

Progress Report 2022

TOWARDS A DEFORESTATION AND NATIVE VEGETATION
CONVERSION FREE GRAIN CHAIN

SUMMARY



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AMAGGI

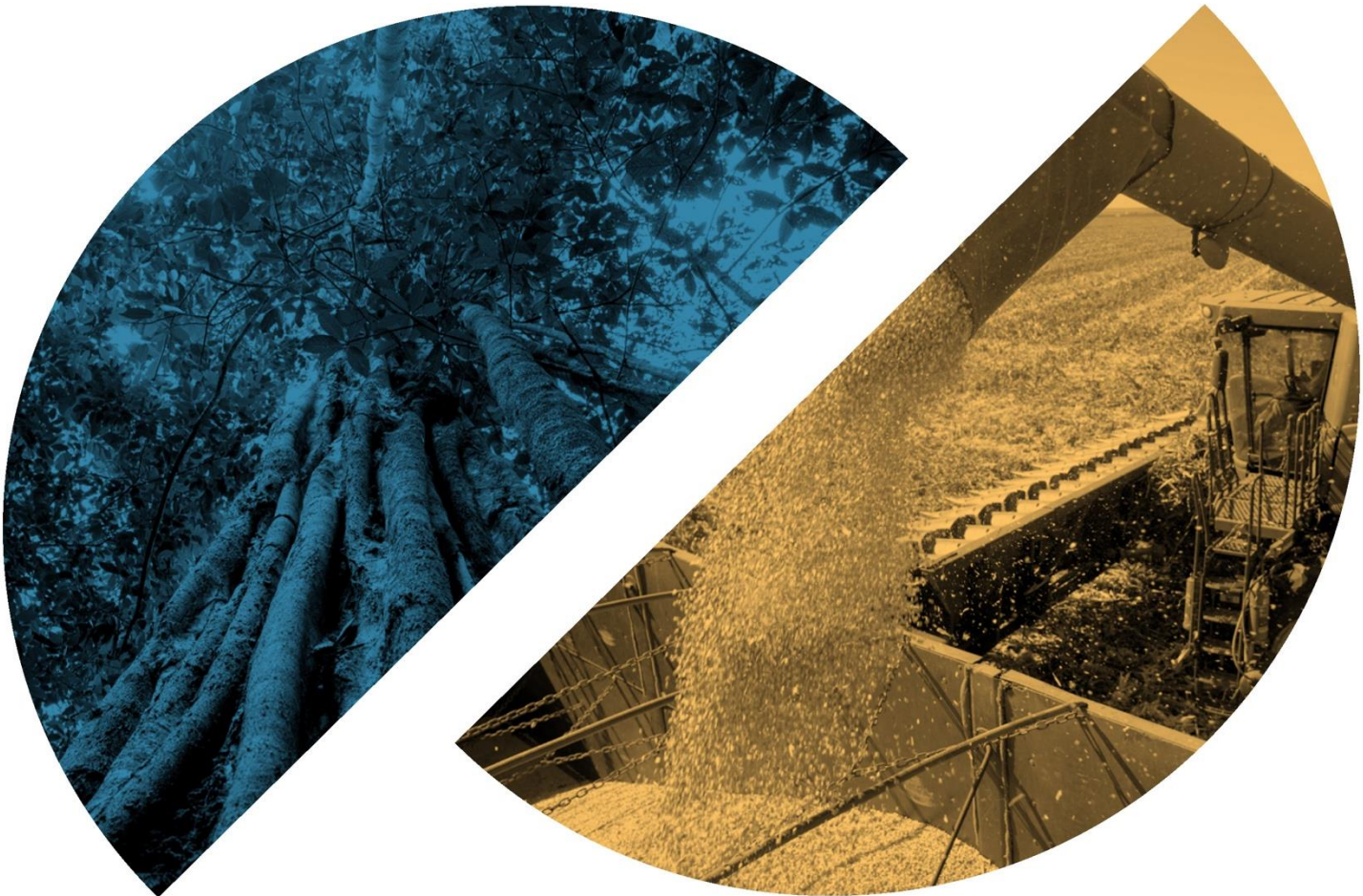


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MESSAGE FROM THE PRESIDENT

As always, with great **transparency**, AMAGGI **makes the results public**, as well as the **progress** of the company and the **dialogue** with our stakeholders to **speed up deforestation or the transition towards agriculture that makes progress in balance with the environment**.



Judiney
Carvalho de Souza,
AMAGGI CEO

With more than 45 years of history in Brazilian agribusiness, AMAGGI makes sustainable progress at all stages of the production chain, identifying opportunities and incorporating challenges and goals that promote not only the company's growth, but that of the entire market which integrates the grains and fibers chain, both locally and globally.

In addition to being the largest company in its sector, in Brazil, the company seeks to be a reference in sustainable development, adding values, respecting the environment and improving the lives of the communities where it is present.

World leader in the commercialization of certified soy and recognized for its socio-environmental performance by main sector rankings, AMAGGI makes annual progress towards its commitment "Towards Deforestation and Conversion of Native Vegetation Free Grain Chain".

In the fifth edition of this report, we publish transparently and in detail the results, the company's evolution and the dialogue with our main stakeholders, related to managing forests and native vegetation.

If in 2022 we achieved 100% traceability and monitoring of direct suppliers in Brazil, we are on our way to reaching the goal of 100% also in all locations and biomes where AMAGGI operates, with a chain free

of deforestation and conversion of native vegetation until 2025.

Along this journey, AMAGGI invested in technology – such as the improvement of its own geospatial monitoring tool, ORIGINAR, – in a governance structure with increasingly qualified employees and in strategic partnerships for the sustainable development of agribusiness.

Whether with internal initiatives or projects and initiatives alongside major partners, our actions have positioned us as protagonists in a scenario that requires constant progress and permanent dialogue with government bodies, companies, financial institutions, NGOs and society in general.

**All the achievements presented in the following pages are the result of this journey.
Enjoy!**

Judiney Carvalho de Souza
CEO AMAGGI

ABOUT AMAGGI'S WORK

Founded in 1977, AMAGGI works in an integrated, sustainable, and synergetic way with the entire grain and fiber chain: **originating grains and supplies, processing grains, port operations, road and river transport, agricultural production, and generating electricity.**

With headquarters in Cuiabá, Mato Grosso, it is present in every region in Brazil and activities are developed through the four business areas.

The company also has offices and branches in different countries: Argentina, Paraguay, Holland, Norway, Switzerland, China, and Singapore. Its private social investment happens through the André and Lucia Maggi Foundation (FALM).



AGRIBUSINESS

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



COMMODITIES

Purchase and sale of grains (soybean and corn), import and trade of agricultural supplies.



ENERGY

Generating and selling renewable electricity.



LOGISTICS AND OPERATIONS

Port, river, rail and road transport, as well as grain processing (soy and corn) and fertilizer production (mixing factory).

2022 HIGHLIGHTS

Forest 500

Global leader in actions against deforestation, among 500 companies worldwide, for coherence between public commitments and practical measures.



More Integrity

More Integrity Badge renewed by the Ministry of Agriculture, Livestock and Food Supply (MAPA). The badge is a public acknowledgment to companies that adopt and improve best integrity practices.



CDP

The only trader and producer of soybean worldwide with an excellent rating of A- by CDP Forests.

Grain certification leadership

AMAGGI is one of the leading companies in the supply of certified deforestation and native vegetation conversion free (DCF) corn and soybean worldwide. In 2022, 19% of the worldwide volume of RTRS soybean (1.2 million, as a result of 71 production unites), were certified by the company. Another 315,000 tons of oilseeds received ProTerra certification. The volume with 2BSVs certification reached 137,000 tons of soybeans and 705,000 tons of corn last year.



AMAGGI 2021 ESG GOALS

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

Among them, those related to forests and native vegetation stand out, as they are a part of AMAGGI's commitment "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain" updated version, launched at the Embrace the Future event.



Providing **innovative products and solutions** for an ethical chain, free of deforestation and native vegetation conversion, that is low-carbon and regenerative.



Having a **100% monitored and traced grain supply chain**, that is deforestation and conversion Free (DCF) for agricultural production until 2025, considering all biomes, countries, and regions where it is present.



Reaching **net zero emissions by 2050 (NetZeroemissions)**, through decarbonization strategies by 2035 and neutralizing occasional waste emissions, according to Science Based Targets Initiative (SBTi), especially through the promotion of low-carbon regenerative agriculture, capable of protecting biodiversity.



Remaining **deforestation and conversion free (DCF)** since 2008 for agricultural production at proprietary farms, ensuring expansion only in already open areas.



OUR COMMITMENT WITH TRANSPARENCY

To provide answers to society's growing demands and that of interested parties in a transparent manner, AMAGGI publishes their Progress Report, on an annual basis, **related to their commitment "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain"**, with this being the fifth report, for the 2022 results.

The report grants transparency to company results, based on the commitment taken on, goals, plans, and implementation structure.

Greatest emphasis is on accountability for items relating to the management of forests and native vegetation. Themes related to social areas and Human Rights, climate, regenerative agriculture, and low-carbon, as well as ESG goals, can be explored in-depth in the ESG Report.

OUR COMMITMENT

"Towards a Deforestation and Native Vegetation Conversion Free Grain Chain"



TO READ THE 2022, ESG
REPORT CLICK HERE



COMMITMENT PATH

Throughout their ESG journey, which started in 2003 and has been improving throughout the years, AMAGGI developed their governance structure; established their socio-environmental management system; engaged projects, partnerships, and initiatives for sustainable agribusiness development; developed internal mechanisms and socio-environmental purchase criteria; as well as the geospatial tool ORIGINAR.

This **solid set of actions, among other initiatives, have enabled important achievements to be established**, such as perfecting responsible purchases by monitoring suppliers and tracing grain origin.

History of AMAGGI's ESG journey



2017

Based on their experience and knowledge of grain chain challenges, in 2017, **AMAGGI launched their Global Sustainability Positioning**, in which the company already took on their commitment "Towards a Deforestation Free Chain".



2019

AMAGGI updates their commitment "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain" **seeking to meet new transparency demands** identified in important sustainability publications, such as the inclusion of "native vegetation conversion".



2021

During the Embrace the Future event, AMAGGI updated the **commitment "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain"**. Based on the structure and guidelines proposed by the Accountability Framework Initiative (AFi), the new document not only brings commitments, but also establishes an implementation plan for us to reach the proposed goals, as it also establishes ways to monitor, verify, and report - with the most current data being present in this Progress Report.



2022

AMAGGI has concluded an **agreement with great farm commodities traders** to develop a roadmap aiming to speed up their existing action in the industry on the theme of **changing land use**.

UNDERSTAND THE COMMITMENT

COMMITMENT SCOPE

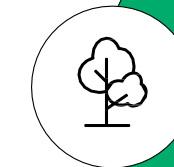
AMAGGI's commitment is applicable to all of the company's regions, biomes, and operations, both inside and outside Brazil.

The company's operations are considered to be all activities controlled by AMAGGI of its own agricultural production and the origination of grains from the supply chain, which includes direct, intermediate, and indirect suppliers.

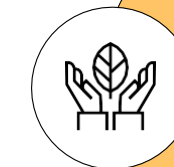
JOINT VENTURES

AMAGGI also **encourages their joint ventures (JVs) to take on their own commitments, always mirroring both their values and that of other companies that make up this partnership, also encouraging result transparency in an independent and continuous way.** Currently, AMAGGI is a part of AZL Grains, in partnership with two companies in the industry, with their area of work being the Brazilian territory, in the region comprising the states of Maranhão, Tocantins, Piauí and Bahia (MATOPIBA). ALZ's socio-environmental commitments and more information on the company's work can be accessed through the [company's website](#).

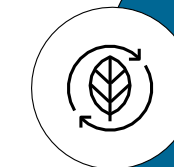
ELEMENTS OF OUR COMMITMENT



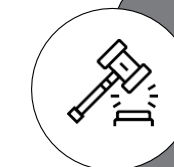
1. NO DEFORESTATION AND CONVERSION OF NATIVE VEGETATION



2. LEGAL COMPLIANCE AND AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN



3. LOW-CARBON REGENERATIVE AGRICULTURE



4. RESPECT AND PROMOTION OF HUMAN RIGHTS



SEE THE COMMITMENTS IN FULL BY ACCESSING THE DOCUMENT **"TOWARDS A DEFORESTATION AND NATIVE VEGETATION CONVERSION FREE GRAIN CHAIN"** 2021 VERSION

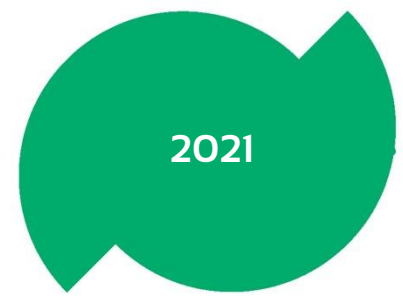


1. NO DEFORESTATION AND CONVERSION OF NATIVE VEGETATION

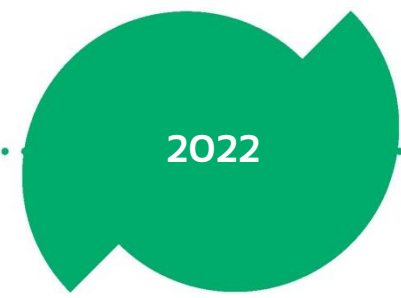
This commitment includes **agricultural production, origin and financing of grain production**, considering direct, intermediate, and indirect suppliers, regardless of the legality of the area open.

AMAGGI is also **committed to maintaining all industry agreements signed to protect forests and native vegetation**, being the Soy Moratorium and the Green Grain Protocol of Pará.

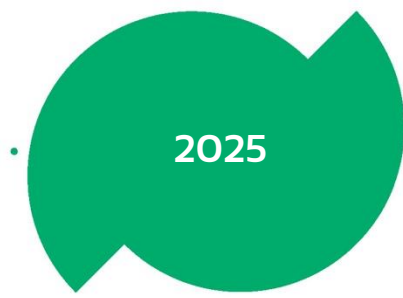
COMMITMENT GOALS



100%
of traceability and monitoring of direct suppliers of Brazil's Amazon and Cerrado biomes



100%
of traceability and monitoring of direct suppliers in Brazil



100%
of the deforestation and native vegetation conversion free grain chain

100%
of traceability and monitoring of direct and indirect suppliers in all locations and biomes where AMAGGI operates

BEYOND 2025

AMAGGI will take action to support the long-term protection of forests and natural ecosystems, fostering restoration and financial mechanisms that promote conservation of priority areas, in addition to promoting sustainability in grain production, especially through the promotion of regenerative agriculture.



1. NO DEFORESTATION AND CONVERSION OF NATIVE VEGETATION

SOY MORATORIUM

Voluntary commitment established, in 2006, by industries and exporters affiliated to the Brazilian Association of Vegetable Oil Industries (Abiove) and the National Association of Grain Exporters (Anec), not to trade soybeans from areas of the Amazon biome deforested after 2008, regardless of the legality of the area open.

