

Sustainability Report 2016

COMPLETE VERSION



AMAGGI

Sustainability Report 2016

FULL VERSION

Index

3

MESSAGE FROM
THE PRESIDENT

5

AMAGGI

28

BUSINESS
AREAS

35

MATERIAL
THEMES

87 ABOUT THE
REPORT

90 CONTENTS OF THE GLOBAL
REPORTING INITIATIVE (GRI)

99 CRÉDITOS



Message from the President

G4-1

In 2017 AMAGGI completes 40 years. We will celebrate these four decades of work with the certainty that the search for constant improvement is a key point of our evolution. Therefore, it is with satisfaction that we share here the actions carried out in 2016, continuing our mission of contributing to the development of agribusiness, respecting the environment and improving people's lives and the communities where we are present.

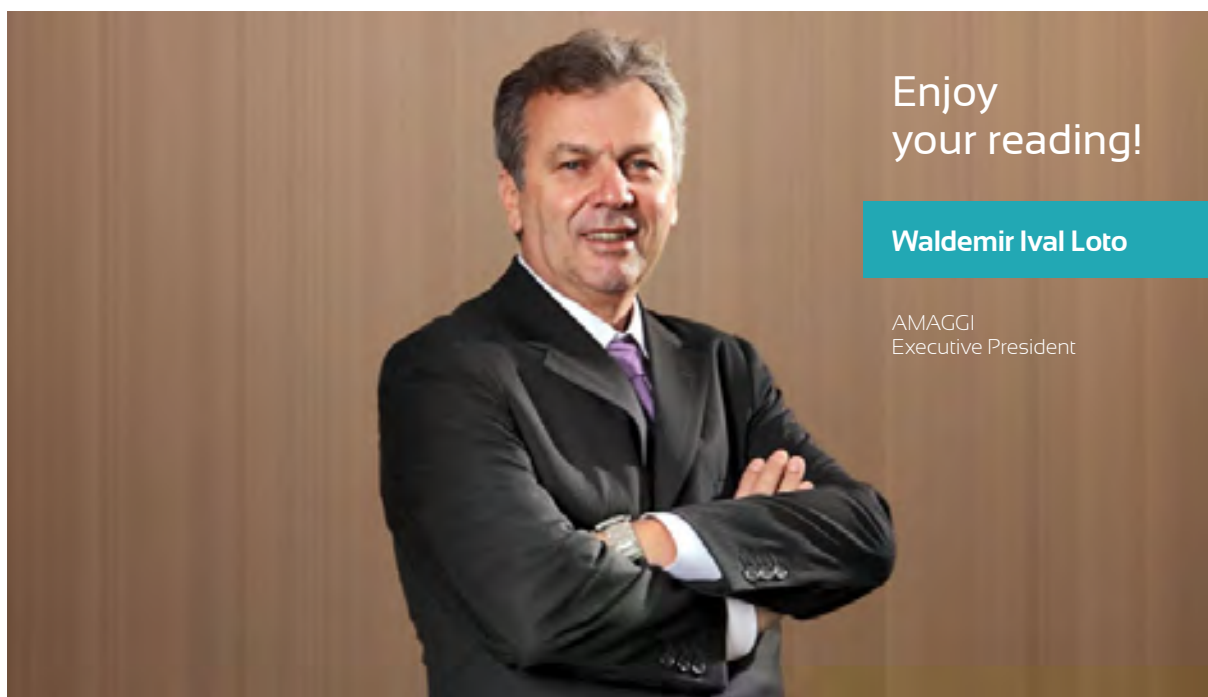
Last year presented a challenging scenario. Besides the crisis crossed by the country, the sector was affected by climatic conditions, which impacted the origination of grains. But our management efforts and quest for efficiency in all areas allowed us to close 2016 with a global turnover of US\$3.44 billion, in Brazil and abroad (Argentina and Paraguay). We also inaugurated the fertilizer mixer in Comodoro, started the implementation of the AMAGGI Responsible Origination Platform - ORIGINAR, expanded our operations in the North Corridor for grain disposal - through the acquisition of 50% of the Transshipment Station in Miritituba and the Terminal Port in Barcarena -, and we expanded the partnerships already started with other large agribusiness companies.

For 2017 we are projecting growth in soybean and corn volumes, although the entry of new participants into the origination market may impact the negotiation margins with the producer. Our efforts to achieve a more efficient production have allowed us to grow approximately 10% in productivity in the planted areas, without expanding the surface used.

