

AMAGGI 

Sustainability Report

2018

Soy flower
(*Glycine max*)

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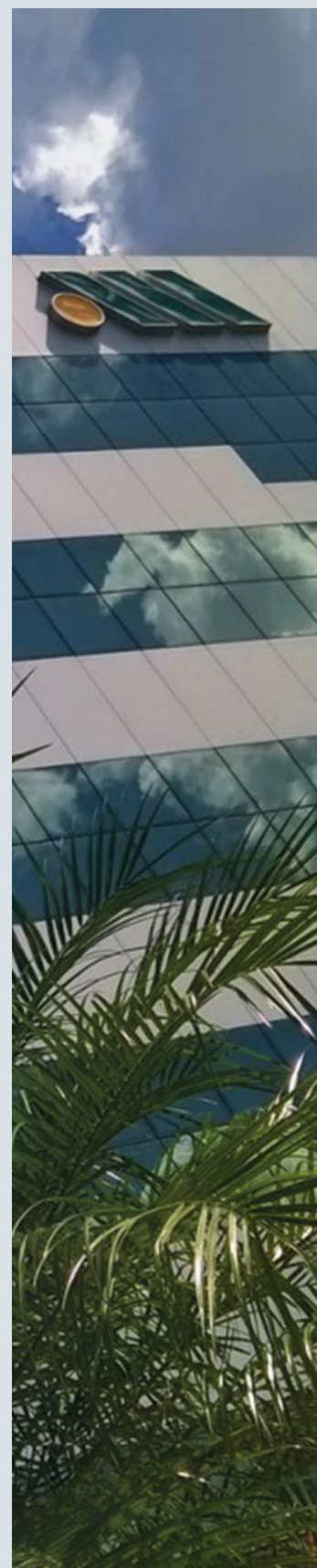
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Message

FROM THE PRESIDENT

GRI 102-14

At AMAGGI we believe that our strength lies in taking responsibility for the challenges, in an attitude of main protagonist. The year 2018 has brought us many obstacles and opportunities, and that is exactly what moves us. We act in a scenario, with events such as the truckers' strike, which brought impacts to the business plan established for the period. But we do not let ourselves be shaken: we continued to work and invested, and we achieved positive results. AMAGGI Commodities ended the year with volumes only slightly below those forecasted, and international offices had to deal with an unforeseen adjustment in commodity prices, but they performed very well in terms of volumes. AMAGGI Agro had a very good year in financial results, due to a solid and well executed planning.

We are constantly reinventing ourselves, and challenges are creating new ways to increase our competitiveness. This is the meaning of the investments announced by AMAGGI Logistics and Operations in 2018, such as the acquisition of our own fleet of trucks, which is a strategic option both in the face of the importance of road transport to our businesses and our knowledge of logistics.

But we know that all our achievements are only possible with the involvement of our employees. Thus, in 2018 AMAGGI continued investing in the development of people and in encouraging a leading attitude. We extended our Behavioral Health and Safety Program, with encouraging results, achieving a significant reduction in the frequency of accidents at work. And we carried out various actions dedicated to providing conditions for our employees to achieve their personal and professional achievements, generating sustainable business results, necessary for the perennial and success of AMAGGI.

We have a great harmony between business and sustainability, since it permeates everything we do. With an integrated management structure and work flowing between the different areas, sustainability is strategically going through all of our decision-making. Understanding that this concept also extends to ethics and integrity, in the last year we have had an important reinforcement in the company, with the structuring and beginning of the activities of Compliance area, the disclosure of the Integrity Policy and the accomplishment of training related to the topic for our

employees. With these measures, AMAGGI makes clearer appreciation for the efficiency of controls, for transparency, as well as its position against any form of corruption or diversion.

Through our Global Sustainability Positioning, we were able to give clarity to AMAGGI's sustainability strategy, unifying our socio-environmental performance and reinforcing the commitments and actions stipulated by the company. Since 2009 we have been a signatory to the United Nations Global Compact, and since 2015 we have contributed to the UN's proposed Sustainable Development Goals, working on issues related to our Global Positioning.

For 2019 we are confident about the results we intend to achieve and aware of the challenges that lie ahead. We have planned investments and new business to be implemented. And we are reassured to know that we can count on a team committed to the sustainable development of our projects.

ENJOY READING!



Judiney Carvalho de Souza
CEO | AMAGGI



AMAGGI

GRI 102-1, GRI 102-4

Acting through four business areas – Commodities, Agro, Logistics and Operations, and Energy – AMAGGI maintains an integrated and synergistic work throughout the agribusiness chain: from the origination and commercialization of grains and inputs, through port operations, river transportation, agricultural production to the generation and sale of electricity.

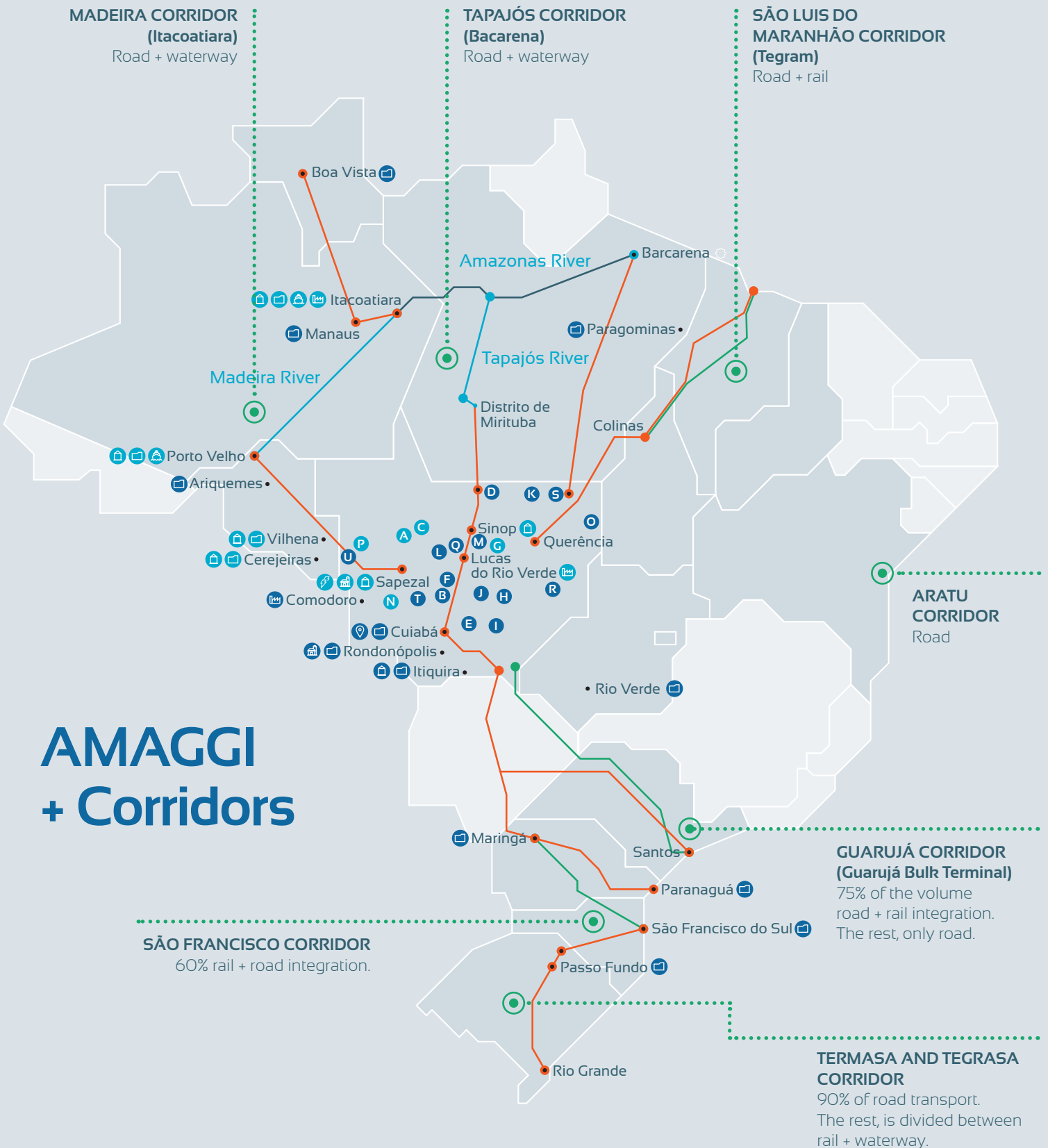
Founded in 1977, the company has been able to take its presence not only in all regions of Brazil but also beyond national borders, operating in Argentina, Paraguay, the Netherlands, Norway, Switzerland and China over the last four decades.

In addition to the solidity and performance of its business, AMAGGI has a structured activity in the social area, counting on a Private Social Investment Policy to guide the application of resources in the places where it operates. Following the provisions of this policy, the company transfers funds to the Andre and Lucia Maggi Foundation to manage its projects.

Working responsibly, AMAGGI has established itself as one of the leading exporters in Brazil, a place it has achieved by putting into practice values such as responsibility and respect for its partners and the communities where it operates. Thus, it has been recognized by the main rankings and awards of the country as a company that grows along with society, working for the sustainable development of the regions where it operates.



Acting in Brazil



AMAGGI + Corridors

International Presence

GRI 102-3, GRI 102-4



-
- Headquarters (location pin icon)
 - Plant (factory icon)
 - Commercial Office (briefcase icon)
 - Farm (factory icon)
 - Warehouse (warehouse icon)
 - Port Terminal (dock icon)
 - Shipyard (ship icon)
 - Small Hydroelectric Power (lightning bolt icon)
 - Trade Office (circle icon)

GRI 102-16

Mission

Contribute to the development of agribusiness, adding values, respecting the environment and improving the life of communities.

Vision

Be a reference company in sustainable development.

Values



INTEGRITY

Be ethical, fair and consistent with what you think, talk and do.



RESPECT FOR THE ENVIRONMENT

Be a reference in socio-environmental management.



SIMPLICITY

Concentrate on the essential, encouraging agility and bureaucracy.



HUMILITY

Demonstrate respect for all people while maintaining common sense in professional and personal relationships.



PARTICIPATIVE MANAGEMENT

Stimulate participation by promoting recognition and professional growth, involving people in key business processes.



COMMITMENT

“Wear the shirt.” Have passion and pride in the work and strive for the success of the company.



INNOVATION AND ENTREPRENEURSHIP

Keep in the organization creative, participative, daring, talented and enthusiastic people that make the difference in the competitive market.



RESPECT FOR PARTNERS

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

In line with the company’s Mission, Vision and Values, AMAGGI developed Global Positioning for Sustainability. Through this management tool, detailed in the chapter “Global Positioning for Sustainability and Plan 2025”, the company intends to provide transparency on its sustainability strategy to all stakeholders and deepen the synergy of its operations around the world.

2018 Highlights



US \$ 80.15 million
of investments in assets¹



Completion of the **acquisition of Fazenda Itamarati²**, in the municipality of Campo Novo do Parecis.



US\$ 4.74 billion
in annual revenue



Compliance training for approximately 70% of the employees in general, 80% of the managers and 100% of the members of the company's governing body, in all national units



Achievement of the **Brazilian Cotton Responsible (ABR)** certification and the **Better Cotton Initiative (BCI)** licensing for the 2017/2018 cotton harvest.



Acquisition of **own fleet of 300 trucks**, with capacity to transport up to **49.5 tons of grain each**.

1 - 2017 rectification: the value of US\$ 384 million of investments in assets, published in 2017, refers to all AMAGGI units, not just those that the company controls. The same calculation reasoning was done for the 2018 data.

2 - AMAGGI acquired all the shares that represent the share capital of Companhia Agrícola do Parecis (Ciapar), and this process was duly authorized by the Administrative Council for Economic Defense (Cade).



27% increase in soybean yield, **8%** in soybean, and **4%** in cotton, compared to the previous harvest.



For the first time, an **external audit was carried out in Pará**, due to the beginning of its operations, to ensure compliance with the **Green Grain Protocol** commitment, where AMAGGI was successful in the result achieved.



30 municipalities operated by the André and Lucia Maggi Foundation, in the states of Mato Grosso, Rondônia, Amazonas, Paraná, Rio Grande do Sul and Goiás.



Total volume of certified soy
 AMAGGI Responsible Standard (A.R.S.) - **415 thousand t**
 Round Table on Responsible Soy (RTRS) **485 thousand in credits | 236 thousand physical t**
 EU RED **112 thousand physical t**
 ProTerra Standard - approximately **1.1 million t**

3 – Each credit equals 1 ton of certified soy.



Awards and Recognitions

2018 EXAME SUSTAINABILITY GUIDE

Highlight as one of the 5 most sustainable agribusiness companies in the 2018 Exame Sustainability Guide (Guia Exame de Sustentabilidade).

NA MÃO CERTA PROGRAM

Recognition as a partner company of the Na Mão Certa Program (Childhood Brazil organization).

ABERJE AWARD FOR BUSINESS COMMUNICATION

Regional winner (Minas Gerais and Midwest) in the category "Historical Responsibility and Corporate Memory", for the company's 40-year celebration campaign.

MOST ADMIRERED HRS IN BRAZIL

Regional highlight (Center-West) in the Most Admired RHs in Brazil, of the magazine Gestão RH.

BEST AGRIBUSINESS COMPANIES

Positioned among the 50 best agribusiness companies in Brazil, in a survey of Forbes magazine.

MORE INFLUENTIAL IN AGRIBUSINESS

Chief Executive Judiney Carvalho de Souza and shareholder Blairo Borges Maggi are listed among the "100 most influential figures in agribusiness" by the magazine Dinheiro Rural.

ÉPOCA NEGÓCIOS 360°

- 2nd best company in people management in agribusiness;
- 3rd company of the Central-West region in the ranking of each region's share of the total revenue of the 500 largest in the country;
- 4th best agribusiness company;

- 4th best forward-thinking company in agribusiness;
- 5th best company in sustainability in agribusiness;
- 6th best company in the Midwest;
- 43rd largest company in the country (net revenue);
- 95th best company in the country (276 points).

BEST OF AGRIBUSINESS

The 10th largest agribusiness company in the country, in the Best Agribusiness Yearbook of Globo Rural magazine.

THE BEST & THE BIGGEST

36th largest company in Brazil in the Exame Magazine's The Best and The Biggest (Melhores & Maiores).

1000 VALUE

41st largest company in Brazil in the 1000 Value (Valor 1000) yearbook of Valor Econômico newspaper.

CERTIFICATE OF SOCIAL RESPONSIBILITY

Certificate of Social Responsibility of the Legislative Assembly of Mato Grosso for AMAGGI and André and Lucia Maggi Foundation.

MONSOY INNOVATIVE PROJECT AWARDS

Recognition for an innovative project in the development of rural producers at the Monsoy 2018 Multiplier Meeting.

SOWING THE GOODNESS AWARD

Recognition of the Social Environmental Education Program (PESA) as best environmental practice by the Instituto Algodão Social. For more information on this initiative, see the chapter on "Dissemination of knowledge".



Certifications

AMAGGI values certifications as a way of confirming its commitment to responsible production, ensuring that socio-environmental and quality criteria are met, not only in its internal processes, but also in its production chain. Below, details and highlights for each of them can be known.

Social and environmental certifications



BRAZILIAN COTTON RESPONSIBLE (ABR) / BETTER COTTON INITIATIVE (BCI)

As a way to highlight the socially correct production process of cotton, in 2018 all cotton bales produced by AMAGGI received the ABR / BCI seal. Together, the Agua Quente and Tucunaré farms in Sapezal (MT) and Itamarati, in Campo Novo do Parecis (MT), were responsible for planting 65,000 hectares of cotton, producing about 111 thousand tons of cotton plume.



AMAGGI RESPONSIBLE STANDARD (A.R.S.)⁴

In 2016 AMAGGI launched its own certification standard, AMAGGI Responsible Standard (A.R.S.), seeking to establish minimum criteria for rural producers and to work with them on the culture of social and environmental management. Without competing with other certifications, A.R.S. is interested in promoting a productive chain based on responsible productive processes.

As a result of this work, in 2018 239 thousand tons of soy beans were certified in A.R.S. of the Commodities business area, in 206 thousand ha of total area, of 53 partner properties. These properties are distributed in the municipalities of Diamantino, Tangará da Serra, Campo Novo do Parecis, Sapezal, Brasnorte, Júlio Campos, Itiquira, Primavera do Leste, Nobres, Alto Paraguai, Nova Maringá, São José do Rio Claro, Paranatinga and Rondonópolis, in the state of Mato Grosso. In relation to the Agro business area, about 176 thousand tons of soy were certified.

In order to ensure the management of socio-environmental risks and opportunities related to AMAGGI's grain warehouses, in 2018 these, which until then were certified in ISO 14001, initiated the implementation of A.R.S. Chain of Custody.

It should be noted that the process of certification of partner producers and chain of custody in A.R.S. is verified by third party audit.



ISO 14001

Certification that provides the basis for an effective environmental management system, demonstrating commitment to sustainable practices, protecting the environment, preventing pollution, continuously improving processes and managing social and environmental risks.

In 2018, 9 AMAGGI units were recertified in this standard, among factories, farms, ports, shipyard and company headquarters.

⁴ – In 2018 there was a change in the name of the certification, which was renamed from AMAGGI Responsible Soy Standard to AMAGGI Responsible Standard, in order to cover other products of the same property in the future.



PROTERRA STANDARD

The ProTerra Standard seal ensures compliance with environmental and social requirements, guaranteeing the market a product free from deforestation, as well as the absence of genetically modified organisms (GMOs) in certified soy. By means of audits, the seal observes if 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 – to ensure that the grain is conventional (non-GMO).

In 2018 Agro included in this certification its own farm Vale do Araguaia, which was added to the Água Quente, Itamarati, Tanguro and Tucunaré farms, in addition to the chain of custody, involving Ana Terra, Campos de Júlio and Sapezal warehouses, the ports of Itacoatiara and Porto Velho, and the crushing soybean in Itacoatiara. Commodities, in turn, certified 430 partner producers. In all, AMAGGI certified, in its own areas and in its supply chain, 1.1 million tons of Proterra soybeans.



ROUND TABLE ON RESPONSIBLE SOY (RTRS)

In order to ensure the responsible production of soybeans, AMAGGI adopts the Round Table on Responsible Soy (RTRS) standard in its production and supply chain. The certification imposes principles and criteria that guarantee a product zero deforestation to the market and aim at attesting an environmentally correct, socially adequate and economically viable production in all stages of production until export, contemplating the verification of the processes of the farms, industries, warehouses and terminals ports.

In 2018 Agro certified, in book and claim⁵ (credit), Tucunaré, Tanguro and Itamarati farms. Commodities certified 32 rural properties from partner producers – these properties went through socio-environmental diagnosis and internal auditing with AMAGGI's own staff, in a work to guide and encourage the continuous improvement of socio-environmental management. In the RTRS EU RED₆ modality, 112 thousand tons of soy were certified, in a total of 94 thousand ha of area, of 6 rural properties of partners producers. In all, AMAGGI certified 833 thousand tons of RTRS soybeans in the credit, physical and EU RED modalities.

Also in the scope of the Chain of Custody certification are 15 warehouses (Ana Terra, Barreiro, Brasnorte, Campo Novo do Parecis, Campos de Júlio, AGD, Ipiranga do Norte, Novo Horizonte, Santa Rita do Trivelato, Sapezal, Sinop, Tapurah, Teixeira Junior, Vera and Vilhena); 5 port terminals, 2 in Porto Velho, Itacoatiara, Guarujá Grain Terminal (TGG) and Miritituba-Barcarena Complex; and 2 soybean crushers, located in Lucas do Rio Verde and Itacoatiara.

5 – The term “book and claim” refer to technical issues related to the RTRS soybean chain standard. To learn more, go to www.responsablesoy.org.

6 - This modality of the RTRS, commercialized physically from the Mass Balance, has as a differential the calculation of emissions related to the cultivation, storage and transportation of soy. This product aims to serve the European Biofuel market, which has emission reduction targets, following the European Renewable Energy Directive.

Product and process quality certifications



FOOD SAFETY MANAGEMENT SYSTEM (FSSC 22000)

Recognized by the Global Food Safety Initiative (GFSI) and in charge of the Foundation of Food Safety Certification, the FSSC 22000 certification provides a framework for effectively managing food safety and quality responsibilities. It includes the requirements of the Food Safety Management System in accordance with ISO 22000; the technical specifications for the Prerequisite Program (PPRs); in addition to additional globally recognized system requirements.

With the upgrade of its version 4.1, applied in 2018, the major changes in certification include new requirements related to the following topics: protection against food fraud (prevention of intentional product contamination), food protection (process to ensure food safety), unannounced audits, introduction of critical nonconformities, standardized audit report, and transportation and logistics industries.

AMAGGI has the FSSC 22000 since 2015; in 2018, the company went through the recertification process, starting its second cycle in January 2019. Having this seal reveals that a company has a robust and effective food safety management system, being able to meet the requirements of food, customers and consumers.



GOOD MANUFACTURING PRACTICES (GMP+ FSA)

GMP + (Good Manufacturing Practices) has developed into a complete certification scheme for food safety (raw material for animal feed), integrating quality management requirements such as ISO 9001, HACCP Hazards and Critical Control Points (HACCP), FSSC 22000 (Food Fraud and Food Defense), Prerequisite Programs (PPR), traceability, monitoring, standards and products. The indication "+" refers to the integration of HACCP, based on the GMP + systematics partially determined by the risk mentality and continuous process and product improvement.

The GMP + food certification scheme defines conditions relating not only to production facilities, but also to storage, transportation, personnel, procedures, documentation, among others. Together with its partners, it clearly defines the conditions for ensuring food safety and sustainability by preparing certification bodies to carry out independent audits.

With over 13,400 participating companies in more than 70 countries, GMP + International is a global leader in the food safety assurance certification market. A GMP + certificate provides additional qualitative assurance for all entrepreneurs dealing with the international feed industry. In order to meet customer requirements, AMAGGI has been certified since 2002.



FOODCHAIN ID NON OGM

Since 2005, AMAGGI has obtained the Non-ONG certification and the Non-GMO Foodchain ID label, which establishes an easy identification of products free of genetically modified components. Reference in the sector for non-GMO production systems, the certification 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.

The main components of the program include risk assessments, traceability and sample testing for compliance verification. By means of traceability and preserved identity (Hard IP), the most important critical control points are defined and verified, in the different stages of the process – from seed production to delivery of products to customers, acquisition of soybeans.



KOSHER

Recognized worldwide and considered synonymous with maximum quality control, since 2014 AMAGGI has the Kosher certificate. It is issued after evaluation of the manufacturing process, attesting that the products conform to the specific norms governing the orthodox Jewish diet.



Institutional commitments

GRI 102-12

In 2018, AMAGGI maintained all its institutional commitments and made a new adherence to the Green Grain Protocol, carrying out various actions to pursue and deepen its objectives.

It is worth mentioning that for several of these commitments, such as the Na Mão Certa Program, Soy Moratorium, Global Compact, Child Friendly Company, Grain Green 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 their performance and measure the results and progress achieved in each commitment. Below, details and highlights for each can be known.



SOY MORATORIUM

With the adherence of AMAGGI since 2006, the industries and exporters affiliated to the Brazilian Association of Vegetable Oil Industries (Abiove) and the National Association of Exporters of Cereals (Anec) have made a commitment not to market soybeans from areas of the Amazon biome deforested after 2008. Since 2016, the Soybean Working Group (GTS), which brings together industry, civil society and government, has decided to maintain this commitment indefinitely.

Annually, the company receives an external audit to certify compliance with the agreement. During the 2018 audit, about 11,700 soybean sales were evaluated, carried out within the Amazon biome, and no irregularities were identified regarding compliance with the company's commitment.

In addition, AMAGGI achieved the first position in the classification of the audit report and management system by the Evaluation Committee of the reports of the companies that adhered to the Soy Moratorium, which demonstrates the seriousness of the company in meeting its commitments.



SUSTAINABLE DEVELOPMENT GOALS

The United Nations (UN) initiative dedicated to engaging signatory countries to work in areas that are crucial for sustainable global development has been supported by AMAGGI since 2015, which disseminates the goals to its collaborators and other stakeholders.



GLOBAL COMPACT

Since 2009 AMAGGI is a signatory to the UN Global Compact, an international commitment to the adoption of principles related to Human Rights, labor relations, the environment and anti-corruption in all business practices. In 2018, the company began to coordinate a subcommittee within the Communication and Engagement Committee (CEC) of the Brazilian Network of the Global Compact, and in that same year it supported the development of a kit for partners and suppliers, aiming at their engagement with the Sustainable Development Goals (ODS).



