

# SUSTAINABILITY REPORT

Pamplona Alimentos S/A - 2019



**Pamplona**

# ANNUAL REPORT

2019

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# Letter from the President

(GRI 102-14)

2019 was a year of great challenges and opportunities and, in preparing the Sustainability Report for Pamplona Alimentos S/A, in accordance with the GRI Standards (Global Reporting Initiative), I would like to address all stakeholders to thank all of them for one more year of evolution and great results.

The company's objective with this publication is to share the progress, commitments, challenges, actions and performance in regards to the main topics related to sustainability.

Over the years, Pamplona Alimentos S/A has been preparing itself and the adversities for agribusiness during 2019 turned into great opportunities.

Maintaining Pamplona's strategic vision has ensured the process of modernizing the industry, with increased efficiency and operational and logistical excellence. The company's organic growth was based on the launch of products with high added value, based on consumption trends. Thinking about the end consumer, the Saudável brand was reactivated, bringing products that were reformulated according to the new market trends.

In the domestic market, on the other hand, there was an increase in the aggressiveness of competitor offers, while economic activity maintained a low growth, and in the context of the expansion of the foreign market, and with the

strong increase in corn which is the main input of pork, and the low consumer purchasing power, it was not possible to pass on the costs in their entirety to the selling prices, making it impossible to achieve the expected gross margins.

In the foreign market, Pamplona Alimentos S/A has demonstrated its readiness and ability to meet the sudden demand for products in China, a market known for its high demands regarding product quality.

The resumption of investments, combined with the strategy of innovative solutions, allowed for the generation of shareholder value, profit sharing for more than three thousand employees and a greater addition of value to the municipalities and the value chain. Progress was made in all the commitments made during the previous year.

In the social field, I would like to highlight the transfer of tax incentives to social entities, which was carried out for the first time through incentive laws, such as the Rouanet Law, the Sports Law, the Childhood and Adolescence Fund and the Elderly, Oncology and Disability Fund.

In the environmental area, an inventory of atmospheric emissions and the purchase of incentive energy from a renewable and sustainable matrix were carried out, to the order of 100% of the contracted volume.

I would also like to highlight the investments made in the continuous development of new lines of swine genetics, in the development practices and in laboratory and sensory analyzes, which places the company on a level of excellence in food quality and safety which is recognized by the most demanding markets.

The improvements in governance and sustainability and the structuring of the compliance system that were implemented during the previous year, and solidified in 2019, through extraordinary performance by the Board of Directors and the various committees, which made the proposals and decisions a reality in addition to improving the company controls through the combination of the experience of the independent members and the senior executives.

The success of 2019 was due to the strategic evolution of the production lines, through taking advantage of the opportunities created by the expansion of the operations, and an approach which is focused on efficiency and the generation of value for the shareholders.

For 2020, Pamplona Alimentos S/A intends to continue its expansion plan, always striving for high standards of business management and corporate governance, highlighting its commitment to continue growing through innovation and conquering new markets. It will continue with its commitment to fulfill its strategic agenda, aiming at the continuous evolution of operational excellence and efficient capital allocation, offering its customer products that have a high standard of quality and are filled with flavor.

In order to better serve all its customers, Pamplona intends to invest, over the next five years, in the Presidente Getúlio factory - Santa Catarina, with values of approximately BRL 200 million.

I would like to personally thank all the shareholders and financial institutions for their support and trust, these are fundamental conditions for the realization of all the actions and projects that provided the profits achieved, and to the employees who worked hard in the construction of the results obtained and in serving the stakeholders, all the customers for their trust, all the suppliers and service providers for their decisive contribution to all the diverse actions that were carried out, supporting the development, which is always aimed at offering practical and healthy products.



**Irani Pamplona Peters**  
Director-President

It is a great honor to be at the head of a company that has a history seasoned with love, with ideas that are full of flavor, healthy and practical products for everyday life and which has been constantly seeking the "Flavor of Quality, since 1948".

Irani Pamplona Peters  
Director-President

# 02

## About the Report

Pamplona Alimentos S/A, hereinafter referred to as Pamplona, publishes its third sustainability report, hereby continuing the process of transparency and accountability to its stakeholders. This report was prepared in accordance with the GRI Standards: the Essential option, an international standard in sustainability reporting developed by the GRI (Global Reporting Initiative). The information in this publication refers to the calendar year 2019 (01/01/2019 - 12/31/2019). (GRI 102-1; GRI 102-50; GRI 102-54)

The process of defining the content of this report has been carried out continuously since 2017, in its first version, allowing the report to be directed in line with stakeholder expectations, that is, according to the prioritization of the material themes of Pamplona's sustainability subjects. The engagement involves annual consultations with internal stakeholders, represented by the leaders, and external stakeholders, representing Pamplona's direct business environment. In the external context, the consultations involve representatives of sectorial entities, public authorities, business partners, suppliers and customers.

The consultations took place between January and February 2020 and were conducted by an independent third party. (GRI 102-40; GRI 102-42; GRI 102-43; GRI 102-46)

In addition, in order to include the vision of its international stakeholders, the consultation for this version of the report included a representative of the Asian market, through the participation of a trader located in China, Pamplona Alimentos' largest export market. (GRI 102-40; GRI 102-46)

During the consultations, it was possible to verify that the concerns of external stakeholders are in line with the topics already reported by Pamplona. The targeting of material topics for reporting - the scope of the GRI aspects and indicators, therefore, remained the same as in 2018, reinforcing perceptions already identified, among them the need to present sustainability goals and commitments and placing the reporting of development practices and product quality as a priority. (GRI 102-44; GRI 102-46; GRI 102-47)

Based on the GRI Standards, the "Essential" agreement option, Pamplona defined its scope of 20 material aspects and 31 indicators, which are presented throughout this Report. It voluntarily presents items of general content of the "Comprehensive" agreement option and its own indicators that address the material themes defined.

Pamplona is always open to listen to all its stakeholders through the direct channel. The channel is available on its website or the Customer Service email [sac@pamplona.com.br](mailto:sac@pamplona.com.br). Questions, suggestions or comments about the report can also be sent to [pamplona@pamplona.com.br](mailto:pamplona@pamplona.com.br) or addressed by phone (47) 3531-3131. (GRI 102- 53)

## Engagement and Materiality

(GRI 102-43; GRI 102-44; GRI 102-46; GRI 102-47)

The main points raised by the stakeholders, during consultation on the sustainability report, are used to define the content of the report and to support future guidance in reporting and management.

The material GRI themes and aspects are the same as those presented in the previous report, as shown in the table. The GRI themes and aspects already prioritized by internal and external audiences in the 2017 and 2018 versions of the sustainability report were confirmed through consultations with stakeholders in 2019 and represent the chapters that organize the publication. (GRI 102-47)

MATERIALITY	GRI ASPECTS MATERIALS (GRI 102-47)	CUSTOMERS	SUPPLIERS	TRADER	PUBLIC AUTHORITIES
Economic performance and governance	Economic tax performance	**	**	**	**
	Fight against corruption	***	**	**	***
	Environmental compliance	***	***	***	***
	Social compliance	***	***	**	**
Supplier management and development	Purchasing practices	**	***	**	**
	Environmental evaluation of suppliers	***	***	**	***
	Social evaluation of suppliers	***	***	**	**
Product quality	Marketing and labeling	**	*	*	***
	Customer health and safety	***	**	***	***
	Animal welfare	***	***	***	***
Environmental Management	Materials	*	***	*	**
	Energy	*	**	*	**
	Water	***	***	***	***
	Emissions	**	*	**	***
	Effluents and waste	***	***	**	***
People management	Employment	*	*	*	***
	Training and education	**	**	**	***
	Occupational health and safety	***	***	***	***
Presence in the community	Indirect economic impacts	**	**	**	***
	Local communities	*	**	*	***

\* Considered \*\* Relevant \*\*\* Very relevant

The new *stakeholder* consultations, especially with the representative of the foreign market, brought important contributions to the improvement of the current and future reports. In line with previous consultations, the prioritized themes involve the development and quality assurance and product safety practices.

The inclusion of new themes, therefore, is associated with the material themes already reported on a priority basis by Pamplona, but they signal the expectations of *stakeholders* regarding the deepening of the report on some specific topics, as shown in the table below.

Topics in which stakeholders expect Pamplona to expand or qualify the reported information (in order of importance)	
01 Quality of animal nutrition	02 Use of antibiotics and sanitary practices
03 Quality of transport, refrigeration and storage of the product	04 Technology and systems for traceability
05 Quality control and team training	06 Working conditions and labor practices
07 Modernization of the industry and sustainability	08 Optimization of natural resources, such as water

Aspects such as logistical improvements, modernization, technology and investments, in addition to practices directly involving quality and development, can already be seen in the expanded content in this edition of the report. The contents associated with other topics may be incorporated or expanded in future editions, in line with the expectations of Pamplona's *stakeholders*.

# 03

## Sustainability challenges

(GRI 102-15)

Pamplona, based on its market strategies and expected growth, believes that sustainability is an important vector in business to be considered in its strategy and management. To this end, it seeks to understand industry trends, stakeholder expectations, challenges and opportunities arising from a business model focused on efficiency, reduction of resources, costs and the minimization of environmental and social impacts throughout its value chain. The practice of sustainability reporting, involving consultation with stakeholders and the definition of internal improvement goals and processes collaborates with this scenario.

In this sense, investments in software and management systems, new certifications, technological updates and modernization of the operation, acquisition of equipment with greater efficiency and less consumption of resources, contribute to the emergence of a more competitive and sustainable industry. In addition, the qualification of practices directly linked to the product, involving, above all, the development, quality and food safety are evident and presented throughout the three editions of the sustainability report.

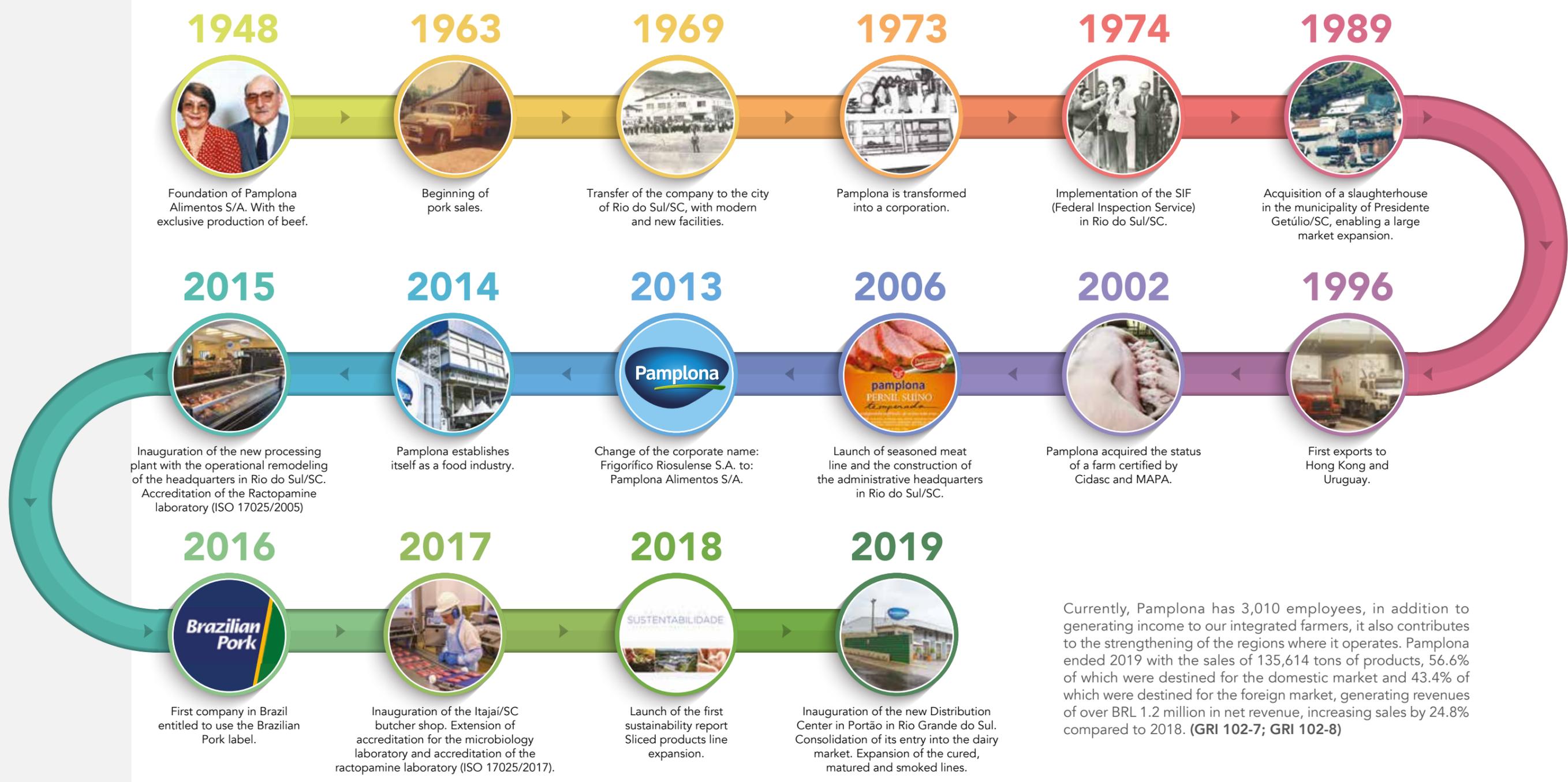
In line with the feedback from our stakeholders, Pamplona understands that these themes are essential conditions and are increasingly demanded by consumers. To this end, it has developed practices and has expanded its report on material topics. In order to demonstrate its commitment to sustainability challenges, the following is a summary of the accountability of the commitments assumed by Pamplona in the previous report.



COMMITMENT TABLE (GRI 102-15)					
TOPIC	GRI ASPECT	2019 COMMITMENT	STATUS	RESULT	2020 COMMITMENT
COMMITMENT TO SUSTAINABILITY	Strategy	New commitment assumed in the investment line with the principles of efficiency and environment	(N/A)	(N/A)	<ul style="list-style-type: none"> <li>Investments in machinery and new equipment that have as premises the reduction of energy consumption and other resources, reduction of emission of pollutants and waste</li> <li>Disclosure in the next reports of investments that take into account this principle and the gains related to the environmental aspects obtained.</li> </ul>
ECONOMIC PERFORMANCE AND GOVERNANCE	Fight against corruption	Evolution of Pamplona's compliance practices based on the following actions: 1- disclosure of the Code of Ethics and reporting channels to all stakeholders; 2- a report of complaints received according to classification (environmental, social or integrity) and the measures adopted; 3- completion of training on the Code of Ethics for all employees; 4- consolidation and development of Pamplona's integrity program through risk analysis, classification and mitigation.	Commitments in progress	Finished actions: (3) training regarding the Code of Ethics for 100% of employees. Actions in progress: (1) disclosure of the Code of Ethics and reporting channels to all stakeholders; (4) consolidating and developing Pamplona's integrity program through risk analysis, classification and mitigation; (2) reporting of complaints received according to classification (environmental, social or integrity) and the measures adopted.	<ul style="list-style-type: none"> <li>Continued evolution of compliance practices with completion of the ongoing actions of the commitments previously assumed:</li> <li>disclosure of the Code of Ethics and reporting channels to all stakeholders;</li> <li>consolidation and development of Pamplona's integrity program through risk analysis, classification and mitigation.</li> </ul>
DEVELOPMENT	Animal welfare	Remove the use of cages by 2026.	Commitments in progress	Practices in progress	<ul style="list-style-type: none"> <li>Remove the use of cages by 2026.</li> </ul>
PRODUCT QUALITY	Customer Health and Safety	1- Analysis of three microbiological parameters with proficiency tests (three parameters out of five). 2- Project planning to carry out physical-chemical analysis in its own laboratory. 3- IFS certification.	Commitments in progress	1-Proficiency in the tests of the three parameters analyzed. 2- Internal definition for carrying out physical-chemical analyzes in its own laboratory for future investment. 3 - The company has been undergoing audits for IFS certification and should complete certification in 2020.	<ul style="list-style-type: none"> <li>Analysis of four new microbiological parameters with proficiency tests (becoming seven parameters in total)</li> <li>Resumption of planning to carry out physical-chemical analyzes in its own laboratory.</li> <li>Obtaining the IFS Certification.</li> </ul>
PRODUCT QUALITY	Customer Health and Safety	1- Investments in Information Technology in the industry to enhance the traceability process.	Unfulfilled commitment	1- Despite the fact that Pamplona has all the traceability in the industry and with that, the possibility of retrieving the product history and its production process, the information has not yet been computerized and this investment should be made in the coming years.	<ul style="list-style-type: none"> <li>Planning of the traceability computerization project for the coming years.</li> </ul>
PRODUCT QUALITY (R&D)	Customer Health and Safety	1- Expansion of the number of employees trained for sensory analysis in at least four new employees for the 2019 and 2020 biennium.	Fulfilled commitment	1- The sensory team was expanded to five new members in 2019.	<ul style="list-style-type: none"> <li>Continue the program in 2020.</li> </ul>
ENVIRONMENTAL MANAGEMENT	Environmental Aspects	Implementation of the environmental management system, enabling the definition of goals for reducing specific consumption of energy, water, treatment of effluents and waste.	Commitments in progress	1- Structuring of the environmental management system in progress in partnership with SENAI.	<ul style="list-style-type: none"> <li>Continuity of the commitment made previously and which is in progress, with the implementation of the environmental management system that will allow for the definition of new commitments and goals in the relevant aspects of the environment.</li> </ul>
ENVIRONMENTAL MANAGEMENT	Effluents and waste	Give direction to the project with the new technology in 2019.	Postponed commitment	1- Based on Pamplona's planning, the project schedule for the effluent treatment station was postponed and will be finalized in 2020, with the aim of identifying new technology for the process.	<ul style="list-style-type: none"> <li>Elaboration of the project and start of the implementation of the effluent treatment station.</li> </ul>
ENVIRONMENTAL MANAGEMENT	Emissions	Elaboration of scope and schedule and execution of the emissions inventory (of scope 1) for the biennium 2019 and 2020.	Fulfilled commitment	1- First emissions inventory carried out.	<ul style="list-style-type: none"> <li>The first stage of the commitment completed. Based on information from the first inventory, actions will be defined to reduce atmospheric emissions.</li> </ul>
LOGISTICS MANAGEMENT	Social and Environmental Impacts	1- Finalize the implementation at the Distribution Center in Itajaí / SC. 2- Start the implantation of the OTM in other units. 3- Report of gains in logistical efficiency represented by the reduction of distances traveled, fuel consumption and atmospheric emissions.	Commitments in progress	Finished actions: <ul style="list-style-type: none"> <li>implementation of the Distribution Center in Itajaí / SC.</li> </ul> Actions in progress: <ul style="list-style-type: none"> <li>implementation of the OTM in other units, with only the Rio Bonito/RJ branch outstanding;</li> <li>preparation of the information to start the logistic efficiency report in the next reports, in addition to the associated financial gains.</li> </ul>	<ul style="list-style-type: none"> <li>Logistics efficiency report in the next reports, covering aspects such as the reduction in consumption and emissions.</li> <li>Planning of the implantation of the OTM in the transport of grains and live animals.</li> </ul>
GRI	Engagement with Stakeholders	1- Expansion of the scope of consultations with stakeholders in the next reports. 2- Periodic validation of the materiality of the sustainability issues as well as adjustment of the report content according to the expectations of the stakeholders.	Fulfilled commitment	1- Qualitative stakeholder consultation process carried out with customer and supplier representatives. 2- Validation of materiality and the expansion of relevance.	<ul style="list-style-type: none"> <li>Maintenance of the consultation process, through the continuous inclusion of stakeholders and improved reporting.</li> </ul>

