FROM FOREST TO FARMLAND

CATTLE ILLEGALLY GRAZED IN BRAZIL'S AMAZON FOUND IN JBS'S SUPPLY CHAIN

CONFLICT AND ENVIRONMENT

AMNESTY INTERNATIONAL

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Cover photo: *Cattle grazing on pasture in a cattle property inside the Rio Ouro Preto Reserve, in Rondônia state, in July 2019.*
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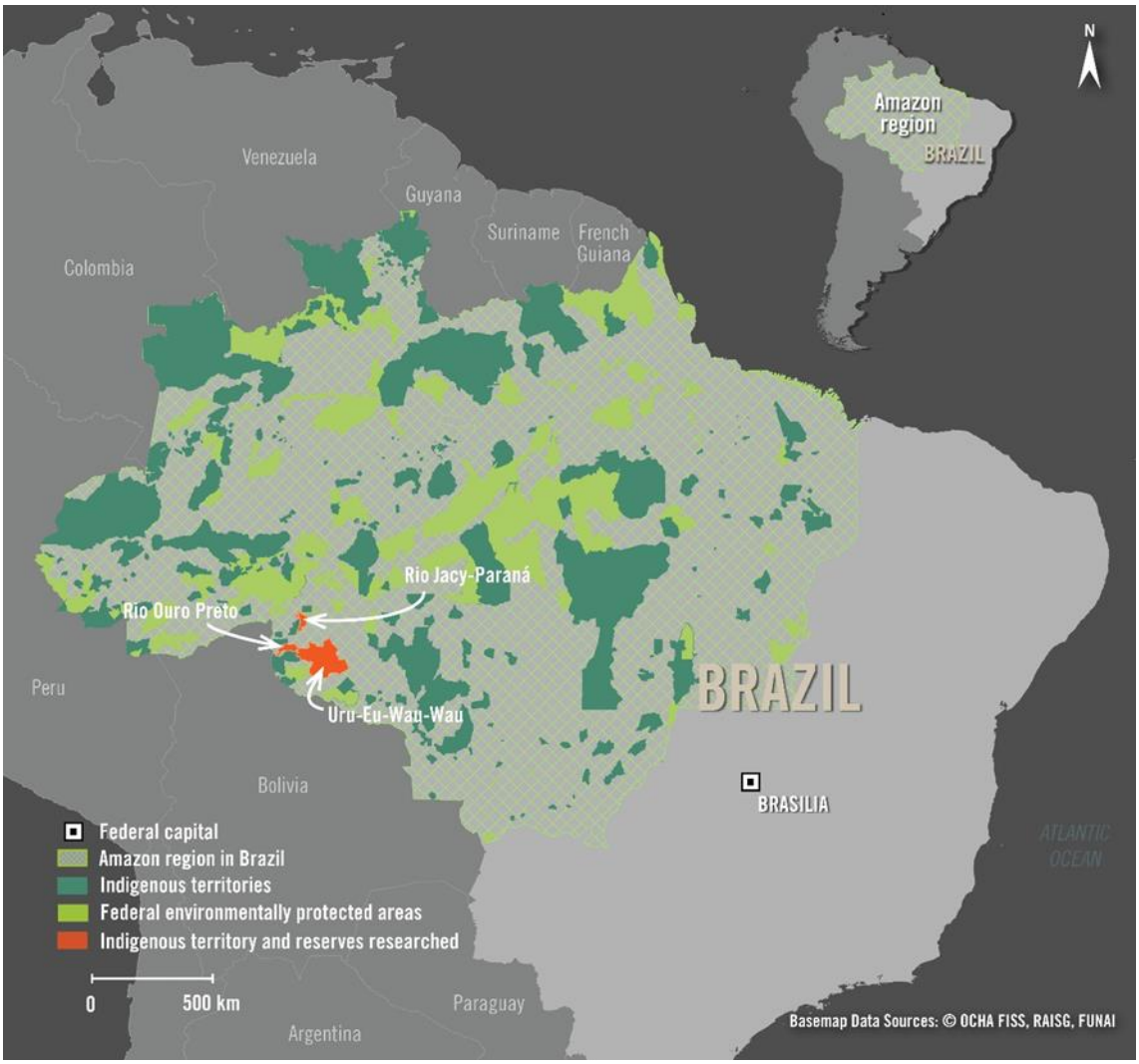
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Federal environmentally protected areas
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EXECUTIVE SUMMARY

In Brazil's Amazon, land seizures for illegal commercial cattle ranching are increasing at the expense of the rights of Indigenous peoples and traditional residents of Reserves. These land seizures threaten their land and their future. Indigenous peoples and residents of Reserves cannot access occupied areas, reducing their opportunities to hunt or collect natural resources.

The land seizures are often accompanied by threats and intimidation against those living on and seeking to defend their territories. Indigenous peoples and traditional residents of Reserves often fear being hurt or killed if they go to these areas. In the worst cases, they are compelled to flee their homes.

Land seizures, deforestation and fires are often stages in a process that converts Amazon rainforest into pasture for cattle. The process starts when cattle farmers and *grileiros* – private individuals who illegally seize land which they either keep for themselves or sell to others for profit – mark plots of land in the forest. The process continues when cattle farmers and *grileiros* cut down trees, light fires (often repeatedly in the same area), then plant grass and introduce cattle to graze.

According to Brazilian government data, 63% of the area deforested from 1988 to 2014 in Brazil's Amazon region became pasture for cattle.

Commercial cattle ranching is rapidly expanding in protected areas where the activity is illegal. Amnesty International recently interviewed Indigenous people and traditional residents of three protected areas in the key northern state of Rondônia: Uru-Eu-Wau-Wau Indigenous territory and Rio Jacy-Paraná and Rio Ouro Preto Reserves.

Amnesty International also obtained official data on cattle ranching in protected areas through the submission of Freedom of Information requests to Rondônia's government and analysed official animal health control documents, as well as satellite imagery.

Although commercial cattle ranching is prohibited in the three areas, Uru-Eu-Wau-Wau people and residents of the Reserves described recent attempts to seize land in order to graze cattle. While there is a long history of land seizures, incursions have intensified since January 2019. The number of land seizures has increased sharply, and new areas have been cleared and planted with grass for pasture.

Satellite imagery taken between January and May 2020 clearly shows recent attempts to expand illegal commercial cattle ranching in all three sites. Images reveal areas that have been recently cleared, the construction of drinking ponds for cattle, as well as cattle grazing in these areas.

Rondônia's animal health control agency (*Agência de Defesa Sanitária Agrosilvopastoril do Estado de Rondônia*-IDARON) maintains detailed records of farmers who graze cattle in protected areas. This is because IDARON, like other state animal health control agencies in Brazil, registers cattle farmers and farms, including the geographic coordinates of farms.

IDARON also oversees the transfer of cattle between farms (and between farms and slaughterhouses) by issuing official documents, called Animal Transport Permits (*Guia de Trânsito Animal*), that record the origin farm, destination (farm or slaughterhouse), the purported purpose of movement, as well as the number and age range of the cattle.

Amnesty International submitted various Freedom of Information requests to IDARON regarding these records. The data IDARON provided show that the number of cattle in protected areas where commercial cattle ranching is illegal in Rondônia has risen substantially. From November 2018 to April 2020, the number of cattle rose from 125,560 to 153,566 cattle, an increase of 22%.

IDARON data also show that 89,406 cattle were transferred off farms located in protected areas where commercial cattle ranching is illegal during 2019.

The increase of illegal commercial cattle ranching in protected areas means Indigenous peoples and residents of Reserves lose their land. In all three sites, Indigenous people and residents of Reserves have lost access to part of their protected territories due to illegal commercial cattle ranching.

For example, in December 2019, while patrolling their territory, some Uru-Eu-Wau-Wau people found that an area of approximately 200 hectares had been recently cleared and burned. Araruna, an Uru-Eu-Wau-Wau man in his 20s, told Amnesty International:

> **We are concerned about the recent invasions over the last months because they are increasing and getting closer and closer to the villages. We found a huge area recently deforested. We saw a helicopter sowing grass so that they can bring cattle in the future.**

Uru-Eu-Wau-Wau Indigenous people and residents of Rio Ouro Preto Reserve frequently avoid going to those areas now occupied by cattle farmers from fear of being hurt or killed.

In the Rio Jacy-Paraná Reserve, cattle farmers and *grileiros* have already evicted most residents. Abelardo, a former resident in his late 40s who had been evicted from the Reserve by a group of armed men in 2017, explained to Amnesty International:

> **There is no way we can go back. There is someone living there [on my land]. If someone goes there, he or she will die. These people kill.**

JBS is a Brazilian-based multinational company and the largest producer of beef in the world. While Amnesty International did not find any evidence indicating that JBS is directly involved with human rights abuses in the three sites covered by this research, this report shows cattle illegally grazed in protected areas have entered JBS's supply chain.

To come to this conclusion, Amnesty International analysed official animal health control documents, in collaboration with the nongovernmental organisation Repórter Brasil.

According to the analysis of official animal health control documents, JBS directly purchased cattle from a farm in the Rio Ouro Preto Reserve on two occasions in 2019.

Additionally, JBS repeatedly purchased cattle from two farmers who operate both illegal farms in protected areas and legal farms outside. One farmer illegally grazes cattle in the Rio Jacy-Paraná Reserve and another in the Uru-Eu-Wau-Wau Indigenous territory.

Both farmers registered cattle movements from a farm inside one of the protected areas to a farm outside the protected area and then registered separate cattle movements from the farm outside to JBS. In each case, both farms were registered in the name of the same farmer.

In 2019, JBS purchased cattle from the farmer who illegally grazes cattle in the Uru-Eu-Wau-Wau Indigenous territory on five occasions and purchased from the farmer who illegally grazes cattle in the Rio Jacy-Paraná Reserve on four occasions.

Moving cattle through intermediary farms to make them appear legal despite having been grazed on farms where commercial cattle ranching is illegal is a practice known as cattle laundering. There are indications to suggest that these two farmers may have employed the practice of cattle laundering to circumvent existing monitoring systems and sell cattle grazed in these protected areas to JBS.

In two cases, the second movement (from the legal farm to a JBS plant) was registered just a few minutes after the movement between the farm inside the protected area to the legal farm. Both movements involved an identical number of cattle of an identical age range and sex. In these cases, the age range of the cattle was older than 36 months. Often cattle are transferred for slaughtering in this age range.

Farms directly selling to meat-packing companies are called direct suppliers, while farms where the cattle grazed before arriving to the direct suppliers are called indirect suppliers. Academic researchers have estimated that almost all farms buy cattle from indirect suppliers.

In 2009, JBS signed non-deforestation agreements with the Federal Public Prosecutor's Office and, separately, the environmental organisation Greenpeace. While Greenpeace has since suspended its participation due to continuing breaches, both agreements remain in force in 2020.

Among other obligations, JBS committed to no longer purchase directly from farms located in protected areas, including Indigenous territories and Reserves. The 2009 agreement with Greenpeace also required JBS to monitor its indirect suppliers by 2011.

During research for this report, Amnesty International sought specific information from JBS on whether the company had processed any cattle from farms located in the three protected areas in 2019. In response, the company stated "We do not purchase cattle from any farm involved in the illegal grazing within protected areas." It also stated that the company has "an unequivocal zero deforestation approach throughout its supply chain."

JBS also stated that "JBS closely monitors its suppliers for compliance in all aspects of our Responsible Procurement Policy and has not previously identified issues relating to human rights abuses of Indigenous communities or other protected groups."

Amnesty International also sought specific information from JBS on whether the company monitors its indirect suppliers. JBS did not answer that question and instead noted that "the traceability of the entire beef supply chain is an industry-wide challenge and a complex task." Third-party annual audits to assess compliance with the Greenpeace agreement conducted between 2016 and 2019 note that JBS does not monitor its indirect suppliers.

JBS has a responsibility to respect human rights under international human rights law and standards. The United Nations Guiding Principles on Business and Human Rights (the UN Guiding Principles) require companies to implement a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights, including the impacts in supply chains.

Amnesty International considers that, by failing to effectively monitor for illegally grazed cattle entering its supply chain, JBS failed to carry out adequate due diligence. Under the terms of the UN Guiding Principles, JBS contributed to human rights abuses against Indigenous peoples and residents of Reserves by participating in the economic incentives for cattle illegally grazed in protected areas.

The UN Guiding Principles also require companies to remediate, by themselves or in cooperation with other actors, the adverse human rights impacts they have caused or (as in this case) contributed to.

As the largest beef producer in the world, JBS is in a unique position to exercise leverage, influence and control to prevent the entry of illegally grazed cattle into its supply chain. Monitoring systems of cattle supply chains are already in place in many countries. The European Union, for example, has a mandatory system of identifying individual cattle from birth to slaughter, which records all farms where cattle are grazed.

Amnesty International calls on JBS to implement an effective monitoring system, including of its indirect suppliers, and ensure the company does not purchase cattle illegally grazed in protected areas at some stage of their lives. JBS has been aware of the risks that cattle illegally grazed in protected areas may enter its supply chain since at least 2009 and should promptly implement due diligence and preventive measures. Amnesty International believes that this system should be in place by the end of 2020.

Throughout this process, JBS should engage with its direct and indirect suppliers to implement the system, providing them with the necessary support, including financial and technical. Where suppliers do not collaborate, JBS should apply its leverage, including with warnings of suspension and actual suspension of business relationships.

Under the UN Guiding Principles, where JBS has contributed to human rights abuses by participating in the economic incentives for cattle illegally grazed in protected areas, JBS should also redress, by itself or in cooperation with other actors, those abuses.

Amnesty International calls on JBS's investors and buyers to engage with JBS in these processes. If JBS has not put in place credible and effective measures to monitor its direct and indirect suppliers by the end of 2020, JBS's investors and buyers should suspend current investments in and business dealings with JBS, as well as refrain from future investment in and purchasing from JBS.

The state-owned Brazilian National Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*- BNDES) is the second largest shareholder of JBS.

According to the 2009 BNDES socioenvironmental guidelines for the cattle industry, companies supported by BNDES through either loans or shareholding should have implemented a traceability system for all cattle from birth to slaughter by 2016 to ensure cattle illegally grazed in protected areas do not enter their supply chains. To date, BNDES has not required JBS to implement this policy.

Brazil's Constitution and international human rights standards recognize Indigenous peoples' and residents of Reserves' rights to their land, its use and natural resources. Brazil is also obligated under the Paris Agreement and human rights law to take steps to prevent climate change.

Conserving rainforests is key in the fight against climate change because when forests are cleared or burnt, stored carbon is released into the atmosphere mainly as carbon dioxide.

Amnesty International urges Brazilian authorities to step up environmental monitoring and law enforcement to protect human rights at risk from illegal commercial cattle ranching in the world's largest tropical rainforest.

Amnesty International considers that, where state animal health control agencies such as IDARON register commercial cattle farms and/or issue animal health control documents for cattle movements despite the farm being in a Reserve or Indigenous territory, they effectively enable illegal commercial cattle ranching.

IDARON and other state animal health control agencies throughout Brazil should not issue Animal Transport Permits for cattle moving to or from commercial cattle farms located in protected areas where commercial cattle ranching is illegal.

Amnesty International also calls on IDARON and other state animal health control agencies to suspend the registration of commercial cattle farms located in protected areas where commercial cattle ranching is illegal. In collaboration with Federal and state environmental authorities, state animal health control agencies should prevent the entry of cattle in these areas and ensure the removal of the cattle illegally grazing in protected areas.

They should also make cattle-related data (including cattle movements) publicly available and accessible.

METHODOLOGY

This report is part of Amnesty International's ongoing investigation into the adverse human rights impacts on Indigenous peoples and residents of Reserves from land seizures in Brazil's Amazon. In November 2019, Amnesty International released a report on expanding efforts to seize land and illegally graze cattle in Indigenous territories and Reserves in Mato Grosso and Rondônia states.[1]

Between April 2019 and May 2020 Amnesty International interviewed 24 residents of the Uru-Eu-Wau-Wau Indigenous territory and Rio Jacy-Paraná and Rio Ouro Preto Reserves. Interviews were conducted in Portuguese, either in person or by telephone. Amnesty International also interviewed 18 experts, including public prosecutors, government officials and representatives of non-governmental organizations.

To protect the confidentiality and safety of interviewees, names and other identifying information have been withheld. Throughout this report Amnesty International has used pseudonyms for interviewees.

Amnesty International analysed satellite imagery from 2020 in order to document land seizures for illegal commercial cattle ranching in the three sites.

Between June 2019 and May 2020, Amnesty International submitted a total of seven Freedom of Information requests to Rondônia's animal health control agency (*Agência de Defesa Sanitária Agrosilvopastoril do Estado de Rondônia*-IDARON). In responses, IDARON provided data on cattle ranching in protected areas in Rondônia state.

In addition, Amnesty International reviewed lists of farmers whose farms are in each protected area covered by this research. Each list had been compiled by IDARON.

In this report Amnesty International has withheld the names and other identifying information of farmers grazing cattle in protected areas to protect the safety of people who shared information on commercial cattle ranching in protected areas.

Amnesty International also analysed official animal health control documents. The nongovernmental organisation Repórter Brasil collaborated in the analysis.

Amnesty International also analysed farm registries in the Rural Environmental Registry system (*Cadastro Ambiental Rural*-CAR). The CAR is a publicly accessible and mandatory registry which contains environmental data, including georeferenced boundaries, of farms.[2]

In April 2020, Amnesty International also submitted to Rondônia's Secretary of Environmental Development a Freedom of Information request on the number of farms in the Rio Jacy-Paraná Reserve as recorded in the CAR system.

Amnesty International consulted JBS's database Guarantee of Origin Friboi (*Garantia de Origem Friboi*).[3] It claims to inform customers of the origin of its beef products.

Amnesty International reviewed Federal legislation and state laws and analysed official investigations and official documents submitted in court.

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[1] Amnesty International, *Fence Off and Bring Cattle: Illegal Cattle Farming in Brazil's Amazon* (Index: AMR 19/1401/2019)
[2] Brazil's Federal Law 12,651/2012.
[3] The Guarantee of Origin Friboi database provides a list of farms that supplied a specific JBS plant on a specific date. Each JBS plant is identified by its Federal Inspection Service (*Serviço de Inspeção Federal* – SIF) number. See Friboi, www.friboi.com.br/sustentabilidade/garantia-de-origem. See also Ministry of Agriculture, Livestock and Supply, "Serviço de Inspeção Federal", 29 November 2016, www.gov.br/agricultura/pt-br/assuntos/inspecao/produtos-animal/sif/servico-de-inspecao-federal-sif

Amnesty International wrote to JBS seeking further information on its operations in Brazil. The letter is attached in Annex 1. JBS's letter in reply is incorporated in the report and is included in full in Annex 2.

Amnesty International also wrote to IDARON and Brazil's National Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social*-BNDES) seeking further information prior to the publication of this report.

In an emailed response, a BNDES representative noted that BNDES would provide a response to the letter on July 31, 2020 (that is, after the date of finalising this report).[4] Amnesty International's correspondence to BNDES and IDARON are attached in Annexes 3 and 4 respectively.

[4] E-mail from Ricardo Tannure, advisor of credit and warrant director at BNDES, 02 July 2020. Copy on file with Amnesty International.

TERMINOLOGY

Certain terms used in this report have specific meanings which are clarified here:

"Amazon region" refers to the Amazon area as defined by Brazilian legislation, which comprises the states of Acre, Amapá, Amazonas, Pará, Rondônia, Roraima, Mato Grosso, Tocantins and part of Maranhão state.[5]

The Portuguese term *"grileiros"* refers to people who illegally seize land. They either use the land for themselves or sell it on to other persons.

"Indigenous peoples" refer to peoples that self-identify as Indigenous peoples and have a historical link with those who inhabited the Brazilian territory at the time when the Portuguese arrived. They also have a strong link to territories and their surrounding natural resources and have distinct languages, cultures and beliefs, as well as distinct social, economic and political systems.[6]

"Indigenous territories" refers to territories traditionally occupied by Indigenous peoples, including the areas where they live, use for productive activities, and consider essential for their well-being and their physical and cultural reproduction.[7]

"Reserves" (*reserva extrativista*) refers to a type of environmentally protected area. Reserves are intended to protect the livelihoods and culture of traditional residents and ensure the sustainable use of the natural resources in the area.[8]

People living in these Reserves are referred to as "residents". Traditional residents live mostly on sustainable activities such as rubber-tapping and the harvesting of natural resources, including wild fruits. Brazil's Constitution protects traditional residents, their traditional ways of life and their rights to their land, its use and natural resources.[9] Traditional residents of the Reserves visited by Amnesty International do not consider themselves Indigenous people.

"Commercial cattle ranching" refers to cattle ranching intended for sale to other farms and/or meat-packing companies.

"Protected areas" means areas that receive special legal protection, comprising Indigenous territories, Reserves and other types of environmentally protected areas.

A currency conversion rate of US$1 to BRL 5.00 has been used, the approximate rate of exchange at the time of research.

[5] Article 2 of Brazil's Federal Law 5,173/1966; article 45 of Brazil's Complementary Federal Law 31/1977.
[6] Amnesty International, "Indigenous peoples", www.amnesty.org/en/what-we-do/indigenous-peoples/#:~:text=Amnesty%20works%20with%20Indigenous%20peoples,heard%20and%20effectively%20lobbied%20governments
[7] Article 231 of Brazil's Constitution.
[8] Article 18 of Brazil's Federal Law 9,985/2000.
[9] Articles 215, 216 of Brazil's Constitution.

1. BACKGROUND

1.1 CATTLE RANCHING IN BRAZIL

Brazil has more cattle than any other country in the world. In 2019, an estimated 214 million cattle grazed on 162 million hectares – almost a fifth of its land mass. In the same year, over 43 million cattle were slaughtered in Brazil. The industry accounts for 8% of Brazilian Gross Domestic Product with a value of BRL 618 billion (US$ 124 billion).[10]

The growth of Brazil's cattle industry has been enabled by its expansion in the Amazon region. The number of cattle in Brazil's Amazon increased from 23 million in 1988 to 86 million in 2018. During this period, the percentage of cattle in the Amazon region in relation to Brazil's total went from 17% to 40%.[11]

Approximately 76% of Brazil's beef production is consumed domestically and 24% exported. Although exports only account for a quarter of total production, Brazil is the world's largest exporter of beef. In 2019, Brazil registered record exports of 1.9 million tons of beef. The main destinations were (in order of volume) China, Hong Kong, Egypt, Chile, the European Union, United Arab Emirates and Russia.[12]

Cattle ranching essentially comprises three different phases before cattle are slaughtered: breeding, rearing and fattening (*cria, recria* and *engorda*).[13] The breeding phase involves reproduction, birth and growth of a calf until weaning (usually between the sixth and eighth month after birth).

Rearing then lasts until the beginning of the reproduction phase for female cattle, or the fattening phase for male cattle. The durations of the rearing and fattening phases vary according to the system of production, but both phases together might last from six to 30 months.[14] After the fattening phase, cattle are then slaughtered at a meat-packing plant.[15]

While some cattle might live on the same farm throughout the three phases, more often cattle are moved between different farms. Farms selling cattle to meat-packing companies are called direct suppliers, while all other farms where cattle have grazed previously (which could be one, two or even more) are known as indirect suppliers.

Large portions of the cattle supply chain are indirect suppliers.[16] Academic researchers have estimated that "almost all farms buy from another property. The estimate ranges from 91-95% [of all farms]."[17]

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[10] Brazilian Beef Exporters' Association (*Associação Brasileira das Indústrias Exportadoras de Carne*-ABIEC), "Beef Report Brazilian Livestock Profile 2020", May 2020, pp. 6, 14 and 44, www.abiec.com.br/en/publicacoes/beef-report-2020-2/

[11] Data obtained by choosing "cattle" as type of herd in the municipalities of Amazon region (*Município da Amazônia Legal*) for the years 1988 and 2018. Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatísticas*–IBGE), "Research on municipal livestock (*Pesquisa da Pecuária Municipal–PPM*)", www.sidra.ibge.gov.br/tabela/3939

[12] Brazilian Beef Exporters' Association (*Associação Brasileira das Indústrias Exportadoras de Carne*–ABIEC), "Beef Report Brazilian Livestock Profile 2020", May 2020, pp. 36-38, www.abiec.com.br/en/publicacoes/beef-report-2020-2/

[13] National Service of Rural Learning (*Serviço Nacional de Aprendizagem Rural*–SENAR), "Bovinocultura: manejo e alimentação de bovinos de corte em confinamento", Brasília: Senar, 2018, p. 8, www.cnabrasil.org.br/assets/arquivos/232-BOVINOCULTURA.pdf

[14] Fabiano Alvim Barbosa *et al,* "Cenários para a pecuária de corte amazônica", Belo Horizonte: Ed. IGC/UFMG, 2015, p. 34-39, www.csr.ufmg.br/pecuaria/wp-content/uploads/2015/03/relatorio_cenarios_para_pecuaria_corte_amazonica.pdf

[15] National Service of Rural Learning (*Serviço Nacional de Aprendizagem Rural*–SENAR), "Bovinocultura: manejo e alimentação de bovinos de corte em confinamento", Brasília: Senar, 2018, pp. 10-11, www.cnabrasil.org.br/assets/arquivos/232-BOVINOCULTURA.pdf

[16] Holly Gibbs *et al,* "Did ranchers and slaughterhouses respond to zero-deforestation agreements in the Brazilian Amazon", *Conservation Letters,* January/February 2016, 9(1), 32-42, p. 39, www.conbio.onlinelibrary.wiley.com/doi/full/10.1111/conl.12175

[17] E-mail from Dr. Holly Gibbs, Associate Professor at University of Wisconsin-Madison, to Amnesty International, 29 June 2020. Copy on file with Amnesty International.

