

AMAGGI 



2019

Sustainability Report

Content Index

| | | | |
|-----------|------------------------------|-----------|---|
| 4 | Presentation | 37 | Awards and recognition |
| 6 | A Message from the President | 38 | 2025 Strategic Planning for Sustainability |
| 8 | Annual highlights | 42 | Chapter 1. Improving governance and management |
| 10 | Profile and operations | 43 | Corporate governance |
| 20 | Actions to combat Covid-19 | 48 | Ethics and compliance |
| 24 | Institutional Commitments | 51 | Risk management |
| 28 | Initiatives and partnerships | 52 | People management |
| 34 | Certifications | 69 | Occupational health and safety |

| | | | |
|-----------|---|------------|--|
| 73 | Product quality and safety | 97 | Commitment to local and regional development |
| 74 | Socio-environmental Management | 102 | Chapter 4. Innovating with sustainable products and solutions |
| 78 | Chapter 2. Promoting a sustainable value chain | 103 | Innovation |
| 80 | Value Chain | 104 | New agricultural practices |
| 90 | Towards a deforestation and conversion free chain | 107 | Climate Change Management |
| 92 | Chapter 3. Developing with the área | 114 | Transparency, traceability and Innovation in the chain |
| 93 | Responsible local operations | 116 | About this Report |
| 94 | Shared value | 116 | Materiality |
| | | 120 | GRI Index |

Presentation

GRI 102-45, 102-46, 102-50

AMAGGI presents the 2019 Sustainability Report. In this publication, the company shares with its stakeholders the main information regarding the social, environmental and governance aspects organized around its 2025 Plan, an initiative developed based on its [Global Sustainability Position](#), with 2025 as a horizon. This report also reaffirms AMAGGI'S commitment to the Global Compact, acting as the company's Communication of Progress (COP) in relation to this initiative, as well as with the United Nations Sustainable Development Goals.

The four strategic blocks of the 2025 Plan - Improving governance and management, Promoting a sustainable value chain, Developing with the area, and Innovating sustainable products and solutions - encompass the issues that are currently most relevant to the company and its stakeholders. Each of them make up a chapter of the report, showing how, in practice, each block is related to material topics, according to the [materiality matrix](#) and the company's strategic management. In addition to this content, there is information about the AMAGGI profile, the president's message, and some specific to this publication.

The chapter "Improving governance and management," shows how AMAGGI's values and human capital determine the way in which it positions itself in the market and engages people, in search of the ability to guarantee good governance and management, with ethics, integrity, and transparency.



AMAGGI employee handling soybeans. Photo: AMAGGI Archive

In “Promoting a sustainable value chain,” AMAGGI lists its strategy and actions for disseminating knowledge and encouraging the adoption of good agricultural practices, in order to collaborate with the development of sustainable agriculture, along with the other participants in its value chain.

The third chapter, “Developing with the area,” presents the value initiatives shared with society, and the company’s contribution, along with those of the André and Lucia Maggi Foundation, for the socio-economic development of the regions where it operates, through job and income creation and supporting the development of partners and local communities.

Finally, the chapter “Innovating sustainable products and solutions,” describes how, through leadership regarding issues related to agribusiness and together with the other actors in the chain, the company seeks to contribute through sustainable and innovative products and solutions that generate positive impacts on its operations and value chain.

The information contained in this report refers to operations at AMAGGI units installed in Brazil and over which the company has full control, including leased ones, between January 1 and December 31, 2019. This document does not provide data on companies that are not wholly controlled by AMAGGI, such as joint ventures, as well as AL5 Bank¹.



¹ Until the end of 2019, this company was called AMAGGI Serviços Financeiros.

A Message from the President

GRI 102-14

Our Sustainability Report, published annually, is an important transparency tool, in which we reaffirm our commitments and share our achievements, challenges, and main actions in the context of the businesses in which we operate.

The guidelines for what drives us are expressed in the Global Sustainability Positioning, and even more explicitly in the 2025 Plan, through which we commit ourselves to innovative performance, seeking an increasingly sustainable value chain.

The scenario in which we operate is complex, since AMAGGI is present in all stages of the grain and fiber chain: from agricultural production, to soy and cotton processing, through logistics to export. 2019 was no different year, when we deal with a large number of challenges, especially commercially, an area that is very sensitive to market fluctuations and where we are still feeling the impacts of the trade war between the United States and China. However, the team's skills allowed us to adapt to this reality: we finished the year with good results and all the goals we had established were met.

At the end of the year and the decade, we were able to celebrate a series of very positive numbers. In the last 10 years, we jumped from 6 million to 12 million tons of volume sold. In agricultural production, we grew more than 100 thousand hectares, with the acquisition of new farms, however, without opening new areas. In the logistics area, we doubled the volume transported

by waterways and acquired our own fleet of trucks and practically tripled the company's business, which was expressive growth for the period.

All of this without giving up our commitment to sustainable development. Today, we are the largest company in terms of certified soy volume in the world, recognized by several specialized press bodies, by our customers and consumers. This level, while bringing us great satisfaction, expands our responsibility towards our stakeholders. We are signatories to the United Nations Global Compact, a commitment that I am proud to mention in this report, due to the fundamental role it plays in the planet's sustainable development.

I have no doubt that our growth is only possible thanks to the more than 6 thousand people who make up our company. Therefore, one of our main concerns is with the health and well-being of our employees, especially regarding occupational safety, a commitment of everyone at AMAGGI.

This understanding has led us to develop programs with exceptional results in improving the health and safety conditions of the people who work with us. In the operational areas, for example, in the last five years, we have reduced our accident rates by 85%.

Another value that guides us is the commitment to innovation and continuous improvement. We constantly invest in technology to have the best



practices in all aspects of our business. We follow the changes that are taking place in our sector and for the world, which are much more significant than we have experienced so far, and we seek to extract the opportunities they bring us.

AMAGGI has also acted to continuously improve its processes to be increasingly productive and efficient. One of the main initiatives in this regard is the SIM+ program, which has just completed two years with very impressive results and will be extended to several areas of the company. Another is the Shared Service Center (CSC), which brings together the areas where the company's various transactional activities are carried out with maximum quality and efficiency. These actions are fundamental, especially in times of competitive markets and increasing volumes.

Another pillar for maintaining leadership in a market as competitive as ours is integrity. Our recent compliance actions have helped us move forward in management transparency, which results in even more credibility both in Brazil and abroad.

With this experience, we are ready for this new decade that begins. We have been working on our business plan and we already have a forecast for the company during the coming years, which, in short, is to continue growing in a sustainable manner.

It is with these differentials - responsible and sustainable management, innovation, care for people, and integrity - that we will go forward in 2020, ready to face the challenges and achieve even better, more innovative, and more sustainable results.

Judiney Carvalho de Souza

AMAGGI CEO

Annual Highlights



AMAGGI was one of the only two companies in Brazil to obtain an **A⁺ grade from CDP Forest²** (in the world, only eight companies obtained the maximum A grade).



Approximately **93%** of employees and **95%** of managers at all AMAGGI units received **compliance training**.



AMAGGI released its first **progress report on the commitment to a deforestation and conversion free production chain**.



BRL 4.3 million was invested by the André and Lucia Maggi Foundation in actions to promote local and regional development.



AMAGGI implemented an **Innovation department** to further optimize the development of **new processes, technologies and solutions** for the company's activities.



AMAGGI launched **ORIGINAR 2.0**, the new version of its **traceability and producer evaluation platform**, which offers strategic intelligence for new commodity negotiations.

²CDP Florestas is one of the largest and most important questionnaires on forest conservation.



USD 152.59 million

invested in assets.



USD 4.76 billion

in annual revenue.



In 2019, AMAGGI remained one of the **most relevant companies** in the socio-environmental certification of rural properties in the world, being responsible for about **30% of the total volume of globally certified soy**, considering the two largest existing certification systems.³



AMAGGI was the **only agribusiness representative** among the 36 finalists in the Enterprise category at the first edition of the **Global Compact's Brazil Network SDG Award**.



More than **90 thousand hours of training** were held for AMAGGI employees, resulting in an average of almost 15 hours per employee.

³ ProTerra and RTRS.

Profile and operations

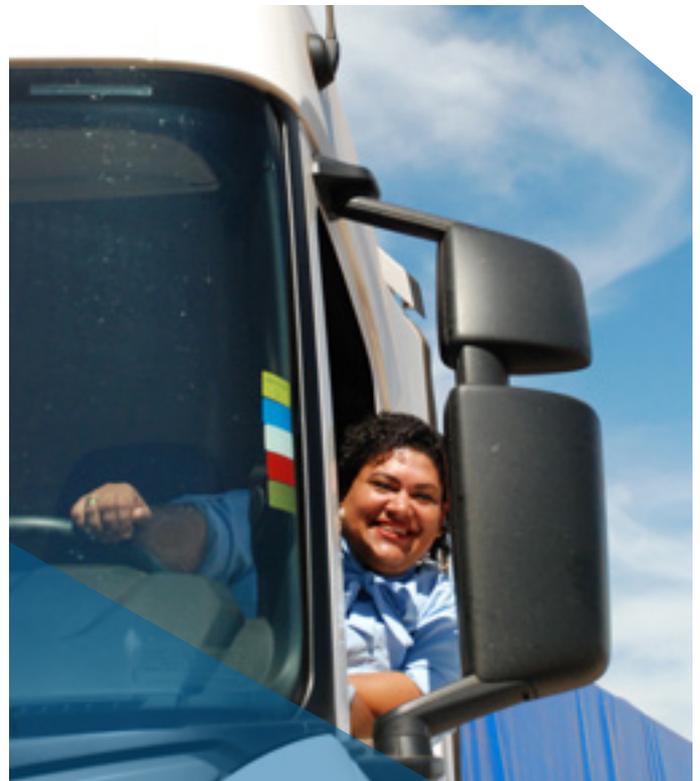
GRI 102-1, 102-3, 102-4, 102-5, 102-6, 102-7, 102-10



State-of-the-art technology and good agricultural practices guarantee high product quality. Photo: AMAGGI Archive.

Founded in 1977, AMAGGI operates in an integrated and synergistic way throughout the agribusiness chain: origination and commercialization of grains and inputs, port operations, river and road transport, agricultural production, and generation and commercialization of electricity. It maintains a presence in all regions of Brazil, in addition to maintaining offices and units in different countries: Argentina, Paraguay, The Netherlands, Norway, Switzerland and China.

AMAGGI is among the main exporting companies in Brazil, a position reached through the daily practice of values such as responsibility and respect for its partners and the local communities where it operates. Its products are developed through the use of the latest technology and good agricultural practices, which guarantees its high quality.



Kelly Vanessa Veiga Monteiro is part of the team of employees of the AMAGGI fleet. Photo: AMAGGI Archive.

It is recognized as a company that grows together with society, working towards sustainable development. It does this not only through solid and consistent business performance, but also by acting ethically, socially, and environmentally responsible, and through its Private Social Investment Policy. The financial resources destined for this purpose are transferred to the André and Lucia Maggi Foundation, which is responsible for managing the company's social projects in the local community.

AMAGGI is among the main exporting companies in Brazil, a position reached through the daily practice of values.



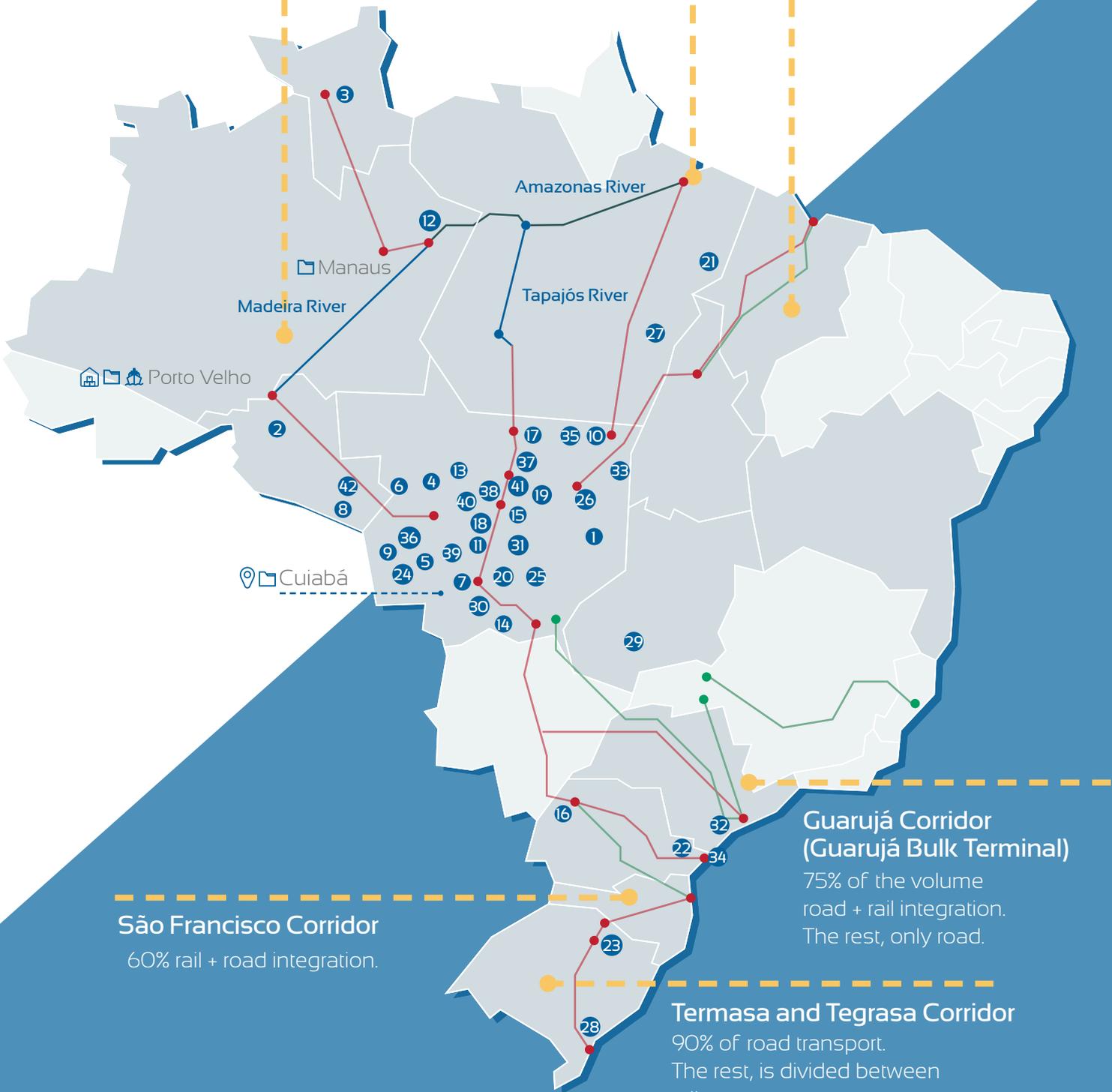
Soybeans after harvest. Photo: Getty Images.

Acting in Brazil

Madeira Corridor (Itacoatiara)
Road + waterway

Tapajós Corridor (Barcarena)
Road + waterway

São Luis do Maranhão Corridor (Tegam)
Road + rail



São Francisco Corridor
60% rail + road integration.

Guarujá Corridor (Guarujá Bulk Terminal)
75% of the volume road + rail integration. The rest, only road.

Termasa and Tegrasa Corridor
90% of road transport. The rest, is divided between rail + waterway.

 Headquarters

 Plant

 Commercial Office

 Farm

 Warehouse

 Port Terminal

 Shipyard

 Small Hydroelectric Power

 Fluvial Corridor

 Highway

 Railroad

1 Água Boa 

2 Ariquemes 

3 Boa Vista 

4 Brasnorte 

5 Campo Novo do Parecis  

6 Campos de Júlio/AGD  

7 Campo Verde 

8 Cerejeiras  

9 Comodoro 

10 Confresa

11 Diamantino

12 Itacoatiara     

13 Ipiranga do Norte

14 Itiquira  

15 Lucas do Rio Verde 

16 Maringá 

17 Matupá

18 Nova Mutum

19 Nova Ubiratã

20 Novo Horizonte

21 Paragominas 

22 Paranaguá 

23 Passo Fundo 

24 Pontes e Lacerda 

25 Primavera do Leste

26 Querência

27 Redenção 

28 Rio Grande

29 Rio Verde 

30 Rondonópolis  

31 Santa Rita do Trivelato

32 Santos

33 São Félix do Araguaia

34 São Francisco do Sul 

35 São José do Xingu

36 Sapezal   

37 Sinop 

38 Sorriso  

39 Tangará da Serra

40 Tapurah

41 Vera

42 Vilhena  

International presence

GRI 102-3, 102-4



 Headquarters

 Farm

 Shipyards

 Plant

 Warehouse

 Small Hydroelectric Power

 Commercial Office

 Port Terminal

 Trade Office

AMAGGI Business Areas

GRI 102-2

AMAGGI operates in four business areas - Commodities, Agro, Logistics and Operations, and Energy.

Agro

Agro is responsible for the agricultural production of soybeans, corn, and cotton, for the production of soybean seeds and for corn processing.



"We managed to overcome a major challenge, which was the expansion of cotton farming on the Itamarati farm, with an additional 18 thousand hectares in 2019. The highlight of the year was our team, that is increasingly committed to results and is more mature in relation to socio-environmental and occupational safety issues at work."

Pedro Valente
AGRO DIRECTOR

Area numbers:

10 company owned agricultural production units

163,517 thousand hectares of agricultural production in company areas

Commodities

Commodities operates in the purchase and sale of grain (soy and corn), cotton and fertilizers and in the import and sale of agricultural inputs.



"2019 was a very challenging year, still reflecting the trade war between the United States and China. For the first time in several years, the Chinese reduced their demand for soy. However, with improvements in our processes and systems and a focus on quality, innovation, and sustainability, we have managed to overcome adversity."

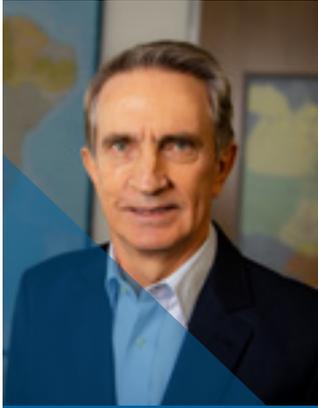
Gunnar Nebelung,
COMMODITIES DIRECTOR

Area numbers:

10.6% growth of grain sales when compared to 2018.

Logistics and Operations

Logistics and Operations includes: transportation of originated grain - from third parties and proprietary production - through river navigation in the Northwest Export Corridor (waterways of the Madeira and Amazon rivers); management of the company fleet and outsourced transport in road, rail, and waterway modes; grain processing (factories); fertilizer production; and warehouse management.



“One of the main highlights of 2019 was the start of our own road fleet operation, in response to the truckers’ strike the previous year, and also to ensure the export flow. We will only be able to analyze in detail the result of this decision in 2020, but we are already transporting according to plan. Another highlight was the evolution in continuous improvement and behavioral safety programs, reflecting significant improvements in the operation and greater awareness of the operational team.”

Sérgio Luiz Pizzato,
DIRECTOR OF LOGISTICS AND OPERATIONS

Area numbers:

30 storage units, located in Mato Grosso, Rondônia and Amazonas

2.6 million tons of grain storage capacity per year

3 soybean crushing units, located in Lucas do Rio Verde (MT), Itacoatiara (AM) and Norway (Denofa)⁴

3 company owned reforestation farms

2.2 million tons of soybean crushing capacity per year

A fertilizer mixing unit, located in Comodoro (MT)

215 thousand tons of fertilizer production capacity per year

164 bulk barges

21 pushers in operation

Energy

Energy, in turn, operates in the generation of electricity through small hydroelectric plants located in the state of Mato Grosso that are integrated into the National Interconnected System.

Area numbers:

5 SHPs in operation

70 MW of installed capacity

⁴The numbers reported in this document do not include data from the company’s international units.

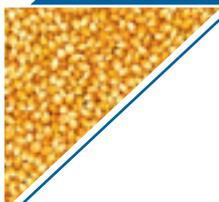
Products, byproducts, and inputs

Products



Soybeans

Exported in grains, bran, and oil. Applications: human and animal food, and as raw material in the production of cosmetics, plastics, paints, adhesives, fibers, biofuels, etc.



Corn

Used as human food or for animal feed, as well as in the production of ethanol.



Cotton

2nd crop culture with higher profitability compared to soybeans and corn. Its natural fiber is one of the most used materials in the textile industry.

Byproducts



Soybean Hull

External part of the grain, rich in fibers, obtained by separation during the oil extraction process. It is sold in pelletized form⁵, to enhance the feeding of the herd.



Degummed soybean oil

Used for the production of biodiesel or sold for human consumption by the refining industries.



Soy lecithin

Commercialized with a high degree of purity, as a food supplement and for medical use.



Soybean meal

Used in animal feed. It has the best cost-benefit ratio for this sector.

⁵ Pelletized: in the form of pellets, small cylindrical clusters.



Cottonseed

Designed for cottonseed cake and meal, used in beef and dairy cattle feed. Also used for the production of cotton oil for cooking.

Inputs



Soybean seeds

AMAGGI is a multiplier of the TMG and Monsoy brands, distributor of the Brevant and Nidera brands, and buys other brands in the market through suppliers that meet the quality standards of the organization, delivering high germination and vigor rates. Seed quality, always with the objective of high productivity, is a priority for the company. The germination rate defined by the Ministry of Agriculture is 80%. At AMAGGI, the rate reaches 85% and 90%.



Corn seed

AMAGGI is a distributor of the brands DEKALB, Brevant, Nidera and Syngenta, working with high production potential hybrids, grain quality, plant health, and technologies that offer a broad spectrum of control for the main pests and weeds of the corn crop. The company works with partners who have procedures, services and quality standards in research, production, and field assistance.



Fertilizers

Through its fertilizer mixing unit, AMAGGI imports the raw materials and processes them according to the producers' needs. There are products for soy, corn, coffee and cocoa crops in the state of Rondônia; and for soy, corn and cotton in the state of Mato Grosso. The company also acts as a distributor of the main brands in the market, seeking the best product and the best logistics in each of the areas of operation.



Defensive Agents

AMAGGI is a distributor of the main pesticide, leaf nutrition, and adjuvant brands in the market, with the best portfolio in this segment. It also offers technical assistance services, with a team of highly qualified agronomists.

Mission

Contribute to the development of agribusiness, adding value, respecting the environment, and improving the lives of communities.

Vision

Be a benchmark company in sustainable development.

Values



INTEGRITY

Be ethical, fair, and consistent in thought, word, and deed.



RESPECT FOR THE ENVIRONMENT

To be a benchmark for socio-environmental management.



SIMPLICITY

Focus on the essentials, encouraging agility and reducing bureaucracy.



HUMILITY

Show respect for all people, maintaining common sense in professional and personal relationships.



PARTICIPATORY MANAGEMENT

Stimulate participation, promoting recognition and personal growth while involving people in the company's important processes.



COMMITMENT

"Hoist the banner" Be passionate and proud of our efforts and work for the success of the company.



INNOVATION AND ENTREPRENEURSHIP

Keep creative, participative, bold, talented and enthusiastic people in the company, who make a difference in a competitive market.



RESPECT FOR OUR PARTNERS

Cultivate good commercial relations, maintaining the commitment to be a company admired and respected by all.

Actions to combat Covid-19



Support and donation action carried out by the AMAGGI team. Photo: AMAGGI Archive.

The production of this report was overtaken by the Covid-19 pandemic, which has affected the world in a way that has rarely happened before. Agriculture, however, is one of society's essential services. Thousands of families directly and indirectly depend on the agricultural industry, as does the food supply of Brazil and various parts of the world.

In taking the utmost care that is needed at this time, we have put in place various measures, following the recommendations of the World Health Organization (WHO), to support the health and welfare of our employees, their families and the other publics we deal with, and also to keep the company's activities going.

Some of the key measures adopted were:

Support to staff

- Those staff who were able to be physically away from their workplaces were made *home-workers*;
- Meetings to be conducted online, where applicable;
- Some teams had their work schedule and duties changed, to avoid having large numbers of people

together in common areas and using transport at the same time;

- Journeys between cities, states and internationally were restricted;
- Psychological support for staff and their immediate family, via 0800 number;
- Medical advice, also via 0800;
- The People Support department to record positive cases of COVID-19.

Health and safety

- Additional cleaning and disinfection measures were put in place at every site;
- Wide-spread awareness and communications on hygiene procedures and social distancing to various target audiences;
- The company restaurants increased their hours of service to avoid crowding;
- Restricted seating and an increase in the number of buses and vans used to transport staff, reducing the maximum capacity to 50%, as well as additional measures to clean the vehicles in circulation;

- Employees in at-risk categories for Covid-19 (older than 60 years, sufferers of heart or lung conditions, sufferers of chronic illness, transplant patients and pregnant women) were placed on temporary paid leave;
- Healthcare professionals, equipped with all necessary personal protection equipment were available to attend staff with COVID-19 symptoms. Any with a confirmed case would be placed on immediate temporary leave and all staff who had contact with them would be monitored;
- Changes to access procedures for the company's sites, for employees and third parties, with all having their temperature taken before entering;
- Sanitizing kits were provided to third parties;
- Wherever appropriate, all the measures that were applied to employees were also applied to third parties and service providers.

Care for the Community

In due consideration of the social support that we always hope to provide to the communities we operate in, AMAGGI has, at this time, undertaken some support works and made some donations, due to the increased threat to the most vulnerable in our society. We have donated intensive care equipment to Santa Marcelina Hospital, in Sapezal, where 77% of its cases are dealt with through the Single Healthcare System (SUS). The equipment that AMAGGI acquired and donated consisted of four artificial respirators, five surgical respirators, a defibrillator, five complete cardiac monitors, a device for measuring arterial blood gases, and five infusion pumps. The aim of the donations was to strengthen the care options for seriously ill patients in the city so that they did not need to be transferred elsewhere.

The company also acquired the equipment to set up five ICU beds, which was donated to the José Mendes Regional Hospital, in the city of Itacoatiara,

in the state of Amazonas, where AMAGGI has been operating for over 20 years. The company has been seeking the support of the federal and the Amazonas state government, in order to deliver this equipment to the hospital in question, based in the Middle Amazonas region, as quickly as possible, to support SUS's service.

As well as these two hospital donations, AMAGGI has also pledged BRL 50,000 to the fundraising campaign currently underway by the Rural Union of Querência to assist the municipal government in building a place for ICUs.

Another initiative is the plan to acquire a thermal cyclor for the Federal University of Rondonópolis, in order to increase the daily testing capacity of the university by an order of six, for its support to SUS. At the time of writing, the acquisition process was still ongoing.

In parallel to the activities intended to support the healthcare services, AMAGGI has been trying to mitigate the effect on the people hit by the economic crisis that has resulted from the pandemic, focusing on the states of Mato Grosso,



Delivery of hygiene kits and food in places where we are present. Photo: AMAGGI Archive.

Amazonas, and Rondônia. AMAGGI has donated resources to provide 50,000 food parcels to vulnerable families in these three states, with the help of the André and Lucia Maggi Foundation (FALM) and partner organizations in the area. The food parcels were distributed in the cities to specific families.

The Foundation has also fronted a campaign called “One for All, and All against Covid-19”, in partnership with companies and institutions. The campaign has raised funds for more food parcels to be sent to vulnerable people, identified by local welfare organizations in the same three states mentioned. The growing support from companies and institutions, as well as the level of online donations from individuals, have encouraged us to set a goal of 100,000 food parcels.