GREEN GRAIN PROTOCOL OF PARÁ

Launched in 2014, it is a commitment to ensure socio-environmental responsibility in grain production, to avoid trading products from illegally deforested areas, with environmental embargoes, or the occurrence of slave labor in Pará. It is an initiative in partnership with the Federal Public Ministry, the state government of Pará, federal and state environmental agencies and companies in the sector.



REFERENCE DATE TO ASSESS PROGRESS

To demonstrate their efforts in reaching their commitment within the foreseen deadline, the company establishes 2020 as a reference date to measure the incidence of deforestation in the areas that supply grain to their production chain, making this information public and transparent to stakeholders.

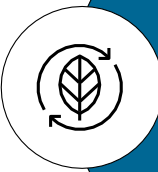


2. LEGAL COMPLIANCE AND AN ETHICAL AND SUSTAINABLE SUPPLY CHAIN

AMAGGI is committed to the **legal compliance of their operations** and of their supply chain to ensure fulfillment of local, national, and international laws of a social, environmental, forestry and anti-corruption nature.

The company does not trade grain from production areas that have an impact on:

- ▶ **Embargo by Ibama and state environmental agencies**
- ▶ **Indigenous lands and fully protected conservation areas**
- ▶ **Areas deforested after 2008 in the Amazon biome not in compliance with the Soy Moratorium**
- ▶ **Areas not in accordance with Green Protocol of Grains in Pará**
- ▶ **Transparency List of Slave Labor**



3. LOW-CARBON REGENERATIVE AGRICULTURE

In addition to the goal of making progress with the **accounting for and mitigating their own emission of greenhouse gas** and that of their chain, AMAGGI is also committed to themes related to **the preservation of areas of high conservation value and carbon stock** (HCS and HCV), highlighting the importance of biodiversity and water resources, as well as promoting forest restoration and other important issues.

As primary goal, the NetZero emission commitment stands out:

- ▶ **Reaching net zero emissions by 2050 (NetZero emissions), through decarbonization strategies by 2035 and neutralizing occasional waste emissions, according to Science-Based Targets Initiative (SBTi), especially through the promotion of low-carbon regenerative agriculture, capable of protecting biodiversity.**

To unfold their decarbonization strategy through regenerative agriculture, AMAGGI launched their **AMAGGI Regenerates** program. AMAGGI also introduces as a commitment to **spread knowledge through their value chain, in addition to seeking sustainable products and solutions:**

- ▶ **Providing innovative products and solutions for an ethical chain, free of deforestation and native vegetation conversion, that is low-carbon and regenerative.**



CLICK HERE TO LEARN
MORE ABOUT AMAGGI
REGENERATES

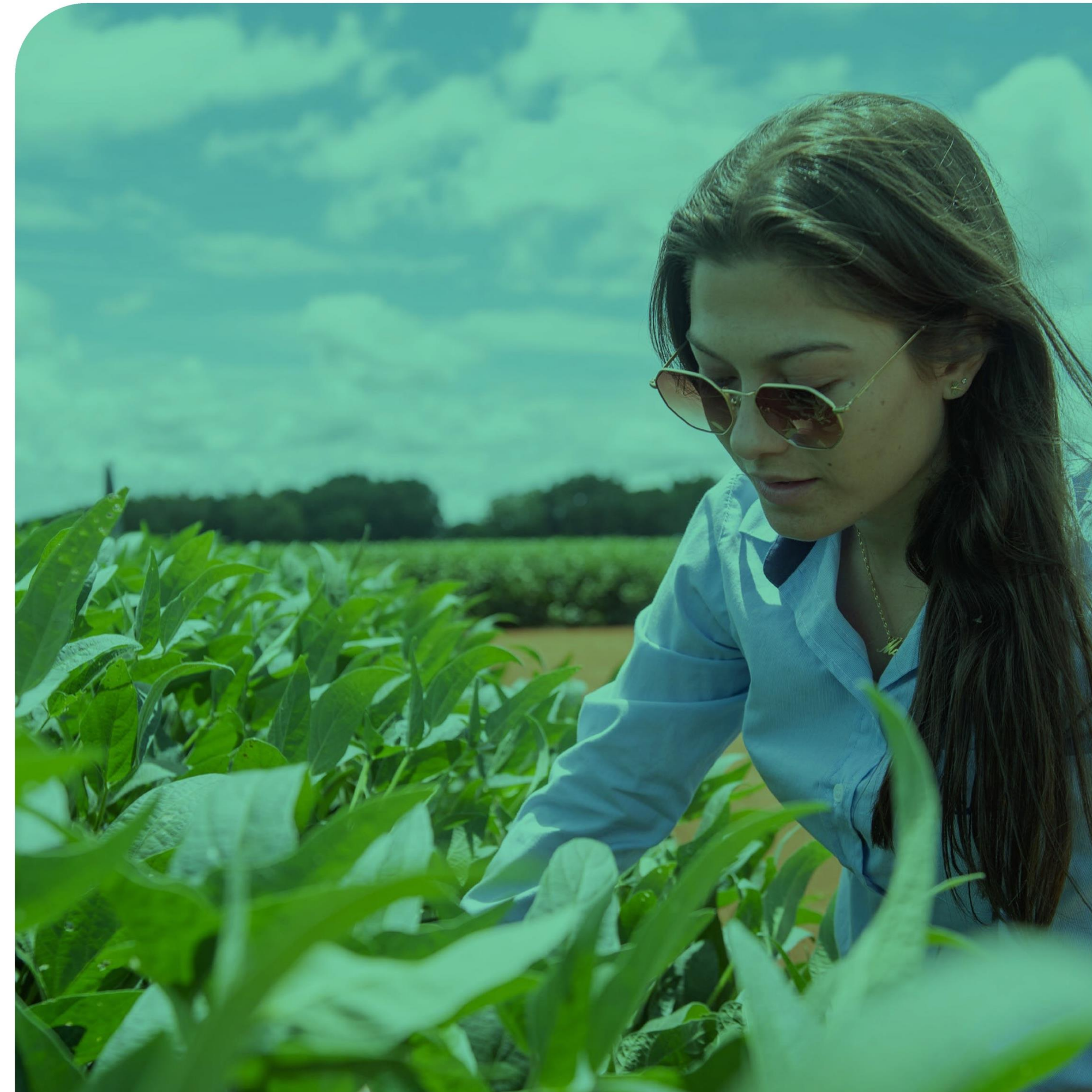


4. RESPECT AND PROMOTION OF HUMAN RIGHTS

AMAGGI is committed to **respecting and promoting Human Rights in their operations, value chain, and local communities, including employees, workers, small producers, farmers, and family farmers, indigenous people, and traditional communities**, as well as other interested parties that may feel affected by the company's activities in all locations where they are present.

In this commitment, as an example, AMAGGI includes:

- The promotion and inclusion of small farmers
- Maintaining a private channel available to all stakeholders
- Eliminating all forms of discrimination
- Providing Canal Mulher (Women's Channel)
- Land usage rights and free, prior and informed consent (FPIC)
- Other relevant themes to promote responsible agriculture

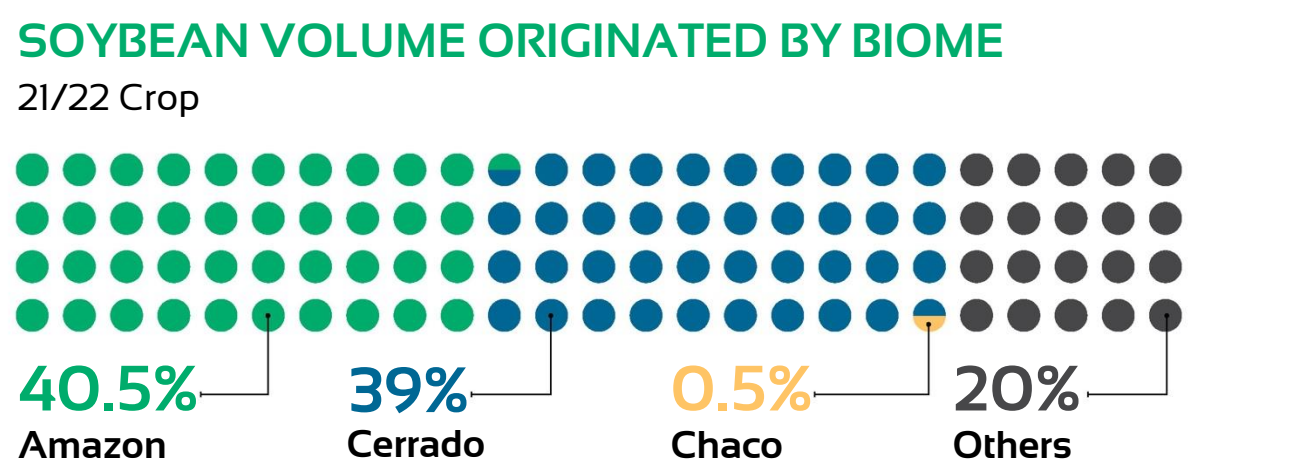
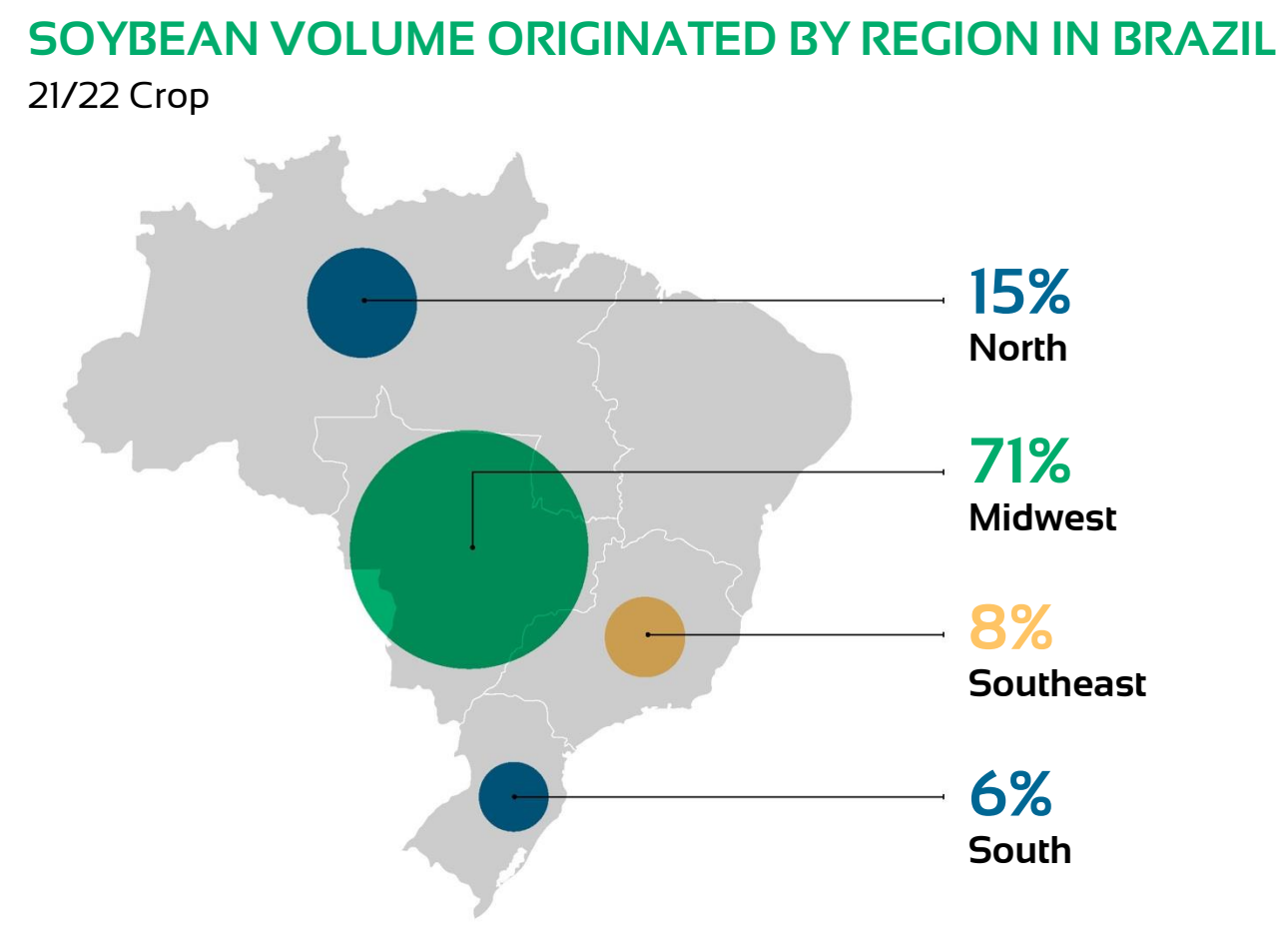
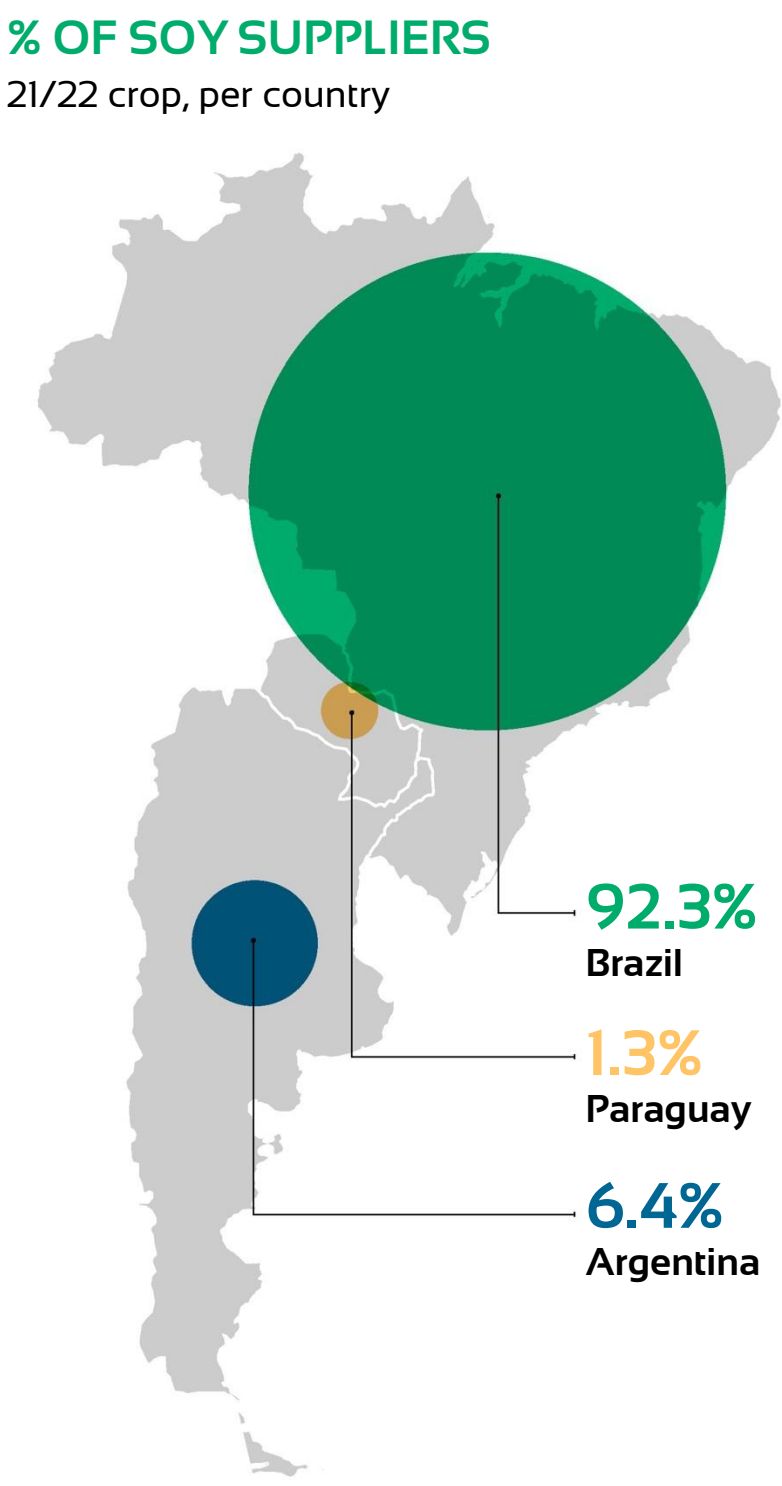
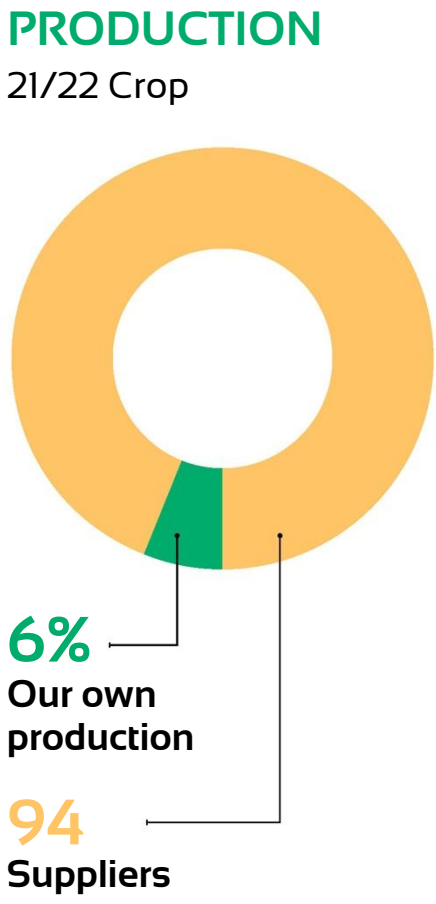