State laws require that state animal health control agencies register cattle farms and farmers.[18] In some states, government officials visit cattle farms and record the farm's geographic coordinates.[19]

State animal health control agencies are also responsible for registering and inspecting cattle movements (either between farms or from a farm to a meat-packing plant) by issuing Animal Transport Permits (*Guia de Trânsito Animal*). By law, Animal Transport Permits are required for each transfer and record the origin farm, destination (farm or slaughterhouse), purported purpose of movement, as well as the number and age range of the cattle.[20]

Commercial cattle ranching is illegal in Reserves and Indigenous territories in Brazil.[21] Brazil's Constitution and international human rights obligations affirm Indigenous peoples' exclusive land rights and freedom to manage natural resources in their traditional territories.[22] Brazil's Constitution and legislation also recognize traditional residents' rights to use their territories and natural resources, as well as their rights to maintain their ways of life.[23]

In February 2020, the Federal Public Prosecutor's Office noted that cattle ranching in Reserves is only permissible if carried out by the Reserves' residents and intended for their own subsistence. It noted that commercial cattle ranching in Reserves is illegal.[24]

1.2 CONVERTING FOREST INTO PASTURE

In 2019, deforestation in Brazil's Amazon hit the highest level since 2009. Official monitoring carried out by Brazil's National Institute for Space Research (*Instituto Nacional de Pesquisas Espaciais*-INPE) registered the loss of 10,129km² of forest from August 2018 to July 2019. It accounted for a rise of 34% compared to the period between August 2017 and July 2018. [25] INPE also registered 126,089 fires in the Amazon region during 2019, a surge of 39% compared to 2018.[26]

Data for the early months of 2020 indicate deforestation in the Amazon has continued to increase. According to the Brazilian nongovernmental organisation Imazon, the Amazon region lost 4,567km² of forest between August 2019 and May 2020. This represents a rise of 54% compared to the period from August 2018 to May 2019.[27]

Conserving rainforests is key in the fight against climate change. Deforestation and forest degradation (for example, selective logging) reduce the capacity of forests to absorb carbon from the atmosphere.[28] Fires – particularly, repeated burns – pose a significant risk to forest carbon stocks.[29] When forests are burnt, stored carbon is released into the atmosphere mainly as carbon dioxide. [30]

Under the Paris Agreement on Climate Change, Brazil is obligated to prepare, communicate, and maintain successive "nationally determined contributions" (NDCs) to reduce its greenhouse gas emissions.[31] In its first NDC from 2016, Brazil committed to eradicating illegal deforestation in the Amazon region by 2030.[32]

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[18] Article 33 of Mato Grosso's Decree 1,260/2017; article 3 of Rondônia's Law 982/2001; article 6 of Rondônia's Decree 9,735/2001; article 14 of Pará's Law 6,712/2005.
[19] Articles 38, 39, 40 of Mato Grosso's Decree 1,260/2017; article 4 of IDARON's Portaria nº 71/2015/IDARON/PR-GAB.
[20] Article 45 of Brazil's Federal Decree 5,741/2006; article 1 of Normative Instruction 18/2006, Brazil's Ministry of Agriculture, Livestock and Supply.
[21] Article 18 of Brazil's Federal Law 9,985/2000; article 231 of Brazil's Constitution; and Brazil's Federal Decree 6,040/2007.
[22] OAS American Declaration on the Rights of Indigenous Peoples Art. XXV, ILO Indigenous and Tribal Peoples Convention 169 Art. 14, jurisprudence of Interamerican Court on Human Rights incl. *Saramaka People v. Suriname* (Preliminary Objections, Merits, Reparations, and Costs) (Series C No. 172) Inter-American Court of Human Rights, (2007). Article 231 of Brazil's Constitution.
[23] Brazil's Constitution establishes that the Federal government, states and municipalities have shared jurisdiction over environmental protection. It also places environmental protection as a principle guiding economic activities. Articles 23, 170, 215 and 216 of Brazil's Constitution.
[24] Federal Prosecutor Office in Altamira, Pará state, *Ofício nº 249/2020/GABPRm1-TSCS*, February 14, 2020, www.mpf.mp.br/pa/sala-de-imprensa/documentos/2020/oficio-ao-presidente-do-icmbio-sobre-resex-verde-para-sempre
[25] Brazil's National Institute for Space Research (INPE), "A taxa consolidada de desmatamento por corte raso para os nove estadas da Amazônia Legal (AC, AM, AP, MA, MT, PA, RO, RR e TO) em 2019 é de 10.129 km²", 09 June 2020, www.inpe.br/noticias/noticia.php?Cod_Noticia=5465
[26] Data obtained by choosing the following parameters in the "Graphics" section: Amazon region (*Amazônia Legal*) in the "States" field and "Reference Satellite" (*Satélite de Referência*) in the "Satellite" (*Focos dos satélites*) field for the years 2018 and 2019. Brazil's National Institute for Space Research (*Instituto Nacional de Pesquisas Espaciais* – INPE), "Programa Queimadas", queimadas.dgi.inpe.br/queimadas/bdqueimadas/#
[27] Data obtained at request to Imazon, on file with Amnesty International.
[28] Marcos Longo *et al*, "Aboveground biomass variability across intact and degraded forests in the Brazilian Amazon" *Global Biogeochemical Cycles* 30, no. 11, 2016, 1639-1660.
[29] Danielle Rappaport *et al*, "Quantifying long-term changes in carbon stocks and forest structure from Amazon forest degradation", *Environmental Research Letters* 13, no. 6, 2018, 065013.
[30] L. Gatti *et al*, "Drought sensitivity of Amazonian carbon balance revealed by atmospheric measurements", *Nature* 506, no. 7486, 2014, 76-80.
[31] Article 4.2 of Paris Agreement, adopted 12 December 2015, entered into force 4 November 2016, ratified by Brazil on 21 September 2016, www.unfccc.int/sites/default/files/english_paris_agreement.pdf
[32] Federative Republic of Brazil, "Intended Nationally Determined Contribution Towards Achieving the Objective of the United Nations Framework Convention on Climate Change", NDC Registry, 21 September 2016, www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Brazil%20First/BRAZIL%20iNDC%20english%20FINAL.pdf

Where traditional lands of Indigenous peoples are primary forests, the demarcation of Indigenous territories can play a protective role against deforestation.[33] Recent research from Amazon Basin countries suggests that Indigenous peoples and traditional communities can play a significant role in keeping forests intact, thereby lowering rates of carbon emissions from those areas.[34]

Historically, commercial cattle ranching has been the main driver of deforestation in Brazil's Amazon. 63% of the area deforested in Brazil's Amazon region from 1988 to 2014 has become pasture for cattle.[35]

Much of the recent deforestation and fires in Brazil's Amazon form part of a process of converting rainforest into pasture, including in protected areas. The process often starts with cattle farmers and *grileiros* marking plots of land in the forest, then cutting down and clearing trees, before lighting fires (often lit repeatedly in the same area). They then plant grass and introduce cattle to graze in the area.

Deforestation in Indigenous territories and environmentally protected areas has increased. According to government data, Indigenous territories in the Amazon lost 497km² of rainforest between August 2018 and July 2019. This corresponds to a rise of 91% over the period between August 2017 and July 2018.[36] For their part, areas designated as environmentally protected lost 1,110km² of rainforest between August 2018 and July 2019, a rise of 45% compared to the period between August 2017 and July 2018.[37]

The surge in deforestation in Indigenous territories and environmentally protected areas in the Amazon is driven by land seizures of these territories. From January to September 2019, the Missionary Council for Indigenous Peoples (*Conselho Indigenista Missionário*-CIMI) registered 160 invasions across 153 Indigenous territories across Brazil.[38]

These land seizures are often accompanied by violence. According to one estimate, seven Indigenous people were killed in the Amazon region in 2019. In the same year, seven attempted murders and 27 death threats against Indigenous people were registered in the Amazon region.[39]

The increasing land seizures, and the deforestation and violence that accompany them, follow President Bolsonaro's policies of opening up the Amazon for business.[40] He has repeatedly claimed that environmental protection and the demarcation of Indigenous territories hinder economic development of the Amazon.[41] In October 2019, President Bolsonaro publicly claimed that he "enabled" the fires in the Amazon that year.[42]

Several proposals at both the national and international level risk encouraging further land seizures and deforestation in Brazil's Amazon.

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[33] Allen Blackman and Peter Veit. "Titled Amazon indigenous communities cut forest carbon emissions." *Ecological Economics* 153, 2018,: 56-67; Wayne S. Walker *et al,* "The role of forest conversion, degradation, and disturbance in the carbon dynamics of Amazon indigenous territories and protected areas", *Proceedings of the National Academy of Sciences* 117, no. 6, 2020, 3015-3025.

[34] Wayne S. Walker *et al*, "The role of forest conversion, degradation, and disturbance in the carbon dynamics of Amazon indigenous territories and protected areas", *Proceedings of the National Academy of Sciences* 117, no. 6, 2020, 3015-3025.

[35] The total deforested area converted to pasture for cattle between 1988 and 2014 was 479,760 km². Secondary vegetation and annual agriculture account for 23% and 6%, respectively. Brazil's National Institute for Space Research (INPE) & Brazilian Agricultural Research Coroporation (*Empresa Brasileira de Pesquisa Agropecuária* – EMBRAPA), "Terraclass 2004 a 2014: Dinâmica do uso e cobertura da terra no período de 10 anos nas áreas desflorestadas da Amazônia Legal Brasileira", 5 May 2016, www.inpe.br/cra/projetos_pesquisas/arquivos/TerraClass_2014_v3.pdf

[36] Data obtained by using the parameter "Indigenous areas". Brazil National Institute for Space Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), www.terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[37] Data obtained by using the parameter "Conservation Units". Brazil National Institute for Space Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), www.terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[38] The number is 44% higher than the number of invasions registered during all of 2018 by the same organization. The Missionary Council for Indigenous Peoples is an organization whose primary goal is to support Indigenous peoples and their rights. Missionary Council for Indigenous Peoples (*Conselho Indigenista Missionário* – CIMI), "A maior violência contra os povos indígenas é a destruição de seus relatórios, aponta relatório do Cimi", 24 September 2019, www.cimi.org.br/2019/09/a-maior-violencia-contra-os-povos-indigenas-e-a-apropriacao-e-destruicao-de-seus-territorios-aponta-relatorio-do-cimi/

[39] According to the Pastoral Land Commission (an organisation linked to the Brazilian Catholic Church and focused on supporting Brazil's vulnerable rural population), nine Indigenous people were killed throughout Brazil in 2019. Additionally, nine attempted murders and 39 deaths against Indigenous people were registered in Brazil in 2019. Pastoral Land Commission (*Comissão Pastoral da Terra* – CPT), "Conflitos no Campo – Brasil 2019", pp. 170-194, www.cptnacional.org.br/component/jdownloads/send/41-conflitos-no-campo-brasil-publicacao/14195-conflitos-no-campo-brasil-2019-web?Itemid=0

[40] Jan Rocha, "Bolsonaro government reveals plan to develop the 'Unproductive Amazon'", *Mongabay,* 28 January 2019, news.mongabay.com/2019/01/bolsonaro-government-reveals-plan-to-develop-the-unproductive-amazon/

[41] Pedro Bentes, "Bolsonaro: 'O que torna mulher tão forte quanto homem é arma na cintura dela'," *G1,* 31 August 2018, www.g1.globo.com/ro/rondonia/eleicoes/2018/noticia/2018/08/31/bolsonaro-desembarca-em-porto-velho-para-cumprir-agenda-eleitoral.ghtml; O Globo and G1, "Bolsonaro critica reservas indígenas feitas por antecessores: 'Verdadeira indústria de demarcações'", 14 February 2020, www.oglobo.globo.com/brasil/bolsonaro-critica-reservas-indigenas-feitas-por-antecessores-verdadeira-industria-de-demarcacoes-24250031

[42] Luciana Amaral, "Bolsonaro diz que 'potencializou' queimadas por nova política para Amazônia", *UOL,* 30 October 2019, www.noticias.uol.com.br/internacional/ultimas-noticias/2019/10/30/bolsonaro-diz-que-potencializou-queimadas-por-nova-politica-para-amazonia.htm

In December 2019, President Bolsonaro issued an executive order (*Medida Provisória 910*) that would make it easier to regularise land seizures by means of a declaration by a person claiming the area, without any inspections by authorities. Civil society organizations and the Federal Public Prosecutor's Office criticized the proposal on the basis that it would incentivise further land seizures and aggravate land conflicts.[43]

National Congress did not vote on the executive order and it expired in May 2020. However, a new bill (PL 2633/2020) with similar provisions was introduced in National Congress and may be voted on in the future.[44]

In February 2020, a proposal (Bill PL 313/2020) was introduced in National Congress that would remove the legal prohibition on cattle grazing inside all Reserves.[45] Amnesty International considers that the bill, if approved, would encourage further land seizures for commercial cattle ranching in Reserves. At the time this report was written (early July 2020), the bill had not been voted on.

In June 2019, the European Union and Mercosur – an economic bloc comprising Argentina, Brazil, Paraguay and Uruguay – announced a trade agreement to reduce tariffs and barriers to their markets. The agreement, which still needs to be ratified, would increase access for Brazilian beef products to the European Union market.[46]

However, the current version of the trade agreement does not include protections to avoid the expansion of markets increasing deforestation and human rights violations. While the text obliges the parties to "effectively implement the United Nations Framework Convention on Climate Change and the Paris Agreement", it does not set penalties in case of non-compliance with the Paris obligations.[47]

The current version of the trade agreement also fails to oblige parties to require companies to implement corporate social responsibility practices in their supply chains. Instead, it states each party shall "support the dissemination and use of relevant international instruments that it has endorsed or supported…" and "promote the voluntary uptake by companies of corporate social responsibility or responsible business practices".[48]

1.3 PAST EFFORTS TO ADDRESS DEFORESTATION

In 2009, Brazil's Federal Public Prosecutor's Office signed the first Adjustment of Conduct Agreements (*Termo de Ajustamento de Conduta*) with some meat-packing companies in the state of Pará to eliminate deforestation in their supply chains. In the years that followed, other meat-packing companies in Brazil's Amazon region also signed similar agreements; as of May 2020, a total of 179 meat-packing companies have signed Adjustment of Conduct Agreements.[49]

The agreements oblige meat-packing companies to monitor their supply chains and lay out penalties in case of infringements. Meat-packing companies are required to refrain from purchasing cattle from farms that have been found with one (or more) of the following problems: farms with illegal deforestation that occurred after 2009; farms that have been embargoed by the Brazilian Institute of Environment and Renewable Natural Resources (*Instituto Brasileiro de Meio Ambiente e Recursos Renováveis*-IBAMA); farms convicted

[43] Brenda Brito, Paulo Barreto, "Nota técnica sobre Medida Provisória nº 910/2019", *Imazon*, 07 February 2020, www.imazon.org.br/wp-content/uploads/2020/02/Nota_Tecnica_MP910-2019.pdf; Antonio Oviedo *et al,* "Sumário Executivo sobre a Medida Provisória nº 910/2019", *Instituto Socioambiental*, 09 April 2020; and "Nota Técnico-Jurídica sobre a Medida Provisória nº 910/2019 e os Relatórios Apresentados no Projeto de Conversão em Lei, 10 March 2020, www.socioambiental.org/sites/blog.socioambiental.org/files/nsa/arquivos/-nota_tecnica_mp_910_-_isa_2.pdf; Federal Public Prosecutor's Office, "Nota Técnica Conjunta 1/2020 – 2º CCR, 4º CCR, 5º CCR e 6º CCR", 12 February 2020, www.mpf.mp.br/atuacao-tematica/ccr2/coordenacao/notas-tecnicas/notas-tecnicas-1/nota-tecnica-conjunta-1-2020-2a-ccr-4accr-5a-ccr-e-6a-ccr; See also: Federal Public Prosecutor's Office, "MPF lança vídeo contra medida que tenta regularizar invasões de terras públicas", 11 May 2020, www.mpf.mp.br/pa/sala-de-imprensa/noticias-pa/mpf-lanca-video-contra-medida-que-tenta-regularizar-invasoes-de-terras-publicas

[44] House of Representatives, Bill *Projeto de Lei nº 2,633/2020.*

[45] House of Representatives, Bill *Projeto de Lei nº 313/2020.*

[46] European Union, "Better export opportunities for European farmers and food producers", June 2019, trade.ec.europa.eu/doclib/docs/2019/june/tradoc_157955.pdf

[47] Article 6 of the Trade and Sustainable Development Chapter, European Union – Mercosur Trade Agreement. The texts of the European Union – Mercosur Trade Agreement were published in July 2019, following the in-principle agreement announced on 28 June 2019. The texts may undergo further modifications, including as a result of the process of legal revision. See: European Commission, "EU-Mercosur trade agreement: the Agreement in Principle and its texts", 12 July 2019, trade.ec.europa.eu/doclib/press/index.cfm?id=2048

[48] Article 11 of Trade and Sustainable Development Chapter, European Union – Mercosur Trade Agreement.

[49] Monitac (*Monitor de Termos de Ajustamento de* Conduta) is an independent platform created by the nongovernmental organization Imazon and the environmental organisation *O Eco.* Monitac monitors the commitment of the largest meat-packing companies to eliminating practices that contribute to deforestation in Brazil's Amazon region. See: Monitac, www.monitac.oeco.org.br/wordpress/

for invading Indigenous territories, land seizures, deforestation or other land conflicts; farms whose workers are subject to slave-like conditions.[50]

Additionally, in 2009, the three largest meat-packing companies in Brazil – JBS, Minerva and Marfrig – signed separate zero-deforestation agreements, called "Public Livestock Commitments", with the nongovernmental organization Greenpeace. Those agreements include commitments to eliminate deforestation in their supply chains but do not include penalties in case of non-compliance.[51]

Both agreements require farmers to register their farms in the Rural Environmental Registry (*Cadastro Ambiental Rural*-CAR).[52] The CAR system is a publicly accessible and mandatory online registry which records a farm's environmental data.[53] By requiring CAR registries from farmers, meat-packing companies can identify where farms are located and whether there is any overlap with deforested or protected areas.

When registering their farms in the CAR system, farmers must provide environmental information regarding their farm. Farmers must provide, for example, the georeferenced boundaries of the farm and the location of areas used for farming and those with primary vegetation. This information is later verified by state environmental authorities. The CAR system also allows farmers to change their registries.[54]

Neither agreement initially provided for monitoring indirect suppliers. The agreement with Greenpeace provided that the three largest meat-packing companies in Brazil would expand monitoring to include indirect suppliers by 2011.[55]

For its part, the Adjustment of Conduct Agreement did not initially include any provision on monitoring indirect suppliers.[56] Subsequent versions of the Adjustment of Conduct Agreements incorporated broad provisions regarding the monitoring of indirect suppliers.

For example, in March 2013, JBS and the Federal Public Prosecutor's office signed an Adjustment of Conduct Agreement expanding the previous agreement to cover Brazil's entire Amazon region. This agreement required JBS to stop sourcing cattle grazed on breeding, rearing and fattening farms that did not meet the requirements. The agreement also established that the implementation of monitoring indirect suppliers would be clarified in a manual of procedures.[57]

JBS and Federal Public Prosecutor's office also committed to "[w]ithin 24 months undertaking efforts to foster the implementation of a public traceability system, which has the purpose of ensuring data on the origin and destination of cattle, from the farm of production to final consumer".[58]

Initially, these agreements improved the monitoring of cattle supply chains and led to reductions in cattle-related deforestation. For example, in Pará state, research found that the percentage of farms with recent deforestation supplying to JBS decreased from 36% in 2009 to 4% by 2013. They also found an increase in the number of farms registered in the CAR system in the years following the signature of the agreements.[59]

Despite these initial encouraging signs, key problems have persisted.

Many meat-packing companies in Brazil have not signed any agreement and continue sourcing cattle that have grazed on non-compliant farms, including farms located in protected areas. In 2017, researchers found that meat-packing companies that did not sign the agreements accounted for 30% of the total slaughter

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[50] Federal Public Prosecutor's Office, "Adjustment of Conduct Agreement", July 2009, on file with Amnesty International. The embargo of an area by environmental authorities prohibits its further use and is intended to prevent further harm to the environment and restore natural vegetation. Articles 3 and 108 of Brazil's Federal Decree 6,514/2008.

[51] Greenpeace, "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome", www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-i.pdf

[52] Paulo Barreto, Holly Gibbs, "Como melhorar a eficácia dos acordos contra o desmatamento associado à pecuária na Amazônia?", Belém: Imazon; Madison: University of Wisconsin, 2015, p. 10.

[53] Although the law states the registry is mandatory, amendments to the law have extended the deadline for farmers to register. In May 2020, the most recent amendment established a deadline of 31 December 2020 for farmers to participate in the environmental regularization program (*Programa de Regularização Ambiental*). For those who chose to not participate in the program, there is effectively no deadline. Brazil's Federal Law 12,651/2012.

[54] According to Brazilian law, the CAR registry cannot be used to prove the right of ownership or possession over rural areas. Brazil's Federal Law 12,651/2012.

[55] The agreement with Greenpeace also established that within a period of six months from its signature, the meat-packing companies would reassess, together with Greenpeace and other stakeholders, the deadlines related to the monitoring of indirect suppliers. Greenpeace, "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome", www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-i.pdf

[56] Federal Public Prosecutor's Office, "Adjustment of Conduct Agreement", July 2009, on file with Amnesty International.

[57] Initially, JBS and Federal Public Prosecutor's Office signed separate agreements in Pará, Mato Grosso and Acre states. Adjustment of Conduct Agreement between JBS and Federal Public Prosecutor's Office, signed on 20 March 2013, on file with Amnesty International.

[58] Adjustment of Conduct Agreement between JBS and Federal Public Prosecutor's Office, signed on 20 March 2013, on file with Amnesty International.

[59] Holly Gibbs *et al,* "Did ranchers and slaughterhouses respond to zero-deforestation agreements in the Brazilian Amazon", *Conservation Letters,* January/February 2016, 9(1), 32-42, www.conbio.onlinelibrary.wiley.com/doi/full/10.1111/conl.12175

capacity in Brazil's Amazon region.[60] In September 2019, the Federal Public Prosecutor's Office reported that at least 43 meat-packing companies in Brazil's Amazon region have not signed any agreements.[61]

There are reports that sourcing problems persist among some of those that have signed an agreement. According to the federal prosecutor who developed the agreements, there are significant loopholes in the monitoring carried out by the meat-packing companies and Federal Public Prosecutor's Office.[62]

Firstly, monitoring is usually limited to direct suppliers and does not cover those farms where cattle have grazed before being transferred to the final farm. In this way, illegal commercial cattle ranching carried out by indirect suppliers is not identified by current monitoring efforts.[63]

A second (and related) loophole allows farmers that have illegally cleared forest on their farm to later modify CAR registries in order to exclude deforested areas from the farm's area. The area excluded could be formally registered in the CAR system as a second farm, or simply not registered. In this way a registry can show a legal farm, free from deforestation, so that the farm can continue supplying meat-packing companies.[64]

A third loophole comprises cattle laundering practices, that is, the sale of cattle that grazed on an illegal farm as if it had come from a legal one.[65] Cattle laundering occurs, for example, when cattle grazed on an illegal farm in a protected area are moved to a legal farm before being moved to meat-packing companies. The movement from an illegal to a legal farm might actually take place, or it might be that movements are only registered on paper and the cattle are actually moved directly from the illegal farm to meat-packing companies.

In 2017, Greenpeace suspended its participation in the Public Livestock Commitments citing corruption scandals involving the cattle industry, as well as social and environmental setbacks. Greenpeace stated that no meat-packing company could guarantee that its production is deforestation-free and called for the immediate monitoring of indirect suppliers.[66]

In November 2019, the Federal Public Prosecutor's Office in the state of Pará published the results of an audit to assess compliance with the agreements of the meat-packing companies in Pará state. It found that in 2017 out of the 2.1 million cattle audited, 6% did not comply with the agreements. [67]

While presenting the results of the audit, the federal prosecutor publicly concluded that "today no company that buys in the Amazon can state that there isn't cattle coming from deforestation in its supply chain (…) No meat-packing company and no supermarket either."[68]

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[60] Paulo Barreto *et al*, "Will meat-packing plants help halt deforestation in the Amazon?", *Imazon and Instituto Centro da Vida*, 2017, p. 36, imazon.org.br/en/will-meat-packing-plants-help-halt-deforestation-in-the-amazon/ (hereinafter: Paulo Barreto *et al,* "Will meat-packing plants help halt deforestation in the Amazon?")

