



# SUSTAINABILITY REPORT 2020





# SUSTAINABILITY REPORT 2020

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Owned farm replaces fossil fuel and increases the use of **RENEWABLE** sources by

**114%** ↑

**INDUSTRIAL UNITS EXCEED THE GOALS ESTABLISHED FOR RECYCLING SOLID WASTE**

RECORD GROSS OPERATING REVENUE

**R\$ 1.9 billion**

↑ UP **39%** FROM 2019

NET INCOME

**R\$ 298 million**

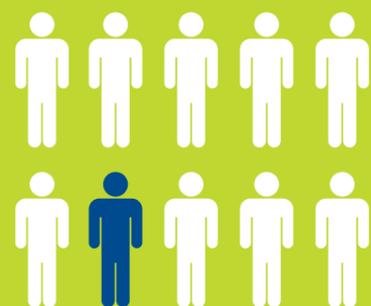
↑ UP **334%** FROM THE PREVIOUS YEAR

**SUPERIOR OPERATIONAL PERFORMANCE**

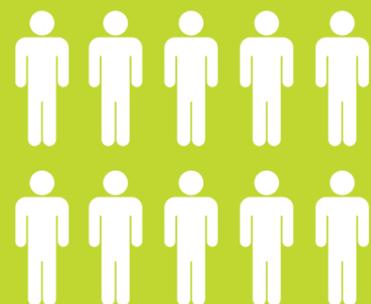


**SIGNIFICANT RETURN ON NET EQUITY IN THE YEAR**

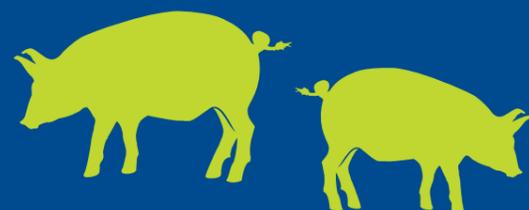
**87.12%**



**SUPERIOR OPERATIONAL PERFORMANCE, SUSTAINING PRODUCTION EVEN IN THE MIDST OF A CHALLENGING YEAR**



**77%** OF ITS PRODUCTION IN COMPLIANCE



**MOST ADVANCED** Brazilian meat processing plant in implementation of **ANIMAL WELFARE** measures, according to the Observatório Suíno report, from NGO Alianima, with 77% of its production in compliance



Foreign market with record volumes, driven by **DEMAND FROM CHINA**

Investment in **INNOVATION** and digital transformation **IN PROCESSES AND PRODUCTS** in the fields, industry, and corporate activities



**Faced with the challenges posed by the COVID-19 crisis in 2020, Pamplona acted preventively by monitoring risks and establishing work processes to ensure safety for people and businesses**

The committee was formed by the Presidency, Executive Board, internal business and management areas, and legal services providers. In meetings held every day in the first half of the year, and every other day in the second half, the committee monitored government regulations related to the pandemic and evaluated business needs, such as supply forecasting and logistics.

This work ensured that Pamplona maintained compliance throughout the year on its various fronts and allowed the company to continue serving producers and its commercial activities without disruptions.

**Caring for people**

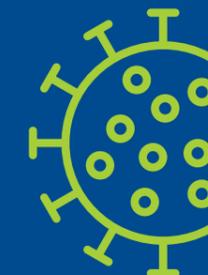
Thanks to Pamplona’s agile and coordinated actions, no cases of internal contagion or loss of life due to COVID-19 were recorded. Due to investments and safety protocols, the chance of contracting the virus in the workplace is very low. Pamplona acted swiftly and invested in safety measures to protect employees and stakeholders. This involved changes to meet new health requirements.

Protective equipment was provided by Pamplona, with an emphasis on PFF2 masks and face shields; lounge areas were expanded, and partitions were installed in the cafeteria, which significantly reduced physical contact between employees and, consequently, the risk of contagion. Bus line availability was increased, as was the spacing of seats and the frequency of vehicle sanitization.

Intense actions were also carried out in the communities. Campaigns were conducted to provide information and raise awareness for employees’ families about the importance of social distancing and adopting practices to prevent contagion at home. Pamplona monitored not only employees, but also their family members affected by the virus. Equipment was offered to entities such as nursing homes, hospitals, day care centers, and cities, and meat and clothing were donated to entities that serve vulnerable populations. Ventilators, sanitizing floor mats, hand sanitizer, and hospital masks were also offered.

**PREVENTION INITIATIVES**

- Early establishment of the Coronavirus Crisis Management Committee
- Creating the Outpatient Care Protocol
- Giving vacation time to employees with children in daycare centers and school
- Giving vacation time to employees in high-risk groups
- Furloughing employees with children in daycare centers and school or in a high-risk group (Based on provisional measure MP 927)
- Allowing teams to work from home
- Quarantining employees with symptoms, according to the protocol of the Ministry of Health
- Cancelling trips, meetings, and events, etc.
- Dismissing all young apprentices and interns with early vacation and subsequent furlough
- Putting an action plan in place for confirmed cases of COVID-19 in Rio do Sul
- Instituting access screening at the gate for carriers and outsourced services
- Creating the Health Dialogue with the Health and Safety team
- Prohibiting employees from circulating between units
- Intensifying sanitation in areas of common use
- Providing individual guidance to employees with questions
- Donating cleaning products and materials to employees
- Creating a web page, advertising video, and educational video on preventing COVID-19.



**Attention to business**

The pandemic has also had an impact on industrial, commercial, and logistics operations; however, by planning and remodeling processes and actions, we were able to overcome the resulting difficulties.

The supply of inputs, which is largely tied to the Chinese market, has been monitored since the coronavirus outbreak was first reported. This made it possible to guarantee supply and avoid shutdowns due to stockouts. An accurate assessment of the market, proper risk management, and a solid partnership with suppliers allowed Pamplona’s operational and commercial performance to end the year with positive results.

# Planning and caring for all audiences

GRI 102-14



The COVID-19 pandemic initially made everyone naturally insecure because of the total lack of knowledge about the effects of the novel coronavirus. However, we responded quickly and precisely, identifying risks and protecting our teams and communities. This allowed us to end the year with lives saved and exceptional business performance.

The meat packing industry was highly targeted in the first months of the health crisis. In addition to operational constraints due to reduced staff and a drop in demand in the food service chains, we had to prove that we were not the villains of the contagion cycle. On the contrary, it was precisely because of the health protocols in the sector, which were stricter than in other segments, that the virus was identified in certain regions. Internally, we ended the year with a sense of accomplishment since we did not lose any of our employees, and the likelihood of those infected having contracted the virus at our facilities is very low due to our large investments in safety.

Our networking within the sector, both at the Brazilian Animal Protein Association (ABPA) and the Union of Meat and Meat Products Industries of the State of Santa Catarina (SINDICARNE), was instrumental in this work. Collectively, we signed a commitment with the Ministry of Agriculture stating that the agro-industry would produce while ensuring the safety of its workers. We are also committed to putting food on the tables of Brazilians while maintaining exports and serving customers in all countries.

More than 50% of the pork exported by Brazil comes from Santa Catarina, and we are very proud to be part of this. Despite a troubled start to the year due to the effects of the pandemic, the domestic market recovered throughout the period, especially in terms of prices, adjustment for domestic inflation, and growing volumes of processed products. We ended 2020 with record Gross Operating Revenue (GOR): R\$1.9 billion (+39% compared with 2019). The composition of net income, R\$298 million (+334.3%), provided a significant return on equity.

Together with the precautions taken because of the pandemic, we proceeded with our expansion strategy, reaching all the goals set for the year. We kicked off our growth plans for the units in Presi-

dente Getúlio and Rio do Sul and expanded and improved our feed plant in Laurentino. These measures will benefit our communities, since the agribusiness sector accounts for 34% of Santa Catarina state's revenue, and the benefits also reflect at the local level. In Presidente Getúlio, for example, we contribute to 50% of the city's income. Employees also benefit from these gains; our Profit-Sharing Program reached its maximum cap for the year. Remuneration was one of our concerns related to people, so when possible, we advanced the payment of salaries to guarantee the integrity of the teams and bolster the economy of the municipalities during the toughest periods.

We believe that our commitment to sustainability reflects across the entire production chain and is critical for the business. Before it reaches the communities, it begins with training producers and promoting animal welfare. In 2020, we were featured in the report issued by Observatório Suíno—prepared by

NGO Alianima, which works to protect animals—as the most advanced Brazilian meatpacking company in the implementation of measures to promote animal welfare, with 77% of its production in compliance. This commitment also involves the attention given to employees and the industry with the readjustment of factory layouts and the progress of so-

**39,0%**  
**Increase in Gross Operating Revenue - totaling a record R\$1.9 billion - compared to the previous year**

cial and environmental projects. It is also enhanced by our attention to product quality and the food safety of our customers, which allows us to obtain resources to benefit the communities where we operate, thereby completing an extremely positive cycle. To support all these actions and drive efficiency, we invested in digital transformation in the fields, in the industry, and in the corporate area, underscoring our determination to innovate processes and products in an ethical and sustainable manner.

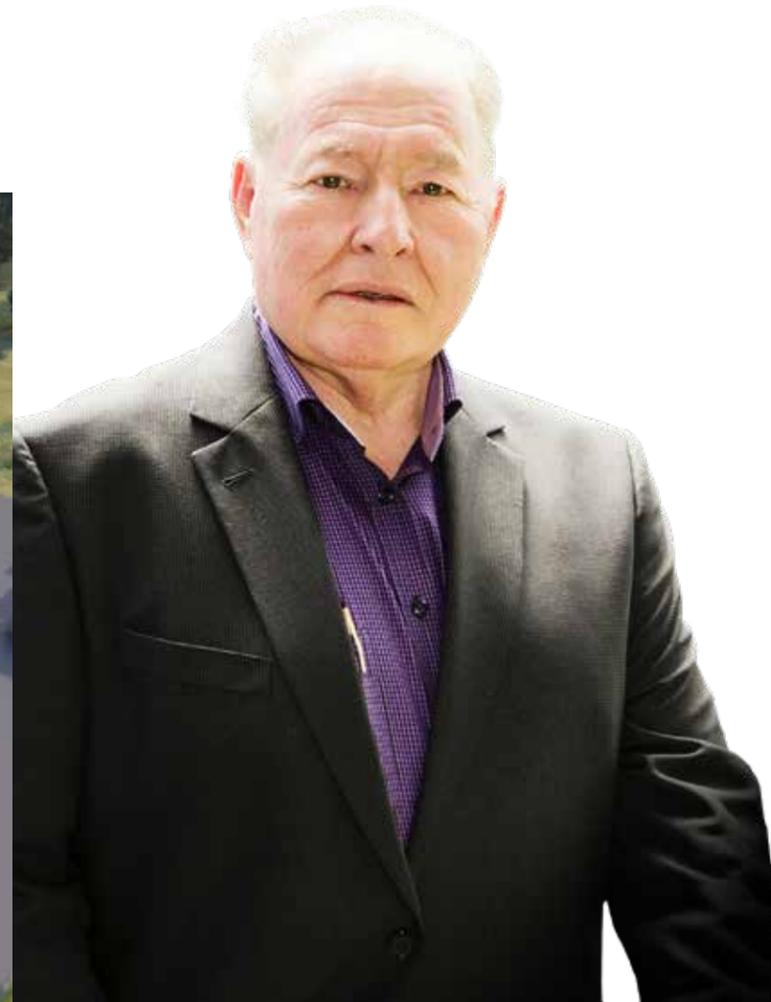
It is with the certainty that we are fulfilling our role in all of these areas that we invite you to read our 2020 Sustainability Report, prepared in accordance with the standards of the Global Reporting Initiative (GRI) Standards. We know that this is an ongoing task, which is why we have established commitments and goals that will be introduced throughout this document. Our investments will continue in 2021, a year that will require attention to the market and cautious actions, without losing our optimism and with a vision of a prosperous future for everyone. We trust that, with the invaluable cooperation of our employees and partners, we will achieve all of our goals.

**Irani Pamplona Peters**  
Chief Executive Officer

*Project for the expansion of the Presidente Getúlio (SC) plant*



# Commitment and good results in a challenging year



2020 was marked by an unprecedented episode in our 72-year history. Faced with this new challenge, we demonstrated resilience, following the principles that have governed all our activities since our company was created. We remain agile as we seek the most efficient mechanisms to guarantee the health of our employees, the quality of our products, and attention to our communities in the midst of a pandemic.

Our focus on planning has become even more relevant and has allowed us to continue growing. We invested our efforts in looking to increase production based on the desire to produce, enhance quality, and grow. We want to make products that make the lives of consumers easier without increasing their costs, and this is made possible through efficient processes and facilities.



**Percentage of production adapted to welfare measures, which makes us the most advanced meatpacking company in Brazil**

To accomplish this, we already have some differentiators in place: we are very much a part of society, we have trained employees, and we maintain facilities that stand out nationally in terms of animal welfare. In addition, we continue to invest in advancing our technology, being attentive to the Industry 4.0 revolution and the digital transformation in the agribusiness sector.

Our expansion plan in Presidente Getúlio, for example, already includes the robotic process automation, which will drive more efficiency and improve the work environment for employees. Our growth has always been ambitious, and this project demonstrates this; it will more than double the unit's production in a project initiated in 2020 that will extend over the next four years. It is our biggest project to date, proof that this is a forward-thinking business—Pamplona must be enduring.

In the commercial area, we expect to maintain the excellent results obtained in 2020. Looking at the international market and local perspectives, we may encounter some difficulties because of the sanitary and health issues stemming from pandemic. As 2020 clearly demonstrated, despite our investments in risk management, unexpected and impactful challenges can sometimes take us by surprise. Therefore, we will continue to rely on planning, on the engagement of managers, and on a cohesive administration guided by dialogue and respect.

We add to this our family values, consolidated over seven decades of operation: hard work, honesty, quality, seriousness, and integrity in complying with standards. These aspects reflect on the different fronts, from animal welfare to caring for the environment, from tax obligations to our Code of Ethics. Our parents, our founders, taught us that commitments made must be fulfilled. It is this responsibility—and also the confidence it elicits—that we strive to maintain in all aspects of the business. We have a relevant role in the municipalities where we are established, and the power our word, of our commitment, also benefits employees. We want them to be proud of belonging. Credibility is one of the most important values for us, and we seek to associate this value not only with our products, but also with the relationships we establish with people in all aspects of the business.

**Valdecir Pamplona**  
Chairman of the Board of Directors

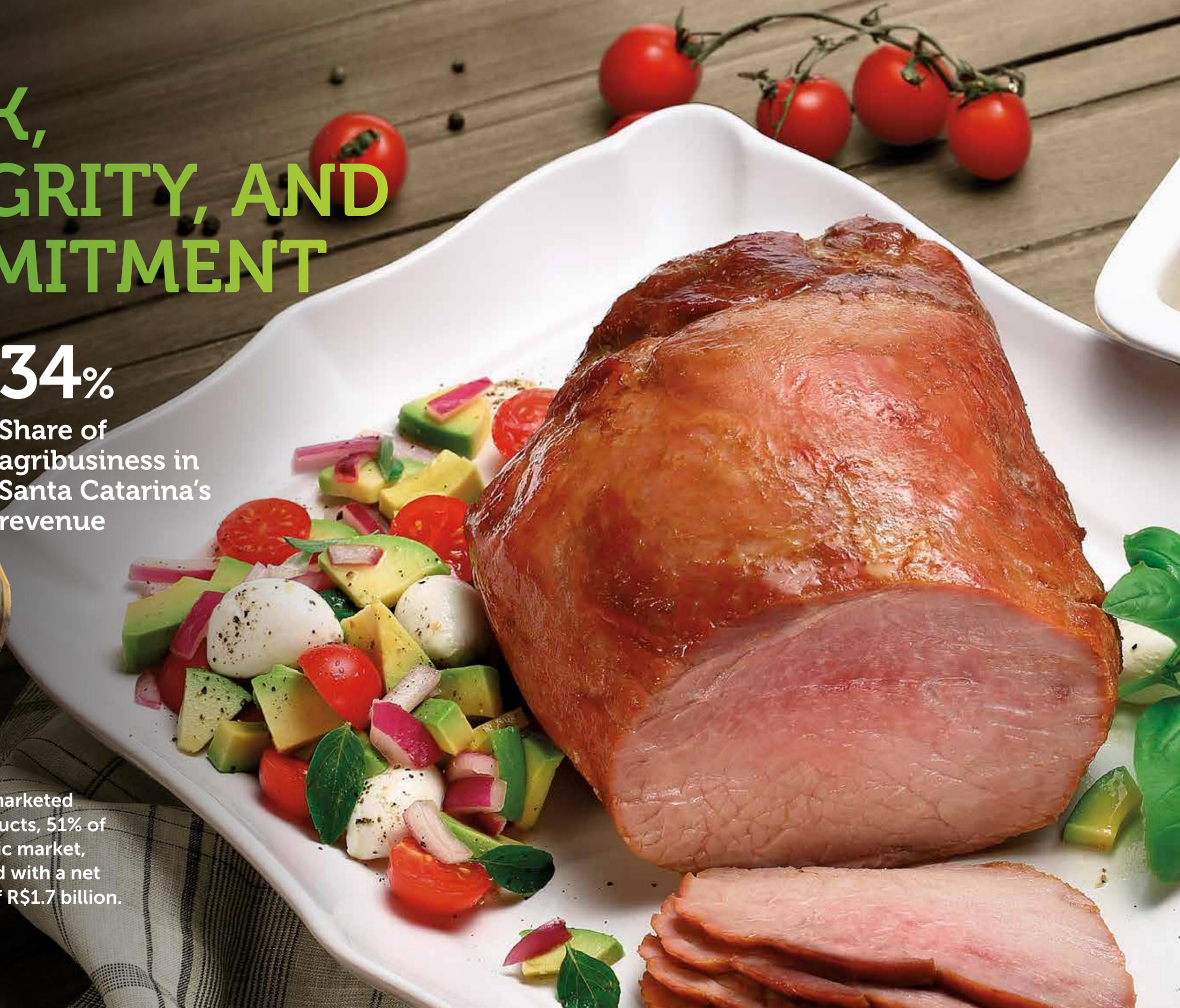
# WORK, INTEGRITY, AND COMMITMENT

34%

Share of  
agribusiness in  
Santa Catarina's  
revenue



In 2020, Pamplona marketed 138,133 tons of products, 51% of which in the domestic market, and ended the period with a net operating revenue of R\$1.7 billion.