In total, thanks to all the efforts mentioned above, at the time of writing, AMAGGI has already raised more than BRL 6 million in resources to help the communities in small cities in the heartlands of Mato Grosso, Rondônia, and Amazonas, where the company operates.

Financial Prudence

In order to enable all these actions to be carried out and maintain AMAGGI’s operations, our commitment to responsible business management has received even more attention at this time. The beginning of the pandemic coincided with the date on which AMAGGI enters its intense period of grain acquisition due to the soybean harvest (whose harvest reached a record volume this year).



Campaign for the One for All and All Against Covid-19 Fund, in partnership with companies and institutions. Photo: AMAGGI Archive.

To respond to this context, in which there is an increase in caution when granting credit because of the effects of the pandemic and the company's greater demand for financial resources for working capital, we adopted as a strategy to anticipate the taking of resources in relation to the effective need to mitigate the risk of lack of liquidity. In other words, funds for payments by suppliers and other expenses are made available in cash four months in advance of the scheduled date.

We are aware of the importance of each person involved in the agribusiness chain and of continuing to supply the national and international market at this time, so we will remain attentive and vigilant to ensure the continuity of our operations

with care for the health and safety of our employees and other stakeholders.

The challenge, we know, does not end here. We will need to continue adapting to the new conditions necessary to guarantee the safety of people and the continuity of our production. We are committed to keeping everyone informed of our actions, over the next few months, through AMAGGI's communication platforms and in our 2020 Sustainability Report.

Finally, we would like to thank all our employees and other stakeholders for their commitment, dedication and care in keep together to get through this moment and become even better.



Donation of 50,000 basic food baskets to families in Mato Grosso, Amazonas and Rondônia. Photo: AMAGGI Archive.

We are **committed** to keeping everyone informed of our actions, over the next few months, through AMAGGI's communication platforms and in our 2020 Sustainability Report.

Institutional Commitments

GRI 102-12

AMAGGI maintained all of its institutional commitments in 2019. For several of them, such as the Na Mão Certa Program, Soy Moratorium, Global Compact, Empresa Amiga da Criança, Green Grain Protocol, Business Pact for Integrity and National Pact for the Eradication of Slave Labor, AMAGGI needs to be accountable through annual monitoring reports or undergo third party verification, in order to demonstrate its performance and measure the results and progress achieved in each commitment.

Soy Moratorium



Commitment established by industries and exporters affiliated to the Brazilian Association of Vegetable Oil Industries (ABIOVE) and to the National Association of Cereal Exporters (ANEC) not to trade soybeans from Amazon biome areas deforested after 2008.

AMAGGI adhered to the moratorium in 2006 and annually receives an external audit to certify compliance with the agreement. In 2019, AMAGGI was approved again, with no non-compliance issues.

Sustainable Development Goals (SDG)



A United Nations (UN) initiative with the objective of engaging signatory countries to act in crucial areas to achieve global sustainable development. Since 2015, the year it was launched, it has been supported by AMAGGI, which articulates the SDGs in its activities and shares them with all stakeholders ([see more about this topic on page 119](#)).

Global Compact



UN international commitment to adopt principles related to Human Rights, labor relations, the environment, and the fight against corruption in all business practices. AMAGGI has been a signatory since 2009.

In 2016, the company joined one of the thematic working groups within the Global Compact Brazil Network: the Communication and Engagement Commission (CEC). In 2018, AMAGGI took over the coordination of a subcommittee within the CEC, whose objective is to strengthen the engagement and dissemination of the SDGs within companies. Since then, this subcommittee has already prepared a kit for partners and suppliers, in addition to holding a workshop in 2019 aimed at professionals in purchasing and supplies. This meeting took place at the BASF ONONO Space and was attended by 80 people from 42 companies.

In 2019, AMAGGI was among the 36 finalists of the ODS Global Compact Award, entering the case study "Keeping an eye on the grain chain," about the ORIGINAR platform and its importance to ensure responsible production.

Business Principles for Food and Agriculture (PEAA)



Commitment launched in 2014 by the UN Global Compact seeking collaboration to develop efficient and practical solutions to increase the security of food systems and agricultural sustainability. Along with 20 other organizations in the global private sector, AMAGGI was present at all stages of its creation, and was the only Brazilian company invited to participate in the process of elaborating the principles.



As a representative of the coordination of the Food & Agriculture Theme Group of the Brazil Network of the UN Global Compact, in 2019 AMAGGI participated in the launch of the Replicator Manual, to share Business Principles for Food and Agriculture and for Sustainable development with the private sector. This is an unprecedented training project in the application of SDG Compass, a methodology for implementing the SDGs in the sustainability strategy, for a specific productive sector. It also worked on creating a digital platform for dialogue with society at large, scheduled to launch in 2020. The platform's objective is to be a neutral environment for communication and information on critical issues related to Brazilian agriculture.

Business Pact against Sexual Exploitation of Children and Adolescents on Brazilian Highways - Na Mão Certa (The Right Way) Program



Commitment formally made by AMAGGI in 2014. Since then, the company has supported the Na Mão Certa Program, coordinated by the non-governmental organization Childhood Brasil, which works to mobilize companies and entities to fight against the sexual exploitation of children and adolescents on Brazilian roads and waterways.

In 2019, the company promoted a training workshop for new multipliers of the Na Mão Certa Program. It also participated in the 13th Na Mão Certa Annual Meeting and received special recognition from Childhood Brasil for its support and achievements throughout the year ([see more information in the Responsible Logistics Program, on page 84](#)).

Business Pact for Integrity and Against Corruption



Commitment organized by Instituto Ethos de Empresas e Responsabilidade Social (Ethos Institute of Business and Social Responsibility) with the aim of promoting a more honest and ethical market, eradicating bribery and corruption. AMAGGI has participated since 2009. Annually, the company accesses and updates its actions on the pact monitoring platform, demonstrating its commitment to the agreement signed by the signatory organizations, which is described in the *Thematic Guide: Integrity, Corruption Prevention and Combat*.

National Pact for the Eradication of Slave Labor



Commitment seeking the eradication of all forms of slave-like work in Brazil. AMAGGI has been a signatory since 2005. Annually, the company submits the monitoring report to the InPACTO organization, reporting the actions taken to eradicate slave labor in the company's production chain. AMAGGI's actions on that front caused its monitoring reports to be released as benchmarking to InPACTO members.

Green Protocol for Grain



A joint initiative of the Federal Public Prosecution Office, the state government of Pará, the Ministry of the Environment (MMA) and the State Secretariat for the Environment and Sustainability (SEMAS) and local companies in the sector to establish purchasing procedures that ensure legal and sustainable agricultural production of soy in the state and strengthen the Rural Environmental Registry (CAR) as an environmental management tool. AMAGGI joined the Protocol in 2018, due to its operations in Pará. In the annual audit carried out in 2019, no non-conformities were identified in the company's operations.

Empresa Amiga da Criança (Child Friend Company) Program



An initiative of the Abrinq Foundation that seeks to mobilize companies for social action to benefit children and adolescents in Brazil. Participating since 2009, AMAGGI renewed its title in 2018 in recognition of its commitment to defend children and adolescents.

Initiatives and Partnerships

GRI 102-13

Due to its belief in the importance of working together for responsible action, AMAGGI participates in initiatives and partnerships that provide great value and show potential for mobilization.

Fundação Getúlio Vargas Sustainability Center (FGVCes)



A body of the São Paulo School of Business Administration of the Getúlio Vargas Foundation

(FGV EAESP) that works on the development of strategies, policies, and tools for public and business management to achieve sustainability at the local, national, and international levels. Through this partnership, AMAGGI provides transparency in the calculation of greenhouse gas emissions on the Public GHG Records Platform, owned and maintained by the Getúlio Vargas Foundation's Center for Sustainability Studies.

Brazil Climate, Forests, and Agriculture Coalition



A multi-sector movement that brings together leading agribusiness entities in Brazil, civil organizations in the fields of environment and climate, representatives from academia, industry associations, and leading companies in the areas of wood, cosmetics, steel, paper and pulp, and agriculture, among

others. Its objective is to coordinate actions to promote a new model of economic development for Brazil based on a low carbon economy, responding to the challenges of climate change. AMAGGI continues to coordinate the Deforestation Forum and, in 2019, participated in the Latin America and Caribbean Climate Week, a preparatory meeting for the United Nations Climate Conference (COP 25) held in Bahia, in August. In September, AMAGGI also participated in Climate Week New York City 2019, with discussions on solutions to reconcile agricultural production in Brazil with the best practices for the preservation of natural resources - such as the Produce, Conserve and Include (PCI) Strategy in Mato Grosso, presented during the event.

Matopiba Coalition



An initiative that seeks to develop a more sustainable and inclusive agricultural model in the agricultural frontier region in the states of Maranhão, Tocantins, Piauí and Bahia (whose initials form the acronym Matopiba), promoting the conservation of natural resources and the expansion of food production. Known as the last agricultural frontier in Brazil, this region has been the focus of study and discussion throughout the agricultural value chain, in the search for solutions that guarantee the environmental, social, and economic sustainability of the entire territory. In 2019, AMAGGI continued to follow discussions for the development of actions for sustainability in production promoted by the coalition.

Brazilian Association of Vegetable Oil Industries (ABIOVE)



AMAGGI is a member of the ABIOVE Sustainability Commission, where it participates in discussions and the implementation of sustainability projects for the soy production sector.

Federation of Industries in the State of Mato Grosso (FIEMT)



AMAGGI is part of the Thematic Council for the Environment (CONTEMA) of the Federation of Industries in the State of Mato Grosso (FIEMT), which brings together industrial business leaders and entity representatives to discuss compliance with environmental legislation and the evolution of sustainability in industries in the state of Mato Grosso, and to propose actions related to this topic. AMAGGI is also represented by the André and Lucia Maggi Foundation on the Thematic Council for Social Responsibility (CORES), of the Federation of Industries of Mato Grosso (FIEMT), participating in discussions on sustainable local development.

Earth Innovation Institute and Balikpapan Challenge



The Earth Innovation Institute is an international reference in subjects such as food security, protection of tropical forests, and climate change. Since 2018, AMAGGI has participated in the Global Steering Committee on Agricultural Production and Tropical Deforestation to support the Balikpapan Challenge. This commitment was launched in Indonesia in 2017 and seeks to develop an operational model for companies at the product source, further strengthening states or regions and respecting each jurisdiction in the fight against deforestation and climate change. Its work will contribute directly to regional and state strategies in Brazil, Colombia, Indonesia, Mexico and Peru. Gradually, all discussions held within the scope of the Balikpapan Challenge are being channeled towards a more practical direction through the Tropical Forest Champions.

MT Strategy: Produce, Conserve, and Include (PCI)



An initiative of the state of Mato Grosso that seeks to achieve a vision of social and economic development for 2030 through the sustainable use of natural resources. AMAGGI is part of the PCI Institute, founded with its main mission of supporting the actions of the state of Mato Grosso to achieve its production, conservation and inclusion targets. All administrative documentation for the institute's governance and strategic guidelines is already ongoing and will be updated in 2020.

Soybean Working Group (GTS)



Made up of civil society organizations, companies and government agencies, GTS is one of the fronts to combat deforestation where AMAGGI operates. Through GTS, AMAGGI materializes its commitment not to trade soybeans from areas deforested after 2008 in the Amazon biome, an initiative known worldwide as the Soy Moratorium.

Cerrado Working Group (GTS)

Initiative that seeks to find opportunities for a collective long-term solution to eliminate, in the shortest possible time, the deforestation of the *cerrado* region, linked to the soy chain, reconciling social, environmental, and economic aspects. A participant since its foundation in 2017, AMAGGI discussed solutions with other actors in the soy chain that can reconcile the end of deforestation with mechanisms of direct payment to producers who renounce their right to deforest, according to the Forest Code.

Amazon Environmental Research Institute (IPAM)



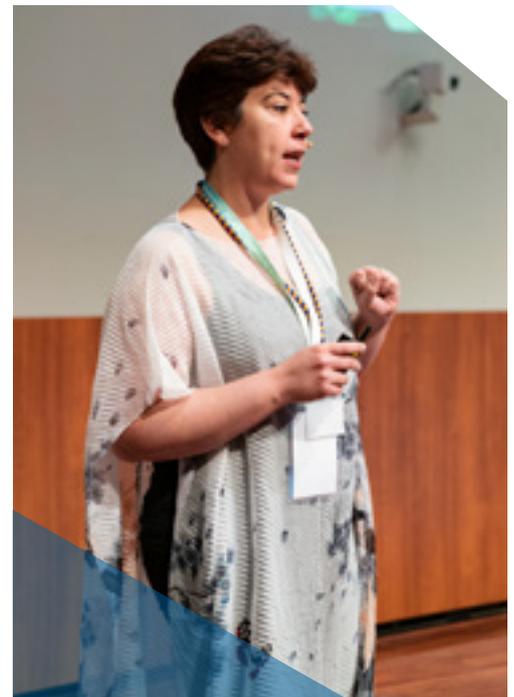
AMAGGI maintains a 15 year partnership with the Amazon Environmental Research Institute (IPAM), for the development of scientific research projects related to the role of forests and their interaction with human activities, inside Fazenda Tanguro, located in Querência, in the state of Mato Grosso ([see more on page 76](#)).

Round Table on Responsible Soy (RTRS)



AMAGGI participated in the discussions on the principles and criteria that cover the environmental and social aspects, best agricultural and management practices for responsible soy, as well as the process to formalize and institute the RTRS, held in 2006. The company has been part of the RTRS Executive Committee since 2007 and is part of the Brazilian Task Force, a Brazilian group dedicated to promoting and improving the soybean market and the certification process here.

In 2019, AMAGGI sponsored and participated in the Annual Conference of the International Responsible Soy Association (RTRS), RT14, held in June in the Netherlands. At this conference, AMAGGI released its progress report on the commitment to a deforestation and conversion free chain. It also participated in the discussion regarding the new corn standard and about the new RTRS strategy for the next ten years, including with the board.



Juliana Lopes, Director of Sustainability, Communication and Compliance. Photo: AMAGGI Archive.

The Nature Conservancy (TNC)



AMAGGI maintains a long-standing partnership with TNC, with the main objective of promoting environmental adequacy and forest restoration in rural properties. In 2019, the partnership was renewed, with the general objective of developing a plan to disseminate the benefits of good agricultural practices and restoration of riparian forests (according to the Law on Protection of Native Vegetation), in order to increase the resilience of rural properties and landscapes, and to encourage expansion of soy production and associated crops in already open areas, as an alternative to deforestation in the region surrounding BRI63 and the Araguaia Valley ([see more in Area Recovery on page 77](#)).

Sustainable Trade Initiative (IDH)



In 2019, AMAGGI continued its participation in discussions with the Sustainable Trade Initiative regarding the development of the Verified Sourcing Areas (VSAs) methodology, as part of the Global Steering Committee, for verification in origination regions, in order to facilitate commercialization large commodity volumes, in accordance with sustainability commitments at scale and at competitive prices.

Soy Plus



AMAGGI supports the Soja Plus Program, through the Brazilian Association of Vegetable Oil Industries (ABIOVE), for free training for rural producers in improving the management of their farm by distributing materials, promoting courses on health and occupational safety, adaptation of rural buildings, environmental compliance adjustment, field days, and technical visits to monitor performance indicators.

CDP Forest



The CDP is the largest and most relevant survey on climate, forests and water conducted in the world. It acts on behalf of more than 525 investors, who represent USD 96 trillion in assets and 14 large purchasing companies worldwide, enabling them to assess investment risks. The score for this survey is also used by banks to prepare customer credit ratings, among other uses.

AMAGGI has participated since 2016 in the CDP Forest, a specific questionnaire on forests, which assesses not only the risks to which companies are exposed in this field, but also their management of these risks, their actions to reduce impacts, their policies and commitments. In addition, it evaluates the opportunities companies find in the face of challenges, as ways to gain more market and image through the management of forests added to production. Based on its performance in 2019, AMAGGI was one of the only two companies in Brazil to obtain an A- grade from CDP Forest (in the world, only eight companies obtained the maximum A grade), in addition to gaining a prominent position within the agricultural sector, proving that it is possible to combine agricultural production in Brazil with forest conservation.

Seed Paths



Initiative formed by more than 160 organizations and 40 specialists to disseminate and expand the use of no-till seeding in Brazil (usually known as *muvuca*), led by Agroicone, in partnership with the Socio-Environmental Institute (ISA) and support from the British Government's Partnerships for Forests (P4F) and Embrapa. In 2019, AMAGGI joined the expert committee to discuss the dissemination of the technique in order to leverage the restoration agenda. In addition to participating in this group, the company started a pilot project at the Tanguro farm, in the municipality of Querência, with 7 hectares, in order to test the technique and train those who might be interested in implementing it.



Pilot project of the direct sowing technique, known as *muvuca*, at Fazenda Tanguro, in Querência (MT). Photo: AMAGGI Archive.

Certifications

AMAGGI values certifications as a way of confirming its commitment to responsible production, both in its internal processes and in its production chain. In this way, the company has several socio-environmental and product and process quality certifications, in addition to promoting the certification of partner producers.

Socioenvironmental

Better Cotton Initiative(BCI) / Responsible Brazilian Cotton (ABR)



The Responsible Brazilian Cotton (ABR) program attests to the responsible production of cotton and is based on the progressive development of good social, environmental, and economic practices in production units. Allied with the Better Cotton Initiative (BCI) license, it allows origin control and tracking of cotton produced on the market.

AMAGGI Responsible Standard (A.R.S.)



The AMAGGI Responsible Standard (A.R.S.) is the Company's own certification standard. Launched in 2016, it establishes a minimum criteria for rural producers and works with them on the culture of socio-environmental management. In 2018, the A.R.S. it began to be implemented in the AMAGGI chain of custody. The entire certification process of partner producers and chain of custody in the A.R.S. is verified by a third party audit.

ISO 14001



This certification provides the basis for an effective environmental management system, demonstrating a commitment to sustainable practices, with the protection of the environment, pollution prevention, continuous process improvement, and socio-environmental risk management. AMAGGI had the first soybean farm in Brazil certified with ISO 14001, in 2007.

Proterra Standard



This seal ensures compliance with environmental and social requirements, guaranteeing the market a deforestation free product, as well as the absence of genetically modified organisms (GMOs) in certified soy. Through audits, it verifies that the production is carried out in a responsible manner, respecting the applicable legislation and Human Rights. In addition, it establishes quality controls throughout the production chain - cultivation, handling, and transportation - in order to ensure that the grain is conventional (non-GMO).

Round Table on Responsible Soy (RTRS)



This certification imposes principles and criteria that guarantee a zero deforestation product to the market and seek to attest environmentally correct production, that is socially adequate and economically viable in all stages of production until export, including verification of the processes of the farms, industries, warehouses, and terminals port operators. AMAGGI was the first company in the world to certify and trade a soybean batch with RTRS certification.

Product and process quality

Food Safety Management System (FSSC 22000)



It provides a framework for the effective management of food safety and quality responsibilities. It includes the requirements of the Food Safety Management System, according to ISO 22000; the technical specifications for the Prerequisite Program (PPRs); in addition to additional system requirements recognized

worldwide. AMAGGI has been FSSC 22000 certified since 2015; in 2018, the company went through the recertification process, starting its second cycle in January 2019.

Good Manufacturing Practices (GMP+ FSA)



Food safety certification (raw material for animal feed), which integrates quality management requirements such as ISO 9001, HACCP (Hazard Analysis and Critical Control Points), FSSC 22000 (Food Fraud and Food Defense), Prerequisite Programs (PPR), traceability, monitoring, standards, and products. AMAGGI has had this certification since 2002, in order to meet customer requirements.

Non-GMO Foodchain ID



Non-GMO certification and the Non-GMO Foodchain ID seal establish easy identification for products free of genetically modified components. A benchmark in the sector for non-GMO production systems, it applies a quality management system approach to identity preservation, using risk-based decision making to build a robust certification program that adapts to the needs of each organization. AMAGGI has been certified since 2005.

Kosher



Recognized worldwide and considered synonymous with maximum quality control, it is issued after the evaluation of the manufacturing process, attesting that the products obey the specific rules that govern an orthodox Jewish diet. AMAGGI has been Kosher certified since 2014.

Awards and recognition

Exame Sustainability Guide 2019

Recognized as one of the 5 most sustainable companies in agribusiness due to the quality of its socio-environmental management processes.

Global Compact's Brazil Network SDG Award

1st edition, 2019. The only agribusiness representative among the 36 finalists in the Enterprise category.

Melhores & Maiores (Biggest & Best)

29th largest company in Brazil in the Exame Magazine Biggest & Best directory - seven spots higher than in 2018.

Valor 1000

40th largest company in Brazil in the Valor 1000 directory, by the *Valor Econômico* newspaper.

A Granja Magazine

Winner in the Soybean Producer category in the 2019 directory.

Gestão RH Magazine

Recognition: One of the most admired HRs in Brazil, Mid-West Region.

18th Communication Exhibit by the Brazilian Association of Rural Marking and Agribusiness.

1st place in the Endomarketing & Incentive Programs - Knowledge Kit initiative.

Na Mão Certa Program

Recognition as a partner enterprise of the Na Mão Certa Program (Childhood Brasil organization).

Social Responsibility Certificate

Social responsibility certificate from the Legislative Assembly of Mato Grosso for AMAGGI and the André and Lucia Maggi Foundation.

CDP Forest

One of only two companies in Brazil to receive an A- score (only eight companies in the world receive a maximum A score in the entire world).

2025 Strategic Planning for Sustainability

Sustainability Strategy

GRI 103-1, 103-2, 103-3

AMAGGI's sustainability strategy is based on its mission, vision and values, on the decoding of business strategies, institutional commitments, with knowledge regarding impacts, risks and opportunities, and the Company's materiality.

The company operates so that sustainability permeates the entire management, operations and value chain process, with the objective of minimizing socio-environmental risks and enhancing the opportunities and positive impacts of the business.

The Sustainability, Communication, and Compliance Department acts as a driver for this agenda, collaborating with other departments to improve processes, connect with strategic partners, engage with stakeholders, and report on company commitments and results. It also works to improve AMAGGI Socio-Environmental Management ([see more about this topic on page 74](#)), presenting guidelines, procedures, and socio-environmental controls in an integrated manner.

In order to clarify and unify its sustainability strategy at a regional and global level, AMAGGI has established guidelines that include environmental, social, economic, and governance aspects.

Global Sustainability Positioning and 2025 Plan

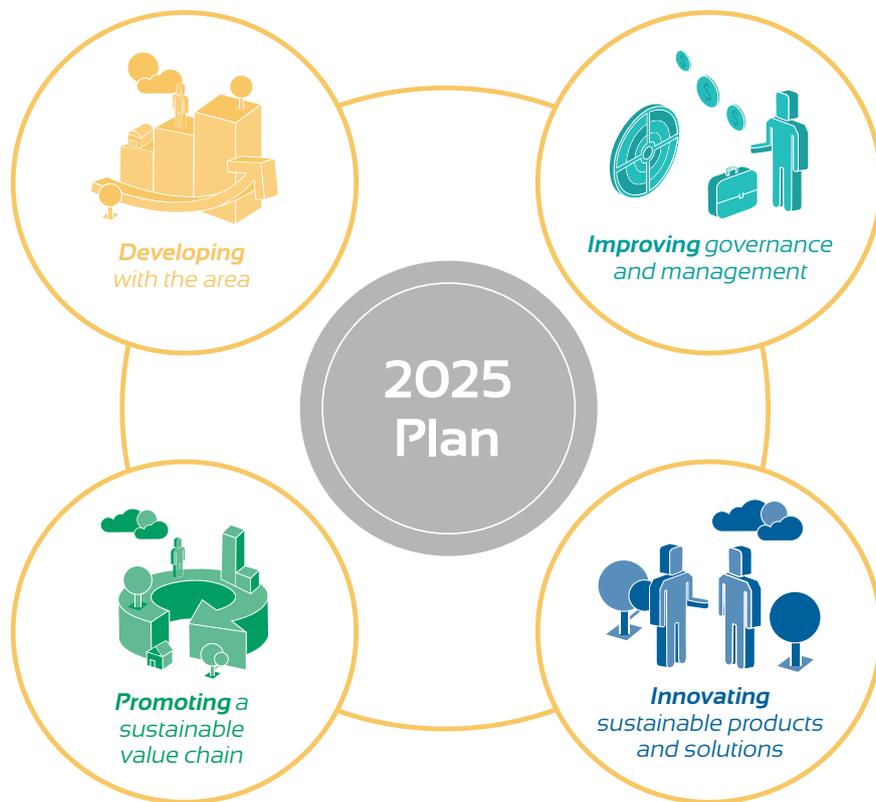
AMAGGI's Global Sustainability Positioning, launched in 2017, seeks to provide clarity and transparency regarding its sustainability strategy to all stakeholders, and to deepen the synergy of its operations around the world, keeping it aligned with the mission, vision, and values and with the organization's business plan.

Based on AMAGGI's Global Sustainability Positioning, the Sustainability Plan was created with an outlook through 2025 called Plan 2025. Organized in four strategic blocks - Improving governance and management, Promoting a sustainable value chain, Developing with the area and Innovating sustainable products and solutions -, it addresses the current issues for AMAGGI and its stakeholders, including the current material themes.

In 2019, in order to update and deepen the AMAGGI priority topics and sustainability challenges, it promoted a general review of the Sustainability Plan with an outlook through 2025, with the participation of leaders from various areas of the company and consultations with several other internal and external stakeholders along with the materiality review.

In this process, seeking greater clarity, the company updated its commitment within each of the four strategic blocks and repositioned its performance regarding some topics, considering its initiatives, investments, and the most relevant trends for the

business. Thus, following the update of its strategy, AMAGGI began reporting its sustainability report according to the following nomenclature of the four blocks:



Highlight: 6 guidelines for Global Sustainability Positioning

With a comprehensive approach that also extends throughout its value chain, the Global Sustainability Positioning is based on six principles:

- Be economically feasible, adding value to shareholders and employees, and share value with society, contributing to local development;
- Be socio-environmentally responsible and promote continuous improvement of socio-environmental management in operations and the value chain;
- Ensure good governance and transparency in operations, through legal compliance and risk management;
- Promote respect for human rights and work with dignity in operations and the value chain;
- Promote personal and professional growth of employees, valuing diversity and seeking continuous improvement in working conditions, as well as health and safety;
- Contribute to the promotion of food and nutritional safety.

As part of this position update, a new version of the commitment was launched in 2019, *Global Positioning Towards a Deforestation and Conversion Free Grain Chain. The 2018 Progress Report for AMAGGI Global Sustainability*

Positioning: Commitment "Towards a Deforestation Free Grain Chain" was published, which describes important achievements of the company. This report will be released annually, with results always referring to the previous harvest.

Towards a Deforestation-Free Grain Chain

AMAGGI's objective with the new version of *Global Positioning Towards a Deforestation and Conversion Free Grain Chain* is to clarify the scope of AMAGGI's commitment to combat deforestation, and the challenges and means to achieve increasingly sustainable agriculture, sharing values and benefits among everyone in the value chain in a balanced and perennial manner, and ensuring agribusiness expansion, with the promotion of local development and environmental conservation.