[61] Federal Public Prosecutor's Office, "Carne Legal: frigoríficos que não assumiram compromissos de controle de origem da carne devem ser fiscalizados", 11 September 2019, www.mpf.mp.br/pgr/noticias-pgr/carne-legal-frigorificos-que-nao-assumiram-compromissos-publicos-de-controle-de-origem-da-carne-devem-receber-fiscalizacao-do-mma-e-do-ibama

[62] Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/

[63] Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/

[64] Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/

[65] Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/

[66] Greenpeace Brasil, "Após escândalos, Greenpeace suspende participação no Compromisso da Pecuária", 6 June 2017, www.greenpeace.org/brasil/blog/apos-escandalos-greenpeace-suspende-participacao-no-compromisso-da-pecuaria/. The three meat-packing companies maintain that they continue to abide by the commitments agreed with Greenpeace. See: Minerva S.A., portal.minervafoods.com/sustentabilidade; Marfrig Global Foods, "Pelo sétimo ano consecutivo, auditoria atesta a conformidade da Marfrig com as práticas de preservação da Amazônia", 17 June 2019, www.marfrig.com.br/pt/documentos?id=831; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

[67] Federal Public Prosecutor's Office, "Frigoríficos melhoram índices de compra de gado com origem legal no Pará, e MPF pede cerco a fraudes de produtores ilegais", 14 November 2019, www.mpf.mp.br/pa/sala-de-imprensa/noticias-pa/frigorificos-melhoram-indices-de-compra-de-gado-com-origem-legal-no-para-e-mpf-pede-cerco-a-fraudes-de-produtores-ilegais

[68] Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/

1.4 JBS S.A.

JBS is a Brazilian-based multinational company established in the central state of Goiás in 1953. It describes itself as "one of the worldwide food industry leaders". [69] JBS is the world's largest beef producer. [70]

In 2019, JBS claimed it operates 37 meat-packing plants in Brazil with a total slaughter capacity of 33,550 cattle per day in Brazil. In the same year, JBS recorded a net revenue of BRL 32 billion (US$ 6 billion) from the sale of beef and related products.[71] Its beef products are sold (domestically and in foreign markets) under different brands, including Friboi, Maturatta Friboi, Do Chef Friboi, Swift Black and 1953 Friboi.[72]

The second largest shareholder of JBS is Brazil's state-owned national development bank BNDES (*Banco Nacional de Desenvolvimento Econômico e Social*-BNDES) with 21% of shares.[73]

JBS has a Responsible Raw Material Procurement Policy, which the company claims it implements the commitments assumed in the two agreements signed separately in 2009, one with the Federal Public Prosecutor's Office and the other with Greenpeace.

According to the policy, JBS does not purchase cattle from farms that: i) are involved with deforestation in the Amazon after 2009; ii) are embargoed by environmental authorities; iii) where workers are subject to slave-like conditions; iv) are located on Indigenous lands or environmentally protected areas; and v) involved in rural violence or agrarian conflict.[74]

JBS claims it analyses 50,000 direct suppliers in Brazil's Amazon region per day against these criteria.[75] JBS maintains that it crosschecks its own list of suppliers against a publicly available list of embargoed areas established by IBAMA, as well as a Ministry of Labour list of establishments where workers were found to be subject to slave labour. JBS states it digitally compares the maps of the farms provided by the direct suppliers (and based on official documents, such as CAR registries) with official deforestation data, as well as the official boundaries of protected areas.[76]

The implementation of the JBS Responsible Raw Material Procurement Policy is audited and the full results published each year. At the time this report was written (early July 2020), the most recent publicly available audit covered 2018.

In 2018, a total of 7,140 cattle purchase transactions across the 21 meat-packing plants in Brazil's Amazon were audited. All of them were found to be compliant with JBS policy.[77] JBS has publicly reported that between 2013 and 2017, more than 99.9% of the cattle purchases audited were compliant with its policy.[78]

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[69] JBS S.A., www.jbs.com.br/en/about/who-we-are/
[70] JBS S.A., www.jbs.com.br/en/about/our-business/
[71] JBS S.A., "Institutional Presentation – including 4Q19 and 2019 Results", apicatalog.mziq.com/filemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/9b9a1c3d-61cf-c061-79dc-e652a703978d?origin=1
[72] JBS S.A., www.jbs.com.br/en/about/our-business/beef/
[73] Novo Mercado BM&FBOVESPA, "JBS S.A.: Posição acionária in 06 May 2020", bvmf.bmfbovespa.com.br/cias-listadas/empresas-listadas/ResumoEmpresaPrincipal.aspx?codigoCvm=20575&idioma=pt-br. In November 2019, BNDES communicated JBS that BNDES plans to sell JBS' shares. JBS S.A., "Material fact notice: BNDESPAR informs JBS regarding potential secondary public offering of shares", 19 November 2019.
[74] JBS S.A., "JBS Responsible Procurement Policy", 4 September 2019, mz-filemanager.s3.amazonaws.com/043a77e1-0127-4502-bc5b-21427b991b22/investidores-esgsustentabilidade/d36f0ee0f80a2d3028d3fd5fb46f37d685ce59555647fc5569f454edbc308ac3/responsible_procurement_policy.pdf; JBS S.A., "Responsible Procurement Guidelines Presentation", mz-filemanager.s3.amazonaws.com/043a77e1-0127-4502-bc5b-21427b991b22/investidores-esgsustentabilidade/c4cf9fce39937d0c9413e8a88a084bbf4b67b69529fbac5cdaa057f7d0eac5a6/sustainability_presentation.pdf
[75] JBS S.A., "Responsible Procurement Guidelines Presentation", mz-filemanager.s3.amazonaws.com/043a77e1-0127-4502-bc5b-21427b991b22/investidores-esgsustentabilidade/c4cf9fce39937d0c9413e8a88a084bbf4b67b69529fbac5cdaa057f7d0eac5a6/sustainability_presentation.pdf.
[76] INPE has two systems to monitor deforestation in the Amazon: DETER and PRODES. DETER issues alerts of deforestation to orient environmental inspections. It is updated on a daily basis. PRODES monitors deforestation in Brazil's Amazon region using more accurate satellite imagery than the DETER system. PRODES produces the official deforestation data, published once a year. JBS claims it uses both systems to monitor its direct suppliers. JBS notes that the official limits of Indigenous territories and environmentally protected areas are publicly available on Brazil's National Indigenous Foundation (*Fundação Nacional do Índio* – FUNAI) and Ministry of Environment websites, respectively. DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf
[77] DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf
[78] JBS S.A., "JBS Responsible Procurement Policy", 4 September 2019, mz-filemanager.s3.amazonaws.com/043a77e1-0127-4502-bc5b-21427b991b22/investidores-esgsustentabilidade/d36f0ee0f80a2d3028d3fd5fb46f37d685ce59555647fc5569f454edbc308ac3/responsible_procurement_policy.pdf

JBS is yet to establish a system to monitor the company's indirect suppliers. Between 2016 and 2019 the third-party audits of its system of monitoring direct suppliers noted that JBS does not monitor its indirect suppliers.[79]

In March 2018 JBS approved a Business Associate Code of Conduct for third parties doing business with JBS, including customers and suppliers.[80] JBS claims that third parties carrying out any transaction with JBS must follow the Business Associate Code of Conduct.[81] Among the provisions, it requires Business Associates to "comply with all applicable environmental laws and regulations in the jurisdiction where the Business Associates operate".[82]

JBS has a database called "Guarantee of Origin Friboi" (*Garantia de Origem Friboi*).[83] The database provides information on the origin of its beef products by providing the name and municipality of the farms that supplied the cattle processed by JBS plants.

The database does not provide information about the name of the farmer, the specific location of the farm, or the number of cattle purchased. It does not provide information about indirect suppliers who may have supplied the farm that then sent cattle to a JBS plant.

[79] BDO RCS Auditores Independentes, "JBS S.A.: Relatório de auditoria de terceira parte para atendimento ao compromisso de adoção do "compromisso público da pecuária", conforme "critérios mínimos para operações com gado e produtos bovinos em escala industrial no Bioma Amazônia", 2016, p. 34, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico-2016_PT.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 14 November 2017, p. 8, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2017_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 October 2018, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2018_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

[80] JBS S.A., "Evolução das iniciativas de Compliance", April 2020, www.jbs.com.br/wp-content/uploads/2020/04/Faca_Sempre_o-Certo_Abril.pdf

[81] JBS S.A., "Annual and Sustainability Report 2019", 2020, www.jbs.com.br/wp-content/uploads/2020/05/ras-jbs-2019-eng-final.pdf

[82] JBS S.A., "Business Associate Code of Conduct", 2018, www.jbs.com.br/wp-content/uploads/2019/06/Business-Associate-Code-of-Conduct_JBS_Ingl%C3%AAs.pdf

[83] Friboi, www.friboi.com.br/sustentabilidade/garantia-de-origem

2. FINDINGS

> **"It is like becoming homeless. For us [the forest] means everything necessary for our survival. Without the forest we are nothing, we have nowhere to go."**
>
> Endi, an Uru-Eu-Wau-Wau man in his mid-20s.[84]

2.1 HUMAN RIGHTS ABUSES DRIVEN BY ILLEGAL COMMERCIAL CATTLE RANCHING

Illegal commercial cattle ranching in protected areas has recently exploded. Data from IDARON, obtained through Freedom of Information requests, show that as of April 2020, there were 1,502 registered cattle farms located in protected areas where commercial cattle ranching is illegal in Rondônia state. This represents an increase of 33% from November 2018 to April 2020.[85]

IDARON data also show that the official number of cattle in protected areas where commercial cattle ranching is illegal rose from 125,560 in November 2018 to 153,566 in April 2020. This represents an increase of 22%.[86] The same data show that in 2019 there were 89,406 cattle transferred off farms located in these protected areas. This represents a surge of 35% compared to the previous year.[87]

The overwhelming majority of these cattle is sent to other farms before going to slaughter. According to the IDARON data, 93% (or 82,882) of the cattle moved from farms located in protected areas where commercial cattle ranching is illegal were transferred to another farm for purposes of fattening or reproduction. The percentage of cattle sent directly to meat-packing companies for slaughter accounted for just 7% (or 6,316 cattle).[88]

In all three sites visited by Amnesty International over the course of this research – the Uru-Eu-Wau-Wau Indigenous territory and the Rio Jacy-Paraná and Rio Ouro Preto Reserves – cattle farmers and *grileiros* have recently seized land to illegally graze cattle.

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[84] Telephone interview with Endi, 30 April 2020, on file with Amnesty International.
[85] According to IDARON data, in November 2018 there were 1,132 cattle farms in protected areas where commercial cattle ranching is illegal. Data obtained from IDARON through a Freedom of Information request, on file with Amnesty International.
[86] According to IDARON data, in April 2020 there were 323,570 cattle in all protected areas in Rondônia state, including those where commercial cattle ranching might be legal. The data include figures for the *Área de Proteção Ambiental do Rio Pardo* and *Floresta Estadual do Rio Pardo* whose legal existence are in discussion in Rondônia's Court of Justice. Data obtained from IDARON through a Freedom of Information request, on file with Amnesty International.
[87] According to IDARON data, 66,253 cattle were transferred from farms in protected areas where commercial cattle ranching is illegal in 2018. Data obtained from IDARON through a Freedom of Information request, on file with Amnesty International.
[88] Data obtained from IDARON through a Freedom of Information request, on file with Amnesty International.

These land seizures infringe the rights of Indigenous peoples and residents of Reserves to their traditional territories and ways of life. Land seizures are often accompanied by threats, intimidation and violence.

In interviews with Amnesty International, Indigenous peoples and residents of Reserves highlighted the importance of the forest for their traditional ways of life but explained that they could no longer access those areas of their territories occupied by cattle farmers and that this lack of access adversely impacted on their livelihoods. In the worst cases, residents had been evicted by cattle farmers and *grileiros* from their land.

Amnesty International also documented recent attempts to expand illegal commercial cattle ranching in the three protected areas between January and May 2020 with satellite imagery. Satellite imagery shows areas that have been recently cleared, the recent construction of drinking ponds for cattle and actual cattle grazing in these areas.

2.1.1 RIO OURO PRETO RESERVE

Rio Ouro Preto Reserve was created in 1990, comprising an area of 204 thousand hectares in the municipalities of Guajará-Mirim and Nova Mamoré in Rondônia state. Approximately 500 people across twelve communities live in the Reserve. The communities make a living through a variety of different activities, including harvesting nuts, *açaí*, growing organic coffee and manioc, and producing handicrafts.

A bill is currently under discussion in the national Congress to reduce the limits of the Reserve. At the time this report was written (early July 2020), the bill had not been voted on.[89] The bill proposes to exclude from legal protection an area that is overwhelmingly occupied by farmers grazing cattle.

According to government data, the Rio Ouro Preto Reserve lost 3km² of forest between August 2018 to July 2019.[90]

According to IDARON data obtained through a Freedom of Information request, there were officially 11,221 cattle inside the Rio Ouro Preto Reserve in April 2020. 6,930 cattle were transferred from farms located inside the Rio Ouro Preto Reserve to other farms and meat-packing companies in 2019.[91]

Land seizures for illegal commercial cattle ranching have recently expanded inside the Rio Ouro Preto Reserve. In March 2020, Cláudio, a resident in his late 30s, told Amnesty International: "There was deforestation in 2019. Last year our Reserve had one of highest number of fire alerts. It is always for pasture for grazing."[92]

Cláudio, who has lived all his life in the Reserve, also described his feelings about recent clearings: "It is sad to see such deforestation. Besides being a great loss, it is also a setback for us because the Reserve is our livelihood. We depend on the Reserve to survive".[93]

He also told Amnesty International that many residents, including himself, avoid collecting natural resources, such as nuts and *açaí,* near areas occupied by farmers to avoid being hurt or killed.[94]

Land seizures for illegal commercial cattle ranching infringe the rights of residents of Reserves to their territories and traditional way of life. Residents told Amnesty International that they had received threats from cattle farmers. For example, in April 2020 a cattle farmer threatened Marisa, a resident of the Reserve in her mid-30s, and later destroyed her vegetable garden. She explained:

> **He came to me and said I should no longer plant there because it was his land and if I continued planting there, there would be a problem for me. I was alone with my two children. We decided to continue. One week later, when I was not there, he went and destroyed all my garden plots.[95]**

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[89] House of Representatives, Bill *Projeto de Lei 10,493/2018.* See also: House of Representatives, "Agricultura aprova redefinição dos limites de duas reservas extrativistas em Rondônia", 10 May 2019, www.camara.leg.br/noticias/557273-agricultura-aprova-redefinicao-dos-limites-de-duas-reservas-extrativistas-em-rondonia/

[90] This represents an increase of 90% over the deforestation registered between August 2017 and July 2018. Data obtained by searching for Rio Ouro Preto Reserve in the "Conservation Units" section. Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), www.terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[91] Data obtained through Freedom of Information requests to IDARON, on file with Amnesty International.

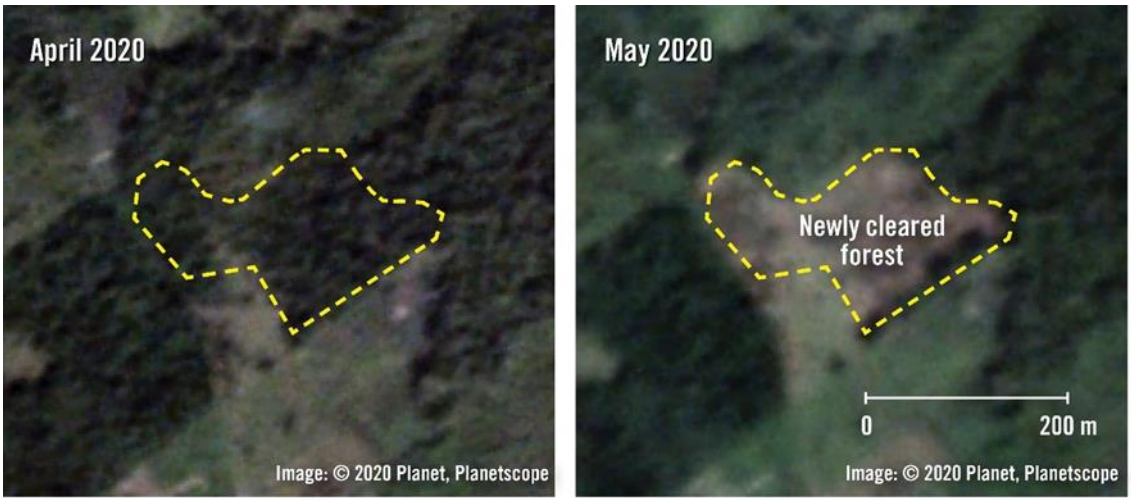
[92] Telephone interview with Cláudio, 28 March 2020, on file with Amnesty International.

[93] Telephone interviews with Cláudio, 28 and 30 April 2020, on file with Amnesty International.

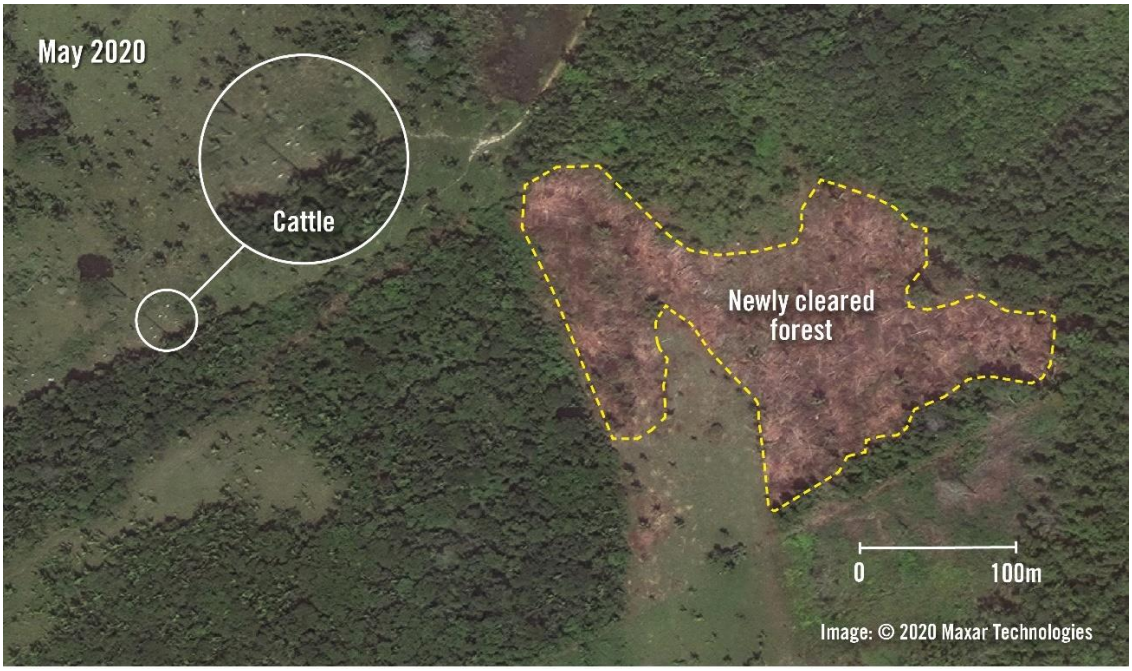
[94] Telephone interview with Cláudio, 30 April 2020, on file with Amnesty International.

[95] Telephone interview with Marisa, 21 April 2020, on file with Amnesty International.

Satellite imagery analysed by Amnesty International confirms the presence of cattle and recent deforestation within the Reserve. One image from May 2020 shows cattle grazing near a recently cleared area inside the Reserve. An image of the same area in April 2020 shows that it had not been cleared at that time.



Before-and-after satellite imagery from April and May 2020 shows the clearing of an area inside the Rio Ouro Preto Reserve. The recently cleared area is approximately three hectares.



High resolution satellite imagery from May 2020 shows the same (as above) recently cleared area inside the Rio Ouro Preto Reserve. Cattle are visible grazing nearby.

2.1.2 RIO JACY-PARANÁ RESERVE

The Rio Jacy-Paraná Reserve was created in 1996, comprising an area of 197 thousand hectares. It is located in the municipalities of Porto Velho, Nova Mamoré and Buritis in Rondônia state. Traditional residents used to fish, harvest nuts, extract copaiba oil, and plant manioc.

Over the last two decades land seizures for illegal commercial cattle ranching have advanced inside the Reserve. The area of the Reserve used for grazing cattle increased from 342 hectares in 2000 to 105 thousand in 2018. More than half of the Reserve is now occupied by cattle farms.[96]

Deforestation is increasing rapidly: Rio Jacy-Paraná Reserve was the most deforested Reserve in Brazil in 2019. According to INPE, the Rio Jacy-Paraná Reserve lost 94km² of forest between August 2018 to July 2019.[97]

In May 2020, Rondônia's government announced that a bill will be submitted to Rondônia's Congress to reduce the area of the Rio Jacy-Paraná Reserve by 152 thousand hectares.[98]

Rondônia's Public Prosecutor Office recommended to Rondônia's government to refrain from reducing the limits of the Rio Jacy-Paraná Reserve, affirming that the majority of those who will benefit from the bill are not traditional residents but large cattle farmers who illegally seized land for commercial cattle ranching. The prosecutor also noted that the reduction of the Reserve and the regularization of cattle farmers who illegally seized land would encourage new land seizures in other protected areas.[99]

According to IDARON data obtained by Amnesty International through a Freedom of Information request, the official number of cattle inside the Rio Jacy-Paraná Reserve increased from 83,642 in November 2018 to 105,478 in April 2020. This represents an increase of 26%. In 2019, 49,223 cattle were transferred off farms located within the limits of the Reserve to other farms and meat-packing companies.[100]

Most of the residents of the Rio Jacy-Paraná Reserve were evicted by cattle farmers and *grileiros* from their lands during land seizures over the last two decades. Individuals who have detailed knowledge of the Reserve (and who requested anonymity for fear of reprisals) also told Amnesty International that cattle farmers and *grileiros* evicted most residents of the Reserve.[101]

According to Sara, a former resident who was forced off her own land by cattle farmers and *grileiros* in 2017, only three people out of approximately 60 families who previously lived on the Reserve remain there.[102] "Everything became farmland", she said.[103]

Sara came to the Reserve with her family as a young child. She told Amnesty International about the importance of the Rio Jacy-Paraná Reserve in her life:

> **[The Reserve means] my life…. It is my passion, my childhood. For me it is very sad to see so much destruction of the Jacy-Paraná river and forest. I even cry when talking about this paradise.[104]**

She told Amnesty International that, throughout 2019, cattle farmers and *grileiros* were in an area of the Reserve close to where she occasionally stays. She explained: "We avoid going into the forest, we stay at home. But we learned that they were logging in this area, that there were sounds of tractor and chainsaw."[105]

Abelardo, a man in his late 40s and former Reserve resident, told Amnesty International that he fears returning to his house inside the Reserve after he and his relatives were evicted by a group of armed men in

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[96] Data obtained by using the following parameters: "Conservation Units" in the "Categories" field and "Reserva Extrativista Jaci-Paraná" in the "Territories" field. Mapbiomas, plataforma.mapbiomas.org/map#coverage

[97] Data obtained by searching for Rio Jacy-Paraná Reserve in the "Conservation Units" section. Brazil National Institute for Space Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), www.terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[98] Rondônia's government, "Mensagem nº 85, de 7 de maio de 2020", 07 May 2020, on file with Amnesty International.

[99] Rondônia Public Prosecutor's Office, "Recomendação Administrativa", 12 May 2020, on file with Amnesty International.

[100] This represents a rise of 79% over 2018. Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International.

[101] Telephone interview with anonymous source, 04 July 2019; on file with Amnesty International; and interview with another anonymous source, Porto Velho, 18 July 2019, on file with Amnesty International.

[102] Interview with Sara, Porto Velho, 13 October 2019, on file with Amnesty International. In 2005, the Reserve's representative denounced the burning of houses by *grileiros* to Rondônia' Secretary of Environment. Grupo de Trabalho Amazônico – GTA Rondônia, "O fim da floresta? A devastação das Unidades de Conservação e Terras Indígenas no Estado de Rondônia", June 2008, www.fase.org.br/wp-content/uploads/2010/01/O_fim_da_floresta.pdf

[103] Telephone interview with Sara, 27 March 2020, on file with Amnesty International.

[104] Telephone interview with Sara, 30 April 2019, on file with Amnesty International.

[105] Telephone interview with Sara, 27 March 2020, on file with Amnesty International.