# Corporate Profile

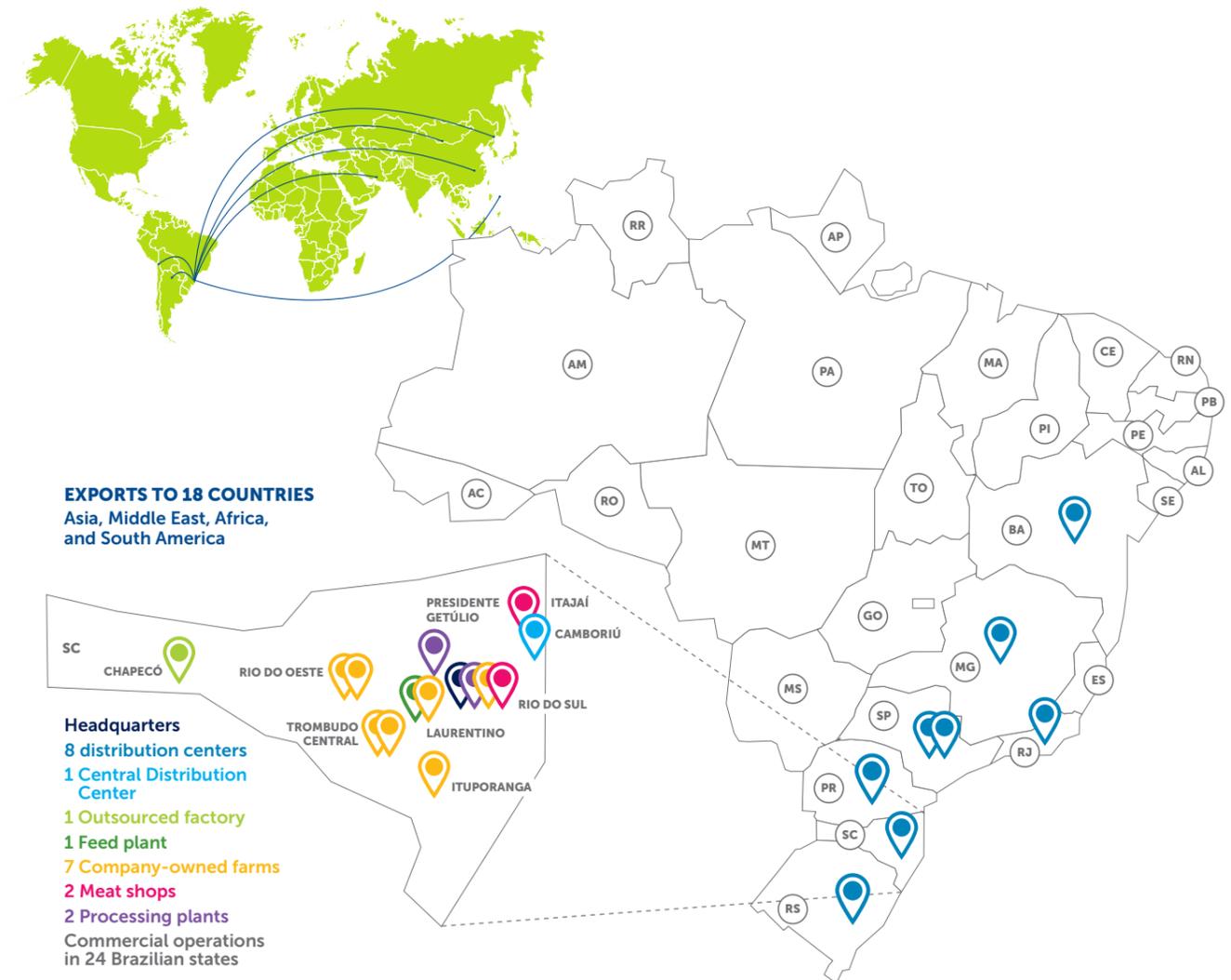
**Pamplona drives the economy not only for its economic-financial results, but also by maintaining more than 3,400 jobs**

Pamplona Alimentos S.A., hereinafter referred to as Pamplona, is a family-owned company from the state of Santa Catarina, operating in 24 Brazilian states, which exports pork cuts to the countries where Brazil is certified. The company operates throughout the production chain, from the production of animal feed to the marketing of processed products. Administration and industrial operations are concentrated in the state of Santa Catarina, with headquarters in the city of Rio do Sul, eight distribution centers established in seven Brazilian states, and one Central Distribution Center in the state of Santa Catarina. **102-1 | 102-3 | 102-4**

The product portfolio has 18 lines, which include seasoned and fresh pork, sausages, smoked meats, cured meats, ham and ham products, sliced

products, and cheese, among others. The company is the owner of the Pamplona, Saudável, Rio Sul, and Paraná brands. Pamplona is a pioneer and leader in the Brazilian seasoned pork market. **102-2 | 102-6**

A privately-held corporation, Pamplona was founded in 1948 and is recognized for its constant investment in innovation aimed at modernizing its industrial park, optimizing industrial processes, and maintaining the quality standards of its products. At the end of 2020, the company had 3,405 direct employees and 3,409 suppliers, which includes 310 integrated producers. In the period, Pamplona sold 138,133 tons of products (51% in the domestic market and 49% in foreign markets), with a net operating revenue of R\$1.7 billion. **102-5 | 102-7**



## VALUES

- Encourage professional growth.
- Provide safety to employees in the workplace.
- Operate with social responsibility and respect for the environment.
- Ensure compliance with food safety standards.
- Commit to the results agreed upon with stakeholders.
- Provide customer satisfaction.
- Maintain sustainable partnerships with suppliers.
- Deliver satisfactory results to shareholders.



## MISSION

Provide practical, healthy, and safe foods.



## VISION

To be a global food company.



## 1948

- The couple Lauro and Ana Pamplona found the company in the city of Agronômica (SC) for the slaughter and sale of beef.



## 1963

- Beginning of the commercialization of pork.



## 1969

- The company is transferred to new and modern facilities in the city of Rio do Sul (SC).



## 1973

- Pamplona becomes a corporation.



## 1974

- Implementation of the Federal Inspection Service (SIF) in Rio do Sul (SC).



## 1989

- Acquisition of the meatpacking company in Presidente Getúlio (SC), allowing for substantial market expansion.



## 1996

- First exports to Hong Kong and Uruguay.



## 2002

- Pamplona acquires the status of a certified farm by CIDASC and by MAPA.



## 2006

- Launch of seasoned meats and construction of the administrative headquarters in Rio do Sul (SC).



## 2013

- Change of company name, from Frigorífico Riosulense S.A. to Pamplona Alimentos S.A.



## 2014

- Pamplona becomes a food company.



## 2015

- Opening of the processed meat plant with the operational remodeling of the plant in Rio do Sul (SC). Accreditation of the ractopamine laboratory (ISO 17025/2005).



## 2016

- First company in Brazil authorized to use the Brazilian Pork seal.



## 2017

- Inauguration of the meat shop in Itajaí (SC). Extension of accreditation for the microbiology laboratory and accreditation of the ractopamine laboratory (ISO 17025/2017).



## 2018

- First Sustainability Report is published. Line of sliced products is expanded.



## 2019

- Inauguration of the Distribution Center in Portão (RS). Entry into the dairy market is consolidated. Expansion of the cured, matured, and smoked meats lines.



## 2020

- Distribution Center in Camboriú is inaugurated with logistics optimization for the industry. Products in smaller servings to meet profile changes in the domestic market.

# Business model

Pamplona's policy is to prioritize the domestic market, which in the year included the expansion of its industrial units

## Strategy and management

Pamplona's growth strategy focuses on the Brazilian domestic market through products with higher value added (processed products). Exports are treated as a business opportunity that is dependent on the global market outlook. Despite the impact of exports in the 2020 results, the strategy remained unchanged, in line with the expansion of the industrial units that will lead Pamplona to obtain, as of 2021, an increase in the share of processed products. The positive results of 2020 eliminated the net debt, and Pamplona was quick to seize the moment and invest.

Pamplona's history confirms its strategic direction, migrating from production of raw materials to processed products—a transformation that began in 2005. With the production of processed products, cattle slaughter was outsourced, and focus was given to pork production with investments in genetics, slaughter, and the finished product, creating a complete chain of operations.

Thus, all efforts in the last decade were geared toward the increase of portioned, processed, and sliced products, meeting the needs of convenience consumers with increasingly smaller portions. Pamplona also follows health criteria with specific product lines, not just pork products. The purpose is to expand market share in the domestic market with high added-value products based on the following premises.

### Strategic focus



Maintain investments in the company's core business.



Investments focused on modernizing and growing the mix.



Work to increase market share.



Ensure profitability of the mix.



Geographically expand distribution.



Increase customer purchase rates.

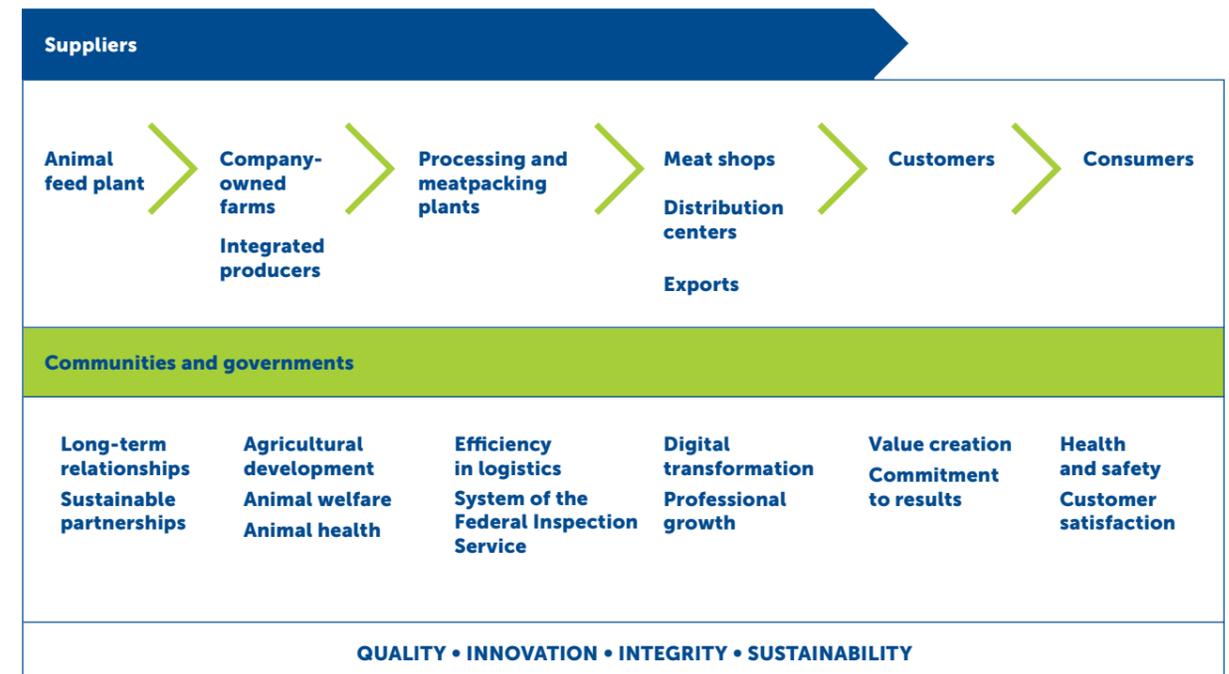


Seek greater opportunities in retail channels, food service, and regional chains.



Strengthen the brand at the POS.

### Chain of operation



# Corporate governance

|103-2, 103-3 – Economic performance and governance |

**Enhancements in 2020 included the preparation of a compliance manual and the assessment of situations involving the pandemic, which will be incorporated into the Risk Matrix**

Pamplona has clearly demonstrated its commitment to best governance practices and compliance in tackling the challenges faced in 2020. In a year marked by myriad specific norms resulting from the pandemic, Pamplona consistently complied with regulations, laws, standards, ordinances, and guidelines from the Ministry of Labor, the State Prosecutors Office, and municipal, state, and federal authorities. Regulations were analyzed by the Legal Department and adopted by Pamplona, and they were considered in all decisions. The effectiveness of compliance management mechanisms was put to the test in the face of frequent changes in legislation, and Pamplona's response was based on daily management of information and challenges in a model adjusted to pandemic conditions.

The Legal Department and contracted law firms were part of the Coronavirus Crisis Management Committee created early on by Pamplona. They conducted coordinated work that was maintained throughout the year. Due to of the need to communicate at a distance, joint studies of information technology and compliance of videoconferencing tools were carried out to establish the safest options for holding daily meetings, since members of the committee are in high-risk groups and require remote meetings.

One of the year's advances is the initial development of the compliance manual, prepared internally, which includes Pamplona's risk classification and mitigation strategy and should be completed in the first half of 2021. The situations considered in our manual will include risks imposed by the pandemic.

## Ethics and the fight against corruption 102-16

Launched in 2018, the Code of Ethics is available to employees and external audiences and is disclosed through Pamplona's website (<https://www.pamplona.com.br/governanca.html>), which also contains information about internal and external reporting channels. These can be accessed either by telephone +55 47 3531-3055 (or internal extension 3055) and [etica@pamplona.com.br](mailto:etica@pamplona.com.br). **102-17**

All new employees receive training on this topic during onboarding. In 2020, 14 members of the governance bodies, 79 of the administrative area (17.52%), and 1,625 in the area of operations (55.01%) received communication/training on anti-corruption policies and procedures adopted by Pamplona. In addition, 100% of new suppliers are subjected to anti-corruption provisions set out in their contracts. **205-2 | 205-3**

Starting in 2021, we will reinforce our ethical culture by conducting semiannual training for employees covering the main topics in the Code of Ethics. The purpose is to generate reliability in Pamplona's positioning, thus intensifying the presence and use of the Code of Ethics in the company's routine.

### Reporting channels and management

Pamplona has structures for compliance in place, including anti-corruption practices, channels, and control mechanisms that ensure compliance with ethical principles in its relationships with stakeholders. The whistleblowing channels receive claims related to ethics, corruption, environment, labor practices, human rights, and communities. Anonymous reports can be made by phone or email. In 2020, 25 grievances were received, mostly on operational issues; 64% were deemed founded and dealt with in the year. Claims related to operations are escalated directly to the corresponding areas, and ethics claims are forwarded to the Ethics Committee, which acts independently.



Claims	Number		Evaluated		Not evaluated		Claims handled		Comments
	2020	2019	2020	2019	2020	2019	2020	2019	
Operational Problems/ People Management	16	22	16	22	0	0	16	22	Ordinary events that have been identified and corrected directly by the appropriate areas. No ethical or integrity violations were included.
Mobbing	5	13	6	11	1	2	6	11	Of the 6 claims addressed (2 from 2019), 4 have not been substantiated and 2 were dealt with accordingly. 1 was not yet addressed because it was received in the last days of the year.
Work conditions	0	5	0	5	0	0	0	5	In 2020, these grievances were classified as operational problems.
Violence	3	4	2	4	1	0	2	4	Of the 3 claims, 1 occurred outside the company and was not addressed. The other 2 were not cases of physical violence (i.e., swearing and bullying). These were dealt with accordingly.
Sexual harassment	1	1	1	1	0	0	1	0	The complaint has not been substantiated. Measures have been taken to ensure the safety of the whistleblower.
Total	25	45	25	43	2	2	25	42	One complaint received in 2020 was not addressed because it occurred outside company premises and the other because it was received in the last days of the year.

Data source: Compliance Committee



**LGPD** In addition to being a legal requirement, for Pamplona this provision increases security in the handling of its data

## Governance structure 102-18

### General Data Protection Law (LGPD)

Pamplona is in the process of implementing the standards provided in the LGPD, sanctioned in September 2020, with the help of a specialized consulting firm to streamline the process and ensure that they are efficiently applied and in line with Pamplona's compliance area. The work was developed throughout the year and should be completed in the first half of 2021.

For Pamplona, besides being a legal requirement, the LGPD is additional security in the protection of personal data, which is why the company made important investments in this process, both financially and in terms of manpower. With control of storage and access, data vulnerability decreases. Among the improvements stemming from the law is the creation of a channel for grievances and requests related to the topic.

For more than 70 years, social and environmental responsibility has been a hallmark of Pamplona, and all governance work is aimed at maintaining this tradition and growth in line with its important internal values. Pamplona's approach to governance is one of transparency with stakeholders, with a defined organizational framework and solid structure.

The Board of Directors, which has independent board members, was created through an initiative of our founder, Ana Pamplona, who chaired the company until 2009. The decision was not imposed by the market, but rather through the desire of the founding family and their understanding that this was necessary for growth and transformation. This is one of Pamplona's principles: to pursue knowledge and apply it in a clear organizational framework for the market. Pamplona's governance was established following models recommended by Fundação Dom Cabral, a reference institution in the area.



