



Annual and Sustainability Report 2019 • Executive version



Miriã Gualberto,
Quality manager at JBS and her daughter Elis

The year's highlights

- JBS ended 2019 with revenues of **R\$204.5 billion**, the highest figure on record for the Company.
- Global investments by JBS in sustainability totaled **R\$ 1.90 billion**.
- **R\$ 698.82 million** was invested in topics related to environmental stewardship.
- CDP results for 2019 position JBS as one of the best companies in its sector in all aspects measured: **Climate Change, Water Security, Forests, Livestock, Soy and Timber Products**.
- The Incredible Seara range made Seara Brazil's first major food company to offer a complete range of products made with **100% plant-based protein**.
- Approval of the **Global Policy on Conflicts of Interest**, implemented worldwide. Approval and implementation of the **Anti-Corruption Policy** is set for 2020.
- Animal welfare: **R\$ 474.7 million** invested and **19,542 people** trained.
- Over **1 million** tons of waste were reused, with **121,000** metric tons to generate energy.
- JBS monitors an area of **450,000 km²** in the Amazon, equal to the size of Germany, to guarantee the origin of raw materials sourced from cattle suppliers.
- **137,165 people** were trained in development programs, **11%** more than in 2018.
- In Brazil, the number of team members with leave due to accident who registered with the Social Security system was down by **24.2%**.
- Over **3.3 billion** liters of water were reused in Company operations around the world.
- In 2019, an audit by the DNV-GL confirmed that **100%** of cattle acquisitions made by JBS throughout 2018 in the Amazonian biome were socially and environmentally compliant.



Headquarters (SP)





A JBS

A global food company

- JBS is the largest animal protein company and second largest food company in the world, working to process animal protein and value-added products in the beef, pork, lamb and poultry segments.
- The Company also operates related businesses, such as leather, biodiesel, personal care and cleaning, solid waste management solutions, and metal packaging.
- JBS serves around 275,000 customers, in over 190 countries.
- With locations in 15 countries and over 400 production units and commercial offices on five continents.



Locations in 15 countries and over 400 production units and commercial properties on five continents (the Americas, Asia, Europe, Africa and Oceania).

-  Beef
-  Pork
-  Poultry
-  Lamb
-  Leather
-  Commercial property
-  Products Prepared Food



% of consolidated revenue: domestic sales and imports



Mission and Values

OUR MISSION

To be the best in all that we do, completely focused on our business, ensuring the best products and services for customers, a relationship of trust with our suppliers, profitability for our shareholders and the opportunity of a better future for all of our team members.

OUR BELIEFS

- Focus on details
- Take a hands-on approach
- Our achievements are based on hard work
- The right person in the right place
- Passion for what we do
- Attitude is more important than knowledge
- Leaders must gain their team's trust
- Lead by example
- Focus on results
- Work with people better than us
- Belief makes the difference
- Product quality

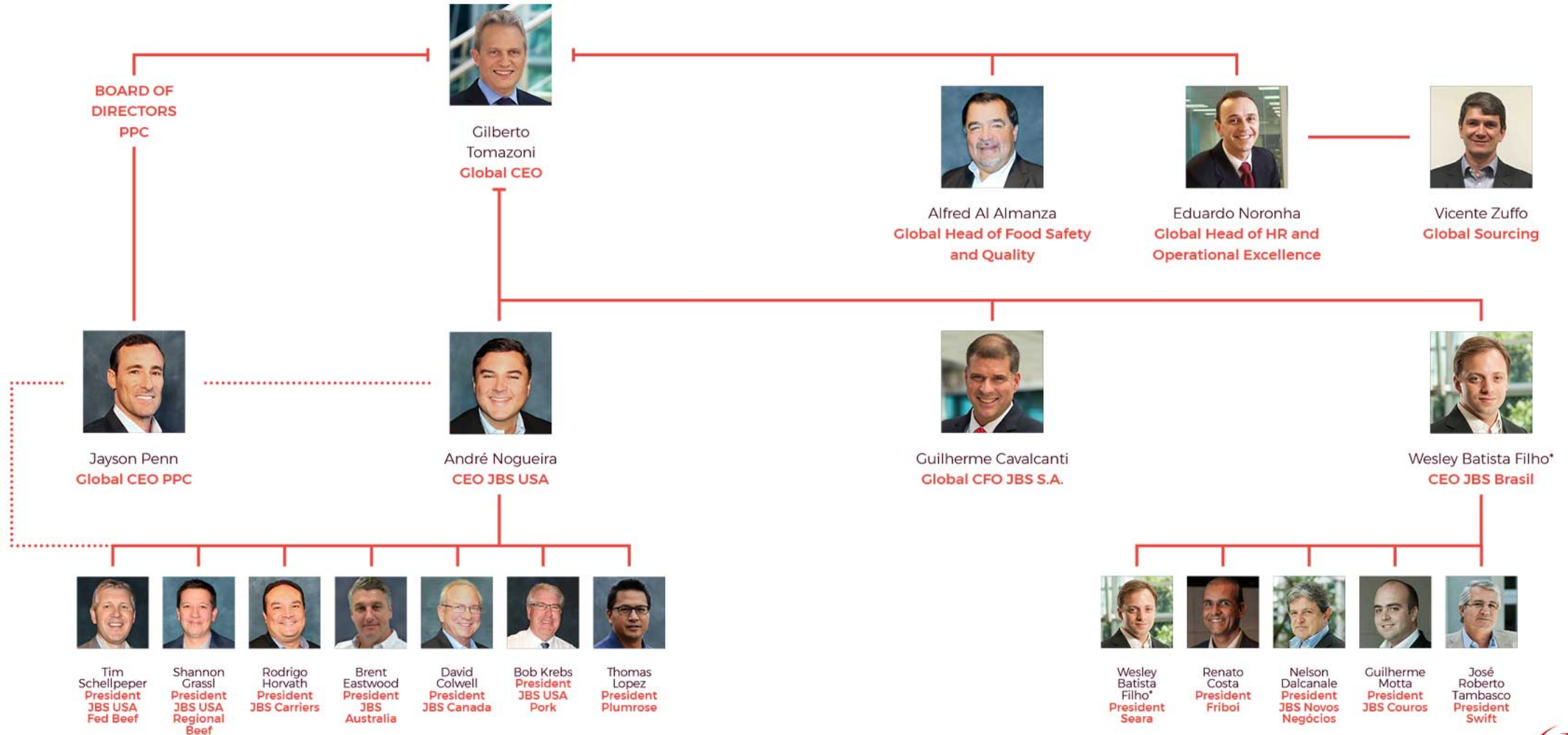
OUR VALUES

- Ownership
- Determination
- Discipline
- Availability
- Simplicity
- Sincerity
- Humility

Sônia Maria C. Monteiro (Feed plant), Ederson Rodrigo Blanc (JBS Transportadora) and Eder José da Rosa (deli meats)
Team members at the Montenegro unit (RS)



Global Management Structure



* Joanita Karoleski was president of Seara until January 2020.

Ethics and Compliance

Since 2017, JBS has had an independent global department at the forefront of the compliance topic, reporting directly to the Board of Directors.

The Company also monitors the maturity of processes and assesses the efficiency of actions adopted year after year, in every region where it operates.

All practices and policies related to compliance are available in the **Code of Conduct and Ethics**, a document that provides guidelines for team members to work in compliance with the Company in every situation. It is available in Portuguese, English, Italian and Spanish. Third parties carrying out any kind of transaction with JBS, such as customers and suppliers, must follow the **Business Associate Code of Conduct**.

JBS Ethics Hotline

This channel is the chief vehicle for grievances related to irregularities and violations of the Company's Code of Conduct and Ethics, both for its team members and JBS's external public.

The hotline is fully outsourced - which protects and guarantees user anonymity. It is available everywhere in the world where the Company is located, in 4 languages, 24 hours a day, 7 days a week.

Ethics and Compliance

Compliance Highlights 2019:

- *Due diligence*: 9,486 analyses were done by JBS software. When any nonconformance is found in a supplier assessment, the supplier is automatically barred and undergoes a second verification procedure by the Compliance area.
- JBS held their first compliance meeting, in partnership with J&F, at the Company's headquarters in São Paulo. The event was attended by around 150 participants, who gathered to debate challenges and trends of compliance in Brazil.
- Launch of a global compliance website, dedicated to Company activities in this area.
- Internal communications campaign.
- Risk assessment for controls and rules for each business.
- 37,000 hours of training in the Code of Conduct and Ethics, with more than 115,000 team members in Brazil.
- Over 8,000 anti-corruption training hours for more than 16,000 team members, through an online platform.