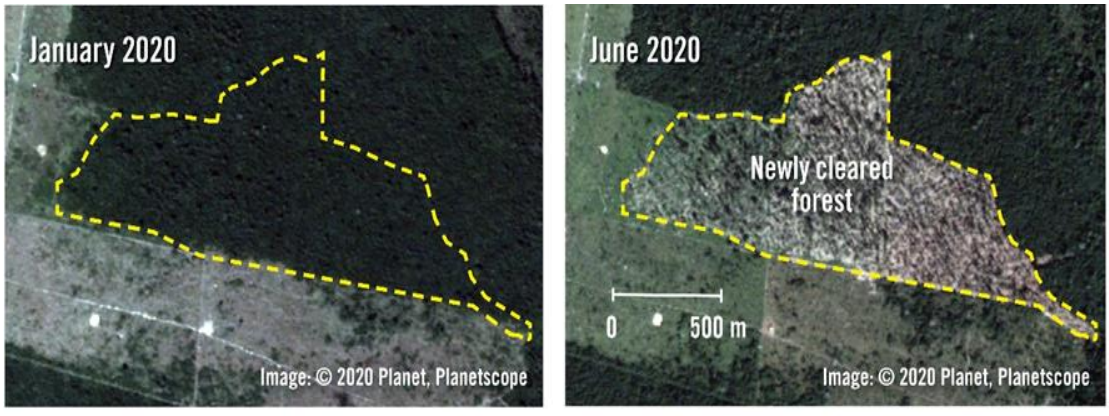
2017. He said: "There is no way we can go back. There is someone living there [on my land]. If someone goes there, he or she will die. These people kill."[106]

Abelardo explained how land seizures have damaged his livelihood:

> **It used to be very beautiful. We saw a lot of animals: tapir, wild pig, deer, jaguar, lots of fish. Today you don't see them anymore. We used to extract *copaiba oil*, we don't anymore. My father-in-law used to harvest nuts, grow manioc. Now we can no longer walk in the forest.[107]**

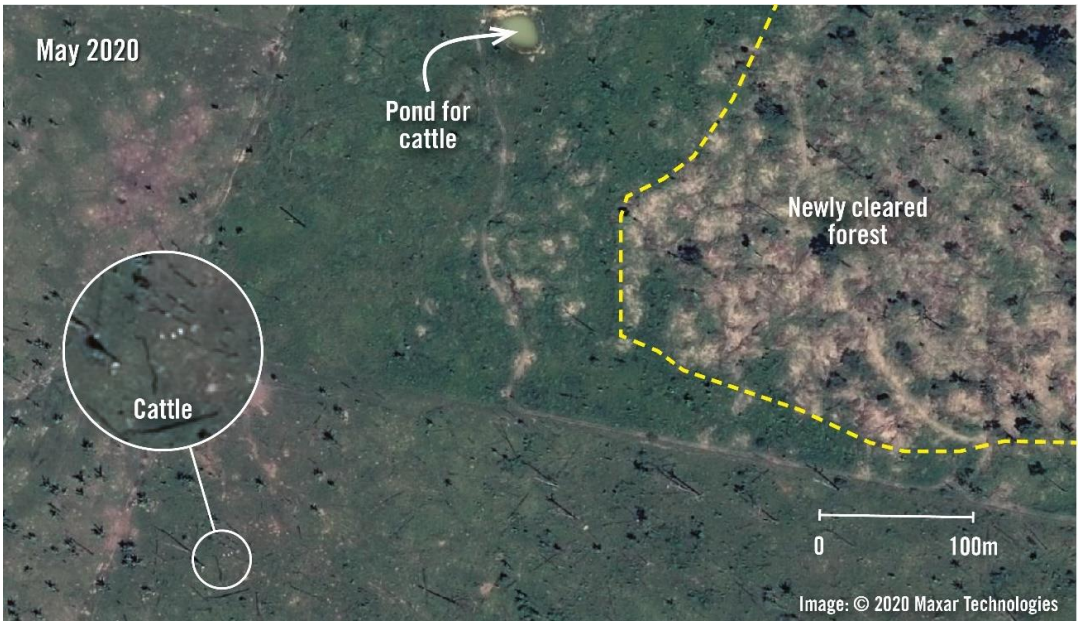
Amnesty International documented recent deforestation and the construction of drinking ponds for cattle through satellite imagery. For example, images show recent clearing inside the Rio Jacy-Paraná between January and June 2020. A second image shows cattle grazing near the recently cleared area. Another image from April 2020 reveals a newly constructed drinking pond for cattle in the middle of an area that has been recently cleared.

A chopped Brazil Nut tree lies on land being burned for cattle grazing near Porto Velho, Rondônia, in the Brazilian Amazon, 18 September 2019. © Alessandro Falco



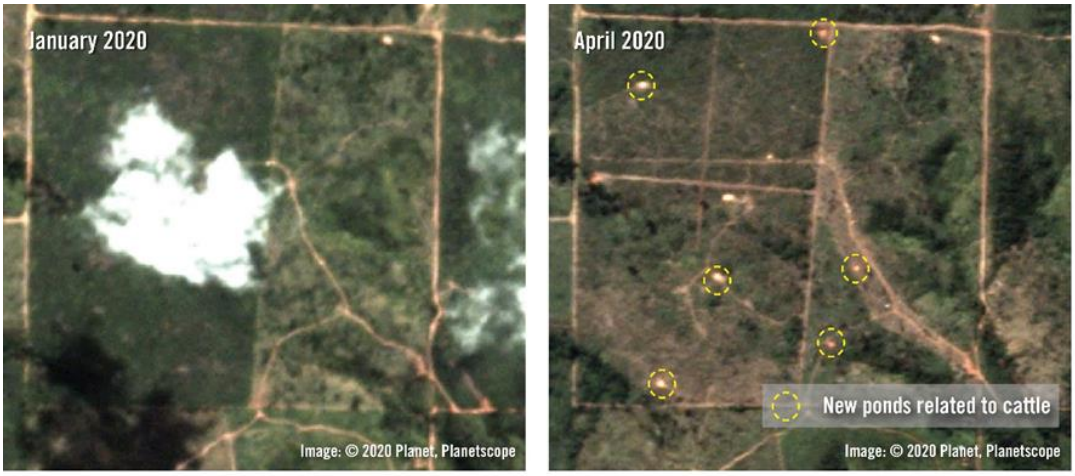
Before-and-after imagery shows the clearing of approximately 105 hectares of forest inside the Rio Jacy-Paraná Reserve between January and June 2020.

[106] Interview with Abelardo, Porto Velho, 20 July 2019, on file with Amnesty International.
[107] Interview with Abelardo, Porto Velho, 20 July 2019, on file with Amnesty International.



High resolution imagery from May 2020 shows cattle and a drinking pond adjacent to the same cleared area (as above) inside the Rio Jacy-Paraná Reserve.

Satellite imagery shows an area inside the Rio Jacy-Paraná Reserve in January and April 2020. The image from April 2020 shows a drinking pond for cattle, which was not visible in January 2020, and an area that has been recently cleared. The recently cleared area comprises approximately 33 hectares.



Satellite imagery shows an area inside the Rio Jacy-Paraná in January and April 2020. The image from April 2020 shows six drinking ponds for cattle which were not visible in January 2020.

2.1.3 URU-EU-WAU-WAU INDIGENOUS TERRITORY

The Uru-Eu-Wau-Wau Indigenous territory was demarcated in 1991. It comprises an area of 1.8 million hectares in Rondônia state. The Uru-Eu-Wau-Wau people, who are approximately 2,000 in number, live in six villages in the northern part of the territory. Other Indigenous people, including uncontacted groups, live in other parts of the protected area. [108]

The territory is a hotspot for deforestation: in 2019 it was ranked as the ninth most deforested Indigenous territory in Brazil's Amazon. According to government data, the Uru-Eu-Wau-Wau Indigenous territory lost 11km² of forest between August 2018 and July 2019, an increase of 16% over the area lost between August 2017 and July 2018.[109]

According to IDARON data obtained through a Freedom of Information request, there were 13,964 cattle inside the Uru-Eu-Wau-Wau Indigenous territory in April 2020. In 2019, 10,048 cattle were transferred off farms located in the Uru-Eu-Wau-Wau Indigenous territory to other farms and meat-packing companies.[110]

Uru-Eu-Wau-Wau interviewees told Amnesty International that, while commercial cattle farms have been present inside the territory for many years, there have been recent attempts to expand commercial cattle ranching.[111]

Cattle farmers and *grileiros* are exerting intense pressure on the territory. For example, a person who requested anonymity because of fear of reprisals told Amnesty International that people driving motorcycles and carrying chainsaws entered the Uru-Eu-Wau-Wau Indigenous territory in March 2020.[112] Amnesty International is aware of other significant intrusions into the territory in April 2019, June 2019 and May 2020.

For example, Araruna, an Uru-Eu-Wau-Wau man in his 20s, described a deforested and burned area he and some other Indigenous people had found when patrolling their territory in December 2019. The deforested area is close to several cattle farms in the territory.

> **We are concerned about the recent invasions over the last months because they are increasing and getting closer and closer to the villages. We found a huge area recently deforested. We saw a helicopter sowing grass so that they can bring cattle in the future.[113]**

Uru-Eu-Wau-Wau Indigenous people told Amnesty International that the intrusions are part of a process of seizing land to convert it into pasture. Jacy, an Uru-Eu-Wau-Wau woman in her 20s explained: "Invaders want to destroy the forest and turn it into farms to graze cattle".[114]

Grileiros have threatened Uru-Eu-Wau-Wau people who defend their territories. Uru-Eu-Wau-Wau interviewees told Amnesty International in January 2019 they found about 40 people, armed with sickles and machetes, cutting a path into their territory about two kilometres away from one Indigenous village. According to Uru-Eu-Wau-Wau people interviewed by Amnesty International, the *grileiros* threatened to kill Indigenous children after being told to leave the territory.[115]

In December 2019, national media reported that armed men driving four motorcycles went to one of the Uru-Eu-Wau-Wau villages looking for their leaders. Uru-Eu-Wau-Wau leaders reported the death threat to the federal police.[116]

Land seizures for illegal commercial cattle ranching infringe the rights of the Uru-Eu-Wau-Wau people to their land and traditional way of life. Uru-Eu-Wau-Wau people told Amnesty International that they avoid going to areas of their territory where most of the cattle farms are located out of fear of being killed.[117] Endi, an Uru-Eu-Wau-Wau man in his mid-20s, said: "[Going to the occupied area] is dangerous for us. Murder [could happen]".[118]

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[108] Brazil's Indigenous National Foundation, "Em Rondônia, Funai intensifica isolamento do povo Amondawa", 18 May 2020, www.funai.gov.br/index.php/comunicacao/noticias/6135-em-rondonia-funai-intensifica-isolamento-do-povo-amondawa

[109] Data obtained by searching for the Uru-Eu-Wau-Wau Indigenous territory in the "Indigenous areas" section. Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), www.terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[110] Data obtained from IDARON through Freedom of Information, on file with Amnesty International.

[111] Telephone interviews with Moacir, 26 October 2019, Araruna, 28 April 2020, and Endi, 29 April 2020, on file with Amnesty International.

[112] Telephone interview with anonymous source, 8 May 2020, on file with Amnesty International.

[113] Telephone interview with Araruna, 22 December 2019, on file with Amnesty International.

[114] Telephone interview with Jacy, 28 April 2020, on file with Amnesty International.

[115] Interviews with Moacir and Yara, Governador Jorge Teixeira, 5 April 2019, on file with Amnesty International.

[116] Ana Kézia Gomes and Mayara Subtil, "Lideranças indígenas escapam de ataque em aldeia de RO: 'querem tirar a gente do caminho'", 13 December 2019, www.g1.globo.com/ro/rondonia/natureza/amazonia/noticia/2019/12/13/liderancas-indigenas-escapam-de-ataque-em-aldeia-de-ro-querem-tirar-a-gente-do-caminho.ghtml

[117] Telephone interviews with Moacir, 26 October 2019; Jacy, 28 April 2020; and Endi, 29 April 2020, on file with Amnesty International.

[118] Telephone interview with Endi, 29 April 2020, on file with Amnesty International.

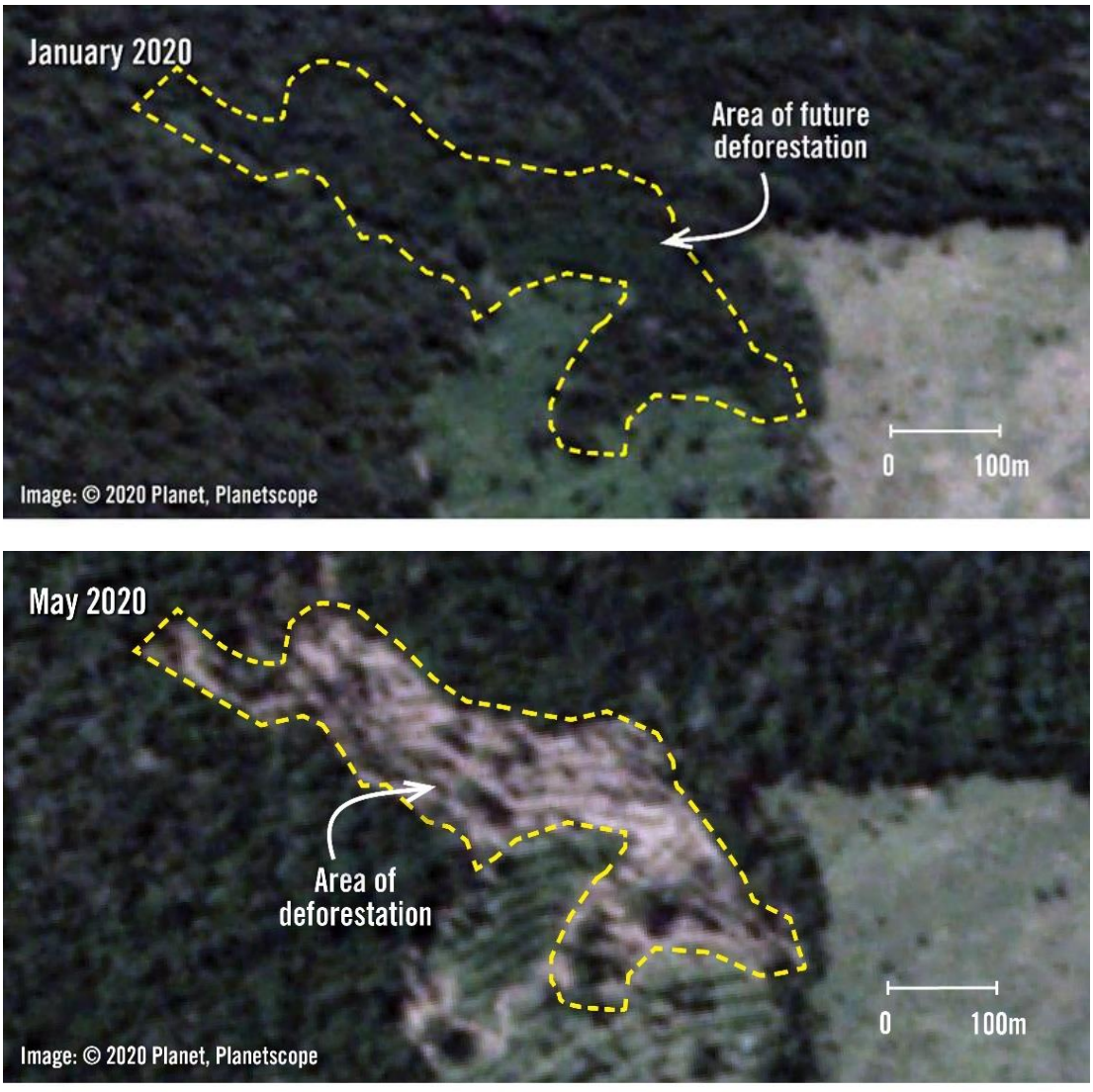
Land seizures for illegal commercial cattle ranching adversely impact the livelihoods of the Uru-Eu-Wau-Wau Indigenous people. Jacy told Amnesty International that land seizures adversely affect the hunting and harvesting of fruits, such as cocoa and açaí, because they cut down the trees.[119] Guaracy, another Uru-Eu-Wau-Wau man in his early 40s, described his fears that there will not be more animals to hunt in the near future.[120]

Endi described to Amnesty International the importance of the forest and how its destruction threatens his people's traditional way of life:

> **It is like becoming homeless. For us [the forest] means everything necessary for our survival. Without the forest we are nothing, we have nowhere to go.[121]**

Araruna, an Uru-Eu-Wau-Wau man in his 20s, expressed his anger at the failure of government authorities to remove the cattle grazing inside the Indigenous territory: "We feel violated. We are always denouncing that farm [to authorities] for being inside the Indigenous territory for many years but no federal agency has taken any measures."[122]

Satellite imagery analysed by Amnesty International shows recent deforestation inside the Uru-Eu-Wau-Wau Indigenous territory. Before-and-after imagery from January and May 2020 shows an area of approximately six hectares that has been cleared of rainforest.



Before-and-after satellite imagery from January and May 2020 shows the clearing of an area of approximately six hectares inside the Uru-Eu-Wau-Wau Indigenous territory.

[119] Telephone interview with Jacy, 28 April 2020, on file with Amnesty International.
[120] Interview with Guaracy, Governador Jorge Teixeira, 5 April 2019, on file with Amnesty International.
[121] Telephone interview with Endi, 30 April 2020, on file with Amnesty International.
[122] Telephone interview with Araruna, 28 April 2020, on file with Amnesty International.

2.2 ILLEGALLY GRAZED CATTLE ENTER JBS'S SUPPLY CHAIN

While Amnesty International did not find evidence to indicate that JBS is directly involved with land seizures, evictions and threats documented in the three sites, Amnesty International documented how cattle illegally grazed in protected areas have entered JBS's supply chain.

To come to this conclusion, Amnesty International analysed official animal health control documents, including data on cattle transferred off farms located in protected areas in 2019 obtained from IDARON through Freedom of Information requests. Amnesty International also analysed other official IDARON data and CAR registries.

As noted above, Amnesty International has withheld the names and other identifying information of the farmers involved in order to protect the safety of those who shared information with Amnesty International.

Amnesty International found that in 2019 JBS directly purchased cattle from a farmer ("Farmer A") who illegally grazes cattle on a farm inside the Rio Ouro Preto Reserve. Additionally, JBS repeatedly purchased cattle from two farmers ("Farmer B" and "Farmer C") who operate both legal farms and illegal farms in protected areas.[123] "Farmer B" illegally grazes cattle in the Rio Jacy-Paraná Reserve, while "Farmer C" illegally grazes cattle in the Uru-Eu-Wau-Wau Indigenous territory.[124] There are indications to suggest that these farmers may have employed the practice of cattle laundering to circumvent existing monitoring systems and sell cattle grazed in these protected areas to JBS.

Both farmers registered cattle movements from their farm inside a protected area to their farm outside the protected area and then registered cattle movements from the farm outside the protected area to JBS.[125]

On two occasions, the movements (from one farm to another and then from the latter farm to a JBS plant) were registered within a few minutes of each other and involved movements of identical numbers of cattle of identical se and age range. On these occasions, the age range of the transferred cattle was registered as older than 36 months; cattle transferred off farms for slaughtering are often older than 36 months.

For example, on one occasion in 2019 "Farmer B" registered sequential transfers from his farm inside the Rio Jacy-Paraná Reserve to his farm outside the Reserve and then from that farm to a JBS plant. Both movements involved an identical number of cattle (of the same age range and sex). The movements were registered within an interval of less than 10 minutes.[126]

According to experts interviewed by Amnesty International, sequential transfers originating from farms in protected areas, consisting of an identical number of cattle of identical sex and age range, and registered within a short timeframe, could suggest the practice of cattle laundering.[127]

Amnesty International's findings are consistent with previous official investigations on JBS sourcing practices. According to an audit conducted by Federal Public Prosecutor's Office in Pará state, out of the 610,269 cattle audited for 2016, 19% failed to meet at least one of the requirements imposed by the non-deforestation agreement.[128] In 2019, an audit conducted by Federal Public Prosecutor's Office in Pará state for 2017 found that out of the 301,207 cattle audited, 8% failed to meet at least one of the requirements.[129]

In correspondence with Amnesty International, JBS maintained that both auditing results were "discrepancies" due to "differing methodologies used in the respective JBS and Federal Public Prosecutor's Office geo-data analysis and auditing processes at that time."[130]

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[123] Data obtained from IDARON through a Freedom of Information request, on file with Amnesty International.
[124] Official animal health control records, on file with Amnesty International.
[125] Official animal health control records, on file with Amnesty International.
[126] Official animal health control records, on file with Amnesty International.
[127] Telephone interviews with Dr. Lisa Rausch, University of Wisconsin-Madison, 29 June 2020, and Lisandro Inakake, Climate, Supply Agri-chain and Forests Coordinator, Imaflora, 29 June 2020.
[128] Federal Public Prosecutor's Office in Pará state, "Detalhes dos principais resultados auditados", 2018, www.mpf.mp.br/pa/sala-de-imprensa/documentos/2018/detalhes_principais_resultados_auditorias_tac_pecuaria_pa.
[129] Federal Public Prosecutor's Office in Pará state, "Sínteses dos Resultados das Auditorias relativas a operações comerciais em 2017 realizadas por frigoríficos signatários do Termo de Ajuste de Conduta (TAC) da Pecuária no Pará, 12 November 2019, www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf. The Federal Public Prosecutor's office in Pará state decided not to levy fine on JBS. Fernanda Wenzel, "TAC da Carne no Pará: MPF diz que ninguém está livre do desmatamento", *O Eco*, 13 November 2019, www.oeco.org.br/reportagens/tac-da-carne-no-para-mpf-diz-que-ninguem-esta-livre-do-desmatamento/
[130] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS' full response is included in Annex 2.

In 2017, IBAMA levied fines of BRL 24.7 million (US$ 4.9 million) on JBS for purchasing (both directly and indirectly) 49,468 cattle from farms that had been embargoed by the environmental agency.[131]

In correspondence with Amnesty International, JBS claimed the company "appealed the fine and its appeals was upheld by the courts."[132] At the time this report was written (early July 2020), according to IBAMA's website, the fines levied on JBS in 2017 remain active at different stages of IBAMA's administrative procedure.[133]

2.2.1 RIO OURO PRETO RESERVE

In 2019 JBS directly purchased cattle from a farm inside the Rio Ouro Preto Reserve on two occasions.[134]

Amnesty International analysed official animal health control documents that show the farmer in question, referred to here as "Farmer A", grazes cattle on a farm within the Rio Ouro Preto Reserve, which will be referred to here as "Illegal ROP Farm".

Amnesty International verified the location of "Illegal ROP Farm" in the following ways. Amnesty International obtained, through Freedom of Information request to IDARON, geographic coordinates of farms located in protected areas. The data provided by IDARON place "Illegal ROP Farm" inside the limits of the Rio Ouro Preto Reserve.[135]

Additionally, "Illegal ROP Farm" is included on an (different) IDARON list of farmers inside the Rio Ouro Preto Reserve. The list includes the name of "Farmer A" and "Illegal ROP Farm", the address of the farm, the ownership status (whether the farmer is owner or tenant) and the number of cattle on the farm as of April 2019.[136]

In addition, "Farmer A" holds a CAR registry of a farm inside the Rio Ouro Preto Reserve. According to Rondônia's CAR system, "Farmer A" registered the farm in 2018 and the registry has not been modified since. CAR registries provide shapefiles of the registered farms.[137] The shapefile of the farm registered in the CAR system places it entirely within the Rio Ouro Preto Reserve (and matches the geographic coordinates of "Illegal ROP Farm" provided by IDARON).[138]

Amnesty International also obtained from IDARON data on cattle movements from farms located in protected areas in 2019. According to this data, on two occasions in 2019 "Farmer A" registered transfers of cattle from "Illegal ROP Farm" directly to a JBS plant.[139]

Amnesty International consulted JBS's database Guarantee of Origin Friboi.[140] It records that JBS produced beef with cattle from a farm with the same name and in the same municipality as "Illegal ROP Farm"; the production is registered a few days after official animal health control documents had registered the movement of cattle between "Illegal ROP Farm" and a JBS plant.

[131] Piero Locatelli and Ana Aranha, "JBS compra gado de áreas desmatadas ilegalmente e leva multa de R$ 24 milhões, *Repórter Brasil,* 22 March 2017, www.reporterbrasil.org.br/2017/03/jbs-compra-gado-de-areas-desmatadas-ilegalmente-e-leva-multa-de-r24-milhoes/

[132] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS' full response is included in Annex 2.

[133] Data obtained consulting Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), "Consulta de Autuações Ambientais e Embargos, servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php. Copy on file with Amnesty International.

[134] Data obtained from IDARON through Freedom of Information request, on file with Amnesty International.

[135] Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International. The official boundaries of the Rio Ouro Preto Reserve are available via the Chico Mendes Institute of Biodiversity's Conservation (*Instituto Chico Mendes de Conservação da Biodiversidade* – ICMBIO) website. ICMBIO is the federal environmental agency responsible for managing the Rio Ouro Preto Reserve and other federal environmentally protected areas. See www.icmbio.gov.br/portal/unidadesdeconservacao/biomas-brasileiros/amazonia/unidades-de-conservacao-amazonia/2031-resex-rio-ouro-preto

[136] IDARON list of farms in the Rio Ouro Preto Reserve, April 2019, on file with Amnesty International.