GENERAL ASSEMBLY

BOARD OF DIRECTORS



**Chairman**  
Valdecir  
Pamplona



**Vice-Chairman**  
Elvio de  
Oliveira Flores  
(independent)



**Board Members**  
Edina  
Pamplona



**Board Members**  
Osmar  
Peters



**Board Members**  
Guilherme  
de Borba  
Pamplona



**Board Members**  
Marcelo  
Lima Tonini  
(independent)



**Board Members**  
Wagner Augusto  
Illitch Bauer  
(independent)



**CHIEF EXECUTIVE OFFICE**  
Irani Pamplona Peters

EXECUTIVE BOARD



**Sales Director - Foreign Market**  
Júlio César  
Franzoi



**Administrative and Finance Director**  
Sérgio Luiz  
de Souza



**Industrial Director**  
Adilor Ascari  
Bussolo



**Expansion and Logistics Director**  
Valdecir  
Pamplona Júnior



**Procurement and Development Director**  
Edival  
Justen



**Sales Director - Domestic Market**  
Cleiton Pamplona  
Peters

### Ethics Committee

Created in 2018, this committee is integrated into Pamplona's formal governance structure and consists of five full members and five alternates, representing board members, officers, internal audit, human resources, work safety, and the legal department. For management and control of compliance and ethics mechanisms, the committee convenes monthly—or extraordinarily, if required—to deal with claims, investigations, and recommendations of sanctions for cases of non-compliance with the Code of Ethics.

### Sustainability Committee

Created in 2012, this committee is a multistakeholder committee, and its main purpose is to strengthen Pamplona's environmental management and assign responsibilities to ensure compliance with the criteria and commitments assumed in the Environmental Policy. **102-11**

# Commitment to sustainability

Reducing operational impacts across the value chain is one of the pillars of Pamplona's business model

## Sustainability challenges **102-15**

Sustainability is a strategic vector for Pamplona's administration, which operates under a business model that focuses on efficiency, reduction in the use of resources, cost reduction, and minimization of social and environmental impacts across its value chain. Pamplona remains attentive to the market and up to date with industry trends, which set out challenges that include animal welfare, product healthiness, food safety, and sustainable production practices, among others.

The company looks to proactively anticipate social and market needs, establishing management and production standards that exceed legal requirements. Based on consultations with stakeholders, Pamplona voluntarily defines its commitments related to this topic and annually monitors its progress through its sustainability report.

● Ongoing commitment 
 ● Postponed commitment 
 ● Commitment made 
 ● Partially completed commitment 
 ○ New

Topic	GRI aspect	Status	Commitment 2020	Result	Commitment 2021
	<b>Commitment to sustainability</b>	Strategy	<ul style="list-style-type: none"> <li>Invest in machinery and new equipment intended to reduce energy consumption and other resources and reduce the emission of pollutants and waste.</li> <li>Disclosure in the next investment reports that take this principle into account and show the environmental gains obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Important actions and investments were made in 2020 in order to advance our environmental practices.</li> <li>Start of the project to directly monitor water consumption in all company-owned farms.</li> <li>Development of a solid industrial waste management project for the Rio do Sul (SC) plant. This includes the definition of new operational procedures, internal logistics, storage structure, and new equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Develop a system to remotely access data on water consumption and validate indicators.</li> <li>Authorize and implement the project.</li> </ul>
	<b>Economic performance and governance</b>	Fight against corruption	<ul style="list-style-type: none"> <li>Disclose the Code of Ethics and reporting channels to all stakeholders.</li> <li>Consolidate and develop Pamplona's integrity program through risk analysis, classification, and mitigation.</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics: passed on to all employees, including those who have already received training, and also during onboarding of new employees; available on Pamplona's website for external audiences. Reporting channels: internal and external telephone number and email address used to receive anonymous reports.</li> <li>Pamplona's compliance manual—which was started in 2020—is expected to be completed in the first half of 2021 and includes the classification and mitigation of business risks.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct semiannual training for all employees on the main topics in the Code of Ethics.</li> <li>Complete the risk classification and mitigation strategy, as well as the compliance manual, in the first half of 2021.</li> </ul>
	<b>Development</b>	Animal welfare	<ul style="list-style-type: none"> <li>Complete the transition from a system of individual housing of breeders to a system of housing in collective pens by 2026.</li> <li>Prepare Animal Welfare Policies</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing practices</li> <li>Ongoing practices</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the commitment to carry out the transition from the individual breeder housing system to a collective housing system.</li> <li>Disclose Animal Welfare Policies in the second half of 2021.</li> </ul>
	<b>Product quality</b>	Customer Health and Safety	<ul style="list-style-type: none"> <li>Analyze four new microbiological parameters with proficiency tests (increasing the number to seven total parameters).</li> <li>Resume planning to conduct physico-chemical analysis in owned laboratory.</li> <li>Obtain IFS Certification.</li> </ul>	<ul style="list-style-type: none"> <li>Proficiency tests and certificates were conducted on the following parameters: 1) moisture content; 2) water activity; 3) staphylococcus aureus; and 4) Enterobacteriaceae. In all, Pamplona alternately conducts nine types of tests.</li> <li>By strategic definition, resumption of physico-chemical analysis in owned laboratory was canceled.</li> <li>An internal audit was conducted to assess the performance of IFS certification, with a positive result. The external audit, however, was postponed due to the pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Continue proficiency tests for the analysis of microbiological parameters according to schedule in alternate years.</li> <li>Conduct an external audit and obtain IFS Certification.</li> </ul>
	<b>Product quality (R&amp;D)</b>	Customer Health and Safety	<ul style="list-style-type: none"> <li>Design a computerized traceability project for the coming years.</li> </ul>	<ul style="list-style-type: none"> <li>Internal consultancy in the area of technology was continued aiming to optimize software to facilitate global communication, but there were no significant advances in the year.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the development of a project to computerize traceability for the coming years.</li> </ul>
	<b>Environmental management</b>	Environmental Aspects	<ul style="list-style-type: none"> <li>Continue the sensory analysis training program in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>The training program was temporarily deemed unfeasible given the necessary pandemic protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the sensory analysis program depending on sanitation protocols due to the pandemic.</li> </ul>
	<b>Environmental management</b>	Effluents and Waste	<ul style="list-style-type: none"> <li>Implement the Environmental Management System (EMS), which will allow the definition of new commitments and goals in the relevant topics of the environmental area.</li> <li>Develop the project and initial implementation of the effluent treatment station, restructuring the system.</li> </ul>	<ul style="list-style-type: none"> <li>According to the schedule, completion of the project was planned for November 2020, but its completion was compromised from April to July due to the pandemic, which postponed its completion to 2021.</li> <li>Project hindered by the pandemic due to the difficulty in carrying out technical visits. Authorization of the project is expected in early 2021, with execution expected in eight months.</li> </ul>	<ul style="list-style-type: none"> <li>Implement EMS and complete in the first half of 2021, with targets already applicable in the year.</li> <li>Develop and complete the project for the effluent treatment station.</li> </ul>
	<b>Environmental management</b>	Emissions	<ul style="list-style-type: none"> <li>Continue with the inventory of direct emissions (Scope 1), aiming to implement constant monitoring and possible reductions in the future.</li> </ul>	<ul style="list-style-type: none"> <li>In addition to conducting the survey according to Scope 1 of the GHG method, the environmental management area also conducted the inventory of Scope 2 emissions using the same methodology in the 2020 inventory, thus expanding its view of the main generating sources and their share.</li> </ul>	<ul style="list-style-type: none"> <li>Continue with the air emissions inventory according to Scopes 1 and 2 of the GHG methodology.</li> </ul>
	<b>Logistics management</b>	Social and environmental impacts	<ul style="list-style-type: none"> <li>Report efficiency in logistics in upcoming reports, addressing topics such as reduction in consumption and emissions.</li> <li>Planned implementation of Oracle Transport Management in the transportation of grains and live animals.</li> </ul>	<ul style="list-style-type: none"> <li>Report on logistical efficiency actions carried out in the year (see section Operational Performance).</li> <li>OTM implemented for the transportation of grains (animal feed), allowing better planning of loads and hauls.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the OTM to transport live animals in the first half of 2021.</li> </ul>
	<b>GRI</b>	Stakeholder Engagement	<ul style="list-style-type: none"> <li>Proceed with the consultation process through continuous inclusion of stakeholders and improved reporting.</li> </ul>	<ul style="list-style-type: none"> <li>There was no relevant change.</li> </ul>	<ul style="list-style-type: none"> <li>The consultation process was postponed to 2021 or 2022, so that it can be conducted when the methodology is more productive.</li> </ul>
	<b>Digital Transformation</b>	Innovation/Digital Transformation	<ul style="list-style-type: none"> <li>Execute the Strategic IT Plan as a driver and catalyst for all technological and innovation initiatives for the coming years.</li> </ul>	<ul style="list-style-type: none"> <li>Kick-off of the project for the implementation of a new ERP, a project scheduled for completion by the end of 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Select the new ERP and start the deployment phase. Focus on the formation of a digital culture within the organization with committees and study groups for innovation and search for new technologies for the fields, industry, and retail.</li> </ul>

# INNOVATION AND DIGITAL TRANSFORMATION



## IT

Completion  
of the  
Strategic Plan

## ERP

System is  
under study

Pamplona has been investing in the accelerated advancement of its digitalization to increase both the efficiency of corporate management and the quality and operational safety



Innovation has been part of Pamplona's history since its founding, and it represents the company's pioneering spirit in practices and products.

In 2020, digital transformation received special attention, both in corporate management and in operational activities. After defining a new organizational model for the Information Technology (IT) area, the company built its IT Strategic Plan during the year. Among its main objectives are to promote and foster innovation and support the organization's entire digital transformation.

With the increase and acceleration of business digitization, Pamplona also made investments aimed at adapting to the General Data Protection Law (LGPD). This work began in 2020 and will continue into 2021, raising the maturity level of topics such as employee awareness, reducing system/equipment vulnerabilities, and handling sensitive data.

During the year, the IT and governance areas began to study a new integrated management system (ERP) to replace the current one. The purpose of this work front is to define and implement a system that can quickly adapt to market changes without losing its governance. For Pamplona, this will represent a great technological and operational advance. Among the advantages obtained from this project is the foundation for new digital businesses.



# Compliance and management

Several initiatives were adopted during the year that are in line with legal requirements and process automation—leading to productivity gains

Contracted in 2020, AmbLegis software maps the legislation related to Pamplona's activities at federal, state, and municipal levels and classifies it as "applicable to the company," "applicable to suppliers," "for knowledge purposes only," or "not applicable." All applicable legal requirements generate tasks to be performed to identify whether or not obligations are being met, thus ensuring that each type of legislation is being monitored for compliance and that evidence and proof of compliance are recorded. By using this software, all legal and specific obligations of each unit can be monitored, including aspects in the areas of environment, labor safety, occupational health, and social responsibility, among others. Pamplona is committed to meeting the legal requirements applicable to its activities and preventing damage to the environment. No fines or non-monetary

sanctions were recorded in 2020 as a result of non-compliance in the environmental, social, and economic areas, and this performance is expected to be maintained in 2021 with the support of AmbLegis. **307-1**

Robotic Process Automation (RPA) was implemented in the Management Information System of the Federal Inspection Service (SIG-SIF.) Through it, operational tasks are robotized through cognitive process automation using artificial intelligence tools. The technology uses a robot (software) workforce that mimics human behavior to perform routine tasks. This makes it possible to perform repetitive activities in a precise and quick manner, generating standardization, productivity, and cost reduction and allowing people to focus their attention on more important activities.

# Pig Farming 4.0

## Pamplona works in partnership with startups to incorporate increasingly more innovation and technological solutions into its operations



Two startups work directly with Pamplona in the innovation of the development area and in the digital transformation of livestock farming. Innovation and Research Funding for Studies and Projects (FINEP) with a new project seeking grants for technological innovation in the digital area Agro 4.0, which was approved in the first stage and is awaiting the next phases.

In 2020, the Meu Lote app, which originated from an open innovation process carried out in 2019 with the startup Granter, had more than 230 pig farms on the platform. Due to the specifics of the year, the app was instrumental in communicating with the producers, helping maintain social distance when necessary. Meu Lote uses technological potential to improve management with data from the fields and facilitate decision making. In line with Pamplona's purpose, it applies

Industry 4.0 concepts, incorporating real time data capture technologies in farms via sensing (Internet of Things) for environment monitoring; mobile devices for operation, monitoring, and management by farmers; and centralization and handling of data dedicated to monitoring, optimization, and management of agribusiness production processes. The tool continued to be improved during the year.

Most of the costs in livestock production are associated with nutrition and health. Current models are based on performance after slaughter of the lots, and most monitoring on zoo-technical indicators (such as weight gain, consumption, and respiratory health) is either by one-off observation or by estimates based on a historical series, which provides low accuracy on what happens during housing. In this regard, the partnership with start-

up PecSmart, an intelligence service for livestock production, consists of three projects that assess the environment on the farms.

Smartcam uses 3D cameras to monitor the pigs, generating information about their body performance and indicating when to send them to slaughter; Smartfeed is composed of feed consumption and feed conversion measurement sensors, and Smartmic works with health sensors, managing events on a daily basis. The technologies (cameras, microphones, and telemetry) provide information to identify the best time to intervene in handling and logistics, reduce costs, and improve efficiency. Data are available 24/7, remotely and in real time, without the need for visits or entering data into the system. Developed in 2019, the project commenced in the field in the second half of 2020 and is planned to last 24 months.

Preliminary results pointed to 97.5% accuracy in the Smartcam information; for the other projects the equipment calibration curves were under development.

New areas were also implemented in the analytical culture, with the implementation of the business intelligence (BI) system in the development, PPCP, quality, and logistics fronts.

- In quality control, the system will compile the indicators for better evaluation of the whole, identifying deviations and allowing for faster and more assertive actions by better evaluating the processes.
- In PPCP, programming and production control information will be managed faster, with improved internal communication, data analysis for upper and middle management with greater agility and reliability, and less time spent producing spreadsheets and reports.
- Regarding logistics activities, the system provides visibility of the chain, enabling decision making focused on cost reduction as a tactical-strategic tool that makes it possible to project scenarios in the medium and long terms.
- In the agricultural development area, the advantage of this management tool is that it can consolidate information from different sources—from a system or even from a spreadsheet—enabling the dynamic visualization of information, which allows for quick decision making.



# Research in innovation

Partnerships with institutions enable knowledge exchange and support capacity building initiatives for integrated producers and farms

# 30%

Reduction of administrative supplies planned for 2021 in all units, whose processes are to be automated

Technical support for integrated producers and company-owned farms is based on research in innovation conducted in the experimental units. In 2020, six employees on the development team were pursuing professional master's degrees in the area, conducting academic research on topics such as animal welfare, environment, genetics, and reducing and/or replacing the use of antimicrobials, among others. Pamplona has also signed agreements and partnerships with universities and research institutions, such as Instituto Federal Catarinense (IFC), FINEP, and Embrapa Suínos e Aves (Swine and Poultry). By consulting with a private company, integrated employees and producers were trained in people and process management for the rearing of piglets.

In October 2020, Pamplona promoted the first Pamplona Workshop: Agribusiness with Research, Development, and Innovation. This event was held in partnership with the Livestock Production and Health and Technology and Environment master's degree courses from Instituto Federal Catarinense (IFC). During the event, Pamplona's employees and course professors presented their projects, and specialists from other institutions gave lectures. The event was held online, free of charge, and open to the public.

## Experimental evaluations conducted in 2020

<b>12</b> Nutritional	Compose formulations with different raw materials, nutritional levels (energy, enzymes, protein), presentation of the feed
<b>8</b> Health	Reduce antimicrobials; vaccine protocols and immunity enhancers
<b>3</b> Animal Welfare and Environment	Evaluate performance of collective pens and sensors for measuring environment (air quality, water quality, and temperature)
<b>11</b> Validate products and new technologies	Performance enhancers, comparing technologies available on the market, and validating the use of apps and sensors for monitoring animal performance (startups)
<b>13</b> Other Evaluations	Separate slaughter, carcass quality, genetics, optimal slaughter weight, water quality, and modeling, among others.
<b>47</b> TOTAL	

The experiments produced allow Pamplona to benefit from Lei do Bem (Law of Good) (Law 11,196/05), which grants tax incentives to Legal Entities conducting Research, Development, and Technological Innovation.



# Smart factory

For Pamplona, the concept of Industry 4.0 represents a new vision of processes, which become more agile and efficient as the level of automation, integration, and analysis of information in the factory increases. To this end, the expansion of the unit in Presidente Getúlio with a high level of automation and applied technology was initiated in 2020. Nearly 80% of production and storage will be automated. The expansion is expected to be completed in the third quarter of 2022 and be a benchmark for other Pamplona factories.

One of the characteristics of Industry 4.0 and of a smart factory is the generation and use of information, and this is no different at Pamplona. Since 2019 Pamplona has been investing in the development and expansion of its BI. Information from the production lines is consolidated and demonstrated in order to streamline decision-making and necessary changes in production.

The acquisition of more modern equipment that standardizes the quality of the processes contributes to productivity and ensures safer products for consumers.

In addition, an automated factory must be more sustainable. Initiatives to reduce consumption of administrative supplies, such as paper, have been implemented in factories and administrative areas. The goal is to reduce consumption by automating quality, production, and administrative processes. Through this initiative, the goal is to achieve a 30% reduction in 2021.

Digital transformation also extends to logistics, which includes an integrated system for planning, controlling, and monitoring shipments from their origin to the final destination of deliveries via smart phone. The full implementation of the system, which should be completed in 2021 in transporting live animals, is expected to yield financial and environmental gains with better cargo planning, better vehicle occupancy, and the reduction of kilometers traveled.

# New arrivals on the shelves

**In order to meet the needs of end consumers, Pamplona includes innovation in its product mix as well**



Pamplona is always working to make the best use of raw material through machinery and packaging upgrades, studying new products to complement its lines, and following market trends. For Pamplona, innovating is not only about investing in imported machines with embedded technology, but also about meeting customer expectations.