SCOPE OF THE COMMITMENT

AMAGGI’s own farms for grain production are located in Brazil, being 12 in the state of Mato Grosso and 1 in Rondônia.

Among grains originating from rural producers, which account for the largest share of the company's total volume, **the greatest volume comes from Brazil** and, in smaller proportions, from Paraguay and Argentina.

In this scenario, it is possible to note **the importance of a clear positioning regarding the company’s work and commitment along their value chain**, in addition to their own units.

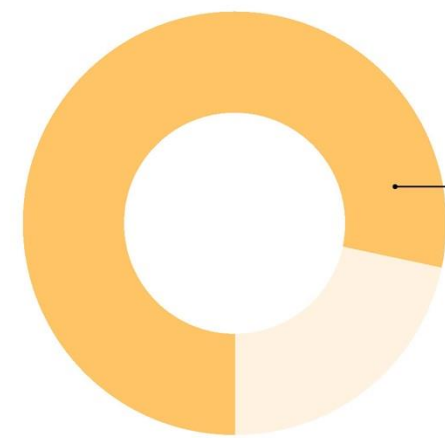


PRIORITY JURISDICTIONS: AMAZON AND CERRADO

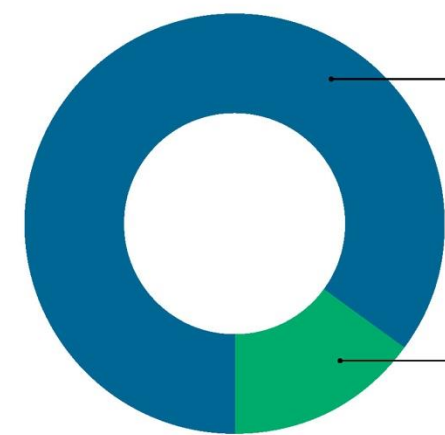
To achieve their commitment “Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”, AMAGGI is focusing their efforts and prioritizing actions in activities and regions that present a higher risk, considering:

- ▶ Locations where AMAGGI is present and that represent greater importance for business maintenance and expansion
- ▶ Locations with a greater risk of deforestation and conversion, considering historical conversion rates of native areas for agricultural use and green areas threatened by the expansion of grain cultivation
- ▶ Locations that present higher risk of violating Human Rights, identified based on mappings and consultation conducted by AMAGGI and in public reports, such as the Transparency List of Slave Labor

In 2022, the company kept as priority jurisdictions all active regions in the Amazon and Cerrado biomes in Brazil, considered the two most relevant in terms of environmental conservation and agricultural production.



These priority jurisdictions (Amazon and Cerrado) represent **79.5%** of the total volume of soybean originated by the company considering **Brazil, Paraguay, and Argentina**.



Both biomes combined have remained representative of **85%** of the total originated in **Brazil**. The other **15%** originated by the company in the country are in regions already established, being of **low or no risk of deforestation** and conversion of native vegetation.

CHACO

The Chaco is South America's second largest forest biome, occupying an extensive area of the continent. It is a high-value area in terms of biodiversity, being a refuge for many native and endemic species.

Due to their regional and global importance, AMAGGI considers it a highly-relevant jurisdiction, seeking to eliminate any type of origination risk linked to deforestation in this biome.

To this end, the company is analyzing the best solutions and methodologies related to monitoring deforestation in the region and the impact to their supply chain.

Altogether, Argentina and Paraguay represent 7.7% of the total soybean volume originated by the company, with 0.5% being the total volume from municipalities that are part of the Chaco.



In 2022, AMAGGI intensified their analysis of risks involved and assessed available platforms for traceability established by adhering to the VISEC (Visión Sectorial del Chaco Argentino) initiative, that is developing a unified monitoring platform of the soy chain in Argentina, aimed towards a deforestation free origin and ensured traceability. Adhesion was fulfilled in 2023.



AMAZON BIOME

Amazon's biome is the largest and richest one in terms of biodiversity in Brazil, encompassing nine of the country's states, and 98% of the area cultivated with soybeans in the 2021/22 crop in the biome is found in 116 cities, according to a study by Agrosatélite, the consultancy responsible for the Soy Moratorium monitoring program.

The soybean mapping for the 2021/22 conducted by Agrosatélite identified a cultivated area of 6.60 million hectares which represents a 12.8% increase compared to the previous crop, corresponding 15.9% of the national soybean area.

The study also shows that the national soybean crop for 2021/22 was 125.5 million tons, cultivated in an area of 41.4 million hectares.

Compared to the previous crop, there's been a 4.9% increase in planted area, but a 9.9% decrease in production, resulting from an unfavorable climate that caused productivity losses of almost 50% in the south region.

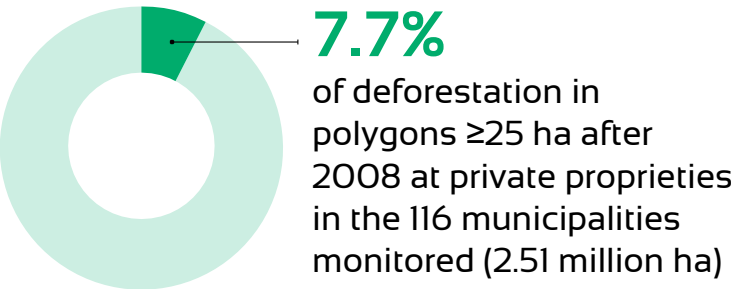
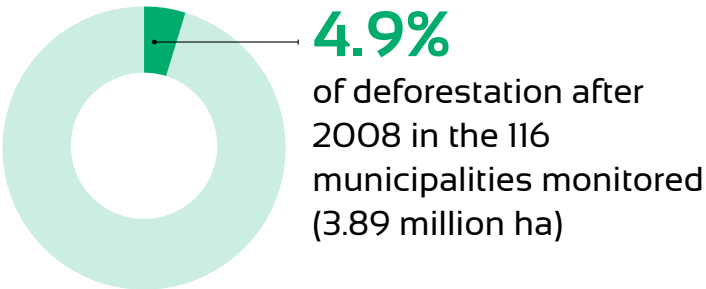
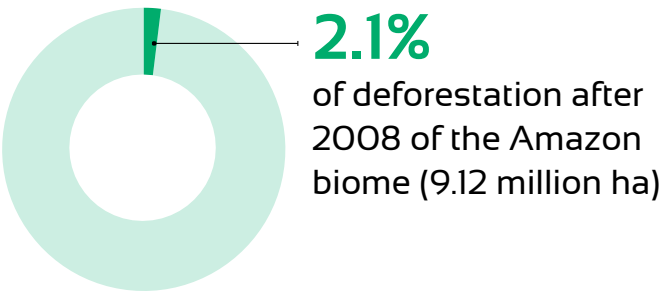
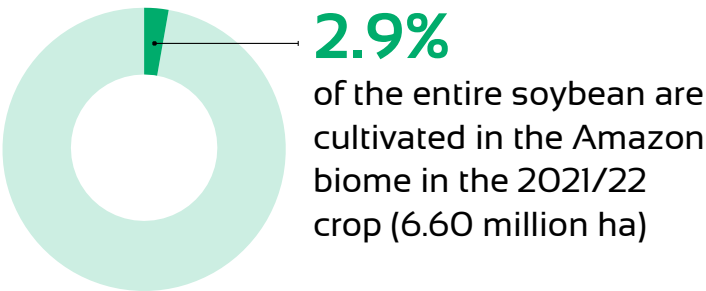
However, in the North and Midwest regions, the weather was favorable and the increased production percentage exceeded the percentage increase in area.

AMAGGI is one of the companies that have signed the Soy Moratorium and does not trade grain from deforested areas after 2008 in the Amazon biome, even if legally open. This commitment is confirmed through annual audits conducted by third-parties.

SOY MORATORIUM

The Soy Moratorium is the most relevant environmental initiative in Brazilian agribusiness and it aims to end deforestation associated with the soybean production chain in the Amazon biome by the signatories of the agreement. In effect since 2006, it has shown its efficiency year after year through rigorous monitoring of the expansion of soybean plantations with and without deforestation in the Amazon biome.

In the 2021/22 crop, 192,753 ha of soybean were identified in non-compliance with the Moratorium rules, which correspond to:

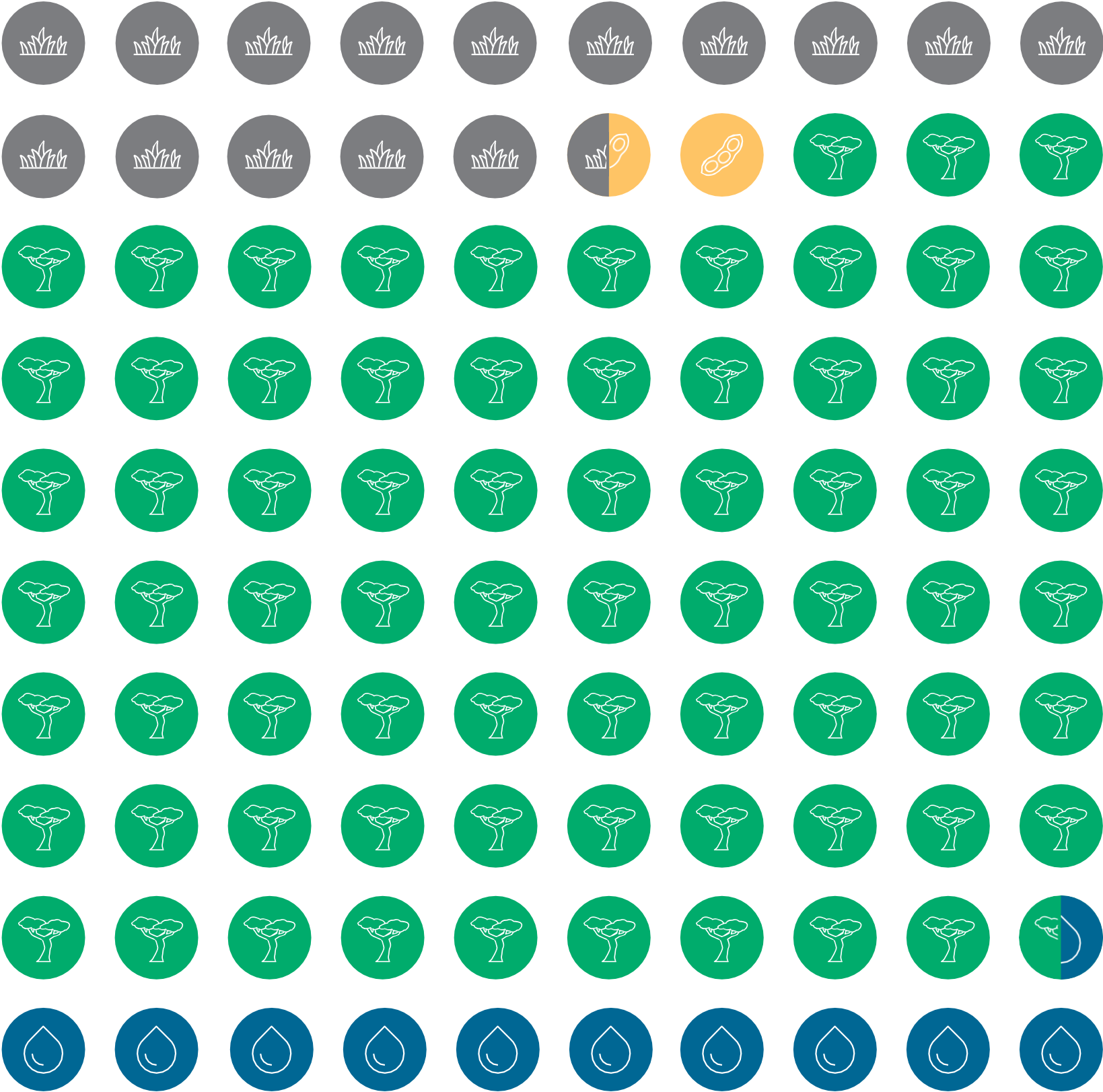


31%
of increase (45,641 ha) in relation to the non-compliant soybean area in the 2020/21 crop



TO SEE THE FULL REPORT, CLICK HERE

2021 LAND USE AND COVERAGE IN THE AMAZON BIOME



17.06%
71.24 Mha deforestation, being:

15.47%
Pasture, secondary vegetation etc. 64.79 Mha

0.05%
Soybean not in agreement with the Moratorium 0.19 Mha and

1.54%
Soybean in compliance with Moratorium 6.41 Mha

72.26%
Primary forest preserved 302.36 Mha

10.68%
Others (water, non-forest vegetation, rock outcrops, etc.) 44.7 Mha

Source: Agrosatélite



CERRADO BIOME

Brazil has achieved great progress in managing deforestation monitoring in the Cerrado biome. ABIOVE, the association that represents the main soybean trades in Brazil, has been studying soybean expansion at the Cerrado Biome by hiring the annual study conducted by Agrosatélite, as well as promoting discussions with several players in the soybean chain, aiming to reduce soybean native vegetation conversion, reconciling production with environmental, economic and social interests.