In the document, in addition to defining the scope of its operations (which includes its agricultural production and grain origination activities by rural producers, in all locations where it operates, inside and outside Brazil, including the *Cerrado* and Amazon biomes), AMAGGI describes, in detail, its commitments in relation to the mapping and traceability of the supply chain, the management of its own farms and suppliers, and the engagement of its value chain. All company actions within the scope of the positioning will be periodically reported to stakeholders through a progress report.

The first to be launched was the *AMAGGI Global Sustainability Positioning 2018 Progress Report: Commitment "Towards a Deforestation and Conversion*

Free Grain Chain," regarding the 2017/2018 harvest. This document describes AMAGGI's efforts and progress in the search for a chain free of deforestation and conversion, including environmental conservation initiatives carried out on company owned farms, socio-environmental certifications, traceability mapping, and engagement of the value chain. Among the results obtained, the following stand out:

- 100% of its own production areas have socio-environmental certification,
- about 22% of the total volume sold by AMAGGI is certified, 19% with zero deforestation standards,
- 100% traceability of a certified total of more than 2 million 300 thousand tons of soy at corporate owned and supplier farms,
- more than 3 thousand direct suppliers are tracked, representing 86% of the active supplier chain.

Both documents are public and are available for consultation on the AMAGGI website, at the link: <https://www.amaggi.com.br/posicionamentoglobaldesustentabilidade/posicionamento-global-rumo-a-uma-cadeia-de-graos-livre-de-desmatamento-e-conversao/>.

Stakeholder engagement

GRI 102-40, 102-42, 102-43, 102-44

The 2019 materiality review, identified AMAGGI's priority stakeholders as: rural producers; the local community; government; unions; origination customers; direct customers; indirect and final customers; sector specific associations; civil society and opinion leaders; financial Institution; Suppliers; senior leadership and internal public (employees).

The company develops various initiatives for the engagement of its stakeholders, through a portfolio of media and communication tools, ranging from online to direct communication. These initiatives are part of the Stakeholder Engagement Plan, which defines actions by priority segment, objectives, goals and indicators for evaluating and monitoring results. Through it, it is possible to identify the current level of engagement and the desired level of engagement, by segment.

The plan undergoes an annual review in order to keep it updated and identify new aspects regarding changes and scenario evolution, including the concerns and expectations of stakeholders. In 2019, AMAGGI continued its implementation: of the 33 actions scheduled for this year, 73% were completed, 21% were partially completed, and 6% were not completed.

One of the highlights of the Engagement Plan was the Communication and Transparency Program with Local Stakeholders (DialogAção), that seeks to build and maintain dialogue and good relations with local stakeholders in the municipalities where the company operates. In 2019, the diagnosis made in Itacoatiara, in 2018, was delivered, and a meeting was held with local managers to present and discuss it, focusing on the proposed guidelines.

Another stakeholder engagement related action worth mentioning in the 2019 Plan was the holding of the Annual Sustainability Dialogue. It was done



Forum held with AMAGGI managers during the process review of materiality and the Global Positioning of Sustainability. Photo: AMAGGI Archive.

using a workshop format, to increase employee engagement with AMAGGI's sustainability strategy. Unlike the previous editions, the 2019 Dialogue received contributions from an external consulting company that specializes in communication and engagement. Together with the AMAGGI Sustainability team, they developed and applied the workshops with 57% of the employees at headquarters.

In the survey done after the classes were held, 99% of the employees stated that the format provided interaction and dialogue; 96% pointed out that the dialogue expanded their knowledge about sustainability, as well as their own and their department's role in reaching AMAGGI's vision.

Other engagement options also enabled the participation of stakeholders in the process of revising Amaggi's materiality matrix. Learn more about this process in "About this report."

Improving governance and management





Collaborator in the corporate environment of AMAGGI in Cuiabá (MT). Photo: AMAGGI Archive.

AMAGGI believes that the way a company positions itself in the market reflects its values and its human capital. The growth and results of the activities are directly linked to its ability to engage people and ensure that there is good governance and management, with ethics, integrity and transparency.

This belief results in the company's commitment to continually invest in people development,

process improvements, preventive risk management, and legal compliance.

In this chapter, the management and actions carried out on related topics will be presented, demonstrating in a transparent manner its commitment to sustainable development, with respect and appreciation for people and for the fight against corruption.

Corporate Governance

GRI 102-18

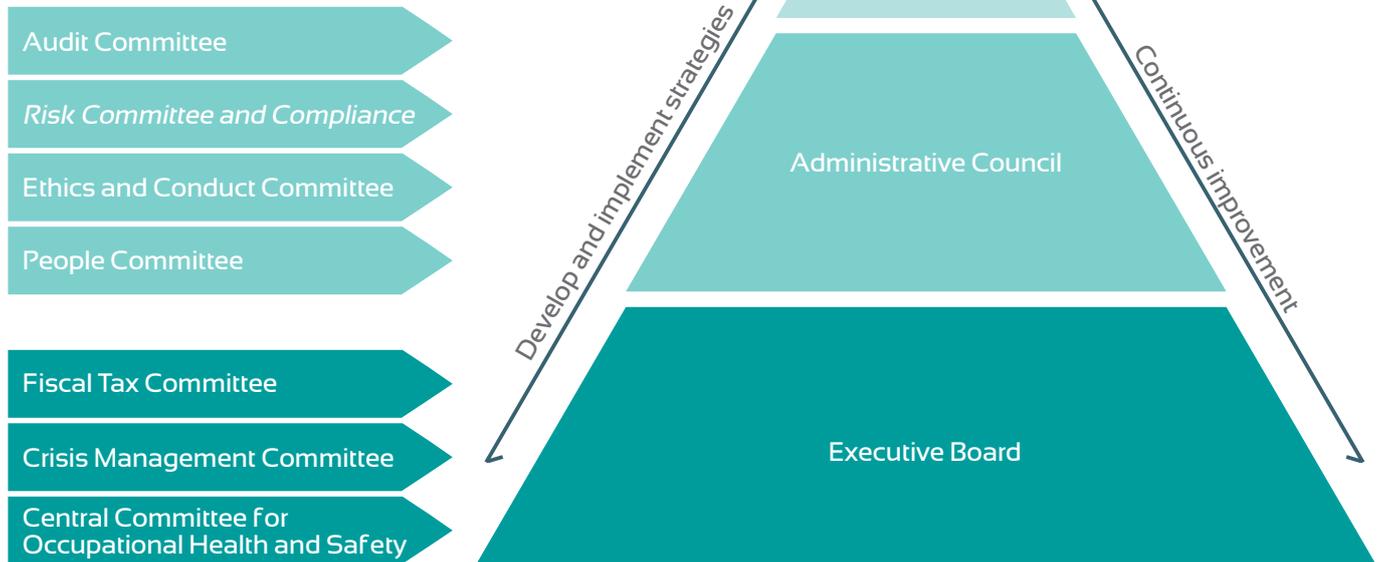
The bodies that make up AMAGGI's corporate governance structure are responsible for the company's decision-making processes and strategic direction. They also act as guardians of its values, policies, and the Code of Ethics and Conduct, aligned with its objectives and with the mission of contributing to the development of agribusiness, respecting the environment and improving the quality of life of communities.

This structure was revised in 2018 and currently includes the General Shareholder Meeting, the Board of Directors and the Executive Board, in addition to the specific committees that advise each of the governing bodies.

The review was carried out to meet national and international regulatory demands and adjust to the needs of the corporate mission. Practices related to corporate governance, risk management, operational compliance, employees, business partners, and national and international units were improved in order to foster and deepen their culture of integrity, responsibility, and good trade practices.

With this change, the company sought to minimize risk and monitor the strategic objectives defined by the Board of Directors and executed by the Executive Board, the improvement of AMAGGI principles of integrity, the rationalization of processes, and the optimization of activities in order to achieve better performance and efficiency.

Corporate governance structure



Board of Directors

This is the collegiate body that promotes the general direction for business, policies, goals, and long-term objectives. It is responsible for the decision-making process in view of AMAGGI's strategic direction. The board acts as a link between the Executive Board and the shareholders, always with the highest technical and ethical standards, and has a fundamental role in the preservation and improvement of AMAGGI principles and values, including the performance of its duties in the group's governance system.

It is made up of eight members elected at the general shareholders' meeting, with a three-year term, and selected among professionals with solid experience and knowledge in the segments in which the company operates. The members of the AMAGGI Board of Directors are in a constant process to improve their skills and update their knowledge.

Total members that are part of governance bodies, by gender and age.

GRI 405-2

| Total members that are part of governance bodies, by gender and age. | |
|--|----------|
| Board of Directors | |
| Gender | |
| Female | 3 |
| Male | 5 |
| Age group | |
| <30 years old | 0 |
| Between 30 and 50 years old | 1 |
| >=50 years old | 7 |
| Total | 8 |

Audit Committee

The Audit Committee's mission is to advise the Board of Directors, including proposing improvements related to its area of activity, in order to provide greater efficiency and quality to the decisions of this collegiate body and to ensure that the company's activities are conducted in accordance with the Code of Ethics and Conduct, policies, internal controls and current legislation.

The duties of the Audit Committee, responsible for ensuring the execution of internal and external audit activities are provided for in its internal regulations, which also includes information on the annual evaluation of its members, meeting structure, and its responsibilities. The Committee is composed of five members, these being the Chairman of the Board of Directors, two board members, the Sustainability, Communication and Compliance director, and the Legal director.

Risk and Compliance Committee

The AMAGGI Risk and Compliance Committee's mission is to advise the AMAGGI Board of Directors, including proposing improvements related to its area of operation, in order to provide greater efficiency and quality to the decisions of this collegiate body, and to ensure that the company's activities are conducted in accordance with the Code of Ethics and Conduct, policies, internal controls, and current legislation.

The attributions provided for in the Internal Regulations include the responsibility to ensure that the company has structure, processes, practices, mechanisms, systems, among others, that ensure compliance with the legal and regulatory requirements and demands applicable to AMAGGI; to ensure the effectiveness of and compliance of AMAGGI's policies and regulatory documents to the legal and regulatory requirements of its businesses and activities, and to monitor the adequacy, strengthening, and functioning of all

compliance and risk management systems, as well as the company's internal controls, suggesting improvements. The committee is made up of three members: the Chairman of the Board of Directors, the CEO, and the Compliance Director.

Ethics and Conduct Committee

The AMAGGI Ethics and Conduct Committee's mission is to assist the Chairman of the Board of Directors in the process of conducting matters related to the Code of Ethics and Conduct and in reporting these to the Board of Directors, including proposing improvements related to their area of activity, in order to provide greater efficiency and quality to the decisions of this collegiate body and to ensure that the company's activities are conducted in accordance with the Code of Ethics and Conduct, policies, internal controls and current legislation.

Among the attributions provided for in the Internal Regulation, it is the responsibility to analyze the results of the investigations of the complaints received, whose investigation reports are forwarded to the committee by the Corporate Security area for evaluation and recommendation of the disciplinary measure to be applied according to the consequence management policy; as well as to resolve doubts regarding the interpretation of the Code of Ethics and Conduct, policies, internal rules and current national and international legislation, and other documents that make up the Compliance Program.

The committee consists of the chairman of the Board of Directors and is composed of up to five members, all employees of the company, from different areas, in order to guarantee a diversity in the body's profile. At least two corporate managers are also expected to participate, from the Personnel, Legal, Corporate Security or Compliance areas. The committee and the president also count on the performance of the Compliance director as advisor and verifier of the process.

Personnel Committee

The AMAGGI Personnel Committee has the mission of advising the AMAGGI Board of Directors by presenting the information related to the authority levels defined by the governance model, including proposing improvements related to its area of operation, in order to provide greater efficiency and quality to the guidelines and decisions of this collegiate body and ensure that the company's activities are conducted in accordance with the Code of Ethics and Conduct, policies, internal controls and current legislation.

Part of the attributions provided for in the Internal Regulations is the responsibility to approve the rules regarding the fixed and variable compensation policy for all levels of the company; to determine the succession process of the CEO and each member of the Executive Board, and to monitor the process of identification, development and retention of the company's talents.

The Personnel Committee is composed of up to three members, all members of the Board of Directors, being defined and led by its chairman. The latter may, at his discretion, invite others to attend committee meetings in accordance with the needs of the discussion agenda.

Executive Board

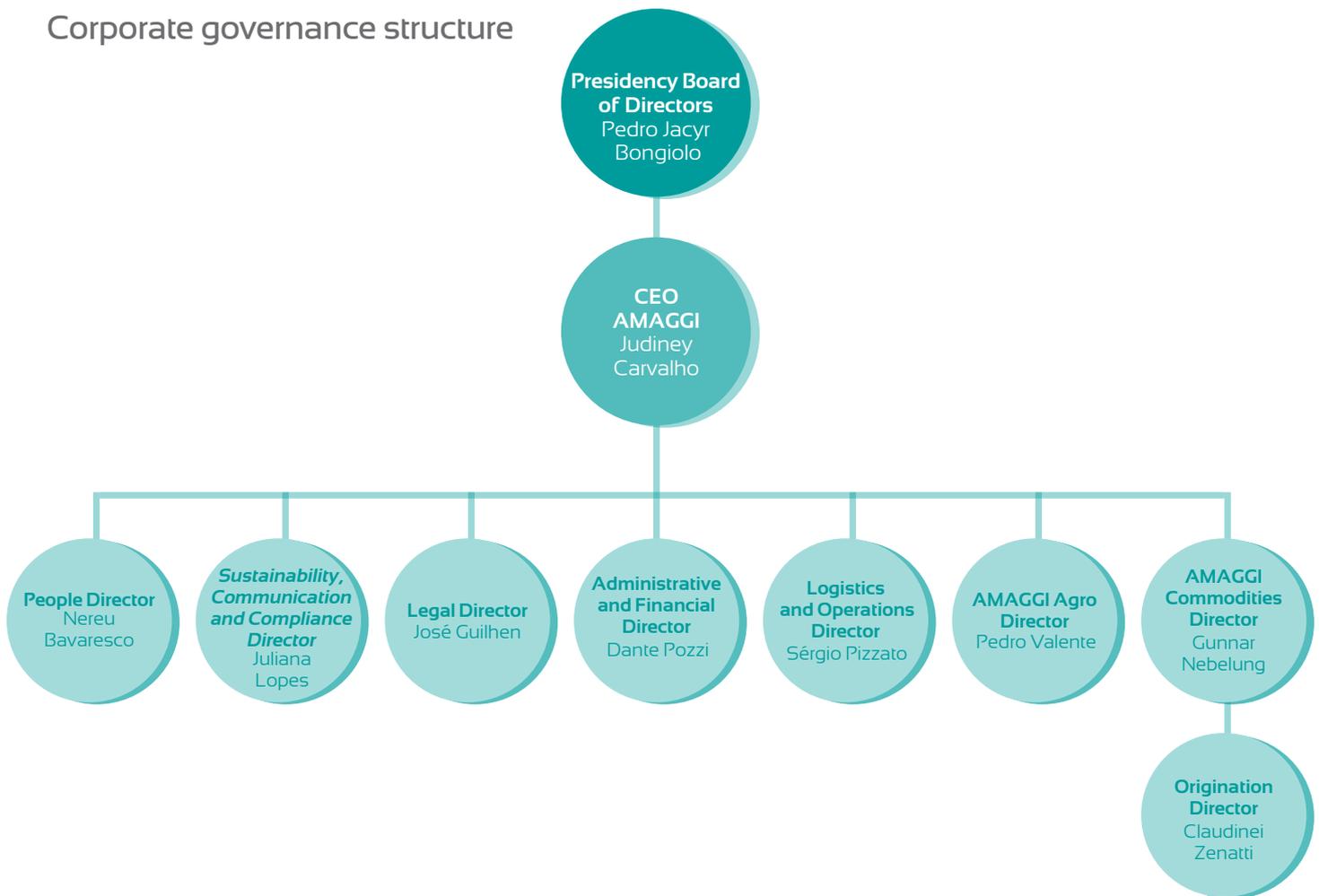
It consists of ten members, who exercise their functions guided by the Bylaws, the Code of Ethics and Conduct, and the company's policies. All members are market professionals chosen by the Board of Directors based on their solid experience, reputation, and technical capacity in their respective segments.

AMAGGI's Executive Board has three collaboration committees, with specific duties for analysis and recommendation on certain topics.



Board of Directors Training in Strategic Thinking, held in 2019. Photo: AMAGGI Archive.

Corporate governance structure



Tax/Fiscal Committee

The Tax/Fiscal Committee is responsible for assisting the Executive Board in the performance of its duties in various matters related to taxes, rules, procedures and related matters, providing AMAGGI with confidence in its interpretations and actions, whether administrative and/or judicial, to ensure compliance with laws and regulations, as well as effectiveness and efficiency in tax operations.

Its duties, foreseen in the Internal Regulations, are to assess the adequacy of tax planning and pay attention to the identification of possible

contingencies in the legal and tax areas, and to provide adequate transparency and information for senior management, shareholders, and interested parties.

The committee must be formed by employees who occupy the positions of Tax Planning manager, Tax Legal manager, Accounting manager, AMAGGI Division controller and Shared Services Center supervisor (Fiscal CSC). Employees from other areas may be invited to participate in meetings when there is a need for a better understanding of the topics addressed.

Crisis Management Committee

The AMAGGI Crisis Management Committee's mission is to identify and manage multidisciplinary situations considered crises from the company's point of view, as conceptually defined in the Crisis Management Policy .

The attributions of the Crisis Management Committee include the responsibility to monitor and evaluate new and imminent risks and inform the other members, validate actions and recommendations of the Department of Corporate Communication, and to develop the positions to be adopted by the company during risks or when an image crisis has been discovered. It consists of employees and previously defined areas, with the Corporate Communications Department as the focus point. The committee's configuration can be altered according to the severity of the event, the type of business involved, the scope, and the location of the occurrence.

Central Occupational Health and Safety Committee

The AMAGGI Central OHS Committee's mission is to advise the Executive Board to support the occupational health and safety policy and foster the leverage of a preventive culture, stimulating the value for OHS through senior leadership. It also should propose improvements related to its area of activity, in order to provide greater efficiency and quality to the decisions of this collegiate body and to ensure that the company's activities are conducted in accordance with the Code of Ethics and Conduct, policies, internal controls and current legislation.

It is the responsibility of the Occupational Health and Safety Committee to systematically monitor performance indicators (occupational accidents

and compliance checks); monitor the good practices developed at the units, and encourage their expansion; and promote management of Integrated, participatory OHS that involves all levels of the organization. The committee includes: the CEO, the Personnel Director, business directors, the Corporate Manager for Occupational Health and Safety, and the general/regional business managers and their respective management.

Ethics and compliance

GRI 103-1, 103-2

In order to deepen the consolidation of AMAGGI ethical and transparency principles, in recent years the organization has invested in structuring its Compliance department, which culminated in the development of the Compliance/Integrity Program, implemented in 2019.

AMAGGI's Compliance area began its structuring process in 2015, at the initiative of the executive president and the chairman of the Board of Directors, who established the company's Compliance Committee. As part of the actions defined by the committee, in December 2017 the creation of the Compliance Department was announced, further consolidating the ethical and transparency principles.

From that moment, the process of consolidation and improvement of existing programs, policies, and initiatives began, resulting in the AMAGGI Integrity Policy as of February 2018, focused on standardizing routines related to the company's sensitive processes, raising awareness with employees, and comply with the relevant national and international legislation. The launch of the Integrity Policy established several initiatives for

structuring the Compliance/Integrity Program, strengthening the company's governance and protecting its business.

Currently, AMAGGI has an adequate compliance structure to meet the demands and activities related to integrity and ethics programs and policies within the company.

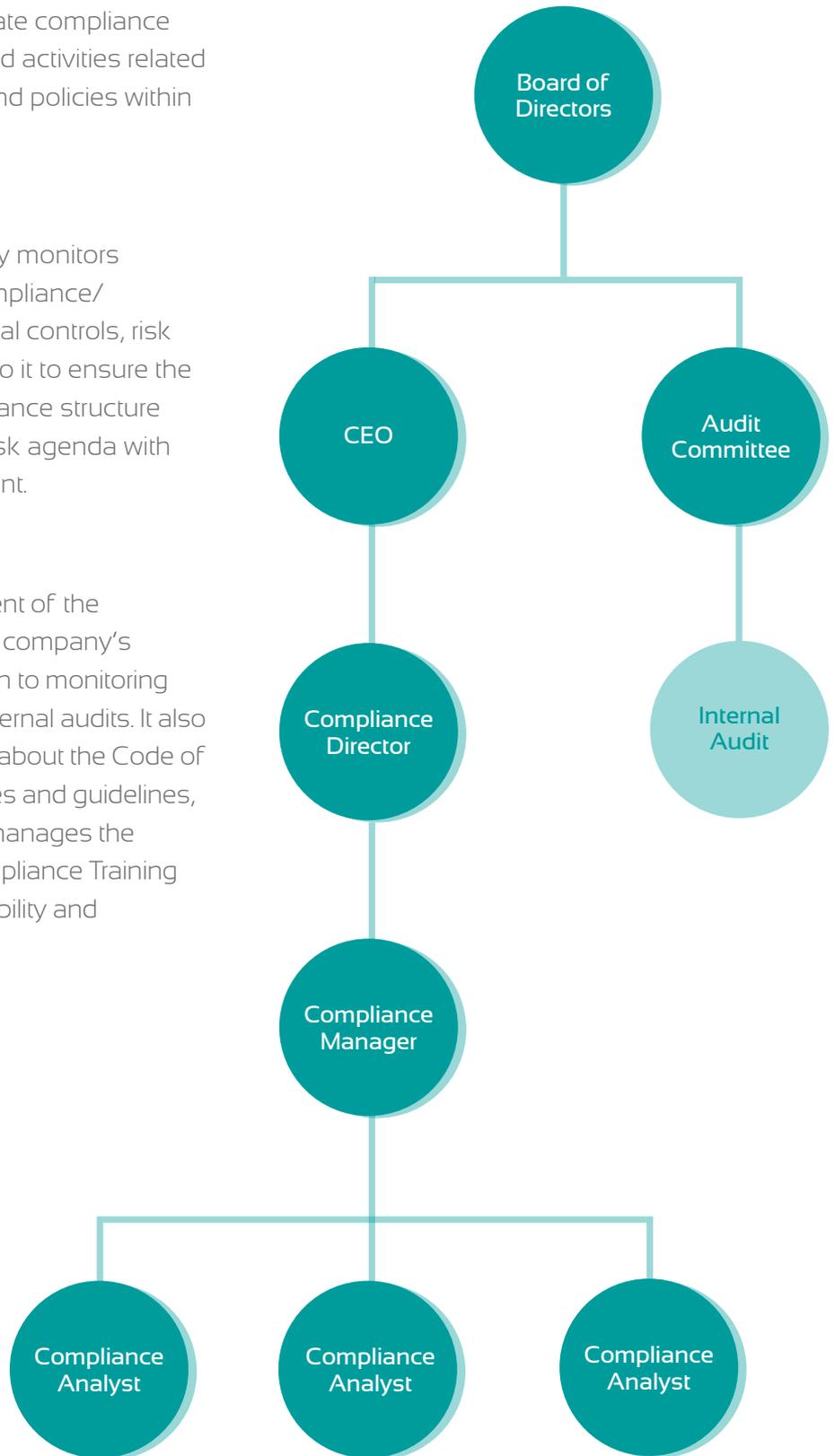
Compliance Board

The Compliance Board periodically monitors the actions and results of the Compliance/Integrity Program, as well as internal controls, risk management, and audits. It is up to it to ensure the autonomy of the AMAGGI compliance structure and to carry out training and the risk agenda with the company's senior management.

Compliance Management

It is responsible for the management of the Compliance/Integrity Program, the company's internal controls and risk, in addition to monitoring the action plans of internal and external audits. It also assists employees with questions about the Code of Ethics and Conduct, internal policies and guidelines, internal controls, and risks. It also manages the Communication Plan and the Compliance Training Plan, in order to ensure the applicability and efficiency of the program.

Organization chart of the Compliance area



Integrity Policy

GRI 205-1

Published in 2018, AMAGGI's Integrity Policy reinforces integrity as the value and standard of behavior expected from the company's employees and business partners.

The policy expressly establishes that AMAGGI does not allow any act that can be configured as bribery, corruption, favoritism, extortion, graft, administrative impropriety, fraud in public bidding, or crimes against the economic and tax regime.

In its policy, the company is committed to observing and making its employees, intermediaries, and agents perform their duties in an ethical, integral, and responsible manner, observing and complying with all applicable laws and regulations, including, but not limited to, all legislation in force in the countries where AMAGGI operates.

The document also provides for disciplinary measures to be applied in case of misconduct, to the person responsible or their manager, which may culminate in the termination of the employment contract, without prejudice to applicable legal measures.

Thus, in addition to formalizing and standardizing sensitive processes in the AMAGGI Compliance/ Integrity Program, the Integrity Policy is a tool for raising employee awareness of the risks related to this topic.

AMAGGI also has other policies that describe standards of conduct that must be adopted in its activities:

- Donation and Sponsorship Policy
- Information Security Management Policy
- Socio-environmental Policy
- Corporate Communication Policy
- Trademark Use Policy

- Quality Policy
- Occupational Health and Safety Policy
- Procurement Policy

Code of Ethics and Conduct

GRI 205-3

This document, now in its fourth version, describes the standards of behavior adopted by AMAGGI, explaining and reiterating its commitment to the standards of conduct and zero tolerance for any misconduct.

Upon joining AMAGGI, all employees, as well as members of governance bodies, sign the Code of Ethics and Conduct Agreement. The document is available in Portuguese, Spanish and English through the intranet or the link: <<https://www.amaggi.com.br/sobre-a-empresa/codigo-de-etica-e-conduta/>>.

Reports of potential violations of the Code, company policies and current legislation are received by the Reporting Channel, which, since 2017, has had independent service in Portuguese, English and Spanish, and is available to all company stakeholders, both internal and external.

In 2019, a total of 305 reports and complaints were registered, of which 96% were completed by December 2019 and 4% were still in the investigation process.

Reporting Channels

The Reporting Channel can be accessed through the link <https://canalconfidencial.com.br/amaggi/> and is widely shared at headquarters and in all AMAGGI units in Brazil and abroad through various media and actions developed by the Communication, Sustainability and Compliance department.

All complaints follow the analysis process of the Ethics Committee and the Corporate Security area in an agile, confidential, and independent manner, without retaliation for the whistleblower.

Risk management

GRI 102-11

AMAGGI maintains a structure that seeks to manage the various risks to which the company is exposed, with the objective of protecting and improving business, maximizing opportunities and reducing potential threats.

As part of the implementation of the Compliance/ Integrity Program, the company instituted a Global Risk Management Policy in 2018, a revised version of the previous document. It applies to domestic and international operations, seeking to adapt the company to a volatile and evolving external environment of new and emerging risks.

This new policy defines the degree of relevance of AMAGGI risks, and establishes an objective impact scale, which ensures clear measurement and allows management measures to be prioritized. In addition, it establishes the responsibilities and the lines of defense for this process, involving from the highest governance body of the

company - the Board of Directors, as well as the Risk and Compliance Committee - to managers and those responsible for operational processes, corporate managers, the Market and Liquidity Risk, Compliance and internal auditing departments.

Currently, AMAGGI risk management is in charge of two areas, with different tasks and attributions: Market and Liquidity Risk and Compliance Risk. The former analyzes the risks that impact the business of the company and its joint ventures, such as foreign exchange, interest, and commodities, while the latter does integrated analysis of strategic and business risks, covering internal and external factors related to compliance of Company activities with rules, laws, regulations, as well as transparency and governance standards. Both areas work to protect and improve business in order to maximize opportunities and maintain a balance between risks and opportunities.