Innovation initiatives also involve the product mix intended to meet the needs of end consumers. For example, the use of different additives allowed for the improvement and preservation of chilled seasoned bone-in pork cuts in 2020. The company also started developing products in smaller portions, which will be launched in 2021, such as the 125g sliced smoked calabresa type (pepperoni) sausage and the 500g frozen ground pork.

# CARING IN THE FIELD



**96%**  
Producers' adherence to online tools

**R\$ 200.000**  
Investment in training integrated producers

The mission of the agricultural development area includes the use of sustainable practices to meet the needs of its stakeholders, contributing to rural development



**Through sustainable solutions and practices, we meet the demands of society**

Meeting the needs of the industry, suppliers, and consumers through sustainable practices is Pamplona's agricultural development mission. It works to supply the best raw material, fully compliant with the specifications of legislation, quality, environment, welfare, food safety, cost, and volume. The area provides technical support and quality inputs to the farms and has its own program for the genetic enhancement of pigs.

These measures drive sustainable rural development, which is economically viable, socially desirable, and environmentally correct. We adopt best market practices and processes and provide small- and medium-sized producers with access to the means of production, inputs, knowledge, and technology. In addition to ensuring animal welfare and quality of supply, development activities play a key role in generating income in the fields and in sustainable behaviors in communities.



# Development

## Operates based on good production practices by standardizing management and meeting biosafety requirements

In 2020, Pamplona invested more than R\$200,000 in training integrated producers and the technical team in animal welfare, routine management, and improvements in zootechnical performance. The company also expanded the open innovation initiatives, developed with startups from Santa Catarina, incorporating the use of the Internet of Things and artificial intelligence in pig farming (veja mais na página 28). This expansion will lead to improved information management, which benefits both producers and the industry by increasing the quality and safety of the products that arrive on the shelves.

In addition to the seven company-owned farms, more than 300 integrated and partner properties were maintained during the year, with a stock of more than 511,000 company-owned pigs.

The purpose of Pamplona's Agricultural Development is to ensure the supply of the best raw materials based on the traceable production of pigs, at the lowest production cost, and with the best meat quality. It meets the demands of the production chain, together with official bodies such as the Environmental Institute (IMA), the Integrated Company for Agricultural Development of Santa Catarina (CIDASC), the Ministry of Agriculture (MAPA), and the Environmental Police of Santa Catarina (BPMA), with which it has a cooperation agreement for inspection activities and environmental education aimed at preserving, conserving, and improving the environment. **FP12**

All integrated producers are trained in the standards established by Pamplona, which include compliance with welfare and biosafety requirements and performing the daily production activities established in the Good Management Practices Manual. They must also comply with the labor legislation and respect human rights, have a history of good practices and relationships with the neighboring areas, and be committed to the activity. Any operation involving child labor and/or compulsory labor is repudiated by Pamplona, which, before including a new integrated producer, uses specific criteria to evaluate social, environmental, and animal welfare issues, starting in the implementation phase of the unit. The properties must have a valid environmental operating permit in order to house the animals. To ensure that compliance with environmental requirements is met in practice, Pamplona has an internal control in place that is audited by the relevant environmental agencies. **308-1, 414-1, FP12**

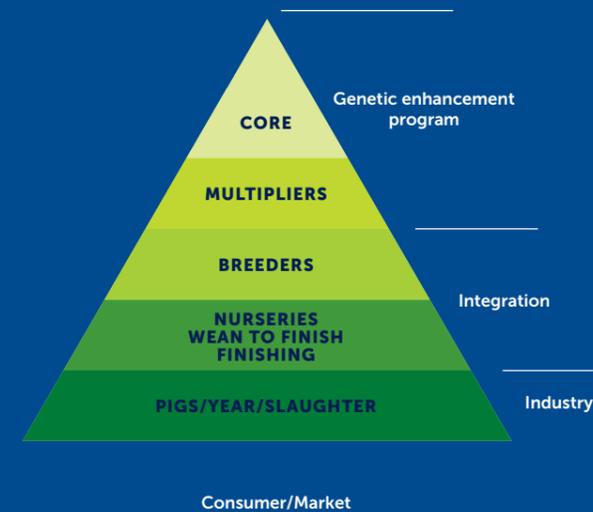
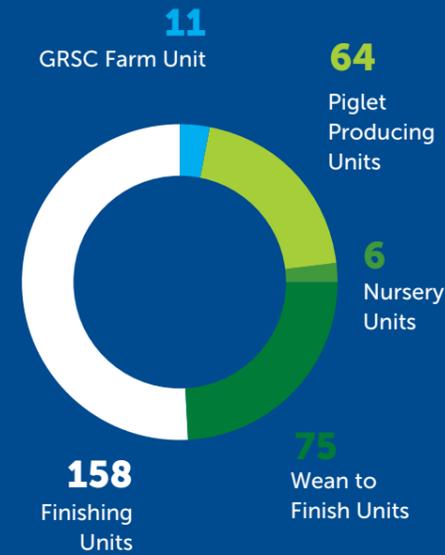
# Digital transformation in overcoming challenges

Development activities were part of our digital inclusion even before the pandemic. Producers were familiar with smart phones and the Meu Lote app (more information on page 28), so the use of virtual communication was just another step, which had already been planned before March with the acquisition of the Zoom videoconferencing tool. By April 2020, the communication channel had already been implemented, and it allowed for the continuity of development activities.

Daily online meetings helped ensure our connection with the producers and the progress of the activities planned for the year. Despite the peculiarities of online interaction, producers' adherence to the tools reached 96% by the end of 2020.

The technical team, pig producers within the integration system, and partners used web communication tools (Zoom) to monitor production at the farms. Upon resuming on-site technical support activities, social distancing was maintained, respecting sanitary protocols. In order to preserve people's health and safety, the following health protocols were implemented due to the pandemic: use of masks, hand sanitizer, and temperature checks. Pamplona stimulated the use of hand sanitizer by making donations to its integrated producers and partners and by establishing a channel for monitoring COVID-19 in its integration system with the support of specific tools for the area.

Integrated producers



## Genetic enhancement

Pamplona's in-house genetic enhancement program develops specific genetic lines to meet the needs of its meat processing plants, providing more efficiency in processing food into products of better quality and industrial performance. The work is developed in partnership with institutions such as the Brazilian Company of Innovation and Research Funding for Studies and Projects (FINEP) and the Brazilian Agricultural Research Company (EMBRAPA), a consulting firm specializing in the genetic improvement of pigs and meat quality, and an in-house enhancement team. The farms are certified by the Ministry of Agriculture (MAPA) and by the Integrated Agricultural Development Company of Santa Catarina (CIDASC) and are audited every six months.

In recent years, genetic materials have been incorporated through imports and acquisitions in the Brazilian market, aiming to enhance the current genetic lines of Pamplona's pigs. In 2020, genetic investments were made through two imports, which will allow for an evolution in piglet production. Imports are scheduled for the first and second halves of 2021, following through with the genetic improvement program.

## Animal nutrition and use of medications

Animal nutrition is all about balance: the proper amount of each nutrient provides maximum performance and prevents diseases. Pamplona is attentive to the nutritional requirements that make up the animals' diets, providing quality food of reliable origin. The goal is to ensure, through food, that they grow as much as possible, in a healthy way, and can express their potential as individuals in efficient reproduction and milk production, among other aspects. There are diets suitable for each stage of animal life.

Diets that optimized the use and cost of raw materials without compromising the balance of materials, vitamins, proteins, and sources of carbohydrates and fibers were developed in 2020. Pamplona values the quality of animal feed, meeting the requirements of both welfare and operational performance. Its feed plant is certified by Normative Instruction 4 of Good Manufacturing Practices and Normative Instruction 65 for the use of medicated products, which guarantees the production process of the feed.

Three experimental units on different farms assist in agricultural development by conducting experiments to optimize the nutritional investment and return on the animals. During the year, they conducted seven experiments aimed at innovations for health and nutrition with a focus on increasing

## Traceability

### Quality in animal feed, good practices, welfare, and reduction in the use of antibiotics

the animals' immunity, removing antibiotics from their diets, and analyzing their responses related to mortality and performance. This practice follows recommendations from the World Health Organization (WHO) and the World Organization for Animal Health (OIE) to replace conventional antibiotic therapy with alternative substances, without compromising the health and zootechnical performance of pigs.

For three years, no antibiotics have been used at Pamplona as growth promoters—only in a therapeutic way. At each year, the experiments conducted allow for a reduction in the use of medications and define management of the farms, handling of the animals, and cleaning and disinfection activities. Pamplona does not use ractopamine in its animals and performs continuous laboratory tests to meet the requirements of the foreign market to prove that the company does not make use of this substance. **FP12**

The traceability of the production chain has been solid for many years and is intrinsic to the production system. It is one of the prerequisites to ensure the quality of the pigs produced by Pamplona. It involves all breeding stages—farms, logistics, and industries.

At Pamplona, traceability is monitored through the R-SUI system, which allows for obtaining the product's history throughout the production process. The information is audited by the Integrated Agricultural Development Company of Santa Catarina (CIDASC). Pamplona monitors 100% of the inputs for producing feed, medications, equipment used in production, standardized technical management, zootechnical indexes, and environmental and health legislation.



# Animal welfare

## Pamplona addresses this topic by making voluntary commitments

Concern for animal welfare is increasingly relevant on the international agenda, and it is a growing demand from society and consumers. For more than ten years, Pamplona has been aware of the importance of this topic, establishing voluntary commitments to improve its practices in aspects ranging from genetics to pre-slaughter management, including balanced nutritional diets and adequate farm environments. Pamplona believes that efficiency and high productivity can be achieved without foregoing conditions that provide animal welfare.

Pamplona stands out among Brazilian swine producers due to the use of collective pens during the gestation period. Pamplona was in the most advanced stage in the implementation of this measure during the year, with 77% of the pregnant sows in collective pens.

The new projects are based on animal welfare, so they can exhibit the species' natural and social behaviors. Gradually, the international market is expected to discontinue the use of individual pens throughout the gestation period of the breeding sows.

The set of actions planned by the Animal Welfare Development area includes aspects such as transport density and conditions, pain mitigation, and spacing of animals in their pens. Equipment and its functionalities were evaluated in 2020 in order to establish a strategic vision for technology integration. Equipment validation includes defining the measurement of key indicators such as CO<sub>2</sub>, temperature, and water volume.



In terms of environment, several aspects are monitored in the project carried out in partnership with startups and private companies. Technologies were implemented to improve air quality by measuring CO<sub>2</sub>; humidity and temperature levels are controlled; and the curtains are automated. The goal is to create the best possible environment for animals to grow and have better performance. The welfare of the pigs is in line with industry results.

The year 2021 will be dedicated to consolidating Pamplona's animal welfare policies for the entire production chain, including farms, logistics, and industries. Over the next 12 months, Pamplona will consolidate the practices established over the last decade and reinforce its culture as a differentiator. The company understands that part of its role is to communicate and make consumers and the market aware of good animal welfare practices, so that this also can also become a decisive factor in purchasing.

# EXPANDING BUSINESS



**39%**

Increase in gross sales in the year

**R\$ 600 MILLION**

Planned investments in the next four years

As part of its plan to expand its processed products, in Rio do Sul (SC), Pamplona plans to increase five lines, which will require a budget of R\$155 million

## In 2020, agribusiness showed excellent results and reduced the widespread losses in the Brazilian economy as a result of the pandemic

The sector's Gross Domestic Product (GDP) in Brazil had a record increase of 24% in 2020, according to the Center for Advanced Studies in Applied Economics (CEPEA). Despite the slow expansion in April and May due to the health crisis, from June onwards the sector showed a strong acceleration in GDP growth. Brazilian pork exports hit an all-time record and reached 1.02 million tons, up 36% over the previous year, which boosted the sector, according to data from the Brazilian Animal Protein Association (ABPA).

Aligned with the market, Pamploa showed record levels of performance. Gross revenue was R\$1.9 billion, up 39% over the previous year; adjusted EBITDA was also at a record level, totaling 21% of net revenue. Sales in the foreign market reached historic highs, driven by demand from China. The strategy to grow and expand into new markets continued unscathed, despite the pandemic. Prospects for 2021 are positive for agribusiness, and an increase in slaughtering is expected in the second half of the year. On the other hand, the year will bring challenges in production costs with rising raw material prices, which was already seen at the end of 2020.

Attentive to the current opportunities, Pamploa zeroed its net indebtedness and converted its earnings into investments. The projection is for R\$600 million to be invested over the next four years, as per the expansion of the meat packing units.

Phase 1 of the Presidente Getúlio expansion started with the modernization of the storage/palletization area, with R\$72 million invested by the company. At the end of the year, the next stages—expansion of slaughter and deboning—were undergoing final studies. The total cost of the project is R\$445 million, to be invested over a period of four years.

The plan for the expansion of processed products in Rio do Sul, with a total budget of R\$155 million, is to increase volumes through five lines of processed products to meet demand:

## INSTALLED CAPACITY X EXPANSION



### BACON

from 18 tons/day to 31 tons/day, as of the first quarter of 2022

18 ton 31 ton



### COOKED SAUSAGES

from 55 tons/day to 68 tons/day, as of March 2021

55 ton 68 ton



### SEASONED PRODUCTS

from 38 tons/day to 57 tons/day, as of June 2021

38 ton 57 ton



### FRESH SAUSAGES

from 18 tons/day to 38 tons/day, as of June 2021

18 ton 38 ton



### SLICED PRODUCTS

from 12 tons/day to 31 tons/day, by 2024

12 ton 31 ton

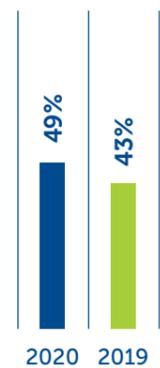
# Markets

## Pamplona operates with a view to balancing business, in Brazil and abroad

Although Pamplona's expansion strategy is geared toward the processed products area in the domestic market, with a focus on customer purchase rates and on increasing the sales mix of processed products, Pamplona continues to explore opportunities in the foreign market. This balance is precisely what guaranteed excellent results for Pamplona in 2020, despite the impacts of the pandemic. Brazil broke records in pork exports, and this was also reflected in the domestic market, which offset the difficulties faced in the first half, especially in the food service sector.

## Foreign market

Physical sales Foreign market



Pamplona understands the foreign market as an opportunity to diversify its products and be present in different countries, building customer loyalty and strengthening its brand. In 2020, following the trend of Brazilian pork exports, more than 70% of Pamplona's foreign sales volume was geared toward China; due to swine fever, it was the market that presented the best price and volume opportunities. With cases of the disease continuing in the country, Chinese production is still around 30% below pre-2018 levels, so there is a need to import pork cuts to meet domestic consumption. Chinese production is recovering, with a small drop in the cost of local production (live pigs), gradually reducing the purchase prices of imported cuts.

Although the scenario for exports to the Chinese market is expected to remain positive in 2021 and in the next two years, Pamplona is following a continuous market expansion strategy, either by expanding its share in countries where it already operates or by opening new ones, always looking for the best opportunities to make the business more profitable and increase its share in different countries.



### Main foreign markets served

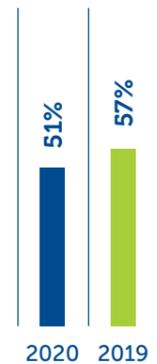
-   
**CHILE**  
 Fresh pork meat
-   
**ARGENTINA**  
 Fresh pork meat
-   
**UNITED ARAB EMIRATES**  
 Fresh pork meat and processed products
-   
**CHINA**  
 Fresh pork meat
-   
**HONG KONG**  
 Fresh pork meat
-   
**PHILIPPINES**  
 Fresh pork meat
-   
**SOUTH KOREA**  
 Fresh pork meat

	CHILE	ARGENTINA	UNITED ARAB EMIRATES	CHINA	HONG KONG	PHILIPPINES	SOUTH KOREA
<b>2020 highlights</b>	Market opened in 2018. In 2020 it accounted for 1% of the annual volume.	Accounted for 3% of exports in 2020, and Pamplona's share is 10.25% of Brazil's exports.	A market with a large product mix. In 2020 it accounted for 7.25% of sales, and Pamplona's share is 47% of Brazil's pork exports.	Largest market in 2020, accounted for 77% of exports.	A market with a large product mix. In 2020 it accounted for 2% of exports.	Market accounted for 5% of exports in 2020. Pamplona's share accounts for 39% of Brazilian exports.	Market opened in 2018 and growing significantly, accounting for 1% of exports in 2020. Pamplona's share accounts for 10% of Brazil's total pork exports.
<b>2020 Results</b>	Expansion of the market.	Maintenance of sales volume in the market.	Growth in sales volume and acquisition of new customers in the retail channel.	Increased share from 66% to 77%.	Volume drop due to approval of pork offal for China.	Increased share from 4% to 5%, due to the increase in local imports.	Expansion of the market.
<b>Expectation 2021</b>	Increase share, seeking to establish itself in the market.	Maintain the volume.	Expand the customer base and sell seasoned and processed foods.	Maintain sales volume for the next two years	Maintain market presence.	Increase volume, since Pamplona is one of the few Brazilian companies approved for this market.	Continue to work directly with food service customers.

Data source: Foreign Market Dept.

## Domestic market

Physical sales  
Domestic market



The domestic market experienced a downturn between March and May, likely a reaction to the insecurity caused by the pandemic. Gradually, despite the decrease in production and compromised sales in food service, there was an increase in food consumption in retail. Internally, the production of processed products was impacted because of the adjustments required by sanitary precautions in the industry's operation.

Production was normalized in the second half of the year, with good commercial volumes and an increase in the number of customers month on month, due to marketing strategies that focused on consumption of the products at home. Commercial actions included investing in the company's presence in smaller points of sale as well, such as small branded supermarkets, and in e-commerce, which expanded the customer base.



