

Verification Statement of
"Partial Carbon Footprint of a Product (partial CFP)"
Bovine Livestock Weight, based on its Life Cycle Assessment for the
period 2020-2021 for:

**BREEDERS & PACKERS
URUGUAY S.A.**

Ruta 14 km 170.500, Durazno. Uruguay.



has been verified in accordance with ISO 14064-3:2006 as meeting the requirements of

ISO 14067:2018

Simple Average GHG Emissions de of the 4 grazing/forestry systems
6,32 kg CO₂e / kg LW (LW: Bovine Livestock Weight).

Simple Average Removals of Forest Carbon Capture of the 4 grazing/forestry systems:
-48,32 kg CO₂ / kg LW (LW: Bovine Livestock Weight).

The GHG emissions were neutralized for the product partial life cycle with the removals of Forest
Carbon Capture of the 4 grazing/forestry systems:

0 kg CO₂e/ kg PV kg LW (LW: Bovine Livestock Weight),

Keeping the CO₂ remanent at the forest areas of each grazing/forestry system for future periods.

at the stages from *cradle-to-farm gate*:

**Emissions from the acquisition of raw materials (fertilizers and compound feed) and the
emissions and removals within the grazing/forestry systems (association between the
farmers and the company Montes del Plata) since the pregnancy until the final product
leaves the door of the grazing/forestry systems.**

Lead Auditor: Ursula Antúnez de Mayolo

Support Auditor: Alexis Guirin

Forestry Expert and Support Auditor: Giannina Rimarachin Vega

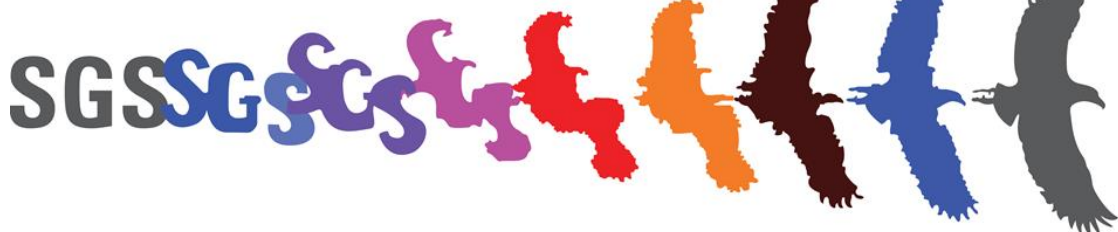
Technical Reviewer: Pamela Castillo Rubiños

Authorized by

Ursula Antúnez de Mayolo Corzo

This Statement is valid from 17th February 2022, until 16th February 2024

Verification Statement Date: 17th February 2022



Brief Description of Verification Process

SGS has been contracted by BREEDERS & PACKERS URUGUAY S.A. (BPU) for the verification of their partial Carbon Footprint of a Product (CFP) for Bovine Livestock Weight, in accordance with ISO 14064-3:2006.

Roles y Responsibilities

The management of BPU is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent verification opinion on the GHG emissions of BPU's product "Bovine Livestock Weight" as provided in the CFP reports "*Huella de Carbono - Estimación de las emisiones y remociones de gases de efecto invernadero en Sistema Ganadero /Forestal para el periodo 2020-2021*" of each of the 4 grazing/forestry systems.



SGS conducted a third-party verification following the requirements of ISO 14064-3 of the provided GHG assertion. The assessment included a document and record review, as well as virtual interviews to staff. The verification was based on the verification scope, objectives and criteria as agreed between BPU and SGS, code PE.VER.0591 of 30/09/2021

Level of Assurance

SGS conducted a verification with **reasonable** level of assurance.

Scope

BPU has commissioned an independent verification by SGS of reported CO₂e emissions arising from their activities to establish conformance with the requirements of ISO 14064-1 within the scope of the verification as outlined below. Data and information supporting the CO₂e assertion were historical in nature, projected or hypothetical; and proven by evidence.

This engagement covers verification of GHG emissions for the CFP cradle-to-farm gate included on the product life cycle.

