

BRF S.A.

TICKER

BOVESPA:BRFS3

MARKET CAPITALIZATION

US\$9 billion

HEADQUARTERS

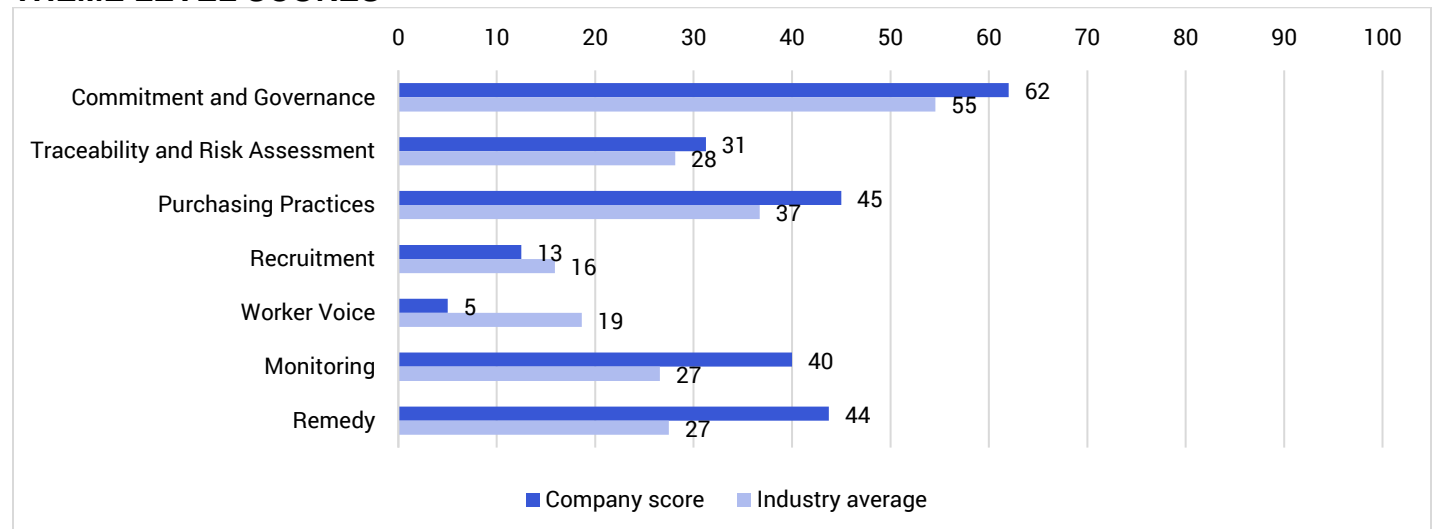
Brazil

COMPLIANCE
UK Modern Slavery Act: [Not applicable](#)
California Transparency in Supply Chains Act: [Not applicable](#)
COMMITMENTS
[None](#)
OVERALL RANKING
26 out of 38

(2016: 15 out of 20)

OVERALL SCORE
18 out of 100
SUMMARY

BRF S.A. (BRF), a Brazil-based producer of poultry and pork, as well as processed foods such as pizzas, pasta, and frozen vegetables, ranks 26th out of 38 companies. While the company provides some information on all seven themes, overall, it provides less information on its forced labor policies and practices than its peers. Compared to 2016, the company demonstrates some improvements by disclosing that 1,288 employees, including senior management, received in person training on the company's code, which covers human rights in the supply chain and its supplier code of conduct. It further discloses actual and potential negative impacts mapped in its supply chains, and that its supplier code of conduct is available in three languages. The company is encouraged to improve its performance and disclosure on the themes of purchasing practices, recruitment, and monitoring.

THEME LEVEL SCORES


Research conducted through March 2018, or through June 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment and Governance: BRF discloses a supplier code of conduct, which includes the fundamental rights and freedoms and has been approved by the Executive Board of Directors. BRF states that this code will be circulated to different levels of operation and hierarchy at all of its suppliers and that the code includes an agreement form which has to be signed and returned by suppliers. BRF discloses that its Corporate Integrity Vice President is responsible for interacting with partners in its supply chains and for disseminating its standards. In addition, the company maintains a "contractor management team" whose responsibility it is to approve and monitor suppliers with regard to company policies. The company further discloses that top executives are also directly responsible for managing non-financial matters and have "sustainability-related agendas" in all regular company meetings.

Risk Assessment: BRF discloses a chart of "actual and potential negative impacts mapped in the chain and addressed by BRF". These include "labor practices" such as "slave labor, bonded labor, or labor similar to slavery".

Purchasing Practices: BRF reports having a "sustainable contracts" program, which aims at "improving relationships with suppliers." In this context, it discloses the existence of a system that annually assesses its suppliers against criteria which include child and forced labor. Additionally, the company discloses that it has over 13,000 "integrated producers" in its supply chains with whom it works in long-term partnerships to achieve legal, environmental and social compliance and "predictability of revenue from its agricultural chain." The company also states that it has integrated its social and environmental clauses, including provisions regarding bonded labor, into all of its supplier contracts.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company is encouraged to assess risks of forced labor at potential suppliers before entering into contracts with them. To ensure that labor rights are respected across its supply chains, the company may consider requiring that its first-tier suppliers ensure that their own suppliers implement standards that are in-line with the company's standards.

Recruitment: To avoid exploitation of migrant workers in its supply chains, the company may consider requiring that workers in its supply chains are not charged fees during any recruitment-related process. The company is encouraged to require that such fees are paid by the employer (Employer Pays Principle) and, where such fees have been paid by its suppliers' workers, to ensure that the fees are reimbursed to the workers.

Monitoring: While the company discloses that it regularly consults "with public lists available in Brazil" regarding suppliers found to be using forced labor and conducts audits "for some categories," the company may consider adopting and disclosing a supplier monitoring process to verify that all of its suppliers are compliant with its supply chain standards. Implementing specific practices, such as interviewing workers and conducting unannounced audits of suppliers, may help the company detect forced labor risks in its supply chains. The company may further consider disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[No.](#)