



2021 Progress Report

Towards a Deforestation and
Native Vegetation Conversion
Free Grain Chain.

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ABOUT AMAGGI



MESSAGE FROM THE CEO



Judiney Carvalho de Souza
AMAGGI CEO

We celebrated 45 years of activities. Along this journey, AMAGGI has been reinventing itself both in how it does business and how it relates to its diverse target-audiences. But something has never changed: the respect for people and for the places where it is present - something that comes from the company's core values.

Currently, three letters have stood out a lot among companies that are concerned about their long-term continued existence: ESG (Environmental, Social and Governance). However, these letters need to be accompanied by an integrated vision of the business for them to materialize. And, it is precisely because we know AMAGGI core values that we know the dedication required for actions aimed at building the future. Technology, entrepreneurial spirit, market leadership, vision of the future. These are some of the factors that have contributed to our position as key players of a business model, which requires a continuous dialogue with government agencies, companies, financial institutions, NGOs and society in general.

Transparency is key to a healthy working environment both inside and outside the organizations. And it is for this reason that we have made our actions public in several areas of activity. This Progress Report is another step in this direction, where we present our efforts and result in the continuous search for a harmonious relationship among our business, the environment and people.

In its fourth edition, this commitment maintains the title "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain", providing in-depth information on the topic and evolution that AMAGGI has been experiencing over the years, after participating in so many boards for discussion and learnings.

I believe this is a natural path for a company that was born from the entrepreneurial vision of simple people connected to the countryside, but which has grown without disconnecting itself from its roots. Currently, we are the largest grain and fiber company in Brazil, with over 7,000 employees in seven countries, world leaders in trading sustainable soy and recognized for its socio-environmental performance by the main rankings in the sector, such as the CDP Forest and the Forest 500.

THESE ACHIEVEMENTS ARE ONLY POSSIBLE WITH DIALOGUE, PARTNERSHIP, AND A LOT OF WORK!

Enjoy!

AMAGGI'S AREA OF BUSINESS

Founded in 1977, AMAGGI operates in an integrated, sustainable and synergistic manner throughout the entire grain and fiber chain with: grain and inputs trading and origination, grain processing, port operations, road and river transport, agricultural production and electricity generation and trading.

Headquartered in Cuiabá, in the State of Mato Grosso, the company is present in all regions in Brazil, and develops its activities through four business areas: Agribusiness, Commodities, Logistics and Operations and Energy, in addition to maintaining offices and units in different countries: Argentina, Paraguay, Holland, Norway, Switzerland and China. The company carries out its private social investment through the André and Lucia Maggi Foundation (FALM).



AGRO

Agricultural production of soybeans, corn and cotton, as well as soybean seeds.



COMMODITIES

Purchase and sale of grains (soy and corn), import and trade of agricultural inputs.



ENERGY

Generation and trade of renewable electric energy.



LOGISTICS AND OPERATIONS

Port, river, rail and road transport, in addition to grain processing (soybean and corn) and fertilizer production (mixing plant).

2021 AMAGGI HIGHLIGHTS



US\$ 7 billion in sales revenue.



Issuance of **US\$ 750 million** in Sustainability Bonds.



Acquisition of **O Telhar Agro Group** operation in Brazil.



7.870 own employees, 1,102 outsourced.



Over **53 thousand hours** of training for employees.



Start of the project to implement **29 photovoltaic plants** in the State of Mato Grosso (MT).



Launch of the ESG – **Embrace the Future.**



COP-26: AMAGGI was the only Brazilian soybean trader and producer to disclose **net zero SBTi 2050 commitment** at the United Nations Climate Change Conference in 2021.



BRL 16 million in social investment by André and Lucia Maggi Foundation (FALM)



Emergency Action **delivery of 151.032 basic food baskets** to 20,842 families



One of the leading companies offering DCF certified soy, responsible for **21%** of ProTerra volume, **16%** of RTRS volume and **2%** of 2BSvs volume worldwide.

2021 AMAGGI RECOGNITIONS

Forest 500

Global Leader in actions against deforestation among 500 companies worldwide for consistency between public commitments and measures put into practice.



CDP

The World's only soy trader and producer on the CDP Forest 'A' list.



More Integrity

Among the 8 Brazilian companies, which have received the seal of renewal from the Ministry of Agriculture and Food Supplies (MAPA) for its Compliance and Integrity Program.

2030 AMAGGI ESG AND GLOBAL ACTIONS GOALS

In September 2021, AMAGGI launched a new set of ESG (Environmental, Social and Governance) goals.

Among these goals are those related to forest and native vegetation, which are part of Amaggi’s commitment “Towards a Deforestation and Native Vegetation Conversion Free Grain Chain” version 2021, launched at the Embrace the Future event.

ENVIRONMENTAL



Offer **innovative products and solutions** for an ethical chain, zero deforestation and native vegetation conversion, regenerative and low-carbon emissions.



Invest in **renewable energy**, remaining self-sufficient in its production vs consumption.



Have a 100% monitored and tracked grain supply chain, free of deforestation and conversion (**Deforestation and Conversion Free – DCF**) for **agricultural production by 2025**, considering all biomas, countries and regions where the company is present.



Achieve net zero emissions by **2050 (NetZeroemissions)**, through decarbonization strategies by **2035** and neutralization of any residual emissions, according to the **Science-Based Targets initiative (SBTi)**, especially through the promotion of low-carbon, regenerative agriculture capable of protecting biodiversity.



Maintain zero deforestation and conversion (**Deforestation and Conversion Free – DCF**) since 2008 for agricultural production on AMAGGI owned farms, ensuring its expansion only in areas that have already been opened.

SOCIAL



Boost initiatives that strengthen agricultural productivity and income of small food producers, especially **rural women and family farmers**.



Ensure and encourage maintenance of a healthy environment that prioritizes the **safety, quality of life, and well-being** of employees and third parties.



Significantly increase the number of training courses offered to **employees and third parties** by AMAGGI University.



Invest in actions focused on developing **critical suppliers** in its chain, as well as contributing to the professional qualification of **vulnerable people to access decent work**.



Highlight **positive impacts** generated in the communities where the company operates, giving priority to projects in the most strategic territories for business and to the the most socially, economically, and environmentally vulnerable groups.



Ensure an action that respects and promotes Human Rights in all its operations and value chain, especially regarding Indigenous **Peoples and Traditional Communities**.

GOVERNANCE



Keep the Confidential Channel available to all stakeholders and the **Women's Channel** to report non-compliance with AMAGGI Code of Ethics and Conduct.



By 2025 implement a **diversity program**, aiming at the social inclusion of all.



Ensure continuous improvement of the Company's **corporate governance and the relationship** with all stakeholders, ensuring a culture of integrity and ethics, responsibility, risk management and good business practices.



Implement improvements in the process of **communicating relevant ESG** issues to stakeholders, regarding metrics, indicators, form and content.





2021 PROGRESS REPORT



ABOUT THE 2021 PROGRESS REPORT

In order to respond to the demands of society and stakeholders in a transparent manner, every year AMAGGI publishes its Progress Report related to the commitment “Towards a “Deforestation and Native Vegetation Conversion Free Grain Chain”, and this is the company’s fourth report, regarding the results for 2021.

This report provides transparency to the company’s results based on the new commitment, goals, implementation plan and framework, and also reflects AMAGGI’s new assets, since last year AMAGGI completed the purchase of the O Telhar Agro Group, incorporating 14 new farms to its assets.

In this report, the greatest emphasis is on the accountability of items related to management of forest and native vegetation.

To read the 2021 ESG Report [click here!](#)



HISTORY OF THE COMMITMENT

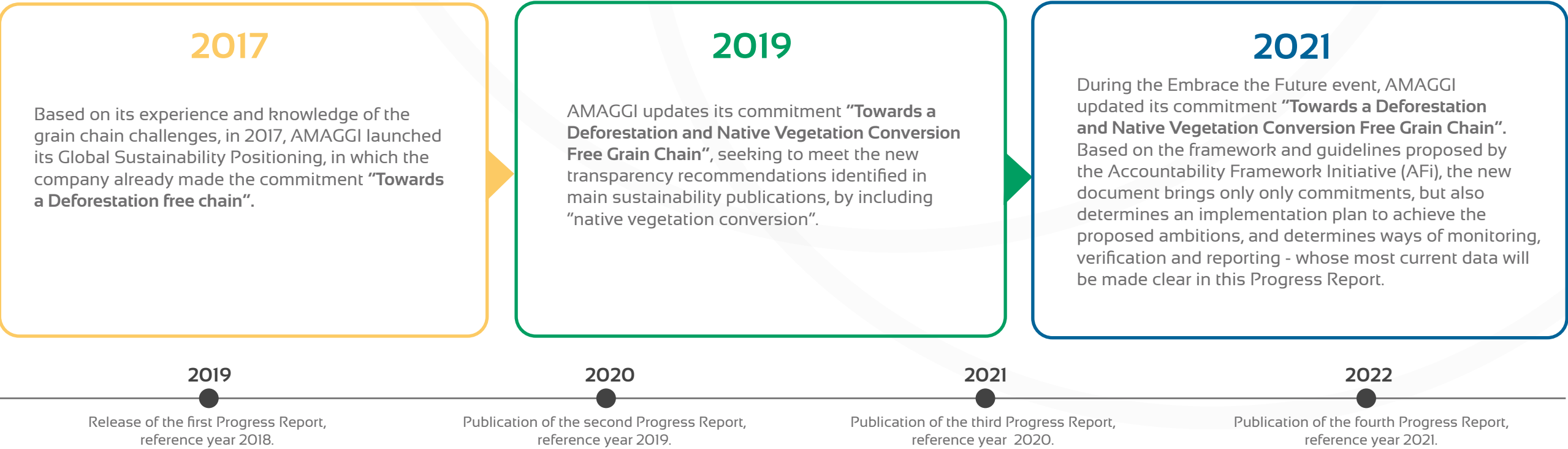
“Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”, version 2021

Throughout its ESG journey, started in 2003 and improved from year to year, AMAGGI has developed its governance structure; established its social and environmental management system; engaged in projects, partnerships and initiatives for the sustainable development of agribusiness; developed internal mechanisms and social-environmental purchase criteria; as well as geospatial tool ORIGINAR. This solid set of actions, among other initiatives, allowed the setting of important achievements, such as the improvement of responsible purchase by monitoring suppliers and tracking the grain origin.

“ The new commitment launched by AMAGGI already reflects the company’s maturity to achieve business sustainability and an ethical chain, strengthening our commitment to issues related to forests, traceability, climate, agriculture and human rights, in addition to having global goals that address the main challenges of sustainability in agribusiness currently. All these aspects are fundamental to work on in order to achieve a chain free of deforestation and conversion of native vegetation by 2025. ”

Juliana de Lavor Lopes – ESG, Communication and Compliance director

Timeline



UNDERSTANDING THE COMMITMENT

What makes up our commitment




No deforestation and no conversion of native vegetation



Legal compliance and an ethical and sustainable supply chain



Respect for and promotion of Human Rights



Regenerative and low-carbon agriculture

Scope of the Commitment

This AMAGGI commitment applies to all AMAGGI regions, biomes and operations, inside and outside Brazil.