[137] A shapefile is a digital format that stores geometric location and other information of geographic features.

[138] Statement on farm (*Demonstrativo do Imóvel*) "Illegal ROP Farm" obtained through Rondônia's CAR system, 29 June 2020, on file with Amnesty International.

[139] Data obtained from IDARON through Freedom of Information request, on file with Amnesty International.

[140] Friboi, www.friboi.com.br/sustentabilidade/garantia-de-origem

2.2.2 RIO JACY-PARANÁ RESERVE

In 2019 JBS repeatedly purchased cattle from a farmer, referred to here as "Farmer B", who (according to official animal health control documents) grazes cattle on three farms.[141] The farmer does not have any farm registered in the CAR registry.[142]

One of the three farms (referred to here as "Illegal JP Farm") is in the Rio Jacy-Paraná Reserve. We explain below our investigation of whether the purchased cattle may have been grazed in the Rio Jacy-Paraná Reserve.

Amnesty International verified the location of the "Illegal JP Farm" in the following ways.

IDARON provided Amnesty International with geographic coordinates of farms located in protected areas.[143] Those coordinates place "Illegal JP Farm" within the limits of the Reserve.[144]

Additionally, a (different) IDARON list of farmers with farms inside the Rio Jacy-Paraná Reserve includes the name of "Farmer B", his taxpayer number, his IDARON number, the address of "Illegal JP Farm", ownership status (whether the farmer is owner or tenant) and number of cattle registered with the agency as of November 2019.[145]

In addition, Amnesty International obtained, through another Freedom of Information request to IDARON, data on cattle movements from farms located in protected areas in 2019. This data describes cattle movements from "Illegal JP Farm" (registered in the name of "Farmer B") as coming from a farm located inside the Rio Jacy-Paraná Reserve.[146]

Official animal health control documents analysed by Amnesty International show that "Farmer B" registered movements of cattle on seven different occasions during 2019 from "Illegal JP Farm" to his farm outside the Reserve (which we will refer to here as "Direct Supplier Legal Farm"). "Farmer B" also registered, on four occasions, cattle transfers from "Direct Supplier Legal Farm" to a JBS plant.[147]

On one of these occasions, "Farmer B" registered transfers of cattle from "Illegal JP Farm" to "Direct Supplier Legal Farm" and then from "Direct Supplier Legal Farm" to a JBS plant less than ten minutes later. Both movements involved an identical number of cattle of an identical sex and age range. The age range registered in these transfers were older than 36 months.[148]

2.2.3 URU-EU-WAU-WAU INDIGENOUS TERRITORY

In 2019 JBS repeatedly purchased cattle from a farmer, referred to here as "Farmer C", who grazes cattle on three farms, including one (referred to here as "Illegal UEWW Farm") inside the Uru-Eu-Wau-Wau Indigenous territory. We explain below our investigation of whether the purchased cattle may have been grazed in the Uru-Eu-Wau-Wau Indigenous territory.

According to official animal health control documents analysed by Amnesty International, "Farmer C" grazes cattle on three cattle farms.[149] Amnesty International verified the location of "Illegal UEWW Farm" in the following ways.

The geographic coordinates of "Illegal UEWW Farm" as provided by IDARON place it within the Uru-Eu-Wau-Wau Indigenous territory.[150]

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[141] Official animal health control documents, on file with Amnesty International.
[142] There are more farms inside the Rio Jacy-Paraná Reserve registered with IDARON than in the CAR system. According to IDARON data obtained through a Freedom of Information request, there were 771 farms inside the Rio Jacy-Paraná Reserve in April 2020. For its part, according to data obtained through a Freedom of Information request to Rondônia's Secretary of Environmental Development, in the same month, there were 175 registries of farms inside the Rio Jacy-Paraná Reserve in the CAR system.
[143] Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International.
[144] Rondônia's Secretary of Environmental Development is responsible for managing Rio Jacy-Paraná Reserve. The state Secretary provides the shapefile of the official limits of Rio Jacy-Paraná Reserve, cuc.sedam.ro.gov.br/reserva-extrativista-do-rio-jaci-parana/
[145] IDARON list of farmers in the Rio Jacy-Paraná Reserve, November 2019, on file with Amnesty International.
[146] Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International.
[147] Official animal health control documents, on file with Amnesty International.
[148] Official animal health control documents, on file with Amnesty International.
[149] Official animal health control documents, on file with Amnesty International.
[150] Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International.

Amnesty International analysed a (different) IDARON list of farmers inside the Uru-Eu-Wau-Wau Indigenous territory which includes: the name of "Farmer C", his taxpayer number, his IDARON number, geographic coordinates of "Illegal UEWW Farm", and the number of cattle registered with the agency in July 2018.[151]

According to Rondônia's CAR system, "Farmer C" registered a farm inside the Uru-Eu-Wau-Wau Indigenous territory in 2016. The registry has not been modified since then. The shapefile as recorded in the CAR registry places the farm wholly within the indigenous territory (and matches the geographic coordinates for "Illegal UEWW Farm" in the IDARON list).[152]

In addition to "Illegal UEWW Farm", "Farmer C" grazes cattle in two other farms located nearby but outside the Indigenous territory (referred to here as "Direct Supplier Legal Farm" and "Other Legal Farm" respectively).[153]

According to official animal health control documents analysed by Amnesty International, in 2019 "Farmer C" registered the transfer of cattle from the "Illegal UEWW Farm" to "Direct Supplier Legal Farm" on six occasions. The same database shows "Direct Supplier Legal Farm" supplying JBS on five occasions during 2019.[154]

On one of these occasions, "Farmer C" registered two transfers of cattle to the "Direct Supplier Legal Farm": one from "Illegal UEWW Farm" and the other from "Other Legal Farm". Less than five minutes later, "Farmer C" registered a transfer of cattle from "Direct Supplier Legal Farm" to a JBS plant.

The number, age range and sex of the cattle sent to JBS from "Direct Supplier Legal Farm" were identical to the sum of the numbers, age range and sex of the cattle that had just been registered as moving from "Illegal UEWW Farm" and "Other Legal Farm". The age range recorded in these cattle movements was older than 36 months.[155]

[151] IDARON list of farmers in the Uru-Eu-Wau-Wau Indigenous territory, July 2018, on file with Amnesty International.
[152] Statement on (*Demonstrativo do Imóvel*) "Illegal UEWW Farm" obtained through Rondônia's CAR system, 01 July 2020, on file with Amnesty International.
[153] Official animal health control documents, on file with Amnesty International.
[154] Official animal health control documents, on file with Amnesty International.
[155] Official animal health control documents, on file with Amnesty International.

3. JBS'S DUE DILIGENCE PROCESS

In correspondence with Amnesty International (included in Annex 2), JBS claims to have "an unequivocal zero deforestation approach throughout its supply chain", adding that since 2009 "the company has enforced a strict Responsible Procurement Policy for the purchase of raw materials."[156] The company describes its system of monitoring direct supplier farms through satellite monitoring and georeferenced data and states that farms that are not compliant with its criteria are blocked from selling to JBS.

JBS notes its difficulties with using Animal Transit Permits for monitoring reasons (claiming they are not publicly available) but explains that it is working with the Brazilian Ministry of Agriculture on a new proposal for "Green GTAs" that would show when cattle have spent time on a farm that is included in the public list of areas embargoed by IBAMA.[157]

It also describes its involvement in developing a new "theoretical index" to combat cattle laundering by ceasing to purchase from farms that exceed a maximum quantity of cows per hectare of farm per year but do not have a high productivity production system.[158]

During the process of researching this report, Amnesty International sought specific information from JBS on whether the company was aware of having sourced any cattle from farms located in these three protected areas in 2019.[159]

In response, the company stated "We do not purchase cattle from any farm involved in the illegal grazing within protected areas."[160] It also stated that "In 2019, 100% of direct purchases met our social-environmental criteria."[161]

Amnesty International also sought specific information from JBS on whether the company monitors its indirect suppliers.[162] JBS did not answer the specific question of whether it monitors its indirect suppliers and instead stated that "the traceability of the entire beef supply chain is an industry-wide challenge and a complex task" before describing the company's involvement in a number of initiatives "to reach a practical solution for the indirect supplier monitoring issue."[163]

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[156] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.
[157] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.
[158] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.
[159] Letter from Amnesty International to Márcio Nappo, director of corporate sustainability at JBS, 15 June 2020. Copy on file with Amnesty International. Amnesty International's full letter is included in Annex 1.
[160] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.
[161] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.
[162] Letter from Amnesty International to Márcio Nappo, director of corporate sustainability at JBS, 15 June 2020. Copy on file with Amnesty International. Amnesty International's full letter is included in Annex 1.
[163] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.

As mentioned above, third-party audits of JBS's monitoring system, conducted between 2016 and 2019, note that JBS does not monitor indirect suppliers.[164]

A JBS representative also requested additional information from Amnesty International to enable it to identify the three farms.[165] Amnesty International declined to provide this information, withholding the names and other identifying information of the farmers involved in order to protect the safety of people who shared information with Amnesty International.[166]

In an emailed response, a JBS representative stated that "it is clearly understandable that the lack of information on the alleged irregular cases makes impossible for JBS to provide you an objective response to several of your questions."[167]

Amnesty International considers that JBS should have effective systems in place to proactively detect and respond to irregular cases on their own, rather than relying on outside reports.

Amnesty International also sought specific information from JBS on whether JBS has previously identified, addressed and remediated human rights abuses against Indigenous peoples and/or traditional residents of protected areas within the company's supply chain.[168] In response, JBS stated the company "closely monitors its suppliers for compliance in all aspects of our Responsible Procurement Policy and has not previously identified issues relating to human rights abuses of Indigenous communities or other protected groups".[169]

This report shows that cattle illegally grazed in protected areas have entered JBS's supply chain.

Amnesty International considers that JBS's long-term failure to implement an effective monitoring system means that JBS has failed to carry out adequate due diligence. Under the terms of the UN Guiding Principles, JBS has contributed to human rights abuses against Indigenous peoples and residents of Reserves in their territories by participating in the economic incentives for cattle illegally grazed in protected areas.

[164] BDO RCS Auditores Independentes, "JBS S.A.: Relatório de auditoria de terceira parte para atendimento ao compromisso de adoção do "compromisso público da pecuária", conforme "critérios mínimos para operações com gado e produtos bovinos em escala industrial no Bioma Amazônia", 2016, p. 34, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico-2016_PT.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 14 November 2017, p. 8, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2017_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 October 2018, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2018_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

[165] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 18 June 2020. Copy on file with Amnesty International.

[166] E-mail from Amnesty International to Márcio Nappo, director of corporate sustainability at JBS, 23 June 2020. Copy on file with Amnesty International.

[167] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 25 June 2020. Copy on file with Amnesty International.

[168] Letter from Amnesty International to Márcio Nappo, director of corporate sustainability at JBS, 15 June 2020. Copy on file with Amnesty International. Amnesty International's full letter is included in Annex 1.

[169] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.

TIMELINE OF JBS'S SUPPLY CHAIN MONITORING

2009: Signature of the Adjustment of Conduct Agreement with the Federal Public Prosecutor's Office and, separately, of the Public Livestock Commitment with Greenpeace.[170]

2010: Adoption of JBS Responsible Raw Material Procurement Policy.[171]

2011: The deadline established by the 2009 Greenpeace agreement to monitor indirect suppliers expires.[172]

2016: The deadline established by BNDES socioenvironmental guidelines (to have all cattle in its supply chain traced from birth to slaughter) expires.[173]

2016: Audit conducted by the Federal Public Prosecutor's Office in Pará state for 2016 found that 19% of the 610,269 cattle audited failed to meet at least one of the requirements established by the Adjustment of Conduct Agreement with the Federal Public Prosecutor's Office.[174] In correspondence with Amnesty International, JBS claimed the auditing results were "discrepancies" due to the use of different methodologies.[175]

2017: JBS is fined BRL 24.7 million (US$ 4.9 million) due to the purchase of 49,468 cattle from farms (direct and indirect suppliers) that had been embargoed by IBAMA.[176] In correspondence with Amnesty International, JBS claimed the company appealed the fine and its appeal was upheld by the courts.[177] At the time this report was written (early July 2020), according to IBAMA's website, the fines levied on JBS in 2017 remain active at different stages of IBAMA's administrative procedure.[178]

2017: Audit conducted by the Federal Public Prosecutor's Office in Pará state for 2017 found that 8% of the 301,207 cattle audited did not meet at least one of the requirements established by the Adjustment of Conduct Agreement with the Federal Public Prosecutor's Office.[179] In correspondence with Amnesty International, JBS claimed the auditing results were "discrepancies" due to the use of different methodologies.[180]

2018: Adoption of JBS Business Associate Code of Conduct, which requires third parties, including suppliers, to comply with the legislation.[181]

2016-2019: Annual audit reports between 2016 and 2019 note that JBS does not monitor indirect suppliers.[182]

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[170] Paulo Barreto, Holly Gibbs, "Como melhorar a eficácia dos acordos contra o desmatamento associado à pecuária na Amazônia?", Belém: Imazon; Madison: University of Wisconsin, 2015.
[171] JBS S.A., "JBS Responsible Procurement Policy", 4 September 2019, mz-filemanager.s3.amazonaws.com/043a77e1-0127-4502-bc5b-21427b991b22/investidores-esgsustentabilidade/d36f0ee0f80a2d3028d3fd5fb46f37d685ce59555647fc5569f454edbc308ac3/responsible_procurement_policy.pdf
[172] Greenpeace, "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome", www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-i.pdf
[173] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2009, www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico
[174] Federal Public Prosecutor's Office in Pará state, "Detalhes dos principais resultados auditados", 2018, www.mpf.mp.br/pa/sala-de-imprensa/documentos/2018/detalhes_principais_resultados_auditorias_tac_pecuaria_pa
[175] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS' full response is included in Annex 2.
[176] Piero Locatelli and Ana Aranha, "JBS compra gado de áreas desmatadas ilegalmente e leva multa de R$ 24 milhões, *Repórter Brasil,* 22 March 2017, www.reporterbrasil.org.br/2017/03/jbs-compra-gado-de-areas-desmatadas-ilegalmente-e-leva-multa-de-r24-milhoes/
[177] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS' full response is included in Annex 2.
[178] Data obtained consulting Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), "Consulta de Autuações Ambientais e Embargos, servicos.ibama.gov.br/ctf/publico/areasembargadas/ConsultaPublicaAreasEmbargadas.php
Copy on file with Amnesty International.
[179] Federal Public Prosecutor's Office in Pará state, "Sínteses dos Resultados das Auditorias relativas a operações comerciais em 2017 realizadas por frigoríficos signatários do Termo de Ajuste de Conduta (TAC) da Pecuária no Pará, 12 November 2019, www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf
[180] E-mail from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS' full response is included in Annex 2.
[181] JBS S.A., "Annual and Sustainability Report 2018", 2019, p. 30, www.jbs.com.br/wp-content/uploads/2019/11/JBS_RAS2018_book_EN.pdf ; JBS S.A., "Business Associate Code of Conduct", 2018, www.jbs.com.br/wp-content/uploads/2019/06/Business-Associate-Code-of-Conduct_JBS_Ingl%C3%AAs.pdf
[182] BDO RCS Auditores Independentes, "JBS S.A.: Relatório de auditoria de terceira parte para atendimento ao compromisso de adoção do "compromisso público da pecuária", conforme "critérios mínimos para operações com gado e produtos bovinos em escala industrial no Bioma Amazônia", 2016, p. 34, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico-2016_PT.pdf ; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 14 November 2017, p. 8,

According to the United Nations Guiding Principles on Business and Human Rights, the responsibility to respect human rights requires companies to avoid "infringing on the human rights of others" and to address "adverse human rights impacts with which they are involved".[183]

The responsibility to respect human rights requires companies to "avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur".[184] Companies should also "seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts".[185]

The United Nations Guiding Principles on Business and Human Rights indicate that to meet their responsibilities, companies should have a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights.

Under the UN Guiding Principles, companies that have caused or (as in this case) contributed to adverse impacts "should provide for or cooperate in their remediation through legitimate processes".[186] Remedy may take different forms, including "apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well the prevention of harm through, for example, injunctions or guarantees of non-repetition.[187]

The responsibility to respect human rights also requires companies to communicate how they address their human rights impacts.[188]

Federal law requires economic actors to repair or compensate for harm to collective interests form environmental damage caused by the operation of their supply chains. According to Brazil's legislation, JBS is responsible for environmental damage, such as deforestation, caused by its direct and indirect suppliers and is obliged to repair or compensate such damage to the communities affected.[189]

The responsibility to respect human rights applies not only to JBS but also to companies buying from JBS as well as companies investing in JBS. Companies buying from JBS and companies investing in JBS are also required to put in place an adequate human rights due diligence process.[190]

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www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2017_EN.pdf ; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 October 2018, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2018_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, p. 9, www.jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

[183] Principle 11, United Nations Guiding Principles on Business and Human Rights.

[184] Principle 13, United Nations Guiding Principles on Business and Human Rights. According to the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, "An enterprise "contributes to" an impact if its activities, in combination with the activities of other entities cause the impact, or if the activities of the enterprise cause, facilitate or incentivize another entity to cause an adverse impact. Contribution must be substantial, meaning that it does not include minor or trivial contributions." See OECD, OECD Due Diligence Guidance for Responsible Business Conduct, 2018, p. 70.

[185] Principle 13, United Nations Guiding Principles on Business and Human Rights.

[186] Principle 22, United Nations Guiding Principles on Business and Human Rights.

[187] Commentary to Principle 25, United Nations Guiding Principles on Business and Human Rights.

[188] Principle 21, United Nations Guiding Principles on Business and Human Rights.

[189] Article 3 of Federal Law 6,938/1981 defines polluter as "an individual or legal entity, public or private, responsible, directly or indirectly, for an activity that causes environmental degradation". For its part, article 14 of the same law obliges the polluter, "regardless of the existence of culpability, to compensate or redress the damages caused to the environment and third parties affected by the activities."

[190] United Nations Office of the High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework,* UN DOC. HR/PUB/11/04, 2011, Principles 14 and 15 (hereinafter: United Nations Guiding Principles on Business and Human Rights).

4. GOVERNMENT FAILURES TO PROTECT INDIGENOUS PEOPLES AND RESIDENTS OF RESERVES

4.1 BRAZIL'S FAILURES TO PROTECT HUMAN RIGHTS IN THE CONTEXT OF BUSINESS ACTIVITIES

Brazil has failed to prevent human rights abuses carried out in the context of business activities, including abuses carried out by cattle farmers and *grileiros* against Indigenous peoples and residents of Reserves.

Brazil's current approach to human rights due diligence in companies' supply chains is inadequate. In 2018 Brazil established national guidelines on business and human rights. Regrettably, the Federal decree intended to implement the guidelines states that its adoption is voluntary for companies. For example, the decree does not make it obligatory for companies to carry out due diligence in their supply chains.[191]

Amnesty International considers that the voluntary nature of the guidelines undermines Brazil's legal framework to prevent human rights abuses in the context of business activities.

BNDES, Brazil's state-owned national development bank, has a direct means to apply leverage with respect to JBS. BNDES has invested in JBS since at least 2009.[192] In May 2020, BNDES held 21% of company shares, making it the second largest shareholder.[193]

In 2009, BNDES developed socioenvironmental guidelines for the cattle industry with the purpose of ensuring the protection of natural resources and respect for workers and communities.[194]

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[191] Articles 4 and 5 of Brazil's Federal Decree 9,571/2018.
[192] Téo Takar, "BNDES é dono de R$ 3,5 bilhões em ações da JBS, mas não manda nela; entenda", *Uol,* 18 October 2017, www.economia.uol.com.br/noticias/redacao/2017/10/18/bndes-e-dono-de-r-35-bilhoes-em-acoes-da-jbs-mas-nao-manda-nela-entenda.htm
[193] Novo Mercado BM&FBOVESPA, "JBS S.A.: Posição acionária in 06 May 2020", http://bvmf.bmfbovespa.com.br/cias-listadas/empresas-listadas/ResumoEmpresaPrincipal.aspx?codigoCvm=20575&idioma=pt-br
[194] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2009, www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico

According to the guidelines, meat-packing companies supported by BNDES through either loans or shareholding should have implemented a traceability system from birth to slaughter for all cattle slaughtered by 2016. Each head of cattle must be monitored via an individual identification code.[195]

In 2018, two years after the deadline expired, a BNDES representative publicly acknowledged the bank's failure to enforce the guidelines.[196]

During the process of researching this report, Amnesty International sought specific information from BNDES on the implementation of its guidelines for the cattle industry.[197] That correspondence is included in Annex 3. In an emailed response, a BNDES representative said BNDES would provide the information requested on July 31, 2020 (after the publication of this report).[198]

BRAZIL'S INTERNATIONAL OBLIGATION TO PROTECT HUMAN RIGHTS IN THE CONTEXT OF BUSINESS ACTIVITIES

Under the United Nations Guiding Principles on Business and Human Rights, "States must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises. This requires taking appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication."[199]

This means, for example, requiring companies to carry out adequate human rights due diligence, and investigating and, where appropriate, prosecuting companies if they are causing, contributed or linked to abuses.

The UN Committee on Economic, Social and Cultural Rights (CESCR) has stated that the State's obligation to protect human rights includes a "positive duty to adopt a legal framework requiring companies to exercise human rights due diligence in order to identify, prevent and mitigate the risks of violations of Covenant rights, to avoid such rights being abused, and to account for the negative impacts caused or contributed to by their decisions and operations and those of entities they control on the enjoyment of Covenant rights".[200]

It has further established that "States should adopt measures such as imposing due diligence requirements to prevent abuses of Covenant rights in a business entity's supply chain and by subcontractors, suppliers, franchisees, or other business partners".[201]

4.2 RONDÔNIA'S GOVERNMENT ROLE IN ENABLING ILLEGAL COMMERCIAL CATTLE RANCHING

All states in Brazil are required to maintain information on farms grazing cattle, including farm owners, farm locations, the size of the herds, as well as cattle movements.[202] This information includes farms in protected areas.

Rondônia's animal health control agency IDARON registers commercial cattle farms inside Indigenous territories and Reserves. Rondônia state's legislation requires the registration of cattle farms and farmers with the state animal health control agency.[203]

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[195] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2009, www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico

[196] Piero Locatelli, "Amazônia: BNDES não cumpriu seu compromisso contra o desmatamento", *O Eco,* 18 December 2018, www.oeco.org.br/reportagens/amazonia-bndes-nao-cumpriu-seu-compromisso-contra-o-desmatamento/

[197] Letter from Amnesty International to Petrônio Cançado, credit and warrant director at BNDES, 29 June 2020. Copy on file with Amnesty International. Amnesty International's full letter is included in Annex 3.

[198] E-mail from Ricardo Tannure, advisor of credit and warrant director at BNDES, 02 July 2020. Copy on file with Amnesty International.

[199] Principle 1, UN Guiding Principles on Business and Human Rights.

[200] UN Committee on Economic, Social and Cultural Rights (CESCR), "General comment No. 24 (2017) on State obligations under the International Covenant on Economic, Social and Cultural Rights in the context of business activities", UN Doc E/C.12/GC/24, 10 August 2017, para 16.

[201] UN Committee on Economic, Social and Cultural Rights (CESCR), "General comment No. 24 (2017) on State obligations under the International Covenant on Economic, Social and Cultural Rights in the context of business activities", UN Doc E/C.12/GC/24, 10 August 2017, para 16.

[202] Articles 22, 23 of Brazil's Federal Decree 5,741/2006.

[203] Article 3 of Rondônia's Law 982/2001; article 6 of Rondônia's Decree 9,735/2001.

IDARON officials are required to visit cattle farms and register the geographic coordinates of farms in order to confirm the information provided by farmers before validating the registration.[204] The agency also issues Animal Transport Permits for cattle movement in these areas.

Amnesty International considers that Rondônia's government agency IDARON effectively enables illegal commercial cattle ranching in Indigenous territories and Reserves. By effectively enabling illegal commercial cattle ranching in protected areas, IDARON fails to protect the rights of Indigenous peoples and residents of Reserves to their traditional territories.

According to data from Rondônia's animal health control agency, obtained by Amnesty International through Freedom of Information requests, in April 2020 there were 153,566 cattle in protected areas where commercial cattle ranching is illegal.[205]

Rondônia's Public Prosecutor's Office considers that commercial cattle ranching is not permissible in the Rio Jacy-Paraná Reserve and that IDARON effectively enables illegal commercial cattle ranching in the Rio Jacy-Paraná Reserve by legitimizing the entry and exit of cattle with Animal Transport Permits.