The risk management process is organized into five phases - identification, assessment, mitigation, monitoring and review. This methodology, established through the AMAGGI Global Risk Management Policy, applies to all types of risk, be it commercial, operational, financial, market, strategic, reputational, or compliance, and includes a transparent and objective record of the work that is done.

Risk flow



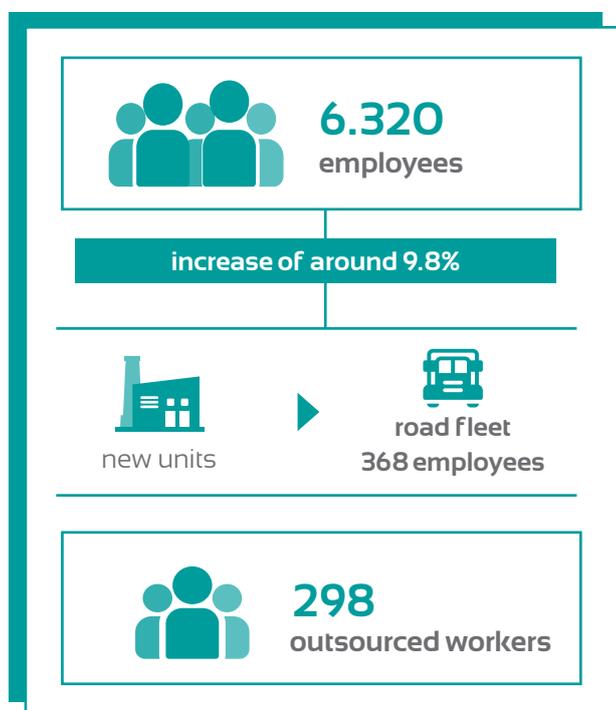
In 2019, the Compliance department broadly promoted the Global Corporate Risk Management Policy through the Training and Communication pillar, including the highest levels of company management to the local leaders at each unit. The training courses presented the methodology

to the employees and its importance to business management, as well as its day-to-day application. As a result, risk maps were prepared for each area or unit for mitigation, monitoring, and review, which will be done in a systematized manner in 2020.

Personnel management

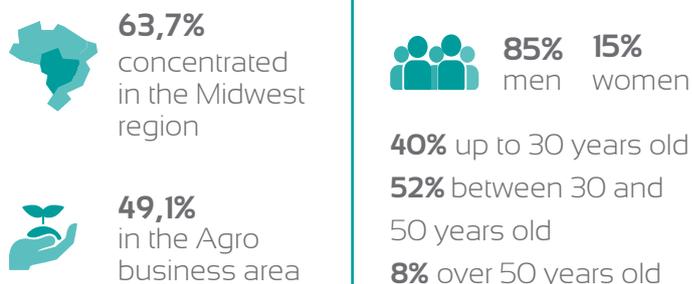
GRI 102-8, 102-41, 103-1, 103-2, 405-1

AMAGGI ended 2019 with:



Also, the cotton harvest was extended through January 2020, which is why employees hired for this activity are included in the final number of 2019. In previous years, the dismissal of these employees occurred the same year. For this reason, in previous reports, seasonal workers were not considered in the final number of employees.

Most AMAGGI employees are:



Company employees by labor contract and region

| | 2017 | | 2018 | | 2019 | |
|--------------|--------------|------------|--------------|------------|--------------|------------|
| | Permanent | Temporary | Permanent | Temporary | Permanent | Temporary |
| Midwest | 3,211 | 828 | 3,734 | 682 | 4,028 | 667 |
| North | 1,197 | 99 | 1,257 | 58 | 1,559 | 42 |
| South | 21 | 0 | 23 | 0 | 24 | 0 |
| Total | 4,429 | 927 | 5,014 | 740 | 5,611 | 709 |
| | 5,356 | | 5,754 | | 6,320 | |

All company employees are covered by collective bargaining agreements established with the unions and federations of the respective categories. The Personnel Department and Labor Relations and Benefits Management monitor each base date, in order to fully comply with the legislation and keep those responsible for each business informed about the evolution of the collective bargaining.

The recent changes arising from the Labor Reform Act and the Declaration on the Rights of Economic Freedom presented a more challenging scenario to complete the negotiations, due to changes in articles that had been applied for decades. Even so, in 2019 all negotiations were concluded on schedule and the agreements established in the month of the base date were applied. Even AMAGGI's road fleet, which began its activities in

2019, was also covered by the Collective Labor Agreement negotiated with the category's union, which contributed to attracting the number of professionals needed to start operations.



AMAGGI's road fleet started its activities in 2019. Photo: AMAGGI Archive.

Company employees by work regime and gender

| | 2017 | | 2018 | | 2019 | |
|--------------|--------------|-----------|--------------|------------|--------------|------------|
| | Full time | Part time | Full time | Part time | Full time | Part time |
| Female | 808 | 42 | 820 | 95 | 824 | 103 |
| Male | 4,450 | 56 | 4,740 | 99 | 5,282 | 111 |
| Total | 5,258 | 98 | 5,560 | 194 | 6,106 | 214 |
| | 5,356 | | 5,754 | | 6,320 | |

Company employees by labor contract and gender

| | 2017 | | 2018 | | 2019 | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Temporary | Permanent | Temporary | Permanent | Temporary | Permanent |
| Female | 151 | 699 | 70 | 845 | 119 | 808 |
| Male | 776 | 3,730 | 670 | 4,169 | 590 | 4,803 |
| Total | 927 | 4,429 | 740 | 5,014 | 709 | 5,611 |
| | 5,356 | | 5,754 | | 6,320 | |

Company employees by functional category and gender

| | 2017 | | 2018 | | 2019 | |
|-----------------|--------------|------------|--------------|------------|--------------|------------|
| | Male | Female | Male | Female | Male | Female |
| Executive Board | 11 | 1 | 9 | 1 | 8 | 1 |
| Managers | 369 | 61 | 357 | 58 | 381 | 59 |
| Administrative | 551 | 463 | 555 | 474 | 582 | 477 |
| Operational | 3,450 | 258 | 3,755 | 272 | 4,251 | 279 |
| Technical | 51 | 19 | 51 | 13 | 56 | 14 |
| Interns | 3 | 3 | 3 | 3 | 6 | 4 |
| Young Talent | 15 | 6 | 19 | 8 | 10 | 4 |
| Apprentices | 56 | 39 | 90 | 86 | 99 | 89 |
| Total | 4,506 | 850 | 4,839 | 915 | 5,393 | 927 |
| | 5,356 | | 5,754 | | 6,320 | |

Company employee by business type

| | 2017 | | 2018 | | 2019 | |
|--------------------------|--------------|--------------|--------------|------------|--------------|------------|
| | Male | Female | Male | Female | Male | Female |
| Commodities | 218 | 819 | 841 | 228 | 260 | 187 |
| Agro | 287 | 2,494 | 2,762 | 344 | 2,771 | 337 |
| Logistics and Operations | 126 | 865 | 894 | 115 | 2,118 | 198 |
| Energy | 9 | 46 | 45 | 11 | 44 | 12 |
| Corporate | 210 | 282 | 297 | 217 | 200 | 193 |
| Total | 850 | 4,506 | 4,839 | 915 | 5,393 | 927 |
| | 5,356 | | 5,754 | | 6,320 | |

Company employees by functional category, by gender, and by age group GRI 405-1

| | Executive Managers | Managers | Administrative | Operational | Technical | Interns | Young talent | Apprentices | Total |
|-------------------|--------------------|----------------|----------------|------------------|-------------|------------|---------------|---------------|------------------|
| Gender | | | | | | | | | |
| Female | 1 (11.1%) | 59 (13.4%) | 477 (46%) | 279 (6.2%) | 14 (20%) | 4 (40%) | 4 (28.5%) | 89 (47.4%) | 927 (14.7%) |
| Male | 8 (88.9%) | 381 (86.6%) | 582 (54%) | 4,251 (93.8%) | 56 (80%) | 6 (60%) | 10 (71.5%) | 99 (52.6%) | 5,393 (85.3%) |
| Age group | | | | | | | | | |
| <30 years old | 0 | 59 (13,4%) | 540 (51%) | 1,713 (37.8%) | 20 (28.6%) | 10 (100%) | 14 (100%) | 188 (100%) | 2,544 (40.3%) |
| Between 30 and 50 | 4 (44.4%) | 320 (72.7%) | 490 (46.3%) | 2,442 (53.9%) | 45 (64.3%) | 0 | 0 | 0 | 3,301 (52.2%) |
| >=50 years old | 5 (55.6%) | 61 (13.9%) | 29 (2.7%) | 375 (8.3%) | 5 (7.1%) | 0 | 0 | 0 | 475 (7.5%) |
| Total | 9 | 440 | 1,059 | 4,530 | 70 | 10 | 14 | 188 | 6,320 |

Organizational Human Development

GRI 103-1, 103-2

AMAGGI carries out its Human Organizational Development management through the work of the Attraction and Selection, Organizational Development, Corporate Education and Compensation departments. Its objective is to provide conditions for employees to achieve their personal and professional achievements, generating the sustainable business results that are necessary for the company's longevity and success.



Collaborator in AMAGGI's operating area. Photo: AMAGGI Archive.

Attraction and Selection

AMAGGI's Attraction and Selection department seeks to ensure the recruitment of talents aligned with the company's strategies and values, assisting in their development and retention through the application of the best market practices in the field and the corporate programs Employer Branding and Cultivar.

EMPLOYER BRANDING PROGRAM - Seeks to promote AMAGGI as an employing brand to attract professionals aligned with company values and with the skills capable of guaranteeing the continuity of the business. In 2019, more than 53 thousand new candidates registered on the company's website, which has a base of 150 thousand registered resumes. Visits were also made to 12 universities, reaching an audience of 1,500 people, linked to various areas of AMAGGI interest, such as information systems, human resources management, and agricultural engineering. The company also received

approximately 150 students during seven technical visits to AMAGGI units. During these meetings, the students talked to professionals about agro-industrial production, innovation, foreign trade, systems analysis, sustainability, finance, ports, agricultural economics, human resources, administration, production engineering and other matters related to the company's activities.

To subsidize the University Circuit 2020 plan, the Attraction and Selection department surveyed 42 critical positions, which included an internal diagnosis of the company's need for specialized labor.

CULTIVAR PROGRAM - It acts as an extension of new employee integration, promoting newcomer orientation through a tutor in the same area, through meetings with partner areas and on-the-job training, so that they can integrate with the Company's culture and values and feel part of the team from the very first day of work.

Organizational Development

GRI 404-2, 404-3

Working in partnership with the business areas, the Organizational Development department seeks to promote and facilitate the development and implementation of solutions for the main challenges people at AMAGGI face: attraction, retention, and development of people, through different programs and initiatives.

Young Talent Program

More than a trainee program, it seeks to foster the development and growth of professionals who have recently graduated or are still in higher education to act both in the role of managers or in technical functions in the business areas. Valuing practical

experience, with rotation between activities, constant feedback, and performance evaluations, each edition of the program is unique at AMAGGI. It is based on self-knowledge and enabling the construction of development plans that meet the characteristics, needs and challenges of each business area.

In 2019, 12 young people joined the program, distributed as follows: five for the Agro area, three for the Logistics and Operations area, and four for the Origination area. In 2020, another four vacancies are undergoing the selection process for two more new programs for the Inputs and Warehousing areas.

Young Apprentice Program

It is one of the main entry points for young professionals at AMAGGI and allows young people to work in different areas, developing different skills and knowledge. In 2019, 13% of the young apprentices team was hired, which historically demonstrates the opportunity given by the company to this youth training project, not only for AMAGGI, but for the job market, providing greater inclusion possibilities.

Assessment

Considering that the starting point of a successful professional trajectory is taking responsibility for your own development, the Assessment process is important so that, in addition to getting to know oneself, an employee can have greater involvement with different people profiles, which will help them achieve results with greater fluency and well-being.

For managers, the Assessment is the first step to participate in the AMAGGI School of Leaders, providing valuable information about their profile and suggestions on how to identify areas for improvement and enhance strengths. In this process, the employee interacts with a set of tools, in person and online, that assess their professional profile, career motivators, and degree of development in view of the company's required competencies.

AMAGGI continues to believe and invest in the Assessment. In 2019, this process was extended to the positions of specialists, technical sales representative, and engineers, in order to deepen the self-knowledge of these professionals regarding their current challenges and career goals.

In this way, AMAGGI did more than 185 Assessments in the last year and seeks to maintain 100% of its technical management personnel mapped, providing individual development, improving people retention, and maintaining an engaging environment.

Since AMAGGI values the search for self-knowledge, the company started offering training on this topic to 100% of employees who have access to the intranet and its new e-learning training platform.

Competency assessment

Since 2012, AMAGGI has been using a competency-based people management model for all company leaders. In 2019, the company updated the leadership competencies and established the competencies of the Professional axis. This implementation served as the basis for the launch of the AMAGGI competency assessment, to be applied to the most complex positions in the Professional axis, which includes analysts, technicians, and specialists, as well as for 100% of the leadership.



1st Meeting of the TI 2.0 Project, held at the headquarters, with professionals from different units. Photo: AMAGGI Archive.

Employees who received periodic performance evaluation, by gender and employment category

| | Male | Female |
|-----------------|------------|------------|
| Administrative | 244 | 170 |
| Executive Board | 8 | 1 |
| Managers | 400 | 63 |
| Young talent | 10 | 4 |
| Technical | 22 | 4 |
| Total | 684 | 242 |

Note: the table shows the numbers in relation to those eligible for the formal competency assessment process, not representing the final number of respondents, since the assessment cycle is still in progress.

Chat about people

One of the main personnel management and development initiatives to support AMAGGI's leadership is a structured conversation with each of the managers in order to understand the strategic challenges in the area. Through this chat, the profile of each employee is individually assessed, listing their strengths, the areas they need to improve, and their performance, in addition to enabling a survey of career and succession potential. In 2019, 143 managers were interviewed, which represented the evaluation of 928 employees. To provide this support for leadership, more than 200 meetings were held, including with the company's top management.

New HR Portal

At the end of 2019, AMAGGI launched the new HR Portal, developed to improve employee access to important information for their development and career management. With new features, the tool makes it possible to carry out competency assessments, the construction and monitoring of the Individual Development Plan (PDIs), as well as the recording of formal feedback. In addition, each employee now has access to the entire portfolio of e-learning training available, being able to better manage their learning, which provides them with a greater degree of autonomy and responsibility.

Corporate Education

GRI 404-I

The Corporate Education department is guided by the motto "Transforming is what makes us grow." Its objective is to ensure a culture of continuous learning, by managing and multiplying individual and organizational knowledge, providing competencies.

In 2019, the area underwent a technological transformation, which enabled training to be managed via the system. In addition, it provided online training for employees at all levels, allowing greater reach and dissemination of

knowledge. One of the highlights of the year was the construction of the first "Connection Hall" in Itacoatiara, a space where employees who do not have computers can access the HR Portal, do online and in-person training, and check systems via the intranet.

During the year, AMAGGI conducted, through the Corporate Education area and demanding areas, more than 90 thousand hours of training for its own employees, resulting in an average of approximately 14.35 training hours per employee.

Average training hours for company employees by job category

| Functional category | 2018 | | | 2019 | | |
|---------------------|-----------------|----------------------|-------------|-----------------|----------------------|--------------|
| | Total employees | Total training hours | Average | Total employees | Total training hours | Average |
| Executive Managers | 10 | 188.50 | 18.85 | 9 | 39.00 | 4.33 |
| Managers | 415 | 12,206.00 | 29.41 | 440 | 4,835.67 | 10.99 |
| Administrative | 1029 | 13,970.63 | 13.58 | 1059 | 9,262.63 | 8.75 |
| Operational | 4027 | 45,281.58 | 11.24 | 4,530 | 72,833.08 | 16.08 |
| Technical | 64 | 758.50 | 11.85 | 70 | 2,487.33 | 35.53 |
| Interns | 6 | 96.05 | 16.01 | 10 | 334.00 | 33.40 |
| Young talent | 27 | 433.50 | 16.06 | 14 | 181.00 | 12.93 |
| Apprentices | 176 | 648.50 | 3.68 | 188 | 736.50 | 3.92 |
| Total | 5,754 | 73,583.26 | 12.8 | 6,320 | 90,709.22 | 14.35 |

Note: in 2019, the Organizational Development area carried out a review of leadership competencies and the construction of employee competency on the professional axis. As a result of this review and in order to meet the strategic needs of the business, the hours of on-site training were reduced. On-line training was built to optimize time, costs and the standardization of information. During the year, more than 10 training courses were carried out in a blended mode, with a shorter in-class workload than in previous years. Some training courses were made available, but the Education strategy is to carry out a campaign to share and make most of the trainings available in 2020.

Average training hours for company employees by job gender

| | 2018 | | | 2019 | | |
|--------------|-----------------|----------------------|-------------|-----------------|----------------------|--------------|
| | Total employees | Total training hours | Average | Total employees | Total training hours | Average |
| Male | 4,839 | 61,884.5 | 12.8 | 5,393 | 81,964.10 | 15.20 |
| Female | 915 | 11,698.8 | 12.8 | 927 | 8,745.12 | 9.43 |
| Total | 5,754 | 73,583.3 | 12.8 | 6,320 | 90,709.22 | 14.35 |

Average training hours for outsourced workers

| | 2018 | | | 2019 | | |
|------------|-----------------|----------------------|---------|-----------------|----------------------|---------|
| | Total employees | Total training hours | Average | Total employees | Total training hours | Average |
| Outsourced | 744 | 6.700,00 | 9 | 0 | 0 | 0 |

Note: in 2019, the Personnel Department carried out a survey and subsequently a project for the management of outsourced workers, which made it impossible to report the data for the year in question.

Compliance/Integrity Policy Training Program

GRI 205-2

Regular and frequent training dedicated to the dissemination of AMAGGI values and behavioral standards reveals the company's commitment to the ethical and conduct standards defined in its Compliance/Integrity Program.

In 2019, seeking not only to disseminate these standards, but also to deal with the practical and

daily application of the topics covered in AMAGGI's Vision, Mission and Values, the Information Security Policy, and the Communication Policy, the Compliance department dedicated 7 months to conducting face-to-face and on-line training sessions for approximately 93% of employees in general and 95% of managers, in all units.

Data | Compliance Training



Employees



5.199
people
trained



Compliance
training covered



15.827KM
of roads



7 states
AM/GO/MT/PA
PR/RO/RR



3 regions
Midwest, North
and South



66
units



43 locations
visited



- | | | |
|--------------------------------|------------------------------|-----------------------------------|
| 1 Água Boa | 15 Itacoatiara | 30 Rio Verde |
| 2 Ana Terra | 16 Itiquira | 31 Rondonópolis |
| 3 Arquemes | 17 Lucas do Rio Verde | 32 Santa Rita do Trivelato |
| 4 Boa Esperança | 18 Manaus | 33 São Félix do Araguaia |
| 5 Boa Vista | 19 Maringá | 34 São Francisco do Sul |
| 6 Brasnorte | 20 Matupá | 35 São José do Xingu |
| 7 Campo Novo do Parecis | 21 Nova Mutum | 36 Sapezal |
| 8 Campos de Júlio | 22 Nova Ubiratã | 37 Sinop |
| 9 Cerejeiras | 23 Novo Horizonte | 38 Sorriso |
| 10 Comodoro | 24 Paragominas | 39 Tangará da Serra |
| 11 Confresa | 25 Pranaguá | 40 Tapurah |
| 12 Cuiabá | 26 Passo Fundo | 41 Vale do Araguaia |
| 13 Diamantino | 27 Porto Velho | 42 Vera |
| 14 Ipiranga do Norte | 28 Primavera do Leste | 43 Vilhena |
| | 29 Querência | |



Content

Some topics discussed:

- Care with information sharing
- Improper information and / or wrong recipient
- Risks of doubtful links and their consequences
- Risks when photographing and filming in the company
- Misuse of the company's brand
- What is for professional and / or personal use
- Never trust passwords to third parties



Focus



Compliance
Humor
#what?



Number of company employees that received compliance training by functional category

| Functional category | Total company employees | Total company employees trained | Percentage of company employees that received training |
|---------------------|-------------------------|---------------------------------|--|
| Executive Managers | 11 | 11 | 100% |
| Managers | 369 | 352 | 95% |
| Administrative | 1,126 | 1,080 | 96% |
| Operational | 3,994 | 3,649 | 91% |
| Interns | 8 | 6 | 75% |
| Young talent | 0 | 0 | 0% |
| Apprentices | 107 | 101 | 94% |
| Total | 5,615** | 5,199* | 93% |

Note: * total number of employees trained in person and at a distance.

** The basis used to calculate this indicator was the total number of employees up to April 2019. Therefore, this number is different from the total number of employees at the end of 2019, which was 6,320.

With different formats, according to the segment being served, the training was divided between corporate training and stand-up presentations, to adapt better to the segment being served. The first model was aimed at employees at the main office, adopting a more formal language and offering examples that applied to the daily lives of these workplaces. The second format, on the other hand, sought to reach employees from farms, warehouses, SHPs, factories and port terminals, with a simpler and more interactive language, without compromising the content, seriousness, and importance of the theme. For its development, AMAGGI partnered with a market recognized training and engagement consulting company. All

the training sessions, which lasted two and a half hours, were officially opened by the Compliance department and/or the local leadership.

In 2020, AMAGGI intends to reach 100% of active employees through the use of the e-learning training platform, in addition to conducting short-term face-to-face training on relevant topics identified in the Reporting Channel and in its communication channels. For 2020, the Business Integrity program is part of the plan - a training and integration activity with partners so they can learn about the AMAGGI Code of Ethics and Conduct and the Integrity Policy. It is an opportunity to bring AMAGGI closer to its suppliers and promote the dissemination of best market practices.

Education Assistance Program

To raise the training level of employees and add value to their personal and professional life, AMAGGI offers assistance for completing or continuing studies. The program offers subsidies to cover between 10% and 50% of the cost of technical or academic training courses for employees.

In 2019, registrations were made entirely online, in addition to the centralization of management activities, ensuring more security, reliability, transcript integration, and optimization.



155 new registrations
118 for undergraduate courses
28 for graduate courses
9 for technical courses



AMAGGI invested a total of **BRL 787,108.20** in the program



In 2019, **77** employees connected to the program were **promoted**



. Since its implementation in 2009, Education Aid has had a total of **497** enrollments

Learning Tracks

A tool for the development of technical and behavioral skills necessary for the maintenance and growth of each area, by improving employee performance. Acting as paths that lead employees to leverage their technical development in the field in which they work, the Tracks contribute to improvement in their position and continuous training, through learning solutions and experiences focused on daily practice.

The Corporate Education department, in addition to supporting the demanding areas with a tool for mapping macroprocesses, identifies critical positions, offering the necessary support for surveying critical content and carrying out the entire evaluation, dissemination, and monitoring process. In 2019, employee assessments were built on the learning track for their job position using the system, and 15 learning paths were developed, distributed across seven areas, with the purpose of developing people who occupy critical positions in the knowledge and skills.



Learning paths

School of Leaders

It seeks order to promote the technical and behavioral direction of leadership, in order to achieve the desired results according to corporate strategies. Development activities are offered to all leadership positions (directors, managers, sub-managers, coordinators, supervisors, nutritionists and waterway leaders) and the modules are taught in person.

In 2019, the content was made available online and in person classes were held to discuss the tools of the competency-based management and strategic thinking module. The in person module primarily seeks to discuss the management tools and put them into practice, ensuring the transfer of knowledge. During the year, 27 in person classes were held.

School of Talents

Offers training to the segment defined by AMAGGI as professional and specialist employees, that is, non-managerial employees. The objective is to

promote their technical and behavioral development through tools and training. The main training offered is self-knowledge, which focuses on supporting participants to gain greater knowledge of themselves, to achieve fluency and well-being, to improve relationships and communication, in addition to developing leadership attitudes.

In 2019, four new online training courses were built, which will be made available in 2020, with the aim of presenting the six competencies to this audience and the methodology of the time triad.

Share Program

Its objective is to develop knowledge management among AMAGGI employees. In monthly meetings, employees present a topic from a conference or seminar they participated in. In 2019, the program organized six meetings, which dealt with topics related to human development and business.



Meeting of the Share Program held at the Headquarters. Photo: AMAGGI Archive.

Remuneration Area

At AMAGGI, compensation management is based on its business needs, in line with its culture and best market practices, without distinction of gender or any other sort. Our salary tables and compensation programs are built and updated with the support of specialized consultants, whose focus is the function performed and not the occupant.

One of them is the Profit Sharing Program (PPR), which reinforces AMAGGI's culture of rewarding employees according to their contributions to company results. All employees (managers or not) contribute collectively to the achievement of goals,

and can be assessed according to their individual contributions. To ensure consistency in the process, the results achieved by each person, area, and unit, added to the justifications for the performance achieved, are presented by the PPR committee to the Executive Board and then to the Board of Directors, for analysis and validation.

AMAGGI hires all its employees under the terms of the Consolidation of Labor Laws (CLT). The company has its lowest wage paid to men and women in the amount of BRL 1,078.00 a month (company employees) - a proportion of 1.08 in relation to the national minimum wage (BRL 998.00).

Ratio between the lowest paid wage and the local minimum wage GRI 202-1

| | 2017 | | | 2018 | | | 2019 | | |
|--------------------|---------------|---------------|--------------|----------|----------|--------------|---------------|---------------|--------------|
| | Female | Male | Minimum wage | Female | Male | Minimum wage | Female | Male | Minimum wage |
| Company employees | 1,010.85 | 1,010.85 | 937.00 | 1,031.77 | 1,031.77 | 954.00 | 1,078.00 | 1,078.00 | 998.00 |
| Outsourced workers | Not available | Not available | 937.00 | 1,000.00 | 1,010.77 | 954.00 | Not available | Not available | 998.00 |

The company is also attentive to issues of wage equality and to ensure the application of the Collective Bargaining Agreement for all direct employees.

Ratio between the base wage and the total compensation of men and women GRI 405-2

| | Base-wage Women | Base-wage Men | Ratio | Total compensation women | Total compensation men | Ratio |
|-----------------|-----------------|----------------|----------------|--------------------------|------------------------|----------------|
| Administrative | 100.00% | 98.54% | -1.46% | 100.00% | 91.67% | -8.33% |
| Apprentices | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% |
| Advisor | Non-applicable | Non-applicable | Non-applicable | Non-applicable | Non-applicable | Non-applicable |
| Executive Board | Non-applicable | Non-applicable | Non-applicable | Non-applicable | Non-applicable | Non-applicable |
| Intern | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% |
| Managers | 100.00% | 114.06% | 14.06% | 100.00% | 114.06% | 14.06% |
| Young talent | 100.00% | 100.00% | 0.00% | 100.00% | 100.00% | 0.00% |
| Operational | 100.00% | 97.04% | -2.96% | 100.00% | 95.19% | -4.81% |
| Technical | 100.00% | 99.29% | -0.71% | 100.00% | 109.73% | 9.73% |
| Total | 100.00% | 101.28% | 1.28% | 100.00% | 101.52% | 1.52% |

Note: of the seven categories analyzed, women have higher compensation than men in five of them. It is worth noting that the wage scale does not distinguish between gender, race, religion or any other factor other than the position (position/function) according to the job evaluation methodology. Fluctuations between categories and over time are due solely to the performance shown by the employee, that is, to their merit.