## Pamplona Alimentos S/A Profile and Performance

Pamplona Alimentos S/A, a private limited company, was founded on May 3, 1948, by Mr. Lauro Pamplona and his wife, Mrs. Ana Pamplona. Pamplona started its activities in the municipality of Agronômica, in the state of Santa Catarina. (GRI 102-1 and GRI 102-5)



Currently, Pamplona has 3,010 employees, in addition to generating income to our integrated farmers, it also contributes to the strengthening of the regions where it operates. Pamplona ended 2019 with the sales of 135,614 tons of products, 56.6% of which were destined for the domestic market and 43.4% of which were destined for the foreign market, generating revenues of over BRL 1.2 million in net revenue, increasing sales by 24.8% compared to 2018. (GRI 102-7; GRI 102-8)

# Pamplona's performance Profile

(GRI 102-4; GRI 102-6; GRI 102-7)

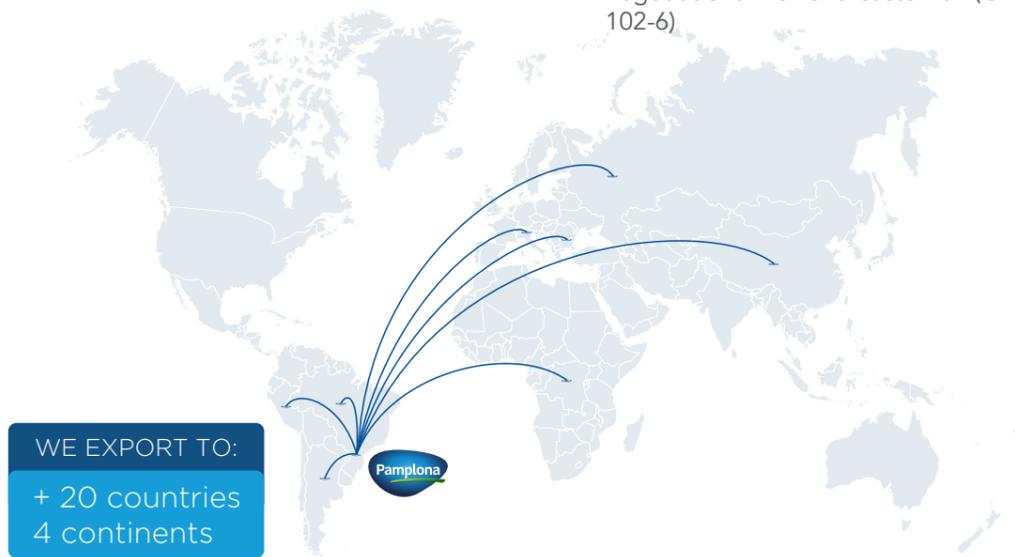


**Source: Foreign Market**  
Exporting to more than 20 countries located in Asia, Latin America, Africa, Eastern Europe and Middle East.

Pamplona's operations are carried out throughout Brazil, with the exception of the state of Roraima. Its headquarters are located in the municipality of Rio do Sul, in Santa Catarina, where its modern plant for processed products is situated. Its industrial complex also has a processing plant in the municipality of Presidente Getúlio/SC, a Feed Factory in Laurentino/SC, seven self-owned farms located in the Santa Catarina municipalities of Laurentino, Rio do Oeste, Rio do Sul, Trombudo Central and Ituporanga, and two butcher shops, one in Rio do Sul/SC and the other in Itajaí/SC. Pamplona also has nine distribution centers for the sale of products in the domestic market. In relation to the outsourced slaughterhouse in the municipality of Estação/RS for slaughtering pigs and food processing, in 2019 the activities with this partner were discontinued, and new strategic partnerships were developed in the southern states of the country for the maintenance and expansion of the operation of meat processing. (GRI 102-3; GRI 102-4; GRI 102-6; GRI 102-7; GRI 102-10)

Pamplona markets its products domestically through the brands Pamplona, Rio Sul, Saudável and Paraná. Altogether there are 298 products, divided into 18 lines. In pork meat category, the lines which stand out are: smoked, salted, Christmas line, sliced for food-service, seasoned products (in which Pamplona is a pioneer and market leader) and in processed pork products: ham, salami, sausages, sliced products for retail. (GRI 102-2; GRI 102-6)

For the foreign market, Pamplona mainly exports fresh pork, under Pamplona brand, to several countries where Brazil has export permission. Sales are made through trading companies, with exclusive representatives, or direct sales through negotiations with end customer. (GR1102-2; GRI 102-6)



# Pamplona's supply chain

(GRI 102-9)

Pamplona Alimentos has built up, over time, a solid and strong partnership with suppliers, guaranteeing the quality and innovation of its products which are distributed to consumers in Brazil and in several other countries.

A long-term relationship with suppliers is the mission of the supply sector, focused on ethical and commercial criteria, creating synergy and competitive partnerships for the development of businesses and regions that operate directly and indirectly with Pamplona Alimentos.

The supply chain had approximately 3,560 suppliers in 2019, among them suppliers from the agribusiness for pigs, cattle and cereals, suppliers of materials, services and equipment for investments in fixed assets and suppliers of auxiliary materials, highlighting the inputs for the Feed Factory, medicines, packaging and ingredients.

## Volume of purchases per category of supplier:

Supplier Category	Purchases 2019 (%)	Purchases 2018 (%)
Pigs	40.94	37.89
Cereals	23.76	29.24
Cattle	8.50	8.52
Agribusiness inputs	8.01	7.65
Packaging	5.88	7.39
Investments in fixed assets	4.72	2.87
Refrigerated ingredients	2.34	2.68
Other	5.85	3.76

Data source: Supply Chain Dept.

The category of pork suppliers stands out with 40.94%, followed by cereal suppliers with 23.76% employed in the production of the Feed Factory, and that of cattle with 8.50%, totaling the three categories more than a 70% share of the volume of purchases in 2019.

In 2019, 287 thousand tons of cereals and materials for the production of feed were acquired and processed, corn and soybean meal being the highest volumes (281 thousand tons in 2018).

The volume of purchases made in the state of Santa Catarina (54.12%) had a positive impact on the generation of jobs and local income as well as on the socioeconomic development of the state. (GRI 204-1; GRI FP1)

State of origin (GRI 204-1)	Purchases 2019 (%)	Purchases 2018 (%)
SC	54.12	48.98
RS	9.61	15.91
PR	11.11	11.83
MS/MT/GO	12.48	11.32
SP	7.52	10.03
OTHER	5.16	1.93

Data source: Supply Chain Dept.

The category of pork suppliers is highlighted as being the highest volume of purchases and also had a greater concentration in the state of Santa Catarina in 2019. (GRI FP1)

Category of Suppliers in SC*	Purchases 2019 (%)	Purchases 2018 (%)
Pigs	63.81	62.55
Cereals	10.75	8.16
Cattle	0.20	8.34
Packaging	7.00	8.71
Agro inputs	4.67	5.15
Ingredients	1.44	1.22
Other	12.14	5.86

Data source: Supplies

\* Consolidated information for the state of Santa Catarina.



# Socio-environmental and food safety

(GRI 414-1; FP1)

Regarding the supply category with the largest volume and extension in the supply chain of Pamplona Alimentos (pigs, cereals and beef meat) the purchasing process considers the application of procedures and contractual clauses that take into account relevant social and environmental aspects and food security.

Pamplona's purchasing policy, which includes consulting the list of companies that are responsible for slave labor problems at the Ministry of Labor and the application of anti-corruption, social and environmental clauses for contract signing, is based on national and international legislation.

Suppliers are also qualified through the application of questionnaires which are sent out annually with questions related to product quality, quality programs, traceability, among other criteria addressing food safety. After the questionnaire is answered, a score for the supplier is generated, which will indicate whether the supplier is fit to supply or not.

## When conducting business transactions suppliers must commit to:

- not employ and/or use slave or forced labor, or child labor.
- not to have been convicted of trespassing on indigenous lands under Union control.
- not to have violated any provision of law or regulation, national or foreign, against anti-corruption practices or acts harmful to the public administration, as well as practicing illegal payment or "improper conduct" in the relationship with public agents, based on Law No. 12.846/13 and US Foreign Corrupt Practices.
- maintain good practices and compliance with environmental legislation in relation to: proper disposal of waste, deforestation, conditions, obtaining licenses and rural registrations, as well as not being included in embargoed areas maintained by IBAMA.

The social, environmental and anti-corruption clauses in Pamplona's Purchasing Policy also provide that suppliers do not contract or maintain relationships with other companies (partners, suppliers and subcontractors) that do not respect the same criteria.

# Logistics

Pamplona operates with inbound and outbound logistics with third-party carriers, divided into the segments of feed, animals and fresh and frozen meat.

Currently, there are nine branches responsible for the distribution in the domestic market. In 2019, the branch's activities in the city of Araras-SP were discontinued and transferred to Ribeirão Preto-SP. A new self-owned storage structure was also acquired in the city of Portão-RS, making it possible to transfer the operations from Porto Alegre-RS branch.



# New technologies and logistical efficiency

The past two years have been marked by investments in new knowledge, technologies and improvements on the efficiency of logistics management. In 2019, significant advances were achieved with the implementation of Oracle Transport Management (OTM) software. It has been already implemented in the Distribution Centre of Itajaí/SC, our largest one, and then it is being implemented in other branches and factories. Until the moment, only our Rio Bonito/RJ commercial branch and our Animal and Feed transportation operations lack the implementation of the OTM. It will be implemented by the first half of 2020.

After the implementations carried out, it is already possible to have better view of Pamplona's inbound and outbound logistics chain, from the supply of feed to farms to the planning of transfer loads to branches and deliveries of finished products to customers. The pig chain is in its final stages of implementation, from which we will have visibility of all the movement of piglets between farms as well as animals for fattening. After being fully implemented, according to the OTM methodology, it will also be possible to estimate atmospheric emissions from cargo transportation, "sustainability".

2020 will also be marked by investments made and the incorporation of new technologies that provide logistical efficiency and sustainability. Aspects such as replacing the fleet with more economical and less polluting vehicles and planning more efficient routes will favor the reduction of distances, fuel consumption and, consequently, atmospheric emissions.

In 2019, studies and survey of the needs for implementation of an inventory management software that integrates Pamplona's logistics management platform were also completed. All these efforts are aimed at preparing Pamplona for new challenges, such as efficiency and quality of logistics management.



# Fleet Management

In animal transportation, Pamplona acts to meet the standards of animal safety and welfare, as well as the safety of the people involved and traceability from the field to the table. Training is constant and it involves all inbound logistics: loading teams, drivers, internal receiving teams, always aiming at reducing the mortality of animals in transport, as well as ensuring safety on the roads. In 2019, the renewal of the fleet was intensified by replacing it with vehicles with new equipment, meeting Pamplona standards for modernity, safety and productivity.

Regarding vehicles monitoring checks are carried out that include items referring to the general state of conservation, in addition to items that guarantee the quality and safety of each type of packaged product.

In 2019, there were no significant claims in outbound and inbound logistics, involving Pamplona's transport, that may have caused injury to drivers, transporters and/or others involved.

# Market Performance and Perspectives

After going through 2018 with great difficulty, Brazilian pig sector recorded a year of recovery. According to Cepea (Center for Advanced Studies in Applied Economics), from Esalq/USP, the Brazilian agribusiness GDP grew by 3.81% in 2019. This increase was sustained by the strong growth of 23.71% in the livestock sector in 2019, since the agricultural sector remained in a decline of 3.03%. The main reasons were: the occurrence of cases of African swine fever virus (ASFV) in Asian countries and the increase in Chinese purchases of pork, beef and poultry, that favored Brazilian exports. Furthermore, specifically in November, the increase in livestock prices was reinforced by the seasonal improvement in domestic demand.

From live pigs to pork cuts, prices rose sharply in the domestic market in 2019, reaching nominal records. The impetus came from a greater external demand for practically the whole year, especially due to the cases of African swine fever virus (ASFV) in Asia, which reduced the global supply of meat. In the last months of 2019, the increase in Brazilian demand also reinforced the advance in domestic prices. In this case, the higher demand was stimulated by the typical increase in purchases by wholesalers, who build up stocks during the last months of the year, and by the record high price of the main competitor meat, beef, which led consumers to migrate to other sources of protein with more competitive prices, such as pork.

In 2019, Brazilian pork exports totaled 750.3 thousand tons, with a total revenue of USD 1.5 billion, both being historical records. According to Secex, the volume of pork shipped throughout the year exceeded 2018 by 16.2% and was one of the main factors responsible for the increase in Brazilian agribusiness exports in 2019 together with the growth in exports of beef and poultry. As a result, the livestock sector (all meat as a whole) won second place in terms of participation in the agro export market, representing 17% of all that was exported in 2019.

In the case of revenues from Brazilian pork exports in US Dollars, an increase of 31.9% over that recorded in 2018. In addition to the high volume, the record in revenue was linked to the average price paid per ton in US Dollars and to the high level of the exchange rate.

The highlight of exports in 2019 continued to be China, which expanded its purchases and acquired 248.8 thousand tons of Brazilian meat, 92.5 thousand



more than in 2018, surpassing Hong Kong, which until then, was Brazil's main partner. The large volumes imported during 2019, especially by China, reflected the impacts of the African swine fever virus (ASFV), a disease that significantly reduced the Chinese herd and, consequently, meat production on the Asian continent. As a result, China accounts for 33% of Brazilian pork exports and Hong Kong, 21%.

However, 2020 still shows a lot of uncertainty. On the one hand, there are issues of trade relations between the US and China, which have not yet been fully resolved. The coronavirus epidemic in China, which has spread to other countries, also tends to affect the economy of the Asian country, hindering the flow of trade between practically all countries. On the other hand, it is worth remembering that new cases of African swine fever virus (ASFV) have also been reported, which tends to maintain, at least during the first half of 2020, the Asian demand for Brazilian meat. In addition, adverse weather events, which are increasingly

frequent, may restrict the supply of agricultural products throughout the year, supporting market prices, which started the year with a bit of a recovery. Thus, any forecast for 2020 is still very difficult.

According to ABPA data, currently the world pork production is at 113 million tons per year. China is the main pork producer, responsible for 51% of world production, followed by the European Union (20%), the United States (10%), Brazil (3.5%) and Russia (2.5%). In Brazil, pork production reaches about 4 million tons per year and slaughter is around 43 million animals per year. Santa Catarina is the main pig producing state, being responsible for almost 30% of the slaughter quota and for more than 50% of exports. Currently, 16% of pig production in Brazil is destined for foreign markets, while 84% is consumed in the domestic market. The pig production expectations for 2020 is 4% growth, according to the Catarinense Pig Breeders Association (ACCS).

# Pamplona's performance in 2019

(GRI 102-6)

## International market

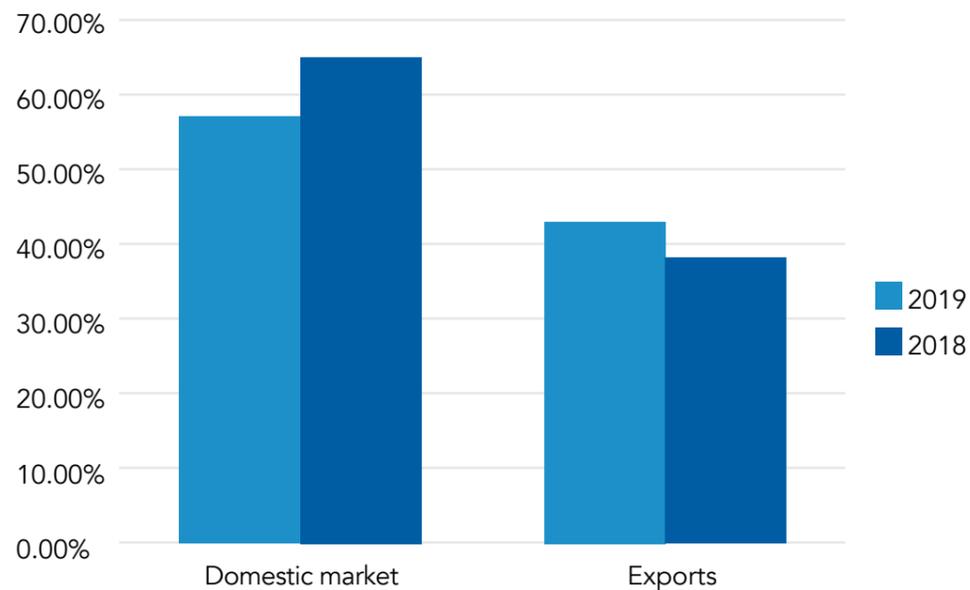
The market for pork exports went through two different moments in 2019, having as a highlight the great and sudden demand from China, which started in March when the pork production was reduced due to the spread of African Swine Fever (ASFV). The scenario, until then was to maintain the volume of exports from Pamplona similar to that of the previous year, was boosted with large volumes exported to the Chinese market, reaching 66% of Pamplona's exports in 2019 (48% of exports in 2018).

Pamplona stood out during this opportunity that was created by the Chinese market, which is one of the largest consumers of pork in the world, the company met the high standards of animal sanity and quality required with its products, in addition

to producing animals in Santa Catarina, a state that is recognized by the OIE (World Organization for Animal Health) as being free from foot-and-mouth disease without the need for vaccination. Pamplona was therefore qualified for immediate export. Currently, Pamplona is the fifth largest pork exporter in the country. The product marketed abroad in 2019 was mostly "in natura" pork from Pamplona brand.

This scenario contributed to a 15% increase in Pamplona's exports, from 51 thousand tons in 2018 to 58 thousand tons in 2019. The Chinese market was responsible for 66% of this volume and the foreign market represented 43% of Pamplona's total sales in 2019, compared to 38% of the previous period.

Physical sales per market



Data source: Controllership

Another highlight in 2019 was the company's performance in Dubai, in the United Arab Emirates. For this market, Pamplona exports directly to retail chains that are qualified to carry pork. Pamplona's sales represent 57% of the total share of pork exported from Brazil to Dubai. It is an important market to be maintained, because, in addition to the "in natura" products, Pamplona also sells its lines of seasoned and processed products, reaching the end consumer who has become captivated and recognizes the Pamplona brand and quality.