Company operations are considered to be all activities controlled by AMAGGI for its own agricultural production and grain origination in the supply chain, which includes direct suppliers, intermediaries and indirect suppliers.

Joint Ventures

AMAGGI also encourages its Joint Ventures (JVs) to make their own commitments, always mirroring both AMAGGI’s values and those of other companies, which make up these partnerships, also encouraging transparency of results on an independent and ongoing basis.

Currently, with regard to grain sales, AMAGGI has a stake in the company ALZ Grãos, in partnership with two companies in the sector, whose area of operation is the Brazilian territory, in the region comprising the states of Maranhão, Tocantins, Piauí and Bahia (MATOPIBA). ALZ’s social-environmental commitments and other information about the company’s operations can be accessed through the company’s website.

[Click here.](#)

View the commitments in full by accessing the document [“Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”](#)

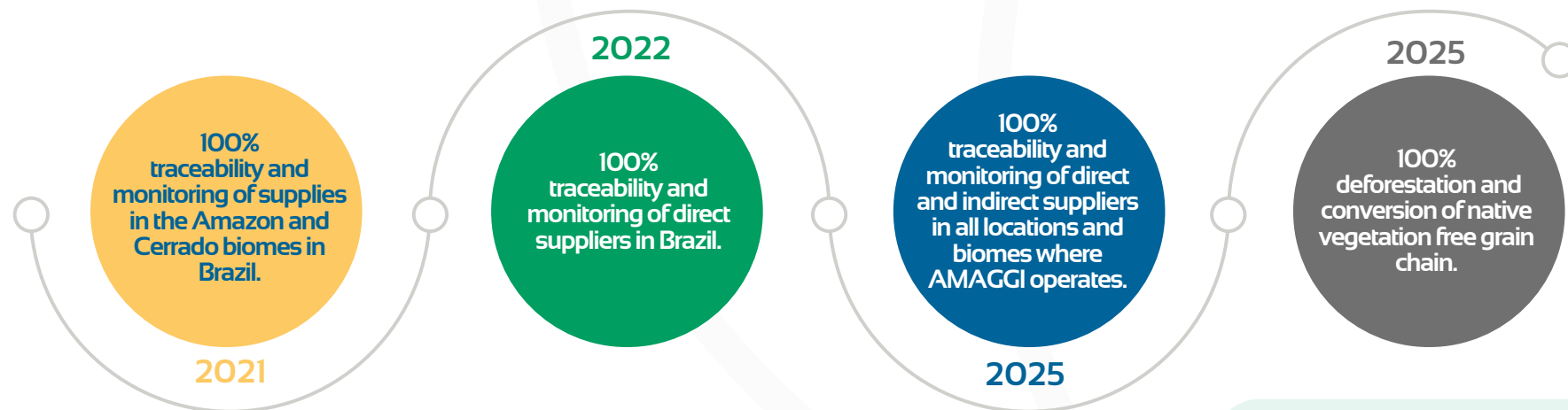




No deforestation and
no conversion of native
vegetation

NO DEFORESTATION AND NO NATIVE VEGETATION CONVERSION

Main goals of the commitment



Beyond 2025

Beyond 2025, AMAGGI will take steps to support the long-term protection of forests and natural ecosystems, foster restoration and financial mechanisms that promote the conservation of priority areas, and promote sustainability in grain production, especially by fostering regenerative agriculture.

This commitment covers agricultural production, origination and financing of grain production, considering direct, intermediate and indirect suppliers, regardless of the legality of the area opening.

AMAGGI is also committed to maintaining all the setorial agreements to which it is a signatory for the protection of forests and native vegetation, including the Soy Moratorium and Pará Green Protocol for Grains, as well as supporting process improvement.

Reference date for measuring progress

To demonstrate its efforts to achieve its commitment on schedule, the company sets the year of 2020 as the reference date for measuring the incidence of deforestation in areas that supply grain in its production chain, providing publicity and transparency of this information to its stakeholders.

Soy Moratorium

Voluntary commitment set in 2006, by industries and exporters affiliated to the Brazilian Association of Vegetable Oil Industries (Abiove) and the National Association of Cereal Exporters (Anec) not to trade soybeans from areas deforested after 2008, in the Amazon biome, regardless of whether they are legally or illegally opened

Pará Green Protocol for Grains

Launched in 2014, this is a commitment to ensure social and environmental responsibility in the production of grains, to avoid trading of products originating from illegally deforested areas, with environmental embargoes or occurrences of slave labor in the state of Pará. It is a joint initiative of the Federal Public Prosecutor's Office, state government of Pará, federal and state environmental agencies, and companies of the sector.



Legal compliance and an ethical and sustainable supply chain

LEGAL COMPLIANCE AND AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN

Main goals of the commitment

AMAGGI is committed to legal compliance of its operations and its supply chain to ensure compliance with local, national, and international social, environmental, forestry and anti-corruption laws.

The company does not sell grains from productive areas that are:

- Embargoed by IBAMA and from state environmental agencies;
- Within indigenous lands and Conservation units under Full Protection;
- Areas deforested after 2008 in the Amazon Biome not complying with the Soy Moratorium;
- Areas not in compliance with the Pará Green Protocol for Grain and
- On the Slave Labor Dirty List.



Respect for and promotion of Human Rights

RESPEITO E PROMOÇÃO DOS DIREITOS HUMANOS

Main goals of the commitment

AMAGGI is committed to respecting and promoting human rights in its operations, value chain and local communities, including the employees, male and female workers, small producers and family farmers, indigenous peoples and traditional communities, as well as other stakeholders, who may feel affected by AMAGGI's activities and other locations where the company is present.

In this commitment, AMAGGI addresses the promotion and inclusion of small farmers; maintenance of the confidential channel open to all stakeholders; eliminating all forms of discrimination, including by providing the Women's Channel. The company also emphasizes the respect for labor rights and legislations; assures the land use rights and the free, prior and informed consent (FPIC); among other relevant topics for the promotion of responsible agriculture.





Regenerative and
low-carbon agriculture

REGENERATIVE AND LOW-CARBON AGRICULTURE

Main goals of the commitment

In this commitment, in addition to ambitions to evolve with the accounting and mitigation of its own greenhouse gas emissions and those of its chain, AMAGGI is also committed to related topics, such as preservation of areas of high conservation value and carbon stock (HCS and HCV), by highlighting the relevance of biodiversity and water resources; aside from fostering forest restoration and other relevant topics.

As a main goal, the NetZero emission commitment stands out:

- **Reach net zero emission by 2050 (NetZero emissions), through decarbonization strategies by 2035 and neutralization of any subsequent residual emissions, according to Science-Based Targets initiative (SBTi), especially by fostering regenerative, low-carbon agriculture and capable of protecting biodiversity.**

AMAGGI also brings as a commitment in this block the dissemination of knowledge throughout its value chain, in addition to searching for sustainable products and solutions:

- **Offer innovative products and solutions for an ethical chain, zero deforestation and native vegetation conservation, regenerative and low-carbon emission.**



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



SCOPE OF THE COMMITMENT

Scope of AMAGGI's grain trading

The grains that AMAGGI sell on the market originate from its own farms, all located in the state of Mato Grosso, in Brazil, including the new farms purchased from the O Telhar Agro group.

As regards the grains originated from rural producers, which represent the largest volume, in relation to the company's total volume, the largest volume originated comes from Brazil and in small proportion from Paraguay and Argentina.

In this scenario, it is noted the importance of having a clear position on the company's performance and commitment to its value chain, in addition to its own units.



5%

AMAGGI Production

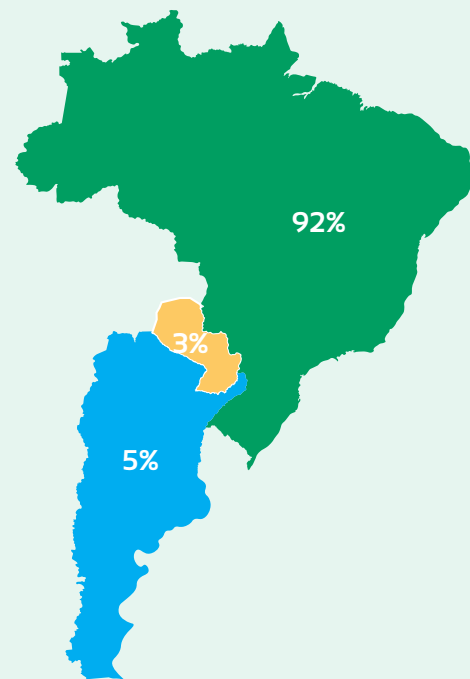


95%

Suppliers

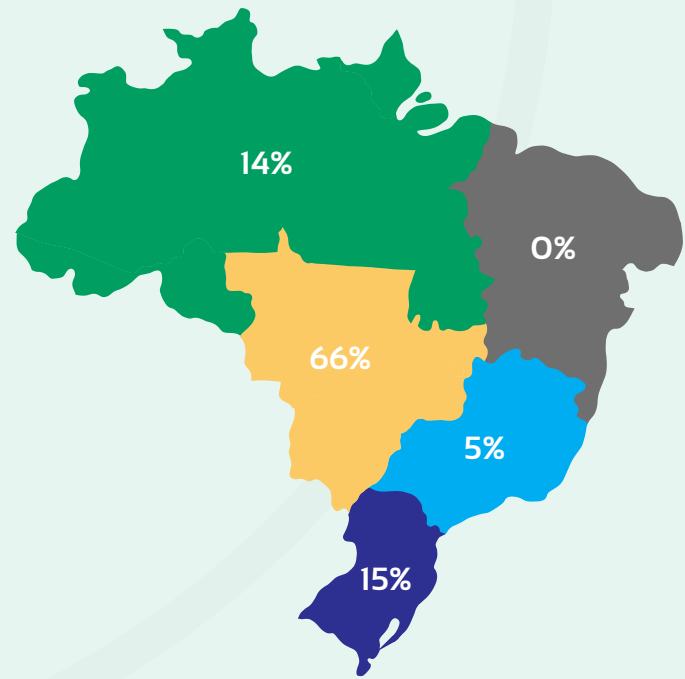


Volume originated by AMAGGI
Soy origination per Country - 2021



● Brazil ● Paraguay ● Argentina

Volume originated by AMAGGI in Brazil
Soy origination per Region - 2021



● North Region ● Midwest Region ● Northeast Region
● Southeast Region ● South Region

Volume originated
in Brazil

Soy origination
per bioma - 2021



39%

Amazon



41%

Cerrado



20%

Other biomes

SCOPE OF THE COMMITMENT

Priority Jurisdictions: Cerrado and Amazon

In order to achieve its commitment “Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”, AMAGGI will focus its efforts and prioritize actions on activities and regions, which pose the greatest risk, having in mind parameters such as:

- Locations where AMAGGI is present, and which represent greater importance for business maintenance and expansion;
- Places of greatest risk of deforestation and conversion, bearing in mind the history of conversion rates from native areas to agricultural use and green areas threatened by grain cultivation expansion.
- Locations posing a greater risk of violation of human rights, identified based on mapping and queries carried out by AMAGGI and public indexes, such as the Slave Work Dirty List.

In this regard, in 2021, the company maintained as priority jurisdictions the entire region where the company operates in the Amazon and Cerrado biomes in Brazil, which are considered the two most relevant biomes in terms of environmental conservation and agricultural production.