BUSINESS PRINCIPLES FOR FOOD AND AGRICULTURE

Launched in 2014 by the Global Compact, the commitment seeks to collaborate in the design of efficient and practical solutions to increase the security of food systems and the sustainability of agriculture. AMAGGI, along with 20 other organizations from the private sector worldwide, was present in all stages of its creation, being the only Brazilian company invited to participate in the process of elaboration of the principles.

As a representative of the coordination of the Food and Agriculture Thematic WG of the Brazil Network of the UN Global Compact, in 2018 AMAGGI participated in Collective Action Day: collaboration for water security in Brazil. Held at the 8th World Water Forum in Brasilia, the event addressed the challenges of companies in corporate water management.

In continuity with the work begun in the previous year, in 2018, the members of this same WG reviewed and adapted the proposal for training of multipliers, using as a basis a methodology of the Global Compact itself and consulting support. One of the results of this work was the project to create the Replicator Manual, which should be designed until April 2019, to disseminate the Business Principles for Food and Agriculture and the Sustainable Development Objectives in the private sector.

Last year, the group also started creating a digital platform for dialogue with society to address critical issues related to Brazilian agribusiness, with the goal of launching it in the second half of 2019.



BUSINESS PACT AGAINST THE SEXUAL EXPLOITATION OF CHILDREN AND ADOLESCENTS ON BRAZILIAN HIGHWAYS – NA MÃO CERTA PROGRAM

The Na Mão Certa Program, with which AMAGGI has been formally committed since 2014, is coordinated by the non-governmental organization Childhood Brasil, which works to mobilize companies and entities around the sexual exploitation of children and adolescents on Brazilian roads.

In 2018, AMAGGI registered initiatives and acknowledgments within the scope of this commitment: promoted a Multiplier Training Workshop – Waterway Modal, in Itacoatiara, surveyed the profile of the truck driver on the Parecis-Porto Velho route, in partnership with Childhood Brasil; and participated as a guest company of the panel “The importance of partnerships and research in the prevention and confrontation of the sexual exploitation of children and adolescents”, at the 12th Annual Meeting at The Right-way, receiving from Childhood Brazil a special recognition for their support and achievements over of the year.



BUSINESS PACT FOR INTEGRITY AND AGAINST CORRUPTION

Organized by the Ethos Institute of Business and Social Responsibility, the pact, which aims to promote a more ethical and ethical market, eradicating bribery and corruption, has been joined by AMAGGI since 2009.



NATIONAL PACT FOR THE ERADICATION OF SLAVE LABOR

Committed to respect for Human Rights and the eradication of all forms of work analogous to slavery in its production chain, since 2005, AMAGGI has signed the National Pact for the Eradication of Slave Labor. Annually, AMAGGI submits to the organization InPACTO the monitoring report with the report of the actions taken to eradicate slave labor in the company’s production chain. In 2018, the company was prominent in monitoring commitments related to this pact: in the overall result of the year, it reached a score of 81%, while the average of the other associates was 57%; in the commitment to adopt commercial restrictions associated with the Dirty List, the company obtained 100%,

against an average of 75%; the same 100% were obtained also with regard to the commitment to promote communication actions for the prevention of slave labor, against an average of 48%.

Also within the scope of the Pact, members of the legal department of AMAGGI became part of the Legal Working Group, created in 2018, with the main objective of working on the legislative, normative and jurisprudential framework for work in conditions analogous to slavery, in order to evaluate possibilities of best practices for the eradication of forced and degrading labor, to be taken to the public agencies involved and also to the associates.

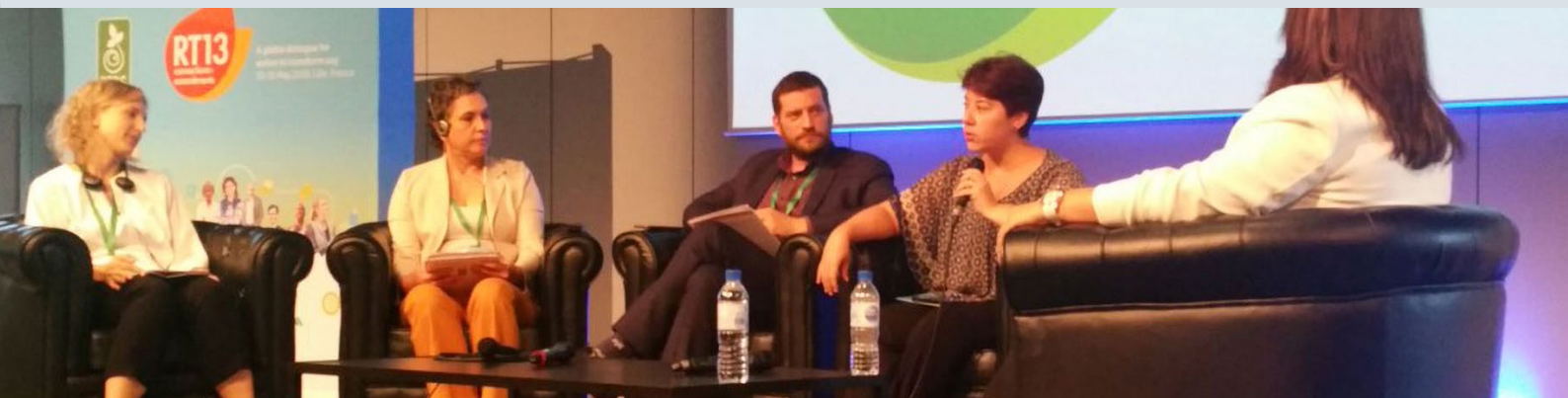
GREEN GRAIN PROTOCOL

Faced with the new challenge of operating in the state of Pará, in 2018 AMAGGI adhered to the Green Protocol of the Pará Grains. The Protocol is a joint initiative of the Federal Public Ministry, Pará state government, the Ministry of Environment and local companies in order to establish purchase procedures that ensure the legal and sustainable origin of soybean production in Pará and strengthen the Rural Environmental Registry (CAR) as a tool for environmental management.

CHILD FRIENDLY COMPANY PROGRAM



Initiative of the Abrinq Foundation that counts with the participation of AMAGGI since 2009, the program seeks to mobilize companies for a social action for the benefit of children and adolescents in Brazil. In 2018, AMAGGI renewed the title in recognition of its commitment to the protection of children and adolescents. At the invitation of the Abrinq Foundation, AMAGGI, represented by the André and Lucia Maggi Foundation (FALM), was present at the 44th National Congress on People Management (CONARH) with a chat on the theme of social investment with emphasis on initiatives for children and adolescents.



Partnerships and initiatives

GRI 102-13

Believing in the importance of working together for responsible performance, AMAGGI maintained in 2018 initiatives and partnerships of great value, with several highlights.

“WE ACTIVELY PARTICIPATE IN COMMITMENTS AND PARTNERSHIPS AND ARE FREQUENTLY DEBATING ISSUES THAT AFFECT AGRIBUSINESS. THE CHALLENGE IS TO FIND THE BEST WAY TO CONDUCT THESE ISSUES, ESPECIALLY THE MOST CONTROVERSIAL ONES, BECAUSE WHAT AMAGGI SAYS HAS A GREAT WEIGHT IN THE FOREIGN MARKET, ESPECIALLY WHEN IT POSITIONS ITSELF ON ISSUES RELATED TO SUSTAINABILITY”.



Jorge Zanatta

DIRECTOR OF INSTITUTIONAL RELATIONS

Below is a brief description of each partnership and initiative:

FGV EAESP

CENTRO DE ESTUDOS
EM SUSTENTABILIDADE

CENTER FOR SUSTAINABILITY STUDIES (FGVCES)

An open space, focused on study, learning, innovation, an open space, focused on study, learning, innovation, reflection and knowledge production, the Center for Sustainability Studies (FGVCes) Paulo of the Getúlio Vargas Foundation (FGV EAESP), works in the development of strategies, policies and tools for public and business management for sustainability at the local, national and international levels.

AMAGGI participates in working groups with the FGVCes, such as the Companies for Climate Platform (EPC), GHG Protocol, Trends in Ecosystem Services (TESE) and Applied Life Cycle (CiViA).



BRAZIL CLIMATE, FORESTS AND AGRICULTURE COALITION

A multisectoral movement that brings together leading agribusiness entities in Brazil, civil organizations in the areas of environment and climate, representatives of academia, industry associations and leading companies in the areas of wood, cosmetics, steel, pulp and paper, agriculture, among others. It aims to articulate actions for Brazil to promote a new model of economic development based on the low carbon economy, responding to the challenges of climate change.

In 2018, AMAGGI coordinated, together with four other institutions, a forum promoted by the Coalition, which focused on building a vision of the future on deforestation, resulting in the publication "2030-2050 Vision, the future of forests and of agriculture in Brazil".



MATOPIBA COALITION

The Matopiba Coalition is 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, promoting the conservation of natural resources and the expansion of food production. In 2018, the highlight was for the Fourth Meeting, which discussed governance in facilitating meetings, communication among members and, especially, the 2018-2019 Work Plan.



BRAZILIAN ASSOCIATION OF VEGETABLE OIL INDUSTRIES (ABIOVE)

As a member of the Sustainability Committee of the Brazilian Association of Vegetable Oil Industries (Abiove), AMAGGI adheres to the objective of discussing and implementing, jointly with the associated companies, sustainability projects for the soybean production sector.



BRAZILIAN BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (CEBDS)

Through its participation in several thematic chambers of the Brazilian Business Council for Sustainable Development CEBDS – such as CTClima, CTBio and CT-Social – AMAGGI joins other companies to seek continuous improvement in the management of emissions, biodiversity, water and local development.



FEDERATION OF INDUSTRIES IN THE STATE OF MATO GROSSO (FIEMT)

AMAGGI is part of the Thematic Council on the Environment (Contema) of the Federation of Industries in the State of Mato Grosso (Fiemt), which brings together industrial entrepreneurs and representatives of entities, with the objective of discussing compliance with environmental legislation and the evolution of the sustainability of industries in the state of Mato Grosso, and proposed measures related to this subject.



EARTH INNOVATION INSTITUTE E BALIKPAPAN CHALLENGE

The Earth Innovation Institute is an international benchmark in issues such as food security, protection of tropical forests and climate change.

In the last year AMAGGI was invited to participate in the Global Directorate of Agricultural Production and Tropical Deforestation to support the Balikpapan Challenge. This commitment, coordinated by the Climate and Forest Governance Task Force (GCF) and Earth Innovation Institute, was launched in Indonesia in 2017 and seeks to develop a business model for the origin of products, further strengthening states or regions and respecting each jurisdiction in the fight against deforestation and climate change. Its first meeting was held in March 2018, and its work will directly subsidize regional and state strategies in Brazil, Colombia, Indonesia, Mexico and Peru.



MT STRATEGY: PRODUCE, PRESERVE AND INCLUDE (PCI)

The Strategy: Producing, Conserving and Including (PCI) is an initiative of the state of Mato Grosso, aimed at achieving a vision of social and economic development by 2030 through the sustainable use of natural resources. AMAGGI is a member and representative of the private sector and is part of the Engagement and Communication WG, dedicated to promoting and subsidizing opportunities and strategies for the engagement of market players, financiers and investors, as well as establishing guidelines for project communication.

Continuing the governance structure of the PCI Strategy, initiated in the previous year, in 2018 AMAGGI participated in the elaboration of the statute of the organization being created to act as a managerial and financial mechanism of the strategy. The company also integrated the PCI Corporate Action Group, which has the following objectives: to facilitate corporate engagement; align corporate commitments to a jurisdictional approach in Mato Grosso; and be a channel to welcome corporate feedback to strategy.



SOYBEAN WORKING GROUP (GTS)

AMAGGI maintains its commitment to combat deforestation on several fronts. Through the GTS, made up of civil society organizations, companies and government agencies, AMAGGI implements its commitment not to market soybeans from deforested areas after 2008 in the Amazon biome, an initiative known worldwide as the Soy Moratorium.

CERRADO WORKING GROUP (GTC)

Being one of the leaders of the Cerrado Working Group (GTC) since its formation, in 2018 AMAGGI participated in plenary sessions and technical meetings dedicated to creating strategies to eliminate, in the shortest time possible, the deforestation of the cerrado (savannah) connected to the soybean chain.

In this way, the group seeks to find opportunities for a long-term collective solution, reconciling social, environmental and economic aspects. In the last year, progress has been made in discussions with buyers, investors and organizations, represented by signatories of the Statement of Support of the Manifesto of the Cerrado (126 organizations to date). The discussions dealt with a proposal to share costs and responsibilities in a broader agreement that addresses other relevant aspects of the chain in the biome.



AMAZON ENVIRONMENTAL RESEARCH INSTITUTE (IPAM)

Since 2004, AMAGGI has partnered with the Amazon Environmental Research Institute (IPAM) to develop scientific research projects related to environmental preservation within the Tanguro Farm.



ROUND TABLE ON RESPONSIBLE SOY (RTRS)

Since 2005, AMAGGI has been participating in discussions on the principles and criteria that cover the environmental, economic and social aspects of responsible soy, as well as the process of formalization and institutionalization of the RTRS in 2006. Reiterating its commitment to responsible production, in 2007 the company was elected to the first composition of the Executive Committee of the RTRS, position that occupy until today. RTRS also counts on Task Force Brasil, a Brazilian group dedicated to promoting and improving the soybean market and the certification process in the country, where AMAGGI also participates actively.

In 2018, AMAGGI participated and sponsored the Annual Conference of the International Association of Responsible Soy (RTRS), the RT13. Held in May in France, with the participation of 180 representatives of companies and associations, farmers, NGOs, research institutes and government representatives, the event organized lectures and debates on the main issues related to sustainable soy production and the challenges that it implies in different biomes, from a more comprehensive sustainable perspective, in addition to zero deforestation.

THE NATURE CONSERVANCY (TNC)



Interested in accelerating the environmental and productive adequacy of rural properties in priority areas for the conservation of biodiversity and water resources, AMAGGI maintains a partnership with TNC focused on strengthening the environmental regularization of the Alto Teles Pires region, the Environmental

Regularization Program in Lucas do Rio Verde and in the promotion of technical assistance for Nova Mutum, all municipalities of Mato Grosso.

Another highlight in the partnership was the launch in 2018 of version 2.0 of the Agroideal Amazon system – in 2017, AMAGGI had already contributed to the development of this platform for the Cerrado. The new version, in addition to including the Amazon biome in the database, also brought a new platform of content and functionality, which includes the operation manual, video of disclosure, testimony of users and communication channel for questions and suggestions.

The company also established in 2018 a partnership with The Nature Conservancy and Syngenta to carry out environmental diagnostics focused on the PRA (Environmental Regularization Program) of certified farms in its chain in the municipalities of Lucas do Rio Verde, Nova Mutum, Tapurah, Merry Christmas and Smile.



SUSTAINABLE TRADE INITIATIVE (IDH)

In 2018, AMAGGI participated in the discussions with the Sustainable Trade Initiative on 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 the commercialization of large volumes of commodities, in accordance with sustainability commitments at scale and at competitive prices.





AMAGGI Areas of business

AMAGGI Agro

GRI 102-2, GRI 102-7

AMAGGI Agro is active in the agricultural production of soybeans, corn and cotton, in the production of soybean seeds and processing of cotton.

"THE YEAR 2018 WAS GOOD AS A WHOLE. WE OVERCOME THE CHALLENGES WITH A CERTAIN TRANQUILITY. IN RELATION TO THE PRODUCTION OF SOYBEAN AND COTTON WE HAD AN EXCEPTIONAL YEAR, WITH A RECORD OF PRODUCTION IN BOTH CROPS. THE CORN PRODUCTION DID NOT GO VERY WELL, BECAUSE THE WEATHER DID A LITTLE DAMAGE."



Pedro Valente
DIRECTOR OF AMAGGI AGRO

Agricultural production – Harvest 2017/2018



SOYBEAN

Area:
173,349 ha

Productivity:
62.93 bags/ha

Volume:
654,507 t



CORN

Area:
33,341 ha

Productivity:
83.04 bags/ha

Volume:
166,112 t



SOYBEAN SEED

Area:
3,232 ha

Productivity:
42.19 bags/ha

Volume:
8,180 t



COTTON

Area:
65,020 ha

Productivity:
306.87 @/ha

Volume:
299,291 t



AMAGGI Commodities

GRI 102-2, GRI 102-7

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

In the year 2018, grain volumes (soy and corn) originated in Brazil remained stable compared to the previous year. The commercialization of agricultural inputs continues to maintain a steady growth, being 8% in chemical inputs, 6% in fertilizers and 2% in soybean and corn.

“THE YEAR 2018 WAS PERHAPS ONE OF THE MOST DIFFICULT OF THE LAST FIVE YEARS. I THINK THE WORST PHASE WAS THE TRUCKERS’ STRIKE, BECAUSE WE HAD TO STOP OUR ACTIVITIES. THE TRADE WAR BETWEEN THE UNITED STATES AND CHINA HAS ALSO SOMEWHAT DAMAGED THE GRAIN MARKET AND PRICES. WE WERE QUITE RESILIENT IN 2018.”



Gunnar Nebelung

DIRECTOR OF AMAGGI COMMODITIES



AMAGGI Logistics and Operations

GRI 102-2, GRI 102-7

AMAGGI Logistics and Operations operates in the transportation of grain originated from third parties and from its own production, by means of fluvial navigation in the Northwest Corridor of Exportation (waterways of the rivers Madeira and Amazonas), in the management of outsourced transportation in the modalities of road, rail and waterway⁷, grain processing (factories), fertilizer production, warehouse management and power generation.

“IN 2018, THE MAIN CHALLENGES IN THE LOGISTICS AREA WERE THE FLUCTUATION IN FUEL PRICES, THE TRUCK DRIVERS’ STRIKE AND THE DIFFICULTIES WITH BR 163, WHICH IMPACTED ON OUR BUDGET PROJECTION OF FREIGHT, AND THEREFORE ON THE COMPANY’S RESULTS. AS A STRATEGY FOR THIS DIFFICULTY, THE COMPANY DECIDED TO UNDERTAKE THE PURCHASE OF 300 TRUCKS, THUS HAVING ITS OWN FLEET TO TRANSPORT PART OF ITS PRODUCTS. THE VEHICLES WILL OPERATE ON THE MOST STRATEGIC LOGISTICS ROUTES FOR AMAGGI, IN ORDER TO TRANSFER AGRICULTURAL PRODUCTION TO EXPORT PORTS.”



Sérgio Luiz Pizzatto

DIRECTOR OF AMAGGI LOGISTICS AND OPERATIONS



STORAGE

28 storage units located in Mato Grosso, Rondônia and Amazonas, with storage capacity of approximately **2.5 million tons** of grain per year.



SOYBEAN CRUSHING

3 soybean crushing units, located in Lucas do Rio Verde (MT), Itacoatiara (AM) and Norway (Denofa)⁸, with crushing capacity of **1.6 million tons** of soybean per year.

7 - Through a joint venture to transport through the Tapajós / Amazonas Waterway.

8 - The management of the Denofa soybean crushing plant in Norway is done by AMAGGI Commodities.



FERTILIZER SPREADER

1 fertilizer mixer unit, located in Comodoro (MT), with a production capacity of 215 thousand tons of fertilizers per year.



GRAIN TRANSPORT

164 barges, bulk | 27 mineral barges | 21 own pushers operating | 4.7 million tons of grain transported in the Madeira Corridor (Northwest Export Corridor)



AMAGGI Energy

GRI 102-2, GRI 102-7

AMAGGI Energy operates in the generation of electric energy, through small hydropower plants located in the state of Mato Grosso and integrated to the National Interconnected System.

“IN 2018, THE OPERATIONAL PART OF THE AMAGGI ENERGY PLANTS BECAME PART OF THE AMAGGI LOGISTICS AND OPERATIONS BUSINESS UNIT. IN THIS WAY, THE ENGINEERING AREA CAME TO STAY TOGETHER WITH THE ENERGY OPERATIONS AREA, PROVIDING GREATER SYNERGY BETWEEN THE TEAMS.”



Judiney Carvalho de Souza
CEO OF AMAGGI



HYDROPOWER PLANTS

5 small hydropower plants, located in Mato Grosso: 4 on the Juruena river, in the municipality of Sapezal, and 1 on the Formiga river, in the municipality of Campos de Júlio.



POWER

70 MW of installed power.



Products, BY-PRODUCTS AND INPUTS

State-of-the-art technology and good agricultural practices guarantee the quality of AMAGGI products

Products



SOYBEAN

The advantage of soybeans over other grains is their high protein content, as well as a series of elements considered of high nutritional value and relevant to human health. At AMAGGI, soybeans are exported in grains, bran and oil.

Its applications range from human and animal feed to industrial use, as raw material in the production of cosmetics, plastics, paints, adhesives, fibers, biofuels, among others.



CORN

With high production potential, maize is highly responsive to the technology and used as human food or animal feed, due to its nutritional qualities as well as in the production of ethanol.



COTTON

Cotton crop is a natural fiber, generated around the seeds of cotton, being one of the most used materials in the textile industry.



By-products



SOYA HULL

The soya hull is the outer part of the grain, obtained by separation during the oil extraction process. AMAGGI sells the pellet, rich in fibers, used to enhance the feeding of the herd.



DEGUMMED SOYA BEAN OIL

The degummed oil produced in AMAGGI is used for biodiesel production or directed to the refining industries to be marketed for human consumption.

AMAGGI also carries out the production of soy lecithin, which is marketed in high purity as a food supplement and for medicinal use.



SOYBEAN BRAN

Soybean bran is widely used in animal feed and currently has the best cost-benefit for this sector.



COTTON LINING

The stone produced by AMAGGI, in Mato Grosso, is destined for the domestic consumer market, more specifically for the cotton seed and stone factories for cattle and dairy cattle. In addition, it is also used by producers of cotton oil for cooking.



Inputs



SOYBEAN SEEDS

AMAGGI is a multiplier of brands TMG and Monsoy, distributors of brands Brevant and Nidera, and buys the other brands in the market through suppliers that work according to the AMAGGI quality standard, delivering high germination and vigor rates, always aiming at the high productivity.

The quality of the seeds is seen as a priority for the company.

The germination index, established by the Ministry of Agriculture, is 80%. At AMAGGI, the index reaches 85% and 90% of germination.



CORN SEEDS

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



FERTILIZERS

Through its unit in Comodoro (MT), a fertilizer mixer, AMAGGI imports the raw materials and performs the processing according to the need of the producers. Products for the soybean, corn, coffee and cocoa crops are offered in the State of Rondônia; and soybean, corn and cotton in the State of Mato Grosso.

The company also acts as distributor of the main brands in the market, seeking the best product and the best logistics in each of the areas of operation.



DEFENSIVES (PESTICIDES)

AMAGGI is the distributor of the main brands of pesticides, foliar nutrition and adjuvants in the market, delivering the best portfolio of the market in this segment. In addition, it also offers the technical assistance service with a highly trained team of agronomist engineers.

Global Sustainability

POSITIONING AND 2025 PLAN



AMAGGI's Global Sustainability Positioning, launched in 2017, aims to clarify its sustainability strategy, keeping it aligned with its Mission, Vision and Values and business plan.

With a comprehensive approach that extends not only to the company but also to its value chain, Global Sustainability Positioning is based on six principles:

- Have economic viability, add value to shareholders and employees, and share value with society, contributing to local development;
- To be socio-environmentally responsible and to promote the continuous improvement of socio-environmental management in its operations and its value chain;
- Ensure good governance and transparency of its operations, through legal compliance and risk management;
- Promote respect for human rights and decent work in its operations and value chain;
- To promote the personal and professional growth of its employees, valuing diversity and seeking the continuous improvement of working conditions, health and safety;
- Contribute to the promotion of food and nutritional security.



Based on AMAGGI's Global Sustainability Positioning, the Sustainability Plan with Vision was created until 2025, 2015 Plan. Organized in four strategic blocks, it addresses the most relevant issues related to the sustainable development of AMAGGI, including the actual material themes.

To promote participation and dialogue with stakeholders on how AMAGGI proposes to conduct its business, the company has created an online platform (<http://amaggi.com.br/posicionamentobalbaldesostenibilidad/en>) that invites the public to leave comments, critiques, suggestions and ideas for each strategic block of the 2025 Plan.