According to the study, Cerrado's deforestation rates have remained relatively stable over the last six years, with an annual rate of 0.74 million hectares, nearly four times lower than at the start of the 2000s, when it was around 2.8 million hectares a year.

There's also a striking difference between the MATOPIBA region and other states, that cover over two thirds of Cerrado territory. If at the start of the 2000s, others

States contributed with 70% of deforestation, nowadays only 35%.

In terms of dynamics of land use changes, soybean expansion with conversion of native vegetation grows the most in MATOPIBA. In this region, the soybean area went from 0.97 million hectares in 2000/01 to 5.09 million hectares in 2021/22, over five times as much, taking its share of the Cerrado soybean area from 13% to 24%. In other states, the soybean area went from 6.47 million hectares in 2000/01 to 16.35 million hectares in 2021/22, a 2.5 times increase, representing 76% of the Cerrado soybean area.

The soybean area nearly tripled in the last 21 years, from 7.43 million hectares in 2000/01 to 21.43 million hectares in 2021/22. This area represents nearly 11% of the biome and 51.7% of the current soybean area in Brazil, according to a study by the National Supply Company (CONAB) (41.45 million hectares),

or 50% according to the study by Agrosatélite based on satellite images (42.85 million hectares).

The average growth rate in 2001-2022 was of 0.667 million hectares a year. Only in the last two years, this average rate was of 1.321 million hectares (1.172 million hectares in 2020/21 and 1.470 million hectares in 2021/22).

Considering only deforestation that occurred after July 22nd of 2008, the date that establishes the areas in accordance with the 2012 Forest Code, we see that 1.80 million hectares of native vegetation (15.3% of total deforestation after 2008) were converted into soybean, being 1.44 million hectares in MATOPIBA (28.4% of the region's soybean area) and 358 thousand hectares in Other States (2.2% of the region's soybean area).

In other words, the dynamic of soybean's expansion in deforested lands after 2008 differs greatly between the two regions.



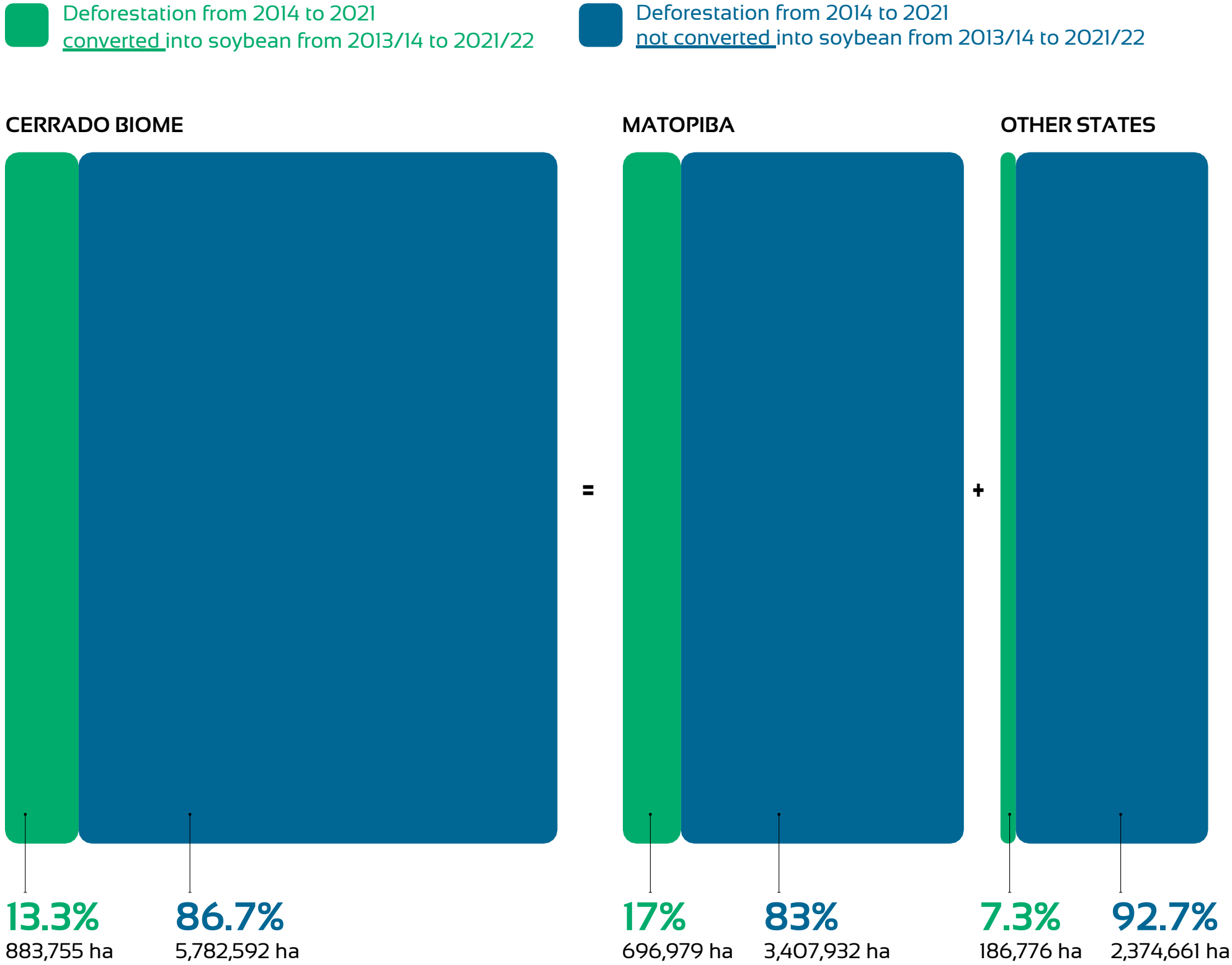
TO SEE THE FULL CERRADO REPORT, [CLICK HERE](#)



TO SEE THE AMAZON REPORT, [CLICK HERE](#)

AREA DEFORESTED FROM 2014 TO 2021 (PRODES-CERRADO), WITH AND WITHOUT SOYBEAN CONVERSION.

2021/22 Crop



2022 RESULTS AND INDICATORS

Traceability and Deforestation and Conversion Footprint



100% of traceability and monitoring of **direct suppliers** in Brazil



32% of traceability and monitoring of **indirect suppliers** in the Amazon and Cerrado biomes, the **primary jurisdictions** for AMAGGI's work



100% of traceability and indirect monitoring in the **first aggregation point**



99.15% of direct and indirect suppliers traced and monitored from priority areas **free of deforestation and native vegetation conversion** after 2020

Supply Chain



66% of grains originating from **direct suppliers** and **34%** from **indirect suppliers** in Brazil



100% of the volume of soybean traced and monitored in the Amazon biome **free of deforestation and native vegetation conversion** after 2008, following the Soy Moratorium commitment



100% in **compliance with trading** grains following the commitments of the Soy Moratorium and the Green Grain Protocol of Pará



100% of suppliers are in compliance with AMAGGI's **socio-environmental criteria**

Managing land usage in proprietary areas



100% of their own farms **free of deforestation and native vegetation conversion** for agricultural production since 2008



100% of their own farms for agricultural production **certified in deforestation and native vegetation conversion free** socio-environmental standards



100% of their own operations in **compliance with the Forest Code**, outside the limits of Conservation Units and Indigenous Lands



137 thousand hectares of **preserved areas**, representing roughly 50% of the total area belonging to the company

Sustainable Products and Solutions



AMAGGI continues to be **one of the main companies to provide certified deforestation and conversion free (DCF) soy** in the world



There are **certifications in the Standard (soy and corn) and Field (soy) areas** in AMAGGI's zero deforestation and native vegetation conversion guarantee program called ORIGINS



Acknowledgment from the **ORIGINS Field program** by European Feed Manufacturers' Federation (FEFAC)



19.1% of RTRS soy and 13% of ProTerra soy worldwide certified by AMAGGI

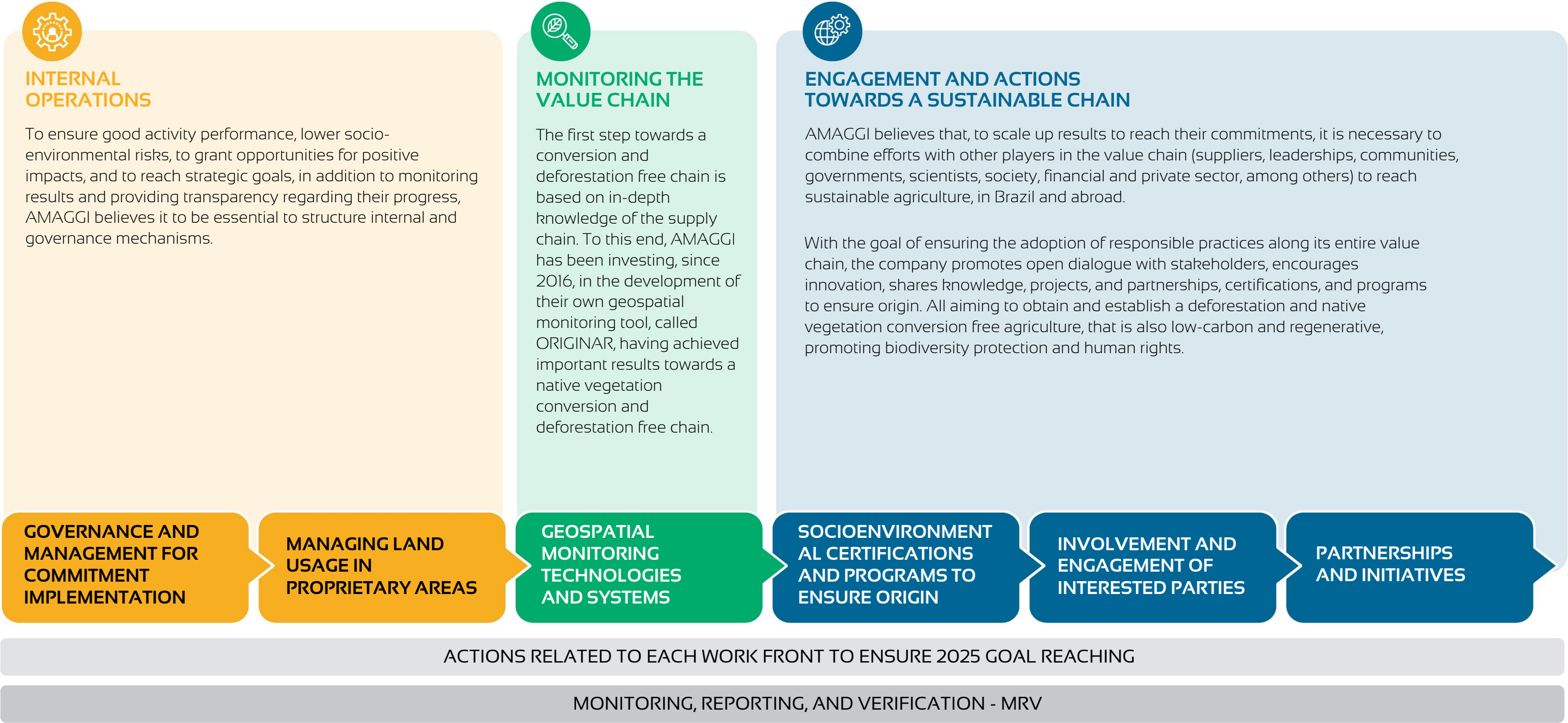


Over BRL 3.5 million in awards to RTRS certified suppliers

COMMITMENT IMPLEMENTATION PLAN

Based on the document's newest version "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain", from 2021, **this report already reflects our new structure and implementation plan to reach our goals and commitments.**

Divided into **3 large work areas**, this plan also reflects the main requirements suggested by the guidelines of the Accountability Framework Initiative.



CHALLENGES AND GOALS

1 Establishing policies, guidelines, and responsibility for the high leadership and employees, to prevent possible conflicts of interest in the operations of purchasing grains and socio-environmental analyses, minimizing negative socio-environmental impacts, in addition to enabling and maximizing the positive impacts for responsible grain purchase and production

2 Establishing complaint mechanisms to identify and repair negative social and environmental impacts related to operations

3 Maintaining updated tools and procedures, and the system of socio-environmental management, developing different departments and training employees to achieve the commitments established

4 Assessing the company's and employees' performance regarding ESG requirements, with internal and external audits to verify the company's adherence to commitments and standards

5 Ensuring compliance of the company's activities to legal requirements, socio-environmental commitments, and the company's internal standards

2022 HIGHLIGHTS

› **Value 1000:** AMAGGI was considered the 4th largest company in Brazilian agribusiness and the 31st largest company in the country in the ranking by the newspaper Valor Econômico

› **Forbes Agro100:** The company was recognized on the Forbes magazine list as the 10th largest agribusiness company in Brazil in revenue (BRL 38.21 billion in 2021)

› **Exame's Biggest and Best:** Exame magazine ranked AMAGGI as the 25th largest company in Brazil

› **Best by Dinheiro:** The company received five awards in the 2022 edition of the ceremony by Dinheiro magazine: Social Responsibility (1st place), Corporate Governance (1st), Financial Sustainability (2nd), Human Resources (2nd), and Innovation and Quality (2nd)

› **100% of grain origin offices** trained on the new forest and native vegetation commitments, as well as on the use of new supply traceability tools (ORIGINAR 2.0)

› Wide **internal and external disclosure of new goals and commitments**, in addition to the **development and training of key employees** to reach the commitments established.

› **Investments to perfect the ORIGINAR 2.0 tool for traceability and monitoring of the supply chain**, enabling greater integration among AMAGGI's internal systems, providing greater safeguards in the socio-environmental assessment processes for grain purchases.

GOVERNANCE STRUCTURE ESG TO ENSURE GOAL ACHIEVEMENT

AMAGGI's governance structure was developed to ground their work in search of good performance, risk reduction, and monitoring of strategic goals.

The ESG (Environmental, Social, and Governance) Board, Communication and Compliance, that reports to the company's CEO, has as their primary role deploying the sustainability strategy, especially ESG Goals and Commitments, across all business areas and company levels, as well as assessing the company's socio-environmental development, planning projects and actions to reach expected results.

To support the ESG Board, AMAGGI relies on over 20 corporate employees completely dedicated to implementing the company's sustainability strategy. In addition, all AMAGGI units in Brazil rely on a representative to ensure, along with other areas, activities' compliance with legal requirements, the company's

socio-environmental commitments and internal standards, related to each unit's respective operations (including their suppliers).

