BRF S.A.

**NUTRITION** 19.0

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**UNDERNUTRITION** 14.0

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<td>G Engagement</td>
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Headquarters: Brazil  
# of employees: 111,000

**Market capitalization**: Not available

**Reported product categories**: Processed Food, Dairy, Meat

**Total revenues**: $10,360 m

**Reported revenue by geography**:  
- Brazil 44%
- Middle East / Africa 20%
- Asia 14%
- Europe 11%
- Rest of World 10%

*Source: Morningstar, USD historic exchange rate  
**Source: Morningstar

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**Main areas of strength**

- Although BRF’s reporting is not comprehensive, the company addresses nutrition issues in its annual report by setting a number of objectives for delivering its nutrition strategy.
- BRF’s approach to reformulating its existing products is aligned with national dietary guidelines, such as those of the Brazilian Association of Food Industries and of the Ministry of Health.
- The company’s responsible marketing policy is applicable to all consumers and all media, and prohibits advertising to children under six.

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**Priority areas for improvement**

- BRF discloses limited information related to nutrition and did not provide information upon request. It decreased in score and rank compared with 2016 when it did engage actively with ATNF. It ranks eighteenth with a score of 0.5 currently.
- Although BRF claims that delivering better nutrition is part of the company’s strategy, this commitment could be made more evident by codifying it in a mission statement or policy, outlining clear management structures, a set of clear objectives and SMART targets to operationalize its commitment. BRF’s nutrition strategy is limited to Brazil and should be extended to apply globally.
- As only three BRF products were available for assessment in the nine countries covered, BRF was not included in the study.
- As in the 2013 and 2016 Indexes, BRF did not adopt a robust Nutrient Profiling System (NPS) to guide its reformulation efforts. It should adopt a well-verified NPS and use it to underpin the reformulation of its existing portfolio as well as new product development.
- BRF should put in place publicly available affordability and accessibility strategies with commitments, measurable objectives and targets to improve the affordability and availability of their healthy products for all consumers.
- BRF has a limited policy for either all consumers or children and therefore should adopt best practice policy globally. It should commission audits of its compliance with its policy as well and publish the findings.
- BRF should disclose any formal labeling policies. It should publish a clear policy on Back of Pack (BOP) and Front of Pack (FOP) labeling, applied globally and state by when it intends to roll them out.
- BRF’s efforts to address undernutrition could be strengthened by developing and providing fortified foods that address specific needs for undernourished people in priority developing countries. It could also support other initiatives designed to prevent and address undernutrition in priority markets.
Category analysis - Nutrition

**A Governance**
- While the company indicates its goals are to develop "healthier products" and combat "nutritional villains", the company does not disclose evidence of having a clear commitment to, and strategic focus on, health and nutrition, articulated in its mission statement and/or strategic commitments to grow through a focus on health and nutrition. There is an indication that BRF is committed to delivering more healthy foods; however, this commitment should also be made in relation to low-income populations.
- BRF discloses in broad terms that the Sustainable Development Goals (SDGs) are incorporated into its strategy and operations. However, it does not explicitly commit to contribute to SDGs 2 and 3. In order to play a role in combating the nutrition crisis, BRF could align its commitments with global recognized goals, such as the SDGs.
- There is no evidence to suggest that BRF conducts regular nutrition-focused business risk assessments.
- BRF’s nutrition strategy, which contains some relevant objectives, is focused on product formulation and labeling and is disclosed within the company’s 2016 Annual Report, which is approved by and validated by the global CEO. However, the company does not include information about its corporate nutrition strategy, addressing the availability and affordability of healthy products, responsible marketing, promotion of healthy lifestyles, or its stance on lobbying or engagement. It needs to develop a comprehensive nutrition strategy that encompasses all of these areas.
- It is unclear how senior the person ultimately accountable for implementing the company’s nutrition strategy is. BRF should clearly state who has formal accountability for implementing the company’s nutrition strategy.
- The company states that BRF has a partnership in Brazil with a nutritional consultancy, to develop new products and to adapt its current product line in terms of nutrition. It also discloses that it approaches medical professionals (nutritionists, pediatricians, cardiologists and others) to share information related to BRF product launches and actions. However, the company lacks a systemic and comprehensive approach to gathering and incorporating independent expert input to its policies and strategies. It is recommended that such an approach be put in place.
- There is no evidence that the company’s nutrition strategy delivery is subject to standard internal audit and annual management review. Therefore, the company should develop this, or make this publicly available if it is already in place.
- The company publishes nutrition related information in its annual report, which also incorporates disclosure on sustainability issues. The nutrition reporting is not subject to verification or external review; it is recommended to put this in place.

