

# Food and Beverage Benchmark: Company Scorecard

## BRF S.A.

**TICKER:**  
BVMF: BRFS3

**MARKET CAPITALIZATION:**  
US\$ 19 billion

**HEADQUARTERS:**  
Brazil

**15 OUT OF 20**  
Company's Overall Ranking

**24 OUT OF 100**  
Company's Overall Score

BRF S.A. (BRF) ranks fifteenth on the benchmark, disclosing limited information on its approach to mitigating forced labor and human trafficking risks in its supply chain. The company is committed to addressing human rights including forced labor, includes a prohibition on forced labor in its supply chain standards, and integrates forced labor standards into its supplier contracts. The company is encouraged to develop and disclose a process for assessing forced labor risks in its supply chain and also has an opportunity to improve its disclosure and performance in the areas of purchasing practices and recruitment.

### THEME LEVEL SCORE

Commitment and Governance	61 out of 100
Traceability and Risk Assessment	25 out of 100
Purchasing Practices	13 out of 100
Recruitment	0 out of 100
Worker Voice	3 out of 100
Monitoring	33 out of 100
Remedy	38 out of 100

### LEADING PRACTICES

None.

### NOTABLE FINDINGS

**Commitment & Governance**  
BRF articulates a commitment to addressing forced labor in its Code of Ethics and Conduct, and its Code of Conduct for Suppliers, which is approved by the Executive Board of Directors, and requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor. The company also discloses that it is a member of Brazil's National Pact for the Eradication of Forced Labor. BRF is transparent about management and accountability for its forced labor commitments and standards, having a Contractor Management team that is responsible for approving suppliers based on its supplier code of conduct.

**Integration into Supplier Contracts**  
BRF integrates its forced labor standards into supplier contracts, stating "clauses on slave labor or



labor similar to slavery are included in supplier contracts.”

### **Corrective Action Plans**

BRF has a corrective action plan process to remedy supplier non-compliances discovered during its audit process. The company notifies suppliers of non-compliances and blocks purchasing and quote requests for non-compliant companies. Suppliers are required to submit and implement a corrective action plan in order to be “unblocked”. Supplier contracts may be terminated if non-compliance cannot be resolved.

## **OPPORTUNITIES FOR IMPROVEMENT**

### **Traceability & Risk Assessment**

BRF is encouraged to develop and disclose a process for assessing forced labor risks associated with specific commodities, regions, and/or groups in its supply chain and to disclose any forced labor risks identified throughout its supply chain. The company discloses a table of its supply chain sorted by type of business (procurement, agriculture, grains, meals, and oils) where it includes a description and number of partners in the category as well as the region in which the suppliers operate. To improve its transparency, the company may consider disclosing information on its first-tier and beyond first-tier suppliers in order to enhance the traceability and transparency of its supply chain.

### **Purchasing Practices**

BRF is encouraged to take steps to mitigate the risk of forced labor and human trafficking caused by certain purchasing practices, which includes avoiding the use of short-term contracts, excessive downward pressure of pricing, and sudden changes in workload. In addition, the company is encouraged to assess forced labor risks of potential suppliers prior to entering into contracts with them and to ensure that its supply chain standards are cascaded beyond its first-tier suppliers.

### **Recruitment**

BRF may consider disclosing a policy that requires suppliers to disclose the recruiters that they use and recruitment agencies in its supply chain to uphold workers’ rights. BRF may also consider implementing a standard that prohibits recruitment fees and disclosing how it ensures that such fees are reimbursed in the event that they are discovered. Finally, the company is encouraged to disclose whether it audits recruiters to assess the risks of forced labor and human trafficking.

## **COMPANY PROVIDED ADDITIONAL DISCLOSURE:**

[Provided link.](#)

