

BRF

Product categories assessed

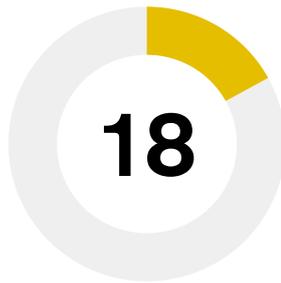
Processed Meat and Seafood|Dairy|Ice Cream and Frozen Desserts|Processed Fruit and Vegetables|Ready Meals

Percentage of company global sales covered by Product Profile assessment
90-95%

Headquarters
Brazil

Number of employees
88028

Type of ownership
Public



Product Profile 1

Rank 18 / Score 1.7

Rank 19 / Score 3.5

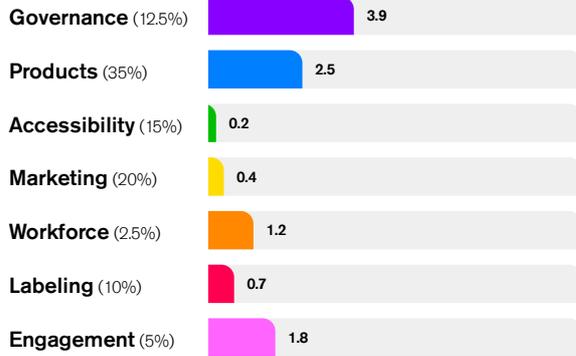
Rank 18 (2018)

Important:

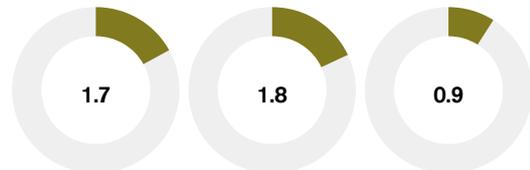
The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Corporate Profile

Rank 18 Score 1.7



Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

Main areas of strength

- **SCORES AND RANKS:** The company has increased its score since 2018 from 0.5 to 1.7, although its ranking remains the same. This reflects new strategic commitments observed most notably in Governance (Category A).
- **GOVERNANCE:** Since 2018, BRF has made a public commitment to delivering more healthy foods. In its 2019 Annual Report, the company states that innovation is one of its key tools to develop healthier products, and it is also used to help mitigate potential negative impacts on consumer health. The company's improvement in Governance is also driven by reporting in accordance with the Global Reporting Initiative (GRI) standards.
- **PRODUCTS:** Although it has not defined targets to reduce levels or achieve lower stated levels of nutrients of concern, BRF reports having strategies to reduce fat, sodium, and sugar content in its products, in accordance with applicable regulations and international standards. BRF works with the Brazilian Food Industry Association (ABIA), to accelerate produce (re)formulation strategies. The company also discloses that none of its products contain trans fats, apart from those naturally present in dairy products and beef.
- **LIFESTYLES:** BRF has slightly strengthened its performance in supporting employees and consumers with healthy lifestyles (Category E). The company states: "Wellness and protection of employee integrity are among the company's overall priorities." The company has established BRF Health Centers, in which it supports pregnant women, newborn health, vaccination campaigns, and promoting healthy living habits, among others.
- **ENGAGEMENT:** The company has published a 'Transparency Manual', in which it commits to engage with stakeholders ethically and transparently, and includes explicit measures preventing bribery and corruption in its relations with public officials, including the offering and receiving of gifts, hospitality or other financial and in-kind incentives. These measures are also expected of its direct and indirect suppliers, and business partners. BRF also showed evidence of consulting an academic expert in its home market on its nutrition and health approach.