Throughout the next chapters, the main AMAGGI actions developed in 2018, correlated to each strategic block, will be presented in more detail.



Improving GOVERNANCE AND MANAGEMENT

Presentation

GRI 103-2, GRI 103-3

For AMAGGI, the growth of a company is related to how it positions itself before the market, its capacity to adapt to economic changes and also how it guarantees good governance and competitive management.

In this strategic block of Global Positioning of Sustainability, the company demonstrates its concern to be constantly improving its management and people development, risk management, socio-environmental management, health and operational safety, stakeholder engagement, demonstrating in a transparent manner, its commitment to sustainable development and the fight against corruption.



Transparency in Corporate Governance

GRI 102-18

AMAGGI's governance structures take charge of the company's decision-making processes and strategic direction, as well as playing an important role as guardian of the company's values, policies and Code of Ethics and Conduct.

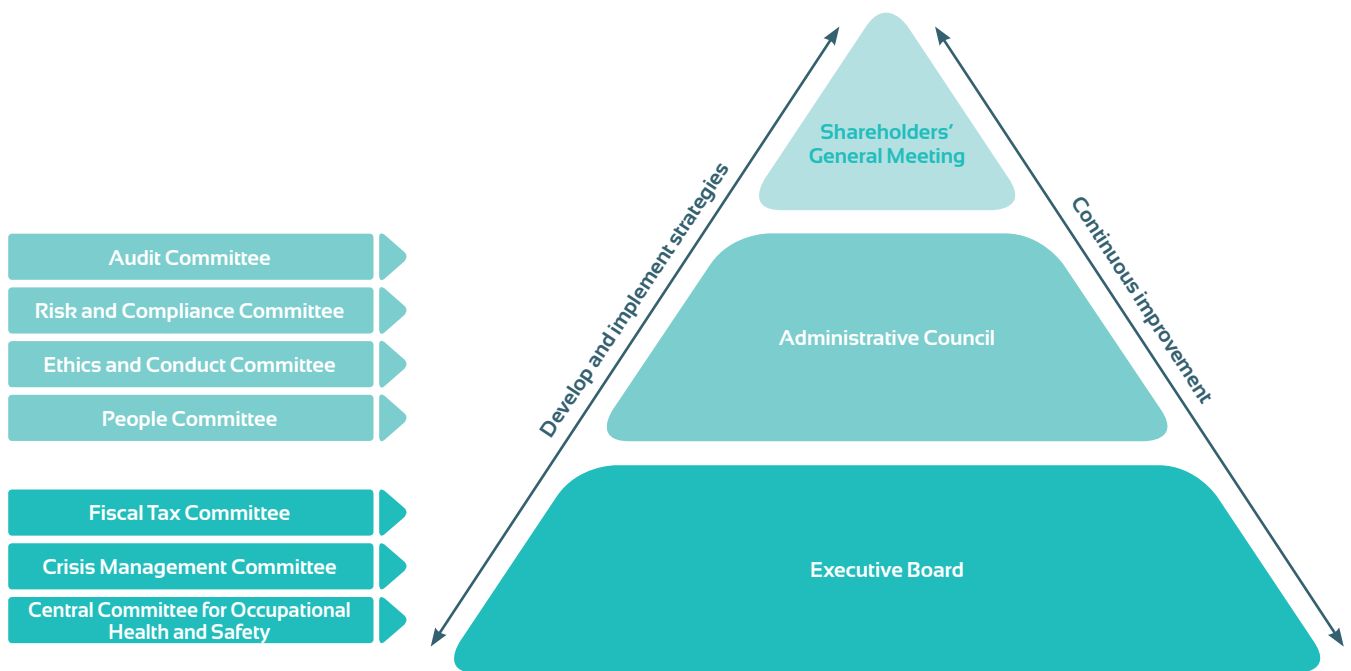
In 2003, in line with its objectives and with the mission of contributing to the development of agri-business, respecting the environment and improving the quality of life of the communities, AMAGGI developed its corporate governance structure, composed of the Board of Directors, the Executive Board and by specific committees. At the beginning of 2018, this structure underwent a major revision in order to meet national and international regulatory demands, in addition to adjusting to the needs of its corporate mission.

The review contemplates improving practices related to corporate governance, risk management and compliance of all operations, employees, business partners, national and international units, fostering and deepening their culture of integrity, accountability and good business practices.

Among the benefits related to this change are the risk minimization and monitoring of the strategic objectives defined by the Board of Directors and executed by the Board of Executive Officers, the improvement of AMAGGI's integrity principles, the rationalization of processes and the optimization of activities aiming at a better performance and efficiency.

The revised corporate structure can be seen in the following image. It includes the General Shareholders' Meeting, the Board of Directors and the Board of Executive Officers, as well as the committees that advise each of the governing bodies.

Corporate governance structure



BOARD OF DIRECTORS

The Board of Directors of AMAGGI is the collegiate body that promotes the general orientation of its business, policies, goals and long-term objectives. Responsible for the decision-making process in view of AMAGGI's strategic direction, it is the link between the Board of Executive Officers and its shareholders. The Board also plays a key role in preserving and improving the principles and values of AMAGGI, including by performing its tasks in the group's governance system.

Integrated by professionals with solid experience and knowledge in the company's segments, the board has eight members elected by the shareholders' general meeting, all with a three-year term, always acting within the highest technical and ethical standards.

The members of the Board of Directors of AMAGGI are constantly improving their skills and updating their knowledge.

Percentage of members of the Board of Directors, by gender and age group

GRI 405-1

Gender	
Male	62.5%
Female	37.5%
Age Group	
<30	0.0%
30 a 50	12.5%
>50	87.5%

The Board of Directors of AMAGGI has four advisory committees, with specific attributions of analysis and recommendation on certain matters.

AUDIT COMMITTEE

The Audit Committee advises the Board of Directors on the various strategic points related to audits, ensuring that the AMAGGI Senior Management has a culture of internal controls and cultivates the quality and integrity of information systems, ensuring compliance with laws, standards and contingency plans.

The committee is responsible for evaluating the execution of internal and external audit activities, ensuring its independence and ensuring that its results are received and its recommendations discussed and adequately addressed.

The Audit Committee is composed of five members: the Chairman of the Board of Directors; two members of the Board of Directors, appointed by it; the director of Sustainability, Communication and Compliance; and the Legal Director.

RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee is responsible for advising the Board of Directors in order to ensure that AMAGGI has structures, processes and practices dedicated to ensuring compliance with all legal and regulatory requirements applicable to the company. Thus, the organization ensures not only the effectiveness and compliance of policies and normative documents, but also the adoption, strengthening and improvement of good practices of compliance and risk management, strengthening and improving systems related to this domain.

Accordingly, it is the responsibility of the committee to monitor AMAGGI's integrated risk map, as well as to propose improvements in the mitigation plans submitted by the executive officers, and to evaluate the proposed amendments to the corporate governance documents. He is also in charge of the annual review, and eventual changes, of AMAGGI's corporate governance, compliance and risk management system.

The Committee is composed of three permanent members: the Chairman of the Board of Directors, the Chief Executive Officer and the Director of Sustainability, Communication and Compliance.

ETHICS AND CONDUCT COMMITTEE

The Ethics Committee has the function of advising the Chairman of the Board of Directors in the process of conducting the topics related to the Code of Ethics and Conduct of AMAGGI, their reporting to the Board of Directors, as well as internal policies and norms, national and international standards.

Thus, it is their task not only to disclose the company's Code of Ethics and Conduct, but also to periodically evaluate its pertinence and timeliness, to resolve doubts related to the issues, and also to analyze the results of investigations of possible denunciations, whose reports must be forwarded to the agency by the Corporate Security area. Each semester the committee publishes the indicators regarding the denunciations received and the treatment given to them.

The AMAGGI Ethics and Conduct Committee is composed of the chairman of the Board of Directors and up to five permanent members, with at least two corporate managers from the areas of Compliance, Legal, Human Resources or Corporate Security. In addition, the Compliance Board acts as an advisor and verifier of the process.

PEOPLE COMMITTEE

The People Committee has the mission to advise the Board of Directors of AMAGGI, presenting information regarding the scope of decisions defined by the governance model, including proposing improvements related to its area of operation.

It is up to the board to approve the rules regarding fixed and variable remuneration for all levels of the organization, as well as to resolve on the remuneration of the president, executive officers and external members of the Board of Directors. The definition of criteria for evaluation, selection, development and succession of the company's president and executive officers is also within its purview.

The People Committee has up to three permanent members, all of them coming from the Board of Directors and defined by its president, who may even invite other people to attend the meetings, according to the agenda.

EXECUTIVE BOARD

The Executive Board of AMAGGI is composed of ten members, who carry out their functions guided by the Bylaws, the Code of Ethics and Conduct, and the company's policies: executive president, Administrative-Financial Director, Legal Director, People director, director of Sustainability, Communication and Compliance, Director of Agro, Director of Logistics and Operations, Director of Institutional Affairs, Director of Origination and Director of Commodities. All members are market professionals chosen by the Board of Directors based on their solid experience, reputation and technical capacity in their respective segments.

The AMAGGI Executive Board has three collaboration committees, with specific attributions of analysis and recommendation on certain topics.

FISCAL TAX COMMITTEE

The Fiscal Tax Committee has the function of advising the Board of Executive Officers in its task of ensuring the adequacy, effectiveness and independence of the work of the tax and related tax areas, verifying compliance with the laws and regulations in force, as well as established policies and standards for the company. Thus, it evaluates the adequacy of tax planning and analyzes the potential tax risks to which it is exposed, promoting reviews of the actions related to the topic and validating its results.

The body counts as permanent members with the Legal Tax, Tax Planning and Accounting managers, and with the occupants of the controller positions. Collaborators from other areas may be invited to attend the meetings, aiming at a better understanding of the topics discussed.

CRISIS MANAGEMENT COMMITTEE

It is incumbent upon the Crisis Management Committee to strategically advise the Board of Executive Officers in identifying crisis situations, gathering information, developing strategies and executing negotiations to deal with crises, monitoring the outcome, archiving relevant information and eventual recommendations to the appropriate audiences.

The body is composed of previously defined collaborators and areas, with Corporate Communications as its focal point. The configuration of the committee can be changed according to the severity of the fact, the type of business involved, the extent and the location of the occurrence.

CENTRAL COMMITTEE FOR OCCUPATIONAL HEALTH AND SAFETY

The Central Committee of Occupational Health and Safety of AMAGGI has the mission of advising the Executive Board in the strategic promotion of an integrated, participatory health and safety management capable of making systemic advances in the prevention culture. To this end, it systematically monitors the performance indicators and good practices developed in the units, seeking to stimulate their expansion and continually encourage the application of the main safety concepts.

The body is composed of the chief executive officer, director of Gente, corporate manager of Occupational Health and Safety and general / regional business managers and their respective directories.

Compliance Area

The Compliance area of AMAGGI began to be structured in 2015, at the initiative of the CEO and the Chairman of the Board of Directors, who set up the company's Compliance Committee. As part of the actions defined by the Committee, in December 2017 the creation of the Compliance Board was announced, deepening the consolidation of ethical principles and transparency.

From that moment on, the process of consolidation and improvement of existing programs, policies and initiatives began, resulting, in February 2018, in AMAGGI's Integrity Policy, focused on standardizing routines related to the company's sensitive processes, raising awareness of employees and comply with national and international legislation related to the subject. 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, the Compliance area of AMAGGI has the structure and functions detailed below.

COMPLIANCE BOARD

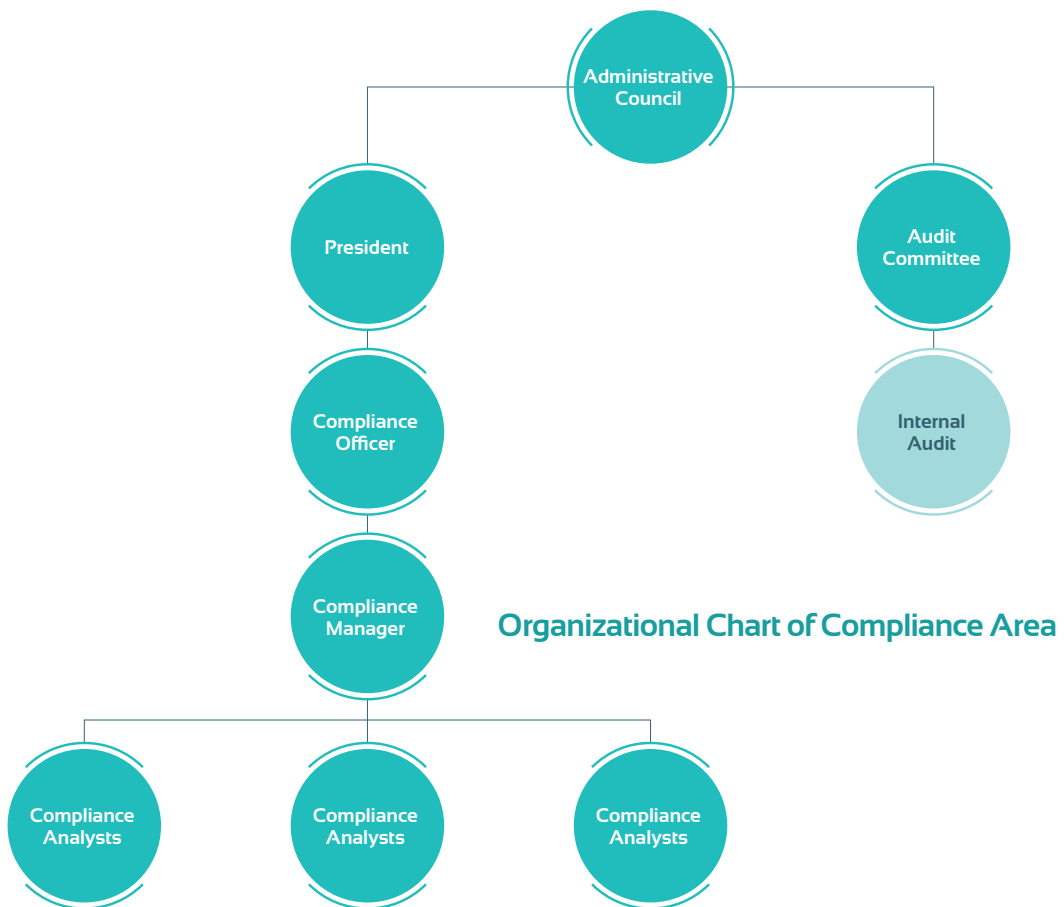
The Compliance Department regularly monitors the actions and results of the Compliance / Integrity Program, as well as internal controls, risk management and audits. It is responsible for ensuring the autonomy of AMAGGI's compliance structure, as well as performing the training and risk agenda with the Company's senior management.

COMPLIANCE MANAGEMENT

AMAGGI’s Compliance Management is responsible for the management of the Compliance / Integrity Program, internal controls and risks of the company, as well as 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 is also responsible for the management of the Communication Plan and the Compliance Training Plan, in order to ensure the applicability and efficiency of the program.

COMPLIANCE ANALYSTS

Compliance analysts are responsible for carrying out and supporting activities related to the Compliance / Integrity Program, internal controls and risk management. They are responsible for monitoring the action plans defined by the areas, in internal and external audits, supporting areas in the implementation of policies and documents, as well as assisting employees with doubts about the Code of Ethics and Conduct, internal policies and guidelines, controls and risks. They are still responsible for implementing the Training and Communication Plan and Internal Controls and provide support for the risk management agenda.



Organizational Chart of Compliance Area



Risk management

GRI 102-II

At AMAGGI there is a management structure for the various risks to which the company is exposed, protecting and improving the business, in order to maximize the opportunities and maintain the balance between risks and opportunities.

In 2018, AMAGGI's risk agenda underwent a structural review as part of the implementation of the company's Compliance / Integrity Program. Thus, the Corporate Risk Management Policy, published in 2015, was renamed the Global Risk Management Policy. It applies to national and international operations, seeking to adapt the company to a volatile and evolving external environment of new and emerging risks.

As a novelty of this review, it is worth highlighting the definition of the degree of risk relevance of AMAGGI, as well as the establishment of an objective scale of risk impact, which guarantees a clear measurement and allows prioritizing the treatment in risk management. In addition, the responsibilities and the lines of defense of this process were established, involving from the highest governance body of the company – the Board of Directors, as well as the Risk and Compliance Committee that advises it directly – to the managers and operational processes, corporate managers, the areas of Market Risks and Liquidity, Compliance and internal audit.

With the review, AMAGGI's risk management became responsible for two areas, Market and Liquidity Risks and Compliance, with different tasks and attributions. While the former does the risk analysis on issues that impact the company's business and its joint ventures, such as foreign exchange, interest and commodities, the latter deals with the integrated analysis of strategic and business risks, including internal and other factors linked to the compliance of the company's activities with standards, laws, regulations and standards of transparency and governance.

With a risk management process organized in five phases – identification, evaluation, mitigation, monitoring and review – the methodology established in AMAGGI’s Global Risk Management Policy applies to all types of risk, be it of a commercial nature, operational, financial, market, strategic, reputational or compliance, and includes a transparent and objective record of the work performed.



By 2019, the Compliance area intends to disseminate the Global Corporate Risk Management Policy through the Training and Communication pillar, ranging from the highest management levels of the company to the local leadership of the units. The training will deal with the methodology adopted, its importance in the management of the business and its application in the day to day. As a result, risk maps of areas or units will be developed for mitigation, monitoring and review throughout the year. AMAGGI also intends to announce next year the risk management automation tool, which will ensure agility, efficiency, transparency and ease in risk management, providing the integrated management of its operational and strategic risks.

Integrity Policy

GRI 102-16

In February 2018, AMAGGI published its Integrity Policy, which reinforced integrity as the value and standard of behavior expected of the company’s employees and business partners. The policy expressly states that AMAGGI does not accept any act that may be construed as bribery, corruption, favor, extortion, bribery, concussion, administrative impropriety, fraud in public competition or crimes against the economic and tax order.

In its policy, the Company undertakes to observe and cause its employees, agents and agents to perform their duties in an ethical, responsible 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 deviations, on the person in charge or its manager, which may culminate in the termination of the employment contract, without prejudice to applicable legal measures.

In this way, in addition to formalizing and standardizing sensitive processes of the Compliance / Integrity Program of AMAGGI, Integrity Policy is a tool to raise awareness among employees about risks related to the topic.

AMAGGI also has other policies that describe standards and behavior adopted by the company in its activities:

- Donations and Sponsorship Policy;
- Information Security and Management Policy;
- Social-Environmental Policy;
- Corporate Communication Policy;
- Brand Use Policy;
- Quality policy;
- Occupational Health and Safety Policy;
- Supplies Policy

Code of Ethics and Conduct

GRI 102-16



The standards of behavior adopted by AMAGGI are described in its Code of Ethics and Conduct, which explicitly and reiterates the company's commitment to standards of integrity and ethics. Launched in 2006, the document is in its fourth edition, which was revised and published in January 2017, establishing the values, standards and commitments assumed by AMAGGI. Coupled with a corporate governance structure and a Compliance / Integrity Program, it allows the company and employees to make the right choices on a daily basis in the exercise of their activities.

Upon joining AMAGGI, all employees, as well as members of the governing bodies, sign the Charter of Responsibility of the Code of Ethics and Conduct. The document is available in Portuguese, Spanish and English.

In 2016, the Denunciation Channel, created to accommodate reports of potential violations of the Code, policies and current legislation, was restructured and outsourced. In 2017, it was updated again, with an international service in English and Spanish, in addition to Portuguese, and specific dial numbers for each country where AMAGGI has an office.

In 2018, AMAGGI continued to disseminate the Denunciation Channel through mainly several pieces of communication, but there is still a need to intensify its dissemination to local stakeholders. This is one of the actions to be developed under the Dialogue Program (for more information, see the chapter "Stakeholder Engagement").

In the last year the Denunciation Channel registered a total of 288 complaints and complaints (in 2017 300 reports were received). Of the total of reports received, 94% were finalized by December 2018, and 6% are being verified.



Economic viability

As in the previous year, 2018 was a year of intensification of the competitive environment, with the constant flow of investments of competitors in logistics assets, as AMAGGI has done, which brought additional challenges to the company, with a lean and efficient. Thus, its work with financial institutions mainly sought to defend adequate cost conditions of the financing lines made available. In addition, efforts have been continuously undertaken to review and improve processes and personnel restructuring in order to optimize corporate costs and gain efficiency.

From its inception, the Compliance Department has consolidated and consolidated all governance initiatives and best practices in an even more structured way. This work was of great importance before the financial community with whom AMAGGI relates, in order to highlight both the concern and the company's initiatives. In addition to the compliance aspects, sustainability initiatives are also recognized by the financial partners as essential practices in the business relationship. For years AMAGGI has invested and has grown in this front, whose indicators are premises in the funding made by the company with these agents.

"FOR RABOBANK, SUSTAINABILITY IS A COMPANY VALUE AND ALSO A WAY OF DOING BUSINESS. HAVING A CLIENT SUCH AS AMAGGI, WHICH CLEARLY AND SIMPLY PUBLISHES ITS PERFORMANCE IN SUSTAINABILITY, WITH TRANSPARENT INDICATORS, IS EXTREMELY IMPORTANT TO FOLLOW THE COMPANY'S PERFORMANCE AND, MOREOVER, TO SEEK NEW WAYS TO NEGOTIATE WITH IT, USING SUSTAINABILITY AS WORK TOOL."



Aline Aguiar

SUSTAINABILITY SPECIALIST OF BANCO RABOBANK INTERNATIONAL DO BRASIL S.A.

By the end of 2018, the company was involved in more than 40 public and private financial institutions, both Brazilian and international, that provided commercial support in the form of loans, financial services, consulting, among others. The requirements imposed by these institutions, including a series of legal, fiscal, labor, social and environmental commitments, among others, have been integrated into the regular practice of AMAGGI for many years.

Although 2018 has remained a challenging year for accessing credit for Brazilian companies, AMAGGI has been successful in this area, a result of its good practices and sustainability goals and the reputation built on the market since its inception.



Stakeholder Engagement

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

Every three years, AMAGGI carries out a process of identification and prioritization of stakeholders, with the participation of managers from different areas and validation of top management. In the last cycle, carried out in 2016, the main AMAGGI stakeholders identified as priority were: rural producers; local community; government and regulatory bodies; sales customers (buyers of soy and / or by-products); financial institutions and insurance companies; suppliers of supplies; high leadership and shareholders; internal public (employees).

After the process of reviewing and identifying its stakeholders, AMAGGI engages these priority stakeholders through various tools and methods, allowing different opinions and expectations to be continuously considered. One of the main actions of the company is to review the materiality with the direct consultation of the priority parties, in order to define the most relevant topics for sustainability management (for more information, see "Materiality"). In addition to supporting AMAGGI's Sustainability Report, the results of the materiality review are also used to update the Stakeholder Engagement Plan with actions for the subsequent two years.

STAKEHOLDER ENGAGEMENT PLAN

The Stakeholder Engagement Plan defines actions by priority public, objectives, targets and indicators for evaluation and monitoring of results. It identifies the level of engagement and the level of engagement desired by the public. The plan is reviewed annually, which allows identifying new aspects related to possible changes and evolution of scenarios, including concerns and expectations of stakeholders.

In 2018, AMAGGI continued the implementation of the Stakeholder Engagement Plan with actions scheduled from 2017 to 2019: of 33 actions planned, several of which are continuous, 58% were completed and 26% partially implemented.

Among the actions completed in 2018 is the Survey of Engagement with Rural Producers, held between June and December 2018 with the main objective of identifying opinions, expectations and needs that contribute to improving the socio-environmental management of its properties. A total of 42 producers, certified by RTRS and A.R.S. The survey revealed that 55% of producers point to "good relationship" and 48% "compliance with commitments" as the main aspects considered when choosing AMAGGI as a business partner. In addition, 45% of the producers mentioned the topic "labor legislation" and 69% pointed to the "separation and correct disposal of waste on farms" as the most relevant to an orientation by AMAGGI, mainly through training.

PROGRAM OF COMMUNICATION AND TRANSPARENCY WITH LOCAL STAKEHOLDERS

In 2018, the Communication and Transparency Program with Local Stakeholders (DialogAction) was initiated, another action planned within the 2017/2019 Stakeholder Engagement Plan.