AMAGGI works in specific and demanding markets, so we take great care to act in a transparent and constantly improving way. We are concerned about the entire grain chain and we have a structure that encourages the development of local producers and suppliers, which is also reflected in several certifications that meet social and environmental criteria and quality. Believing in this tool, AMAGGI has launched its own certification standard, the AMAGGI Responsible Soy Standard (A.R.S.), which promotes a socio-environmental management culture among grain suppliers.

AMAGGI work has always in mind the continuity of the business, closely linked to sustainability, which permeates our entire process of management, operations and value chain. Based on the principles of the United Nations Global Compact, we also invest in actions and partnerships with various sectors, such as civil society, nongovernmental organizations (ONGs), suppliers, clients and government, to carry out our business in an increasingly sustainable way.

With 40 years of age, we are proud to embrace the challenge of being an even more global company and a reference in sustainable development. We know that the answers to our challenges will increasingly be in sustainability, in recognizing the complexity of the production chain and in supporting sustainable agriculture.



AMAGGI

G4-3, G4-6

Since it was founded in 1977, AMAGGI has expanded its operations to all regions of Brazil and has crossed national boundaries, being present today in Argentina, Paraguay, Holland, Norway, Switzerland and China. Comprising four major business areas – Commodities, Agro, Logistics¹ and Energy – it operates in an integrated and synergistic way throughout the agribusiness chain, from the origination and commercialization of grains and inputs to port operations, from river transport to agricultural production and also by the generation and sale of electric energy.

For social issues AMAGGI has a Private Social Investment Policy that establishes the way it carries out its investments in the localities where it operates. From its provisions the company makes the spontaneous transfer of financial resources so that the André and Lucia Maggi Foundation can manage its projects, guided by the vision of “transforming people and communities for sustainable development”.

With four decades of history, AMAGGI celebrates not only for being among the main exporters in Brazil, but also for having achieved this position with responsibility, respect for its partners and for the communities where it is present, assuming its role in the development of society.

¹The Logistics and Operations Directory was created in 2016, with the objective of integrating the logistics modalities of the company. From 2017 on the Navigation business area became part of the Logistics Directory, which also includes road, rail and other related activities. Learn more on the chapter Logistics for grain outflow.



In Brazil

- 🏠 A Brasnorte
- 🏠 B Diamantino
- 🏠 C Ipiranga do Norte
- 🏠 D Matupá
- 🏠 E Novo Horizonte
- 🏠 F Nova Mutum
- 🏠 G Nova Ubitatã
- 🏠 H Paranatinga
- 🏠 I Primavera do Leste
- 🏠 J Santa Rita do Trivelato
- 🏠 K São José do Xingu
- 🏠 L Tapurah
- 🏠 M Vera