The top five destinations for Pamplona exports in 2019 were: China (66%), United Arab Emirates (8%), Argentina (6%), Hong Kong (6%) and Chile (4%).

# Main International markets served

(GRI 102-6)

Market - Country	Type of Product	2019 Highlights	2019 Results	Expectations for 2020
China	Pork meat "in natura"	Largest market in 2019 represented 66% of exports.	Increase in participation from 48% to 66%.	Maintain sales volume for the next two years.
United Arab Emirates	Pork meat "in natura" and processed	A market with a great mix of products, in 2019 it represented 8% of sales, and Pamplona has a 57% share of the pork exports from Brazil.	Growth in sales volume and opening of new customers in the retail channel.	Expanding the customer base and selling seasoned and processed foods.
Argentina	Pork meat "in natura"	It accounted for 6% of exports in 2019.	Maintenance of sales volume in the market.	Maintain the volume.
Hong Kong	Pork meat "in natura"	Market with a great mix of products, in 2019 it represented 6% of exports.	Drop in volume due to the approval of some pork offals for China.	Maintain market presence.
Chile	Pork meat "in natura"	Market opened in 2018 and in 2019 represented 4% of the annual volume.	Market expansion.	Increase participation, seeking to consolidate itself in the market.
Philippines	Pork meat "in natura"	Market with a great mix of products, in 2019 it represented 2% of exports.	Maintenance of this market.	Increase the volume, as Pamplona is one of the few Brazilian companies approved for this market.
South Korea	Pork meat "in natura" and food service	Market opened in 2018 and with expressive growth, representing 0.4% of exports in 2018 and 1.3% in 2019.	Market expansion.	Continue to work directly with food service customers.
Russia	Pork meat "in natura"	Market closed in 2018.	Market did not come back as expected.	Low expectations, as Russia is increasingly supplied by local production.

Data source: Export Market Dept.



Expectations for the volume to be exported in 2020 for Brazilian products are positive, with China once again driving the export growth. Pamplona's efforts are also focused on consolidating and expanding the volume of sales to markets it has conquered, such as South Korea and Chile. In addition, it seeks to be present in new markets, and is in the process of qualification, such as Mexico and Canada.

Pamplona also seeks to increase sales of seasoned, processed, portioned and sliced products to the foreign market, in view of its greater added value.

In 2019, Pamplona was present at important international food fairs, such as SIAL, in China, for the third consecutive year, and at ANUGA,

in Germany, one of the largest international food fairs. At these fairs, the Pamplona brand is promoted and new partnerships are established. In addition, we received international audits and inspections to qualify and certify our industrial facilities for several markets.



## Domestic market

In the domestic market, although the expected income expansion of Brazilian families has not yet occurred, Pamplona's performance was also positive, with a growth of 20.27% in national retail chains and 3.93% in regional retailers, following the line of expressive growth already obtained in 2018 of 20.71% and 2.97%, respectively.

This increase was made possible by efforts to sell seasoned, processed, portioned and sliced processed products, which have greater added value. The increase in the product mix and the increase in production resulted in an increase of 8.98% in the sales of processed products (11.79% in 2018). In 2019, Pamplona continued to strengthen its direct presence at the points of sale, presenting its new products and cut products in new packaging to serve smaller families and single people market niche.

In addition, and in line with Pamplona's commercial policy, in 2019 the focus on retail was intensified, which resulted in an increase of 0.91% in the sales of this channel, and in food service, which in turn, grew by 19.59% in 2019. There was also an increase of 5% Gross Revenue, being 8.65% in the South, with an emphasis on the state of Santa Catarina, which grew by 18%.

To cope with this expansion in the retail and food service sales channels, it was necessary to restructure the domestic market team, which began in 2018 and concluded in 2019. The strengthening of the sales efforts, with managers directed specifically to the sales channels, allowed Pamplona to better segment the service and bring the customer closer. In addition, 2019 was also marked by the opening of the virtual store, e-commerce, in Itajaí/SC.

Another highlight was the investments made in media campaigns and social networks and the presence at fairs that brought Pamplona closer to its customers and consumers.

The investments made over the past few years in expanding industrial production and entering the dairy segment in 2019, in addition to the *Saudável* (Healthy) line, which is in line with consumer expectations, will further expand the product mix offered by Pamplona to its customers.

The prospects for 2020 are to consolidate Pamplona's product portfolio, based on the continuity of efforts in the sales channels to food service and retail, as well as in targeting the markets in the Southern and Southeastern regions. With this, domestic sales are expected to grow by around 4% in processed products, always seeking to improve performance and aiming at better results.

# Our Products (GRI 102-2)

In 2019, the highlights of Pamplona's products and launches were the greater offer of portioned and sliced products, the consolidation of their entry into the dairy market, the redesign of the packaging and the launch of the Saudável (Healthy) line.

Together with its launches, Pamplona increased its engagement with the consumer, through investments in digital and traditional media as well as actions to bring consumers closer such as

tastings and participation in events and fairs, which helped in the recognition of the quality and the inclusion of the products and brand as an option among the major players in the market.

Pamplona's intention is always to launch new products, seeking new consumers, segments and positioning the brand as a food company.

# New Products and Launches

The entry into the dairy segment in 2019, initially with the sliced cheeses Mozzarella, Prato and Curd Cheese on a skewer, represents a major milestone in the expansion of Pamplona's product mix. In

line with being healthy a new concept of pork cuts seasoned with natural aromas and spices also began. The main launches in 2019 were:



**Saudável Brand (Healthy Brand)** - for this line that is focused on healthiness, the products are produced without preservatives, only with natural spices, in addition to their low fat and sodium content. They come ready to roast with easy roast packaging and the cuts are 100% used, as they are boneless. The line has three cuts: Seasoned pork fillet mignon, seasoned pork rump and seasoned pork loin.

**Redesign of the Seasoned Beef packaging** - Updated to a more modern packaging, with better visualization of information, easier for customer to read and choose the right meat cut.



**Skewered Curd Cheese** - vacuum-packed with seven skewers ready for roasting, ideal for barbecues and for grilling for daily consumption.



**400 g Peperoni** - aimed at the food service market, a practical and easy-to-use product, it provides 100% use with ATM (Modified Atmosphere) technology, which makes the slices looser. Its formulation maintains the original formula, with paprika, which guarantees the peppery flavor and reddish color in the product.



**Christmas Line Loin Easy to Roast Easy Roast** - with 100% meat, as it has no bones, it is already seasoned and is ready for roasting in "Assa Fácil" (easy roasting) packaging.



**Sliced Ham 400 g** - ideal for large families and for preparing larger dishes. It is already sliced and has "Abre Fácil" Easy to Open packaging.



**Mozzarella and Prato Cheese 150g and 400g** - portioned in practical "Abre Fácil" Easy to Open packages, with ATM (Modified Atmosphere) technology, which makes the slices looser.

# Pamplona innovates in media campaigns and getting closer to the consumers

Continuing with the brand repositioning strategies, initiated in 2017 with the launch of new product lines and the renewal of packaging concepts, Pamplona invested in media campaigns, tastings and other actions carried out at points of sale that brought the consumers closer to Pamplona products.

The major milestone of the year was the launch of the new institutional campaign, involving truck advertising, exchanging the visual identification panels in the factories and branches and developing new materials for the points of sale. The digital campaign had the involvement of the presenter Ana Maria Braga and the chef Carlos Bertolazzi and was created to reinforce the company's values: flavor, tradition and quality. Some of the highlighted actions are:

**Sponsorship of the Family Recipes "Receitas de Família" TV program on the SCC SBT channel** - in the program the chef Carlos Bertolazzi, during 13 episodes, featured several recipes from families in Santa Catarina and they were prepared with Pamplona products.

**Actions in digital and offline media** - actions with Ana Maria Braga and chef Carlos Bertolazzi in digital media, points of sale materials and out of home (billboards, clocks, ATMs, subway screens and residential elevators)

**Media actions** - presentation of the institutional campaign in the airports at Congonhas, in São Paulo, and Hercílio Luz, in Florianópolis.

**Tastings of Pamplona products** - present in more than 80 supermarkets distributed in the states of Paraná, Santa Catarina, São Paulo and Rio Grande do Sul to present product for tasting and the participation of a chef in the preparation of dishes.

**Sponsorship of regional parties** - support and presence of the brand in important festive gastronomic events in the states of Santa Catarina and São Paulo.

## Pamplona Alimentos is highlighted in Brand Research

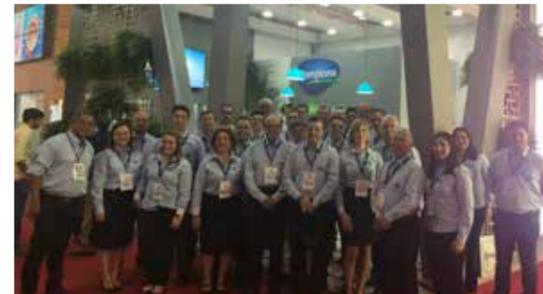
Once again, Pamplona stood out in the results of brand surveys held with consumers and professionals linked to the market sector, at national and regional levels.

The survey carried out by SA Varejo magazine, with the exclusive participation of professionals, confirmed the position of the Pamplona brand in the packaged pork market. Conducted nationwide, the survey involved more than 130 categories in the market sector. As a result, Pamplona received the Top Suppliers 2019 label and the Categories 2019 label.

In the same National Survey - Brand Preference, Pamplona was the 1st most remembered brand in the packaged pork cuts category in the South of the country and 6th in the whole of Brazil for the share of mind. In the same survey, having only professional marketers from the southern region of the country as correspondents, Pamplona Alimentos stood out as the 3rd most remembered brand.

## Participation in Fairs

As a way to strengthen the brand and show customers its portfolio of novelties developed throughout the year, Pamplona is always present at the most significant national and regional fairs.



**APAS SHOW** - One of the most important national fairs, held by the Paulista Supermarket Association.

Participation in one of the main national events held in the city of São Paulo/SP.



**EXPOSUPER** Held by the Catarinense Supermarket Association (ACATS), in its 32nd edition, it takes place in Joinville/SC and is one of the largest in business generation in the state of Santa Catarina.

Pamplona was present once again at this relevant fair in the state of Santa Catarina.



**EXPOAGAS** - 38th edition of the fair held by the Gaúcha Supermarket Association (AGAS) in Porto Alegre / RS.

For the fourth consecutive year, Pamplona participated in this fair and sought greater visibility for the Pamplona product line in the state of Rio Grande do Sul.



**FERSUL** - Important regional fair, held in 2019 in Rio do Sul/SC, where Pamplona's head offices are situated.

Local representation and prestige at the regional fair, held in Rio do Sul/SC.



**EXPOPIZZARIA** - Important national fair, aimed exclusively at the pizzeria sector.

This was Pamplona's first participation in the fair aimed exclusively at the pizzeria sector. This event was organized by Atacadão Cash & Carry Chain, in São Paulo/SP, focused on the food service channel.

## Corporate Governance and Economic Performance

Pamplona is committed to adopting the best corporate governance practices with efficiency and transparency in its management and with the firm purpose of generating value for its shareholders and stakeholders, since its objective is that the decisions made are made in the best interest of Pamplona in the long run.



## Values and Principles (GRI 102-16)



### MISSION

Provide practical, healthy and safe food.



### VISION

To be a globalized food company.

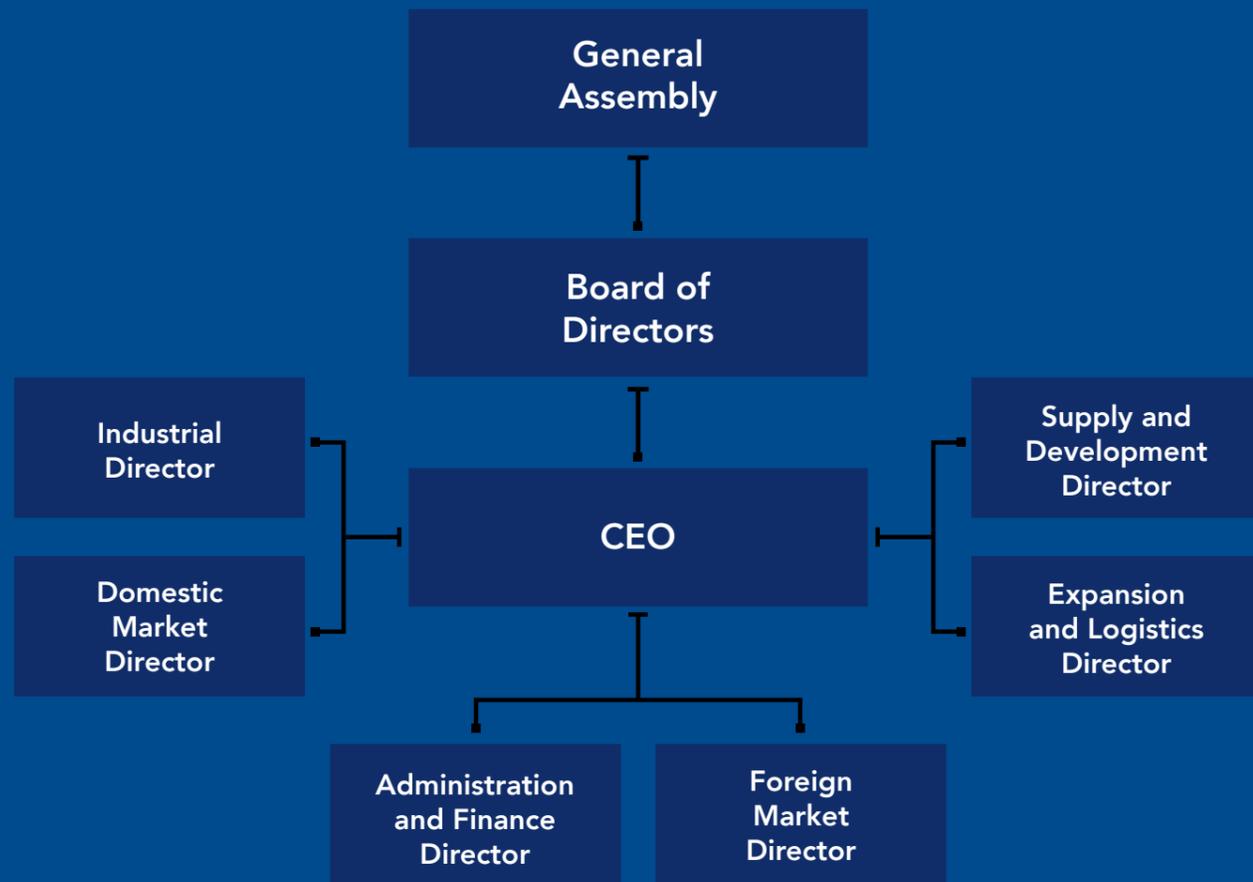


### VALUES

- Encourage professional growth (develop, provide, retain talent).
- Provide safety to employees in the work environment.
- To act with social responsibility and respect for the environment.
- Ensure compliance with food safety standards.
- Commitment to the results contracted together with the stakeholders.
- Customer satisfaction.
- Sustainable partnerships with suppliers.
- Provide satisfactory results for the stakeholders.

In Pamplona's governance structure, the board of directors is composed of seven effective members, three of whom are independent, with a unified two-year term. The board is responsible for establishing strategic policies and goals, in addition to defining commercial policies, electing directors and supervising their management. (GRI 102-18)

# Organizational Chart



# Board of Directors



The Board consists of: **Osmar Peters** – board member; **Fabio Ayres Marchetti** – independent board member; **Valdecir Pamplona** – President of the Board; **Edina Pamplona** – board member; **Guilherme de Borba Pamplona** – board member; **Alidor Lueders** – vice-president and independent board member; **Elvio de Oliveira Flores** – independent board member.

# Executive Board



The Executive Board consists of: **Adilor Ascari Bussolo** -Industrial director; **Cleiton Pamplona Peters** - Domestic market director; **Sergio Luiz de Souza** - administrative-financial director; **Irani Pamplona Peters** - director-president; **Júlio César Franzoi** - Foreign market director; **Edival Justen** - director of supplies and development; **Valdecir Pamplona Júnior** - expansion and logistics director.

## Sustainability committee

Pamplona takes into consideration the environmental impacts of its activities and adopts management practices to ensure there are no potential risks from the production cycle. Accordingly, it has restructured its Ethics Committee and also has a Sustainability Committee as part of its structure. (GRI 102-11) The Sustainability Committee, now in its seventh year of activity, is composed of managers from different areas of Pamplona and conducts work related to environmental management and sustainability of operations. It assists in the high governance decision-making, providing technical advice and investment proposals for improvements and innovation processes that can have an impact on operational efficiency, financial performance and sustainability.

## Fight against corruption (GRI 205-2)

Pamplona has been investing, in recent years, in the evolution of its compliance mechanisms, through the implementation of anti-corruption practices, channels and control mechanisms that guarantee compliance with ethical principles in its relationships with stakeholders.

In 2019, there was another significant advance in this direction, with the continuation of internal training regarding the Code of Ethics. After the entire board of directors, 100% of the directors and employees with leadership positions (directors, managers, supervisors and administrators), received training on the content of the document in 2018, in 2019, 100% of the employees participated in the training as well as in internal actions for launching the Code of Ethics in more than 15 face-to-face meetings. (GRI 205-2)

In addition, every new employee, during their integration, receives the Code of Ethics and commits themselves to Pamplona's operating principles. Additionally, 100% of Pamplona's new suppliers are subject to anti-corruption clauses when signing a contract. (GRI 205-2)

In 2020, efforts are being made to give the document greater visibility outside the Pamplona communication channels as well as during interaction with stakeholders.

Also as a way of evolution, Pamplona continues to incorporate mechanisms and practices that can qualify its corporate governance and strengthen the culture of compliance in Pamplona, such as: risk assessment and management, continuous training on integrity policies, creation of new internal policies, incorporation of good practices in the Board of Directors and the implementation of controls for the LGPD (General Data Protection Law).



## Ethics Committee

The Ethics Committee represents one of the main approaches to the management and control of Pamplona's compliance and ethics mechanisms. Formed in late 2018, it was strengthened in 2019, through practical actions in its meetings, analysis, decision-making and handling of communications received by Pamplona's ethics channels.

The Committee's function is to deal with complaints properly, providing security to stakeholders about the treatment thereof, investigating and recommending sanctions for any noncompliance with the Code of Ethics and ethical issues involving Pamplona.

The Committee is integrated into the formal governance structure of Pamplona and is composed by five full five full members and five alternates, representing directors, officers, internal audit, human resources, job security and legal. It meets monthly for the treatment and discussion of complaints, or at any time, extraordinarily, if there is urgency in handling any complaint.