Through a pilot project in Itacoatiara, a diagnosis was made in 2018, which allowed the identification of the perceptions of various publics about the relationship between the company's units in this municipality and the local stakeholders. Local managers of AMAGGI, public managers, collaborators of Centro Cultural Velha Serpa (local unit of the André and Lucia Maggi Foundation), as well as representatives of communities and the local press participated in the diagnosis. With the results of this first diagnosis, it was possible, in 2018, to begin the preparation of guidelines and tools to support the planning and management of AMAGGI's relationship with local stakeholders.

The main objective of the Program, also known as the Dialogue Program, is to build and maintain dialogue and good relationships with local stakeholders in the municipalities where the company operates.

The next step, scheduled for 2019, will be a devolution of the diagnosis and a training of local managers focusing on the proposed guidelines.

SUSTAINABILITY DIALOGUES

The internal Sustainability Dialogues, every two weeks and every year, are also part of the Stakeholder Engagement Plan. Through them, AMAGGI promotes strategic discussions with employees of all its units on themes and initiatives that generate value for the company and the whole society.

In 2018, AMAGGI promoted the integration of issues related to business areas to the main sustainability issues addressed in the Dialogues. In all of them, the relationship between each topic addressed, the Strategic Blocks of Global Positioning for Sustainability, the actions that AMAGGI has been developing, and its contribution to the Sustainable Development Goals (SDG) has also been demonstrated.



People management

GRI 102-7, GRI 102-8, GRI 102-41, GRI 405-1

INTERNAL AUDIENCE

AMAGGI ended the year 2018 with a staff of 5,754 employees and 744 outsourced employees. These figures show an increase of around 7% in the number of own employees compared to the previous year (in 2017, there were 5,356 employees⁹). This increase can be explained by the fact that in 2017 the AMAGGI Agro cottons made the Safristas' shutdowns in December, with 243 employees, while in 2018 the harvest caused the shutdowns to be postponed to January. 2019, keeping the cottons with a staff of 436 people.

9 - AMAGGI reviewed and updated data on the total number of its own employees, published in the 2016 and 2017 reports, to consider only those employees who are managed under the terms of the Consolidation of Labor Laws (CLT).

Most of AMAGGI's own employees are concentrated in the Midwest (77%) and in the Agro business (54%), divided into 84% of men and 16% of women, mostly included in the age group of 30 to 50 years. All own employees are covered by collective bargaining agreements established with the unions of the respective categories.

With regard to outsourced employees, they are mostly in operational positions and distributed between the Midwest (74%) and the North (26%). In addition, they are divided into 95% men and 5% women.

Own employees, by type of employment contract and gender

GRI 102-8

	2016		2017		2018	
	Undetermined term	Fixed term	Undetermined term	Fixed term	Undetermined term	Fixed term
Male	3,564	646	3,730	776	4,169	670
Female	697	82	699	151	845	70
Total	4,261	728	4,429	927	5,014	740
	4,989		5,356		5,754	

Own employees, by working hours and gender

GRI 102-8

	2016		2017		2018	
	Full-time	Half time	Full-time	Half time	Full-time	Half time
Male	4,169	41	4,450	56	4,740	99
Female	744	35	808	42	820	95
Total	4,913	76	5,258	98	5,560	194
	4,989		5,356		5,754	

Own employees, by functional category and gender

GRI 102-8

	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Directors *	11	1	11	1	9	1
Managers	366	49	369	61	357	58
Administrative	549	435	551	463	555	474
Operational	3,185	232	3,450	258	3,755	272
Technical	49	18	51	19	51	13
Trainees	3	4	3	3	3	3
Young talents	6	8	15	6	19	8
Apprentices	41	32	56	39	90	86
Total	4,210	779	4,506	850	4,839	915
	4,989		5,356		5,754	

* In 2018, the Energy Directorate was incorporated into the AMAGGI Logistics and Operations Board.

Own employees, by type of employment contract and region*

GRI 102-8

	2016	2017		2018	
	-	Undetermined term	Determined term	Undetermined term	Determined term
Midwest	3,678	3,211	828	3,734	682
North	1,290	1,197	99	1,257	58
South	21	21	0	23	0
Total	4,989	4,429	927	5,014	740
		5,356		5,754	

* By 2017, AMAGGI reported the total number of employees by region and gender. As of that year, in order to align itself with the requirements of the GRI 102-8 indicator, the company started to report these data by labor contract and region, which will be maintained in the next years, in accordance with GRI Standards.

Own employees by type of business

	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Commodities	787	194	819	218	841	228
Agro	2,219	231	2,494	287	2,762	344
Navigation	863	136	865	126	894	115
Energy	52	10	46	9	45	11
Corporate	289	208	282	210	297	217
Total	4,210	779	4,506	850	4,839	915
	4,989		5,356		5,754	

Percentage of own employees, according to the functional category, by gender and age group

GRI 405-1

	Administrative	Apprentices	Directors	Trainees	Managers	Young talents	Operational	Technicians
Gender								
Male	54%	51%	90%	50%	86%	70%	93%	80%
Female	46%	49%	10%	50%	14%	30%	7%	20%
Group age								
<30 years	52%	17%	0%	100%	15%	100%	41%	28%
<50 years	46%	0%	50%	0%	71%	0%	52%	64%
>=50 years	2%	0%	50%	0%	14%	0%	8%	8%



Organizational Human Development

AMAGGI manages its Human Organizational Development through the work of the areas of Attraction and Selection, Organizational Development, Corporate Education and Compensation. Its goal is to provide employees with the ability to achieve their personal and professional achievements, generating sustainable business results, necessary for AMAGGI's success and long-term success.

Following are the main projects carried out by AMAGGI in 2018 in these areas.

AREA OF ATTRACTION AND SELECTION

GRI 404-2

AMAGGI's attraction and selection area seeks to ensure the recruitment of talents aligned with the company's strategies, assisting in its development and retention, through the application of best market practices in the area, with emphasis on the following corporate programs.

EMPLOYER BRANDING PROGRAM

The Employer Branding Program seeks to promote AMAGGI as an employer, in order to attract professionals with values aligned with those of the company and skills capable of ensuring business continuity. In 2018, more than 39,000 new candidates signed up for the company's website, which has a base of 98,940 registered resumes.

Over the past year, through the program, visits were made to universities, technical visits and lectures at events aimed at Human Resources professionals, reaching a public of 664 people, linked to several areas of interest of AMAGGI, such as information systems, management of human resources and agricultural engineering. Seeking to publicize different career possibilities, the company was visited by high school students in Cuiabá for a workshop on self-knowledge and professional choice. The Lucas do Rio Verde factory received students from the technical course in automation and mechatronics, to know the facilities of the factory plant and to have a practical view of the profession.

In 2018, AMAGGI also participated as a speaker at the Best Employers Summit, a meeting that brings together the main people management practices of companies from the dreams of Brazilian professionals, held in São Paulo.

CULTIVAR PROGRAM

The Cultivar Program works as an extension of the integration of new AMAGGI employees, performing the follow-up of the newcomer through an area tutor, meetings with partner areas and on-the-job training. In 2018, the program was revised and each unit began to carry it out according to the particularities and needs of the business, adjusting the activities and the workload according to the local reality.

ORGANIZATIONAL DEVELOPMENT AREA

GRI 404-2

Working in partnership with business areas, the Organizational Development area seeks to promote and facilitate the design and implementation of solutions for the main challenges of people in AMAGGI: attraction, retention and development of people. Through this area the following programs and initiatives are developed:

YOUNG TALENTS PROGRAM

Much more than a trainee program, AMAGGI's Young Talent Program seeks to foster the development and growth of newly trained or higher education professionals to work both in the role of managers and in technical functions in the business areas.

Valuing practical experience, with rotation of activities, constant feedbacks and performance evaluations, each Young Talent Program is unique in AMAGGI, starting from self-knowledge and making possible the construction of development plans that meet the characteristics, needs and challenges of each business area.

In 2018, 3 new editions of the program were started in the areas of Inputs, Logistics and Agricultural Mechanization, ending the year with the participation of 27 young talents.

YOUNG APPRENTICE PROGRAM

The Young Apprentice Program is one of the main entry points for young professionals at AMAGGI, having in its history high retention rates after completion of the program. In 2018, 20% of the young apprenticeship picture was taken over at AMAGGI, which shows historically the opportunity given by the company in this project to train young people for the job market.

ASSESSMENT

Considering that the starting point for a successful professional trajectory is to assume responsibility for its professional development, the Assessment process is the first step for the employee to participate in the AMAGGI Leadership School, having in hand valuable information about his profile and suggestions on how to develop the identified improvement points. In this process, the employee goes through a set of on-line and face-to-face assessment tools that assess professional profile, career motivators, competencies, cognition and emotional balance.

In 2018 AMAGGI continued to invest in the Assessment, and 224 employees had the opportunity to broaden their self-knowledge and reflect on their future goals and current career challenges.

ENGAGEMENT RESEARCH

AMAGGI knows the importance of having people engaged in organizational effectiveness. Thus, in order to know employees' perceptions about the company and identify positive and improvement points, in 2017 the Organizational Development area conducted its Engagement Survey, with the support of Korn Ferry / Hay Group. The response was a 96% adherence in a sample of 2,703 employees. The survey revealed that AMAGGI is in a good situation, with 81% of favorability of the 62 questions investigated.

In 2018, the work continued with the communication of the general and specific results of each unit, and the invitation for the employees to build together the future of AMAGGI. The points of improvement are already being addressed through the elaboration of action plans: there are already more than 40 action plans and more than 200 actions of diversified improvements in all areas of business.

STRENGTHENING OUR ROOTS

Initiated in 2015, the Strengthening Our Roots meetings have as their central theme the strengthening of AMAGGI's organizational values, the way of being and doing, and how they permeate all company activities and guide the execution of the strategy for sustainability and sustainability of the company. business.

With scheduled meetings and relaxed environments, employees have the opportunity to get to know executives better, share experiences and have information about the company's business and aspirations. The meetings have already been held in various locations, covering all AMAGGI business areas. In 2018, they allowed the employees to know a little more about Agro, People and Origination directories.

CORPORATE EDUCATION AREA

GRI 404-1, GRI 404-2

The Corporate Education area of AMAGGI is guided by the motto “Transforming is what makes us grow.” Its objective is to guarantee the culture of continuous learning, by managing and multiplying individual and organizational knowledge, providing the skills.

In 2018, AMAGGI carried out, through the Corporate Education area and training areas, at least 80 thousand hours of training, for its own and outsourced employees. Considering only the own employees, they were about 73 thousand hours, resulting in an average of approximately 13 hours of training per employee.

“WE WORK HARD IN 2018 TO DEVELOP SKILLS FOR NON-LEADERS, FOR THE PROFESSIONAL AXIS. WE WILL MAP THE FIRST COLLABORATORS AS EARLY AS 2019. WE WANT TO KNOW MORE ABOUT THE TALENTS WE HAVE WITHIN THE COMPANY.”



Nereu Bavaresco
DIRECTOR OF PEOPLE

Average hours of training of own employees, by functional category

Functional category	Total number of own employees	Total number of hours of training offered	Average hours of training
Directors	10	188.5	18.9
Managers	415	12,206.0	29.4
Administrative	1,029	13,970.6	13.6
Operationalism	4,027	45,281.6	11.2
Technicians	64	75.5	11.9
Trainees	6	96.1	16.0
Young talents	27	433.5	16.1
Apprentices	176	64.5	3.7
Total	5,754	73,583.3	12.8

Average hours of training of own employees by gender

Gender	Total number of employees	Average hours of training	Average hours of training
Male	4,839	61,884.5	12.8
Female	915	11,698.8	12.8
Total	5,754	73,583.3	12.8

Average training hours of outsourced

	Total number of employees	Total number of hours of training offered	Average hours of training
Outsourced	744	6,700.0	9.0

Among the trainings promoted in 2018, two of them were carried out for the first time: the policies of the Compliance / Integrity Program and Human Rights.

COMPLIANCE / INTEGRITY PROGRAM POLICY TRAINING

GRI 205-2

The provision of regular and frequent training dedicated to the dissemination of AMAGGI values and standards of behavior reveals the company’s commitment to the standards of ethics and conduct defined in its Compliance / Integrity Program. In 2018, seeking to not only disseminate these standards, but also deal with the practical and daily application of the topics addressed in Vision, Mission and Values, in the Code of Ethics and Conduct and in Integrity Policy of AMAGGI, the Compliance area devoted three months to training sessions for approximately 70% of employees in general, 80% of the managers and 100% of the members of the company’s governing body, in all units. With the objective of reaching 100% of the active collaborators in this training, in 2019 it is planned to make the content available in e-learning platform.

With different formats, according to the audience attended, the trainings were divided between corporate and corporate theater. The first type was aimed at the employees of headquarters offices and warehouses, adopting a corporate language and offering examples applied to the day to day work places. On the other hand, the second format sought to reach the employees of farms, factories and port terminals, with a simpler and more interactive language, without compromising the content and the seriousness and importance of the theme. For its development, AMAGGI had the partnership of a theater group from Cuiabá. All training, with sessions of an hour and a half, had an official opening of the Compliance area or the local leadership, who spoke about the importance of the theme.

By 2019, as part of the implementation of the Compliance / Integrity Program agenda, other specific training will be carried out, addressing the Risk Management Policy and the methodology of internal controls. Training is also planned for all employees regarding Corporate Communication and Information Security and Management policies, as well as training on compliance for Leadership, with the inclusion of a Compliance / Integrity module in the Leaders' School.

Next year is also planned the Know Your Business Partner Program, a training action with partners so they can know the Code of Ethics and Conduct and the Integrity Policy of AMAGGI. It is an opportunity not only to disseminate the company's business practices, based on the highest standards of integrity and best practices, but also to work towards the dissemination of best practices in the marketplace.

Number of own employees who received training in Compliance by functional category

Functional category	Total number of own employees	Number of trained own employees	Percentage of own employees who received training
Directors	11	11	100%
Managers	427	343	80%
Administrative	1,474	1,191	81%
Operational	3,616	2,257	62%
Trainees	5	5	100%
Young Talents	0	0	0%
Apprentices	152	80	53%
Total	5,685	3,887	68%

Note: the basis used for the training is August 2018. Thus, the total number of own employees mentioned above is different from that reported in GRI indicators 102-8 and GRI 404-I, whose base used is December 2018.



Number of own employees who received training in Compliance, by State and Region

Number of trained employees	State	Region
3,025	MT	Midwest
3	GO	
261	RO	North
2	RR	
573	AM	
15	PR	South
1	SC	
7	RS	

HUMAN RIGHTS TRAINING

GRI 412-2

In 2018, AMAGGI promoted a Human Rights Workshop, in partnership with Uniethos, with the objective of disseminating necessary content to comply with AMAGGI’s Social and Environmental Policy guideline that addresses the issue, forming multipliers. The workshop was attended by 18 employees, including managers and analysts from the Sustainability area and the André and Lucia Maggi Foundation.

With a careful planning that allowed to approach the design of the workshop to the reality of the company, it had its content referenced in the following commitments:

- Guiding Principles for Business and Human Rights, set of measures and actions proposed by John Ruggie, UN special representative;
- Coalition of Organizations and Corporations for Human Rights – initiative led by the Ethos Institute;
- Activities of the Ethos Institute Business and Human Rights Working Group;
- UN Sustainable Development Goals.

The workshop was only the starting point for the work of the multipliers, who took the contents to other AMAGGI employees, reaching until the moment approximately 30% of the company’s employees, in a total of over 3 thousand hours of training. This training will be updated and applied annually along with the content on AMAGGI Socio-Environmental Management (GSA).

In addition to the workshop, AMAGGI carried out an internal campaign to commemorate Human Rights Day, on the week of December 10, with its own communication material, electronic communication for all employees and publication of a sustainability dialogue on the theme. The campaign was carried out at AMAGGI headquarters and units.

EDUCATION ASSISTANCE PROGRAM

The Educational Aid Program is dedicated to raising the educational level of AMAGGI's employees, offering assistance in completing or continuing their studies, thus adding value to their personal and professional lives. The program offers subsidy to cover the participation of employees in technical or academic training courses, assuming between 10% and 50% of their payment.

In 2018, the program underwent process improvements, becoming fully online with the inscriptions and follow-ups being performed by an internal management system. In addition, management activities were centralized, ensuring greater security, reliability, historical integration and optimization.

In the last year, AMAGGI invested R \$ 672,048.56 in the program, reaching 301 employees: a 25% increase in the number of participants compared to the previous year. There were 47 employees trained in the courses funded by the program – an increase of 20% compared to 2017 -, and 54 employees linked to it were promoted.

LEARNING PATHS

The Learning Paths are a tool for developing the technical and behavioral skills necessary for the maintenance and growth of each area, through the improvement of the performance of the collaborators. Working as paths that lead the employee to leverage their technical development in the area in which they work, the Trails contribute to the improvement of the position and continuous training, through learning solutions and experiences aimed at the practice of everyday life.

AMAGGI began implementing the Learning Paths in 2017, and in 2018 the initiative was consolidated in several areas of the company: in the mechanical and technical areas of AMAGGI Agro, in all the company's factories, including the Comodoro fertilizer plant, and also in the corporate areas of the Shared Services and Information Technology Center. In the Supplies area, all content for employee training has been built internally and is available on the AMAGGI Intranet.

SCHOOL OF LEADERS

A Escola de Líderes da AMAGGI, implementada em 2012, tem o objetivo de promover o direcionamento técnico e comportamental das lideranças, com vistas a alcançar os resultados desejados conforme as estratégias corporativas. As ações de desenvolvimento da Escola de Líderes são oferecidas para todos os cargos de liderança (diretores, gerentes, subgerentes, coordenadores, supervisores, nutricionistas e líderes aquaviários) e seus módulos são ministrados presencialmente. Em 2018, houve 599 participações de lideranças em 47 turmas, nos 7 módulos oferecidos pela Escola de Líderes. O quadro abaixo apresenta a carga horária dedicada em 2018 a cada um dos módulos do programa, totalizando 5.622 horas.

Number of hours dedicated to the School of Leaders in 2018

Training	Workload
Management by Competencies	904
People Who Form People and Leaders who Inspire and Engage - Module I	1,634
People Who Form People and Leaders who Inspire and Engage - Module II	1,538
Integra to Grow - Module I	672
Strategic Thinking with Game Usage	136
Knowledge Consolidation	42
Selection Interview	696
Total	5,622

TALENTS SCHOOL

Offering training to the public defined by AMAGGI as professional collaborators and specialists, i.e. non-managerial collaborators, the Talent School seeks to promote its technical and behavioral development through the provision of tools and training. The main training offered is that of self-knowledge, focused on supporting participants to gain a greater knowledge of themselves, to achieve fluency and well-being; improve relationship and communication; and develop protagonist attitudes.

In 2018, 370 employees attended the self-knowledge training. In addition, the Organizational Development area, in synergy with the other areas that make up the Human and Organizational Development management, conducted a project to develop skills for the public of the Talent School.

SHARE PROGRAM

Implemented in 2014 with the aim of developing knowledge management among AMAGGI's employees, the Share Program promotes monthly meetings for a collaborator to present a congress theme or seminar he has participated in.

With historical growth in recent years, both in public and speakers, in 2018, the program organized 12 meetings, which dealt with subjects related to human development, issues related to agribusiness, among others.

KNOWLEDGE DISSEMINATOR

The Knowledge Disseminator program seeks to develop knowledge management, making it more accessible and thus allowing better use of the intellectual capital of AMAGGI for the continuity of its business. The program conducts the training of disseminators capable of building training and sharing knowledge increasingly aligned with business needs, building a learning organization.

In 2018, 134 AMAGGI Knowledge Disseminators were identified and trained in all areas of the company's business.



REMUNERATION AREA

GRI 202-1

At AMAGGI, compensation management is based on the needs of its business, seeking alignment with its culture and best practices in the domestic and international market. For this, the company counts on researches and support of specialized consultancies. Its main objective is to encourage the overcoming of organizational results and reward employees with programs aligned with these guidelines.

One of them is the Profit-Sharing Program, which reinforces AMAGGI's culture of rewarding employees according to their contributions to the company's results. Since 2016, all employees (managers or not) began to contribute collectively to the achievement of the goals, and can be evaluated according to their individual contributions.

In order to ensure consistency in the process, the results achieved by each person, area and unit, together with the justifications of the performance achieved, are presented by the Profit-Sharing Program Committee (PPR) 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). Offering remunerations above the minimum wage (R \$ 954,00), the company has its lowest salary for men and women in the amount of R \$ 1,031.77 (employees) – a ratio of 1.08 in relation to the national minimum wage. In relation to outsourced workers, the company has its lowest salary for men in the amount of R \$ 1,010.77 and women R \$ 1,000.00 – a ratio of 1.06 and 1.05, respectively, in relation to the national minimum wage.

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 present infrastructure difficulties, seeking to minimize possible impacts, such as granting housing to the employee and family, lodging, restaurant, transportation, etc. It is also attentive to issues of wage equality and guarantee of application of collective bargaining agreement for all direct employees.

People Support Area

At AMAGGI, the People Support area coordinates programs aimed at the well-being of its employees. One of them is the Financial Equilibrium Program, presented below.

In addition to these programs, the People Support area also develops a personal support work for employees and their families, as it believes that, in order to contribute to the company's mission, employees must be well in all aspects of their lives.

FINANCIAL EQUILIBRIUM PROGRAM

In force since 2010, the Financial Equilibrium Program has as main objective to promote the culture of financial education in the AMAGGI, increasing the level of understanding of employees and their families for a more conscious use of money and credit, making possible the realization of dreams.

In 2018, the program reached 733 employees, who had never participated in its previous editions – since its implementation, it has already served 11,849 employees and family members. Last year, in addition to the 733 employees mentioned above, the program also extended to 113 young apprentices in meetings where they were able to reflect on how to start their professional career and their financial lives in a quiet and organized way.

According to research conducted with the participants, 97% of them believe that the program is an important investment of AMAGGI, capable of impacting on the life of the collaborator and his family. Information evidenced by employees that justifies the need for a financial education job is that 44% of the participants claim to use some line of credit, 23% of them using the overdraft limit.

CUSTOMER SERVICE AND GUIDANCE

GRI 404-2

Since 2015, AMAGGI has been working to stimulate the role of employees and their families through individual orientations and actions that allow for reflection and behavior change for an ever-better life.

In 2018, 1,599 appointments were made, an increase of 19% compared to the previous year, especially in health-related issues – in this area, the increase was 46% compared to the previous year.

Number of visits performed, by type of attended and attendance

	2017	2018
Type of attended	Quantity	
Employee	1,269	1,426
Familiar	64	173
Others	6	0
Type of attendance	Quantity	
Social security	323	358
Retirement	45	27
Financial	151	207
Care	295	240
Heath	525	767

Occupational health and safety management

AMAGGI strives to provide a safe and healthy working environment, believing that the constant pursuit of actions aimed at safe behavior contributes to raising the maturity of occupational health and safety. The company has as a pillar of its Occupational Health and Safety Policy the guarantee of the preservation of the health and physical integrity of all who interact with its operations, working to develop and consolidate the following basic fundamentals:



Operational discipline:

performance of activities according to specific procedures and practices, doing right every time;



Ownership concept:

each person must act as responsible for what happens in their area of action regarding the safety and health of employees, third parties or visitors;



Leadership by example:

the leader adopts safe procedures and practices to encourage their teams to do the same;



Line responsibility:

responsibility for safety and health is first assigned to the leader in each area, as is the case with production and quality, and the Occupational Health and Safety area functions as technical support.

These fundamentals are present in the practices adopted by the whole company, always assuming that security should be part of the processes every day, and not be treated as something apart.

Adopting the principle of anticipation, AMAGGI seeks to implement new guidelines even before its mandatory, considering legal requirements not as limitations, but as allies in safeguarding the integrity of workers and in implementing new technologies and knowledge to improve results. In fact, the company does not restrict these guidelines to its own employees, extending it to partner service companies.