**B Products**
- BRF states that it is committed to invest in R&D to improve the nutritional quality of its products, but does not have a target for this investment. BRF could strengthen its scoring by defining a clear approach to reformulating existing products against well-defined nutritional targets to decrease ‘negative nutrients’ (salt/sodium, trans-fat, saturated fat, added sugars/calories) and increase ‘positive nutrients’ (fruits/vegetables/nuts/legumes, whole grains).
- BRF states that in Brazil (which accounted for nearly half of the company’s total sales in 2016), it is aligned with the Brazilian Association of Food Industries standards and Ministry of Health standards, to improve the flavor and nutritional content of the foods it produces.
- The company revised its nutrition strategy in 2016 based on consumer needs. As a result, it worked on developing products with reduced sodium, fortification, access to protein and with fewer preservatives. For example, the company states that through its Sadia brand’s new positioning “Sadia, healthier every day”, BRF relaunched approximately 40 products in the ready-to-eat meals, wiener, hams, seasoned chicken, cooked sausage and fresh sausage categories with 30% less sodium. However clearly set targets and baselines are missing.
- While BRF states that it has begun to adjust the nutritional value of its products, BRF does not publicly disclose its NPS and it is unclear whether it uses one to reformulate its products.
- The employment of a comprehensive and appropriately set up NPS, applied to all products, as the basis for the company’s product reformulation efforts and its definition of healthy products would strengthen BRF’s score.

**C Accessibility**
- BRF does not publish any information about its approach to improving the accessibility (through pricing and distribution) of its healthy products.
- It is recommended that BRF formalizes written commitments, measurable objectives and targets to improve the affordability and availability of its healthy products for all consumers worldwide. For example by defining targets on price point for healthy products and setting a goal on how many low-income consumers should be reached.
- It should publicly disclose its commitments, objectives and targets on accessibility and affordability.
- It is recommended that BRF apply its approach to affordability and availability for low-income consumers to all markets in which the company operates, including developed and emerging markets. It should provide evidence of relevant examples.
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**D  Marketing**
- The company's confidential responsible marketing policy (shared with ATNI in 2016), includes a range of commitments related to the responsible representation of products but is limited and has scope for significant improvement.
- The company discloses a policy on responsible marketing which includes a section dedicated to children, as part of its feedback for the 2016 Global Index. Furthermore, in 2009, the company pledged to adhere to the Brazil Public Commitment on Food and Beverage Advertising to Children (Brazil Pledge), which covers the following media channels: TV, radio, print and third-party internet sites.
- The company mentions supporting the role of parents or other guardians to guide diet and lifestyle choices (or not to undermine the role of parents or others responsible) and commits to using responsible marketing techniques. There is no evidence of responsible marketing commitments that specifically relate to schools or places where children gather.
- There is no evidence to suggest that BRF audits its compliance with its own responsible marketing commitments for the general population or for children.
- It is recommended that BRF commissions or takes part in industry-level independent audits of compliance with its marketing policies and discloses individual compliance levels for traditional and new media.

**E  Lifestyles**
- The company states that it offers some initiatives at its sites in Brazil that are focused on a healthy lifestyle, such as gyms, pilates classes, support groups for weight loss, nutritional care, home office for corporate operation, etc. However, there is no evidence of a company-wide employee health and well-being program that includes targets and monitoring mechanisms.
- The company discloses the percentage of maternity and paternity leave that employees globally are entitled to and was taken, which was 100% in most regions. However, BRF does not disclose a policy on providing breastfeeding mothers with appropriate working conditions, or state a commitment to ensure six months or more of paid maternity leave. It is recommended this should be put in place.
- The company states that it runs the "Saber Alimenta" program (in partnership with the Jamie Oliver Food Foundation), which is a food education program for schools, which disseminates healthier nutritional habits through training educators. There is no evidence of programs supported by the company that are focused on promoting active lifestyles which is recommended to be put in place.

**F  Labeling**
- BRF does not disclose a formal labeling policy, but states that all labels globally should contain information regarding the composition (ingredients), nutrition table (including information on nutrients, portion and percentage of recommended daily allowance). It should clarify all key nutrients included, as well as whether this refers to either BOP only, or BOP and FOP.
- BRF did not disclose a policy or any details regarding its use of health and nutrition claims in markets where use is not regulated. It should do so, stating that in countries where no national regulatory system exists, such claims will only be placed on products if they are in full compliance with the relevant Codex standard.
- BRF should disclose the degree to which the full labeling policy is implemented, at the level of markets with full roll-out.
- To improve scoring, BRF should adopt and publish a global policy on the use of both health and nutrition claims. It should state that in countries where no national regulatory system exists, such claims will only be placed on products if they are in full compliance with the relevant Codex standard.
- BRF should ensure it tracks and discloses the number of products that carry health and nutrition claims.