- Scope: Partial Carbon Footprint of a Product (partial CFP), which includes: Emissions from the acquisition of raw materials (fertilizers and compound feed) and the emissions and removals within the grazing/forestry systems (association between the farmers and the company Montes del Plata) since the pregnancy until the final product leaves the door of the grazing/forestry systems
Within the boundaries, it is not considered the *Core* and *Downstream* Emissions: Transport y Processing (slaughterhouse), product distribution, use and final disposal.
- Functional Unit: kg of CO₂e/ kg LW (LW: Bovine Livestock Weight).
- Description of activities: Breeding, weaning, rearing and fattening in 4 grazing/forestry systems.
- Location of the activities: 4 grazing/forestry systems in Uruguay.
 - Grazing/forestry system 1: "La Volcada" (owned by Montes del Plata) and "La Volcada de Behrens" (owned by Alexander Behrens)
 - Grazing/forestry system 2: "El Porqueno" (Bertrand Gruss) and "San Eduardo" (Montes del Plata)
 - Grazing/forestry system 3: "San Juan de Gambetta" (Gloria and Marta Gambetta) and "María Elisa" (Montes del Plata)
 - Grazing/forestry system 4: "Rincón Angosto" (Ubaldo Riatti) and "Nueva Escocia" (Montes del Plata)



- Physical infrastructure, activities, technologies and processes of the organization: Includes activities of productive process, transport and maintenance.
- GHG sources included:
 - Upstream Emissions: Fertilizer and compound feed Production, and its transport to the grazing/forestry systems
 - Emissions from fuel used at the grazing/forestry systems
 - Enteric fermentation emissions during cattle raising.
 - Emissions of nitrogenous fertilizers, and due to the deposition of manure and urine from grazing animals
 - Electricity consumption emissions
- Removals: Forest Carbon Capture estimated in each of the 4 grazing/forestry systems. Includes aerial and below-ground biomass, dead wood, litter and soil organic matter.
- Exclusions
 - Veterinary products used for livestock management
 - Use of any auxiliary material used
 - The LCA system does not include emissions from Manpower, manufacturing of production equipment, buildings and other capital goods, Travel to and from work by staff, etc.
- Types of GHGs included: CO₂, N₂O, CH₄. There are no CO₂e emissions due to PFC, SF₆ y NF₃. Separated the CO₂ emissions of biofuels.
- GHG information for the following period was verified :
 - GHG Emissions: from 1st July 2020 to 30th June 2021 (cattle year, period 2020-2021)
 - Removals: from 1st January 2020 to 31st December 2020.
- Reference Methodologies: IPCC for the GHG emissions and removals calculations: “2006 IPCC Guidelines for National Greenhouse Gas Inventories” y “2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories”.
- Global Warming Potentials (GWPs): IPCC AR5.
- Calculation tools used: “The Biograce-II Tool” and own calculator “Cálculos HCPP productores”
- References: To support the number of animals, the Sworn Declarations of Stocks were used of DICOSE and SNIG4, of the MGAP (*Ministerio de Ganadería, Agricultura y Pesca*). To support the kg of live weight of the animals, data used was from INAC (Instituto Nacional de Carnes). For the percentage of pregnancy of the cows in the area of the grazing/forestry systems, information provided by INIA (*Instituto Nacional de Investigación Agropecuaria*).
- Intended user of the verification statement: Internal and general public
- Allocation: N/A



Objective

The purpose of this verification was, by review of objective evidence, to determine if:

- GHG emissions & removals are as declared by the organization's GHG Product assertion
- GHG emissions have been compensated with the removals.
- Data reported is accurate, complete, consistent, transparent and free of material error or omission.



Criteria

Criteria against which the verification assessment was undertaken are:

- ISO 14067:2018: Carbon Footprint of a Product – Requirements and guidance for quantification.
- Product Category Rule: (CFP-PCR) Date 06-09-2019 ONU - CPC 2111, 2113 Meat of Mammals 2012:11 Versión 3.11

Materiality

Materiality required of the verification was considered by SGS to be 5% based on the needs of the intended user of the GHG Assertion.

Conclusion

BREEDERS & PACKERS URUGUAY S.A. provided the partial CFP Assertion based on the requirements of ISO 14067:2018.

The GHG information for the period 2020-2021 was verified by SGS to a reasonable level of assurance, consistent with the agreed verification objectives, criteria and scope.