**In 2020, Pamplona invested in a Distribution Center in Camboriú to strengthen its presence in the domestic market**

Retail expanded with the pandemic. Products focused on convenience and ready-to-eat meals have seen great growth and are expected to continue their upward trend. This consumption trend, observed mainly during social distancing, are expected to be incorporated into consumers' habits due to changes in family dynamics. Sliced products increased significantly, used for snacks and purchased in smaller quantities.

In 2020 Pamplona invested in a central DC in Camboriú that will structure logistics in the market, and the focus of internal commercial growth in 2021 will be on the South Region, especially in northern Paraná, with a new branch, on strengthening the operation in Rio Grande do Sul, and on the expansion in São Paulo and Minas Gerais. This definition will increase numerical distribution and improve production flow. The positioning of Pamplona's branches depends on market opportunities, whether owned, leased from third parties, or entirely outsourced. The increase of retail structures to cater to food service is one of the goals for 2021.

## Products

**Flexibility was demonstrated in the launch of products in smaller portions to meet demand during the pandemic**



Pamplona has 18 product lines, including ham and ham products, seasoned pork, smoked pork, sliced pork, sausages, salamis and capicola, and salted and fresh products. The mix is extensive and complete, meeting the needs of traditional retailers, wholesalers, and food service markets such as pizza parlors, bars, and restaurants. Pamplona's main differentiator is flavor and quality, and it is always in search of new trends to maintain competitiveness without losing quality and food safety.

In 2020, the following lines grew: sausages (21%), sliced products (21%), and seasoned products (7%), among others. The volumes for the food service channel (sausage packs, for example) were readjusted to lighter weight products, for consumption at home. The average price of processed products increased because of the price adjustment of pork raw materials, shortages of materials due to the temporary closure of factories because of the pandemic, and the increased demand from exports. On the other hand, there was an increase in customer purchase rates—driven by the stimulus package—and in sales in all channels, with instability in food service only.

There were fewer launches during the year due to the pandemic and because there were no trade fairs. In the last four months, new products were launched to meet the current market demand for smaller portions for those at home, such as the 400g Tuscan-type sausage, an alternative that allows consumers to spend less and avoid waste. It facilitates consumption by smaller families, offering diversification of pork protein for everyday life. Other products were developed and will be introduced to the market in 2021: frozen ground pork with 500g net weight and 125g sliced smoked Calabrian-type sausage. In the beef cuts line, cuts such as chilled Cupim A (beef hump) and chilled center cut ribeye were launched.

## Marketing and communication

In partnership with a third-party consultancy, a marketing architecture survey was conducted in order to design Pamplona's new brand language for end consumers. Covering the states of the South region—São Paulo, Rio de Janeiro, Minas Gerais, and Bahia—the work was carried out for eight months in 2020. The results are expected to be finalized in the first half of 2021, involving the communication and marketing agencies that serve Pamplona.

In addition to the marketing and advertising services that have been underway for four years with the SMBB agency (since June 2020), Trama Comunicação, from São Paulo, has been responsible for planning and implementing Pamplona's public relations strategies. This initiative reinforced Pamplona's image during the year, with significant growth in brand building on social media and a return of 82 articles in the press during the first months of operation. The publications totaled a valuation of R\$943,000, an indicator that shows how much would have been spent to achieve these same results with investments in advertising.

In order to increase the brand's visibility, in 2020 Pamplona launched a film campaign on social media and on TV, on broadcast and cable TV, produced by SMBB. The video, starring chef Carlos Bertolazzi and journalist Luís Lacombe, shows the versatility of Pamplona products, which can be used by different audiences, from chefs to those who want something tasty and quick to eat. The campaign's developments could be followed on Pamplona's and the influencers' Instagrams.



Pamplona sponsored the third season of the food reality show *Receitas de Família* (Family Recipes) on SBT in Santa Catarina, hosted by Bertolazzi. The show is also broadcast live on Facebook and YouTube and showcases recipes from families in Santa Catarina. The initiative reinforces Pamplona's philosophy of participating in projects that highlight emotional cuisine and Brazilian flavors.

In a year in which the organization of events was hampered, Pamplona was a partner of Joinville's *First Sanduba Week*, which took place from June 23 to July 26, following all the applicable health protocols. The 18 participating restaurants were challenged to create unique sandwiches for in-store and delivery consumption. The event was promoted by CDL Joinville's Câmara Setorial de Gastronomia e Entretenimento, and Pamplona supplied items from its portfolio.

# Operational performance

## Extensive monitoring of the market supported the challenges posed by the pandemic

While many sectors had a major reduction in activities in the first months of the pandemic, the meat industry had to stay in business, both for animal welfare reasons and to ensure food for the population.

Pamplona's operational challenges were circumvented in an exemplary manner, based on intense market monitoring, risk management, supply and operation management, and occupational health and safety. Although some projects and indicators were adversely affected, the efforts to keep production going were successful, thanks to planning, efficient management, and collective cooperation among employees, suppliers, and partners.

In the area of inputs, the effects of the novel coronavirus have been monitored since its emergence in order to foresee the difficulties to be faced by the chain. This prevented factory shutdowns due to stock-outs and helped reduce costs.

In the industry, the first measure was to guarantee the safety and health of the employees by keep-

ing employees in high-risk groups away from the workplace, providing the best personal protective equipment available in the market, and increasing the distance between workstations to avoid contagion while maintaining the quality of the products. Consequently, there was a temporary impact on the production volume and mix. To avoid having to stop the slaughter line, the production of processed products was reduced, and employees were transferred to the fresh cuts line.

Because of the staff reduction, and in order to reduce the circulation of third parties in Pamplona's facilities, some projects have been temporarily suspended. This generated the need to optimize the operational efficiency of the manufacturing processes in 2020, which can be seen in the evolution of the Unit of Production Effort per Man-hour indicator (UPE/Mh), showing that the value added to the products was maintained despite the reduction in manpower.



## Logistics

Pamplona's logistics and cargo transportation activities continued throughout the year without negative effects, in compliance with the health protocols imposed during that period—the only significant change was that administrative management worked from home. Pamplona operates in inbound and outbound logistics using third party carriers divided into the feed, animal, and refrigerated segments, and it follows the best efficiency, traceability, and animal welfare parameters.

One of the activities in this area in 2020 was the logistics team's first workshop, which gathered all employees during Pamplona's sales convention in March in order to integrate with the commercial sector and align goals. During the year, carriers and loading teams were trained in how to promote animal welfare and comply with the legislation on this topic.

The renewal of the fleet, which belongs to outsourced partners, is also a permanent concern to maintain efficiency in logistics and quality in the services provided and in delivering products to customers. Moreover, Pamplona has made increasing investments in technology with the implementation of the Oracle Transport Management (OTM) software, which should be completed in the first half of 2021, and the adoption of business intelligence mechanisms in the logistics department. Other goals for the year are to improve the logistics network in the north of the states of Paraná and Minas Gerais and implement operational standards in all DCs.

Despite the pandemic, many of the goals set for the year were achieved, such as increased production of sliced and cooked sausages; production at the Rio do Sul unit ended the year with more than 3,000 tons. The opening of the distribution center in Camboriú increased the space to be used by the factory for stock, thereby giving fluidity to production.

The focus in 2021 will remain on total quality management in the industrial area, which is already showing significant results, as well as on increasing production volumes in new projects that are in progress and will enter into operation.

### Unit of Production Effort per Man-Hour (UPE)

2016	1,276
2017	1,273
2018	1,248
2019	1,272
2020	1,387

## New Central DC in Camboriú

A major highlight of the year in logistics was the opening of the distribution center (DC) in Camboriú (SC) in September. The new Central DC is part of Pamplona's logistics expansion and efficiency project, and it improves the supply chain of distribution centers in Brazil and raises service levels. The DC has the capacity to receive an average of 60 trucks of different sizes per day, which will handle up to 12,000 tons of food/month. To meet this demand, the team is made up of 67 employees.

Internally, the new Central DC concentrates stock in a single location, improving turnover and distribution of production from the factories. It also provides greater shipping agility, better control of product dates, and increased agility in replenishing the branches. With more efficient supply planning, it provides productivity gains in deliveries and reduced travel times. Industrial production also benefited from the new space, since it freed up prime areas in the factories for expansion and increased storage capacity for exports.

## EFFICIENCY IN LOGISTICS

- **22% reduction in the average age of the fleet: adaptation of the fleet for transporting live animals, following the animal welfare standard.**
- **Reduction in the number of claims: establishment of the risk management committee; driver refresher courses and training; speed control; control of cargo temperature through risk manager; travel time control.**
- **18% reduction in the cost of returns in logistics and 50% in re-deliveries: monitoring return registrations through the delivery app (OTM); control of cargo temperature through risk manager; improvement in the flow of information, with the integration of the systems helping to reduce returns (OTM); monitoring, registration, and tracking by registration in the delivery app (OTM).**
- **Central DC: concentration of domestic market stock at the Central DC in Camboriú (as it was previously concentrated in factories, there was an improvement in planning, shipment preparation, and shipping); reduction in customer service time; increased storage capacity for foreign markets at the factories; reduced shelf life and product turnover; improved visibility of replenishment of DCs; strategic location easily accessible from all regions of Brazil; greater availability of refrigerated cargo carriers.**
- **18% improvement in inventory accuracy.**
- **Improvement in managing reverse logistics of finished products: in order to reduce damages and reprocessing.**
- **Tackling the pandemic: distribution of a pandemic prevention information booklet; intensified communication with transport partners and drivers.**

# Economic-financial performance

**103-2, 103-3 – Economic performance and governance**

Pamplona endured a highly competitive and remarkable year and came out of it better prepared and stronger to face future opportunities. Operational discipline and compliance with the standards, combined with the fulfillment of the strategies outlined, appropriate to the global reality, were instrumental in achieving the results.

Despite the negative impacts of COVID-19, which was felt mainly in the domestic market, especially due to the loss of purchasing power in the population and the prohibitions on the operation of various establishments, the production of pork in Brazil broke records, according to the Brazilian Animal Protein Association (ABPA). Also reflecting the outbreak of the African Swine Fever (PSA), there was an increase in exports of basic pork cuts to China and to other markets, especially in Asia. Pamplona increased its exports to the Chinese market by 34.4% in volume and 44.6% in sales revenue.

On the other hand, there was an increase in the production cost of feed compared with 2019—27% in corn, 36% in soybean meal—raising the cost of the company's pork, despite early purchases of the main commodities. The rise in the acquisition cost of animal proteins, with an increase of 41% for pigs and 46% for cattle, was also significant.

The appreciation of the U.S. dollar in 2020 (+30.4% compared to 2019) and the recovery of prices in U.S. dollars (+10.3%) generated an increase in prices in BRL, with a positive impact on the contribution margin of sales to the foreign market. Despite high competition in the domestic market, there was a partial recovery in prices thanks to the increase in foreign demand.

Regarding industrial investments, in line with the strategy outlined, a highlight is the beginning of Pamplona's expansion plan of R\$600 million over the next four years, adapting the unit in Presidente Getúlio to serve even more demanding markets, and expanding the unit in Rio do Sul (SC), adding 16,500 tons of processed products per year (more information on page 50).

This focus on planning became even more relevant in such a turbulent year, allowing Pamplona to continue to seize opportunities and greatly improve its performance. Pamplona ended 2020 with record Gross Operating Revenue (GOR) of R\$1.9 billion (+39%). Net income was R\$298 million (+334.3%), mostly due to the exceptional performance of the operation.

Due to the recovery of sales in the foreign market and the transit time of sales to China, in addition to price adjustments in the domestic market and the appreciation of the exchange rate, Pamplona had a substantial increase in accounts receivable. In the foreign exchange hedge, the company operated with daily exchange contracts at a fixed rate in order to maintain the margins, without foreign exchange exposure. GOR in the domestic market closed the year at R\$928 million (+19.05%) and at R\$977 million (+65.46%) in the foreign market.



**Net income was R\$298 million (+334.3%), mostly due to the exceptional performance of the operation**

#### Gross operating revenue



#### Domestic market



#### Foreign market



#### Net operating revenue



#### Gross income



#### EBITDA - Adjusted



#### Net income



#### Total assets



#### Shareholders' equity



#### Net debt



#### Return on invested capital



Also noteworthy is the adjusted EBITDA, which reached R\$369.5 million (21.2% margin), compared with R\$145.8 million (11.9% margin) in 2019. The exceptional EBITDA made it possible to make early settlements of interest bearing bank operations and working capital (R\$201 million - 99.7%). Net financial debt ended the year at R\$673,000, with a leverage of 0.0x. The operational performance in the period yielded cash and cash equivalents in line with the minimum cash policy.

#### Economic indicators 201-1

Indicators	2020	2019
Net sales	1,739,675	1,216,064
Investment income	0	428
Income from sales of assets	235	174
Operating costs	(1,230,334)	(951,484)
Net income	298,029	68,621
EBTIDA	360,132	141,442
Adjusted EBTIDA	369,033	145,809
Employee salaries and benefits	138,398	111,903
Spending on suppliers	1,342,166	937,853
Payments to capital providers	91,550	46,484
Dividends/interest on equity	64,449	17,155
Government payments	181,637	161,215
Investments in the community	2,327	869
Waste treatment and disposal	360	327
Environmental management and prevention costs	1,066	846
Gross sales in foreign markets (exports)	977,006	590,467
Gross sales in the domestic market	928,742	780,140

Data source: Controllershship

# RESPONSIBILITY TOWARD ALL STAKEHOLDERS



## IFS

Certification  
in progress

## ABNT

Accredited  
Laboratory

Food safety is a priority for Pamplona, which continuously invests in product development, allowing it to export to demanding markets

Pamplona has a commitment to act responsibly toward all its stakeholders and in every environment in which it operates. People are a priority for Pamplona, whose values include concern for its customers, employees, suppliers, and shareholders, as well as social responsibility and respect for the environment. These are considered essential for the sustainable development of all communities.



# Product quality and safety

103-2, 103-3 – Product quality

Pamplona continuously invests in systems and processes that go beyond legal requirements

Ensuring the quality of the product that reaches consumers' table and food safety are part of Pamplona's mission. To this end, Pamplona has processes and mechanisms in place that meet and exceed legal requirements, investing in product testing and development, which qualifies the company to export to markets recognized by their high level of quality demands.

The priorities of Pamplona's Quality Program include continuous improvement, maintenance of planning, documentation and control of processes and their measurement, measurement of customer feedback, and compliance with regulatory and market requirements, while always ensuring that the area's programs are being implemented.

The production process is continuously audited by different customers and regulatory agencies. In 2020, however, due to the restrictions resulting from the pandemic, audits were suspended or postponed by companies and institutions; alternatively, they were carried out remotely, by telephone and internet.

Another initiative that was affected was the implementation of the International Food Standard (IFS) certification, an internationally recognized standard that will qualify Pamplona for the most demanding food safety standards worldwide.

## Laboratory and sensory practices

Pamplona's laboratory performed 41,229 microbiological and ractopamine analyses in 2020, 27% more than 2019, to comply with domestic and foreign market legislations. It also made 860 analyses of moisture and water activity in samples of salami and processed products, as well as 420 analyses of acidity in lard and animal fat. These analyses are necessary for greater quality control when releasing products for consumption. To ensure its credibility and ABNT NBR ISO/IEC 17025:2017 accreditation, the laboratory undergoes nine types of proficiency testing, performed alternately each year. In 2020, three new parameters began to be analyzed—water activity, moisture, and Enterobacteriaceae—with proficiency in all tests performed. **FP5**

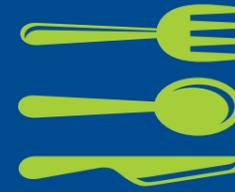
In terms of Research and Development, the activities of the sensory analysis laboratory were hampered due to health restrictions during the year. The program, whose objective is to perform a sensory evaluation of products to adapt them to consumer trends, requires working in small spaces, without protective masks, which made it impossible to provide training and develop new programs.

## Product healthiness and labeling <sup>416-1</sup>

Pamplona's cuts are submitted daily to microbiological analysis in its own laboratory, guaranteeing healthy and high quality products. Pamplona meets the requirements of international certifications for food safety and extends these practices to its product line.

All products (100%) undergo tests during the development and/or launch phase, following the legislation, mainly of additives allowed according to the RDC 272 of March 14, 2019 - Food Additives for use in meat and meat products, their respective functions, maximum limits and conditions of use (notes). Where there are changes in legislation, 100% of the relevant product categories are re-evaluated. **FP6**

The evaluation of the sodium and fat content in each formulation, conducted during the development of the products, follows ANVISA's standards and the Technical Identity and Quality Regulation (RTIQ). Prior to launch, the products are submitted for external analysis and description of the nutrition facts table, and they are all registered with the Ministry of Agriculture (MAPA). The product lines are also subjected to periodic tests according to legal and customer requirements. **FP6**



# 100%

Products are tested during the development and/or launch phase

# 27%

Increase in the number of microbiological and ractopamine analyses to meet legal requirements

All of Pamplona's products are also regulated by specific legislation as to labeling and inclusion of items such as a nutrition facts table and net weight. The legislation that is most applied is normative instruction IN 22/2005, specific to food labeling. One case of non-compliance with product labeling was recorded in 2020, which resulted in a citation. For the year 2021, mandatory preparation, use, and preservation instructions must be added to the labels of raw pork products, which include pork cuts and offal, bacon, ground pork, raw encased meats, and seasoned products, according to RDC 459/21/12/2020, to be implemented by December 2021. **417-1, 417-2**

### Requirements for product and service information and labeling 417-1

	mandatory	not mandatory
Outsourcing of product or service components		X
Content of substances that could generate environmental or social impacts		X
Safe use of the product or service		X
Product disposal and environmental/social impacts		X
Allergens (27 items considered allergenic that need to be declared)	X	
Use of the transgenic seal for foods containing soy or corn in their formulation	X	
Amount of water and protein added, when applicable	X	

*Percentage of significant product or service categories covered and assessed for compliance with such procedures: Fresh Cuts (8.41%) and Pork Offal (1.11%) from the Domestic Market and the categories of Seasoned products (7.25%), Cooked Encased Meats (12.31%) and Fresh Encased Meats (3.51%), Lard (4.54%), Hams (4.93%), Smoked products (5.77%) and Cured products (0.64%), Sliced products (3.21%), Cheese (0.23%), and Salted products (2.30%).*

# Customer Satisfaction

In addition to direct contact with its customers, Pamplona's website also has a contact channel and email dedicated to customer service: sac@pamplona.com.br. In customer relationship channels, the Consumer Information System (SIC) and Customer Service (SAC) indexes showed the results to the right.