People Support



AMAGGI collaborator at the Itacoatiara (AM) unit. Photo: AMAGGI Archive.

The People Support department coordinates actions aimed at the well-being of AMAGGI employees. In addition, it develops a personal support project for employees and their families, based on the principle that, in order to contribute to the accomplishment of the company's mission, employees need to be well in the various aspects of their lives. It also manages the benefits AMAGGI offers.

One of these actions is retirement provisions. The department offers guidance with the retirement process for AMAGGI employees, so that it takes place in a healthy and planned manner. In 2019, 21 employees were assisted.

Another is the management of pension leave. Employees who need to leave work through the Pension System (INSS) to dedicate themselves to reestablishing their health are closely monitored by the company from the moment they leave until they return to work. The People Support department guides employees on leave and their families about their rights and makes the necessary referrals. In 2019, of the assistance provided by the department, 32% took place through home visits to employees who were on pension system leave.

In order to expand knowledge about the benefits offered by the company, as well as encourage better use, the workshop Learning About AMAGGI Benefits was developed in 2019, and 2,096 employees from different units participated. In a survey conducted after the training, 85% of the participants said that the workshop contributed to clarify doubts and understand benefits they were unaware of, and 82% stated that they will use their benefits more consciously, valuing even more what is offered by the company to employees and their family members.

Benefits

GRI 401-2

AMAGGI grants all employees, in 100% of the locations where it operates, the same benefits package and is attentive to specific needs in regions that have infrastructure difficulties, seeking to minimize possible impacts, such as housing for employees and their families, accommodations, restaurant, and transportation, among others.

The main benefits include:

- collective life insurance for employees and family members as of their admission, with 24-hour service, coverage inside and outside the company environment, and coverage for spouses and family members;
- medical assistance, with reduced cost, extension to spouses and children, national coverage, reduced waiting period, exemption from surgery, catheterization, chemotherapy, radiotherapy, hemodialysis and dialysis costs (currently with 14,584 lives, of which 6,488 are policy holders and 7,699 are dependents);
- dental assistance, with national coverage and coverage of procedures in addition to those required in the ANS list, with an affordable price and extended to dependents;
- private pension plans, with the objective of helping employees to maintain their standard of living after retirement (offered for the last 11 years);
- executive check-up, which enables comprehensive health assessment for employees who often do not have the time in their schedule to focus on health, in order to prevent and diagnose diseases early on, with recommended actions and changes in habits for quality of life improvement (in 2019, AMAGGI implemented the corporate medical check-up for senior leadership);
- valorizar Program, which seeks to honor employees for their time on the job (in 2019, 84 employees completed 15 to 30 years of experience at AMAGGI were honored).

In 2019, AMAGGI started to offer the Support Pass as a benefit, through which employees and dependents have access to specialized guidance in several areas in a confidential manner, through a call center. If necessary, the employee can be referred to in person care free of charge. In that year, out of the total number of services provided, 44.2% were psychological, 28.2% legal, 19.6% social and 6.1% financial

In addition, every beginning of the year AMAGGI delivers the Knowledge Kit, a school set with personalized materials, to all employees who have children between 4 and 14 years of age. Since the project began in 2013, the company has invested BRL 2,408,686.83 and benefited 19,437 children. In 2019, the Knowledge Kit ranked first in the Endomarketing and Incentive Programs category at the 18th Communication Exhibition of the Brazilian Association of Rural Marketing and Agribusiness (ABMRA), the most important award in agribusiness advertising and marketing.

AMAGGI also offers conditions for all its employees to enjoy maternity/paternity leave. In 2019, 203 employees took their leave, and 82.8% of the men who returned from leave remained at AMAGGI; while among the women in the same situation, 73.1% remained. Both parents also have the option of taking extended maternity/paternity leave. In the case of men, the period is another 15 days, to encourage the strengthening of the emotional bond in the family and provide support to the mother after the baby is born. In the case of women, the extended leave is six months, to favor exclusive breastfeeding, and thus contribute to improve the child's development. In 2019, 100% of the employees who took maternity leave opted for the extended period.

Occupational Health and Safety

GRI 103-1, 103-2, 403-1, 403-2, 403-3, 403-6, 403-8

AMAGGI strives to provide a safe and healthy work environment, as it believes that the constant search to improve actions related to safe behavior contributes to increase occupational health and safety maturity. The pillar of its Occupational Health

and Safety Policy is to ensure the preservation of the health and physical integrity of everyone who interacts with its operations, working to develop and consolidate the following basic foundations:



These fundamentals guide the practices adopted by the entire company, always assuming that safety must be part of the processes every day and not be treated as something separate.

Based on the principle of anticipation, AMAGGI seeks to implement new guidelines even before they are mandatory, considering legal requirements not as limitations, but as allies in safeguarding the integrity of employees and in implementing new technologies and knowledge to improve results. And the company does not restrict these guidelines to its own employees; they also extend to partner service companies.

For the preservation of health and the prevention and reduction of occupational accidents, AMAGGI also invests in tools and technologies. In this area, the Occupational Health and Safety Management System stands out, through which occupational health and safety actions are systematized, aiming at the standardization of activities and the continuous improvement of the processes. Currently, the system consists of 36 tools, which serve as a foundation for the evolution of cultural maturity in the company's Occupational Health and Safety.

Internal audits are carried out annually to verify compliance with the tools contained in the Management System. The company's managers have performance targets in occupational health and safety, which include the result of these audits and the reduction of the injury rate.

Protection and Recovery Areas

This program is part of AMAGGI's Occupational Health and Safety action plan. It is implemented in all AMAGGI Agro units, in the Porto Velho and Itacoatiara units (complex, shipyard and fleet) and in the energy units in Sapezal. The goal is to extend the program to all of its units.

Since its implementation, the Behavioral Safety Program has contributed to significantly reduce the rate of occupational accidents. In the units where it is implemented, the company obtained reductions in the percentage of the frequency rate, as can be seen in the graph.

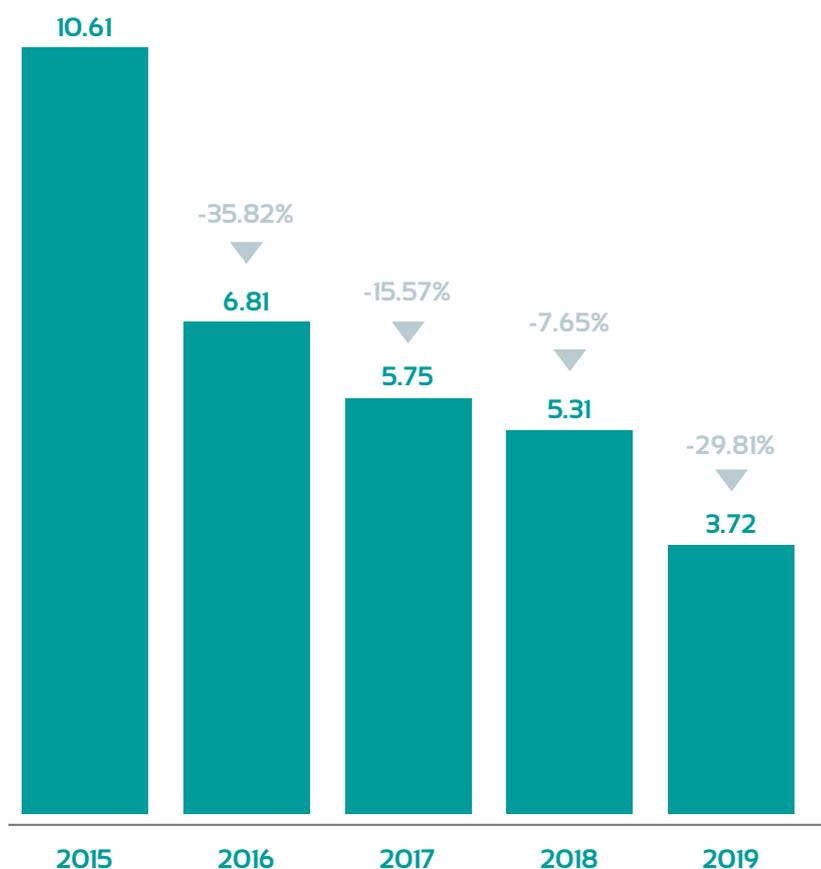
In 2020, the Behavioral Safety Program will be expanded to the storage units, the Lucas do Rio Verde plant, the Comodoro fertilizer mixer, and the road fleet.

However, more than reducing the accident frequency rate, the program has a greater objective: to work on a culture of prevention, through the awareness of employees and the resulting change in behavior. The work is developed in such a way that all unit managers are involved in the process, making them responsible for introducing the concepts across the organizational line.



The Behavioral Safety Program has collaborated to exchange information and reduce accidents. Photo: AMAGGI Archive.

Total frequency rate



The results of this work were noticeable in 2019. AMAGGI has considerably reduced its injury rate, from 5.31 in 2018 to 3.72 this year - a 29.81% reduction.

Total frequency rate

Health and safety of company employees

GRI 403-2

Types and rates of injuries, occupational diseases, lost days, absenteeism and number of work-related deaths, broken down by region and gender

| | 2017 | 2018 | 2019 |
|---------------------------|--------|---------|--------|
| | Total | Total | Total |
| Injury rate | 6.44 | 4.76 | 3.71 |
| Occupational disease rate | 0.07 | 0.13 | 0.13 |
| Severity Rate | 159.16 | 265.19* | 137.69 |
| Absenteeism rate | 0.12 | 0.13 | 0.09 |
| Number of deaths | 0 | 0 | 0.00 |

Note: * the correct number, unlike what was reported in the 2018 report, is 265.19.

Health and safety of company employees, by region

| | 2017 | | | 2018 | | | 2019 | | |
|------------------------------|---------|--------|-------|---------|--------|-------|---------|--------|-------|
| Company employees by region | | | | | | | | | |
| | Midwest | North | South | Midwest | North | South | Midwest | North | South |
| Taxa de lesões | 5.44 | 10.26 | 0.00 | 4.63 | 5.47 | 0.00 | 4.12 | 2.68 | 0 |
| Taxa de doenças ocupacionais | 0.00 | 0.33 | 0.00 | 0.09 | 0.32 | 0.00 | 0.08 | 0.27 | 0 |
| Taxa de dias perdidos | 85.59 | 429.41 | 0.00 | 91.82 | 947.58 | 0.00 | 128.68 | 169.42 | 0 |
| Taxa de absenteísmo | 0.05 | 0.36 | 0.00 | 0.08 | 0.31 | 0.00 | 0.08 | 0.14 | 0 |
| Número de óbitos | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 0 |
| Outsourced workers by gender | | | | | | | | | |
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Injury rate | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Number of deaths***** | 0 | 0 | 0 | 0 | | 0 | 2 | 0 | 2 |

Notes:

* AMAGGI follows NBR 14280 - Occupational Safety & Health Administration (OSHAS) Accident Registry, in addition to the pension and labor legislation.

** The main injuries were: 1st and 2nd degree burns, excoriation, trauma, bruising, injuries, eye injury, fracture, distension, torsion and dislocation.

*** In accordance with NBR 14280, commuting accidents and outsourced worker accidents were not computed for the calculation of the rates and lost days.

**** The absenteeism rate does not include temporary leave, study leave, maternity/paternity leave and bereavement leave.

***** In 2019, it was not possible to answer the indicators by gender, but improvements are being implemented to allow more complete responses to the indicators in the coming years.

***** In both cases, all necessary support was provided to assist the victims, as well as the legal requirements (CAT, CIPA extraordinary meeting, etc.) were met.

A multidisciplinary team investigated the causes of the occurrences in order to block deviations and prevent new occurrences.

Food quality and safety

GRI 103-1, 103-2, 416-1



Soybeans. Photo: AMAGGI Archive.

The domestic and foreign markets for the sale of grain and by-products are increasingly demanding and regulated. Currently, product quality specifications are not restricted to traditional percentages that affect volume and/or nutrition, such as moisture, proteins, oils, and fibers, but also encompass questions about food safety, such as residual pesticides, chemical compounds, seeds of unknown toxicity, mycotoxins, fungi, viruses, bacteria and nematodes. Food quality and safety specifications are defined by contract between AMAGGI and its customers. Thus, the company is committed to delivering products accordingly, ensuring customer satisfaction and respecting the laws of Brazil and importing countries.

AMAGGI monitors and participates in several debate forums related to socio-environmental and quality issues, always seeking to be attentive to

the demand of the consumer market. In addition, it holds constant meetings with customers in order to promote process improvements and meet their demands.



AMAGGI quality analysis laboratory. Photo: AMAGGI Archive.

In order to ensure product quality for customers, AMAGGI has quality certifications and constantly invests in the quality of the product delivered to its customers. Among the main quality certifications, we highlight the Good Manufacturing Practices (GMP + FSA), focused on food safety and quality (raw material for animal feed); the Food Safety Management System (FSSC 22000), which provides a structure that is also focused on food quality and safety for human consumption and includes ISO 22000 requirements; the Foodchain ID Non-GMO, which establishes easy identification of products free of genetically modified components; and Kosher, which certifies that the products obey the specific rules that govern an Orthodox Jewish diet ([see more details on page 34](#)).

Among the practices adopted by AMAGGI is the mapping of product quality. Annually, all company units and partners in Brazil participate in a sampling protocol, providing grain, bran and oil for analysis. The results serve as a basis for risk management.

Risk management includes, among others, any dangers that may affect AMAGGI's financial results, reputation and image, or food safety. Not only the headquarters, but also the branches use the risk management tools, assessing the probabilities and impacts of hazards within their process flow, creating control and correction measures.

Of the total categories of products and by-products (soybeans/ GMO, soybeans/conventional, soybean meal/GMO; soybean meal/conventional, soybean oil/GMO, soybean oil/conventional, corn, soybean hulls, and cottonseed), the Quality area assesses health and safety impacts for 89%⁶.

In addition, internal audits by local and corporate teams are carried out in conjunction with external audits by customers and certifying bodies to assess compliance with quality controls and best practices. In 2019, internal audits were carried out to assess quality scopes throughout the chain.

Socio-environmental Management

GRI 103-1, 103-2

AMAGGI is committed to acting in a socially just, environmentally responsible, and economically viable manner. This commitment is materialized through its Social and Environmental Policy and the AMAGGI Socioenvironmental Management (GSA) system, which is based on the requirements of NBR 16001: 2012 (social responsibility) and integrates the ISO 14001: 2015 (environment) standards and A.R.S. certification. (AMAGGI Responsible Standard), RTRS (Round Table on Responsible Soy), ProTerra and ABR/BCI

(Responsible Brazilian Cotton/Better Cotton Initiative). GSA is a set of activities developed and operated by the Sustainability department in conjunction with the company's units, in order to prevent and minimize potential negative environmental impacts related to AMAGGI operations, products, and services, using control devices, as well as create opportunities and maximize positive impacts through the implementation of actions and programs.

⁶ The remaining 11% is regarding cotton seed, which is not evaluated by the area.

Socio-environmental certifications in company units

Since 2017, the internal audits of the management system have been carried out in an integrated manner in all business units, covering all socio-environmental certifications. In 2019, the average compliance rate was 97% for the certification checklists in internal audit of farms, factories, ports, shipyards, and SHPs - and external audits found no instances of non-compliance.

Among other initiatives carried out by AMAGGI within the scope of the GSA, is the management of its greenhouse gas emissions. The company prepares an annual inventory of emissions according to the GHG Protocol methodology, in addition to implementing mitigation and adaptation actions, as a way to contribute to the management of climate change ([see more in chapter 4, on page 107](#)).

Other results from 2019⁷:



All cotton bales produced at the Água Quente and Tucunaré farms in Sapezal (MT) and Itamarati in Campo Novo do Parecis (MT) received the **ABR/BCI seal**, corresponding to **89,277 thousand hectares of cotton**.



The **ProTerra Standard certification** was obtained for **432.8 thousand tons of soy** at the company's Agro units.



RTRS certification was obtained for **115.2 thousand tons of soy** at the Tanguro and Itamarati farms in the Mass balance (physical) modality.

Biodiversity protection

GRI 304-1, 304-2

AMAGGI's commitment to preserving the environment and protecting biodiversity is related to its own business, which depends on environmental balance to exist and prosper. This relationship is expressed in the global and national initiatives the company is a part of and in its GLOBAL SUSTAINABILITY POSITIONING, which has socio-environmental responsibility as one of its principles ([see more in Global Sustainability Positioning on page 38](#)).

The first step in meeting these commitments is to be in full compliance with Brazilian law. All AMAGGI properties are maintained in accordance with

the Brazilian Forestry Code and other domestic environmental laws, and all of the company's production activities are carried out outside of Conservation Units or any other legally protected areas. The Agro business area works seriously to develop its agricultural activities in areas that are already consolidated, in other words, deforested before 2008. Almost all AMAGGI farms were opened over 20 years ago, when the Midwest region was occupied, and have been free of deforestation and conversions since 2008. The company is committed to zero deforestation for agricultural purposes at its own units.

⁷ Information about producer certifications can be found on page 34.

Of a total of approximately 289 thousand hectares of its own areas (including agricultural and reforestation units), AMAGGI maintains approximately 138 thousand hectares of protected areas, including Legal Reserve (RL), Permanent Preservation Areas (APPs) and surplus RL, which represent 48% of preserved areas located in the Pantanal, Amazon and *Cerrado* biomes. Of this percentage of preserved areas, 40% are located in its own areas, of which 179 hectares is APP undergoing a recovery process; 8% of the total protected is in areas dedicated to compensation.



To monitor and ensure the maintenance of all of the areas dedicated to preservation, AMAGGI uses dynamic satellite images provided by the National Institute for Space Research (Inpe), as well as on-site surveys.

It is worth mentioning that AMAGGI does not have agricultural production areas within conservation units and indigenous lands, and only one of its units (Fazenda Santa Lúcia / Vale) is located in the buffer zone of the Marãiwatsédé Indigenous Land.

To protect biodiversity on its farms, AMAGGI carries out the appropriate operational controls and damage mitigation measures, based on risk management and on the activity appearance and impact spreadsheets.

In order to prevent forest fires that may impact biodiversity, mainly due to the dry climate and high temperatures, AMAGGI keeps fire-fighting equipment at the farms, as well as brigades trained

to fight fires in forests and crops. The fire brigade also helps neighboring farms to fight outbreaks and fires whenever necessary.

In addition, AMAGGI invests in scientific knowledge. Through a partnership with the Institute for Environmental Research in the Amazon (IPAM), at the Tanguro Farm, the company encourages research that deepens the understanding of the integration between crops, biodiversity, and forests, as well as the development of agriculture in harmony with the environment, in addition to forest management and restoration practices. The farm has received scientists, researchers, and students from different countries, who have access to more than 80 thousand hectares, between forest and agricultural landscapes, to carry out their studies.

The results of this partnership are significant: the research conducted at the Tanguro Project has been the subject of more than 40 articles published in scientific magazines and 30 reports published by the national and international press. In 2019 alone, fifteen scientific articles were published in major specialized journals. These include details about what happens in burnt forests, how they recover, and the likelihood of new fires occurring in the same area. In addition to monitoring the burnt areas, other studies are ongoing, such as one that deals with the impacts of climate variability on the production of soybeans, corn, and cotton, and the measurement of greenhouse gas emissions in the farm's dams, as well as the addition of phosphorus in streams, in order to understand the impact of fertilizers on aquatic species, and how the watercourses metabolize this nutrient - so far, the results obtained demonstrate that the impact is small. Biodiversity was also a focus of the project: the monitoring of fauna, for example, showed the role of tapirs in the recovery of forests and the diversity of species found in local streams.

Area recovery

GRI 304-3



Direct sowing technique, known as *muvuca*, carried out through the Caminhos da Semente initiative. Photo: AMAGGI Archive.

AMAGGI works to restore Permanent Preservation Areas on its own farms, which include the banks of rivers, streams, lakes or springs within a radius of 30 to 100 meters (depending on the size and characterization of the water body). The preservation of these riparian forest areas is extremely important to avoid silting of bodies of water and to conserve biodiversity. The company has a corporate and local team designated for the recovery of these areas, either through planting or by monitoring natural regeneration.

To assist in the recovery of degraded areas, AMAGGI has two seedling nurseries, one at the Tanguro Farm and another at the Santa Lúcia Farm, both located in the Amazon biome. In 2019, these nurseries produced approximately 51,200 seedlings of various forest species: courbaril, jurema, hog plum, baru, cedar, carvoeiro, bacaba, kingwood, white angico, genipapo, capitão do mato, purple ipê, yellow ipê, diesel tree, souari nut, cajui, pacara earpod tree, longan, tamarind, moriche palm, angelim, favela, ingá, tarumã, guava, ormosia arborea, jackfruit, annatto, Brazilian orchid tree, and cashew.

In addition, AMAGGI, through the Caminhos da Semente (Seed Paths) initiative, developed an experiment to leverage the no-till seeding technique, called *Muvuca*, with green manure species and fruit,

pioneer and late trees ([see more in Partnerships/TNC, on page 28](#)). Because they have different succession stages, they allow the area to structure quickly, attracting pollinating and dispersing animals. Unlike no-till planting, the technique that AMAGGI has used for many years ([see explanation on page 106](#)), no-till seeding involves mixing seeds from different native forest species and green manure, with different ecological functions and succession stages, in order to develop a forest in a degraded area, during a specific period of time, with characteristics similar to those existing before the degradation. Environmentally, the technique allows a greater diversity of species to be reintroduced into the environment, increasing the number of pollinators and increasing the carbon stock of the property.

In 2019, AMAGGI sowed more than **590 kg of seeds** of the most varied species. The expectation is that, in the future, there will be a forest with **more than 40 native species**. The seeds used in the *Muvuca* area were purchased from the Xingu Seed Network Association (ARSX). They are seeds collected and processed by several traditional communities in Mato Grosso, such as **rural settlers, indigenous people, urban collectors, and small farmers**. Since all these seeds are acquired from these regional groups, the technique provides not only **ecological benefits**, but also generates **jobs and income**, stimulating regional production chains, using and valuing **traditional practices and knowledge**.



Promoting a sustainable value chain





Partner rural producers participate in the 19/20 Crop Technological Circuit. Photo: AMAGGI Archive.

For AMAGGI, the development of sustainable agriculture that meets market demands requires working together with various actors in its value chain, including producers, traders, agri-food industries, retailers, customers, financial institutions, civil society, and governments.

For this reason, the company is committed to contributing to the development of a responsible production chain, through the sharing of good practices and working together in improving processes, minimizing risks and socio-environmental impacts, promoting decent work, and respecting human rights.

This chapter reports AMAGGI's strategic actions and initiatives for the sustainable development of its value chain, covering topics such as supplier

evaluation, socio-environmental impacts in the chain, responsible grain purchase, and actions to engage suppliers and customers.

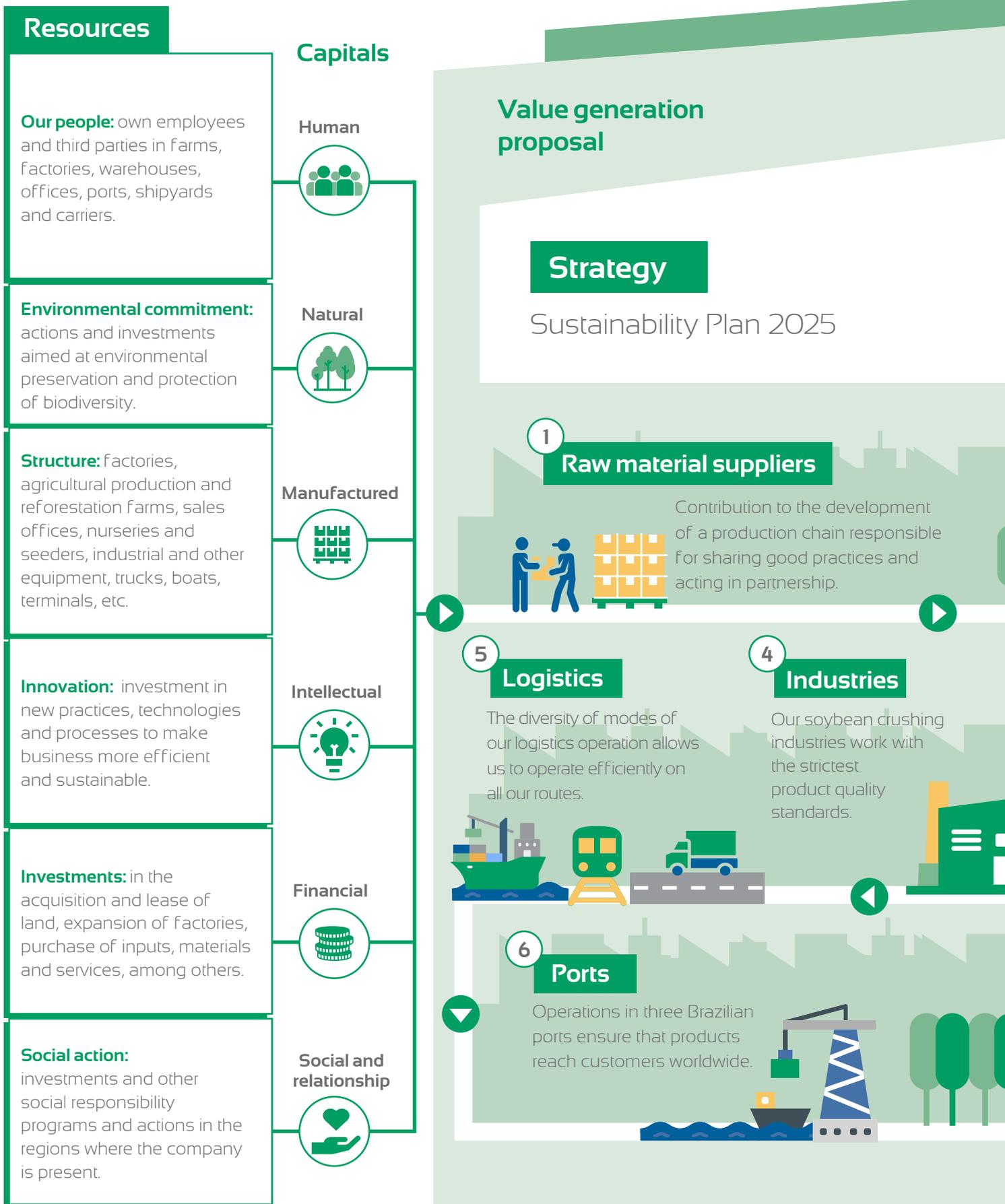


Cotton bales at Itamarati farm, in Campo Novo do Parecis (MT). Photo: AMAGGI Archive

Value chain

GRI 102-9, 103-1, 103-2, 308-1, 308-2, 414-1, 414-2

AMAGGI operates in an extensive value chain in which the company and its partners, through business, create value for society and help to develop the territory.





Improving governance and management



Promoting a sustainable value chain



Developing with the area



Innovating sustainable products and solutions

2

Farms

Our farms use the best agricultural practices on the market in the production of soybeans, corn and cotton.

3

Warehouses

Capacity to store around 2.6 million tons of grain per year.

7

Clients

Guarantee of a product with quality and socio-environmental commitment certified by the most important global initiatives.

Outcomes

Capitals

Human



Human development:

we create jobs and invest in development of about **6,300 employees** in **42 municipalities**.

