



**JBS USA Food Company  
and subsidiaries**

**Fighting Against Forced Labour and Child Labour in Supply Chains Act Joint Report  
for Fiscal Year 2023**

Approved by the Board of Directors on May 28, 2024

## A. Introduction

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) requires certain entities that do business in Canada to report on actions they have taken during the previous fiscal year to prevent and reduce the risk of forced labour or child labour within their operations and supply chain. This report was prepared by JBS USA Food Company and its U.S.-based subsidiaries that have a reporting obligation under the Act<sup>1</sup> (collectively, “**JBS USA**” or the “**Company**”) and describes the steps taken by JBS USA for the fiscal period of December 26, 2022 to December 31, 2023 to prevent and reduce the risk of forced labour and child labour in its own business operations and its supply chains. Please note that a separate joint report has been prepared and filed by our Canada-based affiliates which represent a distinct operating division.

At JBS USA, we pursue excellence in all that we do, innovating to place high-quality food on the tables of millions of consumers around the world and doing our part to preserve the planet’s resources for future generations. To be the best in what we do, we remain focused on conducting our business responsibly, aspiring to ensure the best products and services to our customers, build a relationship of trust with our suppliers, drive profitability for our shareholders and develop the opportunity for a better future for all of our team members.

JBS USA has a zero-tolerance approach to forced labour or child labour in our organization and supply chains. We will continue to work to ensure that our operations meet the highest standards of ethical conduct and contribute to a world that is free from forced labour and child labour.

We acknowledge the complexity of our domestic and global supply chains and the potential risks associated with them. We understand that the agricultural and food production sectors can be vulnerable to modern slavery and human trafficking due to factors such as seasonal labour, subcontracting, and geographical remoteness. We have built partnerships with suppliers to mitigate these risks and remediate issues of concern while promoting integrity and transparency in our products and services.

## B. Structure, activities, and supply chains

Headquartered in Greeley, CO, JBS USA is a leading provider of diversified, high-quality food products, including a portfolio of well-recognized brands and innovative, value-added premium products. The Company is a producer of beef and pork meat intended to serve, among others, the U.S. and Canadian markets. The Company's business operations include processing, preparing, packaging and delivering fresh, further-processed and value-added beef and pork products for sale in more than 125 countries on six continents, enabling customers and food retail business operators to receive quality meat products. The Company employs over 30,000 people in the United States.

The nature of our business demands we work with a diverse set of suppliers which include contractors, partners, service providers, co-packers, or any other business entities or persons (collectively, “**Vendors**”) that range from small family farm and ranch partners in North America who supply us with livestock to commercial feedlot operators, livestock auction houses and large domestic and multinational companies that manufacture or provide equipment, materials, and services to our production facilities.

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<sup>1</sup> Includes Swift Pork Company, Swift Beef Company, JBS Packerland Inc., Sampco LLC, Sunny Valley Smoked Meats Inc.

Procurement for JBS USA, excluding livestock, is centralized through our corporate offices. The Global Chief Procurement Officer leads several teams that are each responsible for certain products or services related to Production, Employee and Corporate Services, Energy, Facilities Services, Capital Expenditure and Equipment, and Maintenance, Repair and Operations. This structure allows us to maximize our supplier partnerships across the business and ensure consistency and uniformity.

Our approach to managing impacts within our supply chain includes collaboration with our Vendors. Supported by continuous two-way communication, our Vendor relationships are guided by our [Business Associate Code of Conduct](#), which provides guidelines to ensure Vendors are at all times aligned with JBS USA standards and expectations, including those on employment and human rights and compliance with local and national laws.

### **C. Risks of forced labour and child labour and the steps taken to assess and manage the risks**

Our facilities operate in accordance with all applicable labour, employment and human rights laws, and we adhere to internal policies and programs that provide additional guidance to best serve our team members. We have a zero-tolerance policy on child or forced labour. JBS USA is committed to improving our practices to combat forced labour and child labour in our operations and supply chain and we recognize our responsibility to protect these values.