Pamplona is also a reference on web pages that liaison companies and customers to resolve problems and measure satisfaction with the services provided. On the Reclame Aqui website in 2020, Pamplona was rated as having a "Great" reputation regarding the service received, with an average score of 9.5. During the year, 100% of complaints were answered within 3 days with a 100% solution rate.

### Number of complaints per ton produced

#### SIC



#### SAC



Data source: Quality



# People management

103-2, 103-3 – People management

## Creation of a specific committee for dealing with the effects of COVID-19 attests to Pamplona's concern with its employees

At Pamplona, the main concern of the coronavirus crisis management committee since the beginning of the year was to protect the health and safety of employees. Pamplona followed all the health and safety protocols of the health regulatory agencies (Ministry of Health and state and municipal health departments) to prevent the spread of COVID-19 among employees, partners, and their families. In addition to providing Personal Protective Equipment (PPE) and cleaning materials, the bathrooms, changing rooms, and leisure areas were expanded. The fleet of buses that transport the staff was also doubled and employees' temperatures were taken at the beginning and end of their workday. No one is allowed to enter any of Pamplona's units without having their body temperature checked.

Pamplona bears the cost of the RT-PCR test, the most efficient test in detecting COVID-19, for all employees suspected of having contracted the virus. Approximately 700 employees were tested in 2020. When someone tests positive, everyone who has had contact with the infected person is sent home, undergoes the RT-PCR test, and may only return to work after testing negative.

People in high-risk groups have been kept away from the workplace since the beginning of the pandemic, such as pregnant women and people over 60 years of age. To make up for the shortfall in its staff, Pamplona hired more than 200 new employees during the year.

## Training and development

At the beginning of the pandemic, when there was still uncertainty about the work routine and how the world would be affected, the psychological impact on employees was huge. Over the weeks, the teams began to gain trust in the health and safety protocols and in the operational stability, and work continued more smoothly.

Pamplona invested in learning and consolidating the use of new digital communication tools, following an information technology plan that was already under development. The reduced use of resources and optimization of work time due to travel restrictions imposed by the pandemic was a learning experience that streamlined the hiring processes and meetings with stakeholders.

In Human Resources—in addition to improvements in payroll access, time and attendance control, and selection processes—the company’s participation in labor hearings is now online (it used to require the company to be physically present at the Labor Courts).

In 2021, Pamplona will physically separate Human Resources from the Personnel Department, which will provide more specific services for the needs of employees and the development of people, conflict management, and supervisor management.

Personal development activities and internal training have had to be adapted because they used to be conducted in person. During the most critical period of the pandemic, the onboarding process for new hires had to be adapted by reducing the time and the number of people. It began to be held twice a week, strictly complying with the rules regarding social distancing and prevention of COVID-19.

The pandemic affected the training scheduled for 2020, resulting in the cancellation of internal and external courses. Seeking the adequate and continuous qualification of the team, Pamplona hired a distance learning training platform, and the first module of a series of short-term courses was released in December 2020, to be continued in 2021.

- **The Pamplona School of Leadership, which began in 2019 and would have ended in 2020 with student graduations, has been suspended and is expected to return in 2021.**
- **The machine operator course, conducted in partnership with SENAI, was completed with the class that was in progress after in-person classes resumed.**

## Management panel

The management panel, which was implemented during the year, gives access to the payroll and contractual information of each employee. With the implementation of the software, payroll for the 3,400 employees is no longer submitted in physical form and does not have to be signed. It is now available through the management panel, providing gains by reducing spending on paper, optimizing the time of the people management team, and facilitating employee access to contractual information, time and attendance control, and professional history.

A handbook explaining how to use the software was prepared so everyone could easily and independently use the new app. In addition, the managers of each area received training to assist their teams in using the tool, which has an intuitive design and is simple to use.

### Average hours of training by employment category and gender 404-1

#### Administrative



#### Operational



## Recruitment and selection

Every year Pamplona conducts an extensive process for selecting young people via the Young Apprentice program. During the pandemic, the tests, which used to be held in person, were moved online. Besides eliminating the risk of contagion between employees and participants, this improved efficiency in the process of applying and correcting the questions and also reduced paper usage.

Employee recruitment, which until then was also conducted in person, is now done via WhatsApp, reducing the number of people circulating in the workplace.

Both initiatives have been so successful that this more efficient and practical working model should be maintained. The decrease in the flow of people in the offices and factories benefits everyone. The process is faster and reduces the use of paper and costs, both for Pamplona and for the candidate, who does not have to spend money on transportation.

Pamplona's Trainee Program, which was scheduled to be launched in 2020, was put on hold due to the pandemic and is expected to resume in 2021.

## Compensation and benefits 401-2

In 2020 there was an increase in the value of the meal voucher and in the starting salary, which is compatible with the average in the city. In 2021 a larger workforce will be invested to track turnover. The 2020 Profit Sharing Program totaled the equivalent to 1.5 salary, reaching its maximum cap at all levels. Directors, managers, and supervisors are also entitled to bonuses, linked to goals and to the Management Tournament.

Pamplona's employees are also entitled to group life insurance, extending to spouse and children; medical and dental care in the Rio do Sul and Presidente Getúlio units; a self-managed cafeteria (in Rio do Sul, Presidente Getúlio, and in the feed plant branch); a partnership card for purchases in markets and pharmacies, deducted from payroll; partnership with universities for graduate and post-graduate courses; a partnership with laboratories for lab tests; and a pregnancy care program, including care from an obstetrician at Pamplona, one ultrasound exam per pregnancy, and a maternity kit (a bag with several items for the baby).



## Health and safety 403-2 | 403-4

Pamplona invests in reducing accidents and developing a solid safety culture, making it a safer working environment. The Pamplona Zero Accident program (PAZ - *Pamplona Acidente Zero*) manages employees' health and safety through tools that help reduce risks, increase the commitment of leaders and teams, and reduce incidents. The pillars of the Pamplona Zero Accident program include the Safe Practice Index and the Administrative Standard of Safety Deviation, instruments that focus on the observation of unsafe behavior, generating data for the monitoring and application of improvements. In 2020, in addition to accident prevention tools, Pamplona implemented solutions to reduce the risk of spreading COVID-19.

In 2020, a total of 5,217 observations were made using the Administrative Standard of Safety Deviation tool. Accident rates were 9.74 at the Headquarters in Rio do Sul and 11.67 at the unit in Presidente Getúlio. The recognition program, with the participation of industry supervisors, which analyzes health and safety indicators, began during the year. In December, the areas that showed the best performance in safety indicators were recognized.

The Weekly Safety Dialogue helps employees identify and report difficulties by suggesting improvements directly to their supervisors. Investigations of critical deviations and accidents use the cause analysis methodology, conducted after the event by the area supervisor along with the safety team. The goal is to identify flaws in the system to prevent the situation from recurring. After completion of the analysis, the action plans are monitored weekly by the safety team.



# 1.5

**Extra salary paid as part of the PPR, reaching the maximum cap at all hierarchical levels**



### Initiative aimed at risk reduction, accident reduction, and internal commitment

The topic of safety is addressed during the onboarding process of all new hires at Pamplona. After the onboarding process, specific training sessions are held according to development in other activities, including the operation of machinery and equipment and the operation of pallet lifters and forklifts. **403-5**

Pamplona's Health and Safety Committee is composed of managers and employees from the operation and encompasses the areas of safety, production, human resources, maintenance, and procurement. The group convenes monthly to evaluate indicators and programs and to define strategies, and the meetings were maintained in 2020. Some of the main actions were the creation of the working group for the Safe Work Permit tools and the working group for the safe operation of forklifts and pallet lifters.

The Internal Commission for Accident Prevention (CIPA) held a different version of the traditional Internal Workplace Accident Prevention Week (SIPAT) in 2020 due to the need for social distancing. This topic was addressed through a phrase contest. The winning phrase, written by employee Paulo Sergio Barreto, was: "Valorizar a vida é trabalhar com segurança, cuidar e deixar lhe cuidar. Após o dia de trabalho, para casa com saúde voltar." (Valuing life involves working safely, caring, and allowing yourself to be cared for. And after the workday, go home in good health.).

In 2021, the goal is to further develop leaders and supervisors in safety issues. Training leaders in safety, which began in October 2020, is scheduled to continue in 2021.

#### Work-related injuries GRI 403-9

	Pres. Getúlio Factory		Rio do Sul Factory		TOTAL (Pres. Getúlio + Rio do Sul)		Feed Plant + Development	
	2020	2019	2020	2019	2020	2019	2020	2019
Number of accidents*	ACA = 28 ASA = 42	ACA = 17 ASA = 70	ACA = 41 ASA = 64	ACA = 34 ASA = 45	ACA = 69 ASA = 83	ACA = 51 ASA = 115	ACA = 0 ASA = 0	ACA = 0 ASA = 0
Injury rate	91.66	23.55	111.17	97.81	104.7	59.94	0	0
Occupational disease rate	0.25	2.99	0.24	2.27	0.24	5.26	0	0
Number of lost days	220	97	309	287	529	384	0	0
Frequency rate	11.67	7.25	9.74	8.59	10.44	15.84	0	0
Absentee rate	2.29%	2.44%	3.27%	3.45%	2.91%	5.89%	1.49%	1.19%
Types of injuries	Cuts caused by work tools.							

\* LTA: Lost time accident. NLTA: No lost time accident

### Disease prevention 403-6

In June 2020, Pamplona implemented a social assistance service with specialized services for employees, who are individually monitored as needed. As a preventive measure for COVID-19, a remote health care system was implemented, through which the health team guides and answers questions. For employees classified with suspected cases of COVID-19, Pamplona pays for the test, provides assistance, and monitors positive cases through remote assistance.

Health exams, whether or not related to the professional activity, are handed in by the employees or sent remotely to be evaluated by the occupational health physician and receive follow-up and assistance with treatment when necessary.

Associação Recreativa Cultural Esportiva Pamplona (ARCEP) offers dental services for employees and their dependents. In 2020, ARCEP promoted the Pink October campaign, in which women over the age of 45 were able to receive a mammogram free of charge. In addition, an online lecture was held with the theme "We need to talk about breast cancer." The following month was the Blue November campaign, in which male employees over the age of 45 were able to receive a PSA (prostate specific antigens) test at no cost.

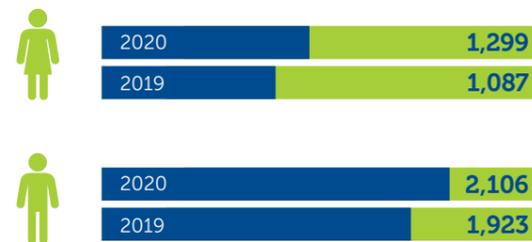
In April and May 2020, the tetravalent influenza vaccine was made available at low cost and deducted from payroll. The employees who were interested were vaccinated at Pamplona's facilities with the support of SESI.

# Retention and turnover

There was an increase in the total number of employees between 2019 and 2020, going from 3,010 to 3,405 employees. There was also an increase in turnover compared with 2019, due to the growth in production in some areas and as a result of COVID-19. In the year, there were 1,698 hires and 1,303 layoffs. **102-8 | 401-1**

The activities of the People Management Committee formed in 2019, whose goal is to decrease turnover and workplace accidents, were reduced in 2020 because of the pandemic. The goal is to resume work in 2021, with proposals and action plans planned for the beginning of the year.

## Total number of employees by gender 102-8



## Rate of new employee hires and turnover 401-1

	2020		2019	
	Total number	Rate	Total number	Rate
<b>Total number and rate of new hires, by age group</b>				
up to 30	1,169	34.33	1,085	31.86
between 31 and 50	506	14.86	414	12.16
over 50	23	0.68	24	0.70
<b>Total</b>	<b>1,698</b>	<b>49.87</b>	<b>1,523</b>	<b>44.73</b>
<b>Total number and rate of contractors hired, by gender</b>				
Men	1,022	30.01	951	27.93
Women	676	19.85	572	16.80
<b>Total</b>	<b>1,698</b>	<b>49.87</b>	<b>1,523</b>	<b>44.73</b>
<b>Total number and rate of contractors hired, by region</b>				
South	1,685	49.49	1,513	44.43
Southeast	13	0.38	9	0.26
Northeast	0	0.00	1	0.03
<b>Total</b>	<b>1,698</b>	<b>49.87</b>	<b>1,523</b>	<b>44.73</b>
<b>Total number and rate of employees who left the company, by age group</b>				
up to 30	871	25.58	867	27.68
between 31 and 50	379	11.13	443	15.81
over 50	53	1.56	27	1.2
<b>Total</b>	<b>1,303</b>	<b>38.27</b>	<b>1,337</b>	<b>44.7</b>
<b>Total number and rate of employees who left the company, by gender</b>				
Men	839	24.64	881	29.46
Women	464	13.63	456	15.25
<b>Total</b>	<b>1,303</b>	<b>38.27</b>	<b>1,337</b>	<b>44.7</b>
<b>Total number and rate of employees who left the company, by region</b>				
South	1,291	37.91	1,327	44.37
Southeast	12	0.35	9	0.3
Northeast	0	0.00	1	0.03
<b>Total</b>	<b>1,303</b>	<b>38.27</b>	<b>1,337</b>	<b>44.7</b>

## Culture of excellence

The evolution of a culture focused on management and excellence is stimulated and monitored at Pamplo-na through the Management Tournament, an initiative that evaluates management tools and methodologies and verifies their compliance. The Management Tournament was held twice in 2020 and evaluated the results in both industrial units. The best areas were awarded trophies, and the results were also reflected in the bonuses of supervisors, managers, and directors. Audits are planned to take place in January, May, and September 2021.

The Quality Circles act in a cross-cutting manner, with groups aimed at industrial process improvements. In 2020, they conducted work involving the 5S Program, with 15 groups in Presidente Getúlio and 26 groups in Rio do Sul.

# 49.5%

Percentage of employees hired during the year in the South Region

# Supplier management

102-9; 103-2, 103-3 – Supplier management and development, FP1

## Pamplona seeks to ensure its ethical standards in all contracts with business partners

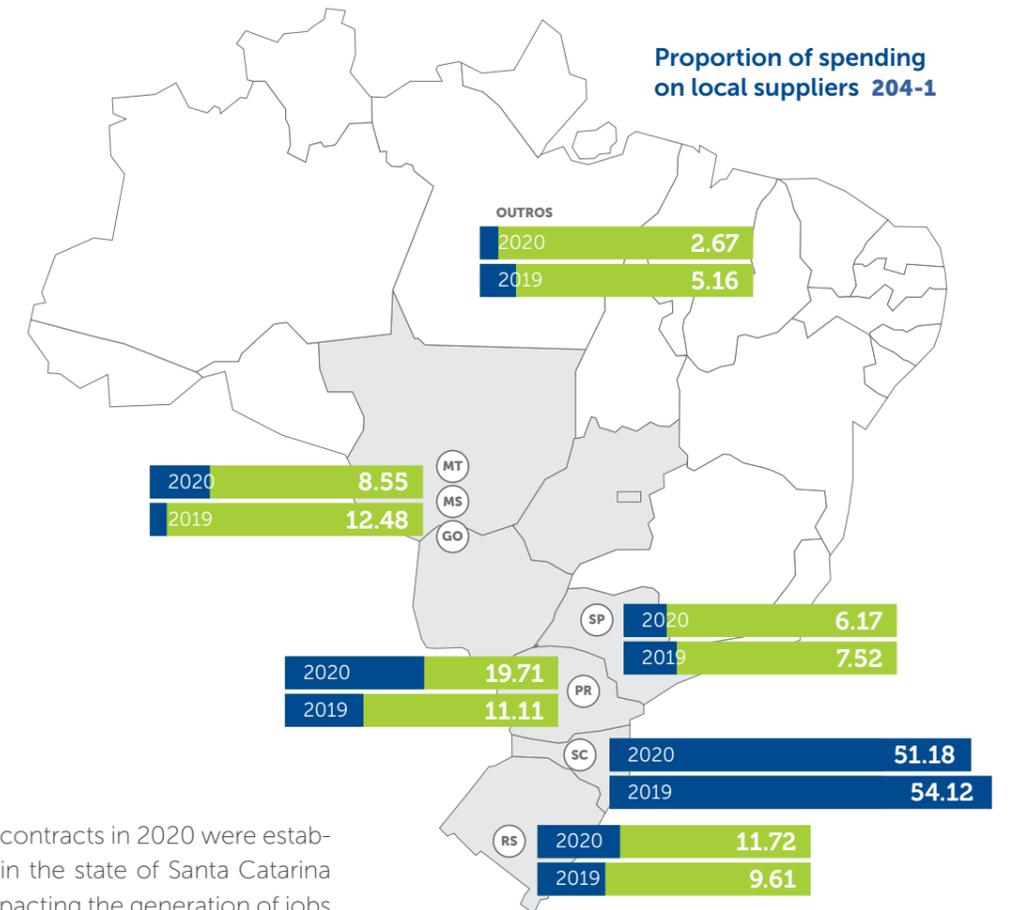
Pamplona has developed strong, solid partnerships with suppliers throughout its history, ensuring quality that reaches the tables of consumers in Brazil and in several other countries.