Priority areas for improvement

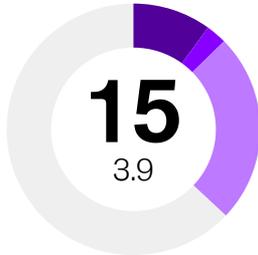
- **GOVERNANCE:** The company is encouraged to adopt and disclose a formal nutrition policy that specifies how it contributes to addressing all forms of malnutrition (including micronutrient deficiencies where relevant) through its commercial strategy and activities. Although the company's reporting is relatively strong, BRF could consider improving links between its strategies and nutrition-related SDGs.
- **PRODUCTS:** BRF is advised to define what products are 'healthy' based on objective nutrition criteria (using an internationally recognized Nutrient Profiling Model (NPM)) and use it to track and report the proportion of sales it derives from healthy products. The company is also encouraged to set SMART product formulation and/or reformulation targets to help achieve a healthier product portfolio.
- **LABELING:** The company is encouraged to increase transparency around its labeling and claims practices, and could use an interpretive front-of-pack (FOP) labeling system to ensure comprehensive nutrition information is provided on all packaged food and beverage products. ATNI recommends that BRF shows industry best practice by publishing a labeling and claims policy with relevant commitments in alignment with Codex Alimentarius guidelines, and in compliance with national regulations in the countries in which it operates.
- **LABELING:** The company is advised not to use additional interpretive labelling or other information FOP that directly relates to the message of mandatory FOP labelling (which may confuse consumers or modify the effect of the mandatory labelling).
- **ACCESSIBILITY:** It is recommended that BRF adopts and publishes a policy to improve the affordability and physical accessibility of products that meet healthy criteria, and to reach low-income populations or populations in rural or urban areas that lack regular access to healthy, affordable food.
- **MARKETING:** The company has strategies towards responsible marketing to children in Brazil. The 'Brazil Public Commitment on Food and Beverage Advertising to Children,' which includes 11 companies (including BRF), was expanded and strengthened in 2016 with the commitment to not advertise food or beverages to children under the age of 12 – apart from products whose nutritional profile meets specific criteria. However, there is no evidence that the company conducts regular independent audits to assess compliance with its marketing to children commitment. BRF is advised to formalize its marketing to children's commitments by publishing a company policy, covering all children under the age of 18, primary and secondary schools, and places where children typically gather (e.g., sport facilities), as recommended by WHO/UNICEF. Overall, the company is encouraged to fully subscribe to the responsible marketing principles of the ICC.
- **LIFESTYLES:** While BRF's performance in category E has improved slightly since 2018, it is encouraged to make a commitment to improve the health and wellness of

groups across the food supply chain, and ensure its existing programs are available to all employees. The company could consider being more transparent about its parental leave policies, globally, including support for breastfeeding.

- **ENGAGEMENT:** The company is encouraged to publicly commit to engage with governments, political parties, policymakers, and policymaking bodies only in support of measures to improve health and nutrition, and only with a basis in objective, peer-reviewed science. It is recommended that BRF strengthens its transparency on lobbying practices by disclosing its memberships of trade associations outside of its home market, its spending on lobbying and political donations, and its lobbying positions on key nutrition topics. It is also encouraged to actively and constructively engage with governments in their efforts to address malnutrition in their respective markets.

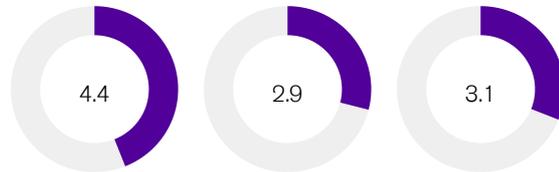
Category Analysis

Governance



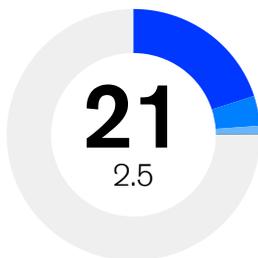
- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

Commitment Performance Disclosure



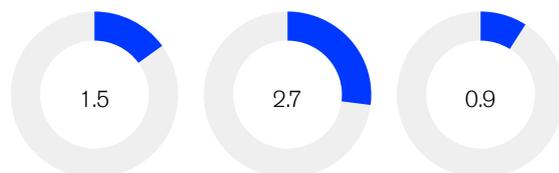
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Products



- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

Commitment Performance Disclosure



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Accessibility



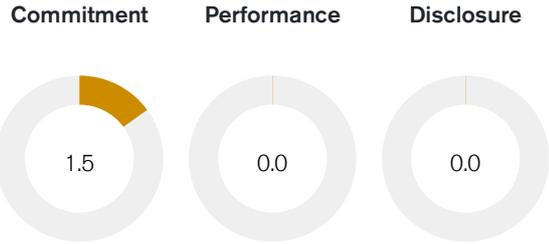
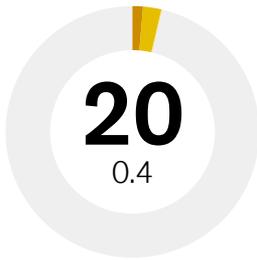
- C1 Product pricing

Commitment Performance Disclosure



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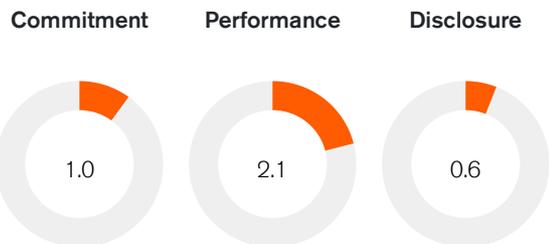
Marketing



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

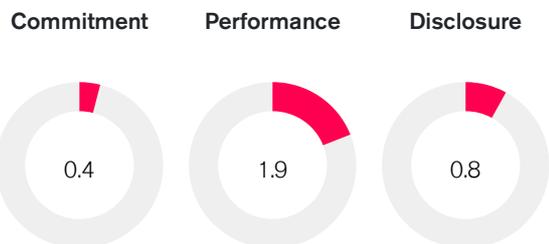
Workforce



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health

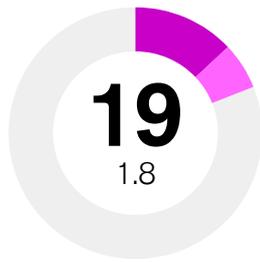
Labeling



The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

- F1 Product labeling
- F2 Claims

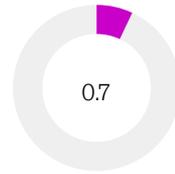
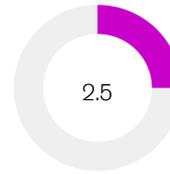
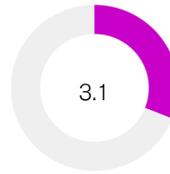
Engagement



Commitment

Performance

Disclosure



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-  Influencing policymakers
-  Stakeholder engagement