At JBS USA, we have an extensive hiring process, including verifying the identify and age of the applicants, to ensure compliance with applicable labour and human rights laws. We audit these processes on annual basis.

JBS USA recognizes that our supply chain presents a risk of forced labour or child labour. In 2022 U.S. government investigators discovered that a third-party service provider that we contracted to provide plant sanitation services had employed children in our facilities. Starting immediately when this matter came to our attention and throughout 2022 – 2023, JBS USA implemented a comprehensive set of corrective actions, and enhanced our policies and audit rights, to ensure compliance by third-party contractors with all applicable laws, including that no persons under the age of 18 perform hazardous work or work that is otherwise in contravention of applicable child labour regulations, and to ensure the safety of all individuals who work in our facilities.

Risk mitigation measures that JBS USA undertook or had in place during the 2023 reporting period included:

- Developing and implementing a third-party vendor audit plan.
- Taking a risk-based approach and prioritizing due diligence efforts to focus on third-party contractors, specifically sanitation.
- Screening of third-party contractors through risk management systems.

- Implementing and enforcing standard operating procedures and policies for sanitation services compliance designed to prevent child labour, including validating age of employment eligibility of sanitation workers, verifying their photo identification on site, or maintaining entry logs.
- Training select JBS USA employees on the sanitation services compliance procedures.
- Informing third-party sanitation contractors of the Company's standard operating procedures and policies.
- Engaging third-party auditors to audit facilities with third-party sanitation service providers to ensure compliance with JBS's policies and standards.
- Engaging sanitation compliance supervisors to perform internal audits of their respective facilities to verify compliance with JBS's sanitation services compliance policy.
- Working with third-party sanitation service providers to remediate non-compliance and/or terminate relationships with service providers who are unable or unwilling to remediate areas of non-compliance.
- Transitioning 16 facilities to JBS Sanitation, a related-party full-service food safety and food plant sanitation company that provides in-house sanitation services to JBS USA.
- Reviewing Vendor contracts for compliance with law, audit rights, and employment verification requirements and amending contracts as necessary.
- Applying our Business Associate Code of Conduct and Code of Conduct and Ethics, and introducing the Child Labor Zero-Tolerance Policy.
- Offering a confidential, anonymous whistleblower hotline ("**JBS Ethics Line**") to employees, customers, supply chain partners, and community partners to report concerns. Investigations of allegations are conducted by designated personnel, and necessary corrective actions are taken as appropriate.

#### **D. Policies and due diligence processes in relation to forced labour and child labour**

JBS USA's Ethics and Compliance Department is responsible for the administration and execution of the Company's corporate compliance program. The compliance program encompasses the following areas: Risk Assessment, Leadership and Governance, Policies and Procedures, Ethics Line, Investigations, and Remediation, Controls, Training and Communication, Third-Party Due Diligence and Continuous Screening, Transaction Monitoring, and Antitrust Oversight. The Ethics and Compliance Department also manages all approvals and disclosures related to attending industry events; giving and receiving gifts, entertainment, and business meals; employee conflicts of interest; and competitor interactions.

At JBS USA, our corporate compliance program promotes a work environment with high standards of ethics, compliance, and integrity, guided by adherence to the applicable laws,

regulations, and policies that govern our business conduct, and supported by open and anonymous communication channels for voicing concerns. Notable elements of JBS USA’s corporate compliance program include:

### **1. Business Associate Code of Conduct (“Vendor Code of Conduct”)**

We work to establish relationships with our Vendors that are based on partnership and encourage our Vendors to implement policies and initiatives that improve their compliance practices. Through our Vendor Code of Conduct, we strive to ensure that our Vendors are compliant with applicable laws and regulations. We maintain an open dialogue with our Vendors on issues involving respect for the environment, human rights, and national and local labour laws. Vendors are required to adhere to the Vendor Code of Conduct; our standard template contracts in use during the reporting period include reference to the Vendor Code of Conduct. The Vendor Code of Conduct is available in four languages (Portuguese, English, Spanish, and Italian) on our website to help ensure that our Vendors apply the same ethical business practices to their operations that we do.