## Complaint reporting channels and access to the ethics of code (GRI 103-2)

In addition to ethical and anti-corruption issues, Pamplona's reporting channel also receives other types of manifestations, including issues related to the environment, labor and human rights practices and the community. The channel is open to internal and external audiences. (GRI 103-2)

In 2019, during the first full year of operation of the channels and the Ethics Committee, Pamplona appropriately treated 95.5% of the communications received.

## Reporting and dealing with issues

Reports	Amount	Evaluated	Not evaluated	Reports Dealt with	Notes
Operational Problems	22	22	0	22	Ordinary conditions that were identified and corrected by the competent areas. They were not considered to be ethical or integrity violations.
Workplace Harassment	13	11	2	11	Two complaints remained to be dealt with in 2020. Guidelines, warnings and terminations were carried out.
Work Conditions	5	5	0	5	Improvements in working conditions are being implemented.
Violence	4	4	0	4	Only one case was proven and the accused is no longer part of the staff.
Sexual Harassment	1	1	0	0	An anonymous report that did not present elements to be able to prove what happened. Impossibility to investigate. As a form of prevention, the behavior of the accused will be monitored.
Total	45	43	2	42	9.5% of the complaints received in 2019 were dealt with.

Data source: Compliance Committee

It should be noted that, from the complaints received, 48.88% were not related to ethical or integrity issues.

From the complaints related to bullying, violence and sexual harassment, only two were not dealt with (left for investigation and treatment in 2020), however it was found, after the investigations, that more than 90% of the complaints were unfounded or there were not enough elements to prove it. Even without proof of origin, Pamplona's measures were aimed at intensifying training and guiding managers, leaders, supervisors, etc. in order to avoid inappropriate conduct that could characterize any type of harassment or violence. As for the complaints regarding working conditions, appropriate measures were taken to correct the situations presented.

In 2019, there were no reports or cases of corruption identified by Pamplona. (GRI 205-3). In 2020, Pamplona will maintain the disclosure of its reporting channels and the continuous improvement of the ways of receiving and dealing with manifestations. (GRI 103-2)

**Access to the Ethics Code.**

[www.pamplona.com.br/etica](http://www.pamplona.com.br/etica)

**Reporting channels (GRI 103-2):**

[www.pamplona.com.br/contato.html](http://www.pamplona.com.br/contato.html)

**E-mail:** [etica@pamplona.com.br](mailto:etica@pamplona.com.br)

**Telephones:** internal call: 3055 and external calls: (47) 3531-3055

## Compliance

Pamplona strictly adheres to applicable laws regarding environmental care, food safety in the supply of products and labeling. In relation to the environment, it requires an integrated environmental license from its members and collaborates for the adaptation to the required regulations. It is constantly monitored by regulatory bodies in relation to the food safety of its products and labeling and has laboratory, research and development and technical quality teams to guarantee the quality of its supply.

In addition, it constantly undergoes external audits, carried out by customers that attest to various criteria involving product quality, development practices and socio-environmental aspects.

In 2019, Pamplona did not receive and/or did not have any significant fines or non-monetary sanctions in progress due to environmental, social

and economic non-conformities. (GRI 307-1; GRI 419-1)

Regarding cases of non-compliance with regulations and voluntary codes related to product information and labeling, Pamplona will systematize this information, based on classification criteria as well as relevance, for the future disclosure of this GRI indicator in the next reports. (GRI 417-2)

## Economic Performance

2019 was a year of great challenges and opportunities for Pamplona Alimentos S/A. Characterized by important advances in the execution of its operational excellence strategy in line with financial discipline, it has successfully achieved a significant increase in operational performance and, at the same time, has concentrated efforts on the long-term organic growth plan, generating shareholder value.

In the domestic market, there was an increase in the aggressiveness of competitor offers, while economic activity maintained a low growth, and in the context of the expansion of the foreign market, and with the strong increase in corn which is the main input of pork, and the low consumer purchasing power, it was not possible to pass on the costs in their entirety to the selling prices, making it impossible to achieve the expected gross margins.

In the foreign market, the Brazilian pork production chain was impacted, mainly, by external events such as the outbreak of the African swine fever virus (ASFV) in China, which triggered a significant increase in the demand for meat, providing Pamplona Alimentos S/A with opportunities for growth and for strengthening its business.

Even in the face of adversities, especially those imposed by the domestic market, Pamplona continued to implement actions to ensure the sustainability of its businesses in the long term, through the strengthening of its corporate governance, with the expansion of the production capacity of products for the end consumer, with the strengthening and dissemination of its brands

and the revision of processes, thus maintaining its policies to reduce costs and increase operational efficiency.

Pamplona invested in fixed assets of BRL 44 million (BRL 24.3 million in 2018), which aimed at the expansion and modernization of the factories and the industrial and agricultural processes, thus increasing the capacity to be able to more effectively attend to the market requirements. Among the operational improvement projects, it is worth mentioning:

- duplication of the cured and matured;
- the expansion of the production area for bacon and smoked sausages;
- new Distribution Center in Portão in Rio Grande do Sul;
- installation of a tipper and new grain storage silo, financed by BNDES;
- the implementation of the Transport Management System (TMS), allowing to meet the demands generated by the commercial area;
- the continuous development of new lines of swine genetics, financed by FINEP.

The intensification of investments and the adoption of appropriate measures shows the correctness of the strategy and Pamplona's ability to take advantage of opportunities to perform in the midst

of a very challenging environment, resulting in the growth of gross operating revenue (ROB), which reached BRL 1,371 million (BRL 1,098 in 2018), growth corresponding to 24.9% in relation to 2018, due to the improvement of prices in the foreign market, due to the expansion of sales to China caused by the swine fever.

As a result of the better sales profile, the adjusted EBITDA margin stands out, which reached BRL 145.8 million (11.9% margin), compared to adjusted EBITDA of BRL 6.7 million (0.7% margin) in 2018. In line with this result, Pamplona obtained a net profit of BRL 68.6 million, compared to a loss of BRL 35.9 million in 2018. The success of 2019 was due to the strategic evolution of the production lines, through taking advantage of the opportunities created by the expansion of the operations, and an approach which is focused on efficiency and the generation of value for the shareholders.

Additionally, with the deleveraging and good conditions of net financial debt, which has long-term characteristics, the year ended with BRL 202 million (BRL 249 million in 2018), providing greater strength and the ability to invest in the long term.

With the results obtained in 2019, it was possible to provide employee participation in the results of Pamplona, which had not been possible in 2018, through the Profit Sharing Program (PPR).



## Economic Indicators

(GRI 201-1)

INDICATORS	2019 (in BRL thousand)	2018 (in BRL thousand)
Net Sales	1,216,064	956,991
Investment income	428	1,460
Income from asset sales	174	163
Operating Costs	-947,623	-877,611
Net income	68,621	-35,919
EBTIDA	141,436	-23,231
EBTIDA Adjusted	145,809	6,679
Employees' salaries and benefits	110,194	108,309
Expenses with suppliers	937,853	846,829
Payments to capital providers	46,726	41,829
Dividends/Interest on Company Capital*	11,100	13,400
Payments to the government	165,225	97,389
External Social Indicators		
Investments in the community	57	65
Environmental Indicators		
Waste treatment and disposal	327	179
Atmospheric emissions treatment	-	-
Leak remediation costs	-	-
Environmental management and prevention costs	149	281
Gross sales in foreign markets (exports)	590,467	356,851
Gross sales in domestic market	780,140	741,620

Data source: Controllership  
\* Paid in to the share capital in 2018, BRL 11,390.

Pamplona has an internal Tax Committee to assess relevant tax issues and it undergoes an independent external audit, which performs inspections of the financial statements (CVM instruction 381/03).

Pamplona, aligned with and attentive to the trends of the markets where it operates, will continue to invest in strengthening its brands and in innovation, expanding its capacity and operational efficiency while at the same time seeking opportunities to qualify its product portfolio to customers.

For 2020, Pamplona intends to continue its expansion plan, always striving for high standards of business management and corporate governance, highlighting its commitment to continue growing through innovation and conquering new markets. It will continue with its commitment to fulfill its strategic agenda, aiming the continuous evolution of operational excellence and efficient capital allocation, offering its customer products that have a high standard of quality and are filled with flavor.

# 07

## Product Quality and Food Safety

For Pamplona, quality can be defined as the use of all its skills to satisfy the needs of customers and is based on the production of food that is safe for consumption in the national and international territory.

The entire production process is constantly audited by different customers, coming from retail chains and from the food industry and regulatory bodies such as Anvisa and the Ministry of Agriculture and Livestock (MAPA). In 2019, Pamplona performed better than 2018 in its customer audits, with an average of 99.13% compliance, in addition to being audited by MAPA with the result that it has control of the process.

Pamplona is approved to export to markets that are recognized for their high level of demands in terms of product quality, such as China, Japan, South Korea, Chile, Singapore and the Philippines. The company qualified because it meets the requirements and expectations of customers.

The strategic key for establishing this position in the market is the attention paid by all professionals to the quality of products and the constant involvement of the areas of quality, laboratory, research and development, promotion and logistics in the entire production process.

The Quality Program has specific procedures for food safety, such as good manufacturing practices, hazard analysis and critical control points and preventive measures to eliminate biological, physical and chemical hazards.

**At Pamplona, quality has the following priorities:**

- maintain the process of continuous improvement in order to increase the level of customer satisfaction;
- direct the planned, documented and controlled processes, measurable through the programming and planning documents of the activities and the respective control;
- measure the importance of customer feedback;
- be in compliance with regulatory and customer requirements, maintaining the effectiveness of the quality management system;
- execute the Self-Control programs; Good Manufacturing Practices (GMP); Standard Operating Procedures (SOP); Sanitation Standard Operating Procedures (SSOP) and Hazard Analysis and Critical Control Points (HACCP).

## Customer satisfaction

In addition to direct contact with its customers, Pamplona has a contact channel on its website and an email address for customer service - sac@pamplona.com.br.

In the customer relationship channels, the SIC (Consumer Information System) and SAC (Customer Service) indices showed the following results in relation to the number of complaints per ton produced:

Channel	2019*	2018*
SIC	0.0011	0.0010
SAC	0.0035	0.0029

Data source: Quality

\* Complaints per ton produced.

Pamplona is also a reference on websites that promote intermediation between companies and customers, for solving problems and measuring their satisfaction with the services provided.

On the *Reclame Aqui* website, in 2019, Pamplona was considered to have a "Great" reputation regarding the service received, with an average of 8.5. 100% of complaints were answered within 3 days with an 87.5% solution rate.

## IFS - International Food Standard

A major highlight of Pamplona's quality program is the process of implementing the IFS (International Food Standard) certification, an internationally recognized standard, as well as by the GFSI

(Global Food Safety Initiative), an international association that consolidates and promotes food safety throughout the entire supply chain.



Upon receiving the IFS certification, Pamplona will be exempt from customer audits, in view of the standard of quality and reliability achieved by processes and products. Thus, Pamplona will be adapted to the most demanding food safety standards worldwide.

In addition to the training of the internal auditors in this standard, in 2019 the quality team was strengthened and among the new hires was a specific professional to manage the IFS. Certification is expected to be achieved in 2020.

## Main benefits of the standard

- Improvements in internal processes and productivity levels.
- Increased occupational and product safety.
- Guaranteed satisfaction of consumer expectations regarding quality and safety.
- Compliance with the requirements of international retailers.
- Greater visibility and competitiveness in the reference markets.
- Audits combined with other standards (ISO 9001 and HACCP), generating significant savings in time and financial resources.

## Health and Product Labeling

During their development, the products are evaluated in relation to the sodium and fat content in each formulation, and these must be within Anvisa's standards and in accordance with each RTIQ (Technical Regulation on Identity and Quality). Before launching, the products are sent for external analysis and description of the nutritional table. All products are registered with MAPA for approval of the production process and their composition. Therefore, 100% of products undergo testing during the development and/or launch phase. (GRI 416-1)

In addition, the product lines undergo periodic tests according to legal and customer requirements. All Pamplona products also have a specific legislation regarding the labeling and presence of items such as a nutritional table and its net weight. The most applied legislation is IN 22/2005, specific for food labeling. (GRI 416-1; GRI 417-1)

Pamplona follows the current legislation regarding information on product labeling and all mandatory items are covered. The following product information is required by law and applied by Pamplona in labeling procedures:

TYPE OF INFORMATION (GRI 417-1)	MANDATORY	NOT MANDATORY
Outsourcing of product or service components.		*
Content of substances that can generate environmental or social impacts.		*
Safe use of the product or service.		*
Product layout and environmental/social impacts.		*
Allergens (27 items considered allergenic that need to be declared).	*	
Application of the transgenic seal for foods that have soy or corn in their formulation.	*	
Amount of water and protein added, when applicable.	*	

## R&D Sensory Group

Pamplona also has a committee for researching new products, in line with future concepts and legislation involving health. In this sense, in addition to the Pamplona Ham line, the zero lactose and zero trans fat lines, Pamplona conducts research for product launches that are in line with healthiness. In 2019 the *Saudável* line was resumed, focused on healthiness, without the addition of preservatives, only natural spices, in addition to the low fat content and reduced sodium content in relation to the traditional Pamplona Line of seasoned goods. (GRI FP6)

In 2019, investments in sensory analysis activities of its products were continued, which is part of the Research and Development program, and which, since 2018, has had a new laboratory, with modern equipment and new technologies.

The program aims for a sensorial evaluation of products to suit consumer trends, in addition to analyzing complaints and evaluating new products under development. New employees are constantly trained, and they make up the Sensorial Group. Currently, 14 employees from different sectors are able to participate in this type of analysis and another 5 employees started training in 2019, with completion scheduled for 2020.

In 2019, internal shelf life analyzes were initiated, which will allow for validation of how the product behaves throughout its validity in terms of taste, color and organoleptic and microbiological characteristics.

## Laboratory Practices

In addition to the care dedicated to equipment, work environments and product handling, the cuts produced are subjected to microbiological analysis in a laboratory on a daily basis, ensuring healthy and high-quality products. Pamplona seeks to meet the requirements of international certifications for food safety and extends these practices to its product line. (GRI 416-1)

In recent years, Pamplona has been investing in the expansion of its physical structure and equipment, in the increase in number of technical professionals and in the extension of the scope of accreditation of its laboratory (in 2018 there was an increase of 30% due to the extension of the scope of the accreditation of ISO 17025: 2017).

In 2019, there were 30,410 laboratory tests performed, an increase of 80.49% over the previous year, during which a total of 16,855 tests were performed. This expansion is mainly due to the increase in exports to the Chinese market and its requirements regarding microbiological analysis.

As a way to guarantee credibility and accreditation, the laboratory undergoes proficiency tests annually. In 2019, the three analyzed parameters were considered proficient. In 2020, the scope will be expanded, with the analysis of a new microbiological parameter, necessary to serve new markets. Proficiency tests will also be carried out on two physical-chemical parameters, to ensure control of results for the domestic market.

For the coming years, Pamplona intends to invest in the extension of the physical-chemical laboratory, to carry out analyzes of fats, proteins, nitrates and nitrites, starch, carbohydrates, lipids, sodium. Currently, water, acidity and moisture activity analyzes are already being carried out. Due to the significant increase in the number of analyzes performed during the year, it was not possible to carry out the extension in 2019.

## Company's own Laboratory (GRI FP5)

The Pamplona laboratory is accredited by ABNT NBR ISO/IEC 17025: 2017 at CGCRE, an INMETRO body, adding reliability to the analysis results and guaranteeing the safety of the products. It meets the general requirements for testing competence, within environmental and safety standards.

With the internal structure, it is possible to obtain the results of the analyzes faster, at lower costs, thereby also reducing the time for cargo release. In 2019, 100% of the laboratory analyzes for cargo release were carried out internally.

# 08

## Swine Development

Pamplona has a support structure that promotes sustainable rural development, with the objective of guaranteeing access to the ways of production, inputs, knowledge and technologies. Swine production management is carried out within the best practices and processes of the market, therefore, we obtain animals for slaughter within the requirements of quality, animal welfare, environmental and traceability standards. Pig farming activities, supported and structured by swine development department, contribute to the generation of income in the field, in the development of farmers and the enhancement of the agro-industrial tradition of the state of Santa Catarina.

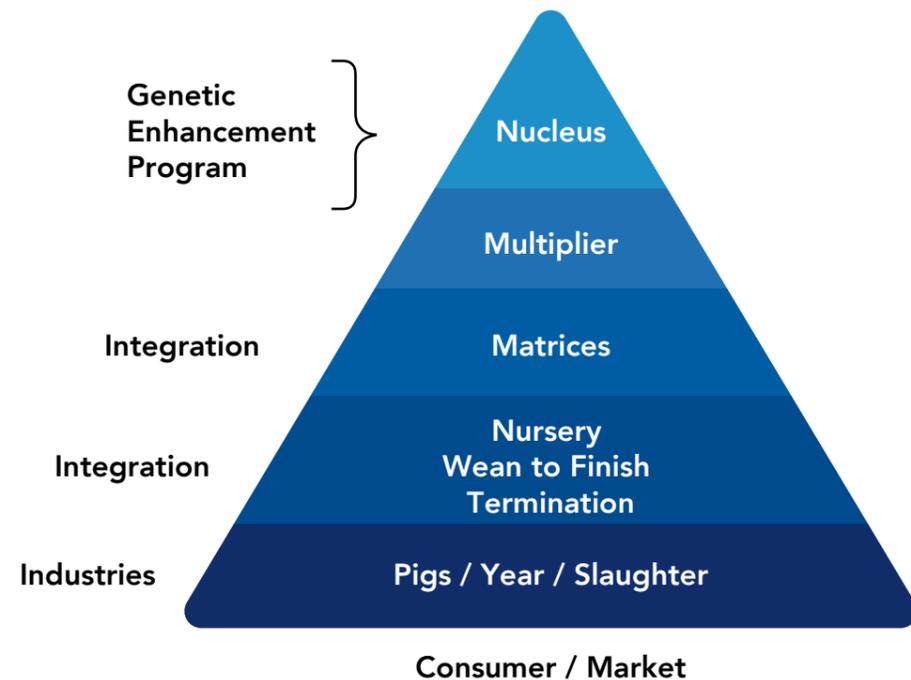
In 2019, Pamplona invested in the qualification of its agricultural development, whether in the search for best practices, in the relationship with producers, in the acquisition of equipment and technologies, as well as in the investment in genetic improvement and opening of partnerships with teaching and research institutions. The search for knowledge, management tools and new technologies allows Pamplona greater agility and quality in their agricultural management.

For 2020, Pamplona will continue investments and actions that aggregate technological innovations in the different stages of pig breeding, through the use of tools to improve information management, thus improving the activities of the integrated farmers, aiming at improving quality of life combined with zootechnics results.

The attribution of meeting the levels of quality and quantity for industries, suppliers and consumers through sustainable practices Pamplona's agricultural development mission, which always seeks to supply the best raw material in swine production for the industry, meeting the specifications for legislation, quality, environment, well-being, food security, cost and volume standards. Swine development department ensures the supply of raw materials that are suitable for the industry, through its integration system, promoting technical assistance, providing quality inputs until the pigs enter the industry. The development management practices, present in all phases, have as their differential its own program for the genetic improvement of pigs.