Detailed Product Profile Results ^{1 2}

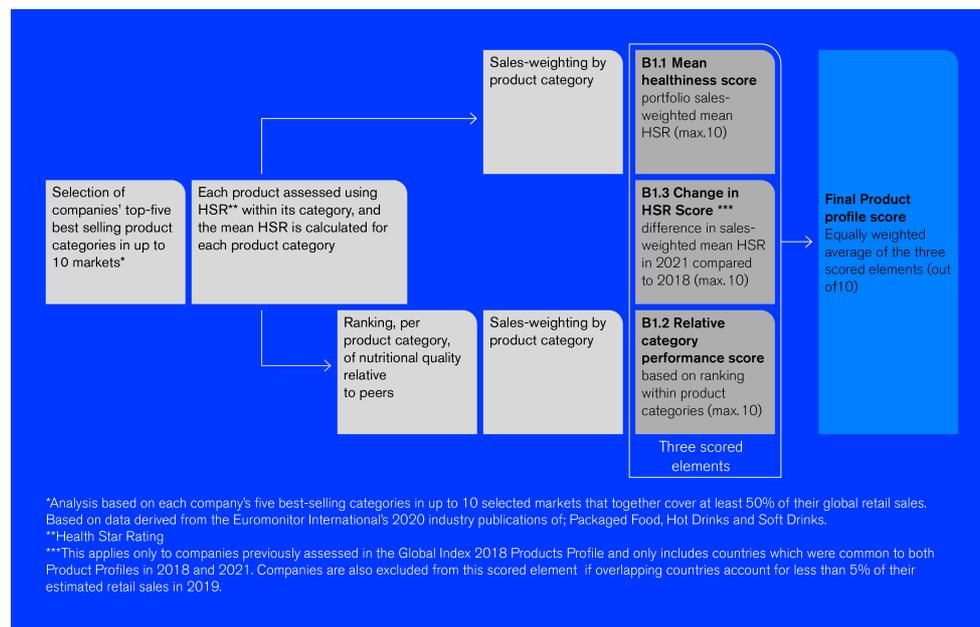


19

Rank 19 / Score 3.5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



BRF has been assessed for the first time in the Global Index Product Profile. In this Index, a total of 143 products have been analyzed across one of the company's major markets. Products from the top five best-selling product categories within each market are included. In 2019, these products accounted for 90-95% of the company's global retail sales, excluding baby foods, plain tea, and coffee.

In this Product Profile assessment, BRF scores 4.7 out of 10 (B1.1) in the mean healthiness element and 2.4 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers. This results in BRF obtaining an overall score of 3.5 out of 10 and ranking 19 out of 25 in the Product Profile.

B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	1 Countries included	Range of global sales included ³ 1	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥3.5 stars)	% retail sales healthy 2019 (≥3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥3.5 stars) ⁴ 1	No. products assessed	% products suitable	% sales from suitable
2.3	Brazil	90-95%	143	27%	29%	29%	147	3%	5%

▪ A total of 143 products manufactured by BRF, sold in one country, covering 5 product categories, were included in this Product Profile (baby foods, plain tea and coffee were not assessed). The company's sales-weighted mean HSR is 2.3 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 4.7 out of 10 for BRF. The company ranks 16 out of 25 companies in this first scored element (B1.1).

▪ Overall, 27% of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥ 3.5). Together, these products accounted for an estimated 29% of BRF's retail sales of packaged food and beverages 2019 in the selected markets (excluding baby food, plain tea, and coffee). Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 29% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 3% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 5% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR >= 3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category) 1
Dairy	9	44%	2.7	2.9	15th out of 18
Ice Cream and frozen Desserts	2	0%	1.8	2	5th out of 7
Processed Meat and Seafood	74	19%	1.8	3.1	8th out of 8
Ready Meals	57	35%	2.8	3	6th out of 9
Processed Fruits and Vegetables	1	100%	5	4.1	1st out of 4

▪ For BRF, 'Processed Fruit and Vegetables' was the best performing category, where the one product analyzed obtained mean HSR of five out of five. 'Ice Cream and Frozen Desserts' (1.8) and 'Processed Meat and Seafood'

(1.8) had the lowest mean HSR of all product categories included for BRF.

- For four out of the five categories assessed, BRF's products perform worse than the mean HSR of companies selling products in the same categories.

- BRF scores 2.4 out of 10 in this second scored element (B1.2) and ranks 23 out of 25 companies. This is based on its ranking compared to peers within the 16 categories, using the scoring system set out in ATNI's methodology.

B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
TOTAL	0	0	0	0

Not applicable for this company. This third scored element applies only to companies assessed in both Indexes and takes into account only those countries included in both assessments. Companies are also excluded from this scored element if overlapping countries account for less than 5% of their estimated retail sales in 2019.

Full Product Profile report: https://new-l40rlzsq.accessstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

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Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
3. Retail sales data derived from Euromonitor International.
4. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
5. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank $10/10 = 100\%$ performance score; tenth out of 10: inverted rank $1/10 = 10\%$ performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.