These priority jurisdictions (Amazon and Cerrado) account for 73% of the total volume of soybeans originated by the company, considering Brazil, Paraguay and Argentina.

From the point of view of the volume originated in Brazil alone, the two biomes combined continued to account for 80% of the total, the same volume as the preceding year. The other 20% of the company's origination in Brazil is in already consolidated regions, with low or no risk of deforestation and conversion of native vegetation, considering the South (15%) and Southeast (5%) regions.

AMAGGI's goal is to continually expand monitoring of all its direct and indirect suppliers, regardless of location, inside and outside Brazil, incorporating, by 2025, 100% of the location where it operates, in line with the company's commitment **“Towards a Deforestation and Conversion of Native Vegetation Free Chain”**.



CHACO BIOME

The biome, which is concentrated between the countries Argentina and Paraguay, with two-thirds of its area being located within the Argentinean territory, brings together more than 50 different ecosystems united by the same pattern of vegetation and climate.

The Chaco plays a major role in the continent's environmental and bioclimatic balance, for this reason it is considered an important jurisdiction for AMAGGI.

To date, the jurisdiction of priority action for AMAGGI, the company has been seeking technology solutions to monitor the origin of the grain, thus ensuring the achievement of its goal of traceability and non-conversion of forest and native vegetation by 2025.

Argentina and Paraguay make up only 8% of the company's total origination volume, and it is estimated that 1.4% of the total volume originates from the Chaco Biome. This estimate is based on the location of the intermediaries, and may change as the company evolves in traceability of Argentina and Paraguay.

Amazon Biome

The Amazon biome is the largest and richest in biodiversity in Brazil, covering nine states, where the Soy Moratorium commitment has been made by its signatories with the purpose of eliminating forest conversion into soybean plantations, prohibiting the trade of soy with properties that have soy plantations in areas deforested after July 22, 2008.

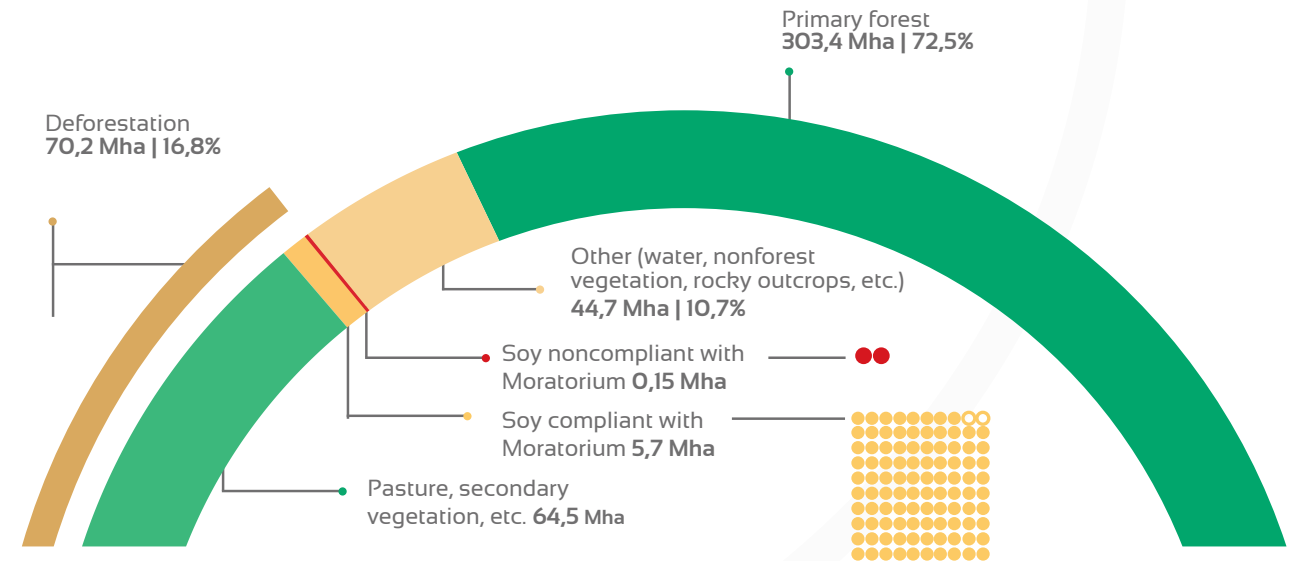
In the 2020/21 Harvest, 5.85 Mha were planted, which accounts for 15.2% of the national soybean area. The states of Mato Grosso (76.9%), Pará (11.5%), Rondônia (6.8%) and Maranhão (2.9%) account for 98.1% of the biome soybean area.

According to the “Monitoring soybean through satellite images in the Amazon biome” report, produced by Agrosatélite, since the new Moratorium framework (June 22, 2008) the soybean area more than tripled in 13 years in the Amazon biome, going from 1.64 Mha in the 2007/08 Crop (before the Moratorium) to the current 5.85 Mha, a significant expansion of 4.21 Mha, of which 0.147 Mha (3.5%) with forest conversion during the Moratorium period. In this sense, the 147,112 ha of soybean deforestation that took place during the Moratorium accounts for only 2.5% of the current soybean area in the biome.

This confirms the effectiveness of the initiative in mitigating the advance of soybean over new deforested areas, by providing incentives for the expansion of soybean, mostly over pasture areas from deforestation prior to the Soy Moratorium.

To view the full report, [click here](#).

Land use and land cover in the Amazon biome 2021



Source: ABIOVE and Agrosatélite Soy Moratorium: Crop 2020/21

AMAGGI is one of the Soy Moratorium signatory companies and can assert that it does not sell soybeans from areas deforested after 2008, in the Amazon biome, regardless of whether they are legally or illegally opened. This commitment is confirmed through annual audits by a third party.

Cerrado Biome

The Cerrado Biome play a major role, both in terms of conservation and agricultural production. The second largest Biome in Brazil, with an area of nearly 204 million hectares, it has preserved more than 52% of its native vegetation, and the soybean crop occupied in the 2018/19 harvest about 9% of its area (approximately 18 million hectares), as pointed out by a study that characterized the Cerrado land use contracted by the Brazilian Association of Vegetable Oil Industries (Abiove) and carried out by Agrosatélite in 2019 - **figure 1**.

In a very recent study, also conducted by Abiove in partnership with Agrosatélite, it is possible to see that soybean expansion in the Cerrado over native vegetation dropped from 13% between the 2001-2007 period to 3% in 2014-2021 period. This means that 97% of the oilseed expansion was over areas, which had been deforested before 2014, that is, in the last seven years, as can be seen in **figure 2**.

Given these data, it is understood that it is possible to guarantee a sustainable production in this biome, which is strategic for environmental conservation, but also from the point of view of the Brazilian agricultural production, since it is home to more than one half of the current soybean area in Brazil, according to data from the study by the Brazilian Agricultural Research Corporation (Embrapa).

To view the reports in full, [click here](#).

Summary of the cerrado biome status in 2018/19

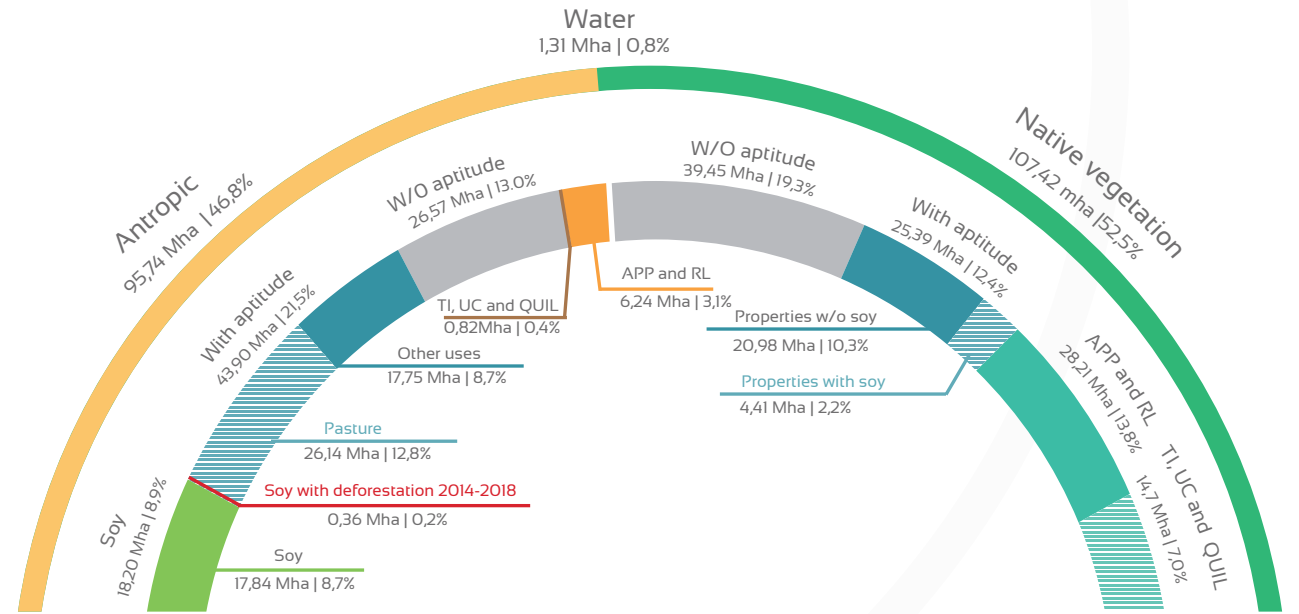


Figure 1
Report Geospacial Analysis of soy crop in the Cerrado

Source: ABIOVE and Agrosatélite evaluated the soy expansion in the Cerrado – from 2019 https://abiove.org.br/wp-content/uploads/2020/06/Report_Geospacial-Analysis-of-Soy-Crop-in-the-Cerrado_en.pdf

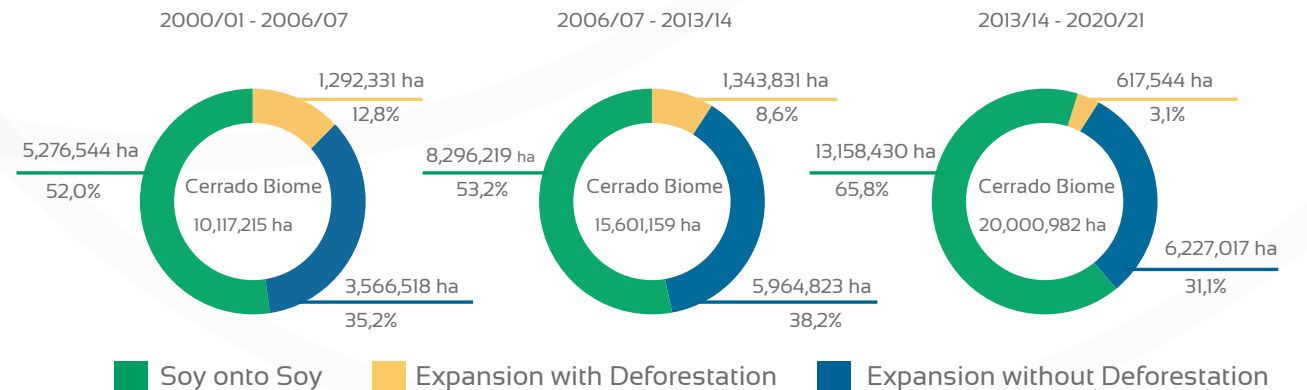


Figure 2

Source: ABIOVE and Agrosatélite evaluated the soy expansion in the Cerrado biome in the last 20 years – from December 2021 <https://abiove.org.br/en/publicacoes/analise-geoespacial-da-expansao-da-soja-no-bioma-cerrado/>

MAIN RESULTS AND INDICATORS

2021 Results for priority jurisdictions (Cerrado and Amazon):



SUPPLIER CHAIN

Intermediate and final goals

- 2021** 100% traceability and monitoring of suppliers from the Amazon and Cerrado biomes in Brazil.
- 2022** 100% traceability and monitoring of direct suppliers in Brazil.
- 2025** 100% traceability and monitoring of direct and indirect suppliers in all locations and biomes where AMAGGI operates.
100% deforestation and conversion of native vegetation free grain chain.