Covid-19 and the JBS mission

In early 2020, humanity began to face the Covid-19 pandemic, possibly the greatest global challenge in recent decades. Committed to its mission of feeding people around the world, JBS took measures to protect the health of its team members, while at the same time adopting a rigorous disease control and prevention protocol at its units to keep operations running.

Notable among actions included in the protocol adopted by JBS are:

- Leave granted to all team members belonging to risk groups
- Expansion of the bus and van fleets that carry team members and sanitation and disinfection of vehicles in the periods between trips and assigned seating.
- Daily disinfection of all facilities (internal and external).
- Implementation of new protective equipment, such as ninja-style masks, acrylic face-shields and fabric masks in the administrative area. Mask use is required by everyone in all Company areas.

In addition to the top priority of its team members' health, JBS is fully dedicated to supporting the fight against the coronavirus and will donate R\$ 700 million exclusively for use against the Covid-19 pandemic.

In Brazil, this plan stipulates donation of R\$ 400 million in three areas: public health, social care and support for science and technology. These funds will go toward directly benefiting 162 municipalities with donations of masks, personal protective equipment, food kits, ICU beds, construction of hospitals and more.

Abroad, JBS will earmark R\$ 300 million for local communities, mostly in the United States, to support food assistance and critical infrastructure, such as supplying personal protective equipment (PPE) for paramedics.



Our people



- JBS is a Company made of people, and focused on developing its team members, in the different locations where it operates.
- Over 240,000 team members in 15 countries.
- In the USA, JBS has an Open Door Policy, encouraging team members to talk to supervisors or the HR area about any problems affecting the workplace in general.

Diversity

- **Canada:** *There are 120 different nationalities among the 2,500 team members at JBS in Canada. As the largest employer in the city of Brooks, Alberta, the Company absorbs professionals from around the world.*
- **Brazil:** *JBS employs team members from various countries, such as Senegal, Haiti and Venezuela, and it also has a training program for people with disabilities, contributing to their placement in operations as well as in the job market.*

BEEF VALUE CHAIN

1

Livestock farming and feed



Animals are farmed intensively or extensively by partner producers.

2

Purchase of raw material



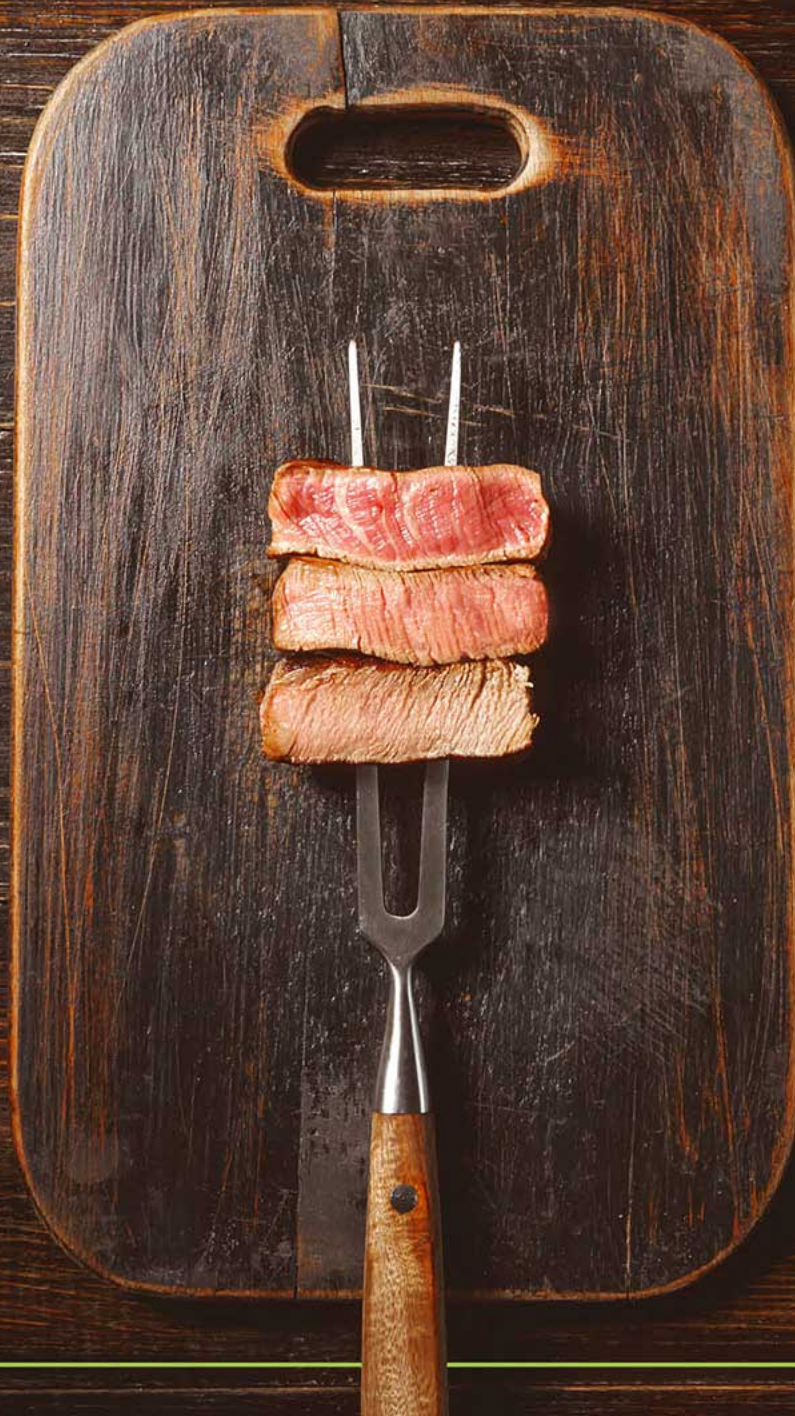
JBS acquires animals from livestock farmers, fostering adoption of good practices by its suppliers.

3

Transport



JBS uses specialized transportation to bring animals from the field to the plant, following the tenets of animal welfare.



6

Domestic and foreign markets



With its global structure, JBS produces food that supplies local markets and serves 275,000 customers in the world.

7

Points of sale



From small markets to major retail chains, JBS products are found in 190 countries.

5

Warehousing and distribution



JBS has a specialized warehousing and distribution systems, suited to its products and guaranteeing that quality is maintained.

4

Processing / Industrialization



All production procedures at the Company follow strict standards of food health and safety.

POULTRY VALUE CHAIN

1 Farms and hatcheries



After going through the genetic selection, incubation and reproduction phases, birds are raised on Company farms as well as integrated producers and integrated producer farms.

2 Nutrition and diet



Feed is produced at Company factories in order to meet all animals' growth and health needs at every stage of life.

3 Transport



JBS uses specialized transportation to bring animals from the field to the plant, following the tenets of animal welfare.

4 Processing / Industrialization



All production procedures at the Company follow strict standards of food health and safety.

7 Points of sale



From small markets to major retail chains, fresh poultry, poultry cuts, and prepackaged and processed poultry products are found in 190 countries.

6 Domestic and foreign markets



With its global structure, JBS produces food that supplies local markets and serves 275,000 customers in the world.

5 Warehousing and distribution



JBS has a specialized warehousing and distribution systems, suited to its products and guaranteeing continued quality worldwide.





PORK VALUE CHAIN

1 Farms



After undergoing the genetic selection and reproduction phases, hogs are raised on Company farms as well as integrated producer.

2 Nutrition and diet



Feed provided to hogs is produced at Company factories, meeting all animal needs in relation to growth, maintenance and health.

3 Transport



JBS uses specialized transportation to bring animals from the field to the plant, following the tenets of animal welfare.

7 Points of sale



From small markets to major retail chains, fresh pork, pork cuts, and prepackaged and processed pork JBS products are found in 190 countries.

6 Domestic and foreign markets



With its global structure, JBS produces food that supplies local markets and serves 275,000 customers in the world.

5 Warehousing and distribution



JBS has a specialized warehousing and distribution systems, suited to its products and guaranteeing continued quality worldwide.