Natural



Environment: world leadership in socio-environmental certifications

internationally recognized and in forest management by CDP Forest.

Manufactured



Expansion: growth of **more than 100 thousand hectares** of area productive, with the acquisition of new farms.

Intellectual



Technology:

improvement of the traceability platform **ORIGINAR 2.0**, which allows monitoring and evaluating rural producers based on socio-environmental criteria.

Financial



Investments in assets: **\$ 152.59 million** in 2019.

Social and relationship



Social investment:

R\$ 4.3 million by Fundação André and Lucia Maggi in actions to promote local and regional development.

In view of this complexity, AMAGGI believes that promoting synergy with all these links is one of its main challenges and opportunities. In addition, it considers that the construction of solutions for social, environmental, and human issues, including respect for Human Rights and environmental preservation, only occurs through a joint, participatory, and structured process.

To that end, AMAGGI has integrated and coordinated various projects and initiatives as a representative of agribusiness, as well as acting directly with its partners and suppliers to encourage responsible performance throughout its chain ([page 28](#)).



Technological Circuit 19/20 crop. Photo: AMAGGI Archive.

Supply Chain and supplier management

The management of all the company's suppliers is based on internal rules and procedures approved by the Executive Board. All supply contracts have specific clauses regarding respect for human rights, such as the non-exploitation of child, degrading, or slave-like labor, in addition to a specific anti-corruption clause. They also include clauses on labor and social security obligations, which preserve the health and safety of the worker, such as the use of personal protective equipment (PPE) and training and awareness practices about these topics.

To prospect and evaluate potential suppliers, AMAGGI has a Supplies department. It is in charge of researching potential partners for the type of product and/or service required by each area, as well as contacting them and requesting all the necessary documentation for the evaluation processes.

Since 2018, AMAGGI has released information on its website specifically for suppliers, allowing this important segment to learn about the various types of materials and services purchased by AMAGGI, as well as reinforce the moral and ethical principles as mandatory.

In 2019, a project was started to map purchasing categories and deepening the analysis of Supply related expenses, as part of the process of transforming the department to generate more value for the company. This process seeks to bring the best market supply practices to the department and have a closer relationship with our suppliers.

From the analysis of 2019 expenses, the company identified some relevant points. Of the Supply area transactions, 80.2% of the total value went to suppliers in the states of Mato Grosso (57.8%), Rondônia (9.3%) and Amazonas (13.2%). This is justified by the large, but dispersed, presence of

AMAGGI's operations in these states, where local suppliers are important partners to guarantee resupply with short delivery times. In terms of expenditure relevance, the five main families are fuels, CAPEX, works/projects, spare parts (equipment maintenance parts), miscellaneous maintenance services, and road freight. The Agro and Logistics and Operations business areas together accounted for almost 74% of all expenses. The largest number of suppliers is concentrated in Agro and Commodities, with 88.5% of the company's total.

Socio-environmental evaluation of critical suppliers

For suppliers of supplies considered socially and/or environmentally critical, AMAGGI adopts criteria that are jointly assessed by the Supply and Sustainability departments, along with the units. The groups included in this classification are suppliers related to:

- Biomass and wood of native or exotic origin.
- Seedlings (nurseries).
- Grain and cattle.
- Products of mineral origin.
- Transport for phytosanitary products and fuels.
- Builders and contractors.
- Waste destination.
- Environmental laboratory analysis services.

In 2019, the Corporate Sustainability area carried out 203 socio-environmental assessments of suppliers of products and/or services considered

to be environmentally critical. Of the total of 203 evaluated suppliers, 39 were considered restricted due to the lack of necessary documentation for certification as per the region and activity developed. There were also 31 assessments related to new projects.

Due to the greater difficulty in contracting waste destinations that meet all requirements and criteria, especially in the regions where it operates, AMAGGI develops remote or in-person orientation actions for those with restrictions. This contact is essential to clarify the reasons why the Company requires certified partners to consolidate partnerships, resolve doubts about the documents required by the competent bodies, and discuss the actions necessary for the socio-environmental compliance adjustment of their activities to ensure the sustainability of their business and become an AMAGGI supplier.

In view of this, AMAGGI initiated a series of actions to make employees aware of selective collection and conscientious consumption. These actions are part of the Socio-Environmental Management Program, which seeks to improve AMAGGI processes to prevent pollution and social impacts, and to continuously improve socio-environmental performance in company operations and the entire value chain. To demonstrate that the proper segregation and disposal of these materials can still become a source of income, AMAGGI promoted, at headquarters, the collection of recyclable waste from employee homes to develop social projects, which transformed the materials into crafts and daily use utensils, or sent it to cooperatives.

Transportation (logistics) supplier management

The management of transport suppliers is carried out by a specific department at AMAGGI. The company, because it has been operating in the grain transportation business for a long time, has an extensive database of registered providers. In 2019 alone, 3,424 transportation companies provided services to AMAGGI.

In 2019, in partnership with another company, the company innovated and implemented a transportation contracting and management platform called CARGUEIRO, which is freight contracting application, through which the transporter obtains his loading order by mobile phone or computer, thus providing a significant improvement in the fleet's management capacity.

The transport branches continue to operate in order to provide support, with a greater focus on making shipments more productive, thereby bringing value to the entire chain and the agents involved in it.

Road and river claims

To service road claims, AMAGGI maintains a partnership with insurance companies throughout the logistics route. It also has internal procedures to prevent and service occurrences of environmental accidents, and has a contract with a company that is duly qualified to perform the collection and incineration of products, as well as the remediation of the affected area, if necessary. In addition, each of its units has an Individual Emergency Plan, which presents the different emergency scenarios mapped for each type of activity.

In 2019, AMAGGI recorded 162 road accidents, which represent less than 0.07% of the total

number of shipments made. The largest number of road transport accidents with grain occurred in the state of Mato Grosso, mainly due to tipping.

This year, there were operations to deal with an oil spot at the AMAGGI shipyard in Itacoatiara, in the state of Amazonas. The cleaning was done immediately by the unit's team of operators, in accordance with the Environmental Emergency Service Plan, using the available collection equipment according to guidelines.

Responsible Logistics Program

Created in 2012, the program seeks to provide well-being and cultivate a good relationship with transport suppliers, in addition to minimizing the social, environmental, and economic impacts resulting from the road and river transport of its products. Its activities are carried out by AMAGGI's Corporate Sustainability department in partnership with People Support, Logistics and Operations, Corporate Insurance, Operational Health and Safety, and Corporate Safety.



Responsible Logistics Program seeks to cultivate the company's good relationship with its transport suppliers. Photo: AMAGGI Archive.



Road transport suppliers receive Na Mão Certa guidance. Photo: AMAGGI Archive.

As part of this program, AMAGGI has been partnering since 2014 with the Na Mão Certa Program by the NGO Childhood Brasil, that seeks to protect children and adolescents against sexual exploitation, especially in vulnerable communities close to the highways and waterways used for the outflow of agricultural production.

In 2019, the main activities executed by the program were:



Drivers receive guidance on safety, combating the sexual exploitation of children and adolescents and the environment. Photo: AMAGGI Archive.

| Specific objective of the Responsible Logistics Program | Main activities |
|--|--|
| Promote the well-being of truck drivers and ensure good service to partners | Annual satisfaction survey with the participation of 68 drivers; driver training for warehouse employees, and for high impact analysts at headquarters; and monitoring and adaption of infrastructure conditions in the trucker waiting rooms at the units. Celebration of Sailor Day. |
| Assist in the prevention and reduction of road accidents and claims. | Continuing education actions and showing appreciation for drivers in Porto Velho (RO), on the themes of safety, combating the sexual exploitation of children and adolescents, the environment, and the delivery of information booklets, with the participation of 175 drivers, including company and outsourced drivers. |
| Reduce the possibility of human rights violations in company operations and in the value chain | Training workshop for multipliers of the Na Mão Certa Program, conducting awareness campaigns and training 73% of the drivers of the company fleet to prevent the sexual exploitation of children and adolescents on the highways. |
| Encourage social and environmental responsibility in the value chain | Production of material for drivers with information about support institutions, such as Narcotics Anonymous and Alcoholics Anonymous, on the AMAGGI route, and establishing a partnership with insurance companies and brokers. |

As a result of the actions implemented under the program, in 2019 AMAGGI recorded a 10% reduction in the number of complaints compared to 2018, especially regarding ports. There was also a 26% decrease in the number of complaints about delays issuing invoices and a 10% decrease in complaints regarding infrastructure. The company

also increased the number of units (warehouses, farms and factories) with resting places for drivers, which reached 85% in 2019. In addition, more than 300 third-party truck drivers participated in campaigns to prevent the sexual exploitation of children and adolescents and safety on the roads in at least 20 units.

Management of grain and fiber suppliers



Partner rural producers participate in the 19/20 Crop Technological Circuit. Photo: AMAGGI Archive.

AMAGGI is determined to support the development of more sustainable agriculture, which respects the environment, people, and the life of local communities, contributing to the social, environmental, and economic development of the production chain.

In the AMAGGI grain and fiber supply chain there are approximately 4,500 thousand rural producers, and in order to guarantee responsible purchases, 100% of them must meet the company's socio-environmental criteria. These include:

- Areas embargoed by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama): AMAGGI does not sell grain from areas that are embargoed due to deforestation or agricultural activity restrictions.
- Areas embargoed by the Mato Grosso State Secretariat for the Environment (SEMA-MT): AMAGGI does not sell grain from areas that are embargoed by SEMA-MT due to deforestation or agricultural activity restrictions.
- Indigenous Lands and Conservation Units: AMAGGI does not trade with producers whose production areas are located in Indigenous Lands and Integral Protection Conservation Units.
- Areas that were deforested in the Amazon biome after 2008: through the Soy Moratorium, AMAGGI is committed to not purchase soy from areas deforested after 2008 in the Amazon biome.
- Slave Labor Black List of the Ministry of Economics: AMAGGI does not trade with any person or company that is part of the Slave Labor Black List. In addition to monitoring the list update, the company is part of the Fiscal Council of InPACTO, an institution dedicated to strengthening and expanding actions under the National Compact for the Eradication of Slave Labor, signed by AMAGGI.

- Green Grain Protocol: AMAGGI is committed to only trade in Pará with producers that meet the Green Grain Protocol guidelines. Among the various criteria established by this protocol is to acquire or finance grains only from rural producers registered and current with the Rural Environmental Registry (CAR), in addition to the commitment to ensure that the product does not originate from an area deforested illegally after 2008..

Suppliers that present any of the above restrictions have their registration blocked, and are prevented from trading with the company until they regularize their situation or prove that there are no irregularities in the grain's area of origin and that they fully meet the established criteria. To accomplish this, the Sustainability department carries out a risk analysis of the socio-environmental conditions of that rural property, and may veto the sale. The producer then receives guidance to identify the problem and, depending on the case, some recommendations on how to resolve it.

In 2019, 1,467 registrations for grain and fiber suppliers were blocked due to some type of socio-environmental restriction. All blocks are automated in the company systems.

Socio-environmental assessments of suppliers that offer risks are carried out using the ORIGINAR tool, which, after considering their sustainability criteria, generates a socio-environmental statement of the property and the producer. The tool is continuously evolving to meet the demands of other company areas, such as Origination, Inputs, and Legal, with the objective of strengthening the management, monitoring, and traceability of the company's grain chain ([see more on the tool on pages 115](#)).

For rural producers who trade in the form of advance payment due to price, AMAGGI has a specific assessment. In addition to analyzing the socio-environmental criteria, the branch team that communicated directly with the producer conducts on-site inspections, verifying environmental, infrastructure, labor, and social issues, which are compiled in a socio-environmental form to be validated by the Sustainability team. It also analyzes the property area using satellite images, in order to ensure that the grain and fiber origin meets all of the company's socio-environmental criteria. In this marketing modality, 637 proposals for operations by the Sustainability department were analyzed in 2019.

The company also maintains the Producer Portal, a space in which partnering rural producers have access to reports and information to monitor all completed negotiations and statements of their activity.

Socio-environmental assessments of suppliers that offer risks are carried out using the ORIGINAR tool

Knowledge Dissemination

One of the ways in which AMAGGI contributes to the development of a responsible value chain in the locations where it operates is through the dissemination of knowledge. The company accomplishes this purpose through various actions, such as the Technological Circuit and the Responsible Logistics Program ([see more about the program on page 84](#)).

AMAGGI also makes direct and continuous efforts to monitor and guide rural producers regarding compliance with legal requirements, responsible working conditions, good agricultural practices, and the recovery of degraded areas. This orientation, carried out mainly through technical visits, contributes to the maintenance of the socio-environmental certifications earned by the producers or to a greater adherence to them.

AMAGGI Technological Circuit

Its objective is to bring technical information from the production area, from new cultivars, fertility, crop management and grain market information, as well as marketing tools, economic scenarios and production chain sustainability, bringing the company even closer to rural producers. It is also the main activity to encourage engagement and awareness of producers to use pesticides responsibly.

In 2019, the fourth edition of the Soy Technological Circuit was held, with rural producers from 22 locations in the states of Mato Grosso and Rondônia. The field events gathered 2,179 people, representing approximately 1.6 million hectares of planted area in both states.

That same year, the Corn Technology Circuit was held, bringing together 1,124 people in 16 locations, representing approximately 1.1 million hectares.



Rural producers participate in the fourth edition of the Soy Technological Circuit. Photo: AMAGGI Archive.

Socio-environmental guidance to producers in the chain and certifications

In order to ensure the adoption of responsible practices throughout the production and supply chain, AMAGGI promotes a wide range of monitoring, guidance, and incentive efforts for the continuous improvement of socio-environmental management with partner rural producers. This involves making a socio-environmental diagnosis, technical visits, and internal audits with AMAGGI teams.

Among the various efforts, AMAGGI promotes guidance regarding the correct, safe, and efficient use of defensive agents by producers in its value chain. As a company that sells inputs, one of the company's commitments is to guarantee safety regarding the use and handling of these products, so that it does not pose risks to human health.

**In 2019, approximately
3,300 people participated
in the Soybean and Corn
Technology Circuit.**

To do this, AMAGGI has a team of agronomists who work in the field and in the establishments responsible for the commercialization of these products. These professionals maintain intense contact with producers and customers to multiply the adoption of best practices when using defensive agents.

It should be noted that AMAGGI declares its inventory, according to information requested by the Plant Defense System (SISDEV), and sends the agronomic revenues generated for these activities, in compliance with the legislation of the Agricultural Defense Institute of Mato Grosso (INDEA), which seeks to control all movements of pesticides, seeds, seedlings and the like in the entire chain, including manufacturing, distribution, resale, and production. The requirement also regulates the receipt and disposal of empty packages, closing the reverse logistics cycle.

This system crosses the information producer x planted area x crop x product registration x maximum recommended dose, making it possible to control the maximum volume of product purchased by each producer.

AMAGGI was one of the pioneers in working on integrating information from billing systems and sending information to SISDEV, making sure to encourage producers to register with INDEA, since it can only commercialize defensive agents and related products to registered properties.

AMAGGI also encourages the adoption of phytosanitary control and integrated pest management (IPM) and biological pest control, with the aim of reducing the use of pesticides ([see more on page 106](#)).

In addition, the company instructs partner producers to adhere to certifications in accordance with the standards, programs, and seals adopted in company units, which have specific requirements regarding the responsible use and disposal of pesticides ([see details in Social and Environmental Certifications, on page 75](#)).

Producer certification

Currently, there are 55 partner producer farms certified by the AMAGGI Responsible Standard (A.R.S.), AMAGGI's own certification developed to meet international recommendations, such as the FEFAC Guidelines. In 2019, external audits were not carried out by a third party on these properties, due to the lack of market demand for the commercialization of the certification.

41 rural properties belonging to partner producers were certified by the Round Table on Responsible Soy (RTRS). In the EU RED modality, 551.7 thousand tons of soy were certified, from 28 rural properties owned by partner producers. In the Mass Balance modality, there were 13 properties, with 147.1 thousand tons. In total, the Commodities department certified almost 699 thousand tons of RTRS soy in the credit, physical, and EU RED modalities for partner producers. Through ProTerra, 534.7 thousand tons of soy were certified for 177 partner producers.

In 2019, the Sustainability area carried out 83 technical guidance visits to certified producers.



Partner rural producers received a symbolic certificate regarding the production of RTRS soy on their properties. Photo: AMAGGI Archive.

Towards a deforestation and conversion free chain



Permanent Preservation Area at Água Quente farm, in Sapezal (MT). Photo: AMAGGI Archive.

Ensuring the expansion of agricultural production including the conservation, social development and socioeconomic inclusion agenda, without excluding a region and its population from the market, represents one of the greatest challenges facing agribusiness today. In this sense, AMAGGI has been working hard to understand the opportunities for agricultural expansion without deforestation or conversion, as well as identifying opportunities to promote the sharing of this knowledge with its supply chain.

A milestone demonstrating AMAGGI's commitment to combating deforestation was its adherence to the Soy Moratorium in 2006, after which it banned from its supply chain all soy produced in areas deforested after 2006 in the Amazon biome. It is worth mentioning that, after the publication of the new Brazilian Forest Code, this date was changed to July 2008, the year of the federal government's adherence to the sector specific commitment.

After this historic milestone, AMAGGI undertook efforts to become a national and global benchmark for sustainable development in agribusiness. In 2007, it became a member of the RTRS board and the first company to be certified by the organization. Currently, AMAGGI is the company with the largest volume of certified zero deforestation soy in the world.

The commitment to this matter was reinforced with the 2017 publication of the Global Sustainability Positioning and O25 Vision Plan, where the company reaffirms its determination to achieve a deforestation and conversion free chain.

AMAGGI has consolidated new partnerships and participated in initiatives that promote dialogues in search of solutions to combat deforestation, such as the Cerrado Working Group (GTC), the Brazil, Climate, Forests and Agriculture Coalition and The Nature Conservancy ([see more details](#)).

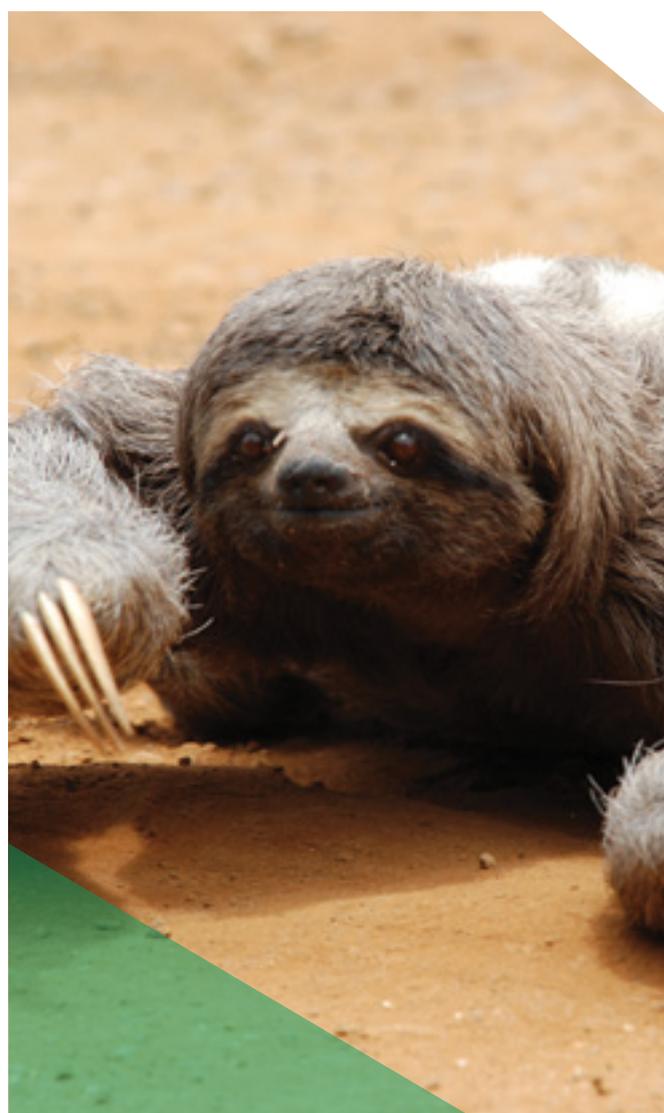
[about these and other initiatives in Initiatives and Partnerships on page 28](#)). It also continues to invest in geospatial technology to analyze risks and opportunities for expansion, always looking for areas that are already open to increase its agricultural production, as well as to encourage responsible expansion in its supply chain. With the evolution of its ORIGINAR platform, the company has increasingly improved the identification of areas and municipalities at risk, defining actions, initiatives, and projects for priority regions of operation ([see more on page 105](#)).

initiatives, and projects for priority regions of operation (see more on pages xx and xx).

AMAGGI understands that its commitment to avoid deforestation and conversion must be analyzed in an integrated manner with its other institutional and political commitments, as it believes that for a truly sustainable performance it is essential to have a more comprehensive look at the chain, with deforestation being one of the points priority, but not the only one.

In order to provide greater clarity regarding its position, in 2091 AMAGGI relaunched its commitment Towards a Grain Chain Free from Deforestation and Conversion, which covers its agricultural production and grain origination activities with rural producers in all regions where the company operates, inside and outside Brazil, including the Cerrado and Amazon biomes. The priorities established in this document determine the actions taken by AMAGGI, which will be reported periodically to stakeholders. Last year, the 2018 Progress Report was released ([see more on page 38](#)), with the main results achieved on the subject since the disclosure of its position. These materials aim to meet the most recent

transparency recommendations identified in important sustainability publications, as well as to clarify the scope of this commitment and the challenges and means for the company to achieve increasingly sustainable agriculture, contributing to the local development of the regions where it operates in a balanced way that can ensure the expansion of agribusiness and the conservation of the environment.



Fauna preservation at Tanguro farm, in Querência (MT).
Photo: AMAGGI Archive.

Developing with the area





Immersion of young people in the Global Challenge, a project of the André and Lucia Maggi Foundation. Photo: AMAGGI Archive.

AMAGGI recognizes its importance in the social and economic context of the different regions where it operates. In this chapter, the company reaffirms that its growth is only viable when it contributes to

the growth and development of local communities, addressing issues such as local development, impact prevention, generation of jobs and income, and the dissemination of knowledge.

Responsible local operations

GRI 103-1, 103-2

In 2016, AMAGGI updated the mapping of impacts (positive and negative), risks, and opportunities related to all its activities, operations, and services in the locations where it operates, through consultations with stakeholders.

This mapping enables AMAGGI, whenever necessary, to review its socio-environmental aspects and impacts, with the definition of procedures and controls for each of its activities and units, eliminating or minimizing the impacts in the locations where it operates. The company works with the André and Lucia Maggi Foundation in prioritizing projects and regions to be served. To verify compliance with legal requirements and the effectiveness of controls, the company conducts internal inspections and audits annually ([see more in Social and Environmental Management on page 74](#)).

AMAGGI also has procedures for implementing new projects that may cause some socio-environmental impact in the regions as a result of

its own operations and the value chain, whether related to construction, expansion, renovation, or new activities. These procedures include a prior socio-environmental assessment of the locations, the assessment of critical suppliers, and the identification of socio-environmental aspects and controls, among others. In addition, all third parties that provide any type of service to the company must undergo socio-environmental integration.

The company works with the **André and Lucia Maggi Foundation** in prioritizing projects and regions to be served.

Shared value

Job and income creation

GRI 203-2

AMAGGI is present in Brazil with 74 units in 42 municipalities in nine states, including farms, warehouses, offices, factories, carriers, shipyards and ports. However, the scope of its operations is even greater, since the company maintains operations and commercial relations in all regions of the country and abroad.

AMAGGI contributions to the regions where it is present are diverse: the offer of decent and fair wages, the movement of the local economy through the acquisition of goods and services, the

collection of fees and taxes for the municipalities, and income generation for local producers.

In 2019, AMAGGI hired 3,117 people. The Mid-West region concentrated 79.1% of the year's hires, followed by the North, with 20.7%, and the South, with 0.2%. The company's units continued to give preference to local and regional labor. For example, the local hires at AMAGGI headquarters and the shipyard in Itacoatiara, were 77% and 87% respectively of the total.

Hires and turnover, by age group, gender, and region GRI 401-I

| | New hires | % | Turn over rate | % |
|-----------------------------|--------------|---------------|----------------|---------------|
| Age group | | | | |
| <30 years old | 1,605 | 51.5% | 1,302 | 51.0% |
| Between 30 and 50 years old | 1,397 | 44.8% | 1,147 | 45.0% |
| >=50 years old | 114 | 3.7% | 102 | 4.0% |
| Total | 3,117 | 100.0% | 2,551 | 100.0% |
| Gender | | | | |
| Female | 300 | 9.6% | 326 | 12.8% |
| Male | 2,817 | 90.4% | 2,225 | 87.2% |
| Total | 3,117 | 100.0% | 2,551 | 100.0% |
| Region | | | | |
| Midwest | 2,466 | 79.1% | 2,208 | 86.6% |
| Northern Brazil | 646 | 20.7% | 341 | 13.4% |
| South | 5 | 0.2% | 2 | 0.1% |
| Total | 3,117 | 100.0% | 2,551 | 100.0% |

It can be seen in the data from indicator 4OI-1 that the hiring rates at AMAGGI were positive in all functional categories, that is, in all of them the number of hires exceeded that of dismissals. Most new hires are in the age group below 30 years of age, male, and operate in the Midwest Region, as shown in the table above.

In 2019, one of AMAGGI's main actions in this field was the establishment of its own fleet of trucks (300 vehicles) to serve western Mato Grosso and Rondônia. In these states, local drivers were hired, generating employment and income in the regions. This project involved an investment of approximately BRL 300 million by the company, of which 67% was financed by the Northern Constitutional Fund (FNO), and transferred by Banco da Amazônia (BASA).

Birth states of the drivers of AMAGI company fleet

| | |
|--------------|------------|
| RO | 246 |
| MT | 76 |
| Total | 322 |

Note: Currently the company fleet has 330 drivers.

The company completed the acquisition of its own fleet of **300 trucks**, ending the year with fuel savings **4.4% higher** than the established target.

Direct economic value generated and distributed GRI 201-I

| | 2017 | 2018 | 2019 |
|--|-------------------|----------------------|--------------------------|
| Direct economic value generated | 14,500,525 | 17,889,191.00 | 19,334,182,376.29 |
| Economic value distributed | 2,111,705 | 2,714,939.00 | 2,894,638,045.47 |
| Shareholders = capital yield | 3.54% | 2.77% | 3.56% |
| Employees (compensation and benefits pair to employees) | 22.36% | 17.62% | 15.66% |
| Government (Taxes, fees, and contributions) | 17.29% | 17.71% | 18.16% |
| Retained profits | 21.77% | 26.87% | 18.29% |
| Interest and rent (operations costs) | 34.83% | 34.88% | 44.28% |
| Private social investment* | 0.21% | 0.15% | 0.05% |
| TOTAL | 100% | 100% | 100% |
| Retained economic value (generated economic value - economic value distributed)** | BRL 0.00 | BRL 0.00 | BRL 0.00 |

Note: * As of 2016, AMAGGI started to report the percentage destined to André e Lucia Maggi Foundation, therefore other investments made directly by the business areas are not included here.

** AMAGGI understands that the entire amount generated has been distributed, even if part of the income for the period has been allocated to the profit reserve for possible distribution in subsequent periods. Amounts allocated to retained earnings/loss for the year: 2019 BRL 529,534,220.68; 2018 BRL 729,592,262.65; 2017 BRL 459,744,067.89.