In July 2019, Rondônia's Public Prosecutor Office filed a lawsuit against IDARON to oblige the agency to refrain from issuing Animal Transport Permits, veterinary certificates and technical assistance for cattle in the Rio Jacy-Paraná Reserve.[206] The Office has demanded IDARON adopt measures that discourage illegal commercial cattle ranching inside the Rio Jacy-Paraná Reserve and suspend the provision of services that enable commercial cattle ranching.[207]

Although IDARON, along with animal health control agencies in other states, maintains cattle-related data, including on the number of cattle illegally grazing in protected areas, this data is not publicly available and accessible on its website.

Amnesty International considers that there is a strong public interest in cattle-related data, particularly where that data indicate illegal activity. The lack of transparency for cattle-related data, including cattle movements and the number of farms in protected areas, undermines the public's right to access information on indigenous and environmental protection and governance.[208] In its correspondence with Amnesty International, JBS noted that preventing access to information regarding cattle movements limits its monitoring of cattle supply chains.[209]

Cattle grazing on pasture in a cattle property inside the Rio Ouro Preto Reserve, in Rondônia state, in July 2019. ©Private/Amnesty International

[204] Article 4 of IDARON's Portaria nº 71/2015/IDARON/PR-GAB.
[205] Data obtained from IDARON through Freedom of Information requests, on file with Amnesty International.
[206] *Rondônia's Public Prosecutor Office v. IDARON* (7032816-60.2019.8.22.0001), Rondônia's Court of Justice. Copy on file with Amnesty International.
[207] *Rondônia's Public Prosecutor Office v. IDARON* (7032816-60.2019.8.22.0001), Rondônia's Court of Justice. Copy on file with Amnesty International.
[208] Paulo Barreto *et al*, "Will meat-packing plants help halt deforestation in the Amazon?", p. 83.
[209] Letter from Márcio Nappo, director of corporate sustainability at JBS to Amnesty International, 29 June 2020. Copy on file with Amnesty International. JBS's full response is included in Annex 2.

A boundary of Uru-Eu-Wau-Wau territory in Rondônia state, Brazil. Where traditional lands of Indigenous peoples are primary forests, the legal recognition of Indigenous territories can play a protective role against deforestation. ©Gabriel Uchida

Indigenous patrol discovers recently burnt areas in Uru Eu Wau Wau Indigenous territory, Rondônia state, Brazil in September 2019. © Alessandro Falco

5. NEXT STEPS AND RECOMMENDATIONS

Without a system to effectively monitor its supply chain, including its indirect suppliers, JBS risks purchasing cattle illegally grazed in protected areas at some stage of their lives. By failing to effectively monitor for illegally grazed cattle entering its supply chain, JBS fails to carry out adequate due diligence as established under the UN Guiding Principles. Under the terms of the UN Guiding Principles, JBS contributes to human rights abuses against Indigenous peoples and residents of Reserves by participating in the economic incentives for cattle illegally grazed in protected areas.

Systems to effectively monitor cattle supply chains exist in other countries. When Brazil's national development bank announced its socioenvironmental guidelines for the cattle industry in 2009, BNDES observed that technologies already exist to monitor the cattle supply chain from birth to death.[210]

HOW TO MONITOR INDIRECT SUPPLIERS?

One option for monitoring indirect suppliers is a system of identification for individual cattle from birth to death. There are several systems of individual cattle traceability in place around the world, including the European Union, Australia, Argentina and Uruguay. For example, the European Union has a mandatory system of identification of individual cattle from birth to death, which traces all movements between farms. Individual cattle can be identified through a conventional ear tag and an electronic identifier.[211]

Most existing systems were implemented by animal health authorities in response to animal health concerns. They are often mandatory and record individual farms and individual cattle.[212]

In 2002, Brazil established a system of identification of individual cattle and buffalo (*Sistema Brasileiro de Identificação Individual de Bovinos e Búfalos* - SISBOV) which was supposed to become mandatory for all cattle by the end of 2007.[213] In 2005, Brazil's government revoked the provision requiring identification of individual cattle and buffalo by the end of 2007.[214]

In 2006, Brazil's government established SISBOV as mandatory only for those selling animals whose fresh meat is exported to markets that require traceability, such as the European Union.[215]

SISBOV requires that the registration and tagging of cattle (and buffalo) must be conducted within ten months after birth and always before any transfer off the farm.[216] As of June 2020, 1,654 farms were approved to export to the European Union.[217]

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[210] BNDES, "Diretrizes socioambientais e instrumentos de apoio financeiro para a cadeia produtiva da pecuária bovina" (PowerPoint presentation), July 2009, www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico

[211] Regulation (EC) Nº 1760/2000 of the European Parliament and of the Council, 17 July 2000, available at eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02000R1760-20141213&from=EN

[212] World Perspectives, "Comprehensive feasibility study: U.S. beef cattle identification and traceability systems", 30 January 2018, www.ncba.org/CMDocs/BeefUSA/NCBA%20feasibility%20study%20on%20traceability_WPI%20report%2001302018.pdf

[213] Article 9.3 of Normative Order 01/2002, Ministry of Agriculture, Livestock and Supply, 10 January 2002.

[214] Article 1 of Normative Order 01/2005, Ministry of Agriculture, Livestock and Supply, 21 January 2005.

[215] Normative Order 17/2006, Ministry of Agriculture, Livestock and Supply, 13 July 2006.

[216] Article 59 of Normative Order 51/2018, Ministry of Agriculture, Livestock and Supply.

[217] List of approved rural holdings (ERAS) suitable for export to the European Union, Ministry of Agriculture, Livestock and Supply, updated on 24 June 2020, www.gov.br/agricultura/pt-br/assuntos/sanidade-animal-e-vegetal/saude-animal/rastreabilidade-animal

While JBS has been aware of the risks that cattle illegally grazed in protected areas may enter its supply chain since at least 2009, JBS has taken insufficient measures to implement an effective monitoring system throughout its supply chain. As the largest beef producer in the world, JBS is in a unique position to exercise leverage, influence and control to prevent or mitigate human rights impacts in its supply chain.

Amnesty International considers that JBS should promptly implement an effective monitoring system, including of its indirect suppliers, and ensure that cattle illegally grazed in protected areas at some stage of their lives do not enter JBS's supply chain. At the latest, this system should be in place by the end of 2020.

While implementing an effective monitoring system, JBS should engage with its direct and indirect suppliers and provide them with the necessary support, including financial and technical. For example, JBS should provide them with any support required to implement the identification of individual cattle and manage the monitoring system.

If direct and/or indirect suppliers do not collaborate with the requirements of the monitoring system, JBS should apply its leverage, including with warnings of suspension and actual suspension of business relationships.

Under the UN Guiding Principles, JBS should also take steps to remediate land seizures and other human rights abuses to which the company has contributed. As noted above, under the UN Guiding Principles, JBS is required to engage in remediation "by itself or in cooperation with other actors".[218]

As noted above, remediation may include "apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition."[219]

Under Brazilian law, JBS should also compensate the Indigenous and Reserves communities for environmental damage, such as deforestation, caused in its supply chain.[220]

JBS's investors and buyers should engage with JBS in the implementation of an effective monitoring system as part of their own human rights due diligence. If JBS has not put in place credible and effective measures within a reasonable time period, investors and buyers should suspend current investments in and business with JBS and refrain from investing in and purchasing from JBS. Amnesty International believes that, at the latest, this system should be in place by the end of 2020.

As the second largest shareholder in JBS, Brazil's government has a direct means to ensure that JBS carries out human rights due diligence in its supply chain. As per its policy, Brazil's national development bank, BNDES, should require those meat-packing companies being supported by the bank to implement an effective monitoring system that includes indirect suppliers. If JBS has not put in place credible and effective measures within a reasonable time period to address these risks, BNDES should end its financing of JBS in Brazil.

As noted above, state animal health control agencies maintain detailed records of farmers who graze cattle, including in protected areas. State animal health control agencies throughout Brazil should not issue Animal Transport Permits for cattle moving to or from commercial cattle farms located in protected areas where commercial cattle ranching is illegal.

State animal health control authorities should also suspend the registration of commercial cattle farms in protected areas where that activity is illegal and, in collaboration with Federal and state environmental authorities, ensure the removal of the cattle illegally grazing in protected areas. State animal health control authorities should also immediately make publicly available and accessible their cattle-related data.

Amnesty International recommends JBS:

- As part of its human rights due diligence, implement an effective monitoring system, including of its indirect suppliers, by the end of 2020 and ensure that no cattle illegally grazed in protected areas at some stage of their lives enter JBS's supply chain. JBS should proactively engage with its direct and indirect suppliers and provide them with the necessary support, including financial and technical, to ensure that they do not illegally graze cattle in protected areas or themselves purchase cattle illegally grazed in these areas. Where problems persist, JBS should exercise its leverage, including with warnings of suspension or actual suspension of the business relationship. In the case of a specific supplier, if JBS concludes that it cannot avoid contributing to human rights abuses while continuing its business relationship, it must suspend this business relationship;

[218] Commentary to Principle 22, United Nations Guiding Principles on Business and Human Rights.
[219] Commentary to Principle 25, United Nations Guiding Principles on Business and Human Rights.
[220] Article 3 and 14 of Federal Law 6,938/1981.

- Remediate, by itself or in cooperation with its suppliers, human rights abuses suffered by Indigenous peoples and residents of Reserves to which JBS has contributed; and
- Compensate, in cooperation with its suppliers, the Indigenous and Reserve communities for environmental damage caused by illegal commercial cattle ranching in their protected areas.

Amnesty International recommends JBS's buyers:

- Immediately engage with JBS to ensure the company implements an effective monitoring system, including of its indirect suppliers, and ensure that the company does not purchase cattle illegally grazed in protected areas at some stage of their lives. If JBS has not put in place credible and effective measures within a reasonable time period to address these risks, JBS's buyers should stop purchasing products from JBS. Amnesty International believes that JBS should have these measures in place by the end of 2020.

Amnesty International recommends JBS's investors:

- Immediately engage with JBS to ensure the company implements an effective monitoring system, including of its indirect suppliers, and ensure that the company does not purchase cattle illegally grazed in protected areas at some stage of their lives. If JBS has not put in place credible and effective measures within a reasonable time period to address these risks, investors should suspend current investments and refrain from investing in JBS. Amnesty International believes that JBS should have these measures in place by the end of 2020.

Amnesty International recommends BNDES:

- Ensure that the existing socioenvironmental guidelines for the cattle industry are implemented by companies supported by the bank, including the requirement that JBS implement a traceability system from birth to slaughter for cattle slaughtered by JBS; and
- Immediately engage with JBS to ensure the company implements an effective monitoring system, including of its indirect suppliers, and ensure that the company does not purchase cattle illegally grazed in protected areas at some stage of their lives. If JBS has not put in place credible and effective measures within a reasonable time period to address these risks, BNDES should end its financing of JBS in Brazil. Amnesty International believes that JBS should have these measures in place by the end of 2020.

Amnesty International recommends Brazil's Federal Government:

- Publicly commit to honouring Indigenous peoples' rights under the Brazilian Constitution and international human rights law;
- Refrain from undermining the work of environmental agencies and Brazil's National Indigenous Foundation (*Fundação Nacional do Índio*-FUNAI) in protecting the rights of Indigenous peoples and residents of Reserves, as well as the environment;
- Adopt policies to strengthen Indigenous and environmental protection agencies, including with financial and human resources, to enable them to enforce legislation and step up monitoring and patrols of Indigenous territories and environmentally protected areas in the Amazon region, as well as to ensure the safety of government officials; and
- Legally require companies to conduct human rights due diligence as regards their value chains and business relationships, and report publicly on their due diligence policies, practices and outcomes in accordance with international standards.

Amnesty International recommends National Congress:

- Refrain from approving bills PL 2633/2020 and PL 313/2020 that, respectively, would "regularise" land seizures and authorize cattle ranching in Reserves, as well as any other bills that weaken legal protection of Indigenous territories, Reserves and other environmentally protected areas.

Amnesty International recommends Federal and state Public Prosecutor Offices and police authorities:

- Investigate and hold to account those responsible for illegal commercial cattle ranching in protected areas in the Amazon region; and
- Investigate and hold to account those responsible for threats and acts of intimidation against Indigenous people, residents of Reserves and government agents responsible for defending protected areas in the Amazon region.

Specifically, Amnesty International recommends Federal Public Prosecutor's Office:

- Systematically monitor the implementation of the non-deforestation agreements signed with meat-packing companies in all states of the Amazon region and periodically publish the results; and
- Investigate and hold meat-packing companies that have not signed the non-deforestation agreements accountable for adverse environmental and human rights impacts in their supply chains.

Amnesty International recommends State animal health control authorities in Brazil's Amazon region:

- Stop issuing Animal Transport Permits for cattle moving to and from commercial cattle farms located in protected areas where commercial cattle ranching is illegal;
- Suspend the registration of commercial cattle farms located in protected areas where commercial cattle ranching is illegal;
- Work in collaboration with Federal and state environmental authorities to prevent the entry of cattle (and ensure the removal of existing cattle) illegally grazing in protected areas where commercial cattle ranching is illegal. For example, animal health control authorities should provide all information on the presence of farmers and cattle illegally grazing in protected areas to environmental authorities and public prosecutors; and
- Provide public access to data on cattle farms, cattle farmers and cattle movements, including in protected areas where commercial cattle ranching is illegal.

Specifically, in Rondônia state, Amnesty International recommends Rondônia's animal health control agency (IDARON):

- Collaborate with Federal and state environmental authorities to remove farmers and cattle illegally grazing in protected areas, including Rio Jacy-Paraná and Rio Ouro Preto Reserves and Uru-Eu-Wau-Wau Indigenous territory.

Amnesty International recommends Rondônia's Congress:

- Refrain from approving any law that will reduce the limits and protection of the Rio Jacy-Paraná Reserve.

Amnesty International recommends IBAMA, ICMBIO and states' Secretaries of Environment:

- Collaborate with Federal and state animal health control authorities to prevent the entry of cattle (and ensure the removal of existing cattle illegally grazing) in protected areas where commercial cattle ranching is illegal; and
- Investigate and hold to account those responsible for illegal commercial cattle ranching in protected areas in the Amazon region.

Amnesty International recommends Brazil's Indigenous National Foundation (FUNAI):

- Collaborate with Federal and state environmental and police authorities to protect Indigenous territories from land seizures; and
- Collaborate with Federal and state environmental and animal health control authorities to prevent the entry of cattle (and ensure the removal of existing cattle illegally grazing) in protected areas where commercial cattle ranching is illegal.

Amnesty International recommends that the European Union and its member states:

- Ensure that the trade agreement with Mercosur entails adequate and enforceable safeguards to protect, respect and fulfil human rights standards and address risks related to business conduct or any negative impact the agreement may have on human rights, including by setting penalties in case of non-compliance and requiring companies to carry out due diligence in their supply chains;
- Ensure the trade agreement with Mercosur ensures access to remedy is available to people, workers and communities affected by alleged human rights abuses by and linked to companies benefiting from the agreement, including by setting up adequate complaint mechanisms; and
- Act under the European Union Human Rights Defenders Guidelines to protect and promote the work of human rights defenders working on these issues in Brazil, to contribute to an enabling environment for their work and to enable them to raise their concerns in European Union/Mercosur exchanges with the relevant Brazilian authorities.

ANNEXES

ANNEX 1 - LETTER TO JBS

Reference: TC AMR 19/2020.02

AMNESTY INTERNATIONAL

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15 June 2020

Re: Amnesty International's investigation into human rights abuses linked to Brazil's cattle industry in Indigenous territories and Reserves

Dear Sir:

I am writing on behalf of Amnesty International to inform you of preliminary findings we have reached relating to illegal commercial cattle ranching in Brazil's Amazon region, and to request information regarding JBS's activities in the region.

As you may know, Amnesty International is a global movement of more than seven million people working to ensure the protection and realisation of human rights worldwide. We are independent of any government, political ideology, economic interest or religion, and are funded mainly by our membership and public donations. We campaign and advocate for human rights change on the basis of serious and thorough research on human rights issues all over the world.

Last year, Amnesty International initiated an investigation into illegal commercial cattle ranching in Indigenous territories and Reserves in the Amazon region, focusing, in particular, on human rights abuses against those living in these protected areas. As part of this research, the investigation found that JBS has contributed to serious human rights abuses against Indigenous peoples and other traditional residents via its cattle purchases.

We are setting out the substance of our research and our key findings in this letter to give you an opportunity to review and respond to them prior to publication. We have also posed some questions that will give you a further opportunity to clarify the functioning of JBS's operations in the region.

BACKGROUND

All companies, regardless of their size, sector, location, ownership and structure, have a responsibility to respect human rights. The scope and meaning of this responsibility have been clarified in the United

Company Registration: 01606776 Registered in England and Wales

Nations Guiding Principles on Business and Human Rights (UN Guiding Principles), unanimously endorsed by the UN Human Rights Council in June 2011.[1]

According to the UN Guiding Principles: "The responsibility to respect human rights is a global standard of expected conduct for all business enterprises wherever they operate. It exists independently of States' abilities and/or willingness to fulfil their own human rights obligations, and does not diminish those obligations. And it exists over and above compliance with national laws and regulations protecting human rights."[2]

The responsibility to respect human rights requires that companies should "[a]void causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur."[3] In order to meet this responsibility, companies should put in place a "human rights due diligence process to identify, prevent, mitigate and account for how they have addressed their impacts on human rights." Effective due diligence must be commensurate with risk, adequately resourced and geared towards the prevention of harm to others. Companies should also establish "[p]rocesses to enable remediation of any adverse human rights impacts they cause or to which they contribute."[4] This process of human rights due diligence "should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships."[5]

METHODOLOGY

As part of its investigation into illegal commercial cattle ranching, Amnesty International interviewed a number of Indigenous people and other traditional residents of Indigenous territories and Reserves. Amnesty International analysed official animal health control documents. We also analysed other official government documents, including official lists of cattle farmers in protected areas. We also consulted JBS's database Guarantee of Origin Friboi (*Garantia de Origem Friboi*), which claims to inform customers of the origin of its beef products.[6] We also reviewed various reports and materials published by JBS, including the company's policies, the 2009 agreements signed with Federal Public Prosecutor's Office and, separately, with nongovernmental organisation Greenpeace, and the annual reports it produces that evaluate its success in fulfilling the 2009 Greenpeace agreement.

Amnesty International has withheld the names and other identifying information of farmers grazing cattle in protected areas and supplying to JBS to protect the safety of people who shared information on commercial cattle ranching in protected areas.

SUMMARY OF PRELIMINARY FINDINGS

Amnesty International found that in 2019 JBS purchased cattle from farmers who grazed their herds in three protected areas where commercial cattle ranching is prohibited by law: the Uru-Eu-Wau-Wau Indigenous territory, the Rio Jacy-Paraná Reserve, and Rio Ouro Preto Reserve. All three of these protected areas are located in Rondônia state.

Amnesty International documented illegal land seizures for commercial cattle ranching in all three protected areas. Illegal land seizures for commercial cattle ranching infringe the rights of Indigenous peoples and traditional residents of Reserves to their protected territories. Illegal land seizures for commercial cattle ranching also harm their traditional way of life. People living in the three protected areas reported having faced threats and intimidation, evictions, a lack of access to areas occupied by cattle farmers, and impacts on their livelihoods. Notably, deforestation in the three protected areas increased between August 2018 and July 2019 compared to the period from August 2017 to July 2018, according to official monitoring.[7]

Our research found that on at least two occasions in 2019 JBS directly purchased cattle from a farm located inside the Rio Ouro Preto Reserve. We also documented instances in which JBS purchased cattle from farmers who grazed their herds on two or more farms, at least one of which was inside one of the three

[1] UN Office of the High Commissioner for Human Rights, *Guiding principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, UN Doc. HR/PUB/11/04, 2011 available at: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf (last accessed 06 May 2020).
[2] Principle 11, United Nations Guiding Principles on Business and Human Rights.
[3] Principle 13 (a), United Nations Guiding Principles on Business and Human Rights.
[4] Principle 15 (c), United Nations Guiding Principles on Business and Human Rights.
[5] Principle 17 (a), United Nations Guiding Principles on Business and Human Rights.
[6] Friboi, https://www.friboi.com.br/sustentabilidade/garantia-de-origem
[7] Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

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protected areas. We found that farmers registered cattle movements from farms inside the protected areas to farms outside the protected areas, also registered in their names, before selling the cattle to JBS. According to animal health control records, on two occasions in 2019, the second movement of cattle (from the farm outside a protected area to a JBS plant) was registered just a few minutes after the movement between farms, and involved precisely the same number of cattle of the same sex and age range.

According to experts interviewed by Amnesty International, sequential movements starting from farms in protected areas, registered within a short timeframe, and consisting of an identical number of cattle of identical sex and age range strongly suggest the practice of cattle laundering. Cattle laundering consists of practices to make cattle grazed on an irregular farm appear legal.

Amnesty International did not find any evidence indicating that JBS was directly involved in illegal land seizures, evictions, or threats in the three protected areas. However by not carrying out due diligence with the objective to prevent human rights abuses and to avoid purchasing cattle that has been grazed illegally in protected areas, JBS contributes to, and profits from, the illegal land seizures and other human rights abuses experienced by the Uru-Eu-Wau-Wau people and the residents of Rio Ouro Preto and Rio Jacy-Paraná Reserves.

Amnesty International believes that JBS has failed to meet its responsibility to respect human rights and non-deforestation agreements. We have concluded that JBS has failed to implement an effective monitoring of its direct and indirect suppliers, despite being aware of the problem for years.

In 2009, JBS signed two non-deforestation agreements with the Federal Public Prosecutor's Office and, separately, the environmental organisation Greenpeace. To the best of our knowledge, both agreements remain in effect. Among other obligations, JBS committed to stopping purchasing directly from farms located in protected areas, including Indigenous territories and Reserves.

The 2009 agreement with Greenpeace required JBS to monitor its indirect suppliers by 2011. The same agreement also established that within six months from the signature of the agreement JBS "will reassess, together with Greenpeace and other stakeholders, the deadlines related to indirect suppliers".[8]

Additionally, the state-owned Brazilian National Development Bank (BNDES) has invested in JBS since at least 2009.[9] BNDES is the second largest shareholder of JBS.[10] In 2009, BNDES developed socioenvironmental guidelines for meat-packing companies being supported by BNDES. According to the guidelines, meat-packing companies being supported by BNDES through either loans or shareholding should have implemented a traceability system for all cattle from birth to slaughter by 2016 to ensure that no cattle illegally grazed on farms in protected areas enter its supply chain.[11]

Despite these commitments, JBS has not implemented an effective monitoring system of its indirect suppliers. According to independent audits conducted between 2016 and 2019, JBS does not systematically monitor its indirect suppliers.[12]

Amnesty International also found that farmers grazing cattle in protected areas where commercial cattle ranching is illegal and supplying to JBS, either directly or via a regular farm outside protected areas (also registered in their names), do not comply with JBS Business Associate Code of Conduct. Approved in 2018,

[8] Greenpeace, "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome", https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-l.pdf

[9] Téo Takar, "BNDES é dono de R$ 3,5 bilhões em ações da JBS, mas não manda nela; entenda", *Uol*, 18 October 2017, https://economia.uol.com.br/noticias/redacao/2017/10/18/bndes-e-dono-de-r-35-bilhoes-em-acoes-da-jbs-mas-nao-manda-nela-entenda.htm

[10] Novo Mercado BM&FBOVESPA, "JBS S.A.: Posição acionária in 06 May 2020", http://bvmf.bmfbovespa.com.br/cias-listadas/empresas-listadas/ResumoEmpresaPrincipal.aspx?codigoCvm=20575&idioma=pt-br

[11] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2019, https://www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico

[12] BDO RCS Auditores Independentes, "JBS S.A.: Relatório de auditoria de terceira parte para atendimento ao compromisso de adoção do "compromisso público da pecuária", conforme "critérios mínimos para operações com gado e produtos bovinos em escala industrial no Bioma Amazônia", 2016, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico-2016_PT.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 14 November 2017, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2017_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 October 2018, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2018_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

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the Business Associate Code of Conduct requires third parties, including suppliers, to "comply with all applicable environmental laws and regulations in the jurisdiction where the Business Associate operates".[13]

DETAILED FINDINGS

JBS purchased cattle from farmers who illegally graze cattle in protected areas

a) Rio Ouro Preto Reserve

- Residents of the Rio Ouro Preto Reserve told Amnesty International about recent efforts to expand illegal commercial cattle ranching and threats. They told Amnesty International they avoid going to areas near the areas occupied by cattle farmers because of the risk of conflicts.
- According to official animal health control documents, on at least two occasions in 2019 JBS directly purchased cattle from a farm located inside the Rio Ouro Preto Reserve.

b) Rio Jacy-Paraná Reserve

- According to official data, between August 2018 and July 2019, the Rio Jacy-Paraná Reserve was the most deforested Reserve in the Amazon region.[14]
- Most of the residents of the Rio Jacy-Paraná Reserve were evicted by cattle farmers and *grileiros*. Former residents told Amnesty International they fear returning to the Rio Jacy-Paraná Reserve.
- According to official animal health control documents, in 2019 JBS purchased cattle from a farmer who illegally grazed cattle inside the Rio Jacy-Paraná Reserve. The farmer grazed cattle on at least three farms, one of which was inside the Reserve. On at least seven occasions in 2019, the farmer registered cattle movements from the farm inside the Reserve to the farm outside it. Both farms are registered in the farmer's name. In the same year, on at least four other occasions, the farmer registered cattle movements from the farm outside the Reserve to a JBS plant.
- According to official animal health control documents, on one of the four occasions, the farmer registered cattle movements from the farm inside the Reserve to the farm outside it, and from the latter on to a JBS plant, within a few minutes of each other. The movements involved the same number of cattle of the same sex and age range.

c) Uru-Eu-Wau-Wau Indigenous territory

- Commercial cattle ranching has been present inside the Uru-Eu-Wau-Wau Indigenous territory for many years and there have been recent efforts to expand the activity. In 2019 the Uru-Eu-Wau-Wau Indigenous territory was ranked as the ninth most deforested Indigenous territory in the Amazon, according to official data.[15]
- Uru-Eu-Wau-Wau people told Amnesty International about recent invasions and threats. They also described avoid going to the area illegally occupied by cattle farmers because of the risk of conflict.
- According to official animal health control documents, in 2019 JBS purchased cattle from a farmer who illegally grazed cattle inside the Uru-Eu-Wau-Wau Indigenous territory. Amnesty International documented instances in which the farmer grazed cattle in at least three farms, one of which was inside the Uru-Eu-Wau-Wau Indigenous territory.
- According to official animal health control documents, on at least six occasions in 2019, the farmer registered cattle movements from a farm inside the Indigenous territory to a farm outside it. Then, on at least five occasions, the same farmer registered cattle movements from the latter farm (the farm outside the territory) to a JBS plant.
- According to official animal health control documents, on one of the five occasions in 2019, the farmer registered cattle movements from the farm inside the Indigenous territory and another farm to the farm that directly supplies JBS. A few minutes later the same farmer registered cattle movement to a JBS plant. The amount of cattle registered to move to a JBS plant precisely matched in terms of their numbers, sex and age range the cattle that was registered coming from both farms.