4 Processing / Industrialization



All production procedures at the Company follow strict standards of food health and safety.

LEATHER VALUE CHAIN



1 Purchase of raw material

Purchase of sustainable raw material, respecting social and environmental as well as animal welfare practices.

2 Production

Leather is separated into a JBS beef processing plant for use as a raw material.



Wet blue leather is sold to customers on the domestic and foreign markets

3 Transport

Specialized transport to protect this raw material, using trucks with solar protection, for example.



4 Wet Blue

A processing plant to transform raw materials into wet blue leather.



Wet blue: leather that goes through an initial tanning process that uses chromium; wet white: leather pre-tanned using aldehyde or phenolic synthetic tannin, giving the leather a lighter color; semi-finished: leather that is re-tanned, dyed, polished and then dried; finished: leather that is ready to use, after undergoing processes that give it a homogenous softness, color and sheen.

5 Semi-finished

Wet blue leather processing plant for semi-finished product.



6 Points of sale

Sales to domestic and foreign footwear, automotive, furniture and leather goods customers, among others.



Food safety and quality

- JBS has a Global Food Safety and Quality Assurance Department, headquartered in the United States.
- Notable among the tools that monitor quality and safety assurance for JBS products are value chain oversight processes, such as ensuring raw material origin and quality, production control and monitoring of distribution.
- The Company invests in laboratories at its units around the world that specialize in microbiological analyses and biotechnology.

R\$ 930.8 million was invested in quality, with over 2,460 people trained.

Different controls in each market

Brazil: All JBS units hold seals from the Federal Inspection Service (Serviço de Inspeção Federal – SIF) of the Ministry of Agriculture, Livestock and Supply (MAPA), certifying the Company to export and sell its products on the domestic market.

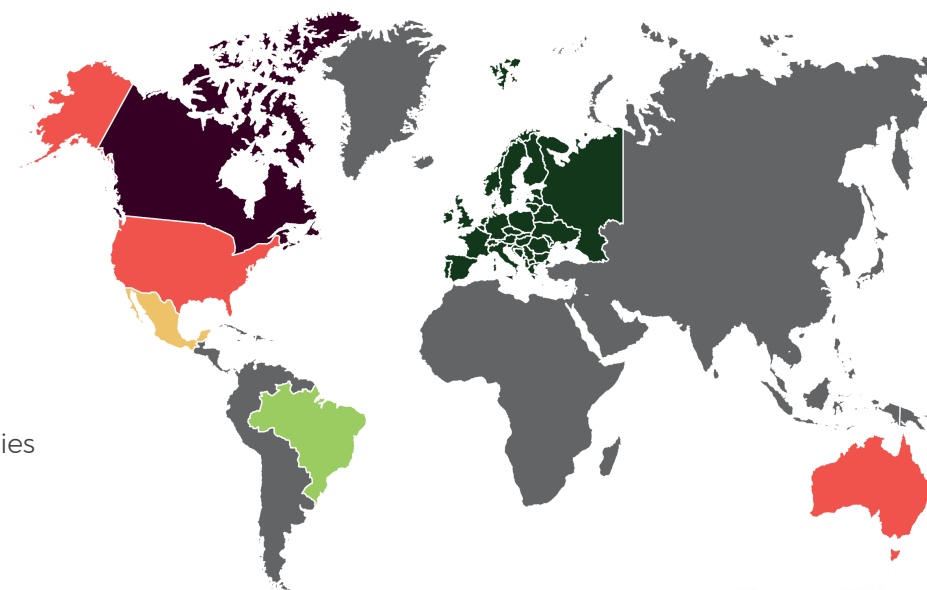
Mexico: Pilgrim's factories follow the guidelines defined by the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) and the National Service for Agro-Alimentary Public Health, Safety and Quality (SENASICA). In addition, each factory in Mexico is TIF (Federal Inspection Type) certified, as issued by the government for food that meets the standards established by the World Animal Health Organization and by the Codex Alimentarius, a publication of the Food and Agriculture Organization of the United Nations.

Europe: Production facilities are inspected and audited by third parties according to European Food Hygiene regulations and any additional customer quality requirements to verify compliance. Pilgrim's Moy Park supports the Food Standards Agency campaign to reduce the spread of Campylobacter and has invested over £1 million in cutting edge research and practices to help the poultry industry fight the bacteria.

Australia: Department of Agriculture and Water Resources (DAWR) representatives perform inspections at export facilities daily to guarantee that the unit is in compliance with all federal food safety and foreign market requirements.

United States: All units are inspected by the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS).

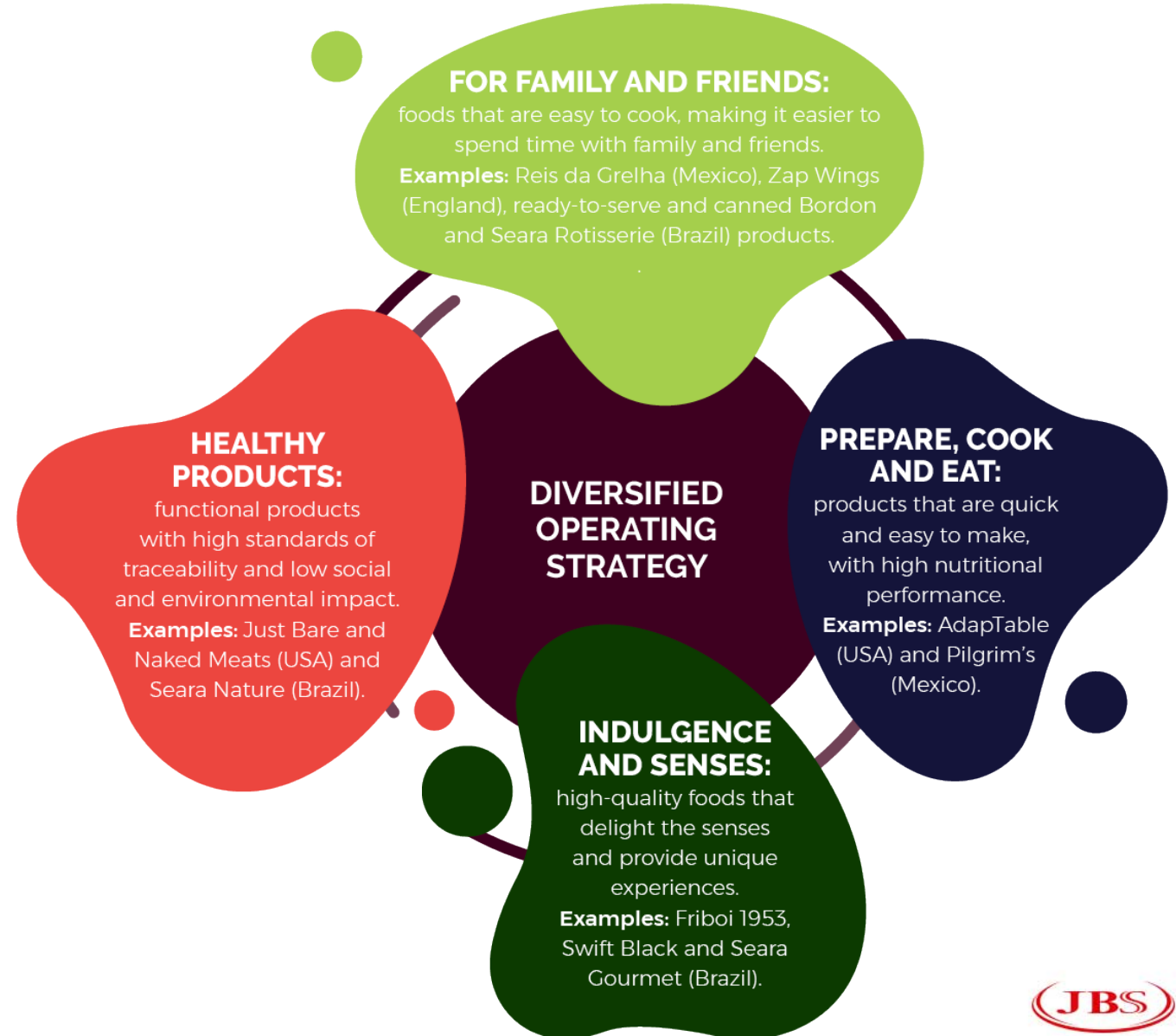
Canada: The Canadian Food Inspection Agency (CFIA) inspects all facilities to guarantee compliance with federal food safety standards.