Contracting with local suppliers

Due to its purchase volume, AMAGGI has considerable influence over many regions. Of the suppliers contracted by the company in 2019, almost 80% are classified as local and regional,

which contributes to the development of these regions and adds value to the entire production chain. This percentage shows the importance that local suppliers have within AMAGGI's supply chain.

Percentage and Expenditures with local Suppliers GRI 204-1

| State Supplier Locations | 2018 | | 2019 | |
|--------------------------|--------------|-----|--------------|-----|
| | Supplier No. | % | Supplier No. | % |
| AM | | 18% | | 13% |
| MT | | 46% | | 57% |
| RO | | 10% | | 9% |
| Other (Non Local) | | 26% | | 20% |

Percentage and No. of local Suppliers

| State Supplier Locations | 2018 | | 2019 | |
|--------------------------|--------------|--------------|--------------|--------------|
| | Supplier No. | % | Supplier No. | % |
| AM | 403 | 8% | 362 | 7% |
| MT | 2,830 | 56% | 2,801 | 56% |
| RO | 369 | 7% | 371 | 7% |
| Other (Non Local) | 1,453 | 29% | 1,489 | 30% |
| Overall Total | | 5,055 | | 5,023 |

Commitment to local and regional development

GRI 203-2

AMAGGI's contribution to local and regional development is driven by its Private Social Investment Policy, with actions planned and executed by the André and Lucia Maggi Foundation (details on the institution's governance, transparency and management are available on the website: <https://www.fundacaoandreeluciamaggi.org.br/>).

AMAGGI's Private Social Investment portfolio is defined annually and seeks to bring together programs and projects capable of contributing to the UN Sustainable Development Goals and AMAGGI's Global Sustainability Positioning. All funds are allocated in the annual budget, according to the planning carried out by the executive team of the André and Lucia Maggi Foundation and approved by the Foundation's Curator Board.

Considering that local and regional development should be built collectively, AMAGGI, in addition to the Foundation's activities, seeks to establish partnerships and participate in initiatives, projects, and forums to address regional and jurisdictional approaches, including social, environmental, and economic issues(see more on the topic in [Initiatives and Partnerships, on page 28](#)).



Workshop held at Espaço Coletivo Fundação André e Lucia Maggi, in Rondonópolis (MT). Photo: AMAGGI Archive.

André and Lucia Maggi Foundation



Centro Cultural Velha Serpa, in Itacoatiara (AM), one of the branches of FALM. Photo: AMAGGI Archive.

An institution with no economic purpose, the André e Lucia Maggi Foundation (FALM) is responsible for managing AMAGGI's Private Social Investment (ISP). Headquartered in Cuiabá (MT), it also has two branches: the André and Lucia Maggi Foundation Collective Space, in Rondonópolis (MT), and the Velha Serpa Cultural Center, in Itacoatiara (AM). In addition, it develops actions and projects in other municipalities and strategic regions for AMAGGI and the Foundation itself.

In order to align its actions with AMAGGI's operations in the strategic regions for the company, between 2017 and 2018, the André and Lucia Maggi Foundation carried out its second strategic review. To understand how much value it adds to the business and how much investments in actions and projects can be improved, the Foundation

listened to several areas of AMAGGI and external stakeholders. With this, it was concluded that its performance must remain aligned with the purpose of contributing to local and human development, as a social commitment to the communities. This way, its efforts can add value to the performance of the company, whose Vision is "To be a benchmark company in sustainable development."

As a result of the strategic review process, the Foundation drew up its Action Plan through 2025 - an important movement for the growth and continuity of its activities. According to the plan, by 2025 the Foundation will aim to be a benchmark institution in the places where it operates, due to its ability to work with local partnerships to accelerate development in strategic regions. Its focus is on strengthening the social role of young people and leaders for sustainable local development.

BRL 1,377,440.78
revenue (transfer from AMAGGI)

BRL 4,333,112.03
of investment

19 municipalities where the André and Lucia Maggi Foundation operate, in the states of Mato Grosso, Rondônia, Amazonas, Roraima and Paraná.

In 2019, the actions of the André and Lucia Maggi Foundation reached 45% of the entire territory where AMAGGI operates, covering 19 municipalities in five states (Mato Grosso, Rondônia, Amazonas, Roraima and Paraná). The main programs carried out during the year were focused on strengthening the social role of young people and local leaders.

That same year, the Foundation became a member of the Inter-American Network of Foundations and Business Actions for Grassroots Development

(RedEAmérica), an initiative by the business sector that seeks to share experiences, knowledge, and good practices to promote sustainable communities in Latin America. Headquartered in Colombia, RedEAmérica is formed by more than 80 foundations and institutes founded by businesses in 14 countries in Latin America and the Caribbean. Upon joining this network, the André and Lucia Maggi Foundation joins major Latin American social organizations in the dialogue about social transformation strategies for communities.



Young people participate in immersion in the Global Challenge. Photo: AMAGGI Archive.



Workshop for young people on social leadership at the Centro Cultural Velha Serpa, in Itacoatiara (AM). Photo: AMAGGI Archive.

Strengthening social leadership

Global Challenge

Global Challenge is an tender notice that seeks to encourage 20 social actions, projects and/or initiatives led by young people between 15 and 29 years old, aimed at solving problems they identify in their community, using planning, development, and by boosting social actions and emphasizing the importance of becoming leaders where they live. In the first edition, in 2019, 20 projects were selected, with the participation of 73 people.

Workshops and activities aimed at strengthening social leadership

It focuses on contributing to the strengthening of social leadership in young people, through actions that create opportunities for young people from 15 to 29 years old to discover their potential for transformation, to encourage the formation of positive youth leadership. Workshops are held that involve conversation circles, group work, dynamics, debates, and action planning, among other activities.

In 2019, the Foundation offered workshops through partner institutions in Cuiabá, involving 63 participants, with the aim of promoting creative exchanges among young people of different age groups. In Rondonópolis and Itacoatiara, these activities are carried out in the Collective Spaces of FALM.

Collective Spaces

The collective spaces managed by the André and Lucia Maggi Foundation, located in Rondonópolis (MT) and Itacoatiara (AM), are places of interaction that favor the dialogue, trust, proactivity, and autonomy for young people and local leaders in each activity promoted. In addition to holding its own workshops and activities in its collective spaces, the Foundation also grants these places for use by partners and the community. With this, it aims to stimulate, for example, debates, reflections on individual and social responsibilities, construction of work groups, elaboration of collective and collaborative projects, playful activities that strengthen the benefits of proactivity and trust in the group, among other interaction strategies.

It is through these practices and experiences that the individual has the possibility to live new experiences, with more confidence, and able to intensify their relations with their surroundings and develop a positive attitude in the groups that they belong to.

The Foundation has had a collective space in Rondonópolis (MT) since 2009, formerly known as Casa Mágica, which served children and teenagers daily after school with extracurricular activities. In 2019, the place was renamed Espaço Coletivo Fundação André and Lucia Maggi (André and Lucia Maggi Foundation Collective Space), seeking to adapt to the institution's new portfolio of projects. The actions were directed to strengthening social leadership of young people and local leaders, through the granting this space for partners and the community, as well as holding its own workshops about social leadership for young people between the ages of 14 to 17. In total, the activities developed in this space involved 235 people.

In Itacoatiara (AM), the Foundation manages the Velha Serpa Cultural Center, whose name alludes to the municipality's first name. Since 2009, the institution has used the space, which occupies the

building of the former Municipal Slaughterhouse, to develop social activities, training courses, and to share local culture in the municipality. As of 2019, with the Foundation's new portfolio, activities were aimed at strengthening social leadership among young people and local leaders, through the provision of space for partners and the community, and also by holding workshops and cultural and educational activities, involving more than 500 people.

The initiative, which completed ten years of existence in 2019, has become an important reference for the different groups of young people and leaders of Itacoatiara, strengthening youth leadership in existing social institutions, in the formation public policies, and in the different and diverse cultural manifestations of everyday life.

Academic stipends

In order to contribute to local and human development, expanding the opportunity for young people from all over the country, the André and Lucia Maggi Foundation, in partnership with AMAGGI, offered, in 2019, 23 full scholarships for higher education in Agrocomputing Technology, carried out by FATEC (Faculty of Technology), of



Global Challenge encourages social actions led by young people between 15 and 29 years old. Photo: AMAGGI Archive.

SENAI-MT (National Service of Industrial Learning), in Rondonópolis (MT). In addition to tuition assistance, 20 of these grants will have a monthly allowance, corresponding to a minimum wage, for the entire duration of the course (18 months, full time). FALM is monitoring the studies, which started in October 2019, and the young people are already participating in workshops and activities of the organization aimed at awakening social protagonism.

The course was built based on suggestions from the sector and was developed with the help of AMAGGI's DHO and Agro areas. The objective is to meet the demand for qualified labor, which is significant and urgent for agribusiness: that of young people who are looking for ways to put themselves in the labor market, especially those from small rural towns with enormous agricultural potential.

Community social investment (priority municipalities)

In order to align the Foundation's actions with AMAGGI's activities in the communities where it has operations, in addition to the previously mentioned mapping of impacts and risks ([see more on page 93](#)), socioeconomic data from high, medium and low impact municipalities, as well as data from the company's strategic areas are surveyed, crossing the needs of local communities with those of the company. Thus, we reached the list of priority municipalities, which will be monitored for up to three years regarding topics that were raised and validated with the company and the communities. This work began in 2019 in the cities of Itacoatiara (AM), São Félix do Araguaia (MT) and Porto Velho (RO).

The purpose of this action is to work with groups formed by leaders, representatives of local institutions in the public, private, and third sectors,

forming a network of partnerships to join efforts around a positive agenda for priority issues identified locally and collectively.

In Itacoatiara and Porto Velho, the priority theme is social leadership and career for young people, and the transversal action will address the sexual exploitation of children and adolescents. In São Félix do Araguaia, it is the availability of essential services (health, education, and banking services). The work will be carried out in partnership with the population, through action plans drawn up together, with the aim of promoting the leadership of young people and local leaders supported by the Sustainable Development Goals. During 2020, the main goal in the three municipalities is to implement the action plan and strengthen social leadership.

It is through these practices and experiences that the individual has the possibility to live new experiences, with more confidence, and able to intensify their relations with their surroundings and develop a positive attitude in the groups that they belong to.

Innovating sustainable products and solutions





ORIGINAR is the tool used to perform the geospatial assessment of grain suppliers. Photo: AMAGGI Archive.

AMAGGI believes that some themes that permeate agribusiness involve issues with complex perspectives and scenarios. This chapter deals with some of them: innovation and climate change, where the biggest challenge is to find sustainable solutions that bring lasting, scalable, and shareable

results to all those involved. The company understands that it is necessary to provide transparency to these challenges and maintain direct dialogue with stakeholders in search of these solutions.

Innovation

Innovation is one of the main assets responsible for maintaining a company in constant growth in a world that is increasingly globalized and constantly changing over short periods of time. For all these reasons, AMAGGI has been attentive to new demands and market trends which allow greater production and growth with ethical and sustainability guarantees for present and future generations. In light of this, the company has invested in new practices, technologies, and processes to make the activities, of both its own business and agribusiness as a whole, more efficient and sustainable, with economic and socio-environmental benefits.

In 2019, the company took action to prioritize the issue even more within the organization. One of them was the formal creation of an Innovation department, with the objective of centralizing

AMAGGI's relationship with partners and suppliers in this field, and facilitating the development of new processes, technologies, and solutions for its various activities.

Another was to take the CEO and Executive Management on a trip to immerse into the business of Silicon Valley, in the United States, considered the world center of innovation - the birthplace of companies such as Apple, Google and Facebook. The objective was to learn about the main trends in the technology sector, with emphasis on those related to agribusiness and the food industry, such as field use of machines capable of identifying plant disease, measuring soil clay content and fertility level, and monitoring gestation and the presence of diseases in animals, as well as the use of stem cells for meat production.

In partnership with FALM, the company started to offer scholarships for the Higher Education Course in Agrocomputing Technology, so that in the future, trained technologists can work in areas focused on solving problems in the field and in industry, especially regarding data analysis, artificial intelligence, instrumentation, information processing, and decision support ([Read more on page100](#)).

AgriHub Space

AMAGGI, which is already recognized for its pioneering spirit and innovation on several agribusiness fronts, has also established partnerships with startups to bring innovative and disruptive solutions to agriculture in Brazil.

In 2019, through the recently created Innovation area, the company supported the launch of AgriHub, in partnership with the Federation of Agriculture and Livestock of the State of Mato Grosso (FAMATO) and other companies in the sector.

It is the first agricultural innovation center in the state. The objective is to bring customized solutions for agriculture in Mato Grosso, which is one of the most prominent states in agricultural production in Brazil. Research and development solutions for new types of seeds and cultivars, development of modern and connected agricultural equipment, and solutions for agricultural pests and diseases, will be some of the research and development objectives.

New agricultural practices

AMAGGI believes in the adoption of new agricultural practices as a way of responding to the challenges of making agribusiness more productive and sustainable. For this reason, the company constantly invests in the development of these solutions in company units, in addition to sharing the new techniques with rural producers.

Climatology

One of the fields in which AMAGGI has invested the most in technology is climatology. An example of this is the development of an intelligent and integrated platform with climatological data, which allows field activities and agricultural equipment performance to be managed. The expectation is a continuous reduction in the consumption of inputs and an increase in the quality of the plantations.

AMAGGI has also made efforts to achieve real time monitoring and analysis of the microclimate in the productive area, with the first meteorological radar dedicated to agriculture in the state of Mato Grosso. Since August 2018, when it started to operate from a location in the middle of the plantation area in Sapezal, the weather radar has been monitoring climatic factors in a 100 km radius, which covers both the Tucunaré farm and the Água Quente farm (both AMAGGI production units) and farms close to



AgriHub Space is the first agricultural innovation center in Mato Grosso (MT). Photo: AMAGGI Archive.

partner rural producers. And within a radius of 50 km, the radar also detects and alerts you to fires. The instrument aims to assist with day-to-day decisions regarding agricultural operations - always subject to climatic variations. It allows real time accurate forecasts, of wind speed and direction, temperature variations, rain, humidity etc. In practice, this makes it possible to plan the most appropriate and efficient time to, for example, apply pesticides and fertilizers, preventing them from being lost due to a strong gust of wind or rain.

Connectivity in the field

AMAGGI has also dedicated itself to provide connectivity solutions in the field to automate soy planting, cultivation, and harvesting processes, with a focus on productivity increases. With a pilot project already in operation at the Tucunaré farm, located in the municipality of Sapezal (MT), the company brings intelligence to its business by obtaining information in real time via IoT (Internet of Things) solution, connecting the machinery in the fields through a carrier network to improve processes and increase operational quality. The solutions make it possible to access and send information online remotely, for agricultural implements plugged into the network, allowing the monitoring of the behavior and production of soy, corn, and cotton planting and harvest.

Using applications and software, such as AgroSIG and TraceCotton, among others, which include the TelemeClima Project platforms (administrative, operational, agronomic and climatological), digital agriculture tools, the company has also intensified the monitoring of cultivation areas and has made the application of inputs more efficient, according to what each part of the crop needs.

It uses specific data from the farms, such as harvest maps and monitoring via geographic information system, integrated with the use of satellites, drones, and agricultural machines that are connected and monitored 100% of the time, in addition to and countless other tools, to allow greater efficiency in the field.



Agricultural machine operator. Photo: AMAGGI Archive.

Efficiency for machinery and best agricultural practices

AMAGGI has also invested in replacing its fleet of agricultural machinery with more efficient, modern, and economical models, with engines that pollute less and that use more sustainable fuels. Currently, 100% of the fleet uses diesel with lower sulfur content and 10% biodiesel in the mixture with diesel. In addition, in 2019 there was a modal shift in soybean planting: due to the technology that allows four planters to be joined, totaling 60 planting lines, it was possible to reduce the number of tractors needed for operations in the field.

In addition, all AMAGGI farms have researchers to investigate pests and diseases that can affect crops. In the case of the Tanguro, Itamarati and Tucunaré farms, there are still experimental research stations with this objective.

As a result of these efforts, important advances have already been achieved, such as the development of biological control of some pests and diseases, a practice that has the potential to reduce the application of chemical defensive agents in crops, which increases product safety and reduces emissions of greenhouse gases.

Another practice adopted in 100% of AMAGGI's farms is no-till farming. This is when planting is done without plowing and harrowing, always keeping the soil covered by developing plants and plant residue. With this, it preserves the beneficial microorganisms in the soil, improves fertility by retaining organic matter, prevents erosion, and reduces CO₂ emissions. The company also chooses seeds and cultivars according to their genetic potential for productivity, tolerance, and resistance to pests. This also avoids the use of pesticides.

AMAGGI also seeks to maximize land use with crop succession. All of its farms allow the cultivation of two crops in the same agricultural year: soy, followed by corn or cotton. This practice brings greater profitability and productivity per area, reducing the need to expand to new areas and a potential deforestation pressures.

Phytosanitary control and integrated pest management (IPM) is another initiative undertaken by the company to minimize the use of pesticides. Through IPM, there is constant on-site monitoring of the crop, supported by technology, allowing the applications of natural and chemical pesticides to be carried out only when and where necessary, significantly reducing the amount applied and the environmental impacts. In addition, chemical pesticides are chosen for their efficiency and low toxicity.

In addition, AMAGGI farms do not use irrigation for cultivation. The crops receive only rainwater, with plantings and harvests planned to occur according to the local hydrological cycle. The local climate allows the cultivation of two crops in the same year.

As a result of these efforts, important advances have already been achieved, such as the development of biological control of some pests and diseases

Climate Change Management

GRI 103-1, 103-2, 201-2

Climate change can affect all of society. In agriculture, variations in temperature and rainfall can be considered one of the main risk factors for food production; in logistics, product flow capacity can be compromised due to floods and other extreme events, as can infrastructure; deforestation can directly influence the microclimate and local rainfall.

AMAGGI is always attentive to these conditions and understands its role in facing climate change, seeking to continuously improve its performance and support its partners. These efforts are part of the company's strategy, seeking business

continuity and sustainability. Agriculture is so influenced by climatic factors, that the climate and its variability can be considered one of the main risk factors for agribusiness. Events such as changes in atmospheric humidity and temperature, increased flooding, prolonged droughts, or even changes in the rainfall cycle, can significantly affect crop yields, reduce production flow capacity, and compromise investments and infrastructure. Hence, increases in direct and indirect costs of production can occur, affecting food prices and market balance, which poses risks not only for the business, but also for global food security.

Climate change and agricultural production

AMAGGI believes that the climate issue represents one of the biggest challenges in the sector and needs to be constantly debated in order to offer products and solutions with a smaller greenhouse gas emissions footprint. For this reason, the company included this theme in its 2025 Plan, in the Innovating Sustainable Products and Solutions block, deploying it in actions that combat climate change and/or that allow the company to adapt to it.

Where does the company want to go?

Looking ahead and recognizing the challenges that we have and which are yet to come, especially linked to climate change, we want to increasingly deliver to society, on a local and global scale, innovative and sustainable products and solutions.

What is AMAGGI already doing?

The company seeks to bring products with greater added value and positive impacts to its direct customers, and indirectly to the final consumers and society as a whole, since it has the ability to innovate and provide products that are proven to have a lower carbon footprint and with zero deforestation, attested by socio-environmental certifications.

AMAGGI has made a major unprecedented investment in traceability, adding more and more technology to the processes. The implementation of digital agriculture in the field allows the company to develop greater production capacity in areas that are already open and with less impact, among so many other actions it takes to guarantee its commitments.

Climate change risk management

In 2019, AMAGGI continued to work on three major fronts related to climate change, in line with its 2025 Plan: managing greenhouse gas emissions, mitigating emissions, and adaptations.



GHG emission management

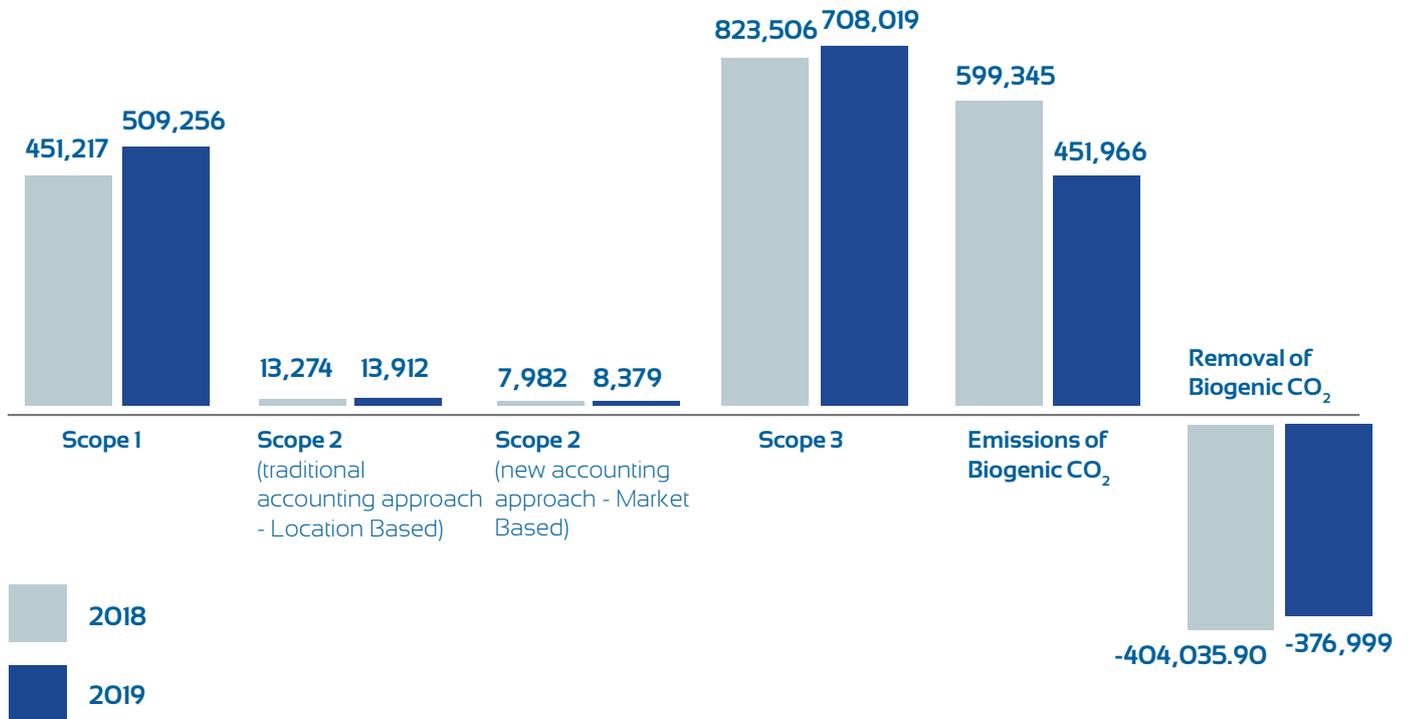
AMAGGI believes that the elaboration of a greenhouse gas inventory is the first step to manage climate change, since this document allows the company to see its risks and opportunities in this area more clearly.

In 2019, in addition to the traditionally inventoried sources - such as the consumption of fuels, biomass and fertilizers -, the company also included emissions from crop residues (such as corn straw left on the soil after harvest) and calculated removals related to the incorporation of carbon in the soil, the result of better agricultural practices such as no-till farming.



AMAGGI employees measure the soil for no-till farming. Photo: AMAGGI Archive.

Results of the green house gas emission inventory 2018-2019



Note: AMAGGI's greenhouse gas (GHG) inventory covers all the company's business areas (Agro, Commodities, Logistics and Operations and Energy).

Emissions of greenhouse gases (CO₂e)

GRI 305-1, 305-2, 305-3, 305-4

In Scope 1, which refers to direct emissions managed by the company, there was a 13% increase in absolute GHG emissions in 2019 in relation to 2018 performance. This was partly due to the acquisition of 300 trucks for AMAGGI's own fleet. Thus, there was a transfer of emissions from third party carriers (Scope 3) to Scope 1, which corresponded to 21 thousand tons of CO₂e.

Another factor that contributed to the increase in emissions was the expansion of cotton cultivation as a second crop on AMAGGI farms, where the planted area grew 33% compared to the previous year. As cotton requires more care during the

cultivation stage and has a longer cultivation cycle - 210 days, while corn is up to 160 days and soy is up to 125 days - this culture caused a 36% increase in emissions, which went from around 120 thousand tCO₂e in 2018 to 165 thousand tCO₂e in 2019.

However, in some areas there was a reduction in emissions compared to 2018. For example, emissions related to crop conversion, as in the case of rubber tree areas to annual crops such as soy, which is classified as a change in land use, reached about 11,529 tons of CO₂e in 2019, a number 40% lower than the previous year.

In Scope 2, which refers to emissions from the acquisition of electricity, according to the traditional approach (Location Based) - where the company's total electricity consumption is multiplied by the average emission factor of the Brazilian energy matrix - in 2019 AMAGGI showed a 5% increase in absolute GHG emissions compared to 2018 numbers. In addition to the variation in the emission factor of the National Interconnected Energy System, which increased by 1.3% in 2019, there was an increase of around 20% in absolute electricity consumption in the Agro business unit, due to the greater amount of processed cotton fibers. However, taking into account the quantity processed, AMAGGI performed almost 5% better than in 2018.

Since 2018, AMAGGI has also accounted for its Scope 2 emissions according to the new methodology of the Brazilian GHG Protocol Program, based on the purchase choice (Market Based). This methodology allows the recognition of corporations that choose to purchase energy from sustainable sources and are able to track this consumption. Sustainable sources are those with low or zero CO₂ emissions, such as hydroelectric, solar, and wind power.

Through its small hydroelectric plants, AMAGGI is able to generate and insert renewable energy into the grid, which runs through the transmission lines and reaches several units of the company. Thus, by establishing direct contracts in the free energy market, AMAGGI is able to trace the origin of the electricity consumed, which allows it to also report its Scope 2 according to this new methodology.

In 2019, about 72% of the energy consumed by AMAGGI, considering all business areas, was generated by the company's small hydroelectric plants. Scope 2 emissions using the Market Based methodology reached 8,379 tCO₂e.

In addition to the SHPs, in 2020 the Tucunaré farm will have contributions from yet another source of renewable energy: the company installed solar panels that will meet the increased energy demand of the unit, emitting zero greenhouse gases.

Regarding Scope 3, which accounts for indirect emissions, that is, those caused by other companies that provide services to AMAGGI, in 2019 the company's inventory recorded a 14% reduction in absolute GHG emissions in comparison with 2018 performance. The main sources from the value chain were accounted for, such as emissions for production by third parties of the main agricultural inputs that were purchased (fertilizers, urea, seeds, limestone, etc.), those resulting from air travel, and emissions generated as a result of the road and rail transport necessary to transport products to domestic and international markets.

The reduction in Scope 3 emissions resulted mainly from the transfer of emissions to Scope 1, due to the acquisition of a company owned fleet. In addition, there was an improvement in the calculation of emissions from outsourced road transportation. In previous years, the company accounted for the fuel consumed by the outsourced fleet on the outbound route, but also considered 100% of the return route of the trucks in its Scope 3. With more accurate information, in 2019 it started to consider that only 30% of vehicles under the responsibility of third parties return to work for AMAGGI. Thus, this type of transport generated about 475 thousand tCO₂e, which represents a 20% reduction in relation to the 600 thousand tCO₂e emitted in 2018.