The long-term relationship with this audience is managed by the procurement team, dedicated to ensuring Pamplona’s ethical standards in all commercial transactions while establishing competitive partnerships for the development of business and the regions where Pamplona operates directly and indirectly.

In 2020, approximately 3,409 suppliers were part of Pamplona’s supply chain, including pigs, cattle, and grains—which together accounted for more than 75% of the purchase volume for the year—in addition to suppliers of inputs for agribusiness, packaging, equipment for investments in fixed assets, and refrigerated ingredients, among others, as auxiliary materials (inputs for the Feed Mill, medications, etc.).

Volume of purchases by supplier category 102-9			
		Purchases 2020 (%)	Purchases 2019 (%)
	<b>PIGS</b>	42.96	40.94
	<b>GRAINS</b>	25.40	23.76
	<b>CATTLE</b>	6.97	8.50
	<b>AGRIBUSINESS INPUTS</b>	8.78	8.01
	<b>PACKAGING</b>	5.51	5.88
	<b>INVESTMENTS IN FIXED ASSETS</b>	3.90	4.72
	<b>REFRIGERATED INGREDIENTS</b>	2.13	2.34
	<b>OTHER</b>	4.35	5.85

Data source: Procurement



More than half of the contracts in 2020 were established with suppliers in the state of Santa Catarina (51.18%), positively impacting the generation of jobs and local income and the socioeconomic development of the state. **204-1 | FP1**

To ensure that the work of our suppliers is in line with appropriate institutional and legal frameworks, the procurement team evaluates suppliers through consultations with the Department of Finance, Tax Authorities, and Sintegra. To comply with quality standards, suppliers are qualified annually, whereby documents are requested in order to validate compliance with the mandatory requirements in regulations for maintaining product quality.

For the largest and most extensive group of suppliers in Pamplona’s supply chain—pigs, cattle, and grains—the hiring process also provides for the application of contractual procedures and clauses that take into account the industry’s relevant social, environmental, and food

safety aspects. Suppliers are also qualified through the application of questionnaires sent annually with questions related to product quality, quality programs, traceability, and other criteria related to food safety. After the questionnaire is completed, a score for the supplier is generated, which will indicate whether or not the supplier is fit to supply. **414-1**

To avoid situations in which people working for suppliers are denied the social and labor protection mechanisms to which they are entitled, after the formalization of the contract, a checklist of documents required to prove the regular status of the contractor’s employees is issued, and onboarding training is given to explain internal rules.

# Community relations

103-2, 103-3 - Presence in the community

To prevent and fight the pandemic, during the year Pamplona made contributions totaling R\$1.9 million

Pamplona's community and institutional presence is very relevant in all municipalities where it operates. This positive impact for socioeconomic development in the city and in rural areas can be seen through the number of jobs created, the hiring of local suppliers, development in the fields, and significant contributions to the income of municipalities. Pamplona continues to nurture its relationship with farmers, investing in the economic development of rural regions and strengthening rural work and the families that work in these areas. Like the history of Pamplona, this relationship spans generations.

On the other hand, Pamplona also has a relevant role to play in coordination and business leadership, working strongly with entities such as trade associations of Rio do Sul (ACIRS) and Presidente Getúlio (ACIPG), Brazilian Animal Protein Association (ABPA), Meat Industry Union of the State of Santa Catarina (SINDICARNE), and the Federation of Industries of the State of Santa Catarina (FIESC).

102-13

In 2020, Pamplona's social initiatives were strongly geared to mitigating the effects of the pandemic on the communities where it operates. To this end, equipment and materials for hospitals, nursing homes, day care centers, municipal public institutions, and other institutions were donated, as well as food and clothing for charities that support the needy. Contributions totaled approximately R\$1.9 million in the year.

All activities involving contact between people were suspended during the pandemic. The dental assistance program, for example, only responded to emergencies. Face-to-face activities should be resumed after a more compressive coverage of the vaccination campaign. 413-1



Projects supported through tax incentives			
Mechanism	Beneficiary Entity	Tax Incentive Amount (R\$ thousand)	
		2020	2019
Rouanet Law/ Audiovisual Law	Associação Centro Cultural Lilly Bremer - Rio do Sul (SC)	206	254
	Correio Lageano Collection, Preservation of the Memory of Serra Catarinense (Instituto José Paschoal Baggio) Lages (SC)	70	0
	Festival Internacional Música na Serra (Instituto José Paschoal Baggio) Lages (SC)	36	72
	Taió Literary Festival (SC)	68	0
	Pro-Life Art - São Bento do Sul (SC)	68	36
	Art for Life - São Bento do Sul (SC)	40	0
	Cinderella Tour (Touchê Entretenimento Ltda)	210	0
	Chicago - The Musical - São Paulo (SP)	110	0
	Instituto Escola do Teatro Bolshoi in Brazil - Joinville (SC)	358	0
<b>SUBTOTAL</b>		<b>1,166</b>	<b>362</b>
Sports Law	Racing Porsche (Racing Association)	0	90
	Table Tennis Association in Rio do Sul (SC)	148	0
	Meninos da Baixada - Clube Atlético Hermann Aichinger Ibirama (SC)	113	0
	Jaraguá Futsal - Year II - Associação Desportiva Jaraguá - Jaraguá do Sul (SC)	30	0
<b>SUBTOTAL</b>		<b>291</b>	<b>90</b>
Child and Adolescent Fund (FIA)	Rio do Sul (SC)	45	90
	Presidente Getúlio (SC)	194	0
	Ituporanga (SC)	22	0
	Rio do Oeste (SC) _	22	0
	Central Trombudo (SC)	22	0
<b>SUBTOTAL</b>		<b>305</b>	<b>90</b>
Elderly Fund	Laurentino (SC)	60	0
	Rio do Sul (SC)	245	90
<b>SUBTOTAL</b>		<b>305</b>	<b>90</b>
Pronas	Hélio Angotti Hospital - Uberaba (MG)	0	90
<b>SUBTOTAL</b>		<b>0</b>	<b>90</b>
Pronon	Associação de Combate ao Câncer do Brasil Central - Uberaba (MG)	0	90
	Fundação Pio XII - Barretos Cancer Hospital - Barretos (SP)	83	0
<b>SUBTOTAL</b>		<b>83</b>	<b>90</b>
<b>TOTAL</b>		<b>2,150</b>	<b>812</b>



# 2020 Annual Social Audit in R\$ thousand

1- Calculation Basis	2020 Amount (Thousand BRL)			2019 Amount (Thousand BRL)		
Net revenue (NR)	1,739,675			1,216,064		
Operating income (OI)	334,167			122,007		
Gross payroll (GPR)	132,528			114,803		
2 - Internal Social Indicators	Amount (thousand)	% over GPR	% over NR	Amount (thousand)	% over GPR	% over NR
Food	5,486	4.14%	0.32%	2,902	2.53%	0.24%
Mandatory payroll taxes and benefits	28,093	21.20%	1.61%	25,142	21.90%	2.07%
Health	331	0.25%	0.02%	211	0.18%	0.02%
Occupational health and safety	1,868	1.41%	0.11%	1,365	1.19%	0.11%
Education	19	0.01%	0.00%	28	0.02%	0.00%
Culture	222	0.17%	0.01%	194	0.17%	0.02%
Training and professional development	153	0.12%	0.01%	191	0.17%	0.02%
Daycare or daycare allowance	11	0.01%	0.00%	118	0.10%	0.01%
Transport allowance	808	0.61%	0.05%	402	0.35%	0.03%
Funeral assistance	7	0.00%	0.00%	1	0.00%	0.00%
Employee life insurance	285	0.22%	0.02%	246	0.21%	0.02%
Profit sharing	13,001	9.81%	0.75%	8,317	7.24%	0.68%
Other	527	0.40%	0.03%	104	0.09%	0.01%
<b>Total - Internal social indicators</b>	<b>50,810</b>	<b>38.33%</b>	<b>2.92%</b>	<b>39,222</b>	<b>34.16%</b>	<b>3.24%</b>
3 - External Social Indicators	Amount (thousand)	% over OI	% over NR	Amount (thousand)	% over OI	% over NR
Culture	1,221	0.37%	0.08%	411	0.34%	0.04%
Health and sanitation	83	0.02%	0.00%	180	0.15%	0.01%
Sports	291	0.09%	0.02%	90	0.07%	0.01%
Other	732	0.22%	0.04%	189	0.15%	0.02%
<b>Total contributions to society</b>	<b>2,327</b>	<b>0.69%</b>	<b>0.13%</b>	<b>869</b>	<b>0.71%</b>	<b>0.07%</b>
Taxes (excluding payroll taxes)	160,002	47.88%	9.20%	145,402	119.18%	11.96%
<b>Total - External social indicators</b>	<b>162,329</b>	<b>48.58%</b>	<b>9.33%</b>	<b>146,272</b>	<b>119.89%</b>	<b>12.03%</b>
4 - Environmental Indicators	Amount (thousand)	% over OI	% over NR	Amount (thousand)	% over OI	% over NR
Waste disposal	360	0.11%	0.02%	327	0.27%	0.03%
Treatment of eEissions	1,066	0.32%	0.06%	846	0.69%	0.07%
Remediation costs	40	0.01%	0.00%	1	0.00%	0.00%
<b>Environmental management and prevention costs</b>	<b>1,466</b>	<b>0.44%</b>	<b>0.08%</b>	<b>1,174</b>	<b>0.96%</b>	<b>0.10%</b>
Regarding the establishment of "annual goals" to minimize waste, overall consumption in production/ operation, and increase efficiency in the use of natural resources, the Company:	( ) does not have goals ( ) fulfills 51% to 75% ( ) fulfills 0 a 50% (x) fulfills 76 a 100%		( ) does not have goals ( ) fulfills 51% to 75% ( ) fulfills 0 a 50% (x) fulfills 76 a 100%			

5 -Workforce Indicators	2020	2019
Nº of employees at the end of the period	3,405	3,010
Nº. of hires during the period	1,698	1,523
Nº. of outsourced employees	94	161
Nº. of interns	22	21
Nº. of employees over the age of 45	534	474
Nº. of women working for the company	1,299	1,087
% of management positions held by women	20%	18%
Nº. of black people working for the company	747	610
% of management positions held by black people	5%	3%
Nº. of people with disabilities or special needs	59	40
6 -Relevant Information on Corporate Citizenship	2020	Goals for 2021
Ratio of highest to lowest remuneration in the company	32 (times)	30 (times)
Total number of work-related accidents	69	45
The company's social and environmental projects were defined by:	( ) upper management (x) upper and middle management ( ) all employees	( ) upper management (x) upper and middle management ( ) all employees
Workplace safety and sanitary standards were defined by:	( ) upper and middle management ( ) all employees (x) everyone + Internal Commission for Accident Prevention (CIPA)	( ) upper and middle management ( ) all employees (x) everyone + Internal Commission for Accident Prevention (CIPA)
Regarding freedom of association, right to collective bargaining, and internal worker representation, the company:	(x) does not get involved ( ) follows ILO standards ( ) supports and follows ILO standards	(x) will not get involved ( ) will follow ILO standards ( ) will support and follow ILO standards
Profit sharing program covers:	( ) upper management ( ) upper and middle management (x) all employees	( ) upper management ( ) upper and middle management (x) all employees
In selecting suppliers, the same ethical, social responsibility and environmental standards adopted by the company:	( ) are not considered ( ) are suggested (x) are required	( ) will not be considered ( ) will be suggested (x) will be required
Regarding employee participation in volunteer work, the company:	( ) does not get involved (x) supports ( ) organizes and encourages	( ) will not get involved (x) will support ( ) will organize and encourage
Total value added for distribution (R\$ thousand)	In 2020: 676,639	In 2019: 388,465
Distribution of Value Added:	26.84 % government 20.45 % employees 9.52% shareholders 8.66% third parties 34.52% retained	41,50 % government 28.81 % employees 4.42% shareholders 12.03% third parties 13.25% retained

# ENVIRONMENTAL MANAGEMENT



**30.000**

Seedlings of native trees donated as part of an environmental project

**94%**

of trucks approved in the Vehicle Emissions Inspection

Management of industrial solid waste stands out due to an increase in recycled materials and a sustainable strategy for treating WWTP sludge via composting



103-2, 103-3 – Environmental management

**Pamplona is aware that good social and environmental practices are key to projecting a prosperous future for the business and its stakeholders, as well as for the planet as a whole**

In a very challenging year, Pamplona once again registered important advances in its social and environmental projects. Adaptations provided satisfactory conditions to maintain all ongoing works and ensure continuous evolution according to the organization's plans, set out in the Environmental Policy.

One of the main initiatives is the project to implement the Environmental Management System (EMS), which will result in an even more efficient and structured environmental management approach that shows interested parties the organization's environmental commitment. Scheduled for completion in November 2020, the implementation of the EMS was postponed, given the impossibility of making technical visits between the months of April and July. Thus, the new schedule foresees the completion of the project in May 2021, with goals to be achieved as early as this year.

Pamplona's Sustainability Committee played an important role during the implementation phase of the EMS, promoting online group workshops for 40 to 50 people, in addition to an onsite meeting held before the pandemic period. The group facilitates the assigning of responsibilities and meeting the project's schedule of activities.

For our main environmental goals, we had employees from all units involved in training courses and events in this area and greater efficiency in reusing and recycling waste. Our main goal for 2021 is to raise awareness about the responsibility of each employee in the construction of an efficient EMS by providing content that provides understanding on the system's methodology, further improving the work dynamics in the organization.

Other important actions continue to be developed, such as encouraging sustainability and environmental awareness. In 2020, through the Mais Água (More Water) Project, Pamplona helped several rural properties in the integrated producer chain with the distribution of approximately 30,000 native seedlings, aiming to recover and protect water springs.

# Energy 302-1

**Environmental concern guides Pamplona's partnership with the utility company Engie**

Pamplona prioritizes the purchase of clean energy on the free market, and in recent years the company has acquired wind energy from Engie for use in its factories. The purchase contracts are of great strategic importance for the good performance of the manufacturing units. According to the partnership, Pamplona's brand will be displayed on Engie's turbine—an action that will be disseminated via video on social media and other media. The key message of this partnership is Pamplona's environmental concern and its commitment to clean energy, sustainability, and transparency with the conscious use of natural resources.

In 2020, the volume of LPG consumed on company-owned farms was reduced, replaced by firewood (originated from reforestation in accordance with legal requirements), contributing to increased use of renewable sources.

**Total fuel consumption from non-renewable sources (m³)**

Units	2020	2019
<b>Liquefied petroleum gas - LPG<sup>1</sup></b>		
Factory in Pres. Getulio (SC)	82,414	80,601
Factory in Rio do Sul (SC)	0	0
Company-owned farms (SC)	70	7,995
<b>Natural gas - NG</b>		
Factory in Pres. Getulio (SC)	0	0
Factory in Rio do Sul (SC)	281,075	207,662
Company-owned farms (SC)	0	0
<b>Total non-renewable fuels</b>	<b>363.559</b>	<b>296.258</b>

Data source: Environment

**Liquefied petroleum gas consumption rate - LPG<sup>1</sup> (m³) per production volume (ton)**

Unit	2020	2019
Factory in Pres. Getulio (SC)	3,583	2,785

Data source: Environment

**Natural gas consumption rate - GN (m³) per production volume (ton)**

Unit	2020	2019
Factory in Rio do Sul (SC)	1,334	1,357

Data source: Environment



Company-owned farm replaces fossil fuel and increases the use of **RENEWABLE** sources by

# 114%

# 3,699 m<sup>3</sup>

Total consumption of fuels from renewable sources in 2020, in all units

### Total fuel consumption from renewable sources

Types of fuel	Unit of measure	2020	2019
<b>Wood shavings</b>			
Factory in Pres. Getúlio (SC)	Tons	191	229
Factory in Rio do Sul (SC)	Tons	110	557
Company-owned farms (SC)	Tons	548	443
<b>Wood chips</b>			
Factory in Pres. Getúlio (SC)	Tons	8,217	8,108
Factory in Rio do Sul (SC)	Tons	13,520	12,094
Company-owned farms (SC)	Tons	0	0
<b>Firewood</b>			
Factory in Pres. Getúlio (SC)	m <sup>3</sup>	88	103
Factory in Rio do Sul (SC)	m <sup>3</sup>	0	0
Company-owned farms (SC)	m <sup>3</sup>	3,611	1,619
Total renewable fuels	Tons	22,586	21,431
	m <sup>3</sup>	3,699	1,722

Data source: Environment

### Wood chip consumption rate (ton) per production volume (ton)

Units	2020	2019
Factory in Pres. Getúlio (SC)	0.133	0.136
Factory in Rio do Sul (SC)	0.172	0.162

Data source: Environment

### Energy consumption (kWh) per unit

	2020	2019
Feed plant (SC)	3,245,238	3,291,276
Factory in Pres. Getúlio (SC)	16,918,564	18,067,923
Factory in Rio do Sul (SC)	28,116,219	25,564,435
Company-owned farms (SC)	645,686	513,557
Total electricity consumption	48,925,707	47,437,191

Data source: Environment

### Energy intensity rate (kWh/ton)

Units	2020	2019
Feed plant (SC)	9.89	10.97
Factory in Pres. Getúlio (SC)	273.99	304.35
Factory in Rio do Sul (SC)	358.41	342.87

Data source: Environment

# Emissions

305-1

In order to support actions to reduce GHG emissions, Pamplona prepares its Emissions Inventory annually



Pamplona's second air emissions inventory was prepared in 2020 using the GHG Protocol methodology (the approach most widely used by companies and governments worldwide for their inventories) using the calculation tool version 2020.1.2, ABNT NBR ISO 14064. The scope of the project has been extended to include Scope 2 emissions of the methodology, and based on the results obtained, evaluations will be made to identify possible strategies to reduce greenhouse gas (GHG) emissions.