AMAGGI has a unified policy and socio-environmental management (GSA), composed of a set of standardized processes and procedures, with activities developed and conducted by the Corporate Sustainability area and the company's business areas. **Its goal is to prevent and minimize negative socio-environmental impacts related to operations, products, and services, as well as enabling and maximizing positive impacts through actions and programs.**

On an annual basis, AMAGGI promotes internal and external audits to verify the company's adherence to their commitments and standards. All employees are assessed by internal audits that includes the company's ESG requirements. This assessment is part of the financial result distributed on an annual basis for performance to the company's employees.





SOCIO-ENVIRONMENTAL ASSESSMENTS INDEPENDENTLY FOR GRAIN ACQUISITION

All grain purchase lots undergo the ORIGINAR 2.0 geospatial system, and only those 100% in compliance with AMAGGI's minimum trade criteria are able to progress to the following steps to receive grain.

If any restrictions are identified at the farm or under the producer's name during purchase, the commercialization registration is automatically blocked by the system, and it can only be released upon confirmation from the Sustainability area that the purchase meets the company's socio-environmental demands.

In 2022, 56 grain sales were vetoed by AMAGGI due to socio-environmental criteria irregularities, and the suppliers received instructions on regularization.

The Sustainability area has a team of experts in socio-environmental assessments using geospatial tools,

working independently from the Origin area, avoiding conflicts of interest. The company holds clear procedures for approval flows and levels, following the best compliance recommendations.

AMAGGI's grain trading contracts are also supported by socio-environmental clauses.

**In 2022,
56 grain sales were
vetoed by AMAGGI due
to socio-environmental
criteria irregularities**

CHALLENGES AND GOALS

- 1 Ensuring the maintenance of the expansion responsible for agricultural production in already open areas, as well as investing on the transformation of degraded areas into increasingly productive properties, avoiding new native vegetation conversion for agricultural entry
- 2 Ensuring compliance with precepts determined by the Brazilian Forest Code and strengthening the restoration agenda

- 3 Ensuring biodiversity conservation and efficient use of resources, in addition to sustainable land development

- 4 Continuously investing in field technology and good farm practices to improve operational efficiency, as well as reduce socio-environmental impacts

- 5 Continuously investing in the reduction of greenhouse gas emissions of products produced by and originating from AMAGGI, as well as their carbon footprint

- 6 Respecting and protecting Human Rights, especially that of indigenous, and traditional communities, and family agriculture

2022 HIGHLIGHTS

- **100% of their own farms** for agricultural production certified in socio-environmental standards
- **137 thousand hectares of preserved areas**, between Legal Reserve areas (RL), Permanent Preservation Areas (APPs) and forest surpluses
- **100%** of their own operations in compliance with the Forest Code and other applicable legislations, outside the limits of Conservation Units and Indigenous Lands
- **Investment in new technologies** targeted towards regenerative low-carbon agriculture, aiming to increase productivity and decrease socio-environmental impact
- **100% of renewable energy** for the development of agricultural activities
- Promoting **scientific research and studies** to map and manage biodiversity

FOREST MANAGEMENT

In 2022, AMAGGI maintained **all productive activities outside the limits of Fully Protected Conservation Units and Indigenous Lands**, since the company adopts policies and monitoring that ensure respect towards traditional communities, family producers, and direct land use. Currently, from the 392 thousand hectares of their own areas (including agricultural units, of compensation and reforestation), **137 thousand hectares are protected areas, located in the Pantanal, Amazon, and Cerrado biome** — all in the state of Mato Grosso. Including areas of Legal Reserve (RL), Permanent Preservation Areas (APPs), forest surplus and areas in parks for compensation, which represents that **AMAGGI maintains an average of 36% of their total area exclusively for preservation.** From this total of preserved areas, 163 hectares of Degraded Permanent Preservation Areas (APPD) are in the process of being recovered.

GOAL RELATED TO FORESTS

“Remaining deforestation and conversion free (DCF) since 2008 for agricultural production at proprietary farms, ensuring expansion only in already open areas.”



FOREST FIRES

With the goal of preventing forest fires — especially due to high temperatures and dry climate —, **AMAGGI conducts firebreak maintenance** (strips around conservation areas or around the perimeter of properties to prevent the spread of fires) **and utilizes fire-fighting equipment at forests and crops**, that can also help neighboring farms when necessary.

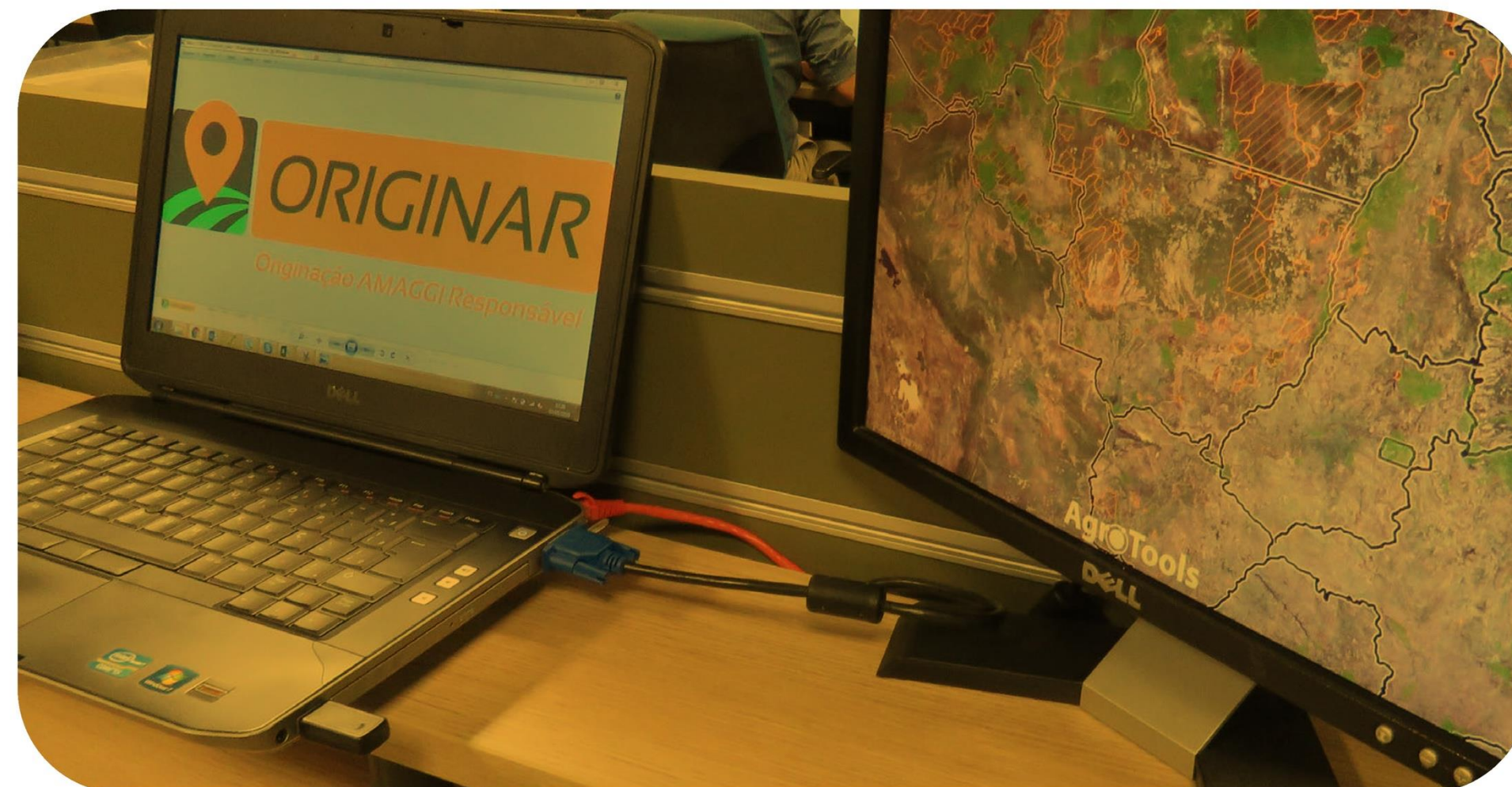
INNOVATION AND TECHNOLOGY IN FARM MONITORING: SATELLITE IMAGES AND REMOTE SENSING

To monitor their farms, AMAGGI uses high-quality satellite images, updated on a daily basis. Those images are used exclusively by the company and provide support to predictive monitoring, able to identify potential crop issues that would be difficult to identify without satellite use.

The images may even identify small fire spots in remote forest areas, that could

take days to be identified only through field observation.

Areas managed by the company are also **monitored by the ORIGINAR system, with a tool to emit fire and deforestation alerts** in case any incidents are identified in the area. Those are daily and monthly alerts that help in the territorial and socio-environmental management of properties.



BEST AGRICULTURAL PRACTICES

AMAGGI understands that **investing in technology, innovation** on the field and adopting the best agricultural practices **are essential for increasing the productivity of rural properties**, reducing the need for further expansion, while it also minimizes their potential socio-environmental impact.

The company has adopted a series of innovation and cautions, highlighting the use of:

➤ **Biological control;**

➤ **Direct plantation;**

➤ **Culture succession;**

➤ **Cultivation without irrigation;**

➤ **Implementing meteorological stations and radars;**

➤ **Machinery modernization;**

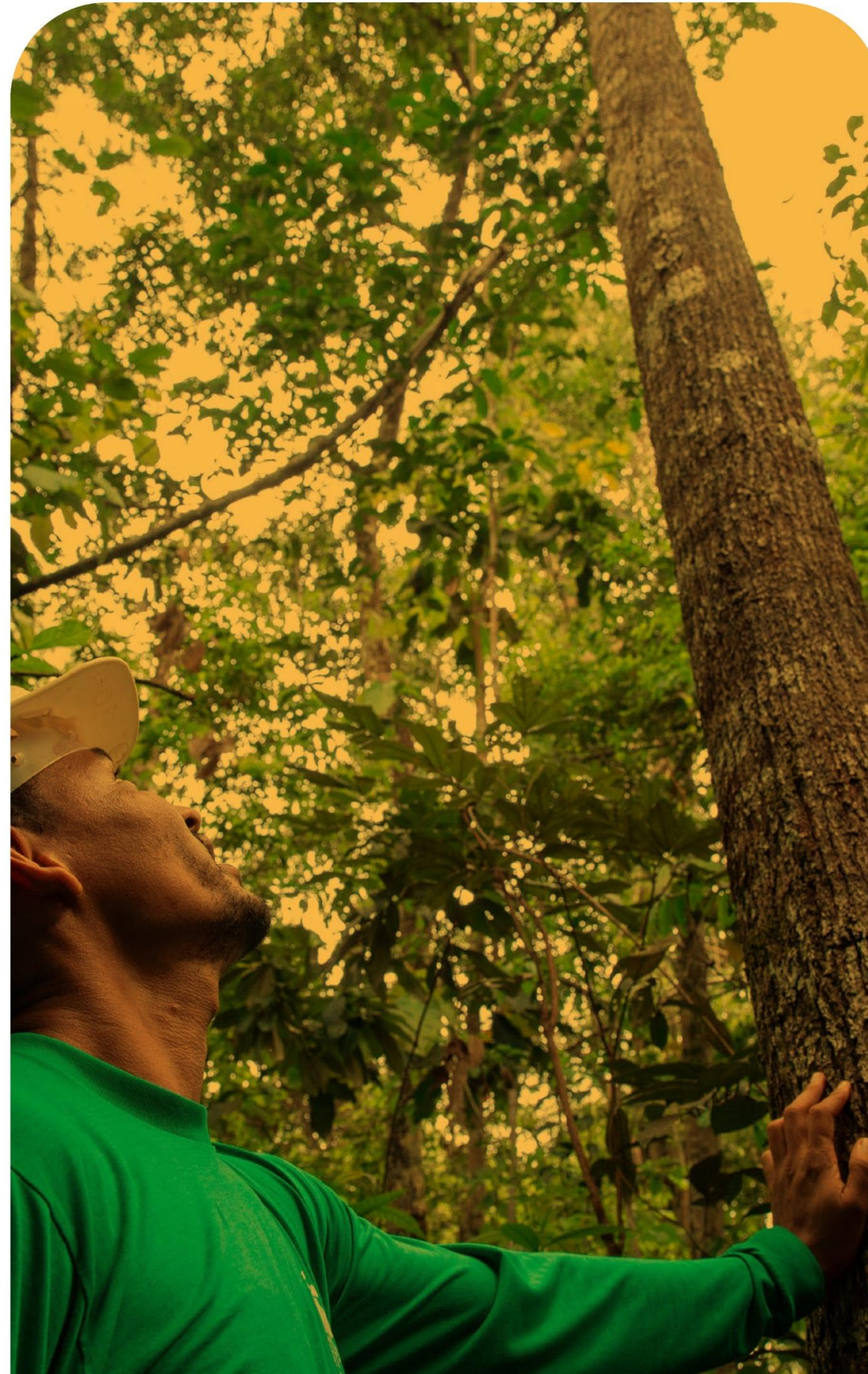
➤ **Field connectivity;**

➤ **Remote sensing;**

➤ **Using 100% renewable energy from SHPs and solar panels;**

➤ **Acquiring three drones for the application of pesticides in locations where agricultural aircraft access is prohibited;**

➤ **Using robots to monitor pests, diseases and weeds in crops.**



Such actions, combined with others, have collaborated to reduce the carbon footprint of the grains produced by AMAGGI and traded in the market, with the company having one of the best greenhouse gas emission rates per ton per product produced when compared to other competitors in Brazil or abroad.



[SEE MORE HERE](#)

AMAGGI values sharing their best practices and knowledge acquired with producers in their value chain, granting greater scalability in terms of the positive impact generated.

CASE: LOW-CARBON REGENERATIVE AGRICULTURE

AMAGGI has been committed to **ensuring a transition into regenerative agriculture**, understanding how this concept may fit the production of commodities on a large scale, maintaining expected impacts for increased soil quality, biodiversity, and business continuity.

In partnership with Embrapa, which started 2 years ago, aligned with the concept of regenerative agriculture, **the company has made important progress in understanding the dynamic of nutrients and carbon at farm soils**. Especially regarding soil carbon removal and ways to potentialize efficiency in the use of inputs, further improving productivity and reducing greenhouse gas emissions.