*Monitored areas	2021	2020
Number of properties	6.323	5.322
Total area (ha)	16.883.000	15.300.000
Soybean area (ha)	6.527.000	5.515.000
Numbers of tracked CARs	17.286	15.251
Native vegetation area (ha)	7.336.839	5.931.000

**The sum of soybean area and native vegetation do not result in the total area, as there may be other activities on the properties or the existence of water bodies.*

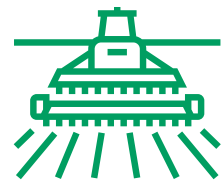
Third-party verified results
Use of a more robust and conservative methodology to detect deforestations

2021 Result

- 100% direct and indirect suppliers tracked and monitored from priority areas, after 2020, are free of deforestation and conversion of native vegetation.
- For the Amazon Biome, 100% of tracked and monitored soy volume, after 2008, is free of deforestation and conversion of native vegetation, following the Soy Moratorium commitment.
- 72% of the originated grains are from direct suppliers and 28% from indirect suppliers.
- 99,7% traceability and monitoring of direct suppliers from the Amazon and Cerrado biomes in Brazil, which are the priority jurisdictions for AMAGGI’s operations.
- 100% traceability and monitoring of indirect suppliers at the first point of aggregation.
- 26.1% traceability and monitoring of suppliers in the Amazon and Cerrado biomes in Brazil. 21% increase in the tracked and monitored volume of indirect suppliers at the farm level when compared to the preceding year.
- 100% compliant with external verifications of soybean trades referring to Soy Moratorium and Green Protocol for Grains commitments.
- 100% of suppliers comply with AMAGGI’s social and environmental criteria.

MAIN RESULTS AND INDICATORS

2021 Results for priority jurisdictions (Cerrado and Amazon):



LAND USE MANAGEMENT IN OWN AREAS

Goal

Keep zero deforestation and conversion (Deforestation and Conversion Free – DCF) since 2008 for agricultural production on its own farms, ensuring its expansions only in areas, which have already been opened.

2021 Result

- **100%** of AMAGGI’s owned farms are free of deforestation and conversion of native vegetation for agricultural production since 2008.
- Social and environmental assessment carried out in the acquisition process of O Telhar Agro group operations in Brazil, ensuring that AMAGGI farms maintain **100%** zero deforestation and conversion of native vegetation.
- **100%** of AMAGGI’s owned farms for agricultural production are certified in social and environmental standards zero deforestation and conversion of native vegetation.
- **100%** of AMAGGI own operations in compliance with the Forestry Code, kept outside the boundaries of Conservation Units of Indigenous Lands.
- **147 mil** thousand hectares of preserved areas, representing about **50%** of the total area owned by the company.



SUSTAINABLE PRODUCTS AND SOLUTIONS

Goal

Offer innovative products and solutions for an ethical chain, zero deforestation and conversion of native vegetation, regenerative and low-carbon emission.

2021 Result

- Launching of AMAGGI’s zero deforestation and native vegetation conversion guarantee program called ORIGINS;
- AMAGGI continues to be one of the leading companies to offer certified soybeans free of deforestation and conversion of native vegetation (DCF) in the world.
- **16%** of RTRS soybeans and **21%** of ProTerra soybeans in the world certified by AMAGGI.
- More than **BRL 3.5 million** in awards to RTRS certified suppliers.





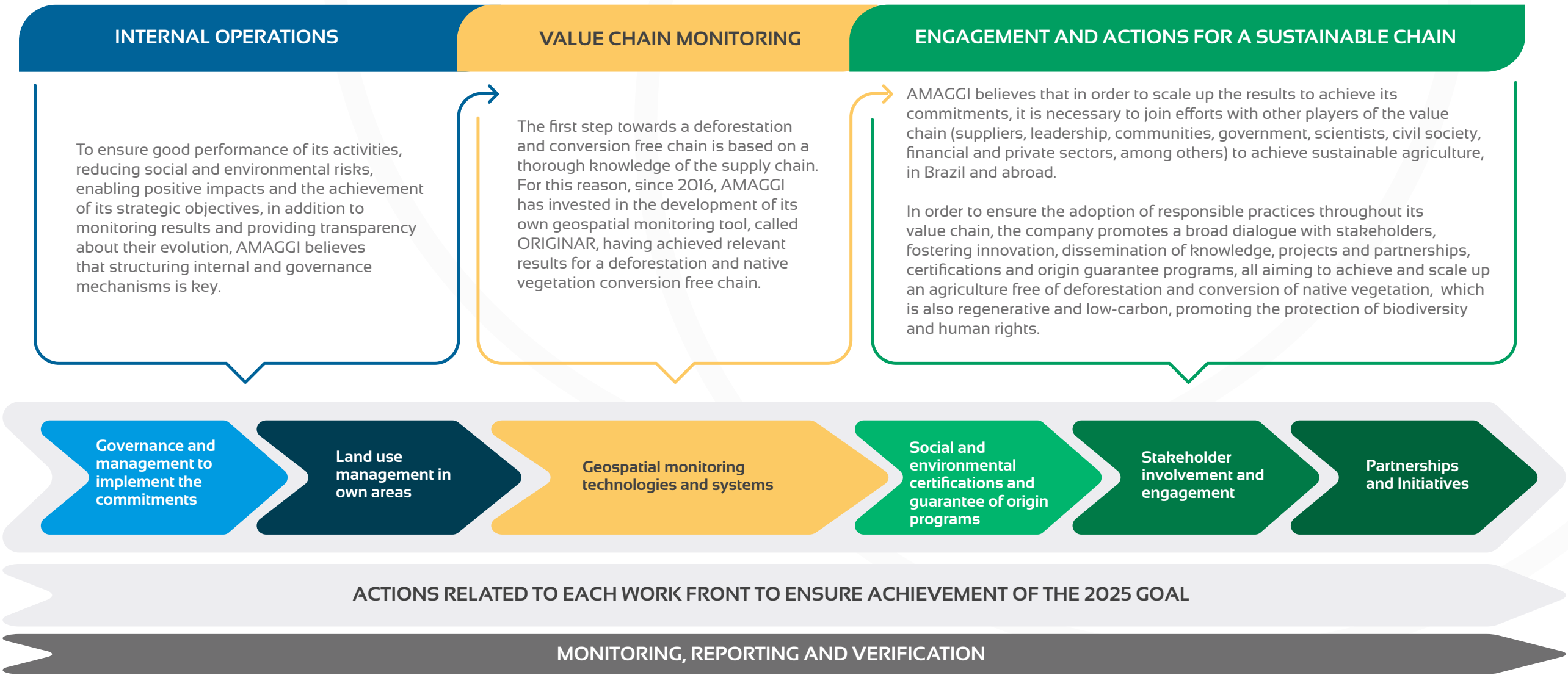
IMPLEMENTATION PLAN



ACTIONS PER WORK FRONT

Strategic Lines of action

Based on the newest version of the document “Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”, of 2021, this Progress Report already reflects the new structure and implementation plan to achieve the goals and commitments undertaken. Divided into three main lines of action, this plan also reflects the main requirements suggested by the *Accountability Framework Initiative guidelines*.



Our challenges and goals in this work front

Set policies, guidelines and responsibilities for senior administration and employees, in order to prevent potential conflicts of interest in the grain purchase transactions and socio-environmental analysis, minimize negative socio-environmental impacts, in addition to providing opportunities and maximizing positive impacts for the responsible production and purchase of grains.

Keep the socio-environmental management system, tools and procedures up to date, develop different departments, and train employees to achieve the set commitments.

Ensure compliance of the company's activities with legal requirements, socio-environmental commitments and the company's internal rules.

Set complaint mechanisms to identify and remedy adverse social and environmental impacts linked to its the operations.

Measure the performance of the company and employees in relation to ESG requirements, by performing internal and external audits to check the company's adherence to its commitments and standards.

2021 Highlights and achievements

100% of grain origination offices trained on new forest and native vegetation commitments, as well as on the use of new supplier traceability tools (ORIGINAR 2.0).

Launching of new ESG goals, including updating the commitment "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain", version 2021.

Broad internal and external disclosure of new goals and commitments, in addition to the development of training of key employees to achieve the set commitments.

Investments were made to improve ORIGINAR 2.0 for traceability and monitoring of the supply chain, enabling greater integration between AMAGGI's internal systems, providing greater safeguards in the social and environmental evaluation of grain purchases.

Acquisition and implementation of a new system to manage ESG indicators, which aims at bringing more promptness and transparency in ESG reporting.

Organizational restructuring was carried through to ensure the total independence of the internal audit area.

Internal and external audits were carried through to verify the company's adherence to its commitments and standards. All units were evaluated by internal audits that include GSA requirements, making up the financial result distributed annually to managers and employees of AMAGGI units.

Revision of the Confidential Channel policy and creation of AMAGGI Women's Channel, ensuring a better structure and greater agility in dealing with reports and complaints from stakeholders.



ESG governance structure to ensure goal achievement

AMAGGI's governance structure was built up to support its actions in pursuit of good performance, risk reduction and monitoring of strategic objectives.

The ESG (Environmental, Social and Governance), Communication and Compliance Board, which reports to the company's CEO, has the main role of deploying the sustainability strategy, especially the ESG Commitments and Goals, in all business and at all levels of the organization, as well as evaluating the company's socio-environmental performance, planning projects and actions to achieve the expected results. .

To support the ESG Board, AMAGGI has more than 25 corporate employees fully dedicated to implementing the company's sustainability strategy. Furthermore, all AMAGGI units have a representative in charge of ensuring, together with the other areas, the compliance of activities with legal requirements, socio-environmental commitments and the company's internal rules, related to the respective operations of each unit (including its suppliers).

AMAGGI has a unified socio-environmental policy and management (GSA), which is formed by a set of standardized processes and procedures, whose related activities are developed and operated by the Corporate Sustainability area and the company's business areas, with the purpose of preventing and minimizing possible adverse socio-environmental impacts of AMAGGI's operations, products and services, in addition to providing opportunities and maximizing positive impacts through actions and program.

To measure its performance, AMAGGI annually promotes internal and external audits to check the company's adherence to its commitments and standards. All the company's employees are evaluated by internal audits, which include the company's ESG requirements. This evaluation makes up the financial result distributed annually by performance to the company's employees.