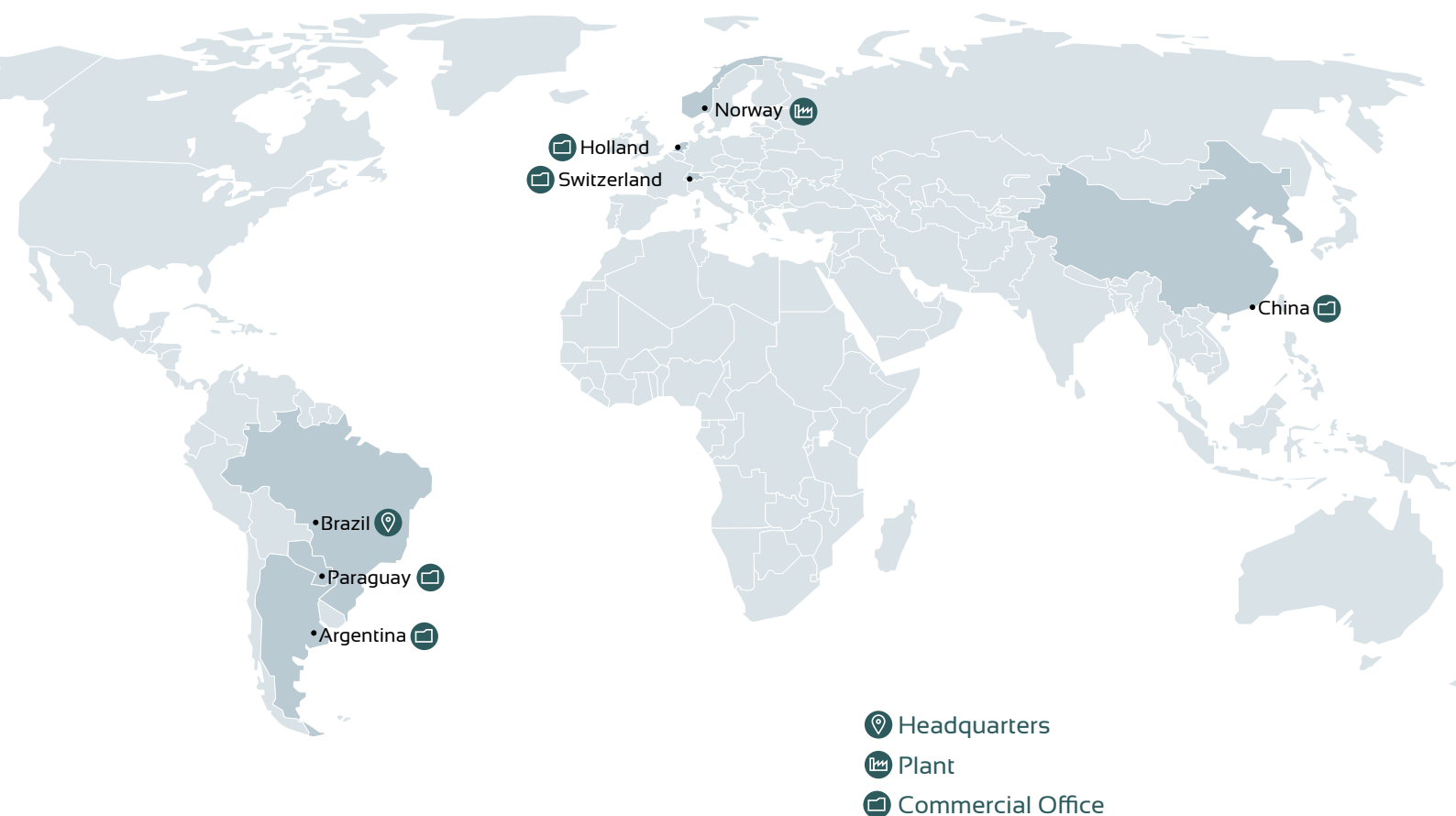
- 🏠 N São Félix do Araguaia
- 🏠 O Campos de Júlio/AGD
- 🏠 P Sapezal

- 🏠 Q Rondonópolis
- 🏠 R Sorriso
- 🏠 S Água Boa
- 🏠 T Confresa
- 🏠 U Tangará da Serra
- 🏠 V Comodoro

- 📍 Headquarters
- 🏭 Plant
- ⚙️ Joint Venture
- 🏢 Commercial Office
- 🏠 Farm
- 🏠 Warehouse
- 🚢 Port Terminal
- 🚢 Shipyard
- ⚡ Small hydroelectric stations
- 🟢 ISO 14001 Certification
- 🟢 River Corridor
- 🟠 Highway
- 🟢 Railroad

International Presence

G4-6



Mission, Vision and Values

G4-56

MISSION

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

VISION

To be a reference company in sustainable development.

VALUES



INTEGRITY

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



RESPECT TO THE ENVIRONMENT

Be a reference in socio-environmental management.



SIMPLICITY

Concentrate on the essential, encouraging agility and reducing bureaucracy.



HUMILITY

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



PARTICIPATIVE MANAGEMENT

Encourage participation, promoting recognition and professional growth, and engage people in key business processes.



COMMITMENT

"Wear the company shirt". Have passion and pride for the work and strive for the success of the company.



INNOVATION AND ENTREPRENEURSHIP

Maintain the creative, participative, bold, talented and enthusiastic people in the organization; those who really make the difference in the competitive market.