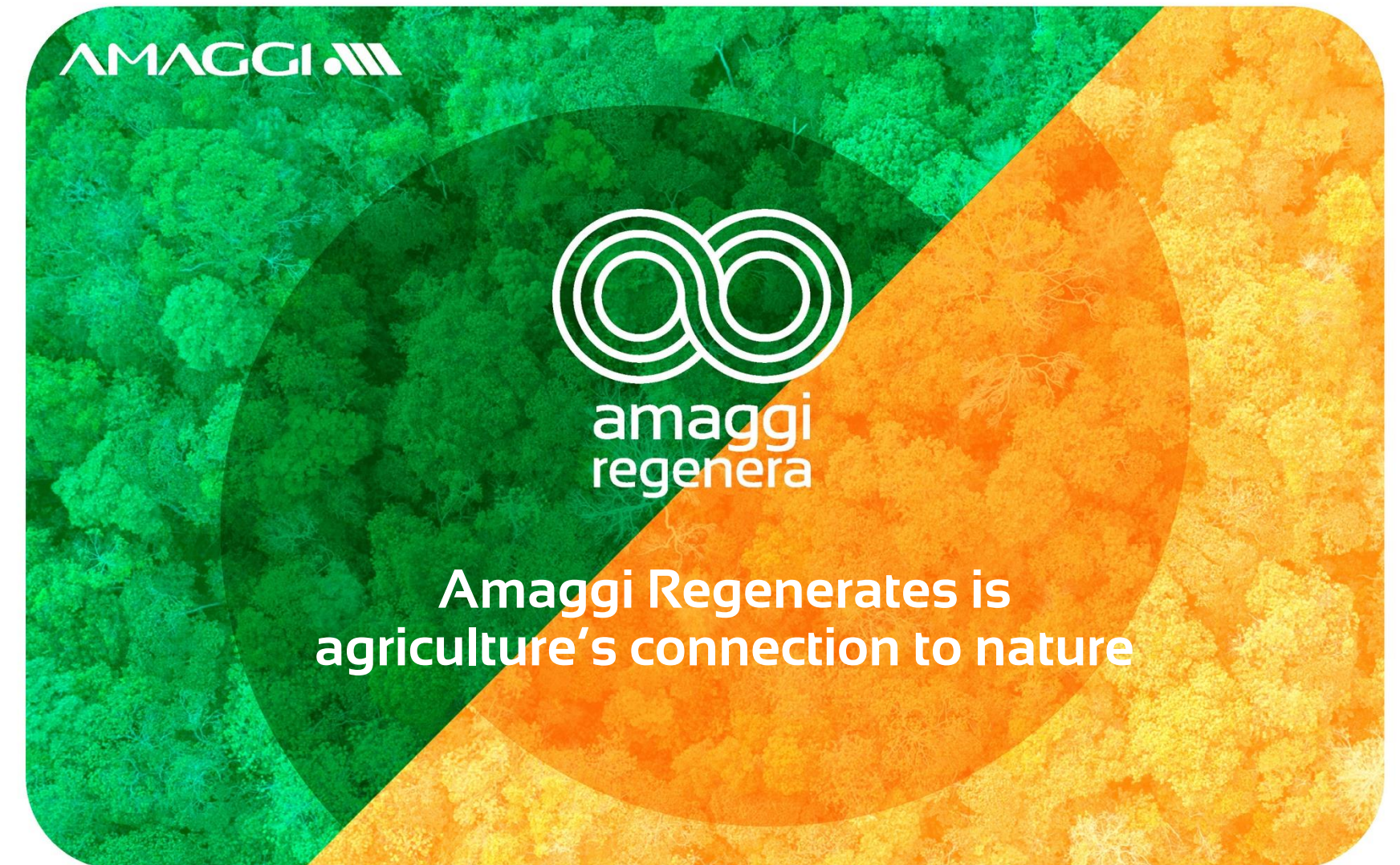
In 2023, following a partnership established with ReNature and the maturing of works with Embrapa, **AMAGGI launched their regenerative agriculture program, with an approach to generate positive impact to pillars, soil, biodiversity, and people.**



CLICK HERE TO
LEARN MORE

The main point is monitoring indicators that reflect quality improvement of agricultural ecosystems, that's why it isn't connected to a specific agricultural culture.

The goal is to ensure crop productivity through increased biodiversity and soil health that surrounds the landscape as a whole, positively impacting people by sharing knowledge to increase the use of regenerative agricultural practices.



Goals of the Amaggi Regenerates Program



Strengthening and
regenerating soil
and increasing
productivity



Protecting
biodiversity and
water resources



Mitigating climate
impacts and
economic resilience



Sharing regenerative
practices to more rural
and family producers



RESEARCH SUPPORT: FOREST, BIODIVERSITY, CLIMATE, AND AGRICULTURE

In a partnership of nearly 20 years, since 2004, **AMAGGI has supported research by the Amazon Environmental Research Institute (IPAM)**. Researchers investigate the integration between forests in agricultural areas at Tanguro Farm, in Querência (MT), and monitor biodiversity at agricultural areas in the state of Mato Grosso.

Researchers have access to over 80 thousand hectares, between forests and agricultural areas, and also have the support of an experimental station and accommodation facilities.

Currently, **roughly 20 researchers are directly involved in farm research** and approximately 100 undergraduate, masters, and PHD students from different countries and institutions around the world.

In 2022, as partial results, the following has already been identified at the Tanguro farm region:



60 species of mammals



394 species of plants



157 species of ants



254 species of birds
(equal to 28% of recorded bird species across all of Europe)



180 species of bees
(equal to 10% of all recorded European bee species)



MONITORING THE
VALUE CHAIN

GEOSPATIAL
MONITORING
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AND SYSTEMS

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CHALLENGES AND GOALS

- 1 **Continuously improving monitoring and traceability of their direct grain supply chain, ensuring regularity from origin to the market**
- 2 **Mapping and analyzing the risks of their indirect grain supply chain**
- 3 **Achieving progress in terms of strategic management of information for grain suppliers based on data by ORIGINAR**
- 4 **Ensuring that socio-environmental criteria established by AMAGGI for grain trading is met, as well as the Brazilian Forest Code**
- 5 **Ensuring continued compliance to corporate commitments, such as the Soy Moratorium, Green Grain Protocol, among others**
- 6 **Respecting and protecting Human Rights, especially that of indigenous, and local communities, and family agriculture**
- 7 **Respecting land usage rights, including the principle of free, prior, and informed consent**

2022 HIGHLIGHTS

- **100% of traceability and monitoring** of direct suppliers in Brazil
- **100% of traceability and indirect monitoring** in the first aggregation point
- **32%** of traceability and monitoring of indirect suppliers in the Amazon and Cerrado biomes, the primary jurisdictions for AMAGGI's work — a 6% increase in terms of traceability compared to the previous year
- **99.15% of direct and indirect suppliers traced and monitored** from priority areas free of deforestation and native vegetation conversion after 2020
- **100% of the volume of soybean** traced and monitored in the Amazon biome free of deforestation and native vegetation conversion after 2008, following the Soy Moratorium commitment

AMAGGI SOCIO-ENVIRONMENTAL CRITERIA FOR GRAIN TRADING

AMAGGI has over 6 thousand rural producers who provide grains and fibers. To

become a part of the supply chain, producers must be aligned with the company's socio-environmental criteria.

In 2022, AMAGGI assessed 100% of their suppliers based on established criteria, aiming towards environmental protection and respect for Human Rights.

AMAGGI does not trade grain from production areas that have an impact on:

➤ Embargo by Ibama and state environmental agencies

➤ Indigenous lands and Fully Protected Conservation Areas

➤ Areas deforested after 2008 in the Amazon biome not in compliance with the Soy Moratorium

➤ Areas not in accordance with Green Protocol of Grains in Pará

➤ Transparency List of Slave Labor



The entire process of criteria verification, especially the commitment to the Soy Moratorium and the Green Grain Protocol, is conducted on an annual basis through third-party audits. **AMAGGI has always reached 100% compliance regarding trading.**



100% of grain purchase lots assessed based on socio-environmental criteria established



100% of suppliers are in compliance with AMAGGI's socio-environmental criteria



100% in compliance with trading grains following the commitments of the Soy Moratorium and the Green Grain Protocol of Pará



CHAIN TRACEABILITY AND MONITORING: ORIGINAR 2.0 PLATFORM AND THE PROCESS OF ASSESSING SUPPLIERS

To ensure that the socio-environmental criteria established are met, **AMAGGI developed ORIGINAR 2.0, a platform that allows for the monitoring of the entire grain supply chain.** The tool uses images updated via satellite to conduct socio-environmental and agricultural production assessment, cross-checking the company's commercial data.

As such, it fully integrates the Origin, Input, and Sustainability areas, ensuring improved market strategy, greater socio-environmental assurance and traceability, connecting sustainability and the business through a commercial intelligence system.

All grain purchase lots undergo the 2.0 ORIGINAR geospatial system, and only those 100% in compliance with AMAGGI's minimum trade criteria are able to progress to the following steps to receive grain.

If there are any kinds of restrictions identified during purchase, the commercialization registration is automatically blocked by the system, and it can only be released upon confirmation from the Sustainability area that the purchase meets the company's socio-environmental demands. AMAGGI also supports producers with restrictions in their regularization process, through custom guidelines and based on a regularization plan.

The ORIGINAR system is constantly perfected and, since 2022, it has been developed in-house, meeting the demands of the Origin and Sustainability teams, showing the platform's importance to the company. Among the improvements, we highlight the system's upgrade for fire alerts, with daily notifications and monthly deforestation alerts.

The grain purchasing system also implemented mandatory traceability for all direct suppliers, blocking purchases without farms linked to the process.

In 2022, using the ORIGINAR 2.0 Platform, AMAGGI traced their direct and indirect supplier chain, focusing on their priority areas, meaning, Cerrado and Amazon biomes.

The company achieved 100% of traceability of their direct suppliers in Brazil in 2022.

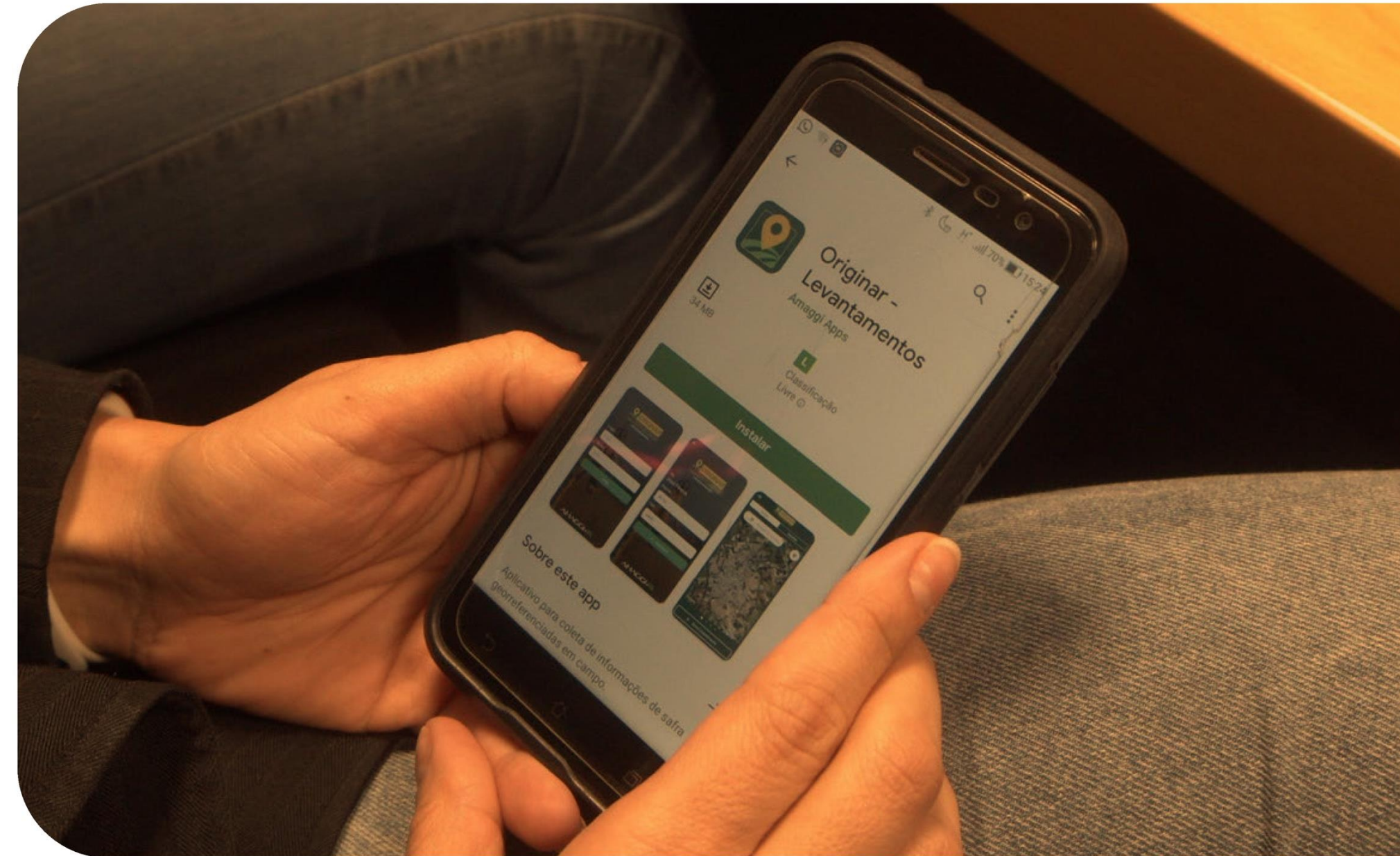
There has also been a 9% increase in the number of monitored properties and 5% in monitored hectares, when compared to the previous year. Currently, AMAGGI has over 17.7 million hectares in their base being monitored on a daily basis by the ORIGINAR 2.0 Platform.

Considering the first aggregation point, such as cooperatives and retailers, also known as intermediary suppliers, the company achieved 100% of traceability.

Regarding the monitoring of indirect suppliers on an origin farm level, AMAGGI achieved 19% traceability in Brazil and 32% of priority jurisdiction. This volume represents greater traceability of indirect volume, compared to the previous year, 6% higher on a farm level to priority jurisdiction (Amazon and Cerrado biomes).

It is worth noting that the traceability of indirect suppliers at farms is a greater challenge, since the company relies on information made available by intermediary suppliers.

AMAGGI has been working heavily on activities to engage their intermediary and indirect suppliers, both on a sector-by-sector basis as well as individually, in an attempt to provide solutions and knowledge on the importance of traceability for the entire value chain. Technological chain traceability tools and other solutions are being discussed with these suppliers, to enable them to conduct monitoring similar to that internally conducted by AMAGGI.



All grain purchase lots undergo the ORIGINAR 2.0 geospatial system, which allows for the monitoring of the entire supply chain



LEARN ABOUT SOME FEATURES OF
THE ORIGINAR 2.0 PLATFORM [HERE](#)

DEFORESTATION AND CONVERSION ANALYSIS AND METHODOLOGY TO IDENTIFY CHANGES IN SOIL USE

The progress of the mapping process, monitoring of suppliers, and traceability of the volume traded at priority jurisdictions allowed AMAGGI to **analyze the incidence of deforestation and native vegetation conversion in their supply chain and, consequently, the challenges to achieve their commitment towards a deforestation and native vegetation conversion free chain.**

Since AMAGGI is a part of the Soy Moratorium, it doesn't allow for any legal or illegal deforestation in the Amazon biome within their chain, considering 2008 as the cut-off date. As for the Cerrado biome, the deforestation analyzes was conducted based on monitored suppliers, referring to the volume traded and traced in 2022 by AMAGGI, using 2020 as the reference year for analysis.