Independent socio-environmental assessment for grain purchase

All of the grain purchase lots go through the ORIGINAR 2.0 geospatial system, and only those 100% compliant with AMAGGI's minimum trading criteria are able to proceed with receiving the grain.

If there is any type of restriction identified on the farm or in the name of the producer at the time of purchase, the trading registration is automatically blocked by the system, and can only be released after confirmation by the Sustainability area that the purchase meets the company's social and environmental requirements.

In 2021, 38 grain purchase and sale transactions were prohibited by AMAGGI for not being in good standing as regards the company's socio-environmental criteria, and the suppliers were provided with guidance for restoring to proper status.

It is worth noting that the Sustainability area has a team specialized in socio-environmental assessment using geospatial tools and acting independently from the purchasing area, thus avoiding conflicts of interest. The company has clear procedures about the approval flows and scopes, following the best compliance recommendations.

Additionally, AMAGGI's grain purchase and sale agreements are supported by social and environmental clauses.

Our challenges and goals in this work front

Ensure the maintenance of responsible expansion of agricultural production in areas, which have already been open, and invest in the transformation of degraded areas into increasingly productive properties, thereby avoiding new conversions of native vegetation for agriculture entry.

Ensure compliance with the precepts determined by the Brazilian Forestry Code and strengthening the restoration agenda;

Ensure biodiversity conservation and the efficient use of its resources, as well as the sustainable development of the territory;

Keep investing in technology in the field and in good agricultural practices to improve operational efficiency, as well as the mitigation of socio-environmental impacts;

Continually invest in reducing greenhouse gas emissions from products produced and originated by AMAGGI, as well as its carbon footprint;

Respect and protect human rights, especially those of traditional communities, indigenous peoples and family agriculture.

Forest goal

"Remain zero deforestation and Conversion of native vegetation (Deforestation and Conversion Free – DCF) since 2008 for agricultural production on AMAGGI's owned farms, ensuring its expansion only in areas, which have already been opened."

2021 Result: 100% goal achievement

- Socio-environmental assessment carried out in the acquisition process of the O Telhar Agro group in Brazil, thus ensuring that all AMAGGI farms remain 100% free of deforestation and conversion of native vegetation for agricultural production.
- Conducted Due Diligence process prior to the acquisition of the O Telhar Agro group's operations in Brazil, with 14 new farms, all located in the state of Mato Grosso.
- 100% of the company's own agricultural production farms are certified under socio-environmental schemes.
- 147 thousand hectares of preserved areas, including Legal Reserve areas (RL), Permanent Preservation Areas (APPs) and forest surplus.
- 100% of the company's own operations in compliance with the Forestry Code and other applicable legislation, kept outside the limits of Full Protection Conservation Units and Indigenous Lands.
- Investment in new technologies for regenerative and low-carbon agriculture, to increase productivity and lessen social and environmental impact.
- 100% renewable energy for the development of agricultural activities.
- Studies and scientific research conducted to map and manage biodiversity.

Land purchase process - O Telhar Agro Group in Brazil

AMAGGI is committed to responsibly expanding its own agricultural activities, having as a public commitment to maintain zero deforestation and conversion of native vegetation (Deforestation and Conversion Free – DCF) since 2008 for agricultural production on its own farms, ensuring its expansion only in areas, which have already been opened.

In this regard, in 2021, prior to purchasing 14 new farms from the O Telhar Agro Group in Brazil, the company performed social and environmental due diligence to verify possible liabilities.

During the due diligence process, socio-environmental illegality issues were checked in relation to AMAGGI's commitment, ensuring that the company's own production units maintain 100% zero deforestation and conversion of native vegetation; in addition, respect for the right to use the land was evaluated, by verifying whether the rights of indigenous peoples and local communities have been respected and secured, as well as the existence of overlaps with indigenous lands, conservation units and quilombola territories.

It is noted that AMAGGI has established procedures and methodologies to perform social and environmental due diligence for the acquisition of new areas and the implementation of new projects, especially in relation to forestry issues and respect for human rights.

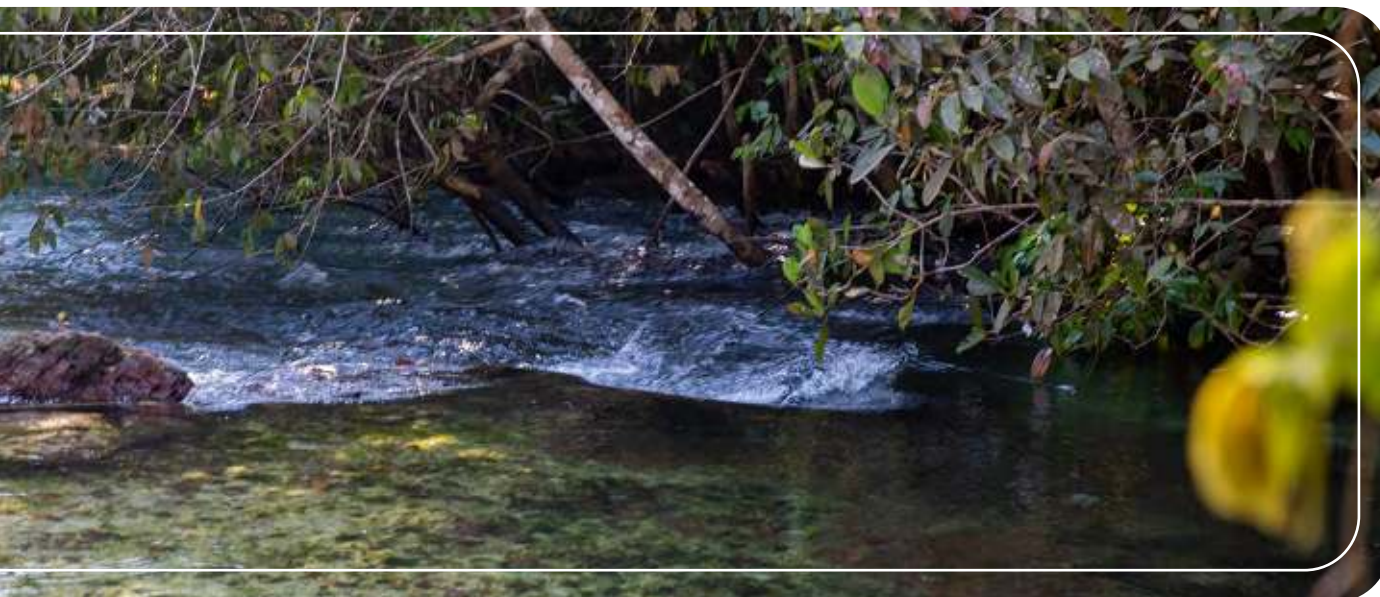


Forest Management

In 2021, AMAGGI maintained all production activities outside the limits of Full Conservation Units and Indigenous Lands since the Company adopts policies and monitoring that ensure respect for the traditional communities, family farmers and the right to use the land.

Currently, of the 319 thousand hectares of AMAGGI owned areas (including agricultural and reforestation units), 147 thousand hectares are protected areas, located in the Pantanal, Amazon and Cerrado biomes – all located in the state of Mato Grosso in Brazil. Here the areas of Legal Reserve (RL), Areas of Permanent Preservation (APPs) and forest surplus for compensation are taken into account, which means that AMAGGI maintains an average of 46% of its total areas for preservation.

Of this total preserved area, 168 hectares of Degraded Permanent Preservation Areas (APPD) are in the recovery process.



Forest Fires

In order to prevent forest fires - mainly due to the dry weather and high temperatures, AMAGGI maintains firebreaks (strips around conservation areas or property perimeters to prevent wildfires from spreading), uses firefighting equipment and fire brigade trained to fight fires in forests and crops, which are also available to assist neighboring farms whenever necessary.



Innovation and technology in farm monitoring: satellite images and remote sensing

AMAGGI uses high resolution satellite images to monitor its farms, which are updated on a daily basis. These images are for exclusive use of AMAGGI and support predictive monitoring, capable of identifying potential problems in the crop, which could be difficult to identify without using satellite images.

From an environmental standpoint, the images can identify even small fires in remote forest areas that might take days to identify with field observation alone.

Best agriculture practice

AMAGGI understands that investment in technology, innovation in the field and the adoption of best agricultural practices are essential to increasing the productivity of rural properties, thus reducing the need for further expansion, while minimizing their potential socio-environmental impact.

In this regard, the company has employed a set of innovations and precautions, among which are the use of:

- Biological control;
- No-till agriculture;
- Crop succession;
- Cropping without using irrigation;
- Implantation of radars and weather stations;
- Machinery modernization;
- Connectivity in the field and
- Remote sensing.

Use of 100% renewable energy from Small Power Plants (PCHs) and solar panels. These actions have helped reduce the carbon footprint of the grains produced by AMAGGI and offered to the market, and the company has one of the best rates of greenhouse gas emissions per ton of product produced when compared to other competitors inside or outside of Brazil.

[Learn more here.](#)

CASE: Regenerative and Low-Carbon Agriculture

AMAGGI has sought different cultivation methods and agricultural practices to improve soil health and optimize the conservation of natural resources (forest, carbon, nutrients, water, biodiversity, etc.), in order to generate a positive impact where it is present.

In this regard, the company has focused on regenerative agriculture, bearing in mind how this concept can be framed for larger-scale commodity production, as is the case of soy, and what techniques can be adopted.

In a partnership with Embrapa, which started two years ago, in line with the concept of regenerative agriculture, the company has had important advances in understanding the dynamics of nutrients and soil microbiota of AMAGGI farms. Particularly with regard to removal of carbon by the soil and the means to enhance efficiency in the use of inputs, further improving productivity and reducing greenhouse gas emissions.

More recently, the project entered a new phase, still in partnership with Embrapa and other institutions, for the development of the unprecedented concept of a Model Farm of Regenerative Agriculture with soybean, corn and cotton production. The proposal aims at obtaining even more gains in terms of sustainability, especially with regard to the capacity of carbon removal and fixation, agriculture production and environmental conservation of forest and biodiversity.



Research support: Forest, Biodiversity, Climate and Agriculture

Since 2004, AMAGGI has had a partnership with Instituto de Pesquisas da Amazônia (IPAM) for scientific research on one of its rural properties, the Tanguro farm – located in the Amazon biome. Studies are carried out on the relevance of forest areas in relation to biodiversity and climate change.

Researchers have access to more than 80 thousand hectares, between forests and agricultural areas, and also have the support of an experimental station and lodging infrastructure.

Currently, about 20 Ph.D. researchers are directly involved in research at the farm and about 98 undergraduate, master, and doctoral students from different countries and institutions around the world.

Expanding the partnership in 2021: Biodiversity Monitoring

In order to learn about possible impacts on biodiversity due to agricultural activities, AMAGGI developed, in partnership with Instituto de Pesquisa Ambiental da Amazônia - IPAM (Amazon Environmental Research Institute), a study focused on the company's preservation and cultivation areas, with the purpose of monitoring the agricultural landscape fauna and flora with a focus on the cotton cultivation areas on four AMAGGI farms, which are Tucunaré, Água Quente, Itamarati and Tanguro.

In 2021, as partial results have already been identified in the region where the Tanguro farm is located:

- 60 mammal species;
- 254 bird species (equivalent to 28% of the bird species registered all over Europe);
- 394 plant species and
- 180 bee species (equivalent to 10% of all European bee species registered).