RESPECT FOR PARTNERS

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

Code of Ethics and Conduct

G4-56

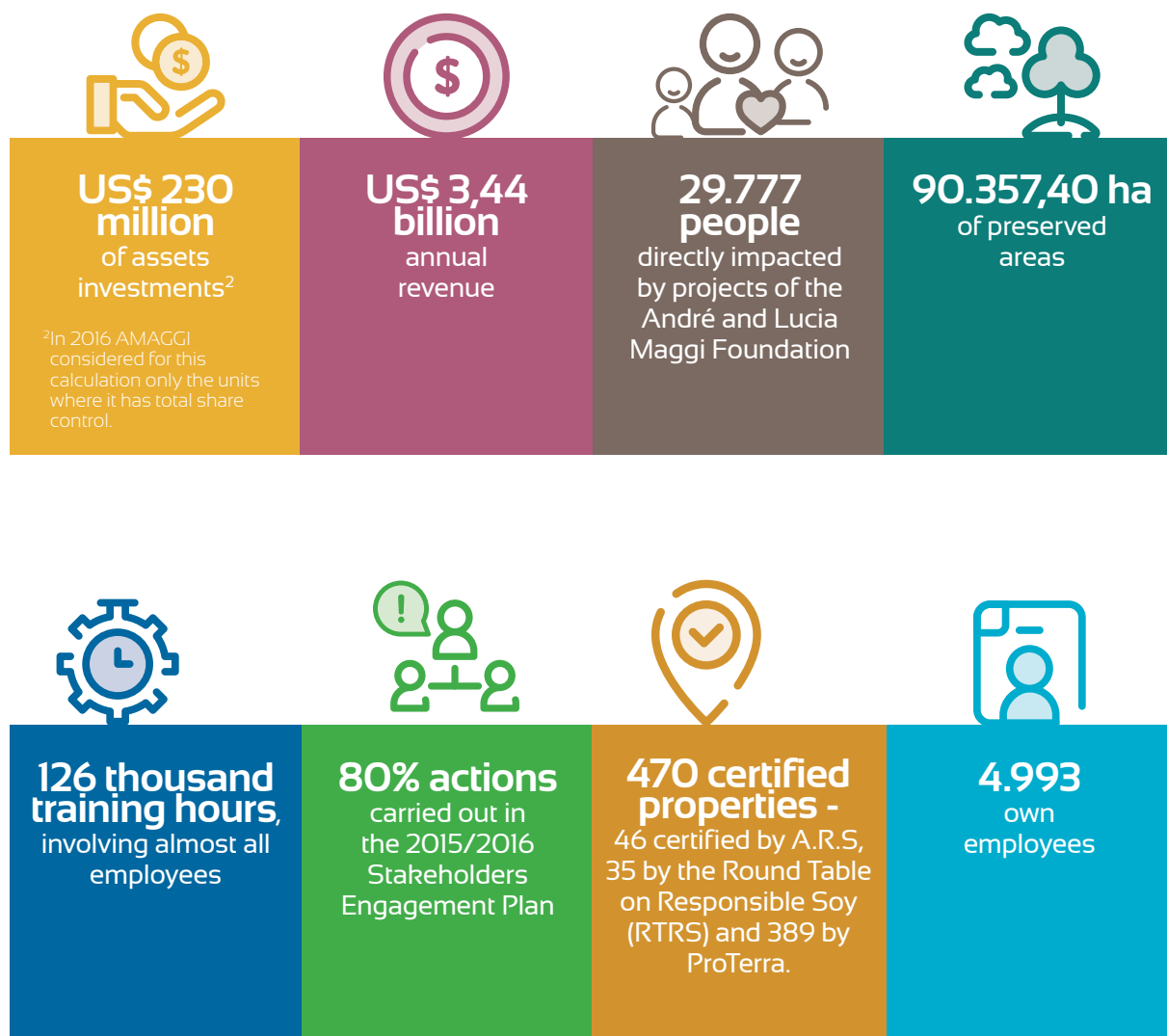
In order to clearly define its moral and ethical principles, AMAGGI has a Code of Ethics and Conduct, which must be adopted by all employees. It guides the activities to be followed in the conduct of business, daily activities and responsibilities and in the relationship with stakeholders.

AMAGGI Code of Ethics and Conduct is formally presented to the new employees on their first day of work, during the integration process. It is also permanently available on Intranet and on the company's website (www.AMAGGI.com.br) and is accessible to all interested parties.

The Ethics and Conduct Committee, made up of company managers, is responsible for preparing and managing the document. In order to promote updates and improvements in the Code of Ethics, it underwent a review process in 2016, and its new version will be released in 2017.

2016 Highlights

G4-9



Awards and Recognitions

500 BEST AGRIBUSINESS COMPANIES



10th place in the ranking of Dinheiro Rural magazine and the largest company in the sector in the State of Mato Grosso and throughout Central-West region.



50 MOST BELOVED COMPANIES IN BRAZIL

13th place in the annual Love Mondays ranking.

VALOR 1000



42nd largest company in Brazil, according to the newspaper Valor Econômico.



CERTIFICATE OF SOCIAL RESPONSIBILITY

Recognized by the Legislative Power of the State of Mato Grosso for its actions in social responsibility.

CHILD-FRIENDLY COMPANY



Recognized by Abrinq Foundation for its social actions to benefit children and adolescents.



HRS MOST ADMIRERED IN BRAZIL