As such, it was possible to reach the following results:



99.15% of direct and indirect suppliers traced and monitored from priority areas free of deforestation and native vegetation conversion after 2020



100% of the volume of soybean traced and monitored in the Amazon biome free of deforestation and native vegetation conversion after 2008, following the Soy Moratorium commitment



STEPS OF THE WORK TO DETECT DEFORESTATION

Activities developed at work

1. Farm identification



Registering farms through geo-referencing and developing a database with all limits.

2. Selecting satellite images



Selecting sensors, images, dates to be used, and downloading corresponding tiles.

3. Processing satellite images



Pre-processing and processing satellite images to conduct soil use classifications.

4. Detecting changes in soil use



Classifying soil use and detecting changes between the dates analyzed.

5. Analyzing soybean areas



Identifying the dynamics of soil use in soybean origination areas.

To analyze soy areas, the volumes traded and traced by AMAGGI in 2022 was considered. Soil Use Classification and Soil Use Changes were developed by an expert consultant, and the process was audited by a third-party.

For the Cerrado biome, the methodology used to identify changes in soil use with identification and quantification of changes occurred in native vegetation in the period of 2020-2022 followed the steps shown in the image and used images integrating satellites Sentinel, Landsat, and RapidEye.

Different satellites were used in the development of the study (with different spatial resolutions), deforestation and native vegetation conversion of over 5 hectares occupied by soy in the last crop were considered.

CONSERVATIVE CRITERIA TO ESTABLISH A DEFORESTATION AND CONVERSION FREE CHAIN

Any deforestation or native vegetation conversion of over 5 hectares with the presence of soybean is already considered as being from deforestation and conversion.

This value is extremely strict if compared to other widely used methodologies, being possible to achieve this level of detection thanks to having employed exclusive satellite images to assess soil usage changes.

Another differential stands out, the fact that **every volume from rural properties is accounted for as having originated from deforestation and conversion by AMAGGI, not only the volume from deforested areas.**

AMAGGI has been working with more conservative measurements to establish to concept of deforestation and native vegetation conversion, considerably reducing the risk of their operations.



PARAGUAY AND ARGENTINA OPERATIONS

The company has achieved progress in discussions, and studied technological solutions for traceability and monitoring of the volume of soybean from their operations in Paraguay and Argentina, especially focused in Gran Chaco.

In 2022, AMAGGI assessed the traceability platforms available and adhered the **WISEC**

initiative (Visión Sectorial del Gran Chaco Argentino), that is developing a unified monitoring platform of the soy chain in Argentina, aimed towards a deforestation free origin and ensured traceability.

Adhesion was fulfilled in 2023.



ENGAGEMENT AND
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SOCIOENVIRONMENTAL
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CHALLENGES AND GOALS

- 1 Providing the expansion of socio-environmental certifications for producers and trading a market-certified product, both in their own schemes as well as multi-stakeholders (RTRS, 2BSvs, ProTerra, and others)
- 2 Ensuring the maintenance of socio-environmental certifications in 100% of our own production
- 3 Providing support for rural suppliers to reach the standards demanded for certifications and connect them to consumer markets
- 4 Being a reference in meeting the new demands of the market to increase schemes to ensure origin and zero deforestation and providing innovative and sustainable solutions
- 5 Sharing benefits among all in the value chain, in addition to ensuring credibility on certified products and their origin to interested parties

2022 HIGHLIGHTS

- **100% of our own farms certified** in socio-environmental schemes and origin guarantee programs
- **There are certifications in the Standard (soy and corn) and Field (soy) areas** in AMAGGI's zero deforestation and native vegetation conversion guarantee program called ORIGINS
- **Acknowledgment from the ORIGINS Field program** by European Feed Manufacturers' Federation (FEFAC)
- AMAGGI continues to be one of the **main companies to provide certified deforestation and conversion free (DCF) soy**, responsible worldwide for:
 - 13% of ProTerra volume (non-GMO)
 - 19.1% of RTRS volume
 - 26.8% of 2BSvs corn volume
 - 2.1% of 2BSvs soy volume
- **Over 120 certified rural producer partner farms according to standards RTRS, ProTerra, and 2BSvs**, which have the direct support of AMAGGI's socio-environmental team
- **Over BRL 3.3 million in awards** to certified RTRS rural producers

SOCIOENVIRONMENTAL CERTIFICATIONS AND PROGRAMS TO ENSURE

AMAGGI believes that socio-environmental certifications and origin guarantee programs are ways of reaffirming their commitment towards sustainable and responsible production, resulting in concrete environmental benefits – such as ensuring zero deforestation and conversion –, socially and economically for producers, companies, and consumers throughout their value chain.

To continue to be, worldwide, one of the companies with the highest certified soybean volume in internationally acknowledged socio-environmental standards, AMAGGI is part of the Round Table on Responsible Soy Association (RTRS) and ProTerra's technical and strategic discussions. In addition to certifying their own production, the company also works heavily on evolving the certified volume of their grain suppliers.

AMAGGI is one of the leading companies in the supply of certified deforestation and native vegetation conversion free (DCF) corn and soybean

worldwide. In 2022, 19.1% of the volume of RTRS soy (or 586,000 tons, from 71 production units) were traded by the company. Another 315,000 tons of oilseeds traded received ProTerra certification. The volume with 2BSVs certification reached 137,000 tons of soybeans and 705,000 tons of corn last year.

Over 120 farms of partner producers were certified in previously mentioned standards, after assessing entry processes, storage, and expedition, for a total volume of 901,000 tons for the culture of certified soy in 2022, 586,000 with RTRS certification, and 315,000 with ProTerra.

To ensure producers' adherence to socio-environmental certifications, AMAGGI distributed over BRL 3.3 million in awards to certified RTRS suppliers in their certification group. To ProTerra producers, the award was included in the NonGMO amount.

In addition to a bonus, all producers received close monitoring, with a socio-environmental diagnosis, visits from experts, monitoring and support in

implementing improvements and internal audits.

All costs with a socio-environmental diagnosis and other expenses for the certification of the supply chain are funded by AMAGGI.



GOAL RELATED TO FORESTS
AND NATIVE VEGETATION

“Providing innovative products and solutions for an ethical chain, free of deforestation and native vegetation conversion, that is low-carbon and regenerative.”



NEW CERTIFICATION MODELS, TRENDS, AND MARKET DEMANDS

AMAGGI launched and is already trading certified grains in their own guarantee of origin program – called ORIGINS, which ensures responsible and traceable production, free of deforestation and conversion with a customizable cut-off date, by using technology, enabling high scalability. The program already has two modules being traded, Standard and Field, with the latter being recognized by the European Feed Manufacturers' Federation (FEFAC) and it must bring new modules to ensure low greenhouse gas emission grains, traceability through blockchain, and segregated routes.

AMAGGI has also started engaging on discussions over the new guidelines of European countries for soy trading, especially the French Manifesto against Imported Deforestation, the UK Soy Manifesto and, above all, the EU Deforestation Regulation (EUDR) and Due Diligence process. The company hopes to deeply understand legal demands and that of their clients, so as to develop innovative and sustainable solutions.

The ORIGINS program ensures responsible and traceable production, free of deforestation and conversion and with a customizable cut-off date



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CHALLENGES AND GOALS

- 1 Consulting the company's interested parties, maintaining continuous and assertive dialogue between AMAGGI and stakeholders
- 2 Supporting mechanisms that value forests and natural resources, such as PES systems (payments for environmental services), issuing green bonds, carbon credit, and other finance mechanisms for protection
- 3 Promoting an ethical chain and ensuring the adoption of responsible, innovative practices throughout the entire value chain, such as biological control, as well as systems that enable greater productivity and management of soil use, reduced use of pesticides, fertilizers, and inputs, among other actions to mitigate possible social and environmental impact
- 4 Encouraging grain suppliers to maintain an operation free of native vegetation conversion, that contributes to sharing benefits with neighboring communities, and that allows for the efficient use of resources and sustainable land development
- 5 Increasing practices to share knowledge and encouraging socio-environmental certifications to producers, for work that is more and more sustainable

2022 HIGHLIGHTS

- 1 Completing the Technological Circuit to share agricultural practices and engaging producers on socio-environmental themes, including topics related to forest conservation and restoration
- 2 Extensive external communication of AMAGGI's new commitments "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain" 2021 version, during and following the Embrace the Future event
- 3 Participating in dialogue tables with stakeholders, such as the Soy Roadmap, ADP (Amsterdam Declaration Partnership), where national and international governments, and NGOs discuss opportunities to make progress in the fight against deforestation
- 4 Pilot participation to understand client demand, such as the one carried out with Earthworm in compliance with the sustainability guidelines of the European market
- 5 Active participation in meetings, forums, and seminars to discuss the industry's sustainability challenges
- 6 Supporting financial mechanisms that value forests, the climate, and natural resources, through the emission and allocation of BRL 750 million towards a Sustainability Bond operation in projects with positive socio-environmental impact

ENGAGEMENT AND PROXIMITY TO PRODUCERS

Technological Circuit and customized visits for socio-environmental compliance

Every year, AMAGGI has the Technological Circuit event, a field day promoted by the company and their partners to bring the latest information to rural producers in their working regions, favoring the spread of knowledge and good agricultural and socio-environmental practices.

The latest edition of the AMAGGI Technological Circuit was conducted in-person, following an entirely online edition in 2021 due to restrictions and cares necessary in light of the covid-19 pandemic. There were 1,553 participants at the event dedicated to discussing challenges and opportunities for soybean and corn for the next crop.

The encounters brought information to partner producers on techniques in the production area, from new cultivars, fertility, crop management, efficient use of inputs, grain market information, as well as practices that allow for greater crop sustainability,

such as the property's environmental suitability, recovery of degraded areas, workers' rights, and relations with local communities.

The Technological Circuit also includes visits from AMAGGI's sustainability team directly at the property, allowing for customized support aimed towards socio-environmental suitability.

AMAGGI has a dedicated team for conducting these visits, made up of professionals from various backgrounds, such as forestry, environmental and agronomic engineering.

**In 2022, 157 technical visits
by the sustainability team
were conducted to
AMAGGI's partner
producers' farms**



CASE: SUSTAINABLE FINANCIAL SOLUTIONS

As part of their strategy to engage interested parties, AMAGGI understands it to be **important to provide and develop mechanisms that value forests and natural resources**, encouraging, for example, environmental payment systems (EPS), the emission of green bonds, carbon credit, and other funding mechanisms for conservation.

In 2021, the company issued USD 750 million in Sustainability Bond operation. The resources were used in projects with positive socio-environmental impact to their operations, especially regarding forestry and weather.

At the start of 2023, AMAGGI shared the Sustainability Bond Report with an annual review conducted by a third-party, showing the total resource allocation.

In addition, after studies and viability assessments, AMAGGI and IPAM formalized, **at the start of 2023, the signing of the contract for financial compensation** for maintaining an area of 2,200

hectares of native vegetation inside Itamarati Farm, in Mato Grosso, within the scope of CONSERV Project. That is the greatest individual area to adhere to the initiative.

CONSERV is a private, voluntary mechanism that compensates rural producers for conserving areas of native vegetation, in addition to the legal reserve, on their property.

Launched in 2020 and developed by IPAM — in partnership with the EDF (Environmental Defense Fund) and the Woodwell Climate Research Center, in this step, CONSERV operates in municipalities in Mato Grosso and Pará, in the Amazon and Cerrado biomes.





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CHALLENGES AND GOALS

- 1 Maintaining an open dialogue and being a part of initiatives with the main players in the value chain, seeking to enable innovative and sustainable solutions for the challenges of deforestation free agriculture
- 2 Supporting the development of initiatives with jurisdictional approaches and being a part of projects that contribute towards the progress of public policies and the improvement of the country's socio-environmental governance
- 3 Continuing to be a part of industry discussions, such as the Coalition Brazil Climate, Forests and Agriculture, Soy Work Group (GTS) – Soy Moratorium, CEBDS Food Systems GT, among others
- 4 Investing in initiatives for environmental repair and restoration, especially in areas of high biodiversity conservation value and carbon stock (HCS and HCV)

- 5 Providing initiatives for expansion over open and degraded areas
- 6 Promoting initiatives for low-carbon regenerative agriculture
- 7 Investing in partnerships and projects towards a more responsible supply chain, especially in those working on priority jurisdictions

2022 HIGHLIGHTS

- In 2022, AMAGGI was actively engaged in **over 14 initiatives towards the development of a sustainable agriculture**. In addition, a Communication and Engagement Plan for Stakeholders is being developed for 2023 to 2025
- **Promoting sustainable agriculture**, holding conversations at forums and national and international roundtables
- **Partnership with Embrapa** to understand and apply regenerative agriculture practices on a large scale.
- **Maintaining sector agreements that promote the fight against deforestation**, such as the Soy Moratorium and the Green Grain Protocol of Pará
- **Partnerships to promote solutions** in terms of judicial aspects, recovery and restoration, expansion over open and degraded areas
- **Pilot participation in the CDP initiative** aimed at including judicial matters to their most current forest questionnaire

PARTNERSHIPS AND INITIATIVES

Through dialogue and the joint development of solutions, values shared by AMAGGI, the company maintains their **commitment and engagement by actively participating of the most important roundtables, forums, and work groups** to discuss sustainability related to food production and agribusiness, combining efforts with governments, society, research and private sector institutions in favor of sustainable agriculture, in Brazil and abroad.

Partnerships are established considering primary themes, an impact scale, and priority work jurisdictions established by AMAGGI at the Amazon and Cerrado biomes, so that efforts to leverage sustainability are concentrated on the areas most at risk.



MAIN INITIATIVES AND PARTNERSHIPS



Abiove

AMAGGI is an active partner of the Brazilian Association of Vegetable Oil Industries (Abiove). Among the association’s sustainability programs, there is Agro Plus, previously Soy Plus, which guides best administrative practices, waste management at facilities, environmental compliance, and work safety.



Federation of Industries of Mato Grosso (FIEMT)

Working on FIEMT, the state’s unit of the National Confederation of Industry, AMAGGI is engaged on discussions related to, for example, environmental legislation and the progress of sustainability at companies.



MT Strategy - Produce, Conserve, Include (PCI)

Launched during the United Nations Conference on Climate Change in Paris (COP 21), in 2015, by the Mato Grosso government, the MT Strategy - Produce, Conserve, Include has the goal of establishing a path for the sustainable expansion of agricultural and forestry production, as well as towards environmental recovery and conservation and the development of family farming, until 2030. Active since 2015, AMAGGI is the co-founder of the PCI Institute.



Soy Work Group (GTS)

The company collaborates with GTS, incorporated by Abiove, that involves organizations of civil society and companies against deforestation, and has the important role of helping implement the Soy Moratorium, a voluntary agreement that companies such as AMAGGI are committed to not purchasing soy produced in deforested areas after July 22nd, 2008, in the Amazon biome.



Seed Paths

AMAGGI works on this environmental restauration front through direct seeding (known as muvuca). Over 160 organizations and 40 experts are a part of Seed Paths. Direct seeding of native seeds collected in urban and rural environments have the goal of restoring the flora of degraded areas in the Amazon and Cerrado biomes.