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



Behavioral Safety Program

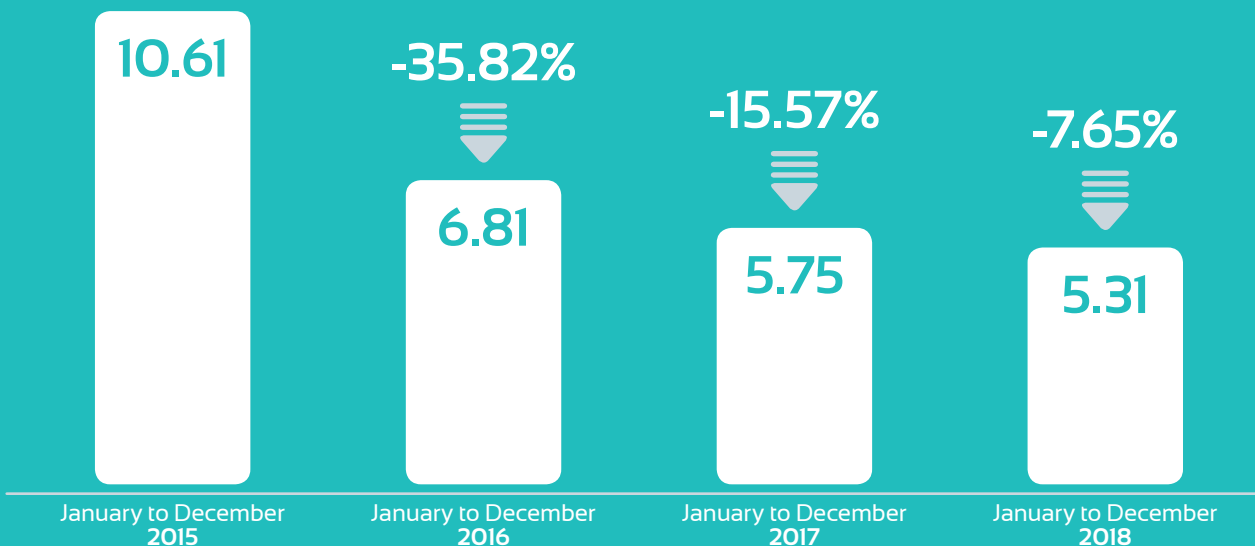
Integrating the company's action plan for Occupational Health and Safety, AMAGGI has maintained since 2013 the Behavioral Safety Program.

Implemented in all units of AMAGGI Agro, as well as in the units of Porto Velho, in 2018 AMAGGI promoted a new expansion of the Program, reaching also the units of Itacoatiara (complex, shipyard and fleet) and AMAGGI Energy units in Sapezal. In the coming years, the company expects that it will reach all its units.

Since its implementation, the Behavioral Safety Program has contributed to a significant reduction in the frequency of accidents at work. In the units where it is implemented, the company obtained reductions in the percentage of the frequency rate of 35.82% in 2016; 15.57% in 2017; and 7.65% in 2018.

However, rather than reducing the rate of accident frequency, the Program has a greater challenge: to work the prevention culture, through the awareness of employees and consequent change of behavior. The work is developed so that all unit managers are involved in the process, making them responsible for introducing the concepts across the organizational line.

Total frequency rate



Health and safety in numbers

GRI 403-2

In 2018, AMAGGI reduced its injury rate considerably, from 6.44 in 2017 to 4.76 in the last year – a reduction of 26%. Despite the increase in the rate of occupational diseases, the company recorded only two occurrences in the period. Already the increase in the rate of gravity and absenteeism, was due to the increase of days lost as a result of an accident at work compared to the previous year.

Health and safety of own employees*

GRI 403-2

	2016	2017	2018
Injury rate **	6.92	6.44	4.76
Occupational disease rate	0.15	0.07	0.13
Gravity rate ***	207.09	159.16	269.15
Absenteeism rate ****	0.17	0.12	0.13
Total deaths	0	0	0

* AMAGGI follows NBR 14280 – Occupational Accident Register, Occupational Safety & Health Administration (OSHAS), in addition to social security and labor legislation.

** The main lesions were first- and second-degree burns, excoriation, trauma, contusion, injury, conjunctival lesion, fracture, distension, torsion, tendon rupture and dislocation.

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

**** The absenteeism rate refers only to occupational accidents.

Health and safety of own employees by region

GRI 403-2

	2016			2017			2018		
	Midwest	North	South	Midwest	North	South	Midwest	North	South
Rate of injury	6.35	8.90	0	5.44	10.26	0	4.63	5.47	0
Occupational disease rate	0.10	0.33	0	0.00	0.33	0	0.09	0.32	0
Gravity rate	197.32	242.64	0	85.59	429.41	0	91.82	947.58	0
Absenteeism rate	0.16	0.21	0	0.05	0.36	0	0.08	0.31	0
Total deaths	0	0	0	0	0	0	0	0	0



Social-Environmental management

It is mainly through its Social-Environmental Policy that AMAGGI reaffirms the commitment to act in a socially fair, environmentally responsible and economically viable way. The company has the AMAGGI Socio-Environmental Management (GSA) system, which integrates ISO 14001: 2015 (environment) and NBR 16001: 2012 (social responsibility) standards, as well as A.R.S. (AMAGGI Responsible Standard), RTRS (Round Table on Responsible Soy), ProTerra and the most recent, implemented in 2018, ABR / BCI (Brazilian Cotton Responsible / Better Cotton Initiative).

For more details regarding the AMAGGI socio-environmental certifications, per business unit, please refer to the "Attachments" chapter. The GSA is comprised of a set of activities developed and operationalized by the Corporate Sustainability area in conjunction with the other company units, which seek to prevent and minimize possible negative social and environmental impacts related to AMAGGI activities, products and services, through control, and to maximize positive impacts through the implementation of actions and programs.

Since 2017 AMAGGI has been conducting integrated audits in its units. By 2018 all of its business units achieved very positive results in Integrated Internal Audits (ISO 14001: 2015, RTRS and A.R.S).

2018 Highlights

All **socio-environmental documents** were reviewed to meet the new standard of Compliance;

In final implementation of the **new certification standard** for warehouses and offices (change of ISO 14001 standard for A.R.S chain of custody);

All AMAGGI **socio-environmental certifications** have been renewed (ISO 14001: 2015, A.R.S., RTRS and ProTerra). In addition, in 2018 the ABR / BCI certification for the cotton-producing farms (Agua Quente, Tucunaré and Itamarati) was added to the GSA;

No environmental assessment in 2018 and all **environmental licenses** were requested in accordance with the legal deadline;

Review of the Aspects and Impacts Worksheet (PAI) with an extended look at the product life cycle and its **social and environmental impacts, as well as the risks of operations and the value chain;**

Participation in several national and international events, **reinforcing AMAGGI's commitment to sustainability**, including: RT13 in Lille, France; Social and environmental agenda in Oslo; Social and environmental workshop at AMAGGI Brazil to receive Norwegian delegation; and the 8th World Water Forum in Brazil.



Promoting A SUSTAINABLE VALUE CHAIN

Presentation

GRI 103-2, GRI 103-3

In this Global Positioning Block of Sustainability, AMAGGI demonstrates how it acts strategically for the sustainable development of its value chain, addressing topics such as supplier assessment, social and environmental impacts in the chain, responsible grain procurement and engagement actions with suppliers and customers.

Comprehensive performance in the value chain

AMAGGI understands that the value chain of agribusiness is very extensive and complex, so it believes that promoting synergy with all links is one of its main challenges and opportunities.

In addition, he believes that building solutions for more complex social, environmental and human issues, including, for example, respect for human rights and environmental preservation, only occurs through a joint, participatory and structured process.

For this purpose, AMAGGI, as a representative of the agribusiness, has participated and coordinated several works and initiatives including producers, traders, retailers, investors, financial institutions, governments, among others. Examples of these initiatives can be seen in the chapter "Partnerships and initiatives".



Responsible chain management program for soybeans

GRI 102-9, FPI

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

Interested in ensuring a responsible purchase of grain, the company evaluates its grain suppliers based on established socio-environmental criteria, which are minimum sustainability principles to be met:

- **Areas embargoed by the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama):** AMAGGI does not commercialize grains from areas that are seized;
- **Areas embargoed by the State Department of Environment of Mato Grosso (SEMA-MT):** AMAGGI does not sell grains from areas that are seized by SEMA-MT;
- **Indigenous Lands and Conservation Units:** AMAGGI does not market with producers whose productive areas focus on Indigenous Lands and Conservation Units of Integral Protection;
- **Areas deforested in the Amazon biome after 2008:** through the Soy Moratorium, AMAGGI undertakes not to acquire soybeans from deforested areas after 2008 in the Amazon biome. The Soybean Working Group (GTS) periodically monitors the areas of soybean deforested after 2008 and issues a restriction list, which is followed by AMAGGI and other signatories of the Soy Moratorium as a purchasing criterion;
- **Dirty List of Slave Labor of the Ministry of Labor and Employment:** AMAGGI does not market with any person or company that integrates the Dirty List of Slave Labor. In addition to following the update of the list, the company integrates InPacto's Fiscal Council, an institution dedicated to strengthening and expanding the actions under the National Pact for the Eradication of Slave Labor, signed by AMAGGI;
- **Green Grain Protocol:** AMAGGI is committed to commercialize in Pará only with producers that comply with the Green Grain Protocol guidelines. Among the various criteria established by this protocol is the acquisition or financing of grains only from registered and regular rural producers in the Rural Environmental Registry (CAR), in addition to the commitment to ensure that the product does not come from an area deforested after 2008 illegally.

In the supply chain of AMAGGI there are approximately 4,000 rural producers that act directly in the commercialization of grains and acquisition of inputs and 100% of them must meet these socio-environmental criteria. Suppliers who present any of the restrictions above have their registration blocked, being prevented from marketing with the company until they regularize their situation or prove that there are no irregularities in the area of origin of the grains, meeting in full the established criteria. For this, the Sustainability area carries out a risk analysis of the socioenvironmental conditions of that rural property, and may veto the commercialization.

In 2018, 1,315 grain supplier registrations were blocked due to some kind of socio-environmental restriction. All locks are automated in company systems. In addition, the company had 47 commercialization vetoed because they offer risks related to the socio-environmental criteria adopted by the company in the commercialization of grains.

The socio-environmental assessments of these suppliers that offer risks are carried out through the ORIGINAR tool, a geospatial platform, in which the company analyzes in a more precise and detailed manner the areas with which it markets, generating, after considering its sustainability criteria, a socio- and the producer. The platform is one of the main tools of AMAGGI to guarantee the sustainability in the origination of its grains.

“THE ORIGINAR WAS BORN WITHIN OUR NEED OF SUSTAINABLE MONITORING AND ENDED UP ADDING TO THE PROJECTS OF THE ORIGINATION OF SYSTEMIC IMPROVEMENTS. LET’S GET TO KNOW MUCH MORE DEEPLY THE REALITY OF THE PRODUCER, WHICH BRINGS A LOT OF SECURITY FOR US AND A MUCH BETTER VISIBILITY IN THE MARKET THAT WE ARE DOING A RESPONSIBLE JOB.”



Claudinei Zenatti
DIRECTOR OF ORIGINATION

The tool is constantly evolving to meet the demands of other areas of the company, such as Origination, Inputs and Legal, with the objective of strengthening the management, monitoring and traceability of the company’s grain chain. It should be noted that due to its performance along the supply chain and the use of the ORIGINAR platform, AMAGGI received an Innovation Project Award by the company Monsoy in 2018.

For rural producers who trade in advance payment on account of price, AMAGGI has a specific evaluation. In addition to assessing the socio-environmental criteria, the affiliate team that directly relates to the producer conducts on-site surveys, evaluating environmental, infrastructure, labor and social issues, which integrate a socio-environmental record to be validated by the Sustainability team. It also analyzes the area of the property through satellite images, in order to ensure that the origin of the grain meets all socio-environmental criteria of the company. In this form of commercialization, 730 operations were analyzed in 2018.



Working with other suppliers

GRI 102-9

The management of all company suppliers is based on internal standards and procedures approved by the Board of Executive Officers. All supply contracts have specific clauses respecting human rights, such as the non-exploitation of child labor, degrading or in a condition analogous to slavery, and a specific anti-corruption clause. They also include clauses on labor and social security obligations that preserve the health and safety of the professional, such as the use of personal protective equipment (PPE) and training and awareness practices on these issues.

In order to prospect and evaluate possible suppliers, AMAGGI counts with its Supplies area. It will be in charge of researching potential partners for the type of product and / or service demanded by each area, as well as contacting them and requesting all the necessary documentation for the evaluation processes.

In order to serve this important public for the company, in 2018 AMAGGI launched a portal specially focused on suppliers. It allows us to know the various types of materials and services that the Supplies area hires and will soon enable companies interested in becoming AMAGGI suppliers to pre-register, being part of a supplier bank for different types of demand.

SUPPLIER CATEGORIES

In addition to the rural producers, AMAGGI works with other categories of suppliers, described below.

SUPPLIERS OF INPUTS

In 2018, AMAGGI contracted 5,055,000 supply suppliers, which are organized according to product categories, local (local, regional, national and international) and included in the following subgroups:

- **Builders of civil works:** companies contracted mainly for the construction and / or renovation of warehouses, small hydroelectric plants, factories, ports and other industrial facilities;
- **Shipyards:** companies contracted for construction or repair of vessels and barges;
- **Service providers:** companies contracted to provide services in general (transport, customs clearance, maintenance, cleaning, leasing etc.);
- **Suppliers of equipment:** companies that supply dryers for warehouses, furnaces, silos and materials for boats (motor, propeller, housing, communications, kitchen) and small hydropower plants (turbines, electric motors, etc.);
- **Others:** suppliers of stationery, hygiene, cleaning, food, biomass and fuel.

Among the categories of suppliers above, contracts were signed with 1,407 of them – given that the formalization of legal contracts is applied to specific contracts / acquisitions provided for in standards, not being mandatory for 100% of the processes – all containing clauses regarding respect for Human rights.

SUPPLIERS OF TRANSPORT (LOGISTICS)

The Logistics and Operations business area has approximately 3,55 thousand contracts for transportation of corn and soybeans, with companies of all sizes. The company's relationship with these suppliers is organized from the size of the companies:

- **Large and medium-sized companies:** the relationship is directly with the Transport area of the AMAGGI headquarters;
- **Small and micro-enterprises:** they are contracted at transportation stations or offices in Rondonópolis, Lucas do Rio Verde, Confresa, Primavera do Leste, Matupá and Itiquira, in Mato Grosso; Vilhena, in Rondônia; Paranaguá and Maringá, in Paraná; and Passo Fundo, in Rio Grande do Sul.

With the new acquisition of its own fleet of trucks for grain transport and cotton boom, completed at the end of 2018, AMAGGI will have a greater security in transporting between 8% and 10% of its volume for export, through the management of these drivers and the application of good practices and guidelines of the company's policies.

Suppliers evaluation

GRI 308-1, GRI 414-1

The criteria and description of the required documentation requested for each type of product or service contracted by AMAGGI are publicly available on the company's website. In the case of grain suppliers, the evaluation criteria for acquisition can be read in the "Responsible Chain of Soy Management Program" chapter.

For suppliers considered to be socially and / or environmentally critical, AMAGGI adopts criteria that are evaluated jointly by the areas of Supply and Sustainability. The groups included in this classification are suppliers related to:

- Biomass and wood of native or exotic origin;
- Seedlings (nurseries);
- Grains and livestock;
- Products of mineral origin;
- Phytosanitary and fuel products;
- Builders and contractors;
- Waste receptors;
- Environmental laboratory analysis services.

In 2018, 248 suppliers considered socially and / or environmentally critical (44 waste treatment and disposal suppliers, 145 biomass suppliers, and 59 suppliers for new projects, builders and well drills) were evaluated. Among the evaluated, 20 were not qualified, as they did not present all the supporting documentation pertinent to the type of activity developed.

Due to the greater difficulty of contracting waste receivers that meet all requirements and criteria, especially in the regions where the company operates, AMAGGI has been developing remote or face-to-face orientation actions for those with restrictions. This contact is essential to clarify AMAGGI's motives to require partners authorized to consolidate partnerships, to resolve doubts about the documents required by the competent bodies and to discuss the actions necessary for social and environmental regularization of its activities for the sustainability of its business and also to come to be a supplier of AMAGGI.



Monitoring and mitigation of socio-environmental impacts in the supply chain

GRI 308-2, GRI 414-2

In order to maintain air quality and people's health due to the emission of black smoke, AMAGGI monitors the smoke from its own fleet and from third parties, notifying suppliers if the degree of blackening is higher than allowed by legislation.

Regarding the minimization of risks linked to illegal deforestation, the company invests in the socio-environmental assessment of the biomass acquisition and in the monitoring of the grain chain, through the ORIGINAR platform (for more information on AMAGGI actions to combat deforestation, access the chapter "Towards a Free Deforestation Chain" or "Responsible Chain of Soy Management Program").

In addition, the use of roads for grain disposal carries the risk of involving the company with road accidents. For its prevention, the company develops several actions, such as campaigns and visual communication – for example, about the need to maintain vehicles and about safety tips on the road. To meet the claims, AMAGGI maintains a partnership with insurers throughout the logistics route.

Also, with the main objective of minimizing the social, environmental and economic impacts of road and river transportation of its products, AMAGGI has since 2012 maintained a corporate program, currently called Responsible Logistics Program, through which various initiatives are developed (for more information, see the "Responsible Logistics Program" chapter).

Within this program, in order to protect children and adolescents from sexual exploitation, especially in vulnerable communities near the highways and waterways used to dispose of their agricultural production, AMAGGI has maintained since 2014 a partnership with the Programa na Mão Certa, Childhood Brazil NGO.

The company also acts to combat any possibility of violation of other Human Rights, especially the occurrence of work analogous to the slave and various labor risks in its supply chain. To this end, AMAGGI holds a conference of all suppliers on the dirty list of slave labor and includes contractual clauses relating to the subject.

For AMAGGI, the promotion of commercial partners' engagement, respect for Human Rights and decent work in their operations and value chain are non-negotiable commitments reaffirmed in the Company's Social and Environmental Policy. Respect for business partners and integrity is also part of the company's values and is reflected in its Code of Ethics and Conduct. Thus, all relationships with its suppliers and business partners are based on mutual respect and ethics. The selection and contracting of suppliers are based on technical criteria, negotiation conditions and requirements to comply with legal, labor, environmental and health and safety issues. AMAGGI requires ethical action and repudiates work analogous to slave or degrading practices of corruption, child labor, unfair competition practices and any other practice that violates the principles established in its Code of Ethics and Conduct or institutional commitments established with the company, at any stage of its operation or value chain.

It is also worth mentioning that in 2018 AMAGGI started a dissemination work on the subject of Human Rights with the employees, with its inclusion both in the integration of new collaborators and in the annual training on AMAGGI Socio-Environmental Management (GSA).

Finally, as presented in the "Vendor Evaluation" chapter, based on the monitoring of socio-environmental aspects and impacts, the risks and opportunities of its activities and the frequency of hiring, AMAGGI classifies some suppliers as critical, establishing specific criteria for their contracting. Thus, in addition to the non-inclusion conference on the dirty list of slave labor, the company performs a preliminary analysis of environmental documents and also verifies the absence of IBAMA embargoes, and can carry out on-site audits or require the elaboration of action plans for the development of potential suppliers, according to purchasing strategies.

Prevention and care for road accidents and environmental accidents

GRI 306-3

Aware that some types of occurrence can cause environmental and social damages, in addition to harm the local community, the company has prevention, awareness and contingency actions to

mitigate impacts. AMAGGI has internal procedures to prevent and respond to environmental accidents and maintains a contract with a company duly qualified to perform the collection, incineration of products and even remediation of the affected area, if necessary. Moreover, each of its units has an Individual Emergency Plan, which presents the different emergency scenarios mapped to each type of activity.

In 2018 there was an accident related to the spillage of degummed oil in water, in which the Emergency Brigade of the unit was activated, promptly responding and proceeding to the collection of the dispersed oil, following all the steps of the Plan of Assistance to Environmental Emergencies and using the collection equipment available according to its guidelines. The procedure allowed the complete collection of the product, which is considered non-hazardous, without damaging the aquatic fauna and flora of the place.

In the last year AMAGGI registered 170 road accidents, which represent less than 1% of the total number of shipments. The largest number of grain road transport accidents occurred in BR-163 (North of Mato Grosso up to Pará) and in BR-364 (Midwest of Mato Grosso until Rondônia), mostly due to truck overturning.

Responsible Logistics Program

“AMAGGI HAS BEEN STRESSING THE IMPORTANCE OF DRIVERS FOR ACHIEVING THE SUCCESS OF THE COMPANY’S WORK THROUGH THE RESPONSIBLE LOGISTICS PROGRAM THAT IT HAS BEEN DOING SINCE 2012. IT HAS BEEN VERY IMPORTANT TO BE ABLE TO CONVERGE THE METHODOLOGY OF THE NA MÃO CERTA PROGRAM WITH THIS PROGRAM, CREATED FOR IMPROVE ASPECTS OF SAFETY, WELFARE AND SOCIAL RESPONSIBILITY. IN A PARTNERSHIP THAT SUPPORTED THE STUDY “THE PROFILE OF THE TRUCK DRIVER ON THE GRAIN ROUTE”, AMAGGI INVESTED IN THE ROUTE OF BR 364 TO GET TO KNOW ITS TRUCK DRIVERS CLOSELY AND WITH THAT, TO ALIGN OUR OBJECTIVE: TO REDUCE THE RISK FACTORS AND WITH THAT TO INCREASE THE PROTECTION OF THE CHILD AND THE ADOLESCENT.”



Eva Cristina Dengler

PROGRAM MANAGER AND
BUSINESS RELATIONS

In 2018, as expected, the Corporate Sustainability area of AMAGGI continued, in partnership with the Logistics and Operations, Corporate Insurance, Health and Safety and Corporate Security areas, to the actions of the Responsible Logistics Program. Created in 2012, the program seeks to cultivate the company's good relationship with its transportation suppliers, as well as to minimize the social, environmental and economic impacts of road and river transportation of its products.

Among the main actions carried out under the program in 2018, one can highlight the research on the profile of agribusiness drivers on the Parecis-Porto Velho route (Mato Grosso – Rondônia, federal highway BR-364), in partnership with the organization Childhood Brazil – The Right-Hand Program. It has made it possible to better understand the social characteristics, habits and customs of this public, and to reveal their perception of the strengths and points of improvement in relation to AMAGGI.

In 2018, in addition to reinforcing the importance of the National Day to Combat Sexual Exploitation of Children and Adolescents, on May 18, AMAGGI also promoted a security campaign to commemorate Caminhoneiro Day, September 16. The action covered 20 of its units, involving more than 200 drivers and counting on the participation of employees from different areas. The campaign used the poster of the special issue of Childhood Brasil for Truck Driver's Day and also the trucker's Safety in the Right-Hand Guide. Talking about the sexual exploitation of children and adolescents, as well as the prevention of accidents on the roads, the drivers were able to share their experiences and talk about possible solutions and improvements. Some units also promoted a Sustainability Dialogue with the support of a text published by AMAGGI in the same period, about Truck Driver's Day, highlighting its importance for the business.

Several other actions were taken in 2018 by the Responsible Logistics Program, as can be seen in the table below.



Specific objective of the Responsible Logistics Program	Main actions
To promote the welfare of truck drivers and ensure good service to their partners	Implementation of the Electronic Order issuance system (Vilhena and Lucas do Rio Verde carrier), in order to expedite service in the company's units.
	Implementation of the Electronic Order issuance system (Vilhena and Lucas do Rio Verde carrier), in order to expedite service in the company's units.
	Training of attendance of the employees who act directly in the operation with the drivers (AMAGGI Commodities).
	Monitoring the conditions of driver support infrastructure in the company's units.
Assist in the prevention and reduction of accidents and road accidents	Creation of the accident map of the BR-163 and BR-164, with data of the main accident sections registered by AMAGGI.
	Creation of communication materials for managers and employees with guidance on driver assistance.
Reduce the possibility of human rights violations in own operations and in the value chain	Training of multipliers in the fight against the sexual exploitation of children and adolescents on highways and in riverside communities (Programa Na Mão Certa).
	Participatory planning for the implementation of actions along the waterways of AMAGGI, local institutions and riverine communities.

By 2019, AMAGGI plans to carry out continuous actions with truck drivers and waterways, also initiating a discussion about the involvement of local networks of child and adolescent protection, other institutions and possible local partners, as well as riverine communities in the regions where the company has road transportation and waterway operations.

Customers

AMAGGI accompanies and participates in several forums for debates on socio-environmental issues and product quality, always seeking to be attentive to the demand of the consumer market. In addition, it holds constant meetings with clients, with the purpose of promoting improvements in the processes and meeting the demands in an increasingly demanding market. An example of this is the fact that the company was the first company in the world to be certified by the Round Table on Responsible Soy (RTRS), a global certification standard that ensures environmentally correct, socially just and economically viable soy production.