Based on the data and information provided and the processes and procedures conducted by SGS, we conclude with reasonable assurance that:

- The CFP Assertion is materially correct and is a fair representation of GHG data and information.
- The GHG accounting methodology applied is sound, valid and in accordance with ISO 14067:2018
- The CFP is accurate, complete, consistent, transparent and free of material error or omission

SGS confirms that has been achieved the **Carbon Neutrality of the total of its GHG emissions through the forest carbon capture, detailed for grazing/forestry systems of the period 2020-2021, considering that the total GHG emissions are 13659,1 tonnes of CO₂e**:
GHG Emissions per grazing/forestry system:

- o “La Volcada” and “La Volcada de Behrens”: **5.58 kg CO₂e /kg LW** (2277,1 tonnes of CO₂e)
- o “El Porqueno” and “San Eduardo”: **5.58 kg CO₂e /kg LW** (5721,1 tonnes of CO₂e)
- o “San Juan de Gambetta” and “María Elisa”: **5.61 kg CO₂e /kg LW** (3243,1 tonnes of CO₂e)
- o “Rincón Angosto” and “Nueva Escocia”: **8.49 kg CO₂e /kg LW** (2414,7 tonnes of CO₂e)

Likewise, the removals at the forest areas of each grazing/forestry system within the operational boundaries were accounted for. It was verified that these forest areas captured during the year 2020 a total of 79896 tonnes of CO₂, which in ratio of LW, are:

- o “La Volcada” and “La Volcada de Behrens”: **64,36 kg CO₂ /kg LW** (26262,6 tonnes of CO₂)
- o “El Porqueno” and “San Eduardo”: **9,35 kg CO₂ /kg LW** (9591,7 tonnes of CO₂)
- o “San Juan de Gambetta” and “María Elisa”: **34,24 kg CO₂ /kg LW** (19780,2 tonnes of CO₂)
- o “Rincón Angosto” and “Nueva Escocia”: **85,33 kg CO₂ /kg LW** (24261,3 tonnes of CO₂)

It was validated the estimation of the forest areas, which are projected to capture **through 100 years from 2019 to 2119, a total of:**

- o “La Volcada” and “La Volcada de Behrens”: **113,058 tonnes of CO₂**
- o “El Porqueno” and “San Eduardo”: **216,696 tonnes of CO₂**
- o “San Juan de Gambetta” and “María Elisa”: **199,309 tonnes of CO₂**
- o “Rincón Angosto” and “Nueva Escocia”: **173,414 tonnes of CO₂**



The GHG emissions of all the products sold during the period 2020-2021 (in kg LW) adding the 4 grazing/forestry systems was 13659,1 tonnes of CO₂e. Therefore, it was used 13660 tonnes of CO₂ of the carbon capture removals within the forest areas of the 4 grazing/forestry systems for neutralizing their GHG emissions for the period 2020-2021.

Note that the removals of the 4 grazing/forestry systems represent a higher amount than their GHG emissions; nevertheless, the remanent will be kept at the reservoirs of the forest areas in each grazing/forestry systems for neutralizing future periods.

SGS' approach is risk-based, drawing on an understanding of the risks associated with modeling GHG emission information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the reporting of emissions information.

We have planned and carried out our work to obtain the information, explanations and evidences that we have considered necessary to provide with a reasonable level of assurance that GHG emissions for the period 2020-2021 are fairly declared.

Limitations

A visit onsite has not been conducted, even that it is the first year of verification, for minimizing the exposure through the pandemic COVID-19. Therefore, it was medium risk for the emission sources identification, considering that there are 4 grazing/forestry systems. Therefore, on future verifications, it is planned to conduct them visiting on-site.

The grazing/forestry systems were afforested prior to 2019, nevertheless, it is only considered the calculation of the incremental growth starting in 2019, being 2019 the base year for the forest incremental growth with the objective of normalizing the studies over the same period.

This Statement shall be interpreted in conjunction with the documents "*Huella de Carbono - Estimación de las emisiones y remociones de gases de efecto invernadero en Sistema Ganadero /Forestal para el periodo 2020-2021*" for each of the 4 grazing/forestry systems, prepared in January 2022 by the consultant company *Climit* (www.climit.net).

Note: This Statement is issued, on behalf of Client, by SGS del Perú S.A.C., Av. Elmer Faucett 3348. Callao, Perú ("SGS") under its General Conditions for GHG Validation and Verification Services. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be requested to the client. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