Innovation

- The Global Innovation Team (GIT) is based on three pillars: product innovation, process innovation and technological innovation.
- JBS opened its JBS Global Food Innovation Center in 2019, in partnership with Colorado State University (CSU). The Center is an educational and research unit geared toward enhancing food safety practices, meat sciences and animal welfare, while also developing educational and training activities in addition to performing equipment testing.
- Seara launched the Incredible Seara range, making it Brazil's first major company to offer a complete range of products made with 100% plant-based protein.
- In the United States, Pilgrim's Pride is a leading supplier of organic chicken.

Investment of over R\$ 120.5 million in Innovation and Research and Development



➤ Commitment to sustainability



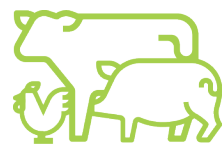


Itumbiara (GO)

Global sustainability priorities



**ENVIRONMENTAL
STEWARDSHIP**



ANIMAL WELFARE



PRODUCT INTEGRITY



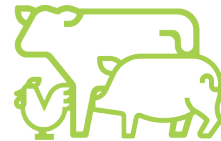
SOCIAL RESPONSIBILITY

Relationship between strategic sustainability themes and SDGs



ENVIRONMENTAL STEWARDSHIP

<p>6 CLEAN WATER AND SANITATION</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>13 CLIMATE ACTION</p>	<p>15 LIFE ON LAND</p>



ANIMAL WELFARE

<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>15 LIFE ON LAND</p>



PRODUCT INTEGRITY

<p>2 ZERO HUNGER</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p>13 CLIMATE ACTION</p>	<p>15 LIFE ON LAND</p>



SOCIAL RESPONSIBILITY

<p>1 NO POVERTY</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>
<p>4 QUALITY EDUCATION</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>
<p>10 REDUCED INEQUALITIES</p>	



Partner supplier

Product integrity

- Product integrity means respecting the highest food safety, quality and sustainability standards.
- JBS encourages and develops actions geared toward enhancing supplier management and practices, by working on two fronts: supplier relationships and guarantee of origin.
- JBS has been a signatory of the National Pact to Eradicate Slave Labour since 2007, and has been a member of the Institute for the National Pact to Eradicate Slave Labour (InPACTO) since 2014.
- **BEEF:** all livestock in the beef chain is acquired from third-party suppliers, and the Company develops relationship programs and training materials for its suppliers around the world.
- **POULTRY AND PORK:** JBS units works with producers, partnering to guarantee the origin of raw materials. The inputs needed to develop safe and healthy breeding are provided through this relationship. In addition, regular technical visits are held, providing advice on production management, environmental practices and animal welfare.

Amazon

JBS is committed to combating, discouraging and eliminating deforestation of its supply chain in the Amazon. A pioneer in sustainable development initiatives in the region, the Company's activities are based on a Raw Material Responsible Procurement Policy.

Over the last 10 years, JBS has made substantial investments to make one of the largest private supplier monitoring systems in the world viable. The system monitors an area of 450,000 km² located in the Legal Amazon, equal to the size of Germany.

The Company assesses 50,000 farms daily to avoid purchasing animals from properties involved with deforestation of old growth forests, invasion of indigenous lands and environmental preservation areas or areas listed as under embargo by the Brazilian Institute for the Environment and Natural Resources (Ibama).

The Company's goal for 2020 and beyond is to develop a project for reforestation of environmental liabilities in the Legal Amazon in partnership with its cattle suppliers and civil society organizations.



Amazon rainforest

In 2019, the DNV-GL company of Norway, an international reference in social and environmental auditing, consulting and certifications, confirmed that 100% of cattle acquisitions made by the Company in the Amazonian biome were socially and environmentally compliant.



Social responsibility

- JBS has a major social impact on the regions in which it operates.
- JBS supports initiatives geared toward educating and developing children and young people, through professional training for young people and adults and training and social inclusion of people with disabilities. Each business platform has the autonomy to establish their own programs in this area - through sponsorships, team member volunteering activities and direct investments.
- Global investment in social responsibility and sponsorships: R\$ 32 million

Occupational health and safety

- **Global investment: R\$ 698.86 million, 133% more than in 2018**
- **Training on occupational health and safety was provided to 105,000 team members**
- **In Brazil, the Company saw lower rates of absenteeism (2.48%) and turnover (21.38%).**



Environmental stewardship

Water

- Rainwater collection reached 125 million liters in 2019.
- JBS lowered the amount of water used in its operations per ton of product produced by 4%.
- Over 3.3 billion liters of water were reused in Company operations around the world.

Effluents

- JBS returns 87% of water collected and used in its industrial processes back to the environment safely.
- Investments in effluent management and treatment totaled R\$ 129 millions.

Climate change

- For the last 11 years, JBS has conducted an annual GHG emissions inventory, according to the international GHG Protocol methodology. The Company monitors and accounts for its operations' GHG emissions and reports them within scopes 1, 2 and 3.

Energy

- In 2019, JBS investments in energy efficiency projects worldwide reached R\$ 59.6 million.
- Out of all energy used by JBS, 47% comes from renewable sources.

Waste and packaging

- Over 1 million tons of waste generated by the Company were reused, accounting for approximately 50% of all waste generated.

Animal welfare

Five fundamental freedoms of animals

1

Free from hunger
and thirst

2

Free from
discomfort

3

Free from pain,
injury or disease

4

Free to express
normal behavior

5

Free from fear
and distress

- Actions and initiatives, carried out with extreme rigor and care by each JBS operation, are in line with the five fundamental freedoms of animals, as defined by the Farm Animal Welfare Council (FAWC).
- The Company oversees every stage in the animal control and welfare process, from breeding to transportation to production.
- In 2018, JBS remained one of the best companies in the world in relation to Animal Welfare practices, placing in tier 3 in the BBFAW's report.



Business

Care from every aspect

JBS Brasil

Friboi, Swift, JBS Couros and JBS Novos Negócios

Seara

JBS USA

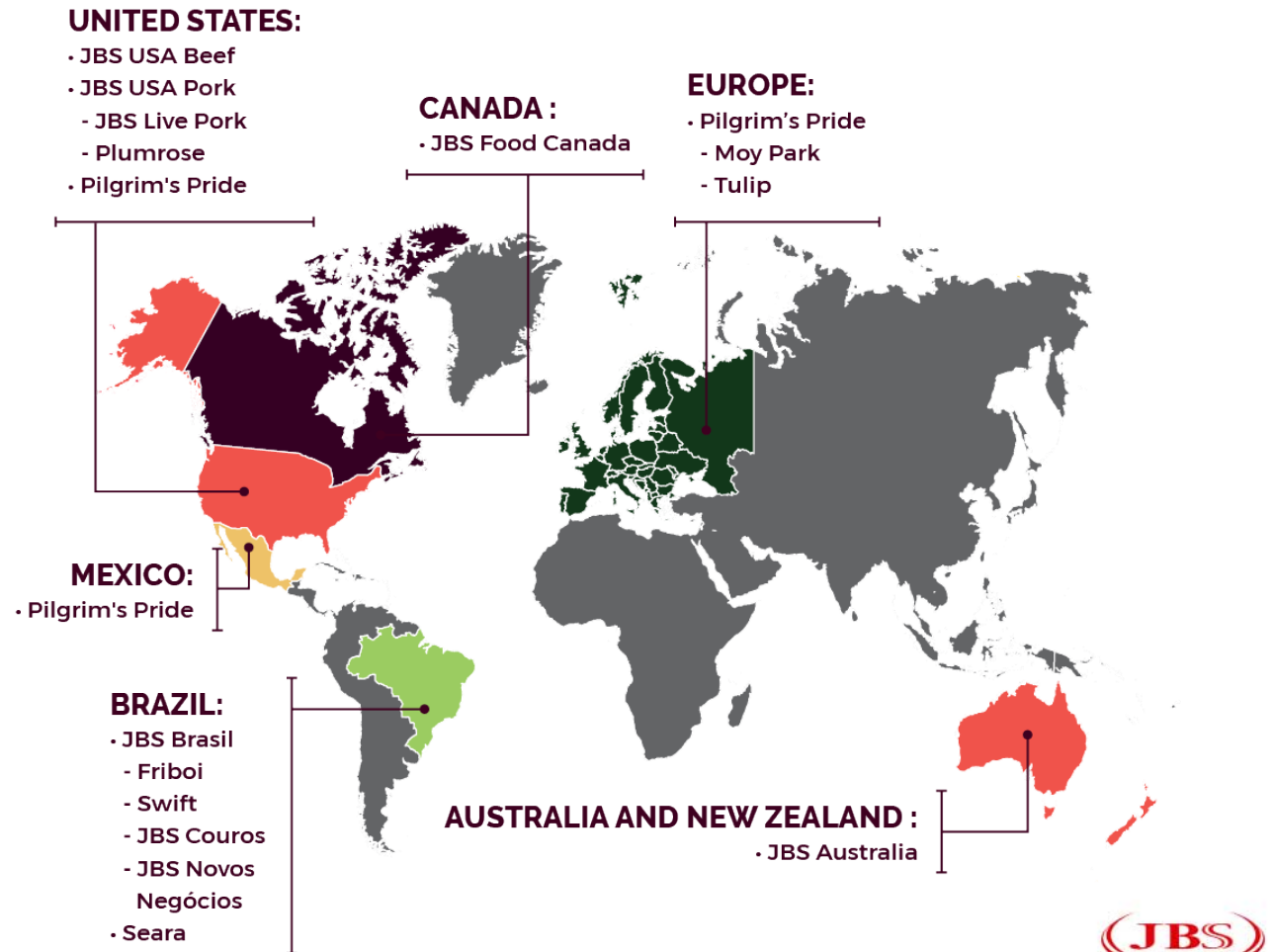
JBS USA Beef, JBS USA Pork and Pilgrim's Pride