The Brazilian Agricultural Research Corporation (Embrapa)

Sustainable agricultural expansion relies on studies and techniques on soil sustainability and quality. Such is the focus of research conducted by Embrapa developed with AMAGGI’s support, in the company’s cultivated areas.



Agriculture Sector Roadmap to 1.5°C

AMAGGI established a commitment with large agricultural commodities traders to develop a roadmap targeted towards speeding up the industry's action on land use changes in their operations to be aligned with global climate goals, contribute to food security, economic development and farmers' livelihoods.



Brazilian Initiative for the Voluntary Carbon Market (BR VCM)

The Initiative coordinated by McKinsey & Company is a result of an union between companies and institutions from several areas in Brazil, with AMAGGI being one of them, with the goal of structuring key-actions to develop a voluntary carbon market in the country and contributing to the high-integrity global carbon credit market.



Coalition Brazil Climate, Forests and Agriculture

Companies, governments, NGOs, and civil society, connected by the promotion of low-carbon economy.

In this coalition, AMAGGI leads the Deforestation Forum and is part of the Coalition's Executive Group (GX).



FGV EAESP

Through a partnership with the Getúlio Vargas Foundation (FGV), the company enables the calculation of their inventory of Greenhouse Gas (GHG) emissions on the GHG Public Records Platform, from FGV's Center for Sustainability Studies.



Amazon Environmental Research Institute (IPAM)

In a partnership of nearly 20 years, since 2004, AMAGGI has supported research by the Amazon Environmental Research Institute (IPAM). Researchers investigate the integration between forests in agricultural areas at Tanguro Farm, in Querência (MT), and monitor biodiversity at agricultural areas in the state of Mato Grosso, in addition to conducting biodiversity studies at all AMAGGI farms.



Round Table on Responsible Soy Association (RTRS)

As a coordinator of sustainable soy farming, AMAGGI is part of the group of grain producers, traders, and processors gathered by the international Round Table on Responsible Soy Association (RTRS). The discussions include financing and impacts associated with several links of the soy production chain.



Sea Cargo Charter

AMAGGI SA located in Switzerland collaborated with the Sea Cargo Charter in 2022. It analyses climate emissions in their maritime activities and it looks for ways to reduce them.



The Nature Conservancy (TNC)

In partnership with TNC, AMAGGI completes projects that strengthen agricultural productivity and the income of small food producers, especially women and family farmers, encouraging sustainable practices in soy production such as the recovery of degraded areas, the responsible use of agricultural supplies, and the protection of natural areas.

CASE: MUVUCA




AMAGGI's investment in Muvuca, planting native species to recover degraded areas was increased in 2022. The technique was implemented in 17.5 hectares at Tanguro farm, 9 hectares at Sete Lagoas farm, and 1 hectare in an experimental area at the Jesuit Hydroelectric Plant.

Considering the 7 hectares where the project was launched in 2020, these areas make up a total of 35 hectares of Muvuca and are a part of the other 160 hectares of recovery areas in that period. **Currently, AMAGGI conserves a total of 137 thousand preserved hectares.**

Collaborating in this initiative are the Socio-Environmental Institute (ISA), Embrapa and Agroicone.



NEXT STEPS AND FUTURE CHALLENGES IN ACHIEVING OUR COMMITMENTS TO FORESTS AND NATIVE VEGETATION

NEXT STEPS			
MAIN GOALS RELATED TO FORESTS AND NATIVE VEGETATION	 INTERNAL OPERATIONS	 MONITORING THE VALUE CHAIN	 ENGAGEMENT AND ACTIONS TOWARDS A SUSTAINABLE CHAIN
Remaining Deforestation and Conversion Free (DCF) since 2008 for agricultural production at proprietary farms, ensuring expansion only in already open areas	<p>Continuing to manage their own farms, ensuring established socio-environmental Due Diligence processes to acquire new assets, ensuring the maintenance of AMAGGI's socio-environmental criteria and goal.</p>	<p>Maintaining satellite monitoring of our own areas that are a part of this commitment, with the goal of providing transparency to interested audiences, conducting, whenever necessary, the restoration of forest or native vegetation areas, for example, in case of accidental fires.</p>	<p>Maintaining and developing new partnerships and initiatives with NGOs, research institutes, universities, private sector companies, among other players seeking to increase productivity per hectare, as well as other sustainable solutions, also showing that it is possible to produce in a more sustainable way, without expanding to forest areas, remaining deforestation and conversion free, promoting low-carbon regenerative agriculture.</p> <p>Turning AMAGGI farms into a model for regenerative agriculture to be scaled to other rural properties, by sharing knowledge alongside rural and family farmers, encouraging technical assistance initiatives, as well as developing sustainable finance solutions.</p>
Having a 100% monitored and traced grain supply chain, that is Deforestation and Conversion Free (DCF) for agricultural production until 2025, considering all biomes, countries, and regions where it is present	<p>Continuing the work of maintaining the ESG agenda in the company's decision-making, including employee encouragement and acknowledgment for reaching the company's established goals, for example, those related to forestry.</p> <p>Strengthening internal procedures and controls, for increasingly more qualified transparency in meeting the main demands of AMAGGI's stakeholders.</p>	<p>Maintaining investments in technology, conducting improvements to the geospatial system of grain trading, ORIGINAR 2.0, to improve trading processes, monitoring, and control, meeting new demands from internal and external stakeholders.</p> <p>In Brazil, making progress in the traceability of indirect suppliers in regions of priority jurisdiction as well as ensuring 100% traceability of direct suppliers.</p> <p>Beyond Brazil, expanding their work in monitoring and traceability for their Paraguay and Argentina operations up to 2025</p>	<p>AMAGGI's priority action is engaging producers in their value chain with the goal of making them able to meet the company's socio-environmental criteria and commitments. This must happen through activities to share knowledge, support the application of the best agricultural practices, encouraging certification, and supporting the development of financial solutions to protect forestry assets.</p> <p>Continuing the work developed alongside producers, NGOs, associations, communities, governments, clients, among other players in the soy value chain, seeking to develop solutions towards a low-carbon, deforestation and native vegetation conversion free agriculture.</p> <p>Engaging directly or on a sector-by-sector basis to find traceability solutions for intermediary suppliers, such as cooperatives and retailers, in order to start tracking indirect suppliers at farm level.</p>
Providing innovative products and solutions for an ethical chain, free of deforestation and native vegetation conversion, that is low-carbon and regenerative	<p>Being a reference in providing solutions to the sustainability demands of their value chain, making their operations a sustainable agriculture model.</p>	<p>Ensuring traceability, in addition to monitoring, reporting, and verifying (MRV) AMAGGI's value chain meeting our clients' demands, especially, for products that are deforestation and native vegetation conversion free and with a low carbon footprint.</p>	<p>Promoting new highly scalable solutions for the market, such as AMAGGI's guarantee of origin program ORIGINS, which should evolve into other modalities such as calculating carbon footprint, providing low-carbon or carbon-neutral soybeans, as well as blockchain registration, allowing for greater integration of information along all links in the grain value chain (from the field to the table).</p> <p>Engaging in discussions to identify solutions and flows that meet the new demands of the European market, such as the French Manifesto against Imported Deforestation, the UK Soy Manifesto, and the EU Deforestation Regulation (EUDR) / Due Diligence.</p>

FINAL MESSAGE

We are ready to **face the still existing challenges and find innovative and sustainable solutions** that can meet society's latest demands in a balanced and inclusive way



Juliana de Lavor Lopes
Communication,
Compliance,
and ESG Director

We believe that having a clear commitment against deforestation, native vegetation conversion, and reduced impact of climate change, respecting Human Rights, and providing regenerative agriculture is a fundamental step towards achieving solid results shared across the entire value chain.

For this reasons, since 2017, AMAGGI has already been positioning itself and plotting **commitments to promote sustainability across our operations and chain**, when we launched the Global Sustainability Positioning. Throughout our journey, we could better understand our role, and we also found it necessary to update our lines of work and strengthen our commitments, providing even more transparency in our ambitions, actions, and results for society and our audiences.

Thus, we would like to reinforce the year of 2021, when we launched, during the

Embrace the Future event, our ESG goals and the new version of the "Towards a Deforestation and Native Vegetation Conversion Free Grain Chain" commitment, after deepening and understanding the biggest challenges in the value chain. In our commitment, we highlight our **goal in having a deforestation and native vegetation conversion free chain by 2025**, maintaining our already established institutional commitments, such as the Soy Moratorium and the Green Grain Protocol. **We are also committed to the climate and towards becoming greenhouse gas neutral, based on SBTi, by 2050**. And, ensuring a complete sustainability agenda, that addresses the main environmental, social, and economical challenges, we are committed to delivering effective results in themes such as chain traceability, ethics, and Human Rights.

Our actions already show that we are

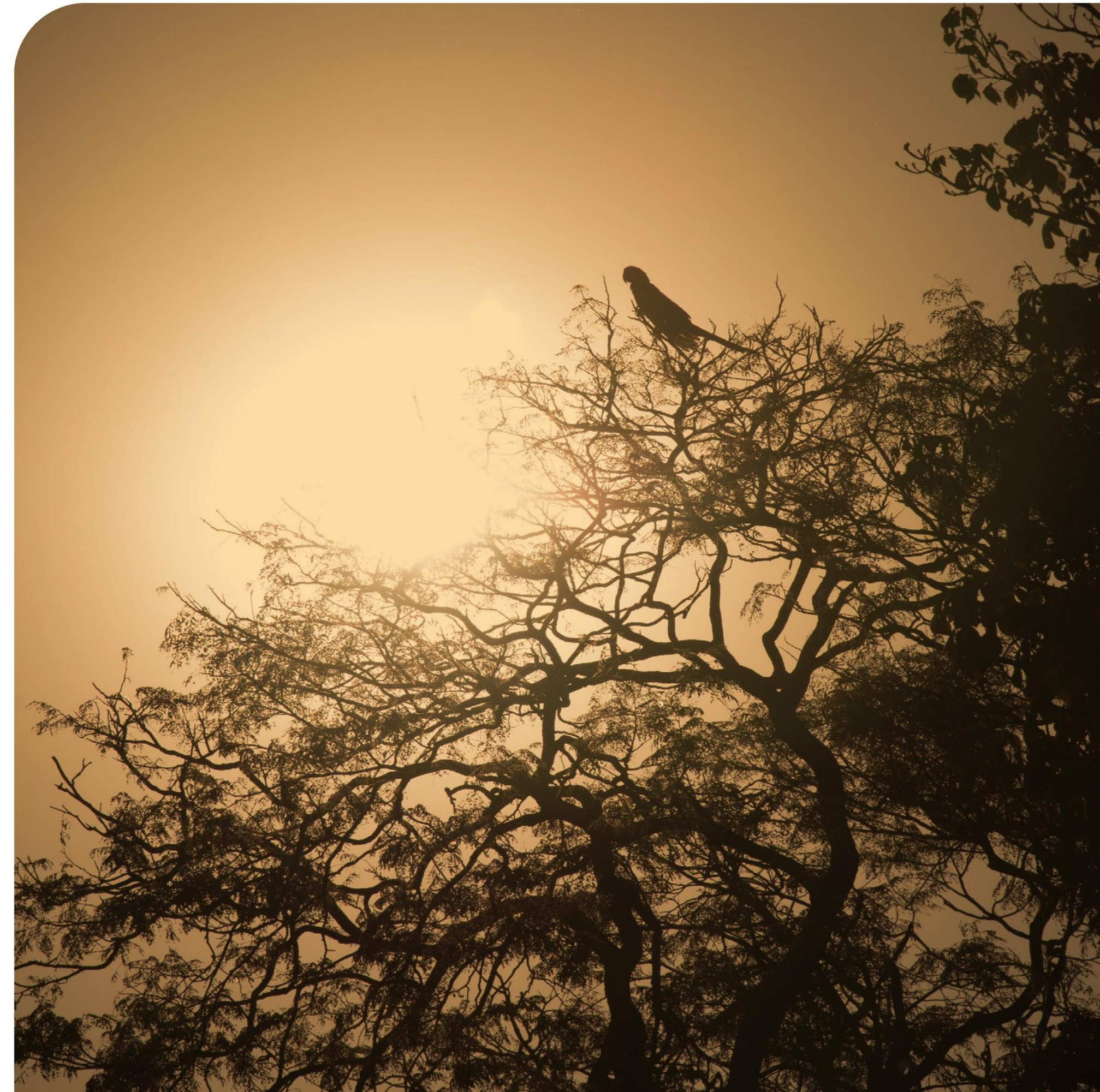
"Looking towards the future, in light of society's demands, we see that there is plenty of work ahead. However, we are not alone in this search."

on the right path, since we have achieved great progress and positive results, with 100% of our direct supplier chain being traced and monitored in Brazil, and 99.15% of our traced suppliers free of deforestation and conversion after 2020. We have also been recognized for our work by important socio-environmental rankings, such as CDP Forest, where we achieved a Leadership (A-List) position, in addition to being positioned as the best global soybean companies in measures against deforestation worldwide, according to the Forest 500 ranking, by the Global Canopy organization.

Looking towards the future, in light of society's demands, we see that there is plenty of work ahead. However, we are not alone in this search, we seek the joint efforts of all productive sectors, communities, government spheres, civil society organizations, research institutes, companies in the food chain, financial institutions, and consumers, to achieve concrete results.

We believe that with the support of our

network **and supply chain, we are ready to face the still existing challenges, and find innovative and sustainable solutions that can meet society's latest demands in a balanced and inclusive way**, delivering products from sustainable origins, that are deforestation and native vegetation conversion free, with a low carbon footprint, and produced responsibly.



THIRD-PARTY AUDIT LETTER

FOODCHAIN ID[®]
BRASIL

Sao Paulo, August 4th 2023

Company: **AMAGGI EXPORTAÇÃO E IMPORTAÇÃO LTDA**
Address: **Av. André Antônio Maggi, 303**
City: **Cuiabá/MT – Brazil** ZIP CODE: **78049-080**

REFERENCE: Amaggi Progress Report - **Reference Letter:** FC1D-RPA-31/23

FoodChain 1D Certificadora Ltda., a certifying company accredited to the 1SSO 17065 and 17025 standards, responsible for assessing the **Progress Report – Commitment “Towards a Deforestation and Native Vegetation Conversion Free Grain Chain”**, declares that on 07/15/2023, it audited the ESG targets set by the company and the results achieved by their actions.

As such, FoodChain 1D acknowledges the consistency and accuracy of the data, as well as the goals proposed and results achieved, and attests to the accuracy of the information in the report.

Sincerely,

Reinaldo Rodrigues
Technical Manager



AMAGGI.

The logo features the word "AMAGGI" in a bold, white, sans-serif font. To the right of the text is a stylized symbol consisting of three parallel, slanted lines of increasing length, followed by a small dot. The logo is centered horizontally and is overlaid on a large, semi-transparent orange circle. The background is a composite image: the left side shows a field of green pea plants under a blue sky, and the right side shows a close-up of a leopard's face with its tongue out, set against a warm, golden-yellow background.