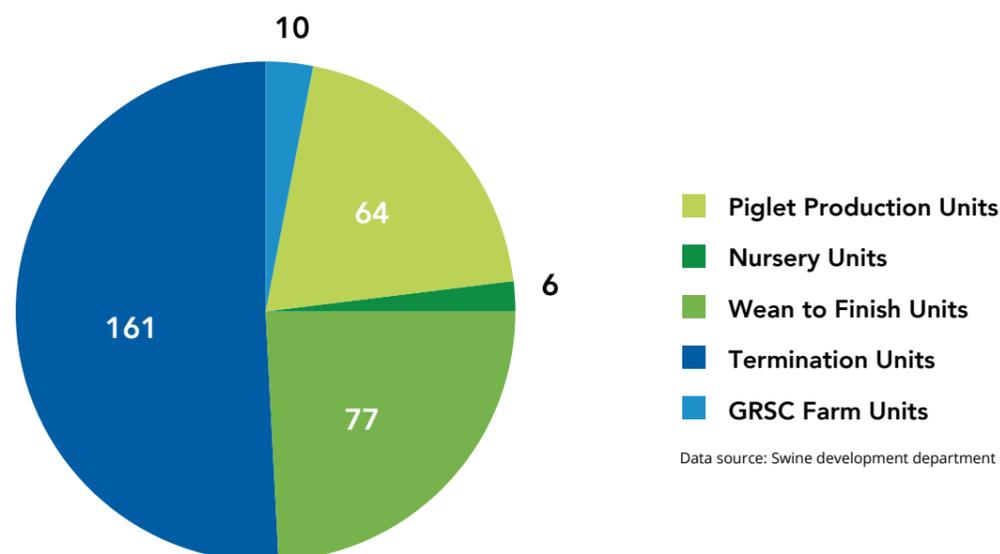


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In 2019, we maintained approximately 318 integrated and partner properties, as well as seven farms owned by Pamplona that in total finished 2019 with a stock of more than 453,400 pigs. Pamplona's agricultural development corresponds to:

## Integrated and partner properties



## Technology and knowledge

Agricultural development has a multidisciplinary team with the role of providing technical assistance to producers and their own farms, with the objective of providing the best economic, social, environmental and sanitary result between the parties.

Pamplona employees seek new practices through training and courses, they also participate in professional master's courses, as well as international events in partnership with our suppliers, seeking to bring technological updates to Pamplona and adopting the best market practices for the business.

Research on animal welfare, genetics and reducing the use of antimicrobials are some of the academic dedication research lines of the professionals. In addition, Pamplona maintains agreements and partnerships with universities and research institutions, such as: Instituto Federal Catarinense (IFC), Finep and Embrapa Swine and Poultry.



## Innovative Technologies

Pamplona, while rethinking the concepts for pig farming, based on information management and precision livestock, started projects related to devices that help to evaluate the parameters of ambience, monitoring of the average weight, the growth curve, deviation and uniformity of the lot to increase pig productivity. Artificial intelligence is being integrated into agricultural development through the accurate measurement of productivity and the making of correct decisions based on solid information.

**The Meu Lote App** - In 2019, Pamplona launched a management application for the production system that includes the nursery, growth and termination phases, totaling 237 integrated properties and own farms. The tool was developed by Pamplona in partnership with the Startup Granter, located in the Alfa technology park, in Florianópolis/Santa Catarina. Together they developed a technological innovation in agricultural management of pig production in the production units of Pamplona, with the objective of identifying batch indicator management patterns in real time to streamline the decision-making process. The application allows for smarter production, generating learning and constant improvements, such as reduced production time and costs, improving management with a focus on results.

**Recording and Sound Sensors** -This project is a partnership between Pamplona and the Startup Pecsart, aiming at the development and implementation of an innovative system for performance results evaluation in the growth and finishing phase of the pigs.

The objective is to monitor the weight and respiratory health of pigs using software and high-precision sensors. It consists of cameras with 3D infrared and a kit containing microphones and feeder plates which make up the respiratory health monitoring system.

The experimentation aims to form growth curves (deviation, pattern and uniformity), as well as strategies for calibrating the nutrition provided to pigs and the monitoring of health events, all in real time. In 2019, the pilot project was implemented and the experiment will continue in 2020, which must be validated and, afterwards, it will be implemented on a larger scale in the integration system during the year 2021.

## Genetic Enhancement Program

Pamplona, aiming to serve its industries, is developing its own program for the genetic improvement of pigs, which aims to develop specific genetic lines for the needs of the various markets it serves. To this end, it has a structure of farms that are certified by MAPA and Cidasc, as being Certified Pig Breeding Farms (GRSC) and they undergo audits every six months based on Normative instruction 19 of the Ministry of Agriculture.

The program aims to develop more efficient genetic material in the transformation of food and for pig products of better quality as well as industrial performance, meeting the needs of the domestic and export markets.

Currently, there are five genetic lines of pigs in total, made up through the acquisition of the best genetic banks available in the world. Also aiming at increasing the share of its own genetics in the entire production chain, in 2019, two new genetic lines were developed by Pamplona.

Pamplona maintains a project in partnership with the Brazilian Company for Innovation and Research Financing for Studies and Projects (FINEP), in the context of swine genetic improvement, called Development of New Swine Genetic Lines, which involves the restructuring of the farm infrastructure, equipment, animal welfare, acquisition of genetic material, research and development, inside and outside Pamplona.

Also through a technical cooperation contract with Embrapa (Brazilian Agricultural Research Corporation), a project for the genomic evaluation of pure pig lines from Pamplona is underway, aiming at maximizing the results of genetic evaluations.



## Animal Welfare

Animal welfare is practiced at Pamplona and is based on the best practices in the market, during all phases of animal breeding, transport and slaughter.

In pig farms, it is recommended to work with the ambience of the facilities, in order to meet the needs for spacing per pig, temperature, balanced nutritional diets and trained operators, which guarantee a better quality in the raising of the animals.

As well as the daily activities, theoretical and practical training on animal welfare is carried out in the different stages of production, at its integrated producers and own farms. In 2019, training was given to development technicians, aimed at standardizing the pre-slaughter management processes, based on the training of the integrated workers, structural improvements and logistical improvements. The alignment of production practices with animal welfare provides added value to the production process, that is, it improves the production efficiency and the welfare of animals and the people inserted in the processes.



In February 2018, Pamplona was committed to making the transition from the individual sow accommodation system to the collective housing system in their stable until the year 2026 and maintains its actions to reach this goal. In 2019, an adequacy status of 77% for the swine sow gestation system was achieved.

## Use of Medicines

In relation to medicine use practices, following recommendations by the World Health Organization (WHO) and the World Organization for Animal Health (OIE), experiments are carried out to replace conventional antibiotic therapy with alternative substances, without jeopardizing the health and zootechnics performance of pigs. The goal is to reduce the use of antibiotics in the nursery, growth and termination phase through the use of alternative substances, promoting rational and prudent use. (GRI FP12)

Pamplona has its own veterinary pharmacy, where the medicines are indicated, with prescription, for use in swine species and are registered and audited by MAPA. (GRI FP12). In addition, the Pamplona Feed Factory is certified by IN 65 (Normative Instruction 65), which guarantees the feed production process.

## Monitoring and Evaluation of Integrated producers

Pamplona's agricultural development seeks to ensure the supply of the best raw material for the industries, from the production of tracked pigs, to the lowest production cost and with the best meat quality, meeting the requirements of the most demanding domestic and foreign markets. (GRI FP12)

Before including a new integrated producer to pig production, Pamplona's agricultural development assesses them through specific criteria that addresses environmental, social and animal welfare issues, among others, starting from the implementation phase of the unit. Integrated employees must follow the standard established by Pamplona, which requires them meeting the requirements for well-being, biosecurity and carrying out the daily production activities provided for in the Good Management Practices Manual. In addition, it is necessary to respect labor legislation, human rights (they cannot have child and/or slave labor), must have a history of good practices and relationships with the

surrounding area as well as commitment to the activity. (GRI 308-1; GRI 414-1; GRI FP12)

All properties have an operating environmental license in force so that pigs can be housed. To ensure that compliance to the environmental requirements are met in practice, Pamplona has an internal control, being audited by environmental agencies (IMA and Environmental Police). (GRI 308-1)

In addition, Pamplona performs control and monitoring of the integrated producers in conjunction with the official bodies: IMA (Santa Catarina Environment Institute), Cidasc (Integrated Agricultural Development Company of Santa Catarina), MAPA (Ministry of Agriculture, Livestock and Supply), CRMV class councils (Regional Council of Veterinary Medicine of Santa Catarina), CREA (Regional Council of Engineering and Agronomy of Santa Catarina), meeting all the requirements of the official bodies and, mainly, maintenance of the production program and segregated pigs that are free from ractopamine.

## Traceability

Pamplona, through its agricultural development, manages the pig production chain, from the origin of the piglets to the slaughterhouses. Control is based on monitoring 100% of the inputs for the production of feed, medicines, equipment used in each type of production, standardized technical management and control of zootechnics indexes, ensuring compliance with environmental and health legislation.

The traceability of the Pamplona production chain is one of the prerequisites for exporting pork, providing access to the most demanding markets, whether internal or external. Traceability is carried out using the R-SUI system, which aims to quickly retrieve the product's history throughout the production process through agricultural development, guaranteeing food security. (GRI FP12)

The information generated by the traceability system is audited by Cidasc (Integrated Agricultural Development Company of Santa Catarina), which manages the official state veterinary control and validates the permanence of the properties within the traceability program, generating an official list of traced properties.

## Activities carried out with the integrated producers

Since 2018, through the Commission for Monitoring, Development and Conciliation of Integration (CADEC), a joint agency of integrated producers and the agro-industry, Pamplona has established a structured channel for dialogue in order to pass on information and to listen to the demands and needs of agricultural integration, a practice that were consolidated in 2019. During the year, several meetings are held for this purpose, ensuring equal representation of the parties in the activities of the Pamplona pig production chain.

In 2019, Pamplona hired a consultancy agency in the area of agriculture, which brought forward innovative methodologies in people management, improving the interpersonal and production relationships of the technical and integrated assistance team. The implementation of methodologies for the theoretical and practical updating of the team, as well as assistance in solving problems and monitoring technical feasibility indicators with high economic impact. It aimed to offer subsidies for the adoption of work methodologies that organize and facilitate routines, enhancing the results of the technical assistants to the integrated producers and Pamplona in a sustainable way.

Another activity that continued in 2019 was raising awareness among producers about biosafety measures for pig breeding, emerging and reemerging diseases, fundamental issues to maintain their health status and provide the quality of the raw material delivered to the industries.

With the implementation of the Meu Lote management system in the nursery, growth and termination units, during 2019 training routines with integrated staff were carried out, focused on raising awareness and using the tools provided by the App.

In addition, Pamplona's agricultural development will continue during 2020 to provide training for members and staff in regards to the main trends and focusing on: new technologies, biosafety, rural extension, animal welfare, the environment, health and good management practices in order to provide sustainability for the entire production chain.

# 09

# Environmental Management

Since its creation, Pamplona has advocated its commitment to environmental issues, through the constant evolution of its management practices.

In this sense, the year of 2019 had as an important milestone for the environmental area of the organization the change from its current management model to the methodology based on the ISO 14001/15 Standard and the realization of practices and investments aimed at the search for operational efficiency and the reduction of the environmental impacts made by Pamplona's operations, including greater control and efficiency in the use of natural resources and advances in the processes of treating industrial waste and effluents.

Progress can also be seen in environmental management practices in the agricultural sector, such as the case of creating a new monitoring methodology that assesses and classifies the level of environmental performance in different aspects of the activity. For the group of integrated development partners, Pamplona establishes ways of guidance, and constantly seeks to offer knowledge and monitor the performance of the environmental activities. As a highlight in



2019, the organization started its transition from its current environmental management model to the methodology based on ISO 14001, which should be completed in 2020. Among the main objectives of this project are the enhancement of environmental issues in the sector's production chain and the optimization of processes, providing greater effectiveness and agility in the way of managing environmental aspects.

Pamplona's environmental issues are treated per area and by professionals dedicated exclusively to the theme, and it also counts on the Sustainability Commission, a group composed of representatives from different areas who work in order to direct the demands of the environmental theme and to conduct the actions to be promoted.

In 2019, Pamplona carried out its first inventory of emissions in the plants, following the methodology for measuring large volumes of stationary sources. This measurement will allow Pamplona greater assertiveness in regards to prioritizing areas for future investments and a reduction in greenhouse gas emissions from its operations. On the same theme, the OTM system (see the chapter referring to logistics), already allows for greater efficiency in the definition of routes, the reduction in the distances traveled and in the consumption of fuels and, consequently, the reduction of the emission of these gases.

Since the migration of its first eligible unit to the free electricity market, in 2011, Pamplona has entered into contracts for the purchase of incentivized energy, which is considered to be of a sustainable and renewable matrix. The sources incentivized are those from solar, wind, biomass and small hydroelectric power plants, which allows for a cleaner energy matrix, which in 2019 represented 100% of the energy matrix contracted by the organization.

Another important project for the coming years, and in line with the plan to expand the operational capacity of the industrial plants, will be the development of the new waste conditioning process, starting with the structuring of the new sorting plant in Rio do Sul/SC unit - head office. Searching for the best available technologies, Pamplona may initiate a bid for startups and innovative researchers to participate in the process of developing the best technological solution for this theme.

## Environmental Policy

To direct the EMS (Environmental Management System), Pamplona's actions are based on the Environmental Policy, which aims at the continuous improvement of production systems, generating less impacts and reducing the use of natural resources, in addition to encouraging the awareness of employees and integrated producers. The objectives of the Environmental Policy are:

- to comply with current environmental requirements.
- to promote the awareness and involvement of its employees so that Pamplona acts in a full and environmentally correct manner.
- to perform its activities and actions transparently, providing data, training and results of its environmental performance related to interested parties.
- to work towards continuously improving environmental results through structured and active management in activities, products and services, establishing and reviewing its environmental objectives and goals.
- to promote sustainable development in the management of environmental impacts and prevention of pollution, preserving the conditions necessary for life.
- to use natural resources in a rational way, incorporating, whenever possible, techniques for water reuse, recycling and the environmentally correct disposal of the waste generated.

## Energy

Energy consumption, especially in industrial plants, represents one of Pamplona's main operating costs. Investing in ways of reducing consumption and direct measurements, directly impacts the consumption of natural resources and the competitiveness of Pamplona.

In 2019, overall energy consumption increased compared to 2018, mainly due to increased production, which caused a growth in both renewable and non-renewable fuels.

Pamplona's main energy matrix is electricity. In 2019, electricity consumption was 47,437,191kWh, an increase of 5.46% compared to 2018. However, even with this increase, there was a balance of energy consumption in relation to the quantity produced.

The detailed consumption of energy sources by the organization, from a renewable and non-renewable matrix, are shown in the tables below: (GRI 302-1)

Total fuel consumption from non-renewable sources			
Types of fuels	Measurement unit	2019	2018
Liquefied petroleum gas - LPG			
Factory Pres. Getúlio/SC	M³	80,601	69,042
Factory Rio do Sul/SC	M³	-	-
Own Farms	M³	7,995	18,144
Natural Gas - NG			
Factory Pres. Getúlio/SC	M³	-	-
Factory Rio do Sul/SC	M³	207,662	218,890
Own Farms	M³	-	-
<b>Total non-renewable fuel</b>	<b>M³</b>	<b>296,258</b>	<b>306,076</b>

Total consumption of fuels from renewable sources			
Types of fuels	Measurement unit	2019	2018
Wood shavings			
Factory Pres. Getúlio/SC	Tons	229	183
Factory Rio do Sul/SC	Tons	557	5,238
Own Farms	Tons	443	353
Natural Gas - NG			
Factory Pres. Getúlio/SC	Tons	8,108	8,160
Factory Rio do Sul/SC	Tons	12,094	-
Own Farms	Tons	-	-
Firewood			
Factory Pres. Getúlio/SC	M³	-	-
Factory Rio do Sul/SC	M³	-	-
Own Farms	M³	1,619	1,726
<b>Total non-renewable fuel</b>	<b>Tons</b>	<b>21,431</b>	<b>13,934</b>
	<b>M³</b>	<b>1,619</b>	<b>1,726</b>

Data source: Environment

Pamplona's head office plant (Rio do Sul/SC plant) was the first company in Alto Vale to switch its LPG energy matrix to tubular natural gas and, in 2019, the unit managed to advance further with the implementation of a new boiler, which replaced the energy source that used to be wood shavings, with wood chips, preserving the renewable energy matrix. This aspect is highlighted by the investment in equipment for greater technological support, capable of achieving a considerable gain in efficiency in relation to the previous technology, reflecting a reduction of 19.9% in the cost of steam generation.

Electricity consumption (renewable source) (GRI 302-1)			
Types of fuels	Measurement unit	2019	2018
<b>Electricity</b>			
Feed Factory	kWh	3,291,276	3,335,384
Factory Pres. Getúlio/SC	kWh	18,067,923	17,593,643
Factory Rio do Sul/SC	kWh	25,564,435	23,563,856
Own Farms	kWh	513,557	484,964
<b>Total electricity consumption</b>	<b>kWh</b>	<b>47,437,191</b>	<b>44,977,847</b>

Data source: Environment

The plant in Rio do Sul/SC changed their energy base from wood shavings to wood chips with the boiler change.

The Feed Factory uses only electric energy, therefore, it does not use fuels.

When we analyze energy intensity, that is, energy consumption per ton produced, we can see a significant reduction in Presidente Getúlio Plant/SC, representing a drop of more than 11% in energy intensity. (GRI 302-4)

Energy intensity rate (kWh/ton) (GRI 302-3)	2019	2018
Feed Factory	10.88	11.38
Factory Pres. Getúlio/SC	298	336
Factory Rio do Sul/SC	383	332

The rates consider energy consumed within the organization. The types of energy included in the rates are: electricity and steam for Presidente Getúlio/SC and Rio do Sul/SC factories; and electricity for the Feed Factory. Energy intensity data for the farms themselves is not available.

Rio do Sul/SC plant had an increase in its energy intensity rate due to the start of new production lines and equipment that accompany the growth in the production of processed products.

## Emissions Control (GRI 305-1)

In 2019, as predicted, the development of the emissions inventory in the manufacturing units (Rio do Sul/SC headquarters and Presidente Getúlio/SC branch) began. This action is the result of the evolution of Pamplona's environmental management, which continuously seeks new opportunities for improvement and control over its environmental aspects. The inventory was carried out by a contracted, specialized and duly certified laboratory, and the data was collected using the information generated by the equipment. For 2020, the intention is to continue the inventory of direct emissions (scope 1) with the objective of structuring constant monitoring and possible reductions in the future.