JBS USA expects our Vendors to:

- Prohibit the use of slave, child or forced labour.
- Comply with all labour laws, such as compensation, working hours, and non-discrimination hiring laws.
- Respect the right of workers to form or join a union or bargain collectively.
- Provide a non-violent work environment free of threats, intimidation, harassment and discrimination.

### **2. Code of Conduct and Ethics**

The Code of Conduct and Ethics includes behavioral guidelines and standards designed to encourage appropriate workplace conduct, efficient and safe operations, and the well-being of our team members. The Code of Conduct and Ethics has policies addressing the various risk areas for the Company, including health and safety, food safety, human rights and workplace conduct, environmental compliance, animal welfare, and corporate ethics.

Corrective actions for violating the Code of Conduct and Ethics or company policies include coaching, written warnings, final written warnings and, possibly, termination of employment. Serious violations can result in immediate termination.

### **3. Child Labour Zero-Tolerance Policy**

We have a zero-tolerance policy on child or forced labour. In 2023, JBS USA created and implemented the Child Labour Zero-Tolerance Policy which describes the Company’s commitment to prohibit the use of child labour and to not allow our value chain partners to engage in the use of child labour as part of their operations or business practices. As indicated in the policy, JBS USA will take appropriate action to review and address allegations of child labour and will

immediately seek a resolution that is in the best interests of the child. A copy of the Child Labour Zero-Tolerance Policy is posted in all of our facilities.

#### **4. Due Diligence Processes**

During the reporting period, the Company improved due diligence and monitoring processes to manage third-party risk, including evaluating prospective new relationships and monitoring existing ones. As part of the due diligence process, third parties, including existing and new Vendors, are screened against numerous public records, databases and lists to identify risk indicators in various areas including corruption, sanctions, adverse media, and human rights. The Ethics and Compliance team then analyzes the results and conducts enhanced due diligence as necessary.

#### **E. Remediation measures**

In 2023, JBS USA continued its remediation measures to prevent instances of child labour by third-party sanitation providers, such as those first identified in 2022, as described in the preceding sections of this report.

The Company has terminated contracts with third-party sanitation providers who are unable to meet the Company's audit and compliance standards.

JBS USA requires and expects its employees and service providers to report actual and possible violations with respect to human rights via the JBS Ethics Line, where employees can confidentially and anonymously, if they choose, report any suspicious activity regarding the presence of underaged workers. The Company takes appropriate action to review all allegations and address issues. The Company has also provided local school districts with access to the JBS Ethics Line for confidential reporting regarding suspected child labour incidents.

There were no identified instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour in the Company's activities and supply chains in 2023.

#### **F. Training**

Within the Company, employees receive annual online training on the Code of Conduct and Ethics which, among other things, addresses the Company's employment policies and standards. New employees also receive an employee handbook during orientation. Additionally, JBS USA provides all employees at every level of the company with anti-harassment training at least annually.

In 2023, JBS USA provided specific forced labour and child labour training, including training on the Company's compliance procedures to Sanitation Compliance Supervisors at the facilities. This training was developed internally and delivered online.

Plant employees received training on forced labour, child labour and human trafficking which is provided by Intertek Alchemy.

**G. Assessing effectiveness**


JBS USA introduced certain measures over the last financial year aimed at reducing the risk that forced labour or child labour will be used in its activities and in its supplier chains. We remain committed to preventing forced labour and child labour from taking place in our businesses and supply chains, and will develop frameworks and processes to assess the effectiveness of our policies, procedures and practices on an annual basis to determine any potential enhancements. JBS USA has not yet taken measures to assess the efficacy of such measures.

**H. Approval and attestation**

This report was approved by the JBS USA Food Company Board of Directors on May 28, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind JBS USA Food Company and its reporting subsidiaries.



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Full name: Wesley Batista Filho

Title: Director

Date: 5/28/2024