

# JBS S.A.

**TICKER**

BOVESPA:JBSS3

**MARKET CAPITALIZATION**

US\$9 billion

**HEADQUARTERS**

Brazil

**COMPLIANCE**
UK Modern Slavery Act: [Yes \(statement of subsidiary\)](#)
California Transparency in Supply Chains Act: [Not applicable](#)
**COMMITMENTS**
[None](#)
**OVERALL RANKING**

## 30 out of 38

(2016: 15 out of 20)

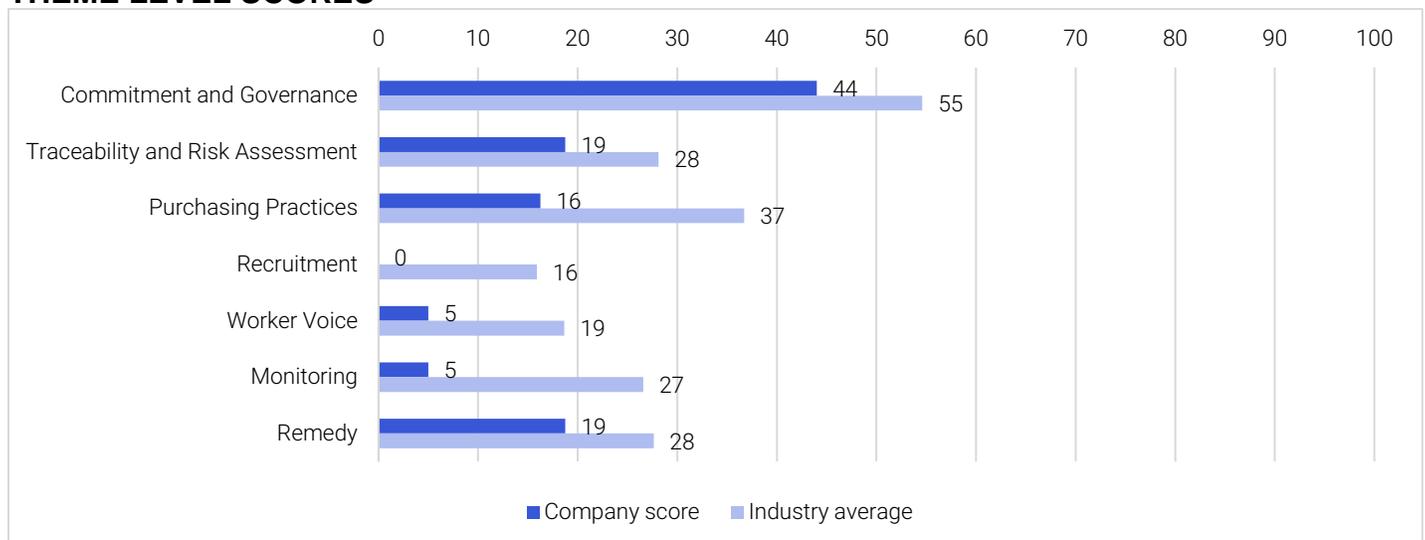
**OVERALL SCORE**

## 15 out of 100

**SUMMARY**

JBS S.A. (JBS), one of the world's largest meat processing company, ranks 30th out of 38 companies. It discloses less information on its forced labor policies and practices than its peers across all themes, and no information on the theme of recruitment. The company does not seem to have improved its performance and disclosure since 2016, which due to a strengthened methodology led to a score decrease.

KnowTheChain identified one allegation of forced labor in the company's supply chain. The company provided a public response to the allegation, explaining why it used the supplier (it was not included on the Brazilian government's list of companies known to use slave labor) and that it has ceased sourcing from the supplier, but it does not disclose remedy outcomes for impacted workers. The company has an opportunity to improve its performance and disclosure on the themes of recruitment, worker voice, and monitoring.

**THEME LEVEL SCORES**


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## LEADING PRACTICES

None.

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## NOTABLE FINDINGS

**Commitment and Governance:** JBS describes that it takes a decentralized approach to sustainability (which includes guidelines on forced labor), with regional sustainability departments being responsible for identifying relevant topics and designing action plans. It discloses that it has created a Sustainability Committee which reports to the Board of Directors. It also states that the board is provided with guidance on activities related to supply chain monitoring on forced labor. JBS discloses that it is a signatory (since 2007) and a member (since 2014) to the National Pact Institute for the Eradication of Forced Labor (InPACTO), a multi-stakeholder initiative which it describes as intended to strengthen efforts to combat forced labor in Brazil.

**Purchasing Practices:** JBS states it assess forced labor risks at potential and existing suppliers for its beef procurement in Brazil by undertaking daily check of its cattle supplier database with the lists of employers identified by the Brazilian Ministry of Labor for using slave labor.

**Remedy:** JBS discloses that, in 2016, 5,799 suppliers were blocked due to poor results in its Social and Environmental Monitoring System, of which 81 were suspended because they were listed as being involved with forced labor. It states that suppliers are blocked until they comply with the company's policies. The company provided a public response in response to an allegation of forced labor in its supply chains, explaining why the supplier farm in question had been used (it was not on the Brazilian government's list of companies known to use slave labor) and stating that it ceased sourcing from the supplier upon learning of the conditions.

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## OPPORTUNITIES FOR IMPROVEMENT

**Recruitment:** To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited, and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure workers' passports or other personal documents are not retained).

**Worker Voice:** To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that its Ombudsman or another formal and effective mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association.

**Monitoring:** In addition to using the using the Brazilian government's list of employers identified for using forced labor, the company may consider implementing specific practices for its supplier audits, such as interviewing workers and conducting unannounced audits of suppliers which may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually, information on the quality of auditors used, and a summary of findings, assures stakeholders that the company has strong monitoring processes in place.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Sent link.](#)