Direct GHG emissions (Scope 1) 2019 (GRI 305-1)	Factory Pres. Getúlio/SC	Factory Rio do Sul/SC	Total direct emissions
Emissions per ton. CO2 eq.	2.544	5.742	8.286

Data source: Environment

Also with great relevance to the theme, the action focused on the company's logistics, and the *Projeto Despoluir* had an approval rate of 76%, an improvement of 6% compared to 2018.

In its sixth year of execution, the program, which is carried out in partnership with SEST SENAT, assesses the conditions of the vehicles relevant to the Feed Factory fleet, in relation to conservation items and the level of opacity of the truck's exhaust

outlet, in addition to checking the engine speed for each truck model. The program not only evaluates the emission quality, but it is also necessary that the vehicle is in good condition to be able to be approved, and any change in the exhaust system or engine rotation outside the levels appropriate for the model and other basic maintenance items are negative for the test.

## Water consumption (GRI 303-3)

In recent years, Pamplona has been investing in the monitoring of its water consumption by installing sectoral water meters, making it possible to control consumption by area and identify opportunities for improvement. Besides to small equipment installation or process change projects, the reduction actions are mainly aimed at raising awareness about the correct use of the resource and behavioral changes.

In addition, the implementation of the SGA began in 2019, which should be fully implemented in 2020. With this system, it will be possible to have better control and monitoring of the data and then to establish new metrics, objectives and goals for the coming years.

Pamplona's water consumption is predominantly from surface sources, representing more than 98% of the total volume of water used. Water consumption in 2019 increased by 5% compared to 2018, a number that is attributed to the demand for water in the new industrial processes that are part of the industrial expansion. However, this data shows that the company's management in this criterion is sufficient, based on the increase in production during the period.

In the own farms, the increase was slightly greater due to the increase in the number of animals housed in relation to the previous year, thus requiring a greater amount of water for consumption during the breeding/production processes.

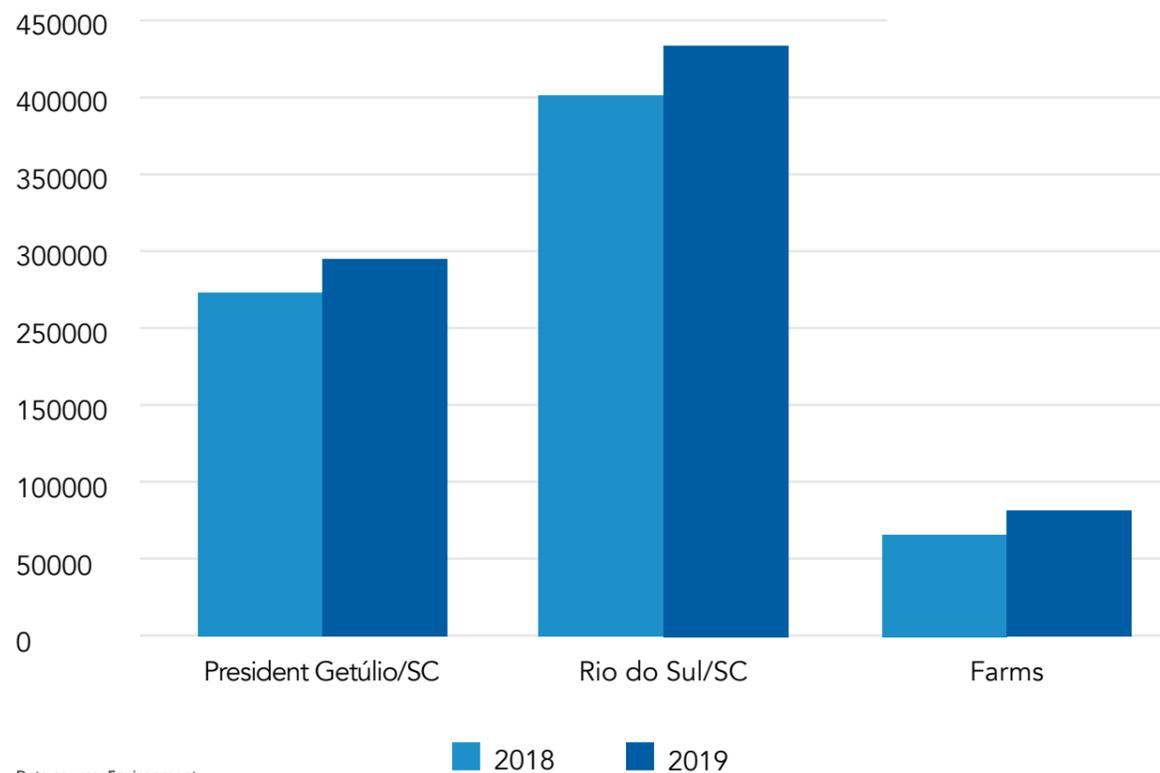
Total volume of water withdrawn by type of source (m³) (GRI 303-3)			
Type of Source	2019	2018	Variation (%)
<b>Surface waters (including wetlands, rivers, lakes and oceans)</b>			
Feed Factory	-	-	-
Factory Pres. Getúlio/SC	294,252	277,801	5
Factory Rio do Sul/SC	427,043	406,017	5
Farms	88,287	77,347	12
<b>Groundwater</b>			
Feed Factory	-	-	-
Factory Pres. Getúlio/SC	-	-	-
Factory Rio do Sul/SC	-	-	-
Farms	9,100	7,783	14
<b>Municipal water supply or other water supply companies</b>			
Feed Factory	1,527	1,647	-7
Factory Pres. Getúlio/SC	-	-	-
Factory Rio do Sul/SC	-	-	-
Farms	835	620	26
<b>TOTAL</b>	<b>821,044</b>	<b>771,215</b>	<b>6</b>

Data source: Environment.

The volumes of the water withdrawn are obtained from direct measurements. Pamplona does not remove water from areas with water stress.



Surface water consumption (in m<sup>3</sup>)



Data source: Environment.



## Effluent Treatment (GRI 306-1)

Pamplona carries out several actions that make it possible to increase the monitoring of the effluents of the industrial units and, with this, monitor the quality of the disposal more frequently.

In 2019, the industrial units had a growth in the generation of liquid effluents, the number of which was proportional to the higher water consumption in the industrial parks.

On the farms, the greater generation of effluents is also attributed to the increase in water consumption,

while the Feed Factory maintained a low generation in its volume, also showing a reduction compared to 2018.

Pamplona's goal is to be able to use about 20% of the effluents treated in external activities, such as washing yards and trucks in its production units by 2022, thus contributing to the reduction of water consumption in general. The system is based on a combination of chemical, physical and biological processes.

Total water discharge, broken down by quality and destination (m <sup>3</sup> ) (GRI 306-1)						
Units	Type of effluent disposal	Water quality and treatment method	Recycled and reused water	2019 (m <sup>3</sup> )	2018 (m <sup>3</sup> )	Variation (%)
Feed Factory	Surface waters	Septic tank and disinfection box	NO	1,221	1,342	-9.91
Factory Pres. Getúlio/SC	Surface waters	Physical, chemical and biological	NO	279,552	267,116	4.45
Factory Rio do Sul/SC	Surface waters	Physical and biological	NO	405,691	393,490	3.01
Farms	Surface water, incorporation in compost and distribution in soil as fertilizer.	Stabilization, physical and composting ponds	PARTIALLY	72,920	65,907	9.62
TOTAL				759,384	727,855	4.15

Data source: Environment

The volumes of the effluent discharges are obtained from direct and indirect measurements

## Waste

Pamplona has complete management of its residue, from generation to proper disposal methods, following the current legislation on disposal techniques and it contracts companies that are qualified for the correct disposal of residue, according to the classification of each one.

In 2019, the results achieved with the growth of treatment rates via recycling and reuse for the units in Rio do Sul/SC and Presidente Getúlio/SC are worth mentioning.

These significant results were possible due to the intensification of the monitoring of the screening process and the creation of indicators related to the efficiency of the use and recovery of these materials.

In regards to composting, the combination of the technological route being understood as sustainable through the process of biological degradation (composting) of residue, which was previously sent to landfills, and due to the high agronomic value obtained from the product, it opened up numerous possibilities of using this material as organic fertilizer for different crops.



This project relies continuously on the partnership with EPAGRI, which provides a scientific character to the product, and now it seeks certification from MAPA (Ministry of Agriculture, Livestock and Supply) to guarantee and express the standard and quality of the process to the market.

Another important investment to be initiated in 2020 will be the structuring of the new recycling plant at the headquarters in Rio do Sul/SC, which should allow for the reuse of a greater amount of waste coming from the company's production process, which may have added value or serve as raw material for innovative processes involving new technologies.

Total weight of waste by type and disposal method. (GRI 306-2)									
Types of Waste	Unit of measurement	UNITS							
		Factory Rio do Sul/SC		Factory Pres. Getúlio/SC		Feed Factory		Farms	
		2019	2018	2019	2018	2019	2018	2019	2018
<b>Class I Waste</b>									
Composting	Ton	0	0	0	0	0	0	0	0
Incineration/Landfill *	units	0	0	0	0	0	0	0	0
Recycling	Ton	0	0	0	0	0	0	0	0
Material Reusage	Ton	0	0	0	0	0	0	0	0
Autoclave/Landfill	Ton	0.63	0.2	0	0	0.15	0.06	14	12
<b>Class II Waste</b>									
Composting	Ton	920	819	856	1119	118	57	0	0
Incineration/Landfill	Ton	0	0	0	0	0	0	0	0
Recycling	Ton	399	232	189	95	8.14	27	0	0
Material Reusage	Ton	55	38	31	42	2.9	0.25	0	0
Autoclave/Landfill	Ton	362	451	165	0	0	5	0	0
<b>TOTAL (except light bulbs)</b>	<b>Ton</b>	<b>1,737</b>	<b>1,540</b>	<b>1,241</b>	<b>1,257</b>	<b>129</b>	<b>89</b>	<b>14</b>	<b>12</b>

Data source: Environment

Disposal to landfills and recycling is carried out by third parties which are accredited for such services, including the transportation and disposal thereof. Class I waste refers to light bulbs. Disposals are done according to the current legislation regarding the class and method of disposal in landfills. As for composting, transportation is carried out by third parties and the destination unit belongs to Pamplona.

\* Refers to fluorescent lamps.



## Consumption of Materials

The main materials consumed by the Pamplona agro-industrial processes are animals (pigs and cattle) and grains (soybean and corn bran), which together account for more than 75% of Pamplona's purchasing volume.

In 2019, the Feed Factory was responsible for the consumption of grains and materials, in the order of 287 thousand tons, for its production of approximately 290 thousand tons of feed, which represents almost the total amount needed to feed its own farms as well as the integrated farmers. The industrial process of the Rio do Sul/SC and Presidente Getúlio/SC units together was responsible for the consumption, in 2019, of more than 136 thousand tons of beef and pork.

Type of material used in production (GRI 301-1)	Total weight (tons)	
	2019	2018
<b>Agriculture: renewable inputs</b>		
Corn	210,011	212,023
Soybean meal	49,799	51,922
Other	26,831	17,350
<b>TOTAL CONSUMPTION</b>	<b>286,641</b>	<b>281,295</b>
<b>Factory</b>		
Pork Meat	129,394	128,893
Beef	6,766	7,054
<b>TOTAL CONSUMPTION</b>	<b>136,160</b>	<b>135,947</b>

Data source: Controllershship

For the production of feed, non-renewable raw materials are not used. The total weight indicated is obtained from direct measurements.

# People Management

Pamplona seeks to improve and evolve its people management processes, with the following premises: taking care of the physical integrity and health of its employees, encouraging professional growth, providing fair remuneration and participation in results, in addition to offering employment opportunities to the local community.

Pamplona has the vision that maintaining and generating jobs is the main contribution to a strong and productive society. In 2019, 197 new employees were hired, in addition to third parties and suppliers who became involved with Pamplona through work. This year, other important actions were taken aimed at the development, health and safety of workers.

In 2020, Pamplona Alimentos will invest in new technologies, systems, redesigning of processes and actions that allow for the advancement in Pamplona's people management. Therefore, in addition to consultancy in human resources, a major diagnosis will be made of the health and well-being of employees.

Another highlight will be the launch of the Trainee Program, with the first selection of 10 recently graduated professionals in various engineering areas, who will undergo training in various sectors during the two-year period. At the end of the program, it will be possible to better choose the professional area in which the trainees will work at Pamplona.

Also aligned with the continuous improvement of Pamplona, human resources and health and safety are important pillars of the Internal Management Tournament. The program will be audited based on the evaluation of 12 aspects involving People Management and Health and Safety, and its goals are linked to the bonus of managers and supervisors.

These guidelines and their results may be presented in future publications.

## Internal Culture - Management Tournament and Quality Circles

In 2020, Pamplona's efforts will intensify in regards to the involvement of employees in the evolution of the creation of an internal culture focused on management and excellence. The Management Tournament is an initiative which is integrated to the implementation of the Pamplona Management System and it is a systematic evaluation of all management tools and methodologies, verifying the compliance with them, based on on-site evidence. Management is divided into five pillars that will be evaluated by the tournament in all of the areas of the industry, namely:

- People Management;
- Health and Safety;
- Quality Pillar;
- Maintenance Management pillar;
- Performance pillar.

In addition to identifying and recognizing best practices and critical points, based on the assessment of the level of compliance with Pamplona's management strategies, these initiatives are aimed at creating an internal culture of continuous improvement and are supported by training and qualifications carried out with industry employees, with a primary focus on achieving excellence in our processes and products.

On the same line, Pamplona also has Innovation Groups and Quality Circles, which work across the board in Pamplona's operations, the first focusing on product and market innovations and the second, the CQP (Pamplona Quality Circle) which has 11 active groups, is aimed at improving industrial processes.



# Employment

Pamplona is always looking for qualified professionals, those who can contribute to the proposed results and, therefore, it offers equal opportunities for those looking for a job placement.

The selection processes for Pamplona professionals does not distinguish opportunities according the candidate's gender or characteristics. Pamplona ended 2019 with 3,010 employees, of which 36% were women and 64% were men.

In order to meet the new demands of the domestic and foreign markets, in 2019 Pamplona generated 199 more jobs.

Total Workforce by Gender (GRI 102-8)		
GENDER	2019	2018
Male	1,923	1,897
Female	1,087	914
<b>TOTAL</b>	<b>3,010</b>	<b>2,811</b>

Data source: Human Resources  
Pamplona only has employees with an indefinite and full-time employment contract. All Pamplona's operating units are in the southern region of Brazil.

Employees (GRI 401-1)	Total Number of New Hires 2019		Rate of new hires 2019 * (%)	
	Female	Male	Female	Male
Age Group Range				
Below 30 years old	396	653	13.4	22.4
From 30 to 50 years old	173	290	6.1	9.1
Over 50 years old	6	15	0.2	0.7
<b>TOTAL (1,533)</b>	<b>575</b>	<b>958</b>		

Data source: Human Resources  
\* Fees are calculated based on the total number of employees at the end of the period covered by the report.

Pamplona also has an inclusion program for hiring people with disabilities. In 2019, 47 people with disabilities participated in our inclusion program. For them, we carry out medical, ergonomic and psychological monitoring so that they can adapt properly to their daily activities. In addition, to expand Pamplona's openness to hiring PWDs, with the INSS, we have established an agreement to receive and carry out training for policyholders for professional rehabilitation.

In partnership with the City Hall of Rio do Sul/SC and APAE of Rio do Sul/SC, Pamplona collaborates with the APAE student qualification program for bakers, confectioners and pizzaiolos, in an action carried out by the charity organization Obra Kolping in Rio do Sul/SC.

# Arcep

Arcep (Pamplona Cultural and Recreational Sports Association) is an association made up of employees and is managed by 22 employees who voluntarily develop actions aimed at culture, sport, leisure, health and the quality of life of employees and their families as well as community involvement.

Annually, actions and events are carried out on several fronts, with the support of Pamplona and with 50% of the investments made by the association. In 2019, approximately BRL 660 thousand were invested for the realization of Arcep's social actions.

# Main actions carried out by Arcep in 2019

<b>Support for Education</b>	<p>Incentives for language learning, through agreements with schools and the payment of part of the tuition fee. In 2019, 12 employees joined the incentive.</p> <p>Donation of various teaching materials to the Ana Pamplona Day Care Center and the supply of school material kits for the employees' children (1st to 9th grade).</p> <p>Cultural agreements with institutions that teach classes in crafts and musical instruments.</p>
<b>Pink October</b>	<p>Participation in the Pink October, through the dissemination of information and creating awareness amongst employees about the importance of self-examination to detect breast cancer. In partnership with a mammography laboratory, 90 tests were carried out on employees, through the incentive of the campaign.</p>
<b>Dental Care</b>	<p>Maintenance of dental care offices that are available to assist all employees and their families and to increase the number of professionals, expanding the specialties of the coverage.</p>
<b>Pamplona Choir</b>	<p>Contribution to the training and musical doctrine of the choir, which is made up of 26 employees, through hiring a conductor to run weekly rehearsals.</p>
<b>Sports and Leisure</b>	<p>In partnership with several gyms in the region and with SESI, as well as payment of a percentage of the monthly fees for employees.</p> <p>Football tournaments, encouraging employees to socialize.</p> <p>Sponsorship of the Football Championship of the Municipality of Presidente Getúlio/SC.</p> <p>Events involving employees, families and the community on commemorative dates such as Children's Day, Mother's Day and Father's Day.</p>

Data source: Arcep (Pamplona Sports Cultural Recreation Association)

# Benefits (GRI 401-2)

**Pamplona offers its employees the following benefits:**

- Profit Sharing Program (PPR).
- Group life insurance, extended to the spouse and children.
- Food voucher.
- Bonus for achieving goals.
- Medical care in the specialty of occupational medicine and dental care (at the Rio do Sul/SC and Presidente Getúlio/SC units, in partnership with Arcep).
- Self-managed restaurant (in Rio do Sul/SC and Presidente Getúlio/SC).
- Daycare assistance (Ana Pamplona, in partnership with SESI, in Rio do Sul/SC).
- Credit card for purchases at markets and pharmacies, being discounted on the payroll.
- Agreement with universities to carry out graduate and postgraduate courses, and an agreement with laboratories for laboratory exams.
- Care program for pregnant women: consultations with an obstetrician in Pamplona, one ultrasound exam per pregnancy and the delivery of a maternity kit (bag with different items for the baby).

# Training and Education

One of the highlights in professional development is the Pamplona School of Leadership, which focuses on developing skills related to people management and decision-making activities. The first group created in 2019, consisting of 20 vacancies, will complete the program in 2020, after 18 months of training.

In 2019, educational incentives were also maintained and partnerships with universities and other educational institutions were maintained,

which constantly disseminate their courses within Pamplona, in addition to the participation of employees in internal or external seminars, lectures, courses and training, which dealt with topics related to their areas of expertise.