Care from every aspect

- **JBS BRASIL:** it operates in the beef market (Friboi and Swift), leather (JBS Couros) and on a series of activities related to the value chain at the other businesses (JBS Novos Negócios).
- **SEARA:** it has an extensive portfolio of fresh poultry and pork products and prepared foods, with leading brands.
- **JBS USA:** it controls all company operations in the United States, Australia, Canada, Mexico, Puerto Rico, the United Kingdom and Mainland Europe, which includes the JBS USA Beef, JBS USA Pork and Pilgrim's Pride Corporation (holder of the Moy Park and Tulip operations).

Global business structure



JBS Brasil

Friboi, Swift, JBS Couros and
JBS Novos Negócios



Highlights

- **Friboi:**

- Market leader in Brazil
- it is the bestselling Brazilian beef brand on the foreign market
- The Top Grade Butcher channel reached over 1,000 stores
- 1953 Friboi by Pão de Açúcar implemented in 34 retail stores
- Partnerships with McDonald's, Bobs and Burger King were renewed
- Sales volume up 46% in the premium beef segment

- **Swift:**

- Swift reinforced its Gran Reserva premium line of grilling products
- Sustainable fish line
- Frozen fruit, a frozen mushroom mix and frozen vegetables, and healthy snacks were launched

- **JBS Couros:**

- The launch of Kind Leather, a revolutionary type of leather, mostly due to its sustainable attributes
- Expansion of the Company's Vietnam unit
- The Company opened a showroom

- **JBS Novos Negócios:**

- JBS Biodiesel became the first biodiesel company authorized to take part in a new Brazilian policy to reduce greenhouse gas emissions, with the authorization of the country's National Agency of Petroleum, Natural Gas and Biofuels (ANP). Through this certification, the Company is now qualified to issue decarbonization credits, called CBios, within the RenovaBio program for the biodiesel it produces, the raw material of which is bovine tallow.
- JBS Embalagens Metálicas invested over R\$ 80 million to build a new plant, geared exclusively to production of steel (tinplate) and aluminum cans

Product integrity

- **Araguaia League:**

- Friboi entered into a partnership with the Araguaia League, whose members include around 60 livestock producers in the Médio Vale do Araguaia region, located in the state of Mato Grosso. The goal is to promote sustainable livestock development in the region, with the support of local producers.

- **Social Fuel Seal:**

- 19,056 head of cattle were acquired from family farmers through the Social Fuel Seal program, a 60% increase year-over-year. This initiative is a partnership between Friboi and JBS Biodiesel in the the state of Rondônia, which is developed by training small livestock producers in an effort to improve pasture lands, property management, herd management and genetic improvement, with purchases guaranteed by the Company.

- **JBS 360°:**

- JBS Couros launched 360°, a platform making it possible to access information on everything from the farm of origin to the final product. Through the jbs360.com.br website, customers have quick access to information on the origin of leather.

- **Brazilian Roundtable on Sustainable Livestock (BRSL), Global Roundtable for Sustainable Beef (GRSB), Tropical Forest Alliance (TFA):**

- JBS supports initiatives that promotes actions aimed at ending deforestation in the world and contributing to improve sustainability across the industry's entire value chain.

- **Supply Chain Protocol:**

- The program brings together strict protocols on topics such as animal welfare, traceability, sustainability, operation, production, quality, industrialization and marketing. In 2019, all 36 Friboi production units passed and kept their seals.

Social responsibility



Community:

- Structuring of the Good Deeds Are Good (Fazer o Bem Faz Bem) institutional program, whose first unified action was the 2019 Christmas Campaign. Over 75 municipalities were registered, with over 90 institutions benefiting, and between the total raised and JBS contributions, this resulted in more than 100 metric tons of food donated, helping around 6,600 families. In 2020, the program is donating R\$ 400 million to actions against the Covid-19 pandemic in Brazil.
- **INSTITUTO GERMINARE:** a non-profit organization, sponsored by JBS Brasil, with the goal of providing full-day high-quality education free of charge to students. There were 585 students registered in 2019.

Health and safety:

- Drop in the number of team members with leave registered with the Social Security system. In 2019, there was a reduction of 18.9% at JBS Brasil.
- In 2019, the SESMT worked significantly with the It's Time to Take Care campaign, focusing on mental health. A variety of inhouse events were developed at businesses to instruct team members not to avoid seeking help.

Environmental stewardship

A total of R\$ 99.7 million was invested in environmental management at JBS Brasil in 2019, up by 83% from the previous year.

Water and effluents:

JBS in Brazil reused over 178 million liters, which is equal to the monthly consumption of a city with a population of 50,000.

Climate change:

- The Friendly Oil program, conducted by JBS Biodiesel in partnership with JBS Ambiental, collects used cooking oil from over 200 collection points in 37 municipalities in São Paulo. In 2019, 4.7 million liters of cooking oil were recovered, to be reused in biodiesel production, 34% more than in 2018.
- Changing out the truck fleet resulted in savings of 83,000 liters of diesel fuel in the last quarter of 2019.
- The Kind Leather project launched a new sustainable leather with a more efficient production process, reducing CO₂ emissions by 65%.
- JBS Biodiesel is the first biodiesel company authorized to take part in a new Brazilian policy to reduce greenhouse gas emissions, with the authorization of the country's National Agency of Petroleum, Natural Gas and Biofuels (ANP). This means that the Company now is authorized to issue Decarbonization Credits (CBio), as established by the RenovaBio program.

Energy:

- Out of all direct energy used in JBS Brasil processes, 86% comes from renewable sources.
- JBS has a cogeneration unit, called Biolins, which uses biomass to generate thermoelectric and steam energy. Biolins alone generates the equivalent of 20% of total energy used by all JBS factories in Brazil.

Waste and packaging:

- Approximately 387,000 metric tons of waste generated at factories were reused and sent for composting, recycling, energy reuse and cogeneration.
- Approximately 66% of packaging volume for Friboi products come from renewable sources.
- In 2014, JBS joined, in Brazil, the Prolata Program, an initiative that has already recycled over 31,000 metric tons of steel, besides the Cidade+ Program, that supports cooperatives throughout Brazil.
- In 2019, JBS Ambiental, a business unit working with a circular recyclable waste economy, managed 23,904 metric tons of solid waste, including plastics, metals, oil, cardboard and non-recyclable waste.