**G  Engagement**
- BRF publishes its Code of Ethics and Conduct on its website; however, this Code does not outline a commitment about lobbying in relation to nutrition.
- BRF discloses information on being a member of several associations but does not provide information about its financial contributions to them, seats on boards etc. The company should disclose all lobbying activities on nutrition issues, membership and financial support of industry associations or other lobbying organizations and board seats on such bodies.
- Although the company broadly reports on the efforts it takes to ensure industry and public policy agreements regarding the "healthiness in the food industry", there is a lack of focus on how this work is aligned to prevent and address obesity and diet-related chronic diseases. In general, there is no evidence of a position paper regarding public advocacy on a nutrition related subject, such as front of pack labeling.
- The company discloses that stakeholder engagement is a pillar of the company's sustainability strategy. BRF has created the BRF Institute which is committed to the corporate coordination of local development promotion activities, guaranteeing shared management of the company's social investments and community relations. However, the company does not clearly state the form of engagement BRF has with stakeholders, and these engagement activities are limited to the company's home country (Brazil). The company should therefore conduct comprehensive, well-structured stakeholder engagement focused on improving its business strategy and performance, and provide evidence and examples showing how stakeholder engagement has led to improvements of policies and practices.
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Category analysis - Undernutrition

**A Governance**
- No relevant information regarding undernutrition was found in the public domain. It is recommended that BRF should develop a governance structure to support the company’s effort to address undernutrition, and such efforts should urgently be scaled up.
- BRF does not publish any information regarding its nutrition strategy or governance.
- It is recommended BRF commits to address undernutrition and sets objectives and targets as part of its core commercial business and philanthropic programs, with oversight assigned to its Board or other senior executives.
- BRF takes a well-structured approach with a focus on higher priority countries and on critical population groups, pledging to work within regional and national frameworks to address specific fortification needs and undernutrition issues more broadly.
- It is recommended BRF carries out extensive research and publicly discloses information about these activities to identify the needs of key populations with specific micronutrient deficiencies.

**B Products**
- BRF has committed since 2014 to have a structured program to donate food to nonprofit organizations that serve primarily low-income populations, though a geographical area target is not specified.
- BRF should set targets to increase its R&D efforts to develop or introduce fortified products or products inherently high in micronutrients and commit to increase the number or volume of fortified foods available to undernourished populations.
- To increase scoring, BRF should commit to align its approach to fortification with international guidance, to seek to use ingredients with high inherent levels of micronutrients and to fortify only products of high nutritional quality.
- To improve scoring, BRF should provide evidence of introducing new products commercially, of funding non-commercial programs and of aiming to deliver appropriately fortified products to priority populations in priority countries.
- It is recommended BRF discloses commitments and an explanation of what they have done to increase the number or volume of fortified foods available to undernourished populations, through both commercial and non-commercial activities.

**C Accessibility**
- No information is disclosed on improving the affordability and accessibility of BRF’s fortified products for low-income populations.
- BRF should have a commercial commitment and objectives to improve the affordability of its healthy products that address micronutrient deficiencies in developing markets. It should be able to provide examples of delivering against its commitment and disclose this information.
- In addition, it is recommended BRF has a commercial commitment with respect to improving the distribution of its products specifically formulated or appropriate for specific undernourished groups, disclosing examples of doing so.
- To increase scoring, BRF should fund other organizations or otherwise support non-commercial programs that improve the distribution of products specifically formulated or appropriate for specific undernourished groups and disclose this funding and activity.

**D Marketing**
- BRF does not publish any information on any commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries.
- BRF should make an explicit commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries and disclose this commitment publicly.
- It is recommended BRF provides evidence of taking steps to understand and reach undernourished consumers in developing countries with appropriate products.

**E Lifestyles**
- BRF does not disclose any policies to guide the types of undernutrition-focused programs it will fund through philanthropic giving.
- The company does not disclose a written policy and guidelines regarding the type of programs related to undernutrition that it will sponsor or fund through any philanthropic giving or commercial activities.
- BRF should commit to support well-designed programs educating undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- It is recommended BRF publishes its commitments as well as the content and results of the programs they support.

**F Labeling**
- BRF does not disclose any formal labeling policy and commitments regarding the labeling products that either have naturally high levels of micronutrients or that have been fortified with micronutrients.
- BRF does not disclose a formal labeling policy or any commitments it has made to ensure that products that have naturally high levels of micronutrients (or that have been fortified with micronutrients) for all markets are labeled as such.
- It is recommended that BRF adopts and publishes a global policy on labeling that includes a commitment to label the micronutrient content of all products sold in developing countries fortified with, or naturally high in, micronutrients.
- BRF should adopt and publish a global policy on the use of both health and nutrition claims. It should state that in countries where no national regulatory system exists, these claims will only be placed on products if they are in full compliance with the relevant Codex standard.

**G Engagement**
- BRF does not disclose any commitment to play an active and constructive part in developing countries by supporting government efforts to address undernutrition. The company does not provide any evidence of one-to-one engagement.
discussions with key organizations working on undernutrition, in order to solicit
input to inform any commercial strategy it may have on undernutrition.
• BRF should commit to playing an active part in supporting the efforts of
developing country governments to address undernutrition and publicly disclose
a narrative about such activities.
• It is recommended that BRF provides evidence of engagement with relevant
organizations on undernutrition and publicly disclose a narrative on its
engagement with stakeholders on undernutrition.
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Note
Sustainalytics
Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat
Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breastmilk Substitutes and any additional country-specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute
The George Institute (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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