The training courses in 2019 were mainly focused on the operational level, focused on new technologies, procedures and the development of a culture of results as well as health and safety. (GRI 403-5)

Average number of hours of training per functional category and gender (GRI 404-1)		2019		2018	
Gender	Position	Total employees	Average training hours	Total employees	Average training hours
Female	Administrative	93	4.50	101	6.10
	Operational	989	4.20	864	3.37
Male	Administrative	143	0.93	157	4.08
	Operational	1613	4.36	1689	3.57

Data source: Arcep (Pamplona Sports Cultural Recreation Association)

# Occupational Health and Safety

Pamplona guides its Occupational Health and Safety management with the aim of meeting legal requirements and preventing occupational accidents and diseases. Leaders, managers and all employees are committed to the aspects and effects of health and safety at work during all of their activities.

In recent years, in parallel with the launch of new programs and tools, actions have been focused on employees, aimed at creating an internal health and safety culture, seeking the commitment of everyone to maintain a safe and healthy work environment. In this sense, the Behavioral Safety and the Pamplona *Acidente Zero* programs stand out.

In 2019, programs aimed at the safety and health of workers were consolidated at Pamplona, with an increase in behavioral approaches, preventive

outpatient care, better rates and the involvement of all in actions and programs.

In addition to these programs, employees also have the assistance of a speech therapist, nutritionist and psychologist within the company's facilities. In 2019, 5,709 clinical visits were carried out in Rio do Sul/SC and in Presidente Getúlio/SC. Directed towards women's health, in 2019, Pamplona conducted 734 gynecological consultations. (GRI 403-16)

In 2020, the existing programs will be maintained and the continuous improvement plan is focused on new procedures, training and internal audits. Also as one of the pillars of the Management Tournament, the Safety Pillar, the involvement of employees in behavioral activities and the creation of an internal and safety culture will be intensified.

# Safety Committee

(GRI 403-4)

One of Pamplona's important health and safety management mechanisms is the Safety Committee, which has been in operation since 2018. This group, made up of operation managers and employees, involves the areas of safety, production, human resources, maintenance and purchases, and meets on a monthly basis to evaluate the indicators and

programs in progress, as well as to define strategies and investments.

Pamplona also has an Ergonomics Committee, which analyzes jobs and suggests appropriate ergonomic improvements to reduce risks. In 2019, 63 ergonomic improvements were made.

# Behavioral Safety Program

(GRI 403-9)

Since 2017, the Behavioral Safety Program has been structured, which aims to continuously improve occupational health and safety management and behavioral deviations, in addition to reducing the number of accidents.

Each behavioral observation is made by management, coordinators, leaders and SESMT and is recorded in a database in order to generate indicators. Behavioral observation aims to reduce the number of accidents by focusing on correcting and reducing the safety deviations. In 2019,

5692 observations and approaches were made. It is understood that for each observation the deviations are corrected immediately.

These actions have contributed to the reduction and maintenance of the indicators related to accidents at work. In 2019, the highlight was the Presidente Getúlio/SC unit, which had a significant reduction in its main indexes.

GRI 403-9	Factory Pres. Getúlio/SC		Factory Rio do Sul/SC		TOTAL (Pres. Getúlio/SC + Rio do Sul/SC)		Feed Factory + Development	
	2019	2018	2019	2018	2019	2018	2019	2018
Injury type	Cuts caused by work tools.							
Number of accidents	*ACA = 17 *ASA = 70	*ACA = 21 *ASA = 96	*ACA = 34 *ASA = 45	ACA = 31 ASA = 73	ACA = 51 ASA = 115	ACA = 52 ASA = 169	ACA = 0 ASA = 0	ACA = 0 ASA = 1
**Injury rate	7.25	9.68	8.59	8.25	15.84	13.85	-	-
Occupational disease rate	2.99	0.46	2.27	2.66	5.26	2.93	-	-
Number of lost work days	97	204	287	760	384	964	-	-
**Frequency rate	7.25	9.68	8.59	8.25	15.84	13.85	-	-
Absenteeism rate	2.44%	4.29	3.45%	3.34%	5.89%	7.40%	1.19%	1.19%
Number of deaths	-	-	-	-	-	-	-	-

Data source: Occupational health and safety

The system of standards applied to the recording and reporting of accident statistics is done according to Brazilian law, which in turn follows the ILO code.

\*ACA (accidents with sick leave) and ASA (accidents without sick leave).

\*\* Injury rate and frequency rate considers the ACA.



## Pamplona Zero Accident (GRI 403-2)

Pamplona's main approach to managing the health and safety of its employees is the PAZ program (Pamplona Zero Accident). The program aims to implement tools that provide a reduction of risks in work activities, greater commitment by all the leaders and teams in eliminating safety deviations, and, consequently, a reduction in the number of events, thus seeking a zero accident outcome.

PAZ is composed up of four pillars, the PADS (Security Deviations Management Program), IPS (Safe Practices Index), DSS (Weekly Safety Dialogue) tools and the Investigation of Accidents which is important for the correction and reduction of deviations and accidents at work. The programs cover 100% of Pamplona's production area.

The PADS brings together a series of actions aimed, with a focus on behavior, at the employee, for the creation of a health and safety culture. The IPS, on the other hand, is an important complementary tool to the PADS, since it provides the management committee of each unit with a management index on a monthly basis that shows the degree of adherence of the workforce to standards and good practices.

Based on the IPS, which provides a PADS program achievement percentage, it is possible to identify points for improvement.

Supervisors from all sectors receive data on a monthly basis to address the opportunities directly with their teams. The safety committee also uses this data to strategically direct Pamplona's actions.

In 2019, the IPS presented results superior to those obtained in 2018, with a 85.07% achievement at the headquarters, in Rio do Sul/SC, and 87.74% at the Presidente Getúlio/SC unit, both with a "good performance" according to the classification of the methodologies of the tool. The result of actions that were aimed at involving technicians and supervisors in the program and investments made based on the Safety Committee's decision such as investments in the dehairing machinery to meet NR 12- Safety at Work for Machines and Equipment as well as the installation of the "safety lines" in the truck washing sector used for carrying out work at heights, among other examples.

The IPS, Safe Practices Index, is a managerial tool that shows the degree of adherence of the workforce to the standards and good safety practices during the execution of their tasks within a given work area, through a percentage indicator. The higher the IPS, the greater the level of awareness and operational discipline.

In addition to identifying safety deviations, the tool allows to assess the criticality of the exposure, in which the severity of each deviation found is determined according to the criteria previously established. IPS observations are not intended to address and promptly correct deviations, except for RGI (Severe and Imminent Risk) situations.

Its application is carried out exclusively by professionals who have been trained in the SESMT sector tool, in sample evaluation, to be able to calculate the score of each sector.

## CIPA and SIPAT (GRI 403-4 | GRI 403-6)

All Pamplona employees are represented at CIPA - Internal Commission for Accident Prevention, a committee created with the objective of making the prevention of illness and accidents at work a daily practice within Pamplona.

In 2019, one of the highlighted actions in partnership with CIPA was the security blitz. In an educational manner and using the traffic light metaphor (red, yellow and green), the different sectors of the company were approached and they received their cards with the respective colors which signaled the employees' behavior. The presentation of the cards was followed by explanations and the appropriate corrections, thus stimulating the culture of safety in everyone.

During SIPAT (Internal Week for the Prevention of Accidents at Work), which takes place annually at all units, the following actions were taken:

**Emergency Evacuation Simulation:** provides employees with general guidance on the importance of the simulation of abandonment and the commitment of all.

**Occupational Health Program:** with the support of the City Hall of Rio do Sul/SC, preventive exams for uterine cancer were carried out.

**Safety Quiz:** an interactive activity with questions and answers about internal safety procedures as well as giving gifts to the employees who demonstrate knowledge on the topics.

**Cycling Tour:** cycling activities in the cities of Rio do Sul/SC and Presidente Getúlio/SC addressing healthy habits and providing health tips. It gathered more than 100 people at the two units of the company.



## Campaigns and Training (GRI 403-5)

Every new employee, when joining Pamplona, receives specific training in ergonomics, which are direct applicable to the daily work activities of each function.

Pamplona also counts on the DSS - Weekly Safety Dialogue tool, through which weekly guidance is given on matters of health and safety at work. In 2019, 579 hours of DSS were carried out.

## Presence in Society

Pamplona's activities contribute, directly and indirectly, to the socioeconomic development of the various municipalities in the state of Santa Catarina and neighboring states, in the generation of income through its productive chain, in the generation of jobs, in the added value to the municipalities, as well as through engagement with sectoral issues and the exercise of its socio-environmental responsibility.

Pamplona exercises its business leadership through the involvement of its executives in the following bodies, the Commercial and Industrial Associations of Rio do Sul/SC (ACIRS) and Presidente Getúlio/SC (ACIPG), the Brazilian Animal Protein Association (ABPA), the Meat Industry Union of the State of Santa Catarina (SINDICARNE) and FIESC (Federation of Industries of the State of Santa Catarina) (GRI 102-13)



## Economic Impact

Pamplona's positive impact on the socioeconomic development of the municipalities where it operates, in the city and in the countryside, can be represented by the following numbers:

- 3,010 direct jobs in 2019 (2,811 employees in 2018).
- Total paid in salaries, benefits and taxes on the payroll: BRL 110 million (BRL 108 million in 2018).
- Percentage of participation in purchases from suppliers located in SC: 54.15% (48.98% in 2018).
- Purchases from suppliers in Santa Catarina: BRL 505 million (BRL 426 million in 2018).
- Swine Development: 318 integrated farmers (320 in 2018).
- Total added value generated for the municipalities of Santa Catarina: BRL 778 million (representing 11.07% of the total value added in the Alto Vale do Itajaí region).

Value added to the municipalities in the region of Alto Vale do Itajaí - in order of Pamplona's participation percentage (GRI 203-2; GRI 207-1)

CITY	Pamplona's participation in 2019 (BRL thousand)	Pamplona's participation in 2019 (%)	Pamplona's participation in 2018 (%)
Presidente Getúlio/SC	274,115	42.47	27.99
Rio do Oeste/SC	58,853	31.56	28.87
Witmarsum/SC	23,567	25.43	23.10
Mirim Doce/SC	14,502	24.24	21.66
Rio do Campo/SC	36,713	23.06	20.72
Salete/SC	42,606	18.96	17.23
Dona Emma/SC	15,436	15.47	16.66
Pouso Redondo/SC	48,774	11.56	14.10
Taió /SC	60,090	11.43	8.84
Petrolândia/SC	16,431	11.31	11.55
Trombudo Central/SC	22,255	11.03	11.47
Presidente Nereu/SC	2,857	9.94	12.79
Atalanta/SC	5,878	9.70	11.20
Vitor Meireles/SC	6,271	8.14	8.21
Agronômica/SC	8,910	7.05	10.25
Agrolândia/SC	14,303	6.95	7.66
Chapadão Lageado/SC	3,519	6.27	7.64
Rio do Sul/SC	90,525	5.55	6.96

Data source: Union of the Municipalities of Alto Vale do Itajaí (Amavi). Only municipalities with more than 5% participation in Pamplona in the collection are considered. Data for 2018 with return to the municipality in 2020 and data for 2019 with return to the municipality in 2021.

# Tax Incentives (GRI 207-1)

In 2019, a new way of supporting social causes and the development of actions aimed at society began in the company. In this sense, contributions were made through the tax incentive law, to the various incentive law mechanisms available, to the order of BRL 812 thousand. In 2020, Pamplona intends to expand the possibility of using these incentive mechanisms, as well as directing them, whenever possible, to organizations that work in communities close to Pamplona's operations.

Mechanism	Benefited Entity	Tax incentive value transferred (in BRL thousand)
Lei Rouanet/ Audiovisual Law	Lilly Bremer Ltda. ME - Rio do Sul/ SC	254
	Arte Pró-Vida Jaraguá – Jaraguá do Sul/ SC	36
	6Th Serra music festival – Lages/ SC	72
Lei do Esporte / Sports Incentive Law	Porsche Cup – São Paulo/ SP	90
Child and Adolescent Fund (FIA)	Child and Adolescent Donation Fund – Rio do Sul/ SC	90
Elderly fund	Elderly fund – Rio do Sul/ SC	90
PRONON (Oncology)	Hospital Hélio Angotti – Uberaba/ MG	90
PRONAS (People with Deficiency)	Hospital Hélio Angotti – Uberaba/ MG	90
<b>TOTAL</b>		<b>812</b>

Data source: Controllership

# Involvement actions with society (GRI 413-1)

As a way of contributing to the social development of communities, the following actions were carried out in 2019:

**Research and Knowledge:** Pamplona opened its doors to students from UDESC (State University of Santa Catarina), so that they could learn about the processes of industrialization of food.

**Bakery-School Project:** for the second consecutive year, Pamplona supports this project to promote social inclusion, based on the qualification of people with disabilities in partnership with the Secretariat of Assistance and Social Development of the municipality of Rio do Sul/SC (Seades) and the Recanto Alegre Special School - APAE of Rio do Sul/SC. Pamplona provided the ingredients and provided transportation for the students to participate in classes that were held for 8 months at the CQP (Professional Qualification Center) -

bakery school at Obra Kolping in the city of Rio do Sul/SC.

**Support for Sports Projects:** Pamplona supported a series of initiatives aimed at valuing sports practices and well-being, through sponsorships of events such as cycling, football and street running.



**Environmental Education Project:** continuing the project initiated in 2018, aimed at schools and with the environment theme, in 2019, with the support of a specialist, the evaluation of the results and the planning of the new cycle of actions for the project was carried out, which are scheduled for 2020. Actions focused on planting tree seedlings, school gardens and lectures at schools will again be supported by Pamplona.

**Organ and material donations:** Pamplona has partnerships with universities to provide free organs and parts of animals, such as hearts and jaws, contributing to the practical training in anatomy and surgical techniques of students as well as in the development of scientific research in cardiac and dental care.

## Acknowledgements

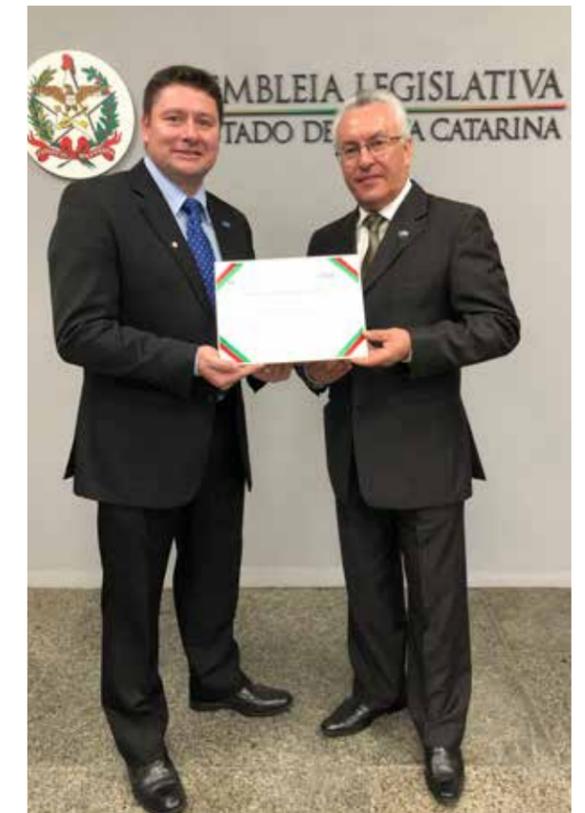
### Acknowledgement - Brazilian Society of Cardiovascular Surgery (SBCCV)

Pamplona has contributed, over the past seven years, to the development of scientific research focusing on the development of Brazilian cardiovascular surgery, through a partnership with the Brazilian Society of Cardiovascular Surgery (SBCCV).

SBCCV is committed to promoting the health of Brazilians, working on the treatment and prevention of cardiovascular diseases, with numerous lines of research. Pamplona annually supplies swine and bovine organs to the congress that is organized by the Brazilian Society of Cardiovascular Surgery. With the donation, the participants participate in the practice called "Hands-On" - simulated training of cardiovascular surgery on an animal organ. The organs are essential for practical activities and are donated and transported by Pamplona in perfect condition.

# Social Responsibility Certification - Finalist

In its ninth consecutive participation in the Social Responsibility Certification event of ALESC (Legislative Assembly of the State of Santa Catarina), Pamplona was one of the finalists in the Social Responsibility Award, having recognized, as a good practice, its second edition of the Sustainability Report that was prepared in accordance with the guidelines of the Global Reporting Initiative. On previous editions, Pamplona had been recognized with the ALESC Social Responsibility Certificate, for its socio-environmental practices.



The purpose of the event is to recognize and highlight private, public and non-economic organizations that have socio-environmental responsibility included in their management policies.