Our challenges and goals in this work front

Continuously improve the monitoring and traceability of its direct grain supply chain, ensuring the good standing of origin to the market.

Map and analyze the risks of its indirect grain supply chain.

Evolve in the strategic management of grain supplier information on the ORIGINAR database.

Ensure that the social and environmental criteria determined by AMAGGI for grain trading are met, as well as compliance with the Brazilian Forestry Code.

Ensure continuous compliance with the institutional commitments undertaken, such as with the Soy Moratorium and the Green Protocol for Grains, among others.

Respect and protect the human rights, especially those in local and indigenous communities and family farmers.

Respect the land use rights, including the principle of free, prior and informed consent.



Forest-related goals: 2021 Results for priority jurisdictions (Cerrado and Amazon):

- **100%** direct and indirect suppliers tracked and monitored from priority areas, after O2O, are free of deforestation and conversion of native vegetation.

For the Amazon Biome, **100%** of tracked and monitored soy volume, after 2008, is free of deforestation and conversion of native vegetation, following the Soy Moratorium commitment.
- **72%** of the originated grains are from direct suppliers and **28%** from indirect suppliers.
- **99.7%** traceability and monitoring of direct suppliers from the Amazon and Cerrado biomes in Brazil, which are the priority jurisdictions for AMAGGI's operations.
- **100%** traceability and monitoring of indirect suppliers at the first point of aggregation.
- **26.1%** traceability and monitoring of suppliers in the Amazon and Cerrado biomes in Brazil, which are the priority jurisdiction for AMAGGI's operations.
- **21%** increase in the tracked and monitored volume of indirect suppliers at the farm level when compared to the preceding year.

AMAGGI socio environmental criteria for grain trading

AMAGGI has over 5,000 farmers who supply grains and fiber. To be part of the supply chain, those producers must be in line with the company's social and environmental criteria. In 2021, AMAGGI evaluated 100% of its suppliers based on the set criteria, aiming at environmental protection and respect for Human Rights.

AMAGGI does not sell grains from productive areas that are:

- Embargoed by IBAMA and from state environmental agencies.
- Within indigenous lands and Conservation units under Full Protection .
- Areas deforested after 2008 in the Amazon Biome not complying with the Soy Moratorium
- Areas not in compliance with the Pará Green Protocol for Grain
- On the Slave Labor Dirty List.

The entire criteria verification process, especially the Soy Moratorium and Green Procol for Grains commitment, is verified annually by third-party audits. AMAGGI has always achieved 100% compliance regarding commercial transactions.

100% of grain purchase lots evaluated based on set social and environmental criteria;

100% of suppliers are in compliance with AMAGGI's social and environmental criteria and

100% compliant with external verifications of soybean trades referring to Soy Moratorium and Green Protocol for Grains commitments.



Chain traceability and monitoring: ORIGINAR 2.0 Platform and supplier evaluation process

To ensure compliance with the set social and environmental criteria, AMAGGI developed ORIGINAR, a platform that allows the monitoring of the entire grain supply chain. The tool uses updated satellite images to perform socio-environmental and agricultural production analyses, cross-referenced with the Company's business data. Thus, it completely integrates the areas of Origination, Inputs and Sustainability, ensuring a better market strategy, greater social and environmental assurance, and traceability.

ORIGINAR 2.0 continues to improve its supplier monitoring process and traceability of the originated grains, by adopting geospatial identification for all its suppliers at the time of grain trading.

This way, AMAGGI guarantees the previous analysis of all grain purchases, in compliance with its trading criteria. Thus, ORIGINAR becomes more and more a commercial intelligence system, which has as a major differential the link between sustainability and business, while ensuring a responsible origination to our customers.

All the lots of grain purchases go through the ORIGINAR 2.0 geospatial system, and only those 100% compliant with AMAGGI's minimum trading criteria are able to proceed with receiving the grain. If there is any type of restriction identified at the time of grain purchase, the sale registration is automatically blocked, and can only be released after confirmation from the Sustainability area that the purchase meets the company's social and environmental requirements.

AMAGGI also supports producers with restrictions in their rectification process, by means of customized guidance and based on a rectification plan.

During 2021, the company improved the registration of those purchase and sale transactions, which allowed the registration of the origin of third-party properties in its purchasing system. It also made available, through Agricultural Monitoring in the Originar 2.0 system, the identification of the maximum productivity per hectare for each registered property, by using remote sensing techniques, as another piece of information that helps avoid the risks entailed to triangulation.

Also, for the risk cases, in which the Sustainability team analyzes the feasibility of the purchase and sale transaction, the unblocking is only done according to the maximum productivity capacity of the property, in which the purchasing system blocks if this limit is exceeded.

For identification of suppliers, the CAR, SIGEF/INCRA and the field knowledge of the AMAGGI's units' team are used as reference bases of property limits, thus increasing the reliability of the data generated.

In 2021, using the ORIGINAR 2.0 Platform, AMAGGI tracked its direct and indirect supply chain, focusing on the priority areas of activity, i.e. the Cerrado and Amazon biomes. Direct suppliers accounted for 72% of AMAGGI's grain sales volume, and indirect suppliers accounted for 28%.

With regard to the monitoring of direct suppliers, AMAGGI achieved 99.7% traceability of its suppliers in the Brazilian Amazon and Cerrado biomes in 2021. In the preceding year, the company had monitored 99%. The remaining 0.3% refer to residual trading, which traceability could not be completed by the closing of the analysis period for this report.

In the last year alone, the company also increased by 19% the number of monitored properties and by 10% the number of monitored hectares, when compared to the preceding year. Currently, AMAGGI has in its base more than 16.8 million hectares being monitored on a daily basis in the ORIGINAR 2.0 Platform.

Regarding indirect suppliers, bearing in mind the first point of aggregation, i.e., cooperatives and resellers for example, also known as intermediate suppliers, the company obtained 100% of its traceability.

In relation to monitoring indirect suppliers at the farm of origin level, AMAGGI reached 26.1% traceability. Note that this volume represents a greater traceability of indirect suppliers volume, compared to the preceding year, 21% more at the farm level.

It should be pointed out that traceability of indirect suppliers on farms is a greater challenge, since the company starts to depend on information to be made available by its intermediate suppliers.

However, AMAGGI has been working hard on activities to engage its intermediate and indirect suppliers, both on a sectorial and individual basis, in an attempt to bring solutions and knowledge about the importance of traceability for the entire value chain. Thus, technological tools for traceability of the chain and other solutions are being discussed with these suppliers, to enable them to perform monitoring similar to what AMAGGI has internally.

[Check here some functionalities of the ORIGINAR 2.0 Platform](#)

**Traceability and chain monitoring:
ORIGINAR 2.0 platform and the supplier evaluation process.**

- 72% of grains are from direct suppliers and 28% from indirect suppliers;
- 99.7% traceability and monitoring of direct suppliers;
- 100% traceability and monitoring of indirect suppliers, at the first point of aggregation;
- 26.1% traceability and monitoring of indirect suppliers, at farm level and
- 21% increase in the tracked and monitored volume of indirect suppliers at the farm level when compared to the preceding year.



Analysis of deforestation and conversion and methodology to identify change in land use

The evolution of the mapping process, supplier monitoring and traceability of volumes traded in priority jurisdictions (Cerrado and Amazon biomes), allowed AMAGGI to analyze the incidence of deforestation and conversion in its supply chain and, accordingly, the challenge to achieve its commitment to a deforestation and native vegetation conversion free chain.

As AMAGGI is part of the Soy Moratorium, it does not allow any legal or illegal deforestation in the Amazon biome to enter its chain, considering 2008 as the cut-off date. As for the Cerrado biome, the deforestation analysis was performed on the basis of monitored suppliers, referring to the volume marketed and tracked by AMAGGI in 2021, using the year of 2020 as reference base for analyses.

Thus, it was possible to achieve the following results:

- **100% of the soy volume tracked from direct and indirect suppliers in the Cerrado biome, after 2020, is free of deforestation and native vegetation conversion, the same value as in the preceding year;**
- **For Amazon Biome, 100% of the soy volume tracked and monitored is free of deforestation and native vegetation conversion after 2008, following the Soy Moratorium commitment.**

Conservative criteria to set up a deforestation and conversion free chain:

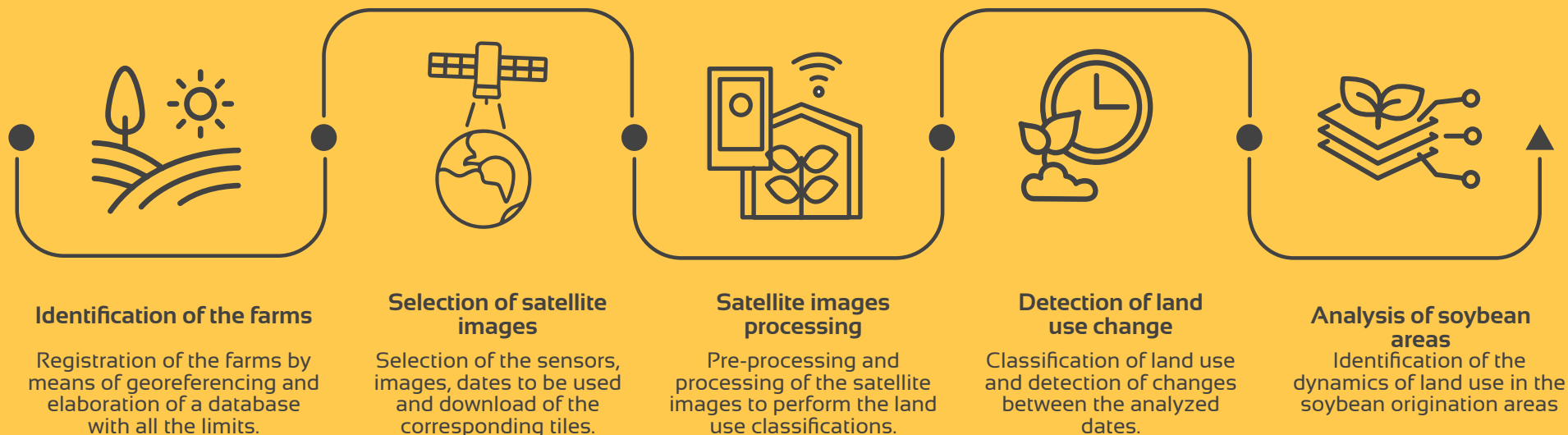
- Any deforestation or conversion of native vegetation above 5 hectares with the presence of soybeans are already qualified as of deforestation and conversion origin.
- This value is quite rigorous if compared to other widely used methodologies, and it is possible to achieve this level of detection thanks to the exclusive hiring of satellite images for land use change assessment.
- Another differential is the fact that the entire volume coming from the rural property is accounted for as deforestation and conversion by AMAGGI, not only the volume coming from the deforested area.
- AMAGGI has worked with the most conservative measures to determine the concept of deforestation and conversion, considerably reducing the risk of its operations.

For the Cerrado biome, the methodology used for identification of change in land use with identification and quantification of changes occurring in native vegetation in 2020-2021 period followed the steps represented in the figure below and used images integrating the Sentinel, Landsat and RapidEye satellites.