In addition to socio-environmental certifications (for more information, see "Certifications"), AMAGGI constantly invests in the quality of the product delivered to its customers. Among the main certifications are Good Manufacturing Practices (GMP + FSA), focused on food safety and sustainability (raw material for animal feed); the Food Safety Management System (FSSC 22000), which provides a framework for the effective management of food safety and quality responsibilities, in addition to

including requirements of the Food Safety Management System in accordance with ISO 22000; the Foodchain ID Non-GMO, which establishes an easy identification of products free of genetically modified components; and Kosher, which testifies that the products conform to the specific norms governing the orthodox Jewish diet.

In 2018, AMAGGI created a guidance material to facilitate the understanding by the clients of the principles and criteria of each certification, and to reinforce with them the good socio-environmental and governance practices adopted by the company. This material also contributes to encouraging socio-environmental certifications and enhancing responsible production.





Developing WITH COMMUNITIES



Presentation

GRI 103-2, GRI 103-3

AMAGGI recognizes its importance in the social and economic context of the various regions where it is present. In this strategic block of Global Positioning for Sustainability, the company makes clear that its growth will only be viable if it is contributing to the growth and development of the regions where it operates. Topics such as local development, socio-environmental impacts in communities, generation of employment and income and knowledge dissemination are addressed.

Generation of employment and income

GRI 203-2

AMAGGI is present in Brazil with 67 units, located in 41 municipalities of 10 states, including farms, warehouses, offices, factories, transporters, shipyards and ports (for more details, see the map available in the chapter "AMAGGI"). But the scope of its action is even greater, since company maintains operations and commercial relations in all regions of the country and abroad.



There are several ways in which AMAGGI can contribute to the regions where it is present, including the offer of jobs with a fair and decent wage, the movement of the local economy through the acquisition of goods and services, the collection of taxes and taxes for municipalities and the generation of income for local producers.

In 2018, of the total number of new employee admissions by the company, most were made with local and regional labor. As an example, for the vacancies in Amazonas 87.43% of them were filled with people of this state; to Rondônia 90,80% and Pará 100%.

Due to its volume of purchases, AMAGGI exerts considerable influence on many regions. Of the suppliers contracted by the company during 2018, almost 70% are classified as local and regional, which contributes to the development of these regions and adds value throughout the production chain.

Direct economic value generated and distributed

GRI 201-I, GRI 203-I

In 2018, AMAGGI entered into an agreement with a large international financial institution that has been operating in Brazil for the payment of the payroll of more than 3,500 employees of AMAGGI in more than 15 locations in the state of Mato Grosso and Brazil, bringing to these better products and banking services in relation to the market. As a result of this partnership, new banking branches were opened in the municipalities of Itacoatiara (AM), Sapezal and Campo Novo do Parecis (MT), which benefited these municipalities with the generation of new jobs, tax collection and development.

The company also entered into a partnership with a large Japanese government agency, whose funds will be exclusively invested through (i) investments, (ii) commercial operations and (iii) agricultural development in developing regions of Mato Grosso and Pará states. should be based on the best premises and social and environmental practices national and international, according to the standard already established by AMAGGI's commercial policies and practices.

Direct economic value generated and distributed

(In thousands of Reais)	2016	2017	2018
Direct economic value generated - revenues	12,303,986	14,500,525	17,889,191
Distributed economic value	2,287,321	2,111,705	2,714,939
Shareholders (compensation of shareholders' equity)	6.25%	3.54%	2.77%
Employees (compensation, benefits, employee charges)	20.26%	22.36%	17.62%
Government (taxes, fees, contributions)	33.65%	17.29%	17.71%
Retained earnings / loss for the year	7.43%	21.77%	26.87%
Interest and rents (remuneration of third-party capital)	32.11%	34.83%	34.88%
Private Social Investment *	0.30%	0.21%	0.15%
Total	100%	100%	100%
Economic value withheld ("direct economic value generated" minus "distributed economic value") **	R\$ 0.00	R\$ 0.00	0.00

Direct economic value generated – revenues - * As of 2016, AMAGGI started to report the percentage allocated to the André and Lucia Maggi Foundation, so other investments made directly by the business areas are not included here. ** AMAGGI understands that all the generated value has been distributed even if part of the profit or loss for the period has been allocated to the profit reserve for possible distribution in subsequent periods. Amounts allocated for retained earnings / loss for the year: 2018 R \$ 729,592,262.65; 2017 R \$ 459,744,067.89; 2016 R \$ 169,888,585.18.

Regarding donation and institutional sponsorship actions, in 2018 the Policy focused on these activities went through a new revision, aiming to clarify the rules and limitations imposed on donations and sponsorships, such as the non-allocation of resources of this nature for actions that include gambling, alcoholic beverages, animal abuse, among others.

Donations in general happen to entities that have some connection with the company and / or geographic location of the AMAGGI businesses, without, however, the obligator of counterpart. Sponsors, however, take into account the same criteria, but with the counterpart of brand promotion in sponsored events or products. In all cases the applicants must be accountable for the resources received.

By 2019 a work will be done to migrate donation and sponsorship processes in order to systematize them, thus giving more agility and reliability in the analyzes and records of the requests.

In addition to these actions, it is worth mentioning the continuity of the donation of wood waste and plastic banners from the Itacoatiara shipyard to the Itacoatiara Artisans Association (ARTEITA), which contributes to income generation through the production of handicrafts made from reused wood. In 2018, a donation was also made by the Itacoatiara complex of solid waste collectors for the Itacoatiara Song Festival (FECANI).



Dissemination of knowledge

GRI 413-1

The dissemination of knowledge is another form of AMAGGI's contribution to the localities where it operates. One of its actions with this purpose is the Technological Circuit, an annual event dedicated to the diffusion of new techniques and good agricultural practices for rural producers.

AMAGGI TECHNOLOGY CIRCUIT

The AMAGGI Technological Circuit aims to bring the company of rural producers even closer and take technical information from the production area, from new cultivars, fertility, crop management and grain market information, as well as marketing tools, economic scenario and sustainability of the production chain.

In 2018, in its third edition, the circuit provided knowledge and solutions for rural producers in the states of Mato Grosso and Rondônia. There were 1,960 people attending the 19 field events, with the participation of 617 rural producers, representing more than 1.6 million hectares of planting area in the two states.

AMAGGI also carries out a direct and continuous work, through Socio-Environmental Management, providing guidance to rural producers regarding compliance with legal requirements, responsible working conditions, good agricultural practices and recovery of degraded areas. This orientation contributes to the maintenance of the socioenvironmental certifications obtained by the producers, or to a greater adhesion to them.



SOCIO-ENVIRONMENTAL EDUCATION PROGRAM (PESA)

In 2018, AMAGGI continued its Socio-Environmental Education Program (PESA). Created in 2017, social and environmental education actions are carried out among residents, teachers and students of Itanorte, belonging to Itamarati farm, in the municipality of Campo Novo do Parecis.

The highlight of the last year was the training of 24 teachers from the State School Argeu Augusto de Moraes, with the theme Environmental Education. Guided visits were also promoted with the students of the school at the sewage treatment plant and in the controlled landfill implemented by AMAGGI inside the residences.

In addition to the training, in 2018 several meetings were held with leaders from Itanorte to discuss issues such as the evolution of the program, the bottlenecks found during the period and possible solutions and measures to be taken. The residents were also able to ask questions and understand the importance of the PESA in the Internal Week of Prevention of Accidents in Rural Work (SIPATR).

There was continuity of actions aimed at education and support to the community for the proper disposal of solid waste. By 2018, in addition to the collector kits that had been made available to villagers the previous year, AMAGGI provided buckets for the exclusive disposal of organic waste (food waste) to encourage composting. Today, 100% of this waste is used, generating fertilizer that is destined for the hydroponic garden and for the maintenance of the common areas of Itanorte.

A highlight of the year was the recognition of PESA as the best environmental practice of the "Sowing the Good" award of Instituto Algodão Social (manager of the ABR and BCI certification conquered by AMAGGI through its Agro business area).

In 2019 the company will continue to carry out some actions and participate in meetings, monitoring the evolution of the program. However, as a strategy for the continuity of actions, AMAGGI has been working for residents to take more and more ownership of the program, organizing meetings, planning and defining actions and solving eventual problems.



Local Development

GRI 413-1

The contribution to local development is one of the principles of AMAGGI's Global Positioning, which has a Private Social Investment Policy, with actions planned and executed by the André and Lucia Maggi Foundation.

According to the Group of Foundations and Enterprises (GIFE), Private Social Investment comprises all the transfer of financial resources on a voluntary, planned and monitored basis for social, environmental and cultural projects of public interest, aiming at the promotion of the common good and development of society.

The focus of AMAGGI's Private Social Investment is defined by an approved portfolio annually and seeks to work on programs and projects that can contribute to the UN Sustainable Development Goals and AMAGGI Global Positioning for Sustainability.

All funds allocated to projects and programs are set out in an annual budget, as planned by the executive team of the André and Lucia Maggi Foundation and approved by the members of the Foundation's Board of Trustees and Fiscal Council.

André and Lucia Maggi Foundation

GRI 102-2, GRI 102-7

An institution with no economic purpose, the André and Lucia Maggi Foundation is responsible for the management of AMAGGI's Private Social Investment (ISP) actions and projects in the municipalities where the company operates.

The André and Lucia Maggi Foundation is headquartered in Cuiabá, in the AMAGGI headquarters building, and has two collective physical spaces, one in Rondonópolis and another in Itacoatiara. However, it also carries out its activities in several other municipalities.

In order to align its actions with AMAGGI's performance in the strategic regions for the company, the André and Lucia Maggi Foundation carried out its second strategic review between 2017 and 2018. Committed to understanding how much it has been adding value to the business and how much it is possible to improve investments in actions and projects, the Foundation has heard several areas of AMAGGI and external stakeholders, which has made it possible to understand that its performance should be aligned with the purpose of contributing with local and human development, in a social commitment to the communities. This is how his work can add value to the company's performance, whose vision is "To be a reference company in sustainable development".

As a result of the strategic review process, the Foundation drew up its Action Plan by 2025 – an important movement for growth and the continuity of its action. According to the plan, by 2025 the Foundation will have as a horizon to be a reference institution in the places where it operates, for its ability to work with local partnerships in order to accelerate local development in strategic regions.

"SOME TIME AGO, WE HAD DONE THE STRATEGIC PLANNING OF THE FOUNDATION AND ACHIEVED THE EXPECTED RESULTS AHEAD OF SCHEDULE. THEREFORE, WE SAW THAT IT WAS NECESSARY TO MAKE NEW CHANGES AND SO THE STRATEGIC REVIEW THAT WAS SCHEDULED FOR 2019 HAD TO BE ANTICIPATED. THIS WAS ESSENTIAL IN ORDER NOT TO MISS THE TRANSFORMATIONS THAT WE WISH TO GIVE TO FALM. THE REVIEW MADE US REFLECT MORE MATURELY ON OUR POSITIONING AND CAME TO MAKE IT CLEAR THAT WE DID NOT GO INTO THE COMMUNITY TO DICTATE THE RULES, BUT TO CONTRIBUTE TO THEIR DEVELOPMENT."



Juliana Lopes

DIRECTOR OF SUSTAINABILITY, COMMUNICATION AND COMPLIANCE OF AMAGGI AND EXECUTIVE DIRECTOR OF THE ANDRÉ E LUCIA MAGGI FOUNDATION



R\$ 3,991,507.37
of revenue (transfer from AMAGGI)



R\$ 4,862,184.42
of investment



30 municipalities

with activities of the André and Lucia Maggi Foundation, in the states of Mato Grosso, Rondônia, Amazonas, Paraná, Rio Grande do Sul and Goiás

In 2018, the shares of the André and Lucia Maggi Foundation reached 73% of the entire territory of AMAGGI, which covers 41 municipalities.

The main programs carried out in 2018 by the Foundation, with a focus on the development of social institutions and people, as well as the investments made in infrastructure and services, can be seen in more detail below.

DEVELOPMENT OF SOCIAL INSTITUTIONS

Contributing to the formation of individuals able to work in social organizations, in 2018, through **Transformar Project**, the André and Lucia Maggi Foundation trained about 482 people who work in organizations and social initiatives in 26 municipalities. The training was delivered through live online classes, addressing issues related to the third sector, such as social project management and fundraising.

The Foundation also does a work of recognition of social organizations that already have a solid performance in the communities, through the **André and Lucia Maggi Foundation Award**. In 2018, nine social organizations from the states of Mato Grosso, Amazonas and Paraná were awarded prizes, which in the course of 2019 will receive cash prizes, accompaniment and mentoring.

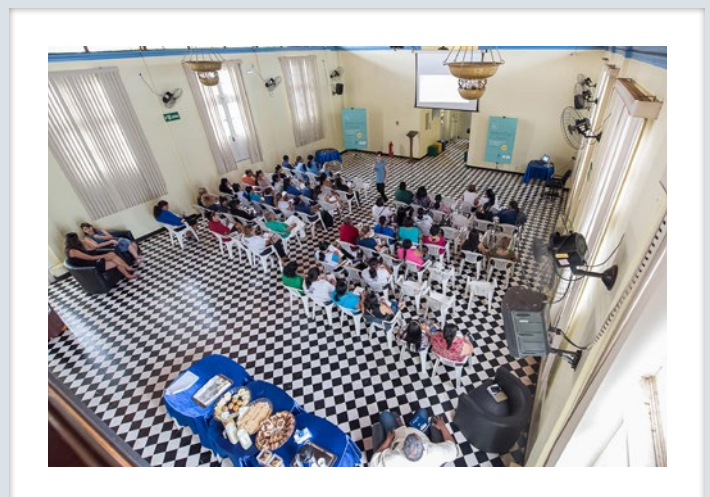
Aware of the importance of cultivating local network development, AMAGGI has also maintained, since 2016, the **Potencializa Project**, which last year involved the participation of more than 451 people. As planned, after three years of work in Lucas do Rio Verde and Querência, the project was closed. Now the network formed in the municipalities follows the work of promoting local community development with the participation of the community itself.

PEOPLE DEVELOPMENT

With the aim of transforming children and adolescents into protagonists of their own lives, **Casa Maggica Project**, of the André and Lucia Maggi Foundation, uses art, music and dance activities to work on values such as integrity, commitment, respect and humility.

In 2018, the project served 110 young people between 10 and 16 years old, in the municipality of Rondonópolis. Last year, the Foundation also extended the project activities to the Cuiabá municipality, where 93 children and adolescents were cared for in partnership with the Municipal Department of Education.

Reference in Itacoatiara, the actions of the Foundation in the **Centro Cultural Velha Serpa** project involved more than 4 thousand people in 2018, with activities of culture, art and social promotion. The initiative is of great importance to strengthen ties with the community and to advance in the construction of local development, in the formation of citizens and in the rescue of local identity.



INVESTMENT IN INFRASTRUCTURE AND SERVICES

GRI 203-1

In addition to its projects for developing people and organizations, in 2018 the André and Lucia Maggi Foundation also made investments¹⁰ in infrastructure and services in the regions where it operates. Among them, it is worth noting the acquisition and donation of three computers for the São Félix do Araguaia Municipal Secretariat of Education, for the use of students and teachers of the Alberto Nunes da Silveira School, in the Espigão do Leste District, involving an investment of R\$11,106.19. Another investment made in 2018 was the adaptation of the architectural and structural projects of Casa Maggica Cuiabá, in order to meet legal requirements. The investment was R\$ 53,680.00, and the implementation of the physical structure of the project will be completed in 2019. In addition to the aforementioned actions, AMAGGI maintains its own property in Sapezal which, in lending with an association, manages the Municipal Hospital of Sapezal, making it possible to attend to the whole community.

10 - The investment made for the São Félix do Araguaia Municipal Secretariat of Education is "pro bono", since it is a donation. The investments related to the architectural projects for the Casa Maggica Cuiabá are of a character "in-kind", since it is a payment to the company (service provider).





Partnerships for local development

AMAGGI believes that local development must be built collectively. Thus, in addition to the actions and projects developed directly by the André and Lucia Maggi Foundation, several partnerships with social institutions are formed, creating a collaborative process focused on the development of municipalities and regional development.

In addition, AMAGGI has participated in several forums, discussions and initiatives with a regional approach including social, environmental and economic issues. Examples of these actions are described in detail in the “Partnerships and Initiatives” chapter”.

Monitoring socio-environmental impacts in communities

GRI 412-1, GRI 413-2

In the last review of materiality, in 2016, AMAGGI carried out a mapping of impacts (positive and negative), risks and opportunities related to all its activities, operations and services in the localities where it operates, through consultations with its stakeholders.



Impact / Opportunity		Sustainable Development Goals
Respect for Human Rights (labor rights, protection of the rights of children and adolescents and promotion of decent work)	Impact	8 - Decent work and economic growth
Availability of essential services (health, education, banking, etc.)	Opportunity	3 - Health and well-being
Migration of labor for seasonal periods	Impact	8 - Decent work and economic growth
Local workforce training	Opportunity	4 - Quality education
Availability of culture and leisure services	Opportunity	11- Sustainable Cities and Communities
Generation of employment and income	Impact	8 - Decent work and economic growth
Strengthening local institutions	Opportunity	11 - Sustainable Cities and Communities
Relationship with traditional local communities	Opportunity	11 - Sustainable Cities and Communities

This mapping contributed to AMAGGI’s start in 2017 to review its procedures for identifying and monitoring socio-environmental aspects and impacts, with the definition of controls in each of its units. This procedure is reviewed periodically or every significant change in operations. To verify compliance with legal requirements and the effectiveness of controls, the company conducts internal audits and audits annually. In 2018, AMAGGI began a review of applicable social responsibility legislation, mainly involving the areas of Health and Safety and Human Resources.

AMAGGI also has procedures for the implementation of 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 prior environmental assessment of locations, evaluation of critical suppliers, and 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.



Debating THE PRESENT AND FUTURE



Presentation

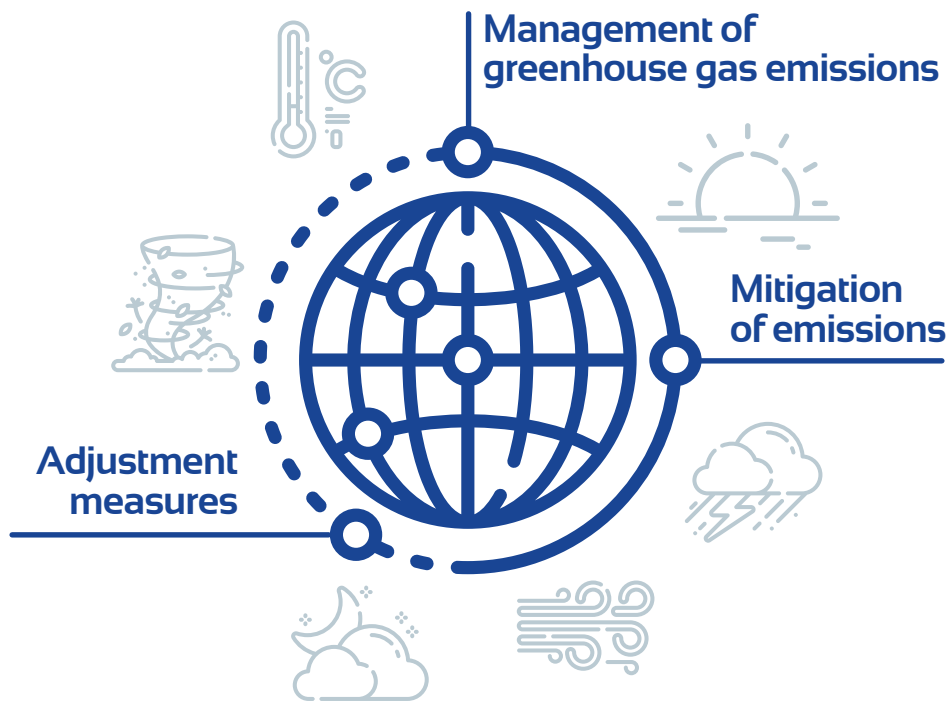
GRI 103-2, GRI 103-3

AMAGGI understands that there are some issues that permeate agribusiness and that deal with issues with complex perspectives and scenarios. This strategic block of Global Positioning for Sustainability addresses issues such as climate change, combating deforestation, agricultural frontiers, innovation and food and nutritional security, where the biggest challenge is to find sustainable solutions that bring lasting, scalable and shared results to all involved. Giving transparency to these challenges and maintaining direct dialogue in search of these solutions with stakeholders are the main objectives of the themes that will be presented next.



Climate change (mitigation and adaptation)

CLIMATE CHANGE RISK MANAGEMENT
GRI 201-2



Climate Change

Due to its particular characteristics, the agricultural sector is extremely vulnerable to changes in the climate pattern.

Events such as changes in atmospheric humidity and temperature, increased floods or prolonged droughts, or changes in the rainfall regime can significantly affect crop yields, reduce production runoff capacity, and compromise investments and infrastructures. This may lead to increases in the direct and indirect costs of production, affecting food prices and market equilibrium, which poses risks not only to the business but also to food security in the world.

Given the importance of this theme, AMAGGI has been acting strongly on three major fronts related to climate change: management of greenhouse gas emissions, mitigation of emissions and adaptation – always a challenge to be faced.

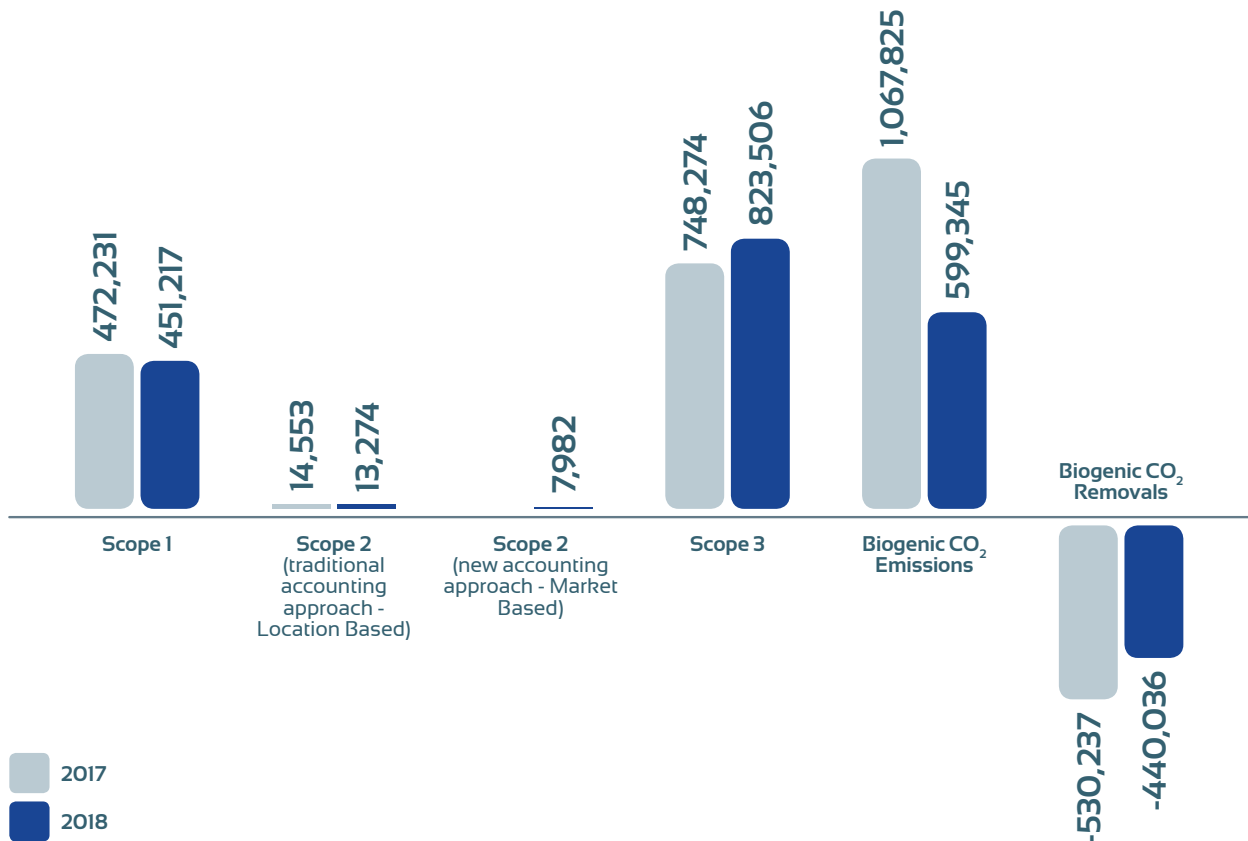
Management of greenhouse gas emissions

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

In this way, AMAGGI has continuously improved the quality of its inventory, which is already one of the most complete in the agricultural sector. In addition to traditionally inventoried sources – such as fuel, biomass and fertilizer consumption – the company also includes emissions from crop residues (such as corn husks left on the soil after harvest) and calculates removals related to the incorporation of soil carbon, the result of better agricultural practices, such as no-tillage.