Lins (SP)

Animal welfare

The main actions developed were:

- Maintenance of the Supply Chain Protocol Certification at 36 units;
- Internal animal welfare audits held at 36 units (Operational);
- Maintenance of PAACO certification at 10 units and certification of 5 additional units;
- Visit by Dr. Temple Grandin to JBS in, Brazil, in order to enhance practices;
- Launch and dissemination of the Good Stockyard Management Practices manual (Grupo Etco) at Friboi units and JBS feedlots, at events with cattle suppliers and through digital means;
- Friboi highlighted as a case of success in the Animal Welfare book in Brazil and in Germany, as a result of investments in the animal welfare area, with distribution of books to units.
- Investments in animal welfare by JBS Brasil during 2019 totaled R\$ 74 million.

SEARA



Highlights



Seara Nature ham sausage sandwich

- Over **187 products** were launched
 - Brand new lines, such as **Organic Chicken, Seara Da Granja, a Seara Nature and Incredible Seara**, with plant-based protein products
 - Expansion of the **Seara Gourmet** range
 - Launch of Seara's first promotion in five years, called **Home with Seara**, aimed at retailers and consumers.
 - **Seara Top Grade Butcher Channel** was implemented at over 250 stores at the end of its first year at Seara.
 - The success of the **DaGranja** range (100% natural) in the Middle East has opened the doors for exports.
-
- Alliance with Carrefour to expand the Company's online offerings to the United Arab Emirates (UAE).
 - **Super Agro Project** brings technology to the rural sector.
 - The **Incredible Seara** range, released at the same time in three countries, was Seara's first international launch.
 - **Incredible Lab:** hub a hub for innovation formed by Company researchers in partnership with scientists, universities and even consumers. The Incredible Lab was created with a focus on developing plant-based protein products for the Incredible Seara range, but its activities will be extended to innovations related to other lines.

Product integrity

- All advisory and training actions carried out by Seara are adopted by poultry as well as pork producers, through work by around 500 extension agents and veterinarians who make technical visits.
- In late 2019, the Company had nearly 9,000 integrated production suppliers in Brazil.

Super Agro

Created in 2017, the goal of Super Agro is to consolidate the JBS Culture and establish the Seara brand in Integration and in the Community, with a range of audiences, such as integrated producers, extension agents, managers and Agriculture team members. There are two fronts of action:

- *Agriculture Extension Award*
- *Best Producers Award*



André Chiamolera, Agricultural Manager at Seara, and his team at the Itapiranga production unit (SC)

Social responsibility

Community:

- The Ipumirim unit received Corporate Citizen certification for two consecutive years, in 2018 and 2019. This program is part of the Novos Caminhos (New Paths) Program, benefiting minors living in shelters.

Occupational Health and Safety:

- 28% fewer Seara team members with leave registered with the Social Security system.
- The health and safety of its team members, partners, suppliers and stakeholders is a priority at Seara.

Environmental stewardship

Investments in this area in 2019 totaled R\$ 136.2 million, 37% more than in 2018.

Water and effluents:

- Seara reused 1.7 billion liters of water, 31% more year-over-year.

Climate change:

- Seara lowered its scope 1 GHG emissions (direct emissions) by 21% in relation to the previous year, considering its emissions per metric ton of product produce.

Energy:

- Seara's energy matrix includes 91.7% renewable energy, considering direct energy use (electricity, thermal energy and use of fuel in general).

Waste and packaging:

- 286,000 metric tons of industrial waste were reused for composting, recycling, energy reuse and cogeneration, accounting for over 70% of total waste generated.
- Seara lowered waste generation by 17% in 2019.
- Approximately 80% of packaging volume for Seara products come from renewable sources.
- Support the work of the Cidade+ Program, that advises municipal governments on implementing smart selective collection while at the same time allowing companies to comply with the requirements of the National Solid Waste Policy.



Animal welfare

Rodrigo Bisolo
Integrated hog producer



- Animals are fed using only feed formulated by the Company, with ingredients that include corn, soy and other grains and which contains no hormones of any kind, in compliance with Brazilian law.
- About 9,000 producers and 100% of the internal team underwent training, with a total of 14,000 people trained.
- Maintenance of low densities in raising birds, with the maximum level set at 39kg/m². Current status: less than 35kg/m².
- A commitment undertaken by Seara is the transition from individual to collective gestation pens in pork production by 2025. Current status: 58% adapted.
- The exclusive use of eggs from chickens raised free of cages by 2020 is a commitment undertaken by Seara.
- A Seara é membro do Livestock Technical Committee, promovido pelo certificador de qualidade GlobalGAP, voltado a discutir e definir tendências, requisitos e parâmetros de bem-estar animal mundialmente.
- The Company made investments of around € 77.8 million in animal welfare, particularly in initiatives aimed at climate-control, comfort and availability of animal feeding equipment. In addition, approximately R\$ 14.5 million has been invested in animal welfare improvements at Seara production units.

JBS USA

JBS USA Beef, JBS USA Pork
and Pilgrim's Pride



Highlights

JBS USA Beef

- The world's largest beef company.
- JBS USA Beef maintained its investment strategy, investing US\$ 1.8 billion over the past 10 years.

JBS USA Pork

- JBS USA Pork reached a milestone of US\$ 500 million invested over the last 10 years.
- in the U.S. alone, more than 200,000 hours and US\$ 33 million were invested by the Company in leadership training and development programs for its team.

Pilgrim's Pride

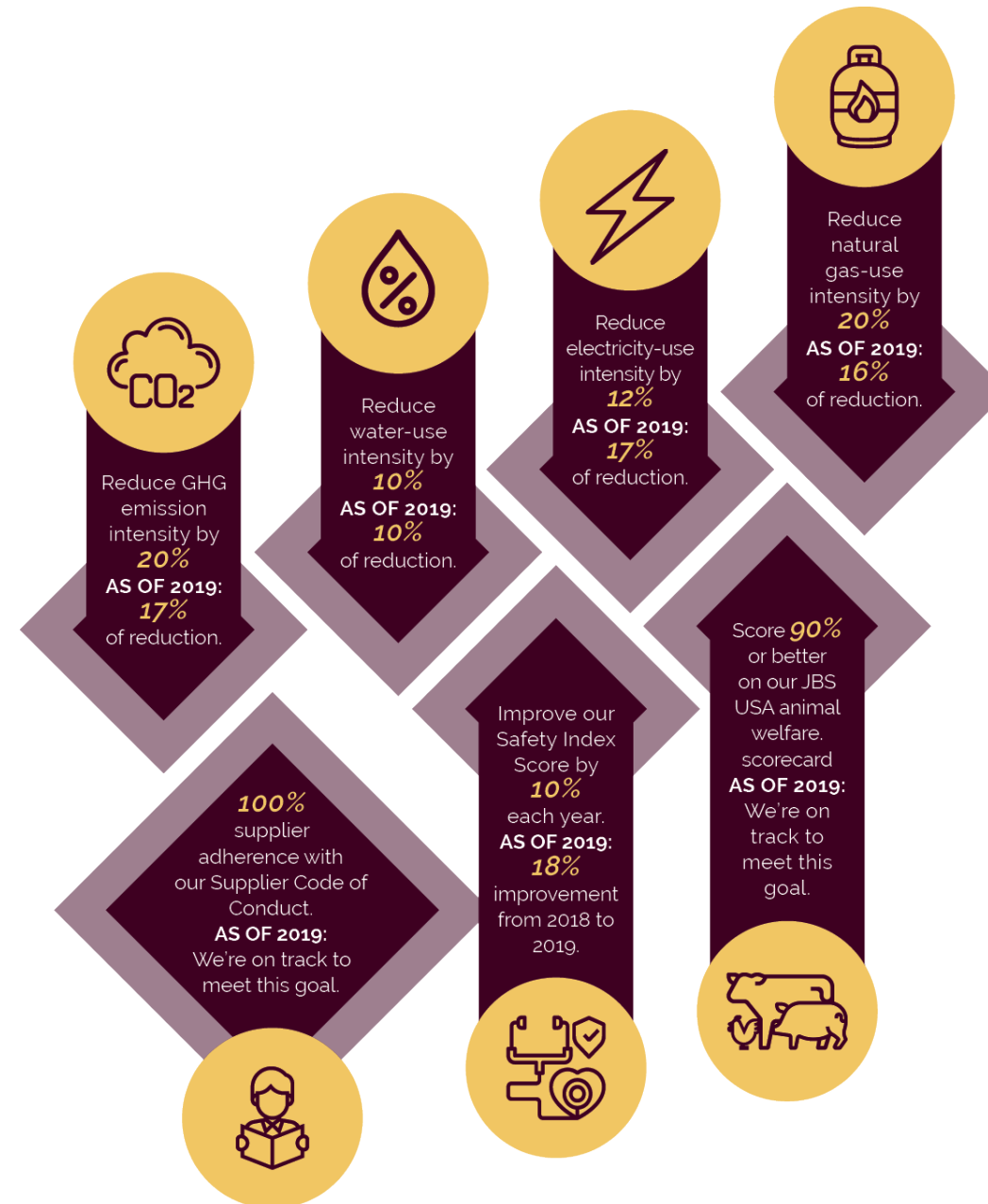
- Pilgrim's acquired Tulip Limited in 2019 for approximately US\$ 392 million.



