

## Clarification Note (Explanatory Note)

Cuiabá - February 5<sup>th</sup>, 2021

Regarding the article “Amaggi’s New Green Bond Prompts Questions on Deforestation Commitment”, recently published on Chain Reaction Research website, AMAGGI would like to clarify:

1. Contrary to what was mentioned in the article, AMAGGI’S current CEO is Mr. Judiney Carvalho.
2. It is important to emphasize that Mr. Blairo Borges Maggi has no role in AMAGGI’s administration, either in the executive management or board of directors of the company since 2004, when he joined public life.

3. AMAGGI is committed to achieving a free-deforestation grain chain, which is formalized in the public document [“Towards a Deforestation and Conversion Free Chain”](#), and includes **legal and illegal** deforestation that applies to all locations and biomes in which the company operates - primarily, the Brazilian Amazon and Cerrado. The terms of this commitment are the object of collaborative efforts by AMAGGI with its suppliers, customers, the civil society and governments, especially as the company understands that the deforestation concern must be addressed not only within its supply chain, but comprehensively in all sectors and through consistent public policies.

Furthermore, AMAGGI is a founding member of the Soy Moratorium, and can affirm that it does not sell soybeans from areas deforested after 2008, in the Amazon biome, whether they are legally or illegally opened. With regards to the Cerrado biome, AMAGGI analyzed the incidence of deforestation and native vegetation conversion in its supply chain, reaching the conclusion that; 99% of the volume of soy originated and tracked by AMAGGI in 2019/2020 in the municipalities with the highest risk, is free from deforestation and conversion to soy, as of 2017. The result reaches 99.83% if we consider the deforestation that occurred in 2019/2020.

In relation to their production, all of AMAGGI owned farms are committed to a responsible expansion of agricultural production in already open areas, free from deforestation and conversion of native vegetation for agricultural production, at least since 2008.

Thus, AMAGGI understands its systems are robust to mitigate risk and to guarantee a sustainable chain within its processes.

These data can be confirmed in [AMAGGI’s Progress Report 2019](#), which content and commitment are based on the Accountability Framework Initiative (AFI).

4. Denofa is one of Europe's largest certified conventional soy processors (Non-GMO). Founded in 1912 in Fredrikstad (southern Norway), Denofa was fully acquired by AMAGGI in 2013. 100% of the volume of soy handled by DENOFA is conventional, certified, segregated, and with zero deforestation guaranteed, at least since 2008, and is audited annually by third parties.

5. Due to its work on fronts that seek to fulfill its socio-environmental commitments, in 2019 and 2020, AMAGGI scored A- in the CDP Forest surveys, one of the most comprehensive surveys relating to the care corporations from all over the world dedicate to forests in the localities where they operate. In 2020, AMAGGI was the only Brazilian company, among eight other soybean companies in the world, to obtain an A or A- rating in the survey, in two consecutive years. CDP acts on behalf of over 500 investors, representing USD 100 trillion in assets, enabling them to assess investment risks.
  
6. AMAGGI's issuance of a Sustainability Bond was successful due to the company's transparency, sustainability and its commitment with social environmental development. For over 40 years, AMAGGI has been contributing with the best practices within Brazilian agribusiness, respecting the communities where the company is present and preserving the environment.