Results of the greenhouse gas emissions inventory 2017-2018

Emissions of greenhouse gases (CO₂e)



In **Scope 1**, which refers to direct emissions and under the management of AMAGGI, AMAGGI achieved a 4% reduction in emissions in 2018, especially AMAGGI AGRO, which in the last year converted an area equivalent to 1.6 thousand hectares of commercial plantation of rubber trees for other crops, compared to 4,500 hectares in 2017.

Scope 2, which refers to emissions from electricity acquisition, began to be accounted for in 2018 according to two different methodologies: one is the traditional Location Based approach, whereby the total electricity consumption of the multiplied by the average emission factor of the Brazilian energy matrix; the other is the Market Based approach, which applies, for example, to companies that are in the free market of energy and are able to trace the electricity consumed from the origin, making it possible to consider the acquisition of low energy or zero emission, which reduces emissions of Scope 2. The Market Based approach is new and is provided by the Brazilian GHG Protocol Program for the preparation of corporate inventories.

In 2018, according to the traditional approach, AMAGGI presented a reduction of 9% in Scope 2, due to the 23% drop in the national grid emission factor. Despite the reduction in emissions, the company's absolute electricity consumption increased by 6% compared to the previous year, a consequence of the increase in cotton production to be marketed by AMAGGI.

New Scope of accounting approach 2: Market Based

In 2018, AMAGGI started to account for its Scope 2 emissions according to the new methodology of the Brazilian GHG Protocol Program, based on the choice of purchase (Market Based). This methodology allows to recognize corporations that choose to acquire 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.

Through its small hydropower plants, AMAGGI is able to generate and introduce renewable energy into the grid, which runs through the transmission lines and reaches various 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 to report its Scope 2 also according to this new methodology.

Currently, AMAGGI's small hydropower plants supply power to 100% of the company's cotton mills, for the Lucas do Rio Verde plant, the Matrix office and some farms and warehouses. In 2018, about 70% of the energy consumed by AMAGGI, considering all business areas, was generated by small hydroelectric plants.

With this new methodology, AMAGGI established a level of 7,982 tCO₂e in Scope 2 in 2018, with a 40% drop in emissions.

Regarding **Scope 3**, which counts the indirect emissions, i.e. those caused by other companies due to the provision of services to AMAGGI, in 2018 the company's inventory considered emissions from the main sources of its value chain, recording an increase of 10%. Thus, emissions for the production by third companies of the main agricultural inputs (fertilizers, urea, seeds, limestone, among others) were accounted for, those resulting from air travel, as well as the emissions generated by road and rail transportation necessary for the disposal of products for domestic and international markets.

The increase in Scope 3 emissions recorded in 2018 is a result of the improvements in the process of identification and measurement of these emissions, such as the inclusion of certain agricultural inputs usually acquired by AMAGGI. The company seeks to continually refine its understanding of the impacts of its chain by adding new sources to its emissions inventory each year, while seeking to mitigate them.

It should be noted that the emissions generated by the outsourced rail and road transport were, in 2018, around 600 thousand tCO₂e, a level similar to that of the previous year. By 2019, AMAGGI expects that this value will fall if the same volume is transported, since the company has been investing in the acquisition of its own fleet of trucks, internalizing in its direct emissions part of this impact.

AMAGGI's **biogenic emissions**, related to short-cycle carbon in nature, have reduced significantly in the last year, mainly due to the conversion of a smaller area of rubber to the company's farms. Regarding the biogenic removals, related to the carbon flux removed from the atmosphere, they represented 166 thousand tCO₂e in the last year, due to the growth of commercial forests of eucalyptus, rubber and acacia. This value was lower than in 2017, because some planted areas reached their apex of growth and no longer capture carbon but are ready for energy use by the company. For the calculation of **biogenic removals**, the inventory considered the following sources: growing commercial forest areas, counting the above and below-ground biomass, and incorporating carbon into the soil by improving agricultural and management practices.

Carbon Stock

In 2018, AMAGGI maintained more than 141,000 hectares of permanent preservation areas, legal reserves and forest surpluses, which together represented some 76 million tCO₂e and stockpiled. This is one of the results of the company's commitment to promoting responsible agriculture.



MITIGATION OF EMISSIONS

It is known that agribusiness plays an important role in combating greenhouse gas emissions in Brazil and in the world. Thus, in its socio-environmental commitment with the present and the future, AMAGGI emphasizes the importance of maintaining actions and programs dedicated to reducing its emissions.

With several actions aimed at reducing its emissions of greenhouse gases, such as those highlighted below, AMAGGI hopes to contribute to a low carbon agriculture, in line with its 2025 Plan:

- Adoption of no-tillage practices in 100% of the AMAGGI farms, allowing the incorporation and retention of carbon in the soil.
- Crop-livestock integration, which increases the effectiveness of nitrogen use in the soil, brings gains in productivity and improves livestock management.
- Use and biological control of pests on AMAGGI farms, reducing the application of synthetic nitrogen fertilizers (nitrogen, in its N₂O form, is considered a 300 times more harmful gas than carbon dioxide (CO₂), producing a large impact on emissions total greenhouse gas emissions).
- Expansion of agricultural activities in degraded or already open areas, and increase productivity per hectare, avoiding pressure on native forest areas.
- Expansion of the adoption of low or zero emission energy sources - with emphasis on the use of biomass in the processes of grain beneficiation and the consumption of electricity of renewable origin, originating from small hydroelectric plants owned by AMAGGI.
- Investment in technology to improve equipment performance and energy efficiency, aiming at reducing consumption of diesel, biomass and inputs.

In 2018, beginning with the adoption of good agricultural practices, such as no-tillage, AMAGGI promoted the removal and retention of about 238 thousand tCO₂ and biogenic.

Technology in Agro

AMAGGI has been investing in technology to manage the activities in the field and the performance of agricultural equipment through an intelligent and integrated platform with climatological data. The expectation is the continuous reduction of the consumption of inputs and the increase of the quality of the plantations.



ADJUSTMENT MEASURES

Agriculture is so influenced by climatic factors that climate and its variability can be considered as one of the main risk factors for agribusiness.

Maintaining actions and studies aimed at adaptation, AMAGGI understands that the climate issue represents one of the biggest challenges in the agricultural sector, which needs to be constantly updated and debated. Thus, this theme is foreseen even in its Plan 2025, in the axis Debating the Present and the Future.

Climate change and agricultural productivity

Major adaptation measures adopted and promoted by AMAGGI include increased frequency and intensity of **extreme weather events** that cause natural disasters, such as droughts, floods and frost.

Frequency of days with **extreme temperatures** are high or low, and the decrease in temperature gradient between day and night impacts on plant metabolism and animal welfare.

Change in occurrence and severity of **pests and diseases**.

Higher concentration of **high intensity** rains in a short time.

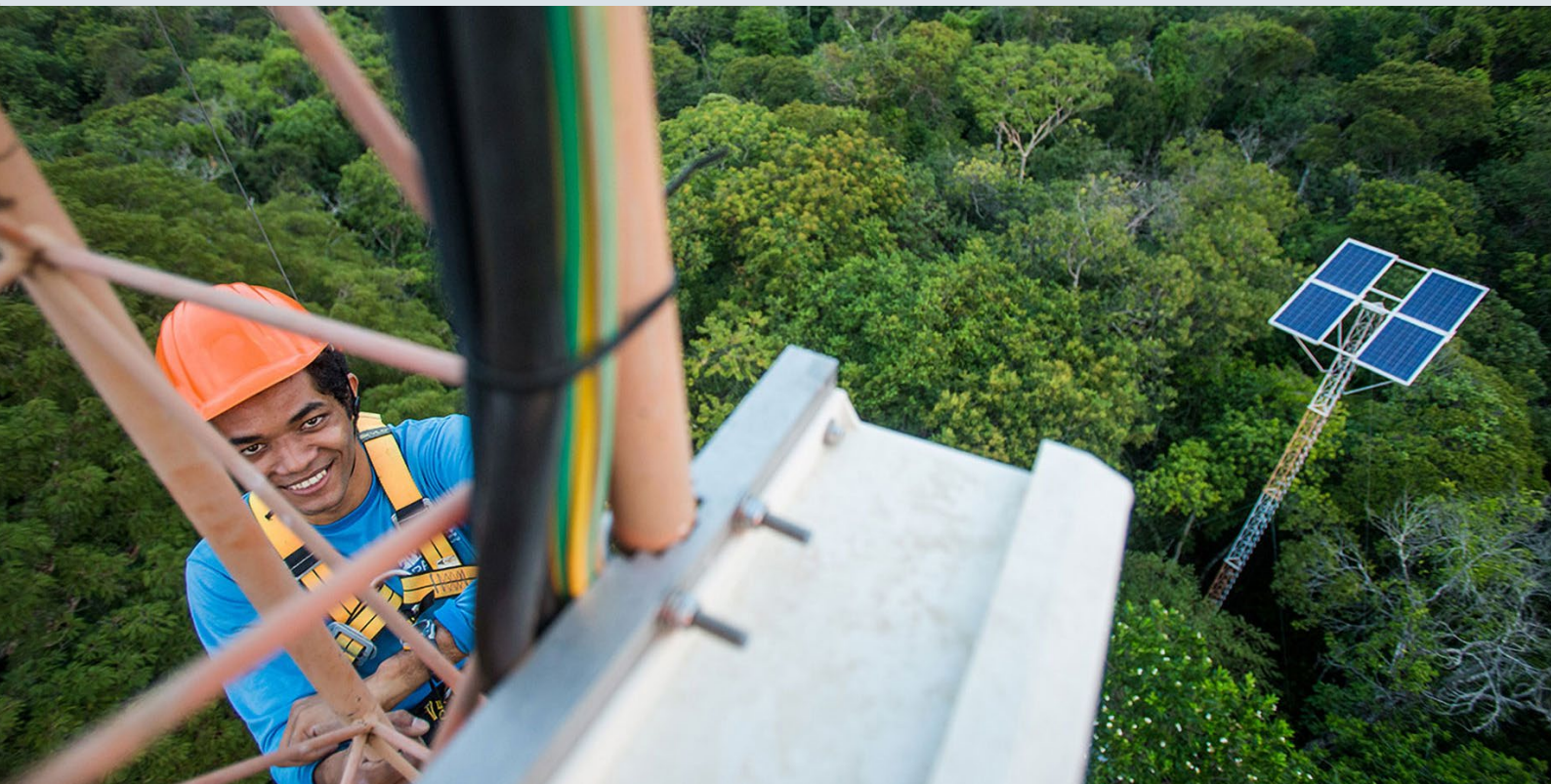
The main adaptation measures adopted and promoted by AMAGGI include:

- **Genetic improvement:** considering the possibility of temperature rise and water restriction, AMAGGI studies, develops and tests new seeds and cultivars that can better adapt to different climatic conditions.
- **The main adaptation measures adopted and promoted by the Management of water resources:** the AMAGGI seeks to adopt in its properties agricultural practices that allow a better infiltration of water and maintenance of soil moisture, avoiding the excessive consumption of this resource and a situation of dependence in relation to it.
- **Pest and disease management:** respect for periods of sanitary emptiness, crop rotation, biological control and the development of studies on risks of new pests are also part of AMAGGI's portfolio of actions, with climate change, the occurrence of new pests may increase.
- **Maintenance of conservation areas:** areas of permanent preservation, legal reserve and forest surpluses 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 predators of pests.
- **Encouraging a sustainable value chain:** by encouraging socio-environmental certifications and technical guidance work to partner producers, AMAGGI promotes the inclusion of good agricultural practices and sustainability throughout its value chain, contributing to the mitigation of emissions and adaptation to climate change.
- **The availability of certified products for the market:** AMAGGI calculates its carbon footprint and has several socio-environmental certifications of its products, such as RTRS EU RED soybeans, to comply with the European Biofuels Directive, which guarantees a product with lower carbon intensity Marketplace .

The main adaptation measures adopted and promoted by the maintenance of conservation areas and adaptation to climate change

The Tanguro Project, a partnership between AMAGGI and the Amazon Environmental Research Institute (IPAM), already has results that demonstrate the importance of permanent preservation areas and legal reserve in the adaptation of rural properties to climate change.

At AMAGGI's Tanguro Farm, it has three monitoring towers that capture atmospheric data, such as humidity, temperature and the presence of CO₂, with a frequency of 20 times per second, in areas of degraded vegetation and tillage, showing the dynamics of temperature regulation by vegetation. Following this method, the researches have concluded, among others, that the temperature of forests is, on average, 5° C lower than that of crops, and that watercourses in riparian forests are 2°C cooler than in unprotected areas.





Innovation

TRACEABILITY OF THE GRAIN CHAIN

As a reference in the production and commercialization of grains, AMAGGI seeks to constantly invest in the innovation of its processes and develop its business by adding socio-environmental values throughout the value chain. Thus, the company has been innovating in the way of managing and engaging its partner producers, seeking to understand their needs and providing various tools of interaction and engagement.

The ORIGINAL platform – an exclusive geospatial analysis tool developed by AMAGGI to ensure greater chain traceability – illustrates how the company has used innovation to manage its value chain and bring improvements to it: in addition to enabling geospatial assessment of suppliers according to the socio-environmental criteria of the company, the platform has allowed to customize the technical assistance to the partner producers and to identify priority areas for investment in sustainability projects. This is the case, for example, of the project in partnership with The Nature Conservancy in the Alto Teles Pires region, which assists producers in environmental and productive adequacy.



By investing in innovation in the management of the grain supply chain, AMAGGI has several objectives:

- Create innovative solutions for the management and traceability of the grain chain, ensuring that the grain purchased comes from a property that guarantees adequate working conditions, is socially and environmentally responsible and free from illegal deforestation.
- Create differentiated ways of engaging its partner producers, enabling them to understand the needs of rural producers, providing customized technical support and improving the incorporation of the best agricultural and socio-environmental practices in the field.
- Assist chain producers in managing and minimizing socio-environmental risks, as well as preparing them to meet the demands of highly demanding markets.
- Become a reference in sustainable agricultural production.

Generate shared value throughout its grain chain, making it highly productive and sustainable.

Since its inception, the ORIGINAR platform has been continuously gaining ground within AMAGGI: in its newest phase, it is being used to carry out strategic market intelligence analyze.

MICROCLIMATE MONITORING AND ANALYSIS

AMAGGI is also investing in the monitoring and analysis of the microclimate in the production area, in real-time, with the first meteorological radar in the state dedicated to agriculture.

Since August 2018, when it started to operate from a point in the middle of the crop area in Sapezal, the meteorological radar is daily monitoring climatic factors within a 100 km radius, which covers both the Tucunaré and the Água Quente farms (another productive unit of AMAGGI) and nearby farms of partner farmers. Within a radius of 50 km, the radar also detects and alerts on fire outbreaks. The instrument aims to assist in day-to-day decision-making on agricultural operations – always subject to climatic variations.

PRODUCTION MONITORING

AMAGGI has also invested in connectivity solutions in the field, to automate soybean planting, cultivation and harvesting processes with a focus on increasing productivity. With a pilot project already in operation at the Tucunaré farm, located in the city of Sapezal, in the state of Mato Grosso, AMAGGI brings intelligence to its business by obtaining information in real time via IoT solution, connecting the machinery present in its farm to the operator grid to improve processes and increase quality in operation. The solutions enable the access and the sending of information online, remotely, to the agricultural implements plugged into the grid, allowing the monitoring of the behavior and production of the planting and harvesting of soybean, corn and cotton.



Towards a free deforestation chain

GRI 304-2

A milestone in the demonstration of AMAGGI's commitment to combating deforestation was adherence to the Soy Moratorium in 2006, banning from its supply chain all soybeans produced in deforested areas after 2008 in the Amazon biome.

After this historic milestone, AMAGGI has not stopped, on the contrary, it has built a position of reference of the theme of sustainable development in agribusiness in the main national and global sustainability tables.

In 2007, he became a member of the RTRS board, a position he holds today, as well as becoming the first company to be certified by the RTRS. Thus, with this performance and also with the ProTerra certification, AMAGGI is currently the company with the highest volume of zero certified deforestation soybeans in the world.

The commitment to the issue is reinforced in 2017 when, through the publication of the Global Positioning of Sustainability and Plan with Vision 2025, the company reaffirms its commitment to achieve a free chain of deforestation.

Since then, AMAGGI has consolidated new partnerships and participated in initiatives that promote dialogues in search of solutions to combat deforestation (see "Partnerships and Initiatives" for more details).

An important initiative was the creation of the Cerrado Working Group (GTC), whose vision is to eliminate, in the shortest possible time, deforestation linked to the soybean chain in the Cerrado, reconciling social, environmental and economic aspects. Participant since its foundation in 2017, AMAGGI, which holds one of the positions of coordination of the GTC, has contributed to the engagement of the actors in the soybean chain, as well as in the debate of solutions that can reconcile the end of deforestation with direct payment mechanisms to producers who give up their right to clear, according to the Forest Code. The GTC today promotes dialogue with NGOs, financial institutions, government, producer representatives, trading and large international retailers to achieve its vision, without prejudice to certain parts of the chain, thus ensuring a better sharing of risks, costs and benefits between all of the chain.

AMAGGI, together with four other institutions in 2018, sought to construct a vision of the future on deforestation, resulting in the publication "Vision 2030-2050, the future of forests and agriculture in Brazil" within the framework of the Brazil Coalition, Climate, Forestry and Agriculture.

The company has invested in the evolution of its ORIGINAR – Origination AMAGGI Responsible platform, which allows accurate geospatial analyzes of the areas from which the company purchases grains. This tool has a fundamental role to analyze the risks involving the company's production chain and recent deforestation, as well as the opportunities to encourage the expansion of responsible agribusiness on already open areas, thus avoiding further deforestation.

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

Also, in order to give greater clarity to its positioning, launched in 2017, AMAGGI re-launches in 2019 its commitment, "Towards a grain chain free from deforestation and conversion" and its "Progress Report on the fight against deforestation" with the main results achieved on the subject since the publicity of its positioning. These materials aim to meet the most recent transparency recommendations identified in important sustainability publications, as well as clarify the scope of our commitment, challenges and means for AMAGGI to achieve an increasingly sustainable, business-friendly agriculture, contributing to the development in the regions where it operates, in a balanced manner, guaranteeing the expansion of agribusiness and the conservation of the environment. More information about the new positioning and progress report can be accessed [here](#).



RESPONSIBLE PERFORMANCE IN OWN AREAS

The Agro business area works seriously to develop its agricultural activities in areas that are already consolidated, that is, deforested before 2008. All properties of AMAGGI are maintained in accordance with the Brazilian Forest Code and other environmental laws of the country, and all the company's productive activities are carried out outside the limits of Conservation Units or any other areas protected by law (for more details on the properties of AMAGGI, see chapter "Attachments"). In order to protect biodiversity on its farms, AMAGGI performs the necessary operational controls and mitigation measures, based on risk management and the aspect and impact sheet of the activities. If the need for an unforeseen activity – such as the installation of new infrastructures, pasture cleanups, changes in agricultural activities, controlled burnings or new well drilling – is identified, all impacts are evaluated and a control plan is developed, always with avoid or minimize the negative points. As indicative of the degree of biodiversity and forest preservation, the company has been observing a greater number of sightings of wild animals inside its farms, such as jaguars, tapirs, capybaras, anteaters, wolves, pacas (*Cuniculus paca*), sucuris (*Eunectes*) and jabutis (*Chelonoidis*). In addition, AMAGGI invests in scientific knowledge. Through its partnership with the Amazon Environmental Research Institute (IPAM) in Tanguro Farm, the company has been encouraging research since 2004 that deepens the understanding of crop integration with biodiversity and the development of agriculture in balance with environment.

PROTECTION AND RECOVERY OF AREAS

GRI 304-3

AMAGGI carries out work to recover Permanent Preservation Areas on its own farms, which comprise the banks of rivers or springs in a radius of 30 to 50 meters (depending on the size of the body of water). The preservation of these areas is of extreme importance to avoid silting the river beds and conserve biodiversity. The company has a corporate and local team designated for the recovery of these areas, either through planting or monitoring of natural regeneration.

In addition to the Permanent Preservation Areas, AMAGGI respects the limits of Legal Reserve, which is defined as an area with native vegetation destined to the preservation of fauna and flora and the improvement of air quality. On some of its properties, AMAGGI preserves a Legal Reserve area greater than that required by law, keeping some forests intact outside the production areas.

Also, in order to compensate for the legal reserve deficit of other farms, the company acquired specific areas of parks for compensation / relief, according to legal provisions (Parque Encontro das Águas, Parque do Araguaia and Parque Igarapés do Juruena).

In order to monitor and ensure the maintenance of the protection of all these areas dedicated to preservation, AMAGGI performs satellite image verification for both productive farms and park areas.

AMAGGI also has two nurseries producing native seedlings, both on farms located in the Amazon biome. One of them is located in the farm Tanguro, possessing a more robust structure and an area of about 250m². In 2018, it produced 70,000 seedlings, of which 45,000 were planted at the beginning of the year and 25,000 were planted between November 2018 and March 2019. The species produced were aroeira verde (Anacardiaceae), angico branco (Fabaceae), jenipapo (Rubiaceae), capitão do campo (Combretaceae), ipê roxo (Handroanthus impetiginosus), ipê amarelo (Handroanthus albus), copaíba (Copaifera langsdorffii), caju do mato (Anacardiaceae), tamboril (Fabaceae), olho de dragão (Longan), tamarindo (Tamarindus), buriti (Arecaceae), angelim (Dinizia excelsa Ducke), favela (Euforbiáceas), ingá (Mimosoideae), azeitona do mato (Vitex megapotamica), goiaba (guava – Myrtaceae), olho de cabra (Ormosia arborea), jaca (Moraceae), urucum (Bixa orellana) and pata de vaca (Bauhinia forficata). The other nursery, with a slightly smaller structure, is located at Fazenda Santa Lucia, and in 2018 produced about 11 thousand native seedlings.

Seeking knowledge to improve its forest restoration techniques and to increase social and environmental gains, AMAGGI participated in the 3rd Ecological Restoration Expedition promoted by the Socioenvironmental Institute (ISA) and Xingu Seed Network in 2018, exchanging experiences and applying in practice the technique of MUVUCA.

This technique consists in the direct seeding of a “mixture” of seeds of varied native and agricultural species, in order to guarantee the simultaneous germination of the plants with different successional stages, creating environments that attract animals and these, in turn, bring seeds increasing the diversification of species. Besides being a technique of considerable cost benefit in relation to the traditional planting of seedlings.





Agricultural frontiers

Ensuring the expansion of agricultural production including the conservation agenda, social development and socioeconomic inclusion, without market exclusion, of a region and its population represents one of the greatest current challenges of agribusiness.

In this sense, AMAGGI has been working hard to understand the opportunities for agricultural expansion without deforestation, as well as to identify opportunities to promote the sharing of this knowledge with its supply chain.

Known as the last agricultural frontier in Brazil, the MATOPIBA region (initials of the states that make it up – Maranhão, Tocantins, Piauí and Bahia) has been the focus of study and discussion throughout the agricultural value chain, in search of solutions that guarantee the environmental, social and economic sustainability of the entire territory.

Therefore, AMAGGI is part of an initiative called “Matopiba Coalition” that aims to promote the sustainable development of the region as a competitive differential in the market.

Furthermore, AMAGGI has invested in geospatial technology for risk analysis and expansion opportunities, always seeking areas already open to increase its agricultural production, as well as encouraging responsible expansion in its supply chain. With the evolution of its ORIGINAR platform, the company has increasingly improved the identification of risk areas and municipalities, defining actions, initiatives and projects for priority areas of operation.

Another highlight is the participation of AMAGGI in the initiative promoted by the TNC NGO for the development of the Agroideal system. This platform was designed to provide information for territorial planning of adequate expansion, through a geospatial analysis of risks and opportunities and scenario creation.





Food and nutrition security

As a producer and marketer of grains, AMAGGI invests in several actions to guarantee the quality and safety of the products, so that the food does not pose risks to human health in its use and consumption.

Among the actions carried out, we highlight the good agricultural practices in the growing stage, such as the correct and efficient use of pesticides and the biological control of pests, which has the potential to reduce the application of pesticides.

