results of the result targets, by level:

Example by level	100 supplier farms	
Essential	80 farms in compliance with the retailer's commitment (per information submitted quarterly)	20 farms not in compliance with the retailer's commitment (per information submitted quarterly)
Complementary and Advanced	60 farms in compliance with the retailer's commitment, according to the double-check	40 farms not in compliance with the retailer's commitment, according to the double-check
Advanced	80 farms in compliance with the retailer's commitment, with 2nd party audit	20 farms not in compliance with the retailer's commitment, with 2nd party audit

V. GLOSSARY

• Double-check

Verification by retailer of information received from the beef supplier using a geomonitoring system. It is important to consider that in the double-check the retailer may be analysing the information from the farm in a different period than that of the analysis made by the meatpacker.

• Socio-environmental statement (Monitoring the beef supplier)

The socio-environmental statement or beef supplier monitoring is the procedure used by the meatpacking industry to monitor the farms and rural producers that supply cattle to them.

It includes the following information:

1. Illegal deforestation (as of 01/Aug/2008)
2. Indigenous land
3. Protected Areas
4. Environmental Embargo (IBAMA)
5. Changes to CAR boundaries
6. Environmental Embargo (IBAMA and SEMAS/PA)
7. Slave Labour
8. Rural Environmental Registration (Cadastro Ambiental Rural - CAR)
9. Rural Environmental License in Pará
10. Animal Transit Guide (Guia de Trânsito Animal - GTA)
11. Productivity (productivity index)
12. Zero deforestation (as of October 1, 2009) - to comply with the Public Cattle-Ranching Commitment.

• Monitoring of beef supplier (retailer management):

Procedure adopted by every retailer to control if the supplier is meeting the pre-established requirements (about deforestation, slave labour, etc. in the farms of origin), in accordance with the commitment or the beef procurement policy.

• Traceability of product (informed and verified):

This occurs when information about the farms that sourced the beef is transferred to the lots purchased by the retailer (it refers to the chain of custody or the path that the cattle took from the farm of origin to the end consumer).

Informed traceability refers only to its receipt without any information checks. Verified traceability, in turn, corresponds to origin information that has been verified by a 2nd party audit.

• Accuracy check

Verification of traceability information received from the beef supplier through a 2nd party audit.

VI. REFERENCES

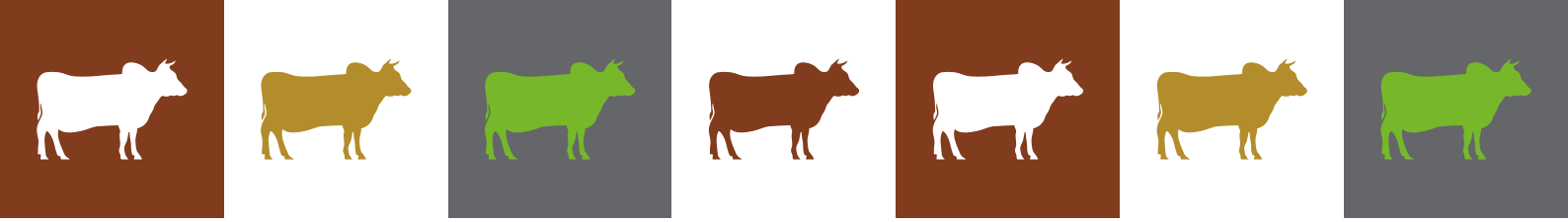
Documents

- Protocol to Monitor Cattle Suppliers in the Amazon (2020)
- Audit Protocol for the Monitoring of Cattle Suppliers in the Amazon (test v, 2020)
- Term of Adjustment of Conduct for Pará state (2009)
- Term of Adjustment of Conduct for the Legal Amazon (2010)
- Public Cattle-Ranching Commitment - Minimum criteria for industrial cattle-ranching and beef product operations in the Amazon biome (2009).
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