## Direct GHG emissions (tCO<sub>2</sub>e) Scope 1

Factory in Rio do Sul (SC)	2,014,602.16
Factory in Presidente Getúlio (SC)	615,962.11

## Biogenic emissions (tCO<sub>2</sub>e) Scope 1

Factory in Rio do Sul (SC)	24,774.13
Factory in Presidente Getúlio (SC)	14,995.03

## Energy indirect GHG emissions (tCO<sub>2</sub>e) Scope 2

Factory in Rio do Sul (SC)	2,109.88
Factory in Presidente Getúlio (SC)	1,269.60

# Despoluir Program

The *Despoluir* Program, a joint initiative between the National Transport Confederation (CNT), the Social Transport Service (SEST), and the Transport Learning Service (SENAT) with the aim of reducing vehicle emissions was maintained in 2020 and marks one of Pamplona's environmental education initiatives. In the year, the percentage of trucks approved reached 94%, presenting the best index since the beginning of the program, in 2014.

The *Despoluir* program has been monitoring third-party fleets serving the feed plant since 2014.



To learn more about the project, visit: [www.despoluir.org.br/](http://www.despoluir.org.br/)



## Water resources

With the reduction of water availability in recent years in the region where the plants operate, Pamplona saw the opportunity to conduct, in 2021, a technical study to survey the best alternatives available within the local Drainage Basin in order to cater to its future needs. Currently, 99% of all water resources used in the units come from surface water withdrawal.

In the fields, in order to effectively manage this resource in Pamplona's owned farms, a project was initiated to directly measure water consumption with the installation of water meters in 100% of the supply lines. This investment will allow for accurate information and immediate access to numbers. As a result of this monitoring process, indicators can be validated, and more efficient actions for using the resource can be determined.

The numbers for consumption in 2020 indicate an increase in both units, with a 4.8% increase in Presidente Getúlio and an 11.2% increase in Rio do Sul. This increase was attributed mainly to the activation of new processing areas in the industry. There was also increased consumption on farms resulting mostly from a greater number of animals housed.

### Total volume of water withdrawn by type of source (m<sup>3</sup>) 303-3

Types of source	2020	2019
<b>Surface water (including wetlands, rivers, lakes, and oceans)</b>		
Factory in Pres. Getúlio	0	0
Factory in Rio do Sul	309,208	294,252
Company-owned farms	480,783	427,043
Granjas Próprias (SC)	100,956	88,287
<b>Groundwater</b>		
Factory in Pres. Getúlio	0	0
Rio do Sul Factory	0	0
Company-owned farms	0	0
Granjas Próprias (SC)	5,095	9,100
<b>Municipal water supply or other water utility companies</b>		
Factory in Pres. Getúlio	1,414	1,527
Rio do Sul Factory	0	0
Company-owned farms	0	0
Granjas Próprias (SC)	1,232	835
<b>TOTAL (m<sup>3</sup>)</b>	<b>898,688</b>	<b>821,044</b>

Data source: Environment

Note: The volume measured for industrial and meatpacking plants is direct, single source. For farms, the volume is estimated following the recommendations of EMBRAPA (IN 11/2014), the ratio of animal breeding phase to water consumption.

### Rate of water consumption (m<sup>3</sup>) by surface source per production volume (ton)

Factory	2020	2019
Factory in Pres. Getúlio (SC)	5,007	4,956
Factory in Rio do Sul (SC)	6,128	5,727

Data source: Environment

## Effluent treatment

One of the main projects under development, parallel to the expansion of the Presidente Getúlio unit, was hindered by the effects of the pandemic. Due to the difficulty in conducting technical visits to evaluate similar systems in other companies, and also to perform onsite studies, the action had its final validation compromised. One of the main actions in this area planned for next year, the activated sludge installation project, should complete its validation in the first quarter of 2021 and be implemented throughout the year.

The volumes of effluents generated by the units in 2020 are proportionate to the volume observed in water consumption. The effluents are discharged into the body of water after proper treatment, are monitored, and comply with the thresholds established by the applicable standards. With the project to install water meters and receive data to monitor water consumption in company-owned farms, the effluents from these units can also be managed using the same system, considering the ratio of effluent generation to volume of water consumed.

### Total water discharge, broken down by quality and destination (m<sup>3</sup>) 306-1

Units	Type of wastewater disposal	Water quality and treatment method	Reused water	2020 (m <sup>3</sup> )	2019 (m <sup>3</sup> )
Feed plant (SC)	Surface water	Septic tank and disinfection box	NO	1,343	1,451
Factory in Pres. Getúlio (SC)	Surface water	Physical, chemical, and biological	NO	293,748	279,552
Factory in Rio do Sul (SC)	Surface water	Physical and biological	NO	456,744	405,691
Owned farms (SC)	Surface water, incorporation in compost, and distribution in soil as fertilizer	Stabilization ponds, physical, and composting	YES	80,554	72,920
<b>TOTAL</b>				<b>751,835</b>	<b>759,614</b>

Data source: Environment

Note: The methodology used to determine the volume of effluents generated in the farms is the IN 11/2014 Embrapa Swine and Poultry. In determining the volume of effluents generated in the industry, the following calculation was used: (volume of effluent = volume of water consumed - 5%).

# Waste

The topic of waste management is key for Pamplona's environmental management, and a sequence of initiatives has reflected the significant increase in the percentage of recyclable waste in the last three years. In 2020, Pamplona continued to achieve significant results by monitoring the sorting process and creating indicators related to the efficiency of waste reuse and recovery. Throughout the period, work was intensified for better sorting and classification in these processes, mainly to provide a final selection of reusable waste in their external disposal. This was due to a partnership between Pamplona and partner companies that carry out the final disposal and reuse of this waste.

As a result, the target of 45.5% of waste sent for recycling was exceeded, reaching 49.2% at the Headquarters unit. At the Presidente Getúlio unit, the results were even more positive, reaching 58.6% of recycled waste compared with the target goal of 53%.

Another practice is associated with the management of solid waste generated by the chain of company-owned farms and the integrated producers, involving the collection of medication and other packaging classified as Class I. This collection is done by and sent to a properly qualified company, contributing to one of the environmental aspects related to company activity.

The construction project for the Waste Center at the Headquarters unit is underway, and it is expected to enter into operation in early 2021. This physical restructuring will further contribute to the total volume of recycled waste, along with the goals and targets set by the Environmental Management System. In recent years, Pamplona has treated 100% of the sludge produced in the WWTPs using composting technology. **306-2**

## Industrial Units exceed goals set for solid waste **RECYCLING**

**Total weight of waste by type and disposal method 306-2**

Types of Waste	Unit of measure	UNITS							
		Factory in Rio do Sul/SC		Factory in Pres. Getúlio/SC		Feed plant/SC		Company-owned farms /SC	
<b>Class I waste</b>						<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Autoclave/Landfill	Ton	0.28	0.63	0	0	1.19	0.15	14	14
<b>Class II waste</b>		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Composting	Ton	901	920	634	856	54	118	0	0
Recycling	Ton	570	399	206	189	24	8	0	0
Reuse	Ton	127	55	48	31	5.32	2.9	0	0
Autoclave/Landfill	Ton	592	483	144	165	0	0	0	0
<b>TOTAL (except light bulbs)</b>	<b>Ton</b>	<b>2,190</b>	<b>1,858</b>	<b>1,032</b>	<b>1,076</b>	<b>85</b>	<b>129</b>	<b>14</b>	<b>14</b>

Data source: Environment



## A SUSTAINABLE PRACTICE

The Lauro Pamplona Composting Unit has been sustainably treating agro-industrial organic waste for more than three years using a process of biological degradation of waste that was previously sent to landfills. A new milestone was reached in 2020 through the characterization of its treatment unit as an organic fertilizer plant, allowing generated product to be used in regional agricultural crops and even marketed, benefiting the regional production chain and promoting sustainable practices. This reuse process also reduces pressure on landfills, as the solution meets the National Solid Waste Policy (PNRS).

A technical-scientific work has been jointly developed with the Agricultural Research and Rural Extension Company of Santa Catarina (Epagri) since the beginning of the project through a cooperation agreement, where, together with the organization's environmental technical team, a standardized and efficient operational process has been developed.

In 2021, the challenges continue and new outlooks are already being built in view of the various opportunities to use the final product, i.e. to develop the Unit so that it can produce and market organic fertilizers, so that the product generated can be used in regional agricultural crops, benefiting the regional production chain and encouraging sustainable practices.



## Consumption of materials

The main materials consumed by the Pamplona agro-industrial processes are grains (soy meal and corn) and animals (swine and cattle). In 2020, the feed plant was responsible for the consumption of 315,000 tons of grains and materials. The industrial processes of the Rio do Sul/SC and Presidente Getúlio/SC units, together, accounted for the consumption of more than 145,000 tons of beef and pork in the year.

### Type of materials used in production 301-1

	Total weight (tons)	
	2020	2019
<b>Agriculture: renewable inputs</b>		
 Corn	226,875	210,011
 Soybean meal	57,425	49,799
Other	30,437	26,831
<b>Total</b>	<b>314,737</b>	<b>286,641</b>
<b>Factory</b>		
 Pork	140,483	129,394
 Beef	5,170	6,766
<b>Total</b>	<b>145,653</b>	<b>136,160</b>

Data source: Environment

# Engagement and materiality

This report was prepared in accordance with the GRI Standards: Core option, an international standard in sustainability reporting developed by the Global Reporting Initiative (GRI), with information referring to the period from January 1st to December 31st, 2020. The financial information contained in this publication refers to all Pamplona's owned units, and the other sustainability information (environmental, social, and product), when applicable and/or available, refers to the manufacturing units in Rio do Sul, Presidente Getúlio, the feed plant in Laurentino, the seven company-owned farms, the two meat shops, and the central DC in Camboriú, all located in Santa Catarina.

The scope of this report does not include the social and environmental information of outsourced industrial units, distribution centers, and integrated producers. Questions, suggestions, or comments about the report can be sent to [pamplona@pamplona.com.br](mailto:pamplona@pamplona.com.br) or by phone +55 47 3531-3131. **102-45 | 102-50 | 102-53 | 102-54**

The process of defining the content of this publication includes prioritizing the material topics for Pamplona's sustainability issues according to internal (leadership) and external stakeholders (representatives of trade associations, public authorities, business partners, suppliers, and customers, including a trading company in China). Consultations were made between January and February 2020 and were conducted by an independent third-party company. The concerns of external audiences are in line with the topics already reported by Pamplona. The definition of material topics for reporting remained the same as in previous years, including the need for the presentation of goals and commitments on sustainability and the priority reporting of product development and quality practices. The main aspects are used to define the content of the report and support future guidelines in the report and in management. Based on this information, Pamplona defined its scope of 20 material aspects and 31 indicators, which are introduced throughout this publication. **102-40 | 102-42 | 102-43 | 102-46 | 102-47**

## Material topics **102-43 | 102-44 | 102-46 | 102-47**

● Considered ● Relevant ● Very relevant

Materiality	GRI Aspects materials	Customers	Suppliers	Trader	Public authorities
Economic performance and governance	Economic tax performance	●	●	●	●
	Fight against corruption	●	●	●	●
	Environmental compliance	●	●	●	●
	Social compliance	●	●	●	●
Supplier management and development	Purchasing practice	●	●	●	●
	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	●	●	●	●

**Topics where stakeholders expect Pamplona to elaborate on or qualify the information reported (in order of importance)**

Aspects such as logistics 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 content associated with other topics may be incorporated or expanded in future editions, in line with the expectations of Pamplona's stakeholders.

**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



**GRI Summary 102-55**

GRI Standards	Disclosure title	Page, link or direct disclosure	Omission
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General Disclosures 2016</b>			
GRI 102: General Disclosures 2016	<b>102-1</b>	Name of the organization	14
	<b>102-2</b>	Activities, brands, products, and services	14
	<b>102-3</b>	Location of headquarters	14
	<b>102-4</b>	Location of operations	14
	<b>102-5</b>	Nature of ownership and legal form	14
	<b>102-6</b>	Markets served	14
	<b>102-7</b>	Scale of the organization	14
	<b>102-8</b>	Information on employees and other workers	78
	<b>102-9</b>	Supply chain	80
	<b>102-10</b>	Significant changes to the organization and its supply chain	7
	<b>102-11</b>	Precautionary Principle or approach	24
	<b>102-12</b>	External initiatives	Pamplona does not subscribe to or endorse sustainability charters or principles.
	<b>102-13</b>	Membership of associations	82
	<b>102-14</b>	Statement from senior decision-maker	6
	<b>102-15</b>	Key impacts, risks, and opportunities	25
	<b>102-16</b>	Values, principles, standards, and norms of behavior	21
	<b>102-17</b>	Mechanisms for advice and concerns about ethics	21
	<b>102-18</b>	Governance structure	23
	<b>102-40</b>	List of stakeholder groups	102
	<b>102-41</b>	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.
	<b>102-42</b>	Identifying and selecting stakeholders	102
	<b>102-43</b>	Approach to stakeholder engagement	102, 103
	<b>102-44</b>	Key topics and concerns raised	103
	<b>102-45</b>	Entities included in the organization's consolidated financial statements or equivalent documents	102
	<b>102-46</b>	Defining report content and topic Boundaries	102, 103
	<b>102-47</b>	List of material topics	102, 103
	<b>102-48</b>	Restatements of information	None.
	<b>102-49</b>	Changes in reporting	None.
	<b>102-50</b>	Reporting period	102
	<b>102-51</b>	Date of most recent report	03/08/2020
	<b>102-52</b>	Reporting cycle	Annual.
	<b>102-53</b>	Contact point for questions regarding the report	102
	<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	102
	<b>102-55</b>	GRI Content Index	105
	<b>102-56</b>	External assurance	This report has not been assured by a third party.

Material topic: Economic performance and governance			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	In 2020, Pamplona did not receive or have significant fines due to non-conformities in the environmental, social, and economic areas.
	<b>103-2</b>	The management approach and its components	59
	<b>103-3</b>	Evaluation of the management approach	59
GRI 205: Anti-corruption 2016	<b>205-2</b>	Communication and training about anti-corruption policies and procedures	21
	<b>205-3</b>	Confirmed incidents of corruption and actions taken	21
Material topic: Product quality			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	103
	<b>103-2</b>	The management approach and its components	67
	<b>103-3</b>	Evaluation of the management approach	67
GRI 416: Consumer Health and Safety 2016	<b>416-1</b>	Assessment of health and safety-related impacts on product and service categories	68
GRI 417: Marketing and Labeling 2016	<b>417-1</b>	Requirements for product and service information and labeling	69
Material topic: People management			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	103
	<b>103-2</b>	The management approach and its components	71
	<b>103-3</b>	Evaluation of the management approach	71
GRI 401: Employment 2016	<b>401-1</b>	Rate of new employee hires and turnover	78,79
	<b>401-2</b>	Benefits offered to full-time employees that are not offered to temporary employees	74
GRI 403: Occupational health and safety 2018	<b>403-2</b>	Hazard identification, risk assessment, and incident investigation	75
	<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	75
	<b>403-5</b>	Worker training on occupational health and safety	76
	<b>403-6</b>	Promotion of worker health	77
	<b>403-9</b>	Work-related injuries	76
GRI 404: Training and Education 2016	<b>404-1</b>	Average hours of training per year per employee	73
Material topic: Community presence			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	103
	<b>103-2</b>	The management approach and its components	82
	<b>103-3</b>	Evaluation of the management approach	82
GRI 413: Local Communities	<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	82
Material topic: Supplier management and development			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	103
	<b>103-2</b>	The management approach and its components	80
	<b>103-3</b>	Evaluation of the management approach	80
GRI 204: Procurement Practices 2016	<b>204-1</b>	Proportion of spending on local suppliers	81
GRI 414: Supplier Social Assessment 2016	<b>414-1</b>	New suppliers that were screened using social criteria	42, 81

Material topic: Environmental management			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its Boundary	103
	<b>103-2</b>	The management approach and its components	90
	<b>103-3</b>	Evaluation of the management approach	90
GRI 301: Materials 2016	<b>301-1</b>	Materials used by weight or volume	101
GRI 302: Energy 2016	<b>302-1</b>	Energy consumption within the organization	91
GRI 303: Water and Effluents 2018	<b>303-3</b>	Water withdrawal	96
GRI 305: Emissions 2016	<b>305-1</b>	Direct GHG emissions	94
GRI 306: Effluents and Waste 2016	<b>306-1</b>	Water discharge by quality and destination	97
	<b>306-2</b>	Waste, broken down by type and disposal method	98,99
GRI 307: Environmental Compliance 2016	<b>307-1</b>	Non-compliance with environmental laws and regulations	31
GRI 308: Supplier Environmental Assessment 2016	<b>308-1</b>	New suppliers that were screened using environmental criteria	42
Food Processing Sector disclosures			
Food Processing, sector Disclosures	<b>FP1</b>	Percentage of purchased volume from suppliers compliant with company's sourcing policy	80, 81
	<b>FP5</b>	percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized standards	68
	<b>FP6</b>	Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	68
	<b>FP12</b>	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	42, 45

### Responsibility

Administrative and Finance Director

### Validation

Chief Executive Officer

Industrial Director

Procurement and Development Director

Sales Director - Domestic Market

Sales Director - Foreign Market

Commercial Director for Expansion and Logistics

### Accountant in Charge

Élvis Justen | CRC-SC-028194/O-3

### Areas involved

Internal Audit

Commercial

Accounting

Controllershship

Financial

Tax

Development

Quality

Feed Plant

Legal

Logistics

Maintenance

Marketing

Environment

Research & Development

Human Resources

SESMT

Procurement

Information Technology

### Support

Associação Cultural Esportiva  
e Recreativa Pamplona (ARCEP)

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