Since different satellites were used for the study (with different spatial resolutions), deforestation and conversion of native vegetation larger than 5 hectares occupied by soybeans in the last harvest year were considered.

STAGES OF THE DEFORESTATION DETECTION WORK

Activities developed in the work



For analysis of the soybean areas, the volumes traded and tracked by the company in 2021 were considered. The Land Use Classification and Land use Change were prepared by a specialized advisory firm, the process of which was audited by a third party.

New technologies and geospatial monitoring systems

AMAGGI has been investing in technology, which will enable its geospatial grain trading system, the ORIGINAR, to reduce the risk of triangulation by automating risk detection, and to detect deforestation, conversion and wildfires in the shortest possible time, thus enabling it to engage its supply chain within the same month of detection.

In addition, the company has been working together with several other initiatives so that new measures against illegal deforestation are implemented, thereby providing more guarantees of sustainability tied to grain trading by the industry.

Paraguay and Argentina Operations

The company has advanced in discussions and studied technological solutions for tracking and monitoring the volume of soybeans coming from its operations in Paraguay and Argentina, especially focusing on the Chaco.

Our challenges and goals on this work front

Foster the expansion of socio-environmental certifications of producers and trading of products certified by the market, both in own schemes and multi-stakeholders (RTRS, 2BSvs, ProTerra and others);

Ensure the maintenance of socio-environmental certifications in 100% the company's own production;

Provide support to the supplying rural producers in order to meet the standards required in the certifications and connect them to the consumer markets;

Be a reference in meeting new market demands for expansion of the origin guarantee and zero deforestation schemes and in offering innovative and sustainable solutions;

Share benefits among all in the value chain, in addition to ensuring credibility of certified and original products to interested parties.



2021 Highlights and achievements 2021:

Forestry-related goal:

Offer innovative products and solutions for an ethical chain, with zero deforestation and conversion of native, regenerative and low-carbon vegetation.

- Launching and trading of AMAGGI's proprietary origin guarantee program – the ORIGINS, which ensures responsible and traceable production, with zero deforestation and native vegetation conversion, based on the use of technology, thereby enabling high scalability.
- **100%** of its own farms certified in socio-environmental schemes and origin guarantee programs.
- AMAGGI continues to be one of the main companies offering certified soybeans free of deforestation and native vegetation conversion(DCF), responsible worldwide for:
- **21%** of ProTerra (non-GMO) volume;
- **16%** of RTRS volume;
- **2%** of 2BSvs volume;
- **103** properties certified under the RTRS, ProTerra and 2BSvs standards, which have direct support from AMAGGI's socio-environmental team;
- Over **BRL 3.5 million** in awards to RTRS certified suppliers and
- Strong entry into the corn certification market to meet European biofuel guidelines – EU RED, starting to serve this low-carbon corn ethanol production market.

AMAGGI believes that social and environmental certifications and origin guarantee program are ways to reaffirm its commitment to sustainable and responsible production, generating concrete environmental – such as the guarantee of zero deforestation and conversion -, social and economic benefits for producers, companies and consumers throughout its value chain.

To remain one of the companies in the world with the highest volume of soy certified to internationally recognized social and environmental standards, AMAGGI participates in the Round Table on Responsible Soy (RTRS) and in Proterra's technical and strategic discussions. In addition to certifying its own production, the company also works hard to involve the certified volume of its grain supplying producers.

In 2021, AMAGGI stood out for offering the market a significant portion of certified soybean free of deforestation and native vegetation conversion (DCF), responsible, worldwide for 21% of ProTerra (non-GMO) volume, 16% of RTRS volume and 2% of 2BSvs volume.

103 farms of partner producers were certified in the standards mentioned above, after verification of the entry, storage and shipping processes, totaling a volume of 1.2 million tons for soy crops.

In order to guarantee the adhesion of producers to socio-environmental certifications, AMAGGI distributed more than BRL 3.5 million in awards to RTRS certified suppliers belonging to its certification groups. For ProTerra producers, the award is included in the Non-GMO value.

In addition to the bonus, all producers receive close monitoring, with socio-environmental diagnosis, expert visits, monitoring and support in the implementation of improvements, and internal audits. All costs with socio-environmental diagnosis and other expenses for certification in its supply chain are borne by AMAGGI.

New certification models, trends and market demands:

- In 2021, the company engaged in discussions to meet the new European Renewable Energy and Biofuel Directive (EU RED II), and it is possible to meet it in 2022, based on the socio-environmental certifications adopted by AMAGGI, such as RTRS EU RED and 2BSvs.
- AMAGGI launched and is already trading certified grains in its proprietary origin guarantee program – the ORIGINS, which ensures responsible and traceable production, with zero deforestation and conversion with customizable cut-off date, based on the use of technology, thereby enabling high scalability. The program should bring new modules to ensure low greenhouse gas emission grains and traceability via BlockChain.
- AMAGGI also started to engage in discussions about the new guidelines of European countries for soybean trading, with emphasis on the French Imported deforestation Strategy, UK Soy Manifesto and, above all, the Green Deal and Due Diligence process. The company expects to deeply understand the legal requirements and those of its customers, so that it can develop innovative and sustainable solutions.



Our challenges and goals on this work front

Consult the company's stakeholders, while maintaining a continuous and assertive dialogue between AMAGGI and its stakeholders.

Support mechanisms that value forests and natural resources, such as PES system (payment for environmental services), issuance of green bonds, carbon credit and other financing mechanisms for conservation.

Foster an ethical chain and ensure the adoption of responsible, innovative practices throughout its value chain, such as biological control, as well as systems that allow greater productivity and better management of land use, less use of pesticides, fertilizers and inputs, among other actions to mitigate possible environmental and social impacts.

Encourage grain suppliers to maintain a native vegetation conversion-free operation, which contributes to the sharing of benefits with surrounding communities and allows for the efficient use of resources and sustainable development of the territory.

Expand practices for disseminating knowledge and encouraging producer socio-environmental certifications, for an increasingly sustainable performance.



2021 Highlights and achievements

- Conducting of the Technological Circuit for dissemination of agricultural practices and engagement of producers in socio-environmental issues, including topics related to forest conservation and restoration.
- Soybean and Corn Technological Circuit: **More than 3,000 attendees**
- **1,476 technical visits** were made to farms owned by AMAGGI suppliers.
- Extensive external communication of AMAGGI's new commitments "Towards a Grain Chain Free of Deforestation and Native Vegetation Conversion" version 2021, during and after the Embrace the Future event.
- In January 2021, AMAGGI raised funds related to the first Sustainability Bond, an innovative mechanism based on sustainable finance to value forests and natural resources.
- Review of the Confidential Channel policy, ensuring a better structure and greater agility in dealing with stakeholder reports and complaints.
- Creation of the AMAGGI's Women's Channel with a specialized team to handle gender-related complaints.

Engagement and proximity with producers

Technological Circuit and customized visits for socio-environmental adequacy

Technological Circuit and customized visits for socio-environmental adequacy

AMAGGI holds an annual event called Technological Circuit, a field day promoted by the company and partners to bring the latest information to farmers in the regions where the company operates, promoting the dissemination of knowledge and good agricultural and social-environmental practices.

The last edition of the AMAGGI Technological Circuit was held remotely, due to restrictions and precautions required in view of the covid-19. There were 3,026 participants at the Circuit dedicated to discuss the challenges and opportunities for soybeans and corn for the next harvest.

The meetings provided information to partner producers about techniques in the production area, from new cultivars, fertility, crop management, efficient use of inputs, information about grain market, in addition to practices that allow a greater sustainability of the crop, such as the environmental suitability of the property, the recovery of degraded areas, workers' rights, and the relationship of the property, the recovery of degraded areas, workers' rights, and the relationship with local communities.

The Technological Circuit is also complemented by visits from Amaggi's sustainability team directly to the property, thus allowing customized support focused on social and environmental adequacy.

AMAGGI has a team dedicated to making these visits to rural properties, formed by professionals from different areas, such as forest, environmental and agronomic engineering. In 2021, 1,476 technical visits were made to farms belonging to AMAGGI suppliers.

CASE: Sustainable Finance Solutions

As part of its stakeholder engagement strategy, AMAGGI believes it is important to foster and develop mechanisms that value forests and natural resources, encouraging, for example payment systems for environmental services (PESs), issuance of green bonds, carbon credit and other financing mechanisms for conservation.

In this regard, in 2021, the company raised funds for the launch of its Sustainability Bonds, having raised US\$750 million through these funds. The amounts raised should be used for investments in projects with positive socio-environmental impacts in the operations, mainly related to forest and climate.

The first Sustainability Bonds accountability report is now available for following up on AMAGGI progress.

[Click here.](#)

Our challenges and goals on this work front

Maintain an open dialogue and participate in initiatives with key players in the value chain, aiming at providing innovative and sustainable solutions to the challenges of deforestation-free agriculture.

Support the development of initiatives with jurisdiction approaches and participate in projects that contribute to the evolution of public policies and the improvement of socio-environmental governance in the country;

Maintain participation in sectorial discussions, such as the Brazilian Coalition on Climate, Forests and Agriculture; Soy Working Group (SWP) – Soy Moratorium; Working Group (WP) on Food Systems of CEBDS; among others.

Invest in initiatives for environmental repair and restoration, especially in areas of high biodiversity conservation value and carbon stock (HCS e HCV);

Foster initiatives to expand over open and degraded areas;

Promote initiatives for low carbon, regenerative agriculture;

Invest in partnerships and projects in pursuit of a more responsible supply chain, especially those in priority jurisdiction.



2021 Highlights and achievements

- In 2021, AMAGGI was actively engaged in more than 15 initiatives for the development of sustainable agriculture;
- Maintenance of sector agreements to promote the fight against deforestation, such as the Soy Moratorium and the Pará Green Protocol for Grains;
- Partnership to promote jurisdictional solutions, recovery and restoration, expansion over open and degraded areas;
- Participation in pilot of CDP initiative to include jurisdictional issues in its most current Forestry questionnaire;
- Promotion of sustainable agriculture, by dialoguing in national and international forums and roundtables;
- Partnership with Embrapa for understanding and application of regenerative agriculture practices in large-scale agriculture;
- In 2021, AMAGGI focused on the partnership with TNC to encourage producers to expand over areas, which have already been opened, as well as setting a new strategy for focusing on action with family farmers and women in the field.

Some of our initiatives and partnerships.

Based on dialogue and building solutions together, the values cultivated by AMAGGI, the company maintains its commitment and engagement by actively taking part in the most important roundtables, forums and Working Group to discuss sustainability related to food production and agribusiness, joining efforts with the government, civil society, research institutions and the private sector in favor of a sustainable agriculture, in Brazil and abroad. The partnerships are signed taking into account priority topics, impact scale, and the priority jurisdictions of action defined by AMAGGI in the Cerrado and Amazon biomes, so that efforts to leverage sustainability are concentrated on areas of greatest risks.