AMAGGI's biogenic emissions, related to short-cycle carbon in nature, decreased in the last year compared to 2018, mainly due to less transformation of rubber areas on AMAGGI farms. To calculate biogenic removals, the inventory

considered the following sources: growing commercial forest areas, accounting for biomass above and below the ground, and incorporation of carbon into the soil by improving agricultural and management practices. In 2019, AMAGGI recorded the removal of 377 thousand tCO₂e.

Emissions Mitigation

GRI 305-5

Since agribusiness plays an important role in combating greenhouse gas emissions in Brazil and worldwide, AMAGGI, in its socio-environmental commitment to the present and the future, emphasizes the importance of maintaining actions and programs dedicated to reducing its emissions. With this, the company expects to contribute to low carbon agriculture, in line with its 2025 Plan. AMAGGI's initiatives in this regard are:

- Adoption of no-till practices in 100% of AMAGGI's farms, enabling the incorporation and retention of carbon in the soil.
- Crop-livestock integration, which increases the efficiency of the use of nitrogen in the soil, brings productivity gains and improves livestock management.
- Use and biological control for pests in AMAGGI farms, reducing the application of synthetic nitrogen fertilizers (nitrogen, in its N₂O form, is considered a gas 300 times more harmful than carbon dioxide (CO₂), producing a great reduction in emissions of total greenhouse gas emissions).
- Expansion of agricultural activities only on degraded or already open areas, and increased productivity per hectare, avoiding pressure on native forest areas. All AMAGGI's own farms are committed to being free from deforestation and conversions. And, in fact, they have been deforestation free since 2008. Sharing technique and knowledge in the field, the company also encourages its chain of rural producers to adopt this same stance.
- Expansion of the adoption of low or zero emission energy sources - with emphasis on the use of biomass in the processing of grains, and the consumption of electricity from renewable sources, coming from small hydroelectric power plants and solar plants owned by AMAGGI.
- Investment in technology to improve equipment performance and energy efficiency, aiming to reduce the consumption of diesel, biomass and inputs.
- Monitoring of soil quality, to control fertility and soil diseases, to support the rational use of fertilizers and correctives, significantly reducing emissions of greenhouse gases.
- Choice of seeds and cultivars according to their genetic potential for productivity, tolerance, and resistance to pests, to support soil health.



Preservation área at Tanguero farm, in Querência (MT).
Photo: AMAGGI Archive.

Adaptation measures

The main adaptation measures adopted and promoted by AMAGGI include:

- Genetic improvement: considering the possibility of rising temperatures and water restriction, AMAGGI studies, develops, and tests new seeds and cultivars that can better adapt to different climate conditions.
- Management of water resources: AMAGGI seeks to adopt agricultural practices in its properties that allow better water infiltration and maintenance of moisture in the soil, avoiding excessive consumption of this resource or dependence on it.
- Pest and disease management: respect for fallow periods, crop rotation, biological control, and the development of studies on the risks of new pests are also part of the portfolio of AMAGGI adaptation actions, considering that, with climate change, the occurrence of new pests may increase.
- Maintenance of conservation areas: permanent preservation areas, legal reserves and forest surplus, are maintained and protected by AMAGGI. They allow the maintenance of springs and water courses, guarantee the continuity of the water cycle, regulate temperatures, and balance ecosystems with natural pest predators.
- Encouraging a sustainable value chain: by encouraging socio-environmental certifications and providing technical guidance to partner producers, AMAGGI promotes the inclusion of good agricultural and sustainability practices throughout its value chain, contributing to the mitigation of emissions and adaptation to climate change.
- Making certified products available to the market: AMAGGI calculates its carbon footprint and has several socio-environmental certifications for its products, such as RTRS EU RED soy, to comply with the European Biofuels Directive, which ensures a product with less carbon intensity for the Market.



Collaborator monitors soil quality and health.
Photo: AMAGGI Archive.

Maintenance of conservation areas and adaptation to climate change

The results of the Tanguro Project, developed in a region in transition from the Cerrado to the Amazon biome, demonstrate the importance of permanent preservation areas and legal reserves in adapting rural properties to climate change.

In this project, three monitoring towers were installed at the Tanguro farm that capture atmospheric data, such as humidity, temperature, and the presence of CO₂, 20 times per second in degraded vegetation and crops areas, showing the dynamics of temperature regulation carried out by vegetation.

With this method, research has already concluded that the temperature of forests is, on average, 5° C lower than that of crops, and that water currents in riparian forests are 2° C colder than in unprotected areas, among other points.

Carbon Inventory

In 2019, AMAGGI maintained approximately 138 thousand hectares of permanent preservation areas, legal reserves, and forest surpluses, which together enabled the capture of greenhouse gases from the atmosphere and currently represents a stock of 35 million tCO₂e. This is one of the results of the Company's commitment to promoting responsible agriculture⁸.

Carbon footprint

In 2019, AMAGGI invested once again in improving its carbon footprint calculation and has been working continuously to reduce it. As a result, the company has made available to the market more and more products with a sustainable origin guarantee. The company has several socio-environmental certifications for its products, such as RTRS EU RED soy, to comply with the European Biofuels Directive, which ensures a product with less carbon intensity for the Market.



Água Quente Farm, in Sapezal (MT). Photo: AMAGGI Archive.

⁸This was because there was a change in the calculation methodology, which became more conservative. The new calculation was obtained through the identification of phytophysionomies based on updated satellite images and the emission factors from the Third Brazilian Inventory of Anthropogenic Emissions and Removal of Greenhouse Gases.

Transparency, traceability and Innovation in the chain



Agricultural machine operator (cotton harvester), at Itamarati farm, in Campo Novo do Parecis (MT). Photo: AMAGGI Archive.

Ensuring the transparency and traceability of the grain chain is one of AMAGGI's pillars in developing its business by adding environmental, social, and governance values throughout the value chain.

The company contributes to this objective mainly through ORIGINAR, a tool developed by the company to carry out the geospatial assessment of grain suppliers according to the company's socio-environmental criteria. With it, AMAGGI seeks to ensure that the product purchased (grain and fiber) comes from properties that guarantee adequate working conditions and that are socially and environmentally responsible.

In addition to being a control and monitoring tool, ORIGINAR also enables the company to better understand the needs of rural producers, collaborating to:

- customize the technical assistance provided to partner producers and improve the incorporation of the best agricultural and socio-environmental practices in the field;

- assist producers in the production chain to manage and minimize socio-environmental risks, in addition to preparing them to meet the demands of highly demanding markets.

Another benefit of ORIGINAR is that it favors the identification of priority areas for investment in sustainability projects.

Thus, AMAGGI has increasingly invested to engage producers in its supply chain and with technology, seeking sustainable origins of its products and guaranteeing traceability to meet the standards of the most demanding markets.

Therefore, since its creation, the platform has been continuously gaining space within AMAGGI: in its newest phase, called ORIGINAR 2.0, it is being used to carry out strategic market intelligence analyses.

ORIGINAR 2.0



In 2019, AMAGGI conducted training on the ORIGINAR 2.0 Platform. Photo: AMAGGI Archive.

One of the highlights of 2019 at AMAGGI was the launch of ORIGINAR 2.0, an evolution of the ORIGINAR platform. In order to guarantee a better market strategy, and more security and traceability for its negotiations, the new version of the platform,

not only allows rural producers to be monitored and evaluated based on socio-environmental criteria, it also enables the management of existing commercial information, providing strategic intelligence for new commodity negotiations.

Integrating the Origination, Inputs, and Sustainability areas, ORIGINAR 2.0 has new modules being built that will allow the identification and registration of rural properties, insertion of commercial data, their socio-environmental analysis, and agricultural and environmental monitoring. As for the timetable of the new ORIGINAR 2.0 features, some are already available, while others are scheduled for release during 2020 and 2021.

In 2019, the company's Origination area provided training for the Sales, Information Technology, and Sustainability teams on the use of the first modules of the new platform. As soon as the new modules are launched, throughout 2020, there will be more training for the teams.



"We can say that it is a new ORIGINAR, as we have had many improvements, many integrations between origination, sustainability, artificial intelligence, and commercial intelligence. We are working hard, investing resources and people so that improvements can happen as quickly as possible."

Claudinei Zenatti
ORIGINATION DIRECTOR

About this Report

Materiality

GRI 102-40, 102-42, 102-43, 102-44, 102-47, 103-1, 103-2, 103-3

AMAGGI reviews its materiality every three years or when there are significant changes to the business. This process, which is the responsibility of the corporate Sustainability area, is organized in four stages: identification of relevant issues for the business, prioritization of relevant issues, analysis, and validation.

Identification of topics relevant to the business – Covers analysis of internal documents; analysis of sector specific studies; identification of socio-environmental aspects and topics in NBR 16001: 2012, ISO 14001: 2015 standards; survey of relevant aspects and impacts and their relationship with stakeholders; definition of a list of topics to be prioritized through consultations with interested parties.

Prioritization of relevant topics (material topics) – Involves stakeholder engagement through a variety of methods, which may include: interviews (face-to-face, by phone, or other appropriate means of communication); focus groups; multistakeholder panels; online consultations; etc.

Analysis – Deepening the evaluation of the material issues raised by the consulted stakeholders, with the inclusion of references from the positive and negative impact identification stage.

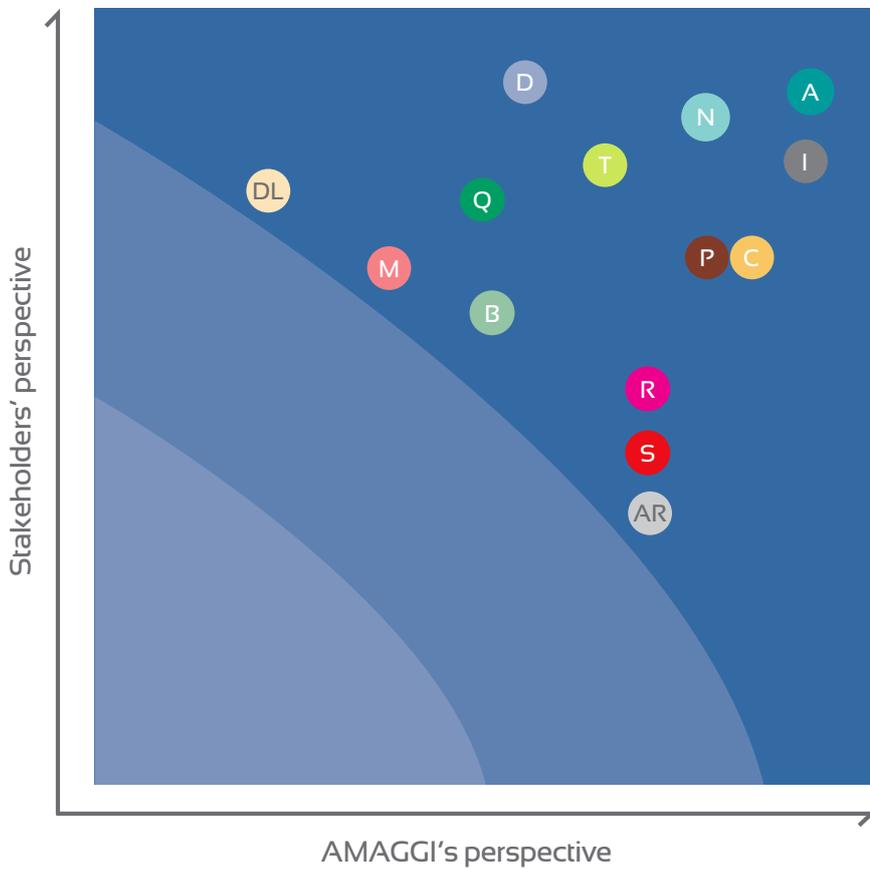
Validation – Presentation and validation of material topics for AMAGGI Senior Management.

At the end of this process, the company defines its material topics. These are the issues considered most relevant, that AMAGGI will monitor, evaluate, manage, and report to stakeholders in its Sustainability Report.

The last AMAGGI materiality review was carried out in 2019 and was attended by approximately 900 stakeholders ([learn more in Stakeholder Engagement, on page 41](#)). The chart below highlights fourteen topics that were considered material in this review. The next will be held in 2022, for the following three years.

In addition to supporting the AMAGGI Sustainability Report, the results of the materiality review are also used to review documentation and internal processes related to the organization’s sustainability strategy. This means that materiality supports the updating of the Stakeholder Mapping and Engagement Plan, with actions for the following two years, as well as the Strategic Sustainability Planning trough 2025.

Materiality matrix



- | | | | |
|-------------------------------------|---|--------------------------------------|---|
| D ZERO Deforestation | C Socio-environmental certifications | P Positioning and commitments | I Integrity and Ethics |
| Q Product quality and safety | DL Local and regional development | S Health and Safety | AR Employee attraction, retention, and development |
| B Biodiversity | A Agrichemicals | M Climate change | |
| T Transparency in the chain | N New agricultural practices | R Labor and union relations | |

Process for materiality engagement and consultation

Between May and September 2019, AMAGGI carried out a consultation and engagement process of priority stakeholders for the new materiality cycle. This process used various tools and methods, allowing different opinions and expectations to be considered in the review of the most relevant topics for sustainability management, as well as in maintaining a continuous dialogue between the company and its stakeholders on these topics and the main concerns related to them.

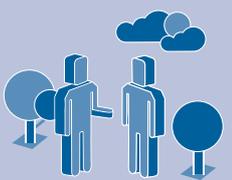
About 900 people participated in the consultations, using different methods:

- Internal interviews with top leaders from Brazil and Europe (18 people).
- External interviews with financial institutions, society and opinion makers, industry associations, and direct customers in Europe (14 people).
- Strategic forum with internal leaders (31 people).
- Workshop with employees from the Corporate Sustainability department (ten people).
- Working meetings with key areas (eight meetings with approximately 20 participants from DHO, HR, Quality, Foundation, OHS, Supplies, Sales, Compliance and Communication).
- Survey with employees (728 people).
- Field interviews (59 people) in Sapezal and Porto Velho, with unions, government, local communities, society and opinion leaders, agribusiness and industry associations, origination customers, supplier, and employees.
- Internal leadership feedback workshop (27 people).



Forum held with AMAGGI managers during the materiality review process and the Global Sustainability Positioning. Photo: AMAGGI Archive.

Relationship between strategic blocks, materiality and GRI disclosures

| Strategic block | Material Topics | GRI Disclosures | Where it occurs | SDGs |
|---|---|--|---|---|
|  <p>Improving governance and management</p> | <p>Product quality and safety; Positioning and commitments; Health and safety; Social and environmental certifications; Labor and union relations; Integrity and Ethics; Attraction, retention and development of employees</p> | <p>GRI 205-1, 205-2, 205-3, 401-1, 401-2, 401-3, 403-2, 404-1, 404-4, 404-2, 404-3, 405-1, 405-2, 416-1, 416-2</p> | <p>Employees and top leadership Suppliers Customers Financial Institution</p> |      |
|  <p>Promoting a sustainable value chain</p> | <p>Zero Deforestation; Biodiversity; Transparency in the chain</p> | <p>GRI 304-1, 304-2, 304-3 307-1, 308-1, 308-2, 407-1, 414-1, 414-2</p> | <p>Farmers Local communities Environment Suppliers</p> |    |
|  <p>Developing with the area</p> | <p>Local and regional development; Attraction, retention and development of employees</p> | <p>GRI 201-1, 203-2, 204-1</p> | <p>Farmers Local suppliers Local communities Government Suppliers</p> |     |
|  <p>Innovating sustainable products and solutions</p> | <p>New agricultural practices; Agrochemicals; Climate changes; Transparency in the chain</p> | <p>GRI 201-2, 202-1 305-1, 305-2 305-3, 305-4, 305-5</p> | <p>Employees Local communities Consumers Farmers Environment</p> |      |

GRI Content Index

GRI 102-55

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Portuguese version of the report.



| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|-----------------------------------|---|--------|--|----------------|
| GRI 101: Foundation 2016 | | | | |
| Organizational profile | | | | |
| GRI 102: General Disclosures 2016 | 102-1: Name of the organization | 10 | | |
| | 102-2: Activities, brands, products, and services | 15 | | |
| | 102-3: Location of headquarters | 10, 14 | | |
| | 102-4: Location of operations | 10, 14 | | |
| | 102-5: Ownership and legal form | 10 | The companies that make up AMAGGI are: André Maggi Participações S.A.; AMAGGI Exportação e Importação Ltda.; Agropecuária Maggi Ltda.; Hermosa Navegação da Amazônia S.A.; Maggi Energia S.A.; Divisa Energia S.A.; Ilha Comprida Energia S.A.; Segredo Energia S.A. | |
| | 102-6: Markets served | 10 | | |
| | 102-7: Scale of the organization | 10 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|--|--|------|---|----------------|
| | 102-8: Information on employees and other workers | 52 | Information not available: AMAGGI does not have the complete mapping of the data of outsourced employees, so this report does not detail the situation of this public regarding the hours and type of employment contract. | |
| | 102-9: Supply chain | 80 | | |
| | 102-10: Significant changes to the organization and its supply chain | | <ul style="list-style-type: none"> * Opening of commercial offices in: Pontes e Lacerda (MT), Redenção (PA) and Campo Verde (MT); * Installation of a new cotton plant at Fazenda Itamarati, in Campo Novo do Parecis (MT); * Opening of a new unit in Vilhena (RO); * Closing of the unit in Paranatinga (MT). | |
| GRI 102: Itens de divulgação gerais 2016 | 102-11: Precautionary Principle or approach | 51 | | |
| | 102-12: External initiatives | 24 | | 7 |
| | 102-13: Membership of associations | 28 | | 8 |
| | Strategy | | | |
| | 102-14: Statement from senior decision-maker | 6 | | |
| | Ethics and integrity | | | |
| | 102-16: Values, principles, standards, and norms of behavior | 19 | | 4, 5, 6, 10 |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|-----------------------------------|--|---------|----------------------|----------------|
| GRI 102: General Disclosures 2016 | Governance | | | |
| | 102-18: Governance structure | 43 | | |
| | Stakeholder engagement | | | |
| | 102-40: List of stakeholder groups | 41, 116 | | |
| | 102-41: Collective bargaining agreements | 52 | | 3 |
| | 102-42: Identifying and selecting stakeholders | 41, 116 | | |
| | 102-43: Approach to stakeholder engagement | 41, 116 | | |
| | 102-44: Key topics and concerns raised | 41, 116 | | |
| | Reporting practice | | | |
| | 102-45: Entities included in the consolidated financial statements | 4 | | |
| | 102-46: Defining report content and topic Boundaries | 4 | | |
| | 102-47: List of material topics | 116 | | |
| | 102-48: Restatements of information | | | No occurrences |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|-----------------------------------|--|-------------|----------------------|----------------------|
| GRI 102: General Disclosures 2016 | 102-49: Changes in reporting | | No occurrences | |
| | 102-50: Reporting period | 4 | Annual | |
| | 102-51: Date of most recent report | | 2018 | |
| | 102-52: Reporting cycle | | Annual | |
| | 102-53: Contact point for questions regarding the report | 132 | | |
| | 102-54: Claims of reporting in accordance with the GRI Standards | 4 | Core | |
| | 102-55: GRI content index | 120 | | |
| | 102-56: External assurance | | | It was not performed |
| Economic Performance | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 93, 116 | | |
| | 103-2: The management approach and its components | 38, 93, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|---|-------------|---|----------------|
| Economic Performance | | | | |
| GRI 201: Economic Performance 2016 | 201-1: Direct economic value generated and distributed | 95 | | |
| | 201-2: Financial implications and other risks and opportunities due to climate change | 107 | | 7, 8, 9 |
| Market Presence | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 55, 116 | | |
| | 103-2: The management approach and its components | 38, 55, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 202: Market Presence 2016 | 202-1: Ratios of standard entry level wage by gender compared to local minimum wage | 65 | Information not available to third parties. | 6 |
| Indirect Economic Impacts | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 93, 116 | | |
| | 103-2: The management approach and its components | 38, 93, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 93, 116 | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-2: Significant indirect economic impacts | 94, 97 | | 1, 8 |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|---|-------------|----------------------|----------------|
| Procurement Practices | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 93, 116 | | |
| | 103-2: The management approach and its components | 38, 93, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 96 | | |
| Anti-corruption | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 48, 116 | | |
| | 103-2: The management approach and its components | 38, 48, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 50 | | |
| | 205-2: Communication and training about anti-corruption policies and procedures | 60 | | 10 |
| | 205-3: Confirmed incidents of corruption and actions taken | 50 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|---|--------------|--|----------------|
| Biodiversity | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 74, 116 | | |
| | 103-2: The management approach and its components | 38, 74, 116 | | |
| | 103-3: Explanation of the material topic and its Boundary | 38, 116 | | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 75 | | |
| | 304-2 Significant impacts of activities, products, and services on biodiversity | 75 | | 7, 8, 9 |
| | 304-3 Habitats protected or restored | 77 | AMAGGI owns approximately 20.6 million hectares of leased areas, and it is the contractual responsibility of the lessee to maintain the Permanent Protection Areas and Legal Reserve in accordance with current legislation. | 8 |
| Emissions | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 107, 116 | | |
| | 103-2: The management approach and its components | 38, 107, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|--|-------------|---|----------------|
| Emissions | | | | |
| GRI 305: Emissions 2016 | 305-1: Direct (Scope 1) GHG emissions | 109 | | 7,8 |
| | 305-2: Energy indirect (Scope 2) GHG emissions | 109 | | 7,8 |
| | 305-3: Other indirect (Scope 3) GHG emissions | 109 | | 7,8 |
| | 305-4: GHG emissions intensity | 109 | | 7,8 |
| | 305-5: Reduction of GHG emissions | 111 | | 7,8,9 |
| Environmental Compliance | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 74, 116 | | |
| | 103-2: The management approach and its components | 38, 74, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 307: Environmental Compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | | In 2019 there were no environmental proceedings whose likelihood of loss could be classified as probable. | 2 |
| Supplier Environmental Assessment | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 80, 116 | | |
| | 103-2: The management approach and its components | 38, 80, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|---|-------------|--|----------------|
| Supplier Environmental Assessment | | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1: New suppliers that were screened using environmental criteria | | In 2019, the company had a total of 3,228 suppliers selected based on socio-environmental criteria, which represents 33.90% of the total suppliers. Data on livestock purchase evaluations are not yet available. | 7, 8, 9 |
| | 308-2: Negative environmental impacts in the supply chain and actions taken | 80-91 | | 7, 8, 9 |
| Employment | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 93, 116 | | |
| | 103-2: The management approach and its components | 38, 93, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 401: Employment 2016 | 401-1: New employee hires and employee turnover | 94 | | 6 |
| | 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees | 67 | | |
| | 401-3: Parental leave | 52 | | |
| Occupational Health and Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 69, 116 | | |
| | 103-2: The management approach and its components | 38, 69, 116 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|---|--|-------------|--|----------------|
| Occupational Health and Safety | | | | |
| GRI 103: Abordagem de gestão 2016 | 103-3: Avaliação da abordagem de gestão | 38, 116 | | |
| GRI 403: Occupational Health and Safety 2016 | 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | 71 | Information not available: AMAGGI does not have information on the hours worked by outsourced employees, which is why it is not possible to calculate fees. In addition, the company does not have fees by gender, however the implementation of the SAP System in the OH&S area will contribute to improving the responses of the indicators in the coming years. | 1 |
| Training and Education | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 55, 116 | | |
| | 103-2: The management approach and its components | 38, 55, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 59 | In 2019, the People Area carried out a survey and subsequently a project for the management of third parties, which made it impossible to report data for the year in question. | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 56 | | |
| | 404-3 Percentual de empregados que recebem avaliações periódicas de desempenho e desenvolvimento profissional | 56 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|--|---|-------------|---------------------------------------|----------------|
| Diversity and Equal Opportunity | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 52, 116 | | |
| | 103-2: The management approach and its components | 38, 52, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1: Diversity of governance bodies and employees | 52 | | 1, 2, 6 |
| | 405-2 - Ratio of basic salary and remuneration of women to men | 66 | | 2, 6 |
| Freedom of Association and Collective Bargaining | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 52, 116 | | |
| | 103-2: The management approach and its components | 38, 52, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | | There were no occurrences or reports. | 3 |
| Supplier Social Assessment | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 80, 116 | | |
| | 103-2: The management approach and its components | 38, 80, 116 | | |

| GRI Standards | Disclosure | Page | Observation/omission | Global Compact |
|--|---|-------------|--|----------------|
| Supplier Social Assessment | | | | |
| GRI 103: Management Approach 2016 | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 414: Supplier Social Assessment 2016 | 414-1: New suppliers that were screened using social criteria | | In 2019, the company had a total of 3,228 suppliers selected based on socioenvironmental criteria, which represents 33.90% of the total suppliers. Information not available: Data on livestock purchase evaluations are not yet available. | 1, 2, 4, 5 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 80-91 | | 1, 2, 4, 5 |
| Customer Health and Safety | | | | |
| GRI 103: Management Approach 2016 | 103-1: Explanation of the material topic and its Boundary | 38, 73, 116 | | |
| | 103-2: The management approach and its components | 38, 73, 116 | | |
| | 103-3: Evaluation of the management approach | 38, 116 | | |
| GRI 416: Customer Health and Safety 2016 | 416-1: Assessment of the health and safety impacts of product and service categories | 73 | | 1 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | | Low and medium non-conformities were raised during internal and external audits in 2019, however corrective actions were conducted according to the scope of the Amaggi Food Safety Management System. No critical non-compliance was recorded that would jeopardize the maintenance of certifications by external bodies at branches. | |

Credits

General Coordination

Juliana de Lavor Lopes

Chief of Sustainability, Communication and Compliance

Fabiana Reguero

Social and Environmental Manager

Executive Coordination

Heloisa Torres

Social and Environmental Supervisor

Daniel Escobar

Corporate Communication Supervisor

Disclosures and additional information

Daniele Paulo

Social and Environmental Analyst

Text and images revision

Elaine Andrade

Corporate Communication Analyst

Acknowledgements

Our special thanks to the Corporate Communication area and to all AMAGGI's business and support areas, as well as the André and Lucia Maggi Foundation, for their contribution in providing data and collecting the GRI Standards disclosures.

GRI Technical Content and Writing

Approach Comunicação Integrada

Ana Clara Barreto, Cintia Magalhães and Marcelo Vieira

Design and editorial project

Approach Comunicação Integrada

Karina Rohde and Luiza Dupim

Photos

AMAGGI Archive

This publication is the responsibility of AMAGGI

Talk to us

GRI 102-53

For information, suggestions, criticisms or comments, please send an e-mail to: sustainability team (sustentabilidade@amaggi.com.br) or Corporate Communication Department (comunicacao@amaggi.com.br).

Did you see something wrong?

AMAGGI Reporting Channel: www.canaldedenuncia.com.br/amaggi or 0800 647 0004.

This is an exclusive AMAGGI channel for secure and, if so desired, anonymous communication of conduct considered to be unethical or violating the company's ethical principles and standards of conduct and / or current legislation.



AMAGGI 



www.amaggi.com.br



[/Amaggi.Brasil](https://www.facebook.com/Amaggi.Brasil)



[/grupoandremaggi](https://www.youtube.com/grupoandremaggi)



[/amaggi](https://www.linkedin.com/company/amaggi)