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[13] JBS S.A., "Business Associate Code of Conduct", 2018, https://jbs.com.br/wp-content/uploads/2018/06/Business-Associate-Code-of-Conduct_JBS_Ingl%C3%AAs.pdf

[14] Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amaz…on/increments

[15] Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

Non-compliance with non-deforestation agreements

- According to auditing conducted by Federal Public Prosecutor's Office in Pará state for 2016, 19% of the cows purchased by JBS that were audited were found to be non-compliant with the Adjustment of Conduct Agreement that JBS had signed with Federal Public Prosecutor's Office.[16]
- According to auditing conducted by Federal Public Prosecutor's Office in Pará state for 2017, 8% of the cows purchased by JBS that were audited were found to be non-compliant with the Adjustment of Conduct Agreement that JBS had signed with Federal Public Prosecutor's Office.[17]

Federal environmental agency fined JBS

- In 2017, Brazilian Institute of Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renovavéis* – IBAMA) levied on JBS BRL 24.7 million (US$ 4.9 million) in fines for purchasing, directly and indirectly, 49,468 cows from farms that at least some of its area had been embargoed (prohibition to use the embargoed area in order to prevent further environmental harm and recover the area) by the environmental agency.[18]

Lack of transparency in JBS's online database

- In October 2019, the environmental outlet *O Eco* reported JBS reduced the transparency of its online database *Guarantee of Origin Friboi*. According to this report, JBS stopped providing the location of its suppliers, i.e., their precise geographic coordinates.[19]

JBS'S MONITORING COMMITMENTS

We are aware of the following key dates regarding JBS's monitoring commitments:

Timeline of JBS's monitoring commitments

2009: Signature of non-deforestation agreements with the Federal Public Prosecutor's Office and, separately, with Greenpeace.[20]

2010: Adoption of JBS Responsible Raw Material Procurement Policy.[21]

2011: The deadline established by the 2009 Greenpeace agreement to monitor indirect suppliers expires.[22]

2016: The deadline established by BNDES socioenvironmental guidelines (to have all cattle in its supply chain traced from birth to slaughter) expires.[23]

Audit conducted by the Federal Public Prosecutor's Office in Pará state found that 19% of the 610,269 cattle audited failed to meet at least one of the requirements established by the non-deforestation agreement with the Federal Public Prosecutor's Office.[24]

[16] Federal Public Prosecutor's Office in Pará state, "Detalhes dos principais resultados auditados", 2018, http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2018/detalhes_principais_resultados_auditorias_tac_pecuaria_pa.

[17] Federal Public Prosecutor's Office in Pará state, "Sínteses dos Resultados das Auditorias relativas a operações comerciais em 2017 realizadas por frigoríficos signatários do Termo de Ajuste de Conduta (TAC) da Pecuária no Pará, 12 November 2019, http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf.

[18] A currency conversion rate of US$ 1.00 to BRL 5.00 has been used, the approximate rate of exchange at the time of research. Piero Locatelli and Ana Aranha, "JBS compra gado de áreas desmatadas ilegalmente e leva multa de R$ 24 milhões, *Repórter Brasil*, 22 March 2017, https://reporterbrasil.org.br/2017/03/jbs-compra-gado-de-areas-desmatadas-ilegalmente-e-leva-multa-de-r24-milhoes/

[19] Fernanda Wenzel, "JBS reduz transparência sobre fazendas de pecuária", *O Eco*, 06 October 2019, https://www.oeco.org.br/reportagens/jbs-reduz-transparencia-sobre-fazendas-de-pecuaria/

[20] Paulo Barreto, Holly Gibbs, "Como melhorar a eficácia dos acordos contra o desmatamento associado à pecuária na Amazônia?", Belém: Imazon; Madison: University of Wisconsin, 2015.

[21] JBS S.A., "JBS Responsible Procurement Policy", 4 September 2019, https://ri.jbs.com.br/enu/65/79/27-12-2019%20-%20Politica%20de%20Compra%20Responsavel%20-%20EN.pdf

[22] Greenpeace, "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome", https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2010/1/minimum-criteria-for-i.pdf

[23] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2019, https://www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_frigorifico

[24] Federal Public Prosecutor's Office in Pará state, "Detalhes dos principais resultados auditados", 2018, http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2018/detalhes_principais_resultados_auditorias_tac_pecuaria_pa.

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2017: JBS is fined BRL 24.7 million (US$ 4.9 million) due to the purchase of 49,468 cattle from farms (direct and indirect suppliers) that had been embargoed by IBAMA.[25]

Audit conducted by the Federal Public Prosecutor's Office in Pará state found 8% of the 301,207 cattle audited did not meet at least one of the requirements established by the non-deforestation agreement with the Federal Public Prosecutor's Office.[26]

2018: Adoption of JBS Business Associate Code of Conduct, which requires direct suppliers to comply with the legislation.[27]

2016 – 2019: Annual audit reports between 2016 and 2019 state that JBS does not monitor indirect suppliers.[28]

OPPORTUNITY TO RESPOND

We would like to invite you to respond to the above findings, as well as to provide additional information that might assist our understanding of JBS's operations in the region. We would be grateful if you could reply to the following questions:

1) In 2009, JBS committed to monitor its indirect suppliers within two years of the signature of the "Public Livestock Commitment". In March 2013, the Federal Public Prosecutor's office and JBS committed "[w]ithin 24 months to undertaking efforts to foster the implementation of a public traceability system, which has the purpose of ensuring data on the origin and destination of cattle, since the farm of production to final consumer".[29] The 2019 Evaluation of the Fulfilment to the "Public Livestock Commitment" – which covers the year 2018 – affirms that indirect suppliers of cattle to JBS are not systematically monitored by JBS.[30]
   (I) Does JBS systematically monitor indirect suppliers? If so, please describe and provide evidence of any efforts undertaken since 2009 to systematically monitor indirect suppliers. If not, please explain why JBS does not systematically monitor indirect suppliers.
   (II) Please also clarify whether JBS takes any non-systematic steps to monitor indirect suppliers. If so, what kinds of non-systematic steps are taken and in which circumstances?

2) Has JBS processed cattle that have been illegally grazed within the Uru-Eu-Wau-Wau Indigenous territory, the Rio Jacy-Paraná Reserve or the Rio Ouro Preto Reserve during at least one of the breeding, rearing or fattening phases?

3) Can you provide us with case details and steps JBS has taken to prevent the purchase of cattle that grazed on Indigenous territories and/or Reserves during at least one of the breeding, rearing or fattening phases?

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[25] Piero Locatelli and Ana Aranha, "JBS compra gado de áreas desmatadas ilegalmente e leva multa de R$ 24 milhões, *Repórter Brasil*, 22 March 2017, https://reporterbrasil.org.br/2017/03/jbs-compra-gado-de-areas-desmatadas-ilegalmente-e-leva-multa-de-r24-milhoes/

[26] Federal Public Prosecutor's Office in Pará state, "Sínteses dos Resultados das Auditorias relativas a operações comerciais em 2017 realizadas por frigoríficos signatários do Termo de Ajuste de Conduta (TAC) da Pecuária no Pará, 12 November 2019, http://www.mpf.mp.br/pa/sala-de-imprensa/documentos/2019/resultados_auditorias_tacs_pecuaria_pa_compras_2017_divulgacao_2019.pdf

[27] JBS S.A., "Annual and Sustainability Report 2019", 2020, https://jbs.com.br/wp-content/uploads/2020/05/ras-jbs-2019-eng-final.pdf

[28] BDO RCS Auditores Independentes, "JBS S.A.: Relatório de auditoria de terceira parte para atendimento ao compromisso de adoção do "compromisso público da pecuária", conforme "critérios mínimos para operações com gado e produtos bovinos em escala industrial no Bioma Amazônia", 2016, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico-2016_PT.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 14 November 2017, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2017_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 October 2018, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2018_EN.pdf; DNV GL, "Evaluation of fulfilment of the 'Public Livestock Commitment': JBS S.A.", 17 July 2019, https://jbs.com.br/wp-content/uploads/2019/11/JBS_Relat%C3%B3rioAuditoriaCompromissoPublico_DNVGL-2019_EN.pdf

[29] Adjustment of Conduct Agreement signed between JBS and Federal Public Prosecutor's Office in 20 March 2013.

[30] DNV GL, "Avaliação ao atendimento do 'Compromisso Público da Pecuária' – JBS S.A.", 07 July 2019, https://jbs.com.br/wp-content/uploads/2019/11/JBS_RelatórioAuditoriaCompromissoPublico_DNVGL-2019_PT.pdf

4) Does JBS directly purchase cattle from farmers known to illegally hold land in indigenous territories and/or Reserves (for example, from farmers that register farms inside indigenous territories and/or Reserves in the Rural Environmental Registry system)?

5) In cases where farmers known to illegally hold land in these protected areas also have farms outside (which could be considered legal), what steps does JBS take to ensure that cattle purchased from these farmers did not previously graze on farms within indigenous territories and/or Reserves during at least one of the breeding, rearing or fattening phases?

6) From our review of JBS's materials, it is unclear what steps JBS takes to identify, address and remediate human rights abuses that the company may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships. Please provide information regarding the policies and steps JBS takes to identify, address and remediate human rights abuses, including against indigenous peoples and other traditional residents of indigenous territories and/or Reserves. Could you provide us with a typical case study?

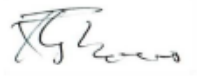
7) Has JBS previously identified, addressed and remediated human rights abuses against indigenous peoples and/or traditional residents of protected areas within the company's supply chain? If so, please explain the details of the human rights abuses found and the steps taken by JBS to identify, address and remediate those abuses.

8) From our review of JBS's materials, it is not clear how the company monitors its suppliers' compliance with the JBS Business Associate Code of Conduct, including the requirement to comply "with all applicable environmental laws and regulations." Please inform us of the policies and steps JBS takes to monitor compliance with its Business Associate Code of Conduct and the steps taken in case of non-compliance.

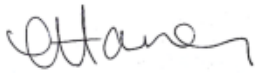
We would appreciate it if you would provide supporting factual information that would allow us to verify any claims that you make in responding to our questions. In the event that you are unable to provide the requested information, we would appreciate it if you could state why this is not possible.

We intend to publish our detailed findings in a report and may include part or all of your comments and responses in it. Please provide any information by 22:00 GMT on 26 June 2020, to enable us to consider incorporating it in our report. You may reach us by email at richard.pearshouse@amnesty.org and/or tirana.hassan@amnesty.org

Yours sincerely,



Richard Pearshouse
Head of Crisis and the Environment
Crisis Response Programme



Tirana Hassan
Director, Crisis Response Programme

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ANNEX 2 - JBS'S RESPONSE

June 29, 2020

Subject: Amnesty International

Dear Tirana Hassan,

JBS has an unequivocal zero deforestation approach throughout its supply chain. It was one of the first companies in the industry to invest in policies and new technologies to fight, discourage and eliminate deforestation in the Amazon Rainforest.

We have worked for more than a decade on the frontlines to drive meaningful, responsible change in the Amazon region and have made considerable investment in education, monitoring and enforcement to drive forward industry standards. Several tools used across the industry in Brazil to monitor the supply chain and progress towards a shared goal of a productive and sustainable livestock system have been driven by JBS.

Since 2009, the company has enforced a strict **Responsible Procurement Policy** for the purchase of raw materials. All JBS supplier farms in the Amazon are monitored through satellite imaging and georeferenced data, providing the best and latest information to support our efforts.

Our Amazon monitoring system is considered one of the best and most sophisticated in the world, assessing more than 50,000 potential livestock supplying farms every day and covering more than 450,000 km² (111 million acres) – an area larger than Germany (357,000 km²).

If farms are deemed non-compliant with our sustainable sourcing policies for any reason, they are blocked from our supply chain. This includes automatic exclusion of any farm involved in the deforestation of native forests, invasion of protected areas such as indigenous lands or environmental preservation areas, or properties that have areas embargoed by IBAMA (the Brazilian Environmental Agency). We also do not purchase livestock from farmers involved in rural violence or land conflicts, or those who use slave or child labour.

To date, we have blocked more than 9,000 cattle supplying farms due to noncompliance with our sustainability criteria.

Independent audits conducted over the past six years by leading auditors DNV-GL and BDO reveal 99.9% compliance with these standards overall. In 2019, 100% of direct purchases met our social-environmental criteria. The results of these audits are freely available on the JBS website.

We do believe that we can achieve a supply chain free of deforestation but require the backing of our partners including key customers, NGOs, and local government. JBS has always been open to dialogue with stakeholders around new approaches to eliminate deforestation in the Amazon. New partnerships as well as support for the strategies we are already developing could greatly accelerate the implementation of a more sustainable livestock system in Brazil.

In this letter, we outline some of the initiatives we have been working on and have heavily invested in to improve supply chain traceability, eliminate deforestation and ensure we do not purchase cattle from farmers who illegally hold land in protected areas and Indigenous territories.

TACKLING THE INDIRECT SUPPLIERS ISSUE

The issue of indirect suppliers is structural and requires a different approach to the one we use to successfully monitor direct suppliers. Independent audits conducted by leading global auditors DNV-GL and BDO over the past six years reveal that over 99.9% of livestock purchases by JBS, from farms located in the Amazon region, meet the company's social environmental criteria. This includes the zero-deforestation criteria. This increased to 100% in the company's last audit, which took place in 2019. The results from these audits are available on the JBS website.

As stated, the traceability of the entire beef supply chain is an industry-wide challenge and a complex task. One of the main challenges for monitoring the entire cattle supply chain, including indirect suppliers (i.e. those who sell cattle to the direct suppliers of JBS) is the unavailability of the information that allows tracking of all supply chain movements in Brazil.

THE ANIMAL TRANSIT PERMIT (GTA)

The **GTA**, or **Animal Transit Permit**, is the official Ministry of Agriculture animal traceability document for sanitary control in Brazil. For each cattle movement - from farm to farm or farm to processing plant - a compulsory GTA is issued, to identify the animals, their sanitary conditions and the farm of origin.

However, the GTAs are not, and have never been, publicly available. JBS and other processing plants only have access to the last GTA of the chain, from direct supplier to the processing plant. The GTAs from previous links in the chain are not currently made public and reside only in the Government database for sanitary control of Brazilian livestock.

Therefore, to tackle the issue of transparency in the indirect supply chain, there must be a solid industry-level approach involving collaborative work. JBS is dedicated to driving forward industry standards and we are in active discussion with stakeholders including the Federal Government of Brazil and other leaders across the industry to reach a practical solution for the indirect supplier monitoring issue.

To drive progress, JBS is currently engaging with the Brazilian Ministry of Agriculture to explore a new procedure for the issue of GTAs.

THE "GREEN-GTA"

In the new procedure proposed by JBS, the GTAs would contain information showing when cattle have spent time on a farm that is included in the public list of areas embargoed by IBAMA (the Brazilian Environmental Agency) due to participation in illegal deforestation.

This would enable JBS and other beef processing companies to request that direct suppliers only buy calves and yearlings from farms that have a "Green-GTA" status meaning they have not been involved in illegal deforestation. GTA status would be continuously monitored.

In practice, JBS' direct suppliers could use the Green-GTA's information as a simple and cost-effective way of checking the environmental status of the farm that incoming cattle originated. This way, they can prevent the purchase of cattle from an illegally deforested area and stop them from reaching the processing facility.

We believe the Green-GTA procedure could be deployed simply and its implementation would not weaken the current GTA-based sanitary control used by the Government to monitor livestock in Brazil.

In addition to the Green-GTA approach, JBS is investing in another **three innovative projects** to proactively assess the best and most practical solutions to address the issue of indirect supplier traceability. Some of the projects could be applied across the whole industry. Others are inspired by blockchain systems and will be piloted by JBS in a company-wide trial in the first instance.

ADDRESSING THE CATTLE LAUNDERING PROBLEM

To ensure that farms involved in deforestation are not part of our supply chain, JBS has also been actively working with other stakeholders to develop sectoral strategies that can be applied to the entire beef industry in the Amazon.

One such strategy is the program **"Beef on Track"**. This initiative has been developing by JBS in partnership with the Federal Prosecutor's Office and the Brazilian NGO Imaflora and aim defining criteria and technical rules for monitoring cattle suppliers. As of the **1st July 2020** all processors that are signatories of TACs (a legal agreement with Federal Prosecutors' Office) and are operating in the Legal Amazon states must follow the program.

One of the program's monitoring criteria is a **"theoretical index"** of livestock productivity per hectare per year. This index must be used by processors to evaluate their suppliers, in order to identify suspected cases of "cattle laundering". Cattle laundering is a relatively recent phenomenon. It occurs when a livestock producer whose farm has an IBAMA environmental embargo for illegal deforestation uses a third party to supply their cattle to processing plants.

Cattle laundering occurs as suppliers with previous links to deforestation on their farm now find it increasingly difficult to sell their cattle due to sectoral actions already implemented by the Federal Prosecutor's Office with the support of JBS and other processors. Whilst it is still a challenge to be overcome, it is a product of the positive structural changes taking place in the socio-environmental governance of beef supply chains in the Amazon.

THE THEORETICAL INDEX

The theoretical index is used to calculate if a livestock supplying farm has productivity above the maximum quantity established of 3 head of cattle per hectare per year. If a farm exceeds this, then it

must be checked to verify if it has a high productivity production system such as a feedlot, semi-feedlot or food supplementation capabilities which could justify the number reached. Otherwise, it will be classified as suspected of cattle laundering and, in this case, JBS and other processors must cease all negotiations with the supplier.

In addition to the theoretical index of livestock productivity, processors must follow new rules for monitoring suppliers that require the use of geo-monitoring tools to analyse the areas embargoed by IBAMA due to illegal deforestation. Based on geospatial analysis, if the property overlaps with embargoed areas it must be blocked and no cattle purchases made. JBS has already been following this approach using our robust monitoring system which is considered the most advanced in the industry.

This new approach is more robust than the existing process of cross-referencing a property's data against IBAMA's list of embargoed areas and was designed to prevent cattle laundering on a property with several owners. Often, the IBAMA list does not include the data of all farm owners, which can make it difficult to monitor supplying farms, as it allows those who were not listed as an owner of an embargoed farm to sell cattle to processors from the same farm. Geospatial verification of embargoed areas reduces the risk of this happening. The new approach also covers leased properties.

We are proud of the part we have played in the development of the theoretical index and its implementation is expected to make a significant impact in the reduction of cattle laundering.

Sincerely,

Márcio Nappo
JBS Corporate Sustainability Director

Clarification of individual points raised in your letter are included below:

Federal Public Prosecutor's Office (MPF) audit compliance

Non-compliance with non-deforestation agreements

- *According to auditing conducted by Federal Public Prosecutor's Office in Pará state for 2016, 19% of the cows purchased by JBS that were audited were found to be non-compliant with the Adjustment of Conduct Agreement that JBS had signed with Federal Public Prosecutor's Office.*

- *According to auditing conducted by Federal Public Prosecutor's Office in Pará state for 2017, 8% of the cows purchased by JBS that were audited were found to be non-compliant with the Adjustment of Conduct Agreement that JBS had signed with Federal Public Prosecutor's Office.*

The discrepancies highlighted resulted from differing methodologies used in the respective JBS and Federal Public Prosecutor's Office (MPF) geo-data analysis and auditing processes at that time.

JBS has engaged extensively with the MPF on this matter and provided technical solutions to improve the methodology and ensure consistency which have subsequently been incorporated into the MPF's Adjustment of Conduct Agreement (TAC) audit protocol.

We have always worked collaboratively with the MPF to develop the most efficient auditing processes and drive forward industry standards. In 2014, JBS was one of the pilot companies for the first TACs audit coordinated by the MPF, selected for our extensive supplier monitoring experience. Our partnership with them continues and includes our involvement in the aforementioned "Beef on Track" program which led to the development of the theoretical index for detecting cases of cattle laundering and other improvements.

Below is a closer look at the specific divergences found in the 2016 and 2017 audits.

2016

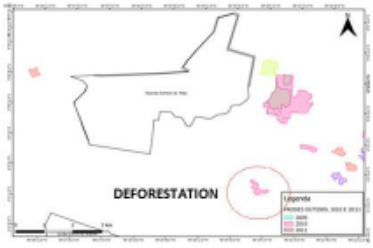
Following extensive analysis and liaison with MPF on the 2016 audit results the following system-level discrepancies were identified which explain the anomalies and were outside JBS control. These have subsequently been addressed to improve the MPF audit methodology and ensure consistency.

*CAR (Brazil environmental land registry) property mapping**

Divergences with the property map can occur when there is a delay between the date that the cattle are sourced and the date of the MPF audit. JBS' monitoring system checks compliance on the day of purchase using the CAR property map. If there are any changes made (by either the farm owner or by Para's Department of Environment (SEMA-PA) in the process of validating the CAR) before the MPF audit takes place, the results of the audit may not reflect the environmental circumstances at the property on the day the cattle were sourced.

Examples of property with different CAR map bases over time:

1- CAR on the cattle purchase date (year: 2016)



2- CAR during the audit (year: 2017)

** CAR is an official electronic record required by law for all rural land (farms), which aims to integrate all environmental information regarding the status of Areas of Permanent Preservation (APP), areas of Legal Reserve and areas of forests and the remaining native vegetation of the rural properties in Brazil according to the Forest Code Bill. The State-level Department of Environment is responsible for the analysis and validation of properties' CARs.*

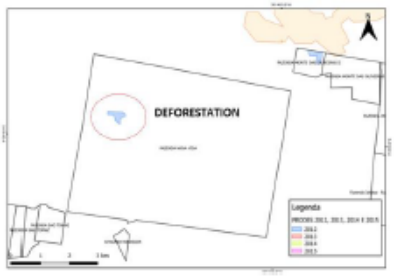
INPE PRODES System

The National Institute for Space Research (INPE) defines deforestation in the Amazon as the clearing of land greater than 6.25 hectares. JBS has used this definition to carry out deforestation assessments of its cattle supplying farms since 2010.

In the 2016 audit, deforestation polygons smaller than 6.25 hectares (with some measuring just 0.01 hectares) were considered within the farm analysis compliance, contrary to its own official definition.

It is estimated that around 25% of the INPE PRODES database has deforestation polygons smaller than 6.25 hectares which resulted in JBS' inadvertent 'non-compliance' with the Adjustment of Conduct Agreement (TAC) in the 2016 audit results.

Example of an INPE PRODES polygon with size of 0.38 hectare:



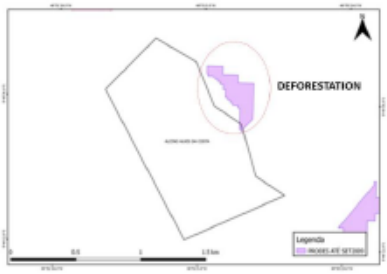
Technical Geo-monitoring Rules

At the time of the 2016 audit, there were no technical geomonitoring rules in place to interpret partial overlapping between deforestation polygons and the mapping of properties. Technical geo-monitoring rules are required to minimize geographical locational error which can displace properties by up to a few kilometers at a time and help avoid 'false positive' deforestation results.