# 2019 Annual Social Balance (in BRL thousand)

## PAMPLONA ALIMENTOS S/A



1 - Calculation Base	2019 Amount			2018 Amount		
Net revenue (RL)	1,216,064			956,991		
Operational Result (RO)	122,007			(39,685)		
Gross payroll (FPB)	114,803			108,309		
2 - Internal Social Indicators	Amount	% on FPB	% on RL	Amount	% on FPB	% on RL
Food	2,902	2.53%	0.24%	2,009	1.85%	0.21%
Compulsory social charges	25,142	21.90%	2.07%	25,110	23.18%	2.62%
Health	211	0.18%	0.02%	185	0.17%	0.02%
Occupational health and safety	1,250	1.09%	0.10%	1,220	1.13%	0.13%
Education	28	0.02%	0.00%	34	0.03%	0.00%
Culture	194	0.17%	0.02%	182	0.17%	0.02%
Training and career development	191	0.17%	0.02%	194	0.18%	0.02%
Daycare centers or daycare assistance	118	0.10%	0.01%	112	0.10%	0.01%
Transportation assistance	402	0.35%	0.03%	639	0.59%	0.07%
Funeral assistance	1	0.00%	0.00%	10	0.01%	0.00%
Employee Life insurance	246	0.21%	0.02%	197	0.18%	0.02%
Participation in profits and results	-	0.00%	0.00%	-	0.00%	0.00%
Other	104	0.09%	0.01%	-	0.00%	0.00%
Total - Internal Social Indicators	30,790	26.81%	2.53%	29,890	27.59%	3.12%
3 - External Social Indicators	Amount	% on RO	% on RL	Amount	% on RO	% on RL
Culture	411	0.34%	0.04%	46	-0.11%	0.01%
Health and sanitation	180	0.15%	0.01%	-	0.00%	0.00%
Other	279	0.23%	0.02%	19	-0.05%	0.00%
Total contributions to society	869	0.70%	0.07%	65	-0.17%	0.01%
Taxes (excluding social charges)	145,402	119.18%	11.96%	87,005	-219.24%	9.09%
Total - External Social Indicators	146,272	119.89%	12.03%	87,070	-219.40%	9.10%
4 - Environmental Indicators	Amount	% on RO	% on RL	Amount	% on RO	% on RL
Waste disposal	327	0.27%	0.03%	179	-0.45%	0.02%
Atmospheric emissions treatment	-	0.00%	0.00%	-	0.00%	0.00%
Remediation costs	-	0.00%	0.00%	-	0.00%	0.00%
Environmental management and prevention costs	149	0.12%	0.01%	281	-0.71%	0.03%
Investments in third-party programs and/or projects	-	0.00%	0.00%	-	0.00%	0.00%
Total environmental investments	476	0.39%	0.04%	459	-1.16%	0.05%
Regarding the establishment of "annual goals" to minimize waste, general consumption in production/operation and increasing efficiency in the use of natural resources, the company:	<input type="checkbox"/> has no goals <input type="checkbox"/> fulfilled 51 to 75% <input type="checkbox"/> fulfilled 0 to 50% <input checked="" type="checkbox"/> fulfilled 76 to 100%			<input type="checkbox"/> has no goals <input type="checkbox"/> fulfilled 51 to 75% <input type="checkbox"/> fulfilled 0 to 50% <input checked="" type="checkbox"/> fulfilled 76 to 100%		

5 - Staff Indicators	2019			2018		
No. of employees at the end of the period	3,010			2,811		
No. of admissions during the period	1,533			1,410		
No. of outsourced employees	161			132		
No. of interns	21			25		
No. of employees over 45 years of age	474			442		
No. of women working for the company	1,087			914		
% of management positions held by women	18%			18%		
No. of black people working for the company	610			610		
% of management positions held by black employees	3%			2%		
No. of people with disabilities or special needs	40			41		
6 - Information relative to the exercise of corporate citizenship	2019			2020 Goals		
Ratio between the highest and lowest pay at the company	27			29		
Total number of occupational accidents	46			46		
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> Executive management	<input checked="" type="checkbox"/> Executive management and managers	<input type="checkbox"/> All employees	<input type="checkbox"/> Executive management	<input checked="" type="checkbox"/> Executive management and managers	<input type="checkbox"/> All employees
Safety and health standards at the workplace were defined by:	<input type="checkbox"/> Executive management and managers	<input type="checkbox"/> All employees	<input checked="" type="checkbox"/> all + Cipa (Internal Accident Prevention Committee)	<input type="checkbox"/> Executive management and managers	<input type="checkbox"/> All employees	<input checked="" type="checkbox"/> all + Cipa (Internal Accident Prevention Committee)
As to union freedom, the right to collective bargaining and internal representation of the workers, the company:	<input checked="" type="checkbox"/> is not involved	<input type="checkbox"/> follows the ILO regulations	<input type="checkbox"/> encourages and follows ILO	<input checked="" type="checkbox"/> is not involved	<input type="checkbox"/> will follow the ILO guidelines.	<input type="checkbox"/> will encourage and follow ILO
Private pension plans include:	<input type="checkbox"/> Executive management	<input type="checkbox"/> Executive management and managers	<input type="checkbox"/> All employees	<input type="checkbox"/> Executive management	<input type="checkbox"/> Executive management and managers	<input type="checkbox"/> all employees
Profits are shared with:	<input type="checkbox"/> Executive management	<input type="checkbox"/> Executive management and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> Executive management	<input type="checkbox"/> Executive management and managers	<input checked="" type="checkbox"/> all employees
When selecting suppliers, the same ethical and social-environmental responsibility standards adopted by the company:	<input type="checkbox"/> are not considered	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required	<input type="checkbox"/> will not be considered	<input type="checkbox"/> will be suggested	<input checked="" type="checkbox"/> will be required
As to company employees' participation in volunteer work programs, the company:	<input type="checkbox"/> does not get involved	<input checked="" type="checkbox"/> supports	<input type="checkbox"/> organizes and encourages	<input type="checkbox"/> does not get involved	<input checked="" type="checkbox"/> will support	<input type="checkbox"/> will organize and encourage it
Total added value to share (in BRL thousand):	In 2019: 388,465			In 2018: 199,259		
Added Value Sharing (AVS):	41.50 % government 28.81 % employees 2.86% stockholders 12.03% third parties 14.81% withheld			48.88 % government 48.16 % employees 6.72% stockholders 20.99% third parties 24.75% withheld		
7 - Other Information						

# GRI Content Index: Pamplona Alimentos S/A 2019 Sustainability Report (GRI 102-55)

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>GENERAL STANDARD CONTENT: GRI STANDARDS THE ESSENTIAL OPTION</b>			
<b>ORGANIZATIONAL PROFILE</b>			
GRI 102: General Content 2016	102 -1	Name of organization.	6
	102 -2	Main brands, products, and/or services.	14; 26; 27
	102 -3	Location of organization's headquarters.	14
	102 -4	Number of countries in which the organization operates.	14
	102 -5	Type and legal format of the property.	13
	102 -6	Markets served.	14; 22; 23
	102 -7	Size of organization.	13; 14
	102 -8	Total number of employees and workers.	13; 60
	102 -9	Organization's supply chain.	15
	102 -10	Report any significant changes during the reporting period regarding the size, structure of the organization, ownership or its supply chain.	In 2019, operations carried out with a third-party slaughterhouse in the municipality of Estação/RS for the slaughtering of pigs and food processing were discontinued. Page 14
	102 -11	Precautionary approach or principle.	34
	102 -12	Charters, principles and other externally developed initiatives of an economic, environmental and social nature that the organization subscribes or endorses.	Pamplona Alimentos does not sign or endorse sustainability letters or principles.
	102 -13	Participation in associations.	66
<b>STRATEGY</b>			
GRI 102: General Content 2016	102 -14	Letter from the President.	4; 5
	102 -15	Main impacts, risks, and opportunities.	9; 10; 11
<b>ETHICS AND INTEGRITY</b>			
GRI 102: General Content 2016	102 -16	Organization's values, principles, standards and norms of behavior.	31

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>GOVERNANCE STRUCTURE</b>			
GRI 102: General Content 2016	102 -18	Governance structure of the organization.	31; 32; 33; 34
<b>STAKEHOLDER ENGAGEMENT</b>			
GRI 102: General Content 2016	102 -40	List of the groups of stakeholder involved in the organization.	4
	102 -41	Percentage of total employees covered by collective bargaining agreements.	100% of employees are covered by collective bargaining agreements.
	102 -42	Basis used for the identification and selection of stakeholders.	The identification and selection of stakeholders was based on the understanding of the Pamplona board of directors in relation to stakeholder groups that can most significantly affect Pamplona's business. Page 6
	102 -43	Approach adopted by the organization to involve stakeholders, including the frequency of its engagement.	6; 7
	102 -44	Main topics and concerns raised during the engagement of stakeholders and the measures adopted by the organization.	The measures taken by Pamplona to respond to the topics raised by the stakeholders that were consulted are described in this report in the specific chapters of each material topic. Page 6 and 7
	<b>REPORTING PRACTICES</b>		
GRI 102: General Content 2016	102 -45	Entities included in the financial statements.	The financial information contained in this report refers to all the company's own units, and the other sustainability information (environmental, social and product), when applicable and/or available, refers to the parent units in Rio do Sul/SC, to the branch in Presidente Getúlio/SC, to the Feed Factory in Laurentino/SC, to the seven self-owned farms and to the two butcher shops. The scope of this report does not include the social and environmental information of outsourced industrial units, distribution centers and integrated producers.
	102 -46	Process used to define the content of the report and the limits of the Aspects.	6; 7
	102 -47	List of material aspects identified in the process of defining the content of the report.	6; 7
	102 -48	Restatements of information provided in previous reports.	There was no reformulation of information provided in relation to the previous report (RS2018).

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
GRI 102: General Content 2016	102 -49	Significant changes in relation to periods covered by previous reports in Scope and Aspect limits	The consultation with external stakeholders for this reporting cycle reaffirmed the materiality of the topics covered in the 2018 Report. The only change made was the inclusion of the "Taxes" aspect, launched in 2019 by GRI and related to the material theme "Economic Performance and Governance". The Water 2016 aspect was also replaced by the Water and Effluent 2018 aspect (GRI launched in 2019) and the Health and Safety at Work 2016 aspect by Health and Safety at Work 2018 (also launched in 2019 by the GRI).
	102 -50	Period covered by the report for the information presented.	6
	102 -51	Date of the most recent previous report	The previous report was released in 2019 and refers to the calendar year 2018.
	102 -52	Reporting cycle.	The report issuance cycle is annual.
	102 -53	Inform the contact point for questions about the report or its contents.	6
	102 -54	Reporting statement for the option according to GRI Standards.	6
	102 -55	GRI Content Index	72
	102 -56	External verification.	This report has not been verified by a third party.
<b>MATERIAL ASPECTS: GRI Standards the Essential option</b>			
<b>ECONOMIC PERFORMANCE</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	36; 37; 38
	103 -2	Mechanisms of management forms and their components.	35; 36; 37; 38
	103 -3	Assessment of management mechanisms.	36; 37; 38
GRI 201: Economic Performance 2016	201 -1	Direct economic value generated and distributed.	Pamplona Alimentos S/A did not carry out, in 2019, programs to encourage healthy food and/or a healthy lifestyle. Page 38
<b>INDIRECT ECONOMIC IMPACTS</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	66; 67
	103 -2	Mechanisms of management forms and their components.	35; 36; 66; 67
	103 -3	Assessment of management mechanisms.	66; 67
GRI 203: Indirect Economic Impact 2016	203 -2	Significant indirect economic impacts, including the extent of the impact.	67

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>PURCHASE PRACTICES</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	15; 16; 17; 18; 19
	103 -2	Mechanisms of management forms and their components.	15; 16; 17; 18; 19; 35; 36
	103 -3	Assessment of management mechanisms.	15; 16; 17; 18; 19
GRI 204: Purchase Practices 2016	204 -1	Proportion of spending on local suppliers in important operating units.	15
GRI G4 - Food Processing Sector: Purchase Practices 2013	FP1	Percentage of volume purchased from suppliers in accordance with the organization's purchasing policy.	15; 16; 17
<b>FIGHT AGAINST CORRUPTION</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	34; 35; 36
	103 -2	Mechanisms of management forms and their components.	34; 35; 36
	103 -3	Assessment of management mechanisms.	34; 35; 36
GRI 205: Fight Against Corruption 2016	205 -2	Communication and training in the organization's anti-corruption practices and procedures.	34
	205 -3	Confirmed incidents of corruption and actions taken in response thereto.	36
<b>TAXES</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	66; 67; 68
	103 -2	Mechanisms of management forms and their components.	35; 36; 66; 67; 68
	103 -3	Assessment of management mechanisms.	66; 67; 68
GRI 207: Taxes 2019	207 -1	Description of the company's strategic tribute/tax approach.	67; 68
<b>MATERIALS</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	49; 50; 57
	103 -2	Mechanisms of management forms and their components.	35; 36; 49; 50; 57
	103 -3	Assessment of management mechanisms.	49; 50; 57
GRI 301: Materials 2016	301 -1	Materials used by weight or volume	57

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>ENERGY</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	49; 50; 51; 52
	103 -2	Mechanisms of management forms and their components.	35; 36
	103 -3	Assessment of management mechanisms.	49; 50; 51; 52
GRI 302: Energy 2016	302 -1	Energy consumed within the organization.	51; 52
	302 -3	Energy intensity	52
	302 -4	Reduction in energy consumption	52
<b>WATER</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	49; 50; 53
	103 -2	Mechanisms of management forms and their components.	35; 36; 49; 50; 53
	103 -3	Assessment of management mechanisms.	49; 50; 53
GRI 303: Water and Effluents 2018	303 -3	Total water removal by source.	53
<b>EMISSIONS</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	
	103 -2	Mechanisms of management forms and their components.	35; 36
	103 -3	Assessment of management mechanisms.	
GRI 305: Emissions 2016	305 -1	Total direct greenhouse gas emissions (Scope 1)	
<b>EFFLUENTS AND WASTE</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	49; 50; 55; 56
	103 -2	Mechanisms of management forms and their components.	35; 36; 49; 50; 55; 56
	103 -3	Assessment of management mechanisms.	49; 50; 55; 56
GRI 306: Effluents and Waste 2016	306 -1	Total water disposal, by quality and destination.	55
	306 -2	Total weight of waste by type and disposal method.	56
<b>ENVIRONMENTAL COMPLIANCE</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	36; 49; 50
	103 -2	Mechanisms of management forms and their components.	35; 36; 49; 50
	103 -3	Assessment of management mechanisms.	36; 49; 50

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
GRI 307: Environmental Compliance 2016	307 -1	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	36
<b>ENVIRONMENTAL ASSESSMENT OF SUPPLIERS</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	43; 44; 45; 46; 47; 48
	103 -2	Mechanisms of management forms and their components.	35; 36; 43; 44; 45; 46; 47; 48
	103 -3	Assessment of management mechanisms.	43; 44; 45; 46; 47; 48
GRI 308: Environmental assessment of suppliers 2016	308 -1	Percentage of new suppliers that were assessed using environmental criteria.	47; 48
<b>EMPLOYMENT</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	58; 59; 60; 61
	103 -2	Mechanisms of management forms and their components.	35; 36; 58; 59; 60; 61
	103 -3	Assessment of management mechanisms.	58; 59; 60; 61
GRI 401: Employment 2016	401 -1	Total number and rate of new hires and employee turnover by age group, gender and region.	All Pamplona Alimentos S/A employees are in the state of Santa Catarina. Page 60
	401 -2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations.	Pamplona does not have temporary or part-time employees and, therefore, benefits are extended to all employees. Page 61
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	58; 59; 62; 63; 64; 65
	103 -2	Mechanisms of management forms and their components.	35; 36; 58; 59; 62; 63; 64; 65
	103 -3	Assessment of management mechanisms.	58; 59; 62; 63; 64; 65
GRI 403: Occupational Health and Safety 2018	403 -2	Hazard identification, risk assessment and incident investigation.	63; 64
	403 -4	Employee participation, consultation and communication on health and safety.	100% of the workforce is represented on the Health and Safety Committee. Pages 63 and 65
	403 -5	Training of employees in occupational health and safety.	62; 65
	403 -6	Promotion of employee health	65
	403 -9	Work-related injuries.	63

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>TRAINING AND EDUCATION</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	58; 59; 62
	103 -2	Mechanisms of management forms and their components..	35; 36; 58; 59; 62
	103 -3	Assessment of management mechanisms.	58; 59; 62
GRI 404: Training and Education 2016	404 -1	Average hours of training per year per employee by gender, and by employee category	62
<b>LOCAL COMMUNITIES</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	66; 68; 69
	103 -2	Mechanisms of management forms and their components.	35; 36; 66; 68; 6
	103 -3	Assessment of management mechanisms.	66; 68; 69
GRI 413: Local communities 2016	413 -1	Operations that have a form of engagement with the local community, impact assessment and development programs.	68
<b>SOCIAL EVALUATION OF SUPPLIERS</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	43; 44; 45; 46; 47; 48
	103 -2	Mechanisms of management forms and their components.	35; 36; 43; 44; 45; 46; 47; 48
	103 -3	Assessment of management mechanisms.	43; 44; 45; 46; 47; 48
GRI 414: Social evaluation of suppliers 2016	414 -1	Percentage of new suppliers that were assessed using social criteria.	47; 48
<b>CUSTOMER HEALTH AND SAFETY</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	39; 40; 41; 42
	103 -2	Mechanisms of management forms and their components.	35; 36; 39; 40; 41; 42
	103 -3	Assessment of management mechanisms.	39; 40; 41; 42
GRI 416: Customer Health and Safety 2016	416 -1	Evaluation of health and safety impacts of products and services.	41; 42
GRI G4 - Food Processing Sector: Customer Health and Safety 2013	FP5	Percentage of production volume manufactured in places certified by third parties, according to internationally recognized standards.	42
	FP6	Percentage of total sales volume of consumer products, by product category, which have a reduction in saturated fat, trans fats, sodium and added sugars.	42

GRI STANDARD	PROMOTION	RESPONSE TO INDEX REMISSIVE / PAGE	REASON FOR OMISSION
<b>MARKETING AND LABELING</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	36; 42
	103 -2	Mechanisms of management forms and their components.	35; 36; 41
	103 -3	Assessment of management mechanisms.	36; 41
GRI 417: Marketing and Labeling 2016	417 -1	Type of information about products and services required by labeling procedures.	41
	417 -2	Total number of incidents of non-compliance with regulations and voluntary codes related to information and labeling of products and services.	36
			Pamplona will systematize information referring to cases of non-compliance with regulations and voluntary codes related to product information and labeling, defining the criteria for classification as to their relevance and significance, for the disclosure of this GRI indicator in an appropriate manner in the next reports
<b>SOCIOECONOMIC COMPLIANCE</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	34; 35; 36
	103 -2	Mechanisms of management forms and their components.	34; 35; 36
	103 -3	Assessment of management mechanisms.	34; 35; 36
GRI 419: Socioeconomic Compliance 2016	419 -1	Monetary value of significant fines and total number of non-monetary sanctions applied for non-conformities in the social and economic areas.	36
<b>ANIMAL WELL-BEING</b>			
GRI 103: Forms of Management 2016	103 -1	Explanation of the material aspect and its limits.	43; 44; 45; 46; 47; 48
	103 -2	Mechanisms of management forms and their components.	35; 36; 43; 44; 45; 46; 47; 48
	103 -3	Assessment of management mechanisms.	43; 44; 45; 46; 47; 48
GRI G4 - Food Processing Sector: Animal welfare 2013	FP12	Policies and practices regarding the use of antibiotics, anti-inflammatories, hormones and/ or treatments with growth promoters, by species and type of breeding.	47; 48

**Pamplona Recipes:  
every meal will be  
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GIVE UP FLAVOR IN  
THEIR DAY TO DAY.**





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WITH YOUR  
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Financial Administrative Director

**Validation**  
Director President  
Industrial Director  
Supply and Development Director  
Commercial Director of the Internal Market  
Commercial Director of the External Market  
Commercial Director of Expansion and Logistics

**Accountant Responsible**  
Élvis Justen | CRC-SC-028194/O-3

**Areas Involved**  
Internal Audits  
Commercial  
Accounting  
Controllershship  
Financial  
Development  
Quality  
Feed Factory  
Legal  
Logistics  
Maintenance  
Marketing  
Environment  
Research and Development  
Human Resources  
SESMT  
Supplies

**Support**  
Associação Cultural Esportiva e Recreativa  
Pamplona - ARCEP (Pamplona Cultural Sports and  
Recreation Association)

**GRI Technical Consultancy**  
Conecta Consultores Ltda.

**Graphic Design**  
Sambba

**Contact (GRI 102-53)**  
Telephone No.: +55 47 35313131

pamplona@pamplona.com.br

Rod. BR 470, Km 150, No. 13.891  
Pamplona neighborhood - CEP 89164-900  
Rio do Sul - Santa Catarina

pamplona.com.br



[pamplona.com.br](http://pamplona.com.br)