In the steps of storage, transportation and grain processing, actions are taken to ensure the preservation of product identity and safety. The control of these, and other actions, are based on socio-environmental certifications and product quality possessed by AMAGGI (for more information, see chapter "Certifications").

The work done with its producers, such as the Technological Circuit (for more information, see the chapter "Dissemination of knowledge"), also contributes to the improvement of the management of its properties and consequently guarantees a more responsible production.

Specific to the issue of food security, which refers to the implementation of projects that ensure citizens access to food in an appropriate quantity, nutritional quality, for an active and healthy life, AMAGGI contributes through the production of its grains, in particular soy, in which it has high nutritional value at a low cost, promoting support to the food security of society.

The company also participates in forums and debates to combat food waste along its value chain, either through actions to improve Brazilian infrastructure, in which it would reduce the loss of products in the logistics process, or through mobilizing and awareness of consumption of products from sustainable production.

In addition to participating in initiatives, AMAGGI has been improving techniques and equipment that help to avoid waste in the different stages of production, handling, storage, processing and distribution.



About THE REPORT

Presentation

GRI 102-45, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54, GRI 102-56

In this Sustainability Report, AMAGGI presents the balance of the main activities of its units installed in Brazil and over which it holds total control, including leased ones, between January 1 and December 31, 2018. With annual emission cycle, the last the report published by the company covered the year 2017.

This document does not disclose financial data of companies not wholly controlled by AMAGGI, such as joint ventures. In addition, AMAGGI Financial Services is not part of the scope of the report.

This report has been prepared in accordance with the GRI Standards: core option, and the company chose not to perform external verification.

There has been no reformulation of information provided in previous reports in the past period, or changes in the list of material themes and their limits. However, AMAGGI included new indicators for reporting, as it considers its strategic disclosure: GRI 308-1, GRI 404-2, GRI 412-1, GRI 412-2 and GRI 414-1. Regarding the structure of the chapters of the report, this year the company chose to structure it according to the strategic blocks of its Global Positioning of Sustainability, and no longer according to material themes. The information reported here was associated with the principles of the Global Compact and the UN Sustainable Development Goals.

The chart below summarizes, according to the strategic blocks of Plan 2025, some actions developed in 2018 by AMAGGI, correlating them with the material themes and the UN Sustainable Development Objectives.

Strategic Blocks	Material themes	Highlights: What we are already doing	Sustainable Development Goals
<p>Improving governance and management</p> <ul style="list-style-type: none"> • Transparency in Corporate Governance • Risk management • Stakeholder Engagement • People management • Health and safety in the workplace • Social and environmental management 	<ul style="list-style-type: none"> • Corporate Governance • Economic viability and shared value • Human capital development • Fair work practices, occupational safety and health and well-being 	<ul style="list-style-type: none"> • Compliance/Integrity Program • Maintenance of complaint channels • Risk Management Policy Update • Stakeholder Engagement Plan • Engagement research with certified rural producers • Sustainability Dialogues aligned to the business, Global Positioning of Sustainability and Sustainable Development Goals • Communication and Transparency Program in Itacoatiara • Corporate Education Projects (School of Leaders, Talents) • Engagement research with collaborators • Employee Compliance and Human Rights Training • Consolidation of the Behavioral Security Program • Changes and improvements in AMAGGI Socio-Environmental Management • Social and environmental certifications • Social and environmental training 	<ul style="list-style-type: none"> • SDG 3: Health and well-being • SDG 4: Education and quality • SDG 8: Decent work and economic growth • SDG 16: Peace, Justice and Effective Institutions

Strategic Blocks	Material themes	Highlights: What we are already doing	Sustainable Development Goals
<p>Promoting a sustainable value chain</p> <ul style="list-style-type: none"> • Comprehensive performance in the value chain • Responsible Soybean Chain Management Program • Working with other suppliers • Customers 	<ul style="list-style-type: none"> • Promoting sustainable agriculture in the grain chain • Supplier Chain Management • Logistics for grain disposal 	<ul style="list-style-type: none"> • Participation and coordination of work and initiatives • Social and environmental certifications • Monitoring the grain chain • Improvement of traceability of grain suppliers • Guidance to producers to improve the socio-environmental management of their properties and adherence to socio-environmental certifications • Evaluation and orientation to suppliers to meet socio-environmental criteria • Responsible Logistics Program • Internal training in human rights 	<ul style="list-style-type: none"> • SDG 12: Responsible consumption and production
<p>Developing with communities</p> <ul style="list-style-type: none"> • Generation of employment and income • Dissemination of knowledge • Local development • Partnerships for local development 	<ul style="list-style-type: none"> • Economic viability and shared value • Development of regions where it operates 	<ul style="list-style-type: none"> • Hiring local or regional labor • Technological Circuits and other initiatives of orientations to local producers • Social and Environmental Education Program (PESA) • Programs and Projects of the André and Lucia Maggi Foundation • Partnerships with institutions that carry out projects in the regions where AMAGGI operates • Participation in forums and debates on regional development 	<ul style="list-style-type: none"> • SDG1: Eradication of poverty • SDG 8: Decent work and economic growth • SDG 10: Reducing inequalities • SDG 17: Partnerships and means of implementation

Strategic Blocks	Material themes	Highlights: What we are already doing	Sustainable Development Goals
<p>Debating the present and the future</p> <ul style="list-style-type: none"> • Climate change • Innovation • Towards a free deforestation chain • Agricultural frontiers • Food and nutritional security 	<ul style="list-style-type: none"> • Climate change • Combating deforestation and biodiversity protection 	<ul style="list-style-type: none"> • Inventory of greenhouse gases • Benchmarking on emissions mitigation program • Innovations in the field and in operations • Protection and recovery of areas • Participation in events on deforestation • Partnerships and initiatives to combat deforestation • Process and product quality certifications 	<ul style="list-style-type: none"> • SDG 2: Zero Hunger and Sustainable Agriculture • SDG 9: Industry, Innovation and Infrastructure • SDG 12: Responsible consumption and production • SDG 13: Action against global climate change • SDG 15: Earth life

Timeline Global Reporting Initiative (GRI): ten years of publication

Completing ten years since its first GRI publication, this report is a milestone for AMAGGI. Since 2008 the company has maintained the objective of exposing its achievements and difficulties, challenges and achievements, in the social, environmental and economic dimensions, in a demonstration of transparency and commitment to accountability to society.

Throughout this period, AMAGGI has been making efforts to improve its management and governance, with emphasis on the transition from an Environmental Management Policy and System to a Social and Environmental Policy and Management, which includes, among other guidelines, the promotion of respect for the Rights Humans. It is also worth mentioning the creation of an Integrity Policy, a Compliance Program, a Behavioral Security Program and several people development programs.

In addition, the company has been increasingly investing in promoting a responsible value chain, through the evaluation and monitoring of its suppliers, socio-environmental certifications, including the creation of its own certification, and its adhesion and voluntary participation in several commitments and initiatives, such as actions aimed at the socio-environmental regularization of producers and for the recovery of areas.

During these 10 years, AMAGGI has also evolved in its private social investment strategy, with the main objective of increasing the synergy between projects and social actions with the business, and thus contributing more effectively to the growth of the regions where the company is present, according to the local needs and potential of the communities and also of their operational units.

In 2008

AMAGGI published its first Sustainability Report following the guidelines of the Global Reporting Initiative (GRI).



In 2012

the company carried out its first materiality study, which was revised every two years.

In 2014

the company started to structure the chapters of its Sustainability Report by material theme, which brought more clarity to the stakeholders about the management of each theme.

In 2015

AMAGGI began to correlate the content of its report with the UN Sustainable Development Goals (SDG).

In 2016

AMAGGI began to correlate the content of its report with the commitments of the UN Global Compact.

In 2018

AMAGGI went from 20 to 25 the number of performance indicators (topics-specific standards) on which it makes its reports, all related to the company's material themes. In addition, the company began to structure the chapters of its Sustainability Report by Strategic Block, as it organizes AMAGGI's Global Sustainability Positioning.



Materiality

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-46

AMAGGI reviews its materiality every three years, or when there are significant changes to the business. This process, which is the responsibility of AMAGGI's Corporate Sustainability area, is organized into four main stages, ranging from the identification of themes and stakeholders to the prioritization, analysis and validation of material themes, as described below:

Identification of topics relevant to the business

Analysis of internal documents; analysis of sectoral studies; identification of themes and socio-environmental aspects of NBR 16001: 2012, ISO 14001: 2015; dynamics with managers to survey relevant aspects and impacts and the relationship with stakeholders; definition of the list of themes to be prioritized through stakeholder consultations;

Prioritization of relevant themes (material themes)

Engagement of stakeholders through various methods that may include interviews (face-to-face, telephone or other appropriate means of communication); focus groups; panels-multistakeholders; online consultations, among others

Analysis

Deepening of the analysis of the material themes raised by the interested parties consulted, with the inclusion of references from the identification stage of positive and negative impacts;

Validation

Presentation and validation of the results for the Senior Management of the material themes for AMAGGI.

The process of reviewing the materiality of AMAGGI results in the definition of its material themes, which are the issues considered most relevant, which the company will monitor, evaluate, manage and report to stakeholders in its Annual Sustainability Report.

The results of this process are also used to review internal documentation and processes related to the sustainability strategy at AMAGGI. More specifically, the materiality subsidizes the updating of the Mapping and Stakeholder Engagement Plan, as well as the Strategic Sustainability Planning up to 2025.

The last material review of AMAGGI was carried out in 2016, with the participation of approximately 550 interested parties, through different methods, as shown in the table below.

On-line consultations

- Financial institutions and clients\
- Consumers
- Specialists and institutional partners
- Contributors
- Farmers
- Trade Unions and associations
- Government
- Press

Interviews

- Farmers
- Trade Unions and associations

Focus groups

- Collaborators representing all business áreas

Multistakeholders panels

- Communities of Itacoatiara and Itamarati Farms

Field visits

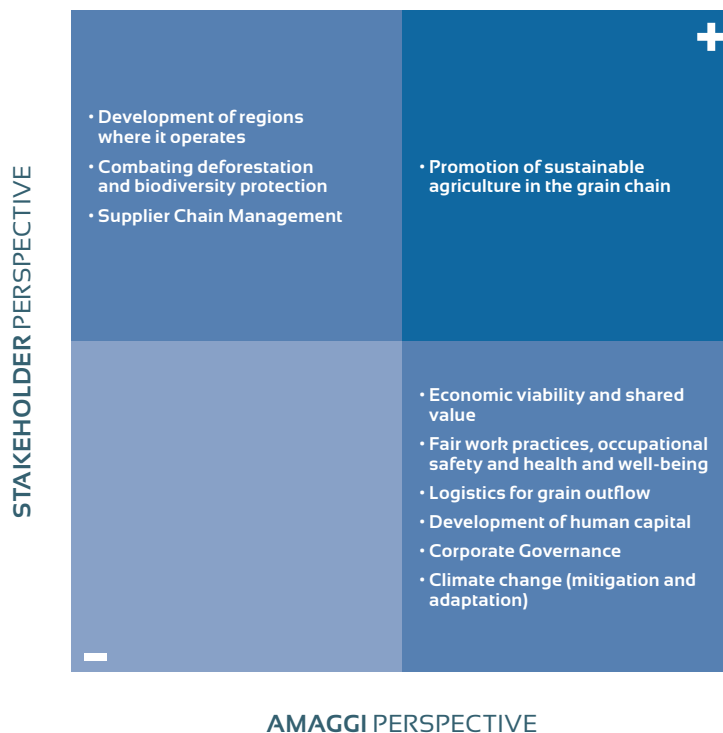
- Communities

Matrix of Materiality

GRI 102-44, GRI 102-47

The chart below highlights the ten topics considered material in the last review of the materiality of the AMAGGI, held in 2016. The next review will be held in 2019, for the subsequent three years.

For more details on material topics, correlation with GRI Standards, and description of where impact occurs, please refer to the chapter "Attachments".



Material themes, Global Positioning for Sustainability and Sustainable Development Objectives

AMAGGI has sought to carry out its actions in an increasingly integrated and strategic way, considering in its strategic plans themes that reflect the main concerns and expectations of the market and its stakeholders.

Aiming to make sustainability strategy clearer for its stakeholders, since its previous Report, the company has been trying to demonstrate the connection between the material themes with its Global Sustainability Positioning, and also how its actions contribute to the Goals (see the chapter "Global Positioning for Sustainability and Plan 2025" for more information).

GRI Content Index

GRI 102-55

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission																				
GRI 101: FOUNDATION 2016																									
GENERAL DISCLOSURES																									
ORGANIZATIONAL PROFILE																									
GRI 102-1	Name of the organization.			5																					
GRI 102-2	Activities, brands, products, and services.			28, 30, 31, 33, 93																					
GRI 102-3	Location of headquarters.			8																					
GRI 102-4	Location of operations.			5, 8																					
GRI 102-5	Ownership and legal form.	The companies that make up AMAGGI are: · André Maggi Participações S.A. ; · AMAGGI Exportação e Importação Ltda. ; · Agropecuária Maggi Ltda. ; · Hermasa Navigation of the Amazon S.A. ; · Maggi Energia S.A. ; · Divisa Energia S.A. ; · Ilha Comprida Energia S.A. ; · Segredo Energia S.A.																							
GRI 102: GENERAL DISCLOSURES 2016		<table border="1"> <thead> <tr> <th>Business area</th> <th>Scope</th> <th>Sectors served</th> <th>Customers / beneficiaries</th> </tr> </thead> <tbody> <tr> <td>Commodities</td> <td>- Mato Grosso - Amazonas - Goiás - Paraná - Santa Catarina - Rio Grande do Sul - Rondônia - Roraima - Pará - Unidades internacionais.</td> <td>- Purchase and sale of grains (soybean and corn) and cotton - Import and marketing of agricultural inputs</td> <td>Consumer Reseller</td> </tr> <tr> <td>Agro</td> <td>- Itiquira (MT) - Campo Novo do Parecis (MT) - Sapezal (MT) - São Felix do Araguaia (MT) - Querência (MT)</td> <td>- Agricultural production of soybeans, corn and cotton - Production of soybean seeds - Cotton processing</td> <td>Consumer Reseller</td> </tr> <tr> <td>Logistics and Operations</td> <td>Brazil</td> <td>- Transport of grains originated and of own production by means of fluvial navigation in the Northwest Corridor of Exportation (waterways of the rivers Madeira and Amazon) - Outsourced transportation management in road and rail modes - Processing of grains (factories) - Production of fertilizer - Warehouse management</td> <td>Consumer Reseller</td> </tr> <tr> <td>Energy *</td> <td>- Rio Jurema (Sapezal - MT) - Rio Formiga (Campos de Júlio - MT)</td> <td>- Energy (generation of electricity through five small hydroelectric plants)</td> <td>Consumer Reseller</td> </tr> </tbody> </table>	Business area	Scope	Sectors served	Customers / beneficiaries	Commodities	- Mato Grosso - Amazonas - Goiás - Paraná - Santa Catarina - Rio Grande do Sul - Rondônia - Roraima - Pará - Unidades internacionais.	- Purchase and sale of grains (soybean and corn) and cotton - Import and marketing of agricultural inputs	Consumer Reseller	Agro	- Itiquira (MT) - Campo Novo do Parecis (MT) - Sapezal (MT) - São Felix do Araguaia (MT) - Querência (MT)	- Agricultural production of soybeans, corn and cotton - Production of soybean seeds - Cotton processing	Consumer Reseller	Logistics and Operations	Brazil	- Transport of grains originated and of own production by means of fluvial navigation in the Northwest Corridor of Exportation (waterways of the rivers Madeira and Amazon) - Outsourced transportation management in road and rail modes - Processing of grains (factories) - Production of fertilizer - Warehouse management	Consumer Reseller	Energy *	- Rio Jurema (Sapezal - MT) - Rio Formiga (Campos de Júlio - MT)	- Energy (generation of electricity through five small hydroelectric plants)	Consumer Reseller			
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Energy *	- Rio Jurema (Sapezal - MT) - Rio Formiga (Campos de Júlio - MT)	- Energy (generation of electricity through five small hydroelectric plants)	Consumer Reseller																						
GRI 102-6	Markets served.																								
* The energy produced in small hydroelectric plants is directed to the national grid; part is consumed by AMAGGI, and part is sold.																									

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission	
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-7	Scale of the organization.		28, 30, 31, 33, 53, 93		
	GRI 102-8	Information on employees and other workers.		53, 54, 55	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 regime of the day and type of employment contract.	
	GRI 102-9	Supply chain.		76, 79		
	GRI 102-10	Significant changes to the organization and its supply chain.	- Opening of office of Origination in Paragominas (PA) - Launch of the joint venture between AMAGGI and Louis Dreyfus Inovação, Logística and Serviços S.A, equally capitalized, which aims to develop and market an application that will offer freight intermediation for shippers and transporters.			
	GRI 102-11	Precautionary Principle or approach.		7	47	
	GRI 102-12	External initiatives.		8	18	
	GRI 102-13	Membership of associations.			22	
	STRATEGY					
	GRI 102-14	Statement from senior decision-maker.			3	
	ETHICS AND INTEGRITY					
	GRI 102-16	Values, principles, standards, and norms of behavior.		4,5,6 and 10	9, 48, 49	
	GOVERNANCE					
	GRI 102-18	Governance structure.			40	
	STAKEHOLDER ENGAGEMENT					
GRI 102-40	List of stakeholder groups.			51, 127		
GRI 102-41	Collective bargaining agreements.		3	53		
GRI 102-42	Identifying and selecting stakeholders.			51, 127		
GRI 102-43	Approach to stakeholder engagement.			51, 127		
GRI 102-44	Key topics and concerns raised.			51, 129		
REPORTING PRACTICE						
GRI 102-45	Entities included in the consolidated financial statements.	Entities and / or subsidiaries	Are they covered by the report?			
		André Maggi Participações S.A.	Yes			
		AMAGGI Exportação e Importação Ltda.	Yes			
		Agropecuária Maggi Ltda.	Yes			
		Hermasa Navegação da Amazônia S.A.	Yes			
		Maggi Energia S.A.	Yes			
		Divisa Energia S.A.	Yes			
		Ilha Comprida Energia S.A.	Yes			
		Segredo Energia S.A.	Yes			
		AMAGGI International BVI	No			
		AMAGGI Argentina	No			
		AMAGGI Paraguay	No			
		AMAGGI Europe BV	No			
		Denofa S.A.	No			
		AMAGGI S.A.	No			
		Terminal Granéis S.A TGG	No			
		AMAGGI e Louis Dreyfus Commodities S.A (joint venture)	No			
		AMAGGI e Louis Dreyfus Terminais Portuários S.A (joint venture)	No			
AMAGGI e Louis Dreyfus Inovação, Logística e Serviços S.A (joint venture).	No					

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-46	Defining report content and topic Boundaries.		127	
	GRI 102-47	List of material topics.		129	
	GRI 102-48	Restatements of information.		121	
	GRI 102-49	Changes in reporting.		121	
	GRI 102-50	Reporting period.		121	
	GRI 102-51	Date of most recent report.		121	
	GRI 102-52	Reporting cycle.		121	
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-53	Contact point for questions regarding the report.		139	
	GRI 102-54	Claims of reporting in accordance with the GRI Standards.		121	
	GRI 102-55	GRI content index.		131	
	GRI 102-56	External assurance.		121	
MATERIAL TOPICS					
PROMOTION OF SUSTAINABLE AGRICULTURE IN THE GRAIN CHAIN					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Promoting a sustainable value chain"		
	GRI 103-3	Evaluation of the management approach.			
SECTOR FOOD - PURCHASING PRACTICES	FPI	Percentage of volume purchased from suppliers in accordance with the company's purchasing practices policy.	4, 5, 7 and 10	76	
ECONOMIC VIABILITY AND SHARED VALUE					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Improving governance and management" e "Developing with communities"		
	GRI 103-3	Evaluation of the management approach.			
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-1	Direct economic value generated and distributed.		89	
		Financial assistance received from government.	In 2018, AMAGGI received R\$73,264,126.52 in tax incentives.		
FAIR WORK PRACTICES, OCCUPATIONAL SAFETY AND HEALTH AND WELL-BEING					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Improving governance and management"		
	GRI 103-3	Evaluation of the management approach.			
GRI 202: MARKET PRESENCE 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	6	67	

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.		71, 72	Information not available: AMAGGI does not have the information of the hours worked by outsourced employees, reason why it is not possible to calculate the rates. In addition, the company does not have the gender rates, but implementing the SAP System in the OS area will contribute to the improvement of the indicators' responses in the coming years.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	GRI 405-1	Diversity of governance bodies and employees.	1, 2, 6	42, 53, 56	
LOGISTICS FOR GRAIN DRYING					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Promoting a sustainable value chain"		
	GRI 103-3	Evaluation of the management approach.			
GRI 306: EFFLUENTS AND WASTE 2016	GRI 306-3	Significant spills.	7	83	
DEVELOPMENT OF HUMAN CAPITAL					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Improving governance and management"		
	GRI 103-3	Evaluation of the management approach.			
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average hours of training per year per employee.		60	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs.		57, 58, 60, 68	
CORPORATE GOVERNANCE					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Improving governance and management"		
	GRI 103-3	Evaluation of the management approach.			
GRI 205: ANTI-CORRUPTION 2016	GRI 205-2	Communication and training about anti-corruption policies and procedures.	10	61	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	GRI 405-1	Diversity of governance bodies and employees.	1, 2, 6		
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	GRI 412-2	Employee training on human rights policies or procedures.	1, 2, 6	63	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	GRI 419-1	Non-compliance with laws and regulations in the social and economic area.	2		At AMAGGI, notifications for non-compliance with laws and regulations are received by the units and are immediately forwarded via e-mail to the Corporate and Legal Sustainability departments to ensure that appropriate action is taken. In addition, the Company periodically conducts audits to identify possible nonconformities. In 2018, there were no records of fines derived from laws and regulations related to the social and economic area.

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission
DEVELOPMENT OF COMMUNITIES IN OPERATING SITES					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Developing with communities"		
	GRI 103-3	Evaluation of the management approach.			
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	GRI 203-1	Infrastructure investments and services supported.			89, 97
	GRI 203-2	Significant indirect economic impacts.		88	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments.	1, 2, 4, 5, 6	98	
GRI 413: LOCAL COMMUNITIES 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs.		91, 93	
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities.	2 and 7	98	
CLIMATE CHANGE (MITIGATION AND ADAPTATION)					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Debating the present and future"		
	GRI 103-3	Evaluation of the management approach.			
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-2	Financial implications and other risks and opportunities due to climate change.		7, 8, 9	101
COMBATING DEFORESTATION AND PROTECTION OF BIODIVERSITY					
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Promoting a sustainable value chain" and "Debating the present and future".		
	GRI 103-3	Evaluation of the management approach.			
GRI 304: BIODIVERSITY 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.			"Attache-ments" Chapter
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity.	7, 8, 9	112	
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GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.			
	GRI 103-2	The management approach and its components.	Information of the management approach for each material topic can be found in the chapters of the strategic block "Promoting a sustainable value chain"		
	GRI 103-3	Evaluation of the management approach.			

GRI Standards	Disclosure	Comments	Global Compact Correlation	Report Page	Omission
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	GRI 308-1	New suppliers that were screened using environmental criteria.	7,8,9	81	
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken.	7,8,9	82	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	GRI 414-1	New suppliers that were screened using social criteria.	1,2,4,5	81	
	GRI 414-2	Negative social impacts in the supply chain and actions taken.	1,2,4,5	82	



Attachments

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Credits

GENERAL COORDINATION

Juliana de Lavor Lopes

Chief of Sustainability, Communication and Compliance

Fabiana Reguero

Social and Environmental Manager

EXECUTIVE COORDINATION

Heloisa Torres

Social Responsibility Supervisor

Daniel Escobar

Corporate Communication Supervisor

INDEXS

Daniele Paulo

Social and Environmental Analyst

Fernanda Barbian

Social and Environmental Analyst

Elaine Andrade

Corporate Communication Analyst

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GRI TECHNICAL CONTENT AND WRITING

Visão Sustentável – www.visaosustentavel.com.br

José Pascowitch, Andrea Fumo, Luiza Silva and Carolina de Paula

GRAPHICAL AND DIGITAL DESIGN

S+G Comunicação

PHOTOS

AMAGGI Collection

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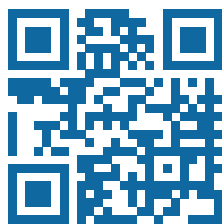


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