Sustainability

The JBS USA sustainability approach is guided by the mission to be the best in all that we do while securing the opportunity of a brighter future for JBS team members, shareholders, suppliers, customers and the next generation. Sustainability involves continuously improving social responsibility, economic viability and environmental stewardship. Using these pillars to guide the JBS USA process, in addition to input from internal and external stakeholders, the Company have five key areas of focus: product integrity, team member health and safety, animal welfare, water, and energy and climate change. To fully integrate Company key priority areas into business operations JBS USA set aggressive goals for 2020.

2020 goals set for U.S. and Canadian facilities only. Environmental goals established based on 2013, 2014, 2015 average baselines.



Product integrity



Pilgrim's Sanford, NC, Family Farm Partner Barn with Broiler Chicks

- More than 81,000 suppliers, from small family farms and ranch partners who supply us with livestock and poultry to large multinational companies that manufacture and provide materials and services.
- More than 4,900 family farms have partnered to raise our chickens.
- The U.S. based business purchased more than 24.8 million hogs from approximately 800 family farmers to supply our five U.S. pork production facilities.
- Moy Park purchases pork from approved suppliers, which are audited annually for food safety and animal welfare.
- JBS USA Beef and JBS Food Canada purchased more than eight million head of cattle from approximately 32,000 family farms and ranches to supply 10 beef production facilities.
- JBS USA has a 2020 goal for all of partners with agreements entered into since 2018 to be in agreement with the Supplier Code of Business Ethics and Conduct.

Social responsibility



Community:

- At the national level in the USA and Canada in 2019, JBS USA and Pilgrim's supported the United Way, American Cancer Society, March of Dimes, Relay for Life, American Red Cross and local learning institutions.
- In Australia, Primo Foods supports Foodbank, an initiative aimed at serving people living with food insecurity.
- Moy Park products equaling 370,000 meals were donated for redistribution across FareShare's entire network of 21 Regional Centers, reaching homeless shelters, breakfast and lunch clubs, domestic violence shelters and community cafes throughout the United Kingdom.
- Together with the government of Brooks, JBS USA supports the JBS Canada Center, a facility where immigrants are able to play sports, attend educational activities and become more familiar with the English language and Canadian culture.

Occupational health and safety:

- JBS USA's Ergonomic Improvement Program was designed to reduce the effects of repetition, contact stress and static postures.
- Each facility has a safety committee, the members of which are team members from that same location, who meet regularly to assess workplace risks and propose mitigation strategies.
- JBS USA aims to improve the Safety Index Score by 10% each year. There was a 18% rate improvement from 2018 to 2019.

Environmental stewardship

Water

- In addition to a corporate target to reduce water consumption intensity by 10% from 2015 to 2020, there are also individual targets by business unit and facility.
- JBS USA has a target to reduce water use intensity by 10% by 2020.

Effluents

- The Tolleson, Arizona facility reduced organic waste production by removing and capturing a greater amount of tallow during the water reclamation process.

Climate change and energy

- Eleven of the Company's facilities use biogas as a renewable energy source and two have implemented solar systems.
- By 2020, JBS USA aims to lower electricity use intensity by 12%, natural gas use intensity by 20%, and greenhouse gas emissions intensity by 20%.

Waste and packaging

- 80% of clean cardboard is sent to recycling centers or paper mills to be reused
- 95% of pallets are returned to suppliers for reuse
- Pilgrim's Moy Park kept its commitment of sending zero waste to landfills.



Animal welfare

- The goal at JBS USA is a score of 90% or better on their Animal Health and Welfare Scorecard.
- Cattle in JBS Australia feedlots are housed in groups in open-pen, dirt lots. Pen stocking rates meet or exceed industry standards and are based on the animal's expected final weight.
- Pilgrim's does not make physical changes to none of the chickens and acquires roosters and sows only from companies with strict protocols to minimize the stress related to these procedures.
- At Tulip, routine tail docking is not performed and is only permitted with veterinary approval and castration is not permitted.
- At Pilgrim's, during cold weather, we add side and front panels to the transport cages to keep chickens warm. During the summer months, we reduce the number of chickens per cage, keep them shaded and provide fans and misters to keep them cool and minimize heat stress.



➤ **Performance
and
perspectives**



Achievements



Embanews Awards 2019:

Seara won five prizes at the biggest packaging industry awards in Brazil, with its exclusive technologies: "Power Vac" in the Seara Rotisserie range and the "Heats Evenly" tray in the Lasagnas range.

Whow! Innovation Award: Seara was named the most innovative company in the 'Foods' category at the second edition of the award, which is organized by Grupo Padrão and the Padrão Intelligence Center.

Revista Época Reclame Aqui Award:

Seara was a finalist in the award given for excellence in consumer services, placing 3rd in the 'Perishable Food - frozen and dairy products category.' Friboi was also highlighted during the award and was nominated for a second year.

Datafolha: Friboi has now been named the best beef four times straight, garnering 34% of survey respondents.

APAS Acontece Award: Friboi was chosen as the best supplier in the meats segment for the third year running.

Tito Muffato Award: Friboi won in the 'Butcher' category.

"The best-selling beef in Brazil" seal:

Friboi was given this title by the Nielsen consulting firm.

Nelore Circuit 2019: Friboi was recognized in two categories of the award, which is given out by the Brazilian Nelore Breeders Association (ACNB).

Top Supplier 2019: Friboi came in first place in the packaged beef cuts category, in the award given out by SA Varejo Magazine.

Prezunic: Named by the supermarket chain as the best supplier in the beef segment.

Comer&Beber 2019/2020: Swift placed first in the ranking, compiled by Veja São Paulo magazine.

Certifications

Various JBS production units hold additional certifications, which guarantees better quality processes and products, while also opening up access to new markets.

Animal welfare:

PAACO (Professional Animal Auditor Certification Organization) – assesses compliance with animal welfare standards for meat processing plants, following the NCC – National Chicken Council Animal Welfare Guidelines, Feb. 2017 and International legislation.

National Feedlot Accreditation Scheme (NFAS) – certification granted by a committee whose members include representatives of the Australian industry, certifying that product documentation and auditing practices comply with the standards established by the association.

Animal Welfare Certification System (AAWCS) – an independently audited certification that shows compliance with preexisting standards in best animal welfare practices for the cattle processing industry.

ACP (Assured Chicken Production) – certified by Red Tractor, the UK's largest platform for assessing good practices in farms and food companies.

Free-range chicken – assessment done of the production chain (farm, hatchery, feed plant and meatpacking plant) by a certification agency in relation to ISO 16389:2015.

Production practices:

Global GAP – an audit focused on the agribusiness chain (parent stock / hatcheries / broiler chicken farms).

Halal – certification of the food production chain (processing of poultry and processed foods), which certifies if the production process complies with religious precepts, as well as current laws.

Federally Inspected Type (TIF) – certification that sets the standards for best poultry production practices in Mexico.

Food safety:

BRC (British Retail Consortium) – ensures supplier compliance and assures the capacity to guarantee the quality and safety of the food products.

Organic Chicken – assessment through which a certifying organization assures that the product and process comply with organic production and animal welfare practices and standards.

Global Food Safety Initiative (GFSI) – certifies that the company meets the food safety standards established by the organization, which joins the biggest global actors related to this area.

Red Tractor – the biggest initiative standardizing food norms in the United Kingdom.

Social responsibility:

Empresa Cidadã – certificate granted by the Santa Catarina State Childhood and Youth Coordination based on execution of community programs.

Smeta – Sedex Members Ethical Trade Audit (SMETA). Certifies that companies are using best practices in ethical auditing techniques.

RA1000 (Reclame Aqui) – seal granted to companies with excellent rates of service.