Deforestation can also be evidenced in audits if a farm is accidentally impacted by a fire started on a neighboring property. Rules are required to assess the situation, the individual property and its overlap with deforestation polygons.

The lack of rules to assess such divergences led to further 'non-compliances' in 2016 which could have otherwise been explained or avoided.

Example of a property with an error in the definition of its geographic location:



For all the above cases of technical and methodological divergences, JBS forwarded suggested technical geo-monitoring rules to the MPF, most of which were incorporated into the 2017 audit.

2017

The 2017 audit indicated that 0.9% of instances of 'non-compliance' related to illegal deforestation. Analysis has shown that this was as a result of CAR mapping discrepancies due to the MPF audit time lag as detailed above.

The other 7.4% of non-compliant results were due to the audit of suppliers whose farms had out of date Environmental Licenses during the MPF audit period. This does not reflect the prevailing circumstance on the day of purchase as all JBS suppliers must have valid licenses.

We note that important progress was made between the 2016 and 2017 audit cycles. The INPE PRODES system in 2017 excluded polygons of deforestation smaller than 6.25 hectares and a technical

geo-monitoring rule was put in place to interpret cases of partial overlapping between deforestation polygons and individual properties.

However, the 2017 audit was still distorted due to the unresolved CAR time-lag divergences which is beyond JBS' control.

The ongoing collaboration between JBS and the MPF was nevertheless important for improving the accuracy of the audit results. As JBS has monitored its supply chain for almost a decade, our experience is valued, and we will continue to work collaboratively to improve the audit process.

Federal environmental agency fine

- *In 2017, Brazilian Institute of Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renovavéis – IBAMA) levied on JBS BRL 24.7 million (US$ 4.9 million) in fines for purchasing, directly and indirectly, 49,468 cows from farms that at least some of its area had been embargoed (prohibition to use the embargoed area in order to prevent further environmental harm and recover the area) by the environmental agency.*

JBS appealed the fine and its appeal was upheld by the courts, as the company did not purchase and does not purchase cattle from any farm included in the list of areas embargoed by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).

Online database transparency

- *In October 2019, the environmental outlet O Eco reported JBS reduced the transparency of its online database Guarantee of Origin Friboi. According to this report, JBS stopped providing the location of its suppliers, i.e., their precise geographic coordinates.*

JBS reinforces that it maintains transparency throughout its supply chain. In order to provide a high level of transparency to consumers and our stakeholders, we continue to provide information on the origin of our products through the name of the farms and their municipalities of origin.

Customers can access information on the origin of the products directly through the Friboi website or by cell phone - by reading the QR Code on the product packaging. JBS is the only Brazilian company in the sector to provide this level of information.

In October 2019, in order to comply with new Brazilian legislation that defined rules for the storage, treatment and protection of personal data, we stopped making the geographical coordinates of the supplier farms available on Friboi's Guarantee Origin website. At that time, legal assessments indicated that advertising this type of information could be in breach of the **General Data Protection Act**, which comes into force in August 2020.

In recent months, the company has developed a digital platform that will enable consumers to access information about the origin of products in a new format. This project also aims to ensure that all information made available by the company on raw material suppliers complies with the new General Data Protection Act. The new platform is in the final testing phase and will be available very soon.

Indirect supplier monitoring

- *In 2009, JBS committed to monitor its indirect suppliers within two years of the signature of the "Public Livestock Commitment". In March 2013, the Federal Public Prosecutor's office and JBS committed "within 24 months to undertaking efforts to foster the implementation of a public traceability system, which has the purpose of ensuring data on the origin and destination of cattle, since the farm of production to final consumer". The 2019 Evaluation of the Fulfilment to the "Public Livestock Commitment" – which covers the year 2018 – affirms that indirect suppliers of cattle to JBS are not systematically monitored by JBS.*
    - *Does JBS systematically monitor indirect suppliers? If so, please describe and provide evidence of any efforts undertaken since 2009 to systematically monitor indirect suppliers. If not, please explain why JBS does not systematically monitor indirect suppliers.*
    - *Please also clarify whether JBS takes any non-systematic steps to monitor indirect suppliers. If so, what kinds of non-systematic steps are taken and in which circumstances?*

JBS leadership in tackling the indirect supplier issue is detailed in our response above.

Protected areas

- *Has JBS processed cattle that have been illegally grazed within the Uru-Eu-Wau-Wau Indigenous territory, the Rio Jacy-Paraná Reserve or the Rio Ouro Preto Reserve during at least one of the breeding, rearing or fattening phases?*
- *Can you provide us with case details and steps JBS has taken to prevent the purchase of cattle that grazed on Indigenous territories and/or Reserves during at least one of the breeding, rearing or fattening phases?*
- *Does JBS directly purchase cattle from farmers known to illegally hold land in Indigenous territories and/or Reserves (for example, from farmers that register farms inside Indigenous territories and/or Reserves in the Rural Environmental Registry system)?*
- *In cases where farmers known to illegally hold land in these protected areas also have farms outside (which could be considered legal), what steps does JBS take to ensure that cattle purchased from these farmers did not previously graze on farms within Indigenous territories and/or Reserves during at least one of the breeding, rearing or fattening phases?*

We do not purchase cattle from any farm involved in the illegal grazing within protected areas.

As outlined above, our geo-monitoring system is one of the most sophisticated in the world using the best and latest data to enforce our unequivocal zero-deforestation approach.

Any farm deemed non-compliant with our sustainable sourcing policies for any reason, including deforestation, is blocked from our supply chain. This includes automatic exclusion of any farm involved in the deforestation of native forests, invasion of protected areas such as indigenous lands or environmental preservation areas, or properties that have areas embargoed by IBAMA (the Brazilian Environmental Agency).

Independent audits conducted over the past six years by leading auditors DNV-GL and BDO reveal 99.9% compliance with these standards overall. In 2019, 100% of direct purchases met our social-environmental criteria. The results of these audits are freely available on the JBS website.

In addition we have been at the forefront of industry initiatives to tackle cattle laundering (illegal use of a third party to supply cattle to the processing plant - including as a result of complicated farm ownership structures) and increase indirect supplier traceability to continue to drive positive structural changes across the Amazon beef industry as detailed above.

We urge anyone with evidence of individual or farm-level malpractice to report it to the authorities so it can be appropriately addressed.

- *From our review of JBS's materials, it is unclear what steps JBS takes to identify, address and remediate human rights abuses that the company may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships. Please provide information regarding the policies and steps JBS takes to identify, address and remediate human rights abuses, including against Indigenous peoples and other traditional residents of Indigenous territories and/or Reserves. Could you provide us with a typical case study?*

- *Has JBS previously identified, addressed and remediated human rights abuses against Indigenous peoples and/or traditional residents of protected areas within the company's supply chain? If so, please explain the details of the human rights abuses found and the steps taken by JBS to identify, address and remediate those abuses.*

JBS closely monitors its suppliers for compliance in all aspects of our Responsible Procurement Policy and has not previously identified issues relating to human rights abuses of Indigenous communities or other protected groups. JBS also has a partnership with Stronger Together, a UK-based organization with expertise in ethical trade, as a part of our commitment to ensure there is no forced labour, labour trafficking or third-party exploitation of workers within our supply chain.

JBS Business Associate Code of Conduct

- *From our review of JBS's materials, it is not clear how the company monitors its suppliers' compliance with the **JBS Business Associate Code of Conduct**, including the requirement to comply "with all applicable environmental laws and regulations." Please inform us of the policies and steps JBS takes to monitor compliance with its Business Associate Code of Conduct and the steps taken in case of non-compliance.*

The **Code of Conduct for Business Partners** is a global document and forms an integral part of all contracts between JBS and third parties. It is available on the JBS website and in the company's compliance hub.

In addition, a compliance clause is included in all JBS contracts, stipulating conducts which will not be tolerated. Compliance monitoring varies according to the business segment. All livestock suppliers are checked for compliance with the company's Responsible Procurement Policy through the JBS monitoring system.

Any cases of non-compliance with the Code of Conduct for Business Partners result in disciplinary action and may include contract termination, losses and damages actions, as well as the blocking of the respective suppliers in the company's systems.

ANNEX 3 - LETTER TO BNDES

Reference: TC AMR 19/2020.03

AMNESTY INTERNATIONAL

Mr. Gustavo Montezano
President
Banco Nacional de Desenvolvimento Econômico e Social
Av. República do Chile, 100 – 22º andar – Rio de Janeiro/RJ

CC: Mr. Petrônio Cançado
Credit and Warrant Director
Banco Nacional de Desenvolvimento Econômico e Social
Av. República do Chile, 100 – 22º andar – Rio de Janeiro/RJ

CC: Mr. Júlio Costa Leite
Superintendent of Public and Socioenvironmental Governance Department
Banco Nacional de Desenvolvimento Econômico e Social
Av. República do Chile, 100 – 17º andar – Rio de Janeiro/RJ

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29 June 2020

Re: Amnesty International's investigation into human rights abuses linked to Brazil's cattle industry in Indigenous territories and Reserves

Dear Sir:

I am writing on behalf of Amnesty International to inform you of preliminary findings we have reached relating to illegal commercial cattle ranching in Brazil's Amazon, and to request information regarding Brazilian National Development Bank's (*Banco Nacional de Desenvolvimento Econômico e Social* – BNDES) activities related to Brazil's cattle industry.

As you may know, Amnesty International is a global movement of more than seven million people working to ensure the protection and realisation of human rights worldwide. We are independent of any government, political ideology, economic interest or religion, and are funded mainly by our membership and public donations. We campaign and advocate for human rights change on the basis of serious and thorough research on human rights issues all over the world.

Last year, Amnesty International initiated an investigation into illegal commercial cattle ranching in Indigenous territories and Reserves in Brazil's Amazon region, focusing, in particular, on human rights abuses against those living in these protected areas. As part of this research, the investigation found that BNDES failed to require the implementation by meat-packing companies of the 2009 socioenvironmental guidelines for the cattle industry.

We are setting out the substance of our research and our key findings in this letter to give you an opportunity to review and respond to them prior to publication. We have also posed some questions that will give you a further opportunity to clarify the steps BNDES has undertaken to implement the socioenvironmental guidelines for the cattle industry.

METHODOLOGY

As part of its investigation into illegal commercial cattle ranching, Amnesty International interviewed a number of Indigenous people and other traditional residents of Indigenous territories and Reserves. Amnesty International analysed official documents on illegal commercial cattle ranching. Amnesty

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International also analysed the socioenvironmental guidelines established by BNDES and media reports on the implementation of the guidelines.

BACKGROUND

States have an international obligation to protect human rights. Under the United Nations Guiding Principles on Business and Human Rights, "States must protect against human rights abuses within their territory and/or jurisdiction by third parties, including business enterprises. This requires taking appropriate steps to prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjucation".[1] This means, for example, requiring companies to conduct adequate human rights due diligence.

The United Nations Guiding Principles on Busines and Human Rights also require States to "take additional steps to protect against human rights abuses by business enterprises (…) that receive substantial support and services from State agencies, such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence".[2]

SUMMARY OF PRELIMINARY FINDINGS

Amnesty International documented land seizures for illegal commercial cattle ranching in three protected areas in Rondônia state: the Uru-Eu-Wau-Wau Indigenous territory, the Rio Jacy-Paraná Reserve, and Rio Ouro Preto Reserve. Commercial cattle ranching is prohibited by law in the three protected areas. Land seizures for illegal commercial cattle ranching infringe the rights of Indigenous peoples and traditional residents of Reserves to their protected territories. Land seizures for illegal commercial cattle ranching also harm their traditional way of life. People living in the three protected areas reported having faced threats and intimidation, evictions, a lack of access to areas occupied by cattle farmers, and adverse impacts on their livelihoods. Notably, deforestation in the three protected areas increased between August 2018 and July 2019 compared to the period from August 2017 to July 2018, according to official monitoring.[3]

Residents of the Rio Ouro Preto Reserve told Amnesty International about recent efforts to expand illegal commercial cattle ranching and threats. They told Amnesty International they avoid going to areas near the areas occupied by cattle farmers because of the risk of conflicts.

The Rio Jacy-Paraná Reserve was the most deforested Reserve in the Amazon region between August 2018 and July 2019, according to official data.[4] Most of the residents of the Rio Jacy-Paraná Reserve were evicted by cattle farmers and *grileiros*. Former residents told Amnesty International they fear returning to the Rio Jacy-Paraná Reserve.

The Uru-Eu-Wau-Wau Indigenous territory was ranked as the ninth most deforested Indigenous territory in the Amazon between August 2018 and July 2019, according to official data.[5] Illegal commercial cattle ranching has been present inside the Uru-Eu-Wau-Wau Indigenous territory for many years and there have been recent efforts to expand the activity. Uru-Eu-Wau-Wau people told Amnesty International about recent invasions and threats. They also described avoiding going to the area illegally occupied by cattle farmers due to the fear of being killed.

Amnesty International also found that BNDES has failed to require the implementation of its socioenvironmental guidelines for the cattle industry. BNDES established the guidelines in 2009. According to the guidelines, meat-packing companies being supported by BNDES, either through loans or shareholding, are required to implement a traceability system from birth to slaughter for all cattle

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[1] United Nations Office of the High Commissioner for Human Rights, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, UN DOC. HR/PUB/11/04, 2011, Principle 1 (hereinafter United Nations Guiding Principles on Business and Human Rights)
[2] Principle 4, United Nations Guiding Principles on Business and Human Rights.
[3] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments
[4] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments
[5] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

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slaughtered by 2016.[6] The traceability system from birth to slaughter includes all farms where the cattle grazed on, that is, direct and indirect suppliers. Direct suppliers are the farms that sell cattle to meat-packing companies, while indirect suppliers are the farms where the cattle grazed on before arriving to the direct suppliers.

Meat-packing companies supported by BNDES have not implemented the traceability system from birth to slaughter. In December 2018, *O Eco* reported that BNDES did not enforce the socioenvironmental guidelines.[7] In November 2019, the Federal Public Prosecutor's Office in Pará state affirmed that the non-monitoring of indirect suppliers is one of the main loopholes in the monitoring of the cattle industry.

OPPORTUNITY TO RESPOND

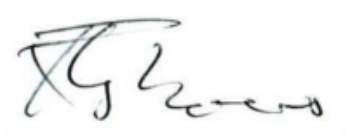
We would like to invite you to respond to the above findings, as well as to provide additional information that might assist our understanding of the BNDES socioenvironmental guidelines for the cattle industry and its implementation. We would be grateful if you could reply to the following questions:

1) Please provide a list of the meat-packing companies supported by BNDES, either through loans or shareholding, since 2009, providing information about whether each meat-packing company has implemented the socioenvironmental guidelines for the cattle industry, particularly the traceability system from birth to slaughter for all cattle slaughtered.
2) Please explain how BNDES demands the implementation of the socioenvironmental guidelines for the cattle industry and assesses the implementation by the meat-packing companies. Please provide any available documents regarding the implementation of the guidelines by the meat-packing companies and assessments of compliance with the guidelines.
3) In case meat-packing companies supported by BNDES have not implemented the traceability system from birth to slaughter, please describe for each meat-packing company the reasons for not implementing and the efforts undertaken by BNDES to enforce its implementation. Please provide any available documents substantiating the efforts undertaken by BNDES.

We would appreciate if you could provide supporting factual information that would allow us to verify any claims that you make in response to our questions. If you are unable to provide the requested information, we would appreciate if you could state why this is not possible.

We intend to publish our detailed findings in a report and may include part or all of your comments and responses in it. Please provide any information by 22:00 GMT on 03 July 2020, to enable us to consider incorporating it in our report. You may reach us by email at richard.pearshouse@amnesty.org.

Yours sincerely,



Richard Pearshouse,
Head of Crisis and the Environment Crisis Response Programme

[6] BNDES, "BNDES amplia exigências para apoio à cadeia produtiva da pecuária bovina", 22 July 2019, https://www.bndes.gov.br/wps/portal/site/home/imprensa/noticias/conteudo/20090722_friprifico
[7] Piero Locatelli, "Amazônia: BNDES não cumpriu seu compromisso contra o desmatamento", 18 December 2018, https://www.oeco.org.br/reportagens/amazonia-bndes-nao-cumpriu-seu-compromisso-contra-o-desmatamento/

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ANNEX 4 - LETTER TO IDARON

Reference: TG AMR 19/2020.001a

AMNESTY INTERNATIONAL

Mr. Júlio Cesar Rocha Peres
President
Agência de Defesa Sanitária Agrosilvopastoril do Estado de Rondônia
Av. Farquar, 2986 – Bairro Pedrinhas – Palácio Rio Madeira (CPA), 5º andar, edifício Rio Cautário – Porto Velho/RO – CEP: 76801-470

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E-Mail: uaigv@amnesty.org Web: ttp://www.amnesty.org

CC: Mr. Fabiano Alexandre dos Santos
Manager of Animal Health control and inspection
Agência de Defesa Sanitária Agrosilvopastoril do Estado de Rondônia
Av. Farquar, 2986 – Bairro Pedrinhas – Palácio Rio Madeira (CPA), 5º andar, edifício Rio Cautário CEP: 76801-470 – Porto Velho – Rondônia

29 June 2020

Re: Amnesty International's investigation into human rights abuses linked to illegal commercial cattle ranching in indigenous territories and Reserves in Rondônia state

Dear Sir:

I am writing on behalf of Amnesty International to inform you of preliminary findings we have reached relating to illegal commercial cattle ranching in indigenous territories and Reserves in Brazil's Amazon, and to request information regarding Rondônia's animal health control agency (*Agência de Defesa Sanitária Agrosilvopastoril do estado de Rondônia* – IDARON) activities in the state.

As you may know, Amnesty International is a global movement of more than seven million people working to ensure the protection and realisation of human rights worldwide. We are independent of any government, political ideology, economic interest or religion, and are funded mainly by our membership and public donations. We campaign and advocate for human rights change on the basis of serious and thorough research on human rights issues all over the world.

Last year, Amnesty International initiated an investigation into illegal commercial cattle ranching in indigenous territories and Reserves in Brazil's Amazon region, focusing, in particular, on human rights abuses against those living in these protected areas. As part of this research, the investigation found that IDARON effectively enables illegal commercial cattle ranching in indigenous territories and Reserves.

We are setting out the substance of our research and our key findings in this letter to give you an opportunity to review and respond to them prior to publication. We have also posed some questions that will give you a further opportunity to clarify the activities performed by IDARON.

METHODOLOGY

As part of its investigation into illegal commercial cattle ranching, Amnesty International interviewed a number of indigenous people and other traditional residents of indigenous territories and Reserves. Amnesty International analysed official animal health control documents, as well as relevant legislation.

SUMMARY OF PRELIMINARY FINDINGS

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Amnesty International documented land seizures for illegal commercial cattle ranching in three protected areas in Rondônia state: the Uru-Eu-Wau-Wau Indigenous territory, the Rio Jacy-Paraná Reserve, and Rio Ouro Preto Reserve. Commercial cattle ranching is prohibited by law in the three protected areas. Land seizures for illegal commercial cattle ranching infringe the rights of Indigenous peoples and traditional residents of Reserves to their protected territories. Land seizures for illegal commercial cattle ranching also harm their traditional way of life. People living in the three protected areas reported having faced threats and intimidation, evictions, a lack of access to areas occupied by cattle farmers, and adverse impacts on their livelihoods. Notably, deforestation in the three protected areas increased between August 2018 and July 2019 compared to the period from August 2017 to July 2018, according to official monitoring.[1]

Residents of the Rio Ouro Preto Reserve told Amnesty International about recent efforts to expand illegal commercial cattle ranching and threats. They told Amnesty International they avoid going to areas near the areas occupied by cattle farmers because of the risk of conflicts.

The Rio Jacy-Paraná Reserve was the most deforested Reserve in the Amazon region between August 2018 and July 2019, according to official data.[2] Most of the residents of the Rio Jacy-Paraná Reserve were evicted by cattle farmers and *grileiros*. Former residents told Amnesty International they fear returning to the Rio Jacy-Paraná Reserve.

The Uru-Eu-Wau-Wau Indigenous territory was ranked as the ninth most deforested Indigenous territory in the Amazon between August 2018 and July 2019, according to official data.[3] Illegal commercial cattle ranching has been present inside the Uru-Eu-Wau-Wau Indigenous territory for many years and there have been recent efforts to expand the activity. Uru-Eu-Wau-Wau people told Amnesty International about recent invasions and threats. They also described avoiding going to the area illegally occupied by cattle farmers due to the fear of being killed.

Amnesty International also found that IDARON registers commercial cattle farms inside Indigenous territories and Reserves. Rondônia state's legislation requires the registration of cattle farms and farmers with IDARON.[4] In Rondônia state, state authorities are required to visit cattle farms and register the geographic coordinates of the farms in order to confirm the information provided by farmers before validating the registration.[5] IDARON also issues Animal Transport Permits for cattle movement in these areas.

By registering commercial cattle farms and issuing Animal Transport Permits for cattle movements in Indigenous territories and Reserves, IDARON effectively enables illegal commercial cattle ranching in these areas. Where authorities effectively enable illegal commercial cattle ranching in Indigenous territories and Reserves, authorities fail to protect the rights of Indigenous peoples and residents of Reserves to their traditional territories.

Brazil's Constitution and international human rights obligations recognise Indigenous peoples' and residents of Reserves' rights to their land, its use and natural resources.[6]

OPPORTUNITY TO RESPOND

We would like to invite you to respond to the above findings, as well as to provide additional information that might assist our understanding of IDARON activities related to cattle ranching. We would be grateful if you could reply to the following questions:

1) Considering that commercial cattle ranching is prohibited by law in Indigenous territories and Reserves, why does IDARON register commercial cattle farms inside Indigenous territories and Reserves, as well as issue Animal Transport Permits for cattle movements to and from these commercial farms?

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[1] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[2] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[3] Data obtained at: Brazil National Institute of Spatial Research (INPE), Satellite Monitoring Program of the Brazilian Amazon Forest (*Programa de Monitoramento da Floresta Amazônica Brasileira por Satélite* – PRODES), http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/increments

[4] Article 3 of Rondônia's Law 882/2001; article 6 of Rondônia's Decree 9,735/2001.

[5] Article 4 of IDARON's Portaria nº 71/2015/IDARON/PR-GAB.

[6] Articles 215, 216 and 231 of Brazil's Constitution; OAS American Declaration on the Rights of Indigenous Peoples Art. XXV; ILO Indigenous and Tribal Peoples Convention 169 Art. 14; jurisprudence of Interamerican Court on Human Rights incl. *Saramaka People v. Suriname* (Preliminary Objections, Merits, Reparations, and Costs) (Series C No. 172) Inter-American Court of Human Rights, (2007).

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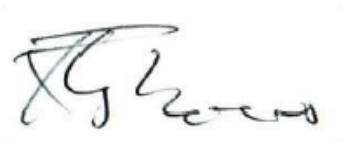
2) Does IDARON take any measure against illegal commercial cattle ranching in protected areas (for example, provide federal and state environmental authorities with information on cattle farmers, their names and location of the farms in protected areas where cattle ranching is illegal)? If so, please provide any available documental evidence of the measures taken by IDARON against illegal commercial cattle ranching. If not, please explain why IDARON does not take any measure against illegal commercial cattle ranching?

We would appreciate if you could provide supporting factual information that would allow us to verify any claims that you make in response to our questions. If you are unable to provide the requested information, we would appreciate if you could state why this is not possible.

We intend to publish our detailed findings in a report and may include part or all of your comments and responses in it. Please provide any information by 22:00 GMT on 3 of July 2020, to enable us to consider incorporating it in our report. You may reach us by email at richard.pearshouse@amnesty.org.

Yours sincerely,



Richard Pearshouse,
Head of Crisis and the Environment Crisis Response Programme

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FROM FOREST TO FARMLAND

CATTLE ILLEGALLY GRAZED IN BRAZIL'S AMAZON FOUND IN JBS'S SUPPLY CHAIN

In Brazil's Amazon, illegal land seizures, deforestation and fires often form part of the process of converting rainforest into pasture. In this report Amnesty International documents recent land seizures for illegal commercial cattle ranching in protected areas in Brazil's Amazon and its adverse human rights impacts.

Amnesty International visited one Indigenous territory and two Reserves in Rondônia state where commercial cattle ranching is illegal. It finds that land seizures are often accompanied by threats, intimidation and violence against those living on and seeking to defend their territories. Indigenous peoples and residents of Reserves cannot access occupied areas, reducing their opportunities to hunt or collect natural resources. In the worst cases, they are compelled to flee their homes.

The report also finds that cattle illegally grazed in these protected areas have entered the supply chain of JBS, the largest producer of beef in the world. Amnesty International calls on JBS to implement an effective monitoring system, including of its indirect suppliers, and ensure the company does not purchase cattle illegally grazed in protected areas at some stage of their lives. Amnesty International also calls on JBS's investors and buyers to engage with JBS in this process.

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