- **Brazilian Coalition on Climate, Forests and Agriculture:** Brazilian articulation that brings together companies, governments, NGOs and civil society for the promotion of a low carbon economy. AMAGGI is the leader of the Deforestation Forum and a member of the Coalition's Executive Group (GX);
- **Brazilian Vegetable Oil Industries Association (Abiove):** sectorial entity, which cooperates in the implementation of sector policies and sustainability programs for the soybean chain. AMAGGI is a member of presidency of ABIOVE Sustainability Commission;
- **Earth Innovation Institute and Balikpapan Challenge:** an international institute dedicated to promoting studies and best practices for issues such as food security, protection of tropical forests and climate change;
- **MT Strategy – Produce, Conserve and Include (PCI):** in December 2015, during the Climate Convention in Paris (COP 21), the Government of Mato Grosso launched the Strategy that seeks to achieve a vision of social and economic development for 2030 through the sustainable use of natural resources. AMAGGI is a cofounder of the newly created PCI Institute and has been part of the initiative since 2015;
- **Soy Working Group (SWP):** formed by civil society organizations and companies, the group aims at fighting against deforestation in the Amazon biome by means of the Soy Moratorium;

- **Round Table on Responsible Soy Association (RTRS):** an International, responsible soy association, in which soy producers, traders and processors work together with banks and social organizations to ensure sustainable soy cultivation worldwide and the social responsibility of the industry
- **Amazon Environmental Research Institute (IPAM):** partnership for over 15 years for scientific research projects related to the role of forests and their interaction with human activities on the Tanguro Farm, in Querência (MT). In 2021, AMAGGI expanded its partnership with IPAM for a Biodiversity Monitoring project on the company's main farms;
- **The Nature Conservancy (TNC):** partnership with the environmental NGO to promote supply chain sustainability, by encouraging expansion in areas, which have already been opened, forest restoration, and providing support to family farmers and women in the field;
- **Caminhos da Semente:** an initiative that brings together more than 160 organizations and 40 experts to disseminate environmental recovery by using direct seeding in the country (known as muvuca).
- **Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária - Embrapa):** partnership to further studies and techniques that improve the quality and sustainability of the soil (from microbiota to nutrient behavior) on the crop areas of all company farms.

There are other initiatives, such as the Mato Grosso Industry Federation (Federação das Indústrias no Estado de Mato Grosso - FIEMT), Sea Cargo Charter and FGV EAESP and the Brazilian GHG Protocol Program.

CASE: Support for small producers and the role of rural women, their main initiatives and partnerships

AMAGGI is committed to boosting initiatives, which strengthen agricultural productivity and the income of small food producers, especially rural women and family farmers.

In this regard, it has fostered partnership with the non-profitable organization The Nature Conservancy (TNC) in order to stimulate the expansion in areas, which have already been opened and support the strengthening of women in the field and family agriculture.

Moreover, AMAGGI has contracted a study for mapping, by using primary and secondary data, of vulnerable communities located in the municipalities where the company operates, among them traditional communities indigenous peoples and family farmers, which study will be the basis for the company's new projects together with the André and Lucia Maggi Foundation, responsible for the company's private social investment agenda.

CASE: Partnership with Caminhos da Semente initiative: focus on restoration

By means of Caminhos da Semente Initiative, AMAGGI is developing experiments to leverage the muvuca (direct seeding) technique, a mixture of seeds with green manure and fruit tree species. Because they have different growth stages, they allow the area to structure itself quickly, attracting pollinating and pollen dispensing animals.

In 2021, the company continued to monitor the pilot project areas, developed in three locations on the Tanguro Farm, which together total seven hectares. It was verified the good development of the area with excellent soil coverage, plant densification and some forest specimens reaching more than 1.5m in height.

For the recovery of Areas of Permanent Preservation (APPs) in the company's owned farms, which include banks of rivers, streams, lakes or springs within a radius of 30 to 100 meters (depending on the size and characterization of the body of water) such experiments involving direct seeding have also proven to be very positive. We emphasize the fact that the preservation of these riparian forests is extremely important to avoid silting up of the water bodies and to conserve biodiversity.

The seeds are purchased from Xingu Seed Network Association, which promotes exchanges of tree seeds and other native plants, thereby generating income for family farmers and indigenous communities throughout the region. In 2021, 22 thousand seedlings were produced.

NEX STEPS AND FUTURE CHALLENGES TO ACHIEVE THE COMMITMENTS TO FOREST AND NATIVE VEGETATION

Main goals related to forests and native vegetation	Next steps		
	Internal operations	Value chain monitoring	Engagement and actions for a sustainable chain
Maintain zero deforestation and native vegetation conversion (Deforestation and Conversion Free – DCF) since 2008 for agricultural production on AMAGGI's owned farms, ensuring its expansion only in areas, which have already been opened.	Maintain the management of the company's owned farms, ensuring structured social and environmental Due Diligence process for the acquisition of new assets, guaranteeing the maintenance of AMAGGI's goal and social and environmental criteria.	Maintain the satellite monitoring of the company's own areas, in order to provide transparency to target audiences, carrying out, whenever necessary, the restoration of forest areas or native vegetation, for example, due to occurrence of accidental fires.	<p>Maintain and develop new partnerships and initiatives with NOGs, research institutions, universities, private sector companies, among other players aiming to increase productivity per hectare, as well as other sustainability solutions, also showing that it is possible to produce more in a sustainable way, without expanding into forest areas, maintaining zero deforestation and conversion, promoting low carbon and regenerative agriculture.</p> <p>Making AMAGGI farms a model of regenerative agriculture to be scaled to other rural properties, by disseminating knowledge to producers, encouraging technical assistance initiatives, and developing sustainable financial solutions.</p>
Have a 100% monitored and tracked grain supply chain, free of deforestation and native vegetation conversion (Deforestation and Conversion Free – DCF) for agriculture production by 2025, considering all biomes, where it is present.	<p>Continue to keep ESG agenda at the center of the company's decision making, including incentives and recognition of employees for achieving the goals set by the company, for example related to forestry.</p> <p>Make internal controls and procedures even more robust, allowing for transparency and more information for AMAGGI stakeholders.</p>	<p>Maintain the investments in technology, making it possible for its geospatial grain trading system, ORIGINAR 2.0, to detect deforestation, conversions and fires in the shortest possible real time, enabling engagement of its supply chain within the same month of detection.</p> <p>Monitoring of indirect suppliers per farm is also a priority for AMAGGI, which must improve its trading and control processes of its geospatial system, ORIGINAR, ruling out possible risks of triangulation.</p> <p>Beyond Brazil, the company's next challenges are to expand its monitoring activities in the Chaco region, related to its operation in Paraguay and Argentina.</p>	<p>AMAGGI's priority action is to engage with producers in its value chain in order to enable them to meet the company's socio-environmental criteria and commitments. This should occur through knowledge dissemination activities, support in the application of best agricultural practices, incentives for certification and support in the development of financial solutions for the protection of forest assets.</p> <p>Continue the work developed with producers, NGOs, associations, communities, governments, customers, among other players in the soy value chain, seeking to develop solutions for sustainable agriculture, free of deforestation and conversion.</p> <p>Engage directly or sectorally to find solutions for the traceability of intermediary suppliers, such as cooperatives and resellers, in order to start tracking indirect suppliers at the farm level.</p>
Offer innovative products and solutions for an ethical chain, zero deforestation and conversion of native, regenerative and low-carbon vegetation.	Ensure the best solution to the sustainability demands of its value chain, remaining a reference in the supply of products and services that improve the chain's socio-environmental responsibility.	Ensure that the chain's traceability and monitoring systems are able to support AMAGGI's new products and solutions, including requirements such as deforestation and conversion free origin, non-mixing, greenhouse gas emission accounting, blockchain, among other market demands.	<p>Encourage new highly scalable solutions for the market, such as AMAGGI's proprietary origin guarantee program ORIGINS, which should evolve to other modalities such a carbon footprint calculation, low carbon or carbon neutral soybean supply, as well as blockchain registration, allowing for greater information integration throughout all links in the grain value chain (from field to fork).</p> <p>Engage in discussions to identify solutions and flows that meet the new demands of European markets, such as the French Manifesto to fight Imported Deforestation, UK Soy Manifesto and EU Green Deal / Due Diligence.</p>

FINAL MESSAGE



Juliana de Lavor Lopes
ESG, Communication and
Compliance Director

We believe that having a clear commitment to fighting against deforestation, conversion of native vegetation and reducing the impact on climate change, respecting human rights and fostering regenerative agriculture is a fundamental step to achieving solid results shared with the entire value chain.

Por este motivo, desde 2017, AMAGGI has already been positioning itself and outlining commitments to promote the sustainability of its operations and chain, especially in the launch of the Global Sustainability Positioning in 2017.

Throughout our journey, we have been able to better understand our role, and we feel it necessary to update our lines of actions and make our commitments more robust, providing even more transparency of our ambitions, actions and results to society and our target-audiences

Thus, I would like to emphasize the year 2021, when we launched, during the Embrace the Future event, our ESG goals the newest version of the commitment “Toward a Deforestation and Native Vegetation Conversion Free Grain Chain”, after deepening and understanding the major challenges of the value chain. In the commitment, we highlight our goal to have a chain free of deforestation and conversion of native vegetation by 2025, maintaining our institutional commitments we have already undertaken, such as the Soy Moratorium and the Green Protocol for Grains. We are also committed to climate and to becoming SBTi-based, greenhouse gas emission neutral by 2050. And, by ensuring a complete sustainability agenda that addresses the main environmental, social and economic challenges, we are committed to delivering effective results in topics such as chain traceability, ethics and human rights.

Our actions already show that we are on the right track, since we have achieved great advances and positive results, with 100% of our supply chain tracked in priority jurisdiction free of deforestation and conversion.

We have been recognized for our performance by relevant socio-environmental rankings, such as CDP Forest, where we achieved the position of Leadership (A List), in addition to being positioned as the best global soy company in measures against deforestation in the world, according to the Forest 500 ranking, organized by the Global Canopy organization.

Looking to the future, in view of society demands, I see that we have a lot of work ahead of us. However, we are not alone in this pursuit, we pursue the sum of joint efforts from all productive sectors, communities, governmental spheres, civil society organizations, research institutions, food chain companies, financial institutions, and consumers to achieve concrete results.

I believe that supported by our network and value chain, we are ready to face the challenges that still exist and find innovative and sustainable solutions that can respond to the newest demands of society in a balanced and inclusive way, delivering products that are sustainably sourced, free of deforestation and conversion of native vegetation, with a low carbon footprint, and produced in a responsible way.

AUDIT LETTER THIRD-PARTY VERIFICATION



Porto Alegre, 15 de agosto de 2022

Empresa: **AMAGGI EXPORTAÇÃO E IMPORTAÇÃO LTDA**
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REF.: Relatório de Progresso Amaggi - **Carta Ref.:** FCID-RPA-31/22

A FoodChain ID Certificadora Ltda., empresa certificadora com sede em Porto Alegre, avaliadora do **Relatório de Progresso – Compromisso “Rumo a uma Cadeia de Grãos Livre de Desmatamento e Conversão de Vegetação Nativa” de 2021**, declara que auditou em 18/07/2022 as metas de ESG definidas pela empresa e os resultados alcançados por suas ações.

Desta forma a FoodChain ID reconhece a consistência e veracidade dos dados assim como das metas propostas e resultados alcançados e atesta a veracidade das informações contidas no relatório.

Atenciosamente,

Reinaldo Rodrigues
Gerente Técnico



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MOD REG 003-09_rev08 Aprovado em 02/2021

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