Certificate of Recognition (COR) – certificate from the Alberta Food Processing Association, in Canada, which assesses occupational health and safety.

Environmental:

Leather Working Group (LWG) – certifies companies with good environmental practices at tanneries around the world.

NBR 16296 – national standard of Brazilian Leather Certification of Sustainability (CSCB).

ISOs:

ISO 14001 – environmental quality management standards.

ISO 9001:2015 – general quality management standards.

IATF 16949:2016 – standards related to auto industry requirements.

OHSAS 18001 – Occupational Health and Safety Assessments Series.

ISO 50001 – it certifies that the company adopts the best energy efficiency practices.

ISO 17025 – requirements for standardization of testing and calibration laboratories.

Financial highlights

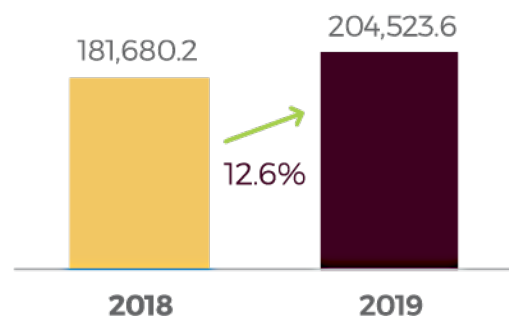
In yet another year of excellent results, JBS ended 2019 with revenues of R\$ 204.5 billion, the highest figure on record for the Company. This performance shows the importance of engaging the entire Company and of management focusing on operational excellence, innovation and sustainability.

NET REVENUE

Net revenue at JBS was R\$ 204.5 billion, equivalent to US\$ 51.7 billion, a record high. This amount is 12.6% higher than in 2018, which was formerly the year with the highest net revenue.

R\$204.5Bi

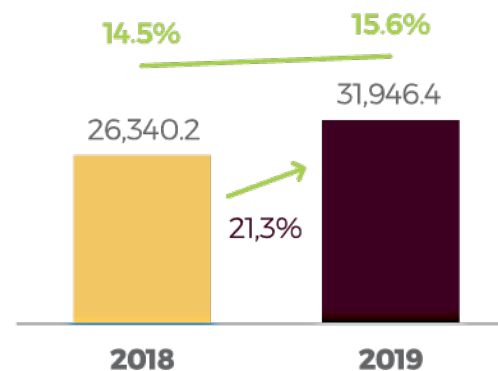
Up 12.6% year-over-year



GROSS PROFIT

Gross profit reached R\$ 31.9 billion, growing by 21.3% compared to 2018. Gross margin rose from 14.5%, in 2018, to 15.6% in 2019.

R\$31.9Bi



NET INCOME

In 2019, net income grew by 241 times over 2018, reaching R\$ 6.1 billion. Earnings per share for the year was at R\$ 2.28.

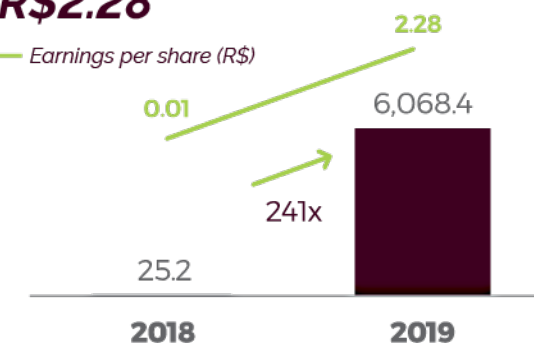
Net income for 2019 totaled

R\$6.1Bi

Earnings per share was

R\$2.28

— Earnings per share (R\$)

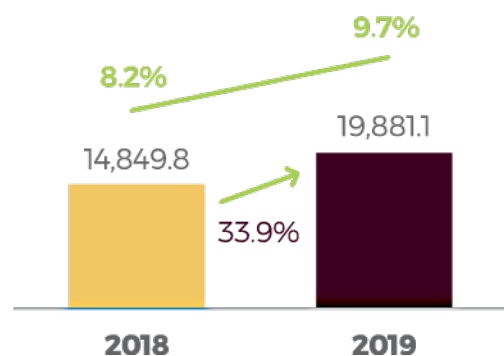


Financial highlights

ADJUSTED EBITDA

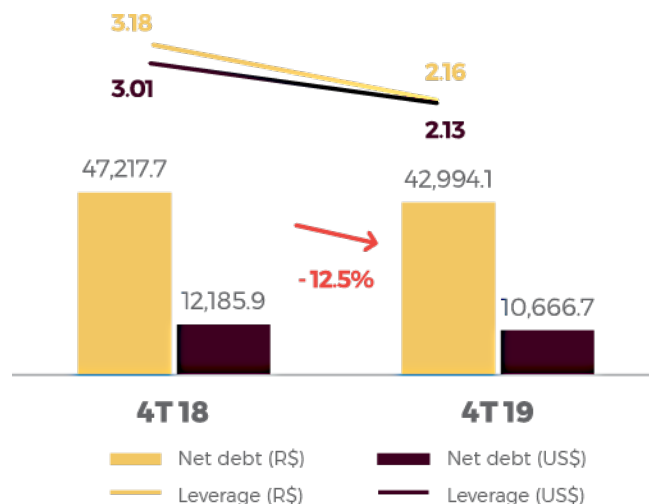
Adjusted EBITDA also hit a record high: R\$ 19.9 billion. EBITDA margin rose from 8.2% in 2018 to 9.7% in 2019.

R\$19.9Bi



NET DEBT AND LEVERAGE

Net debt in Brazilian reais fell by R\$ 47.2 billion to R\$ 43.0 billion in 2019, lowering leverage from 3.18x to 2.16x during the period. In US dollars, net debt dropped from US\$ 12.2 billion to US\$ 10.7 billion - leverage went from 3.01x to 2.13x.

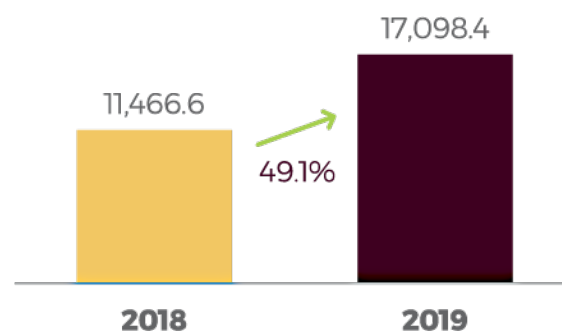


OPERATIONAL CASH FLOW

In 2019, JBS operational activities generated R\$ 17.1 billion in cash, 49.1% higher year-over-year.

R\$17.1Bi

Up 49.1%, year-over-year

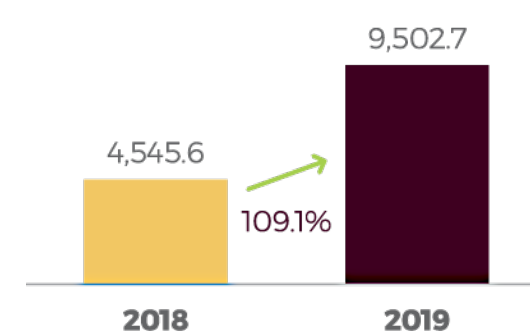


FREE CASH FLOW

Free cash flow was R\$ 9.5 billion, 109.1% more than in 2018.

R\$9.5Bi

Growth of 109.1% compared to 2018



Leverage in US\$ at the end of 4Q19 was

2.13x

Leverage in R\$ at the end of 4Q19 was

2.16x

Future outlook

JBS Couros production unit in Itumbiara (GO)

- Challenge of guaranteeing quality food for the over 7.7 billion people living on the planet - which should reach 10 billion in 2050, according to projections from the United Nations.
- Animal protein consumption is expected to increase by 70%, along with a rise in global population, wealth and urbanization.
- Global business model, supported by a fast relationship with the value chain and by the diversity of our geography and portfolio, focusing on value-added products.
- Improve operating performance and portfolio diversification allow for growth and improved margins, in addition to benefits from integrating the various chains that make up the Company's product mix.
- The Company's growth strategy includes seeking out value-added services and products, based on financial discipline and the sustainability of operations.
- Investments in training, safety and close communication are some of the strategies to strengthen and share the JBS Culture.
- Reduce footprint, especially in relation to water use, carbon emissions and generation of waste.

Annual and Sustainability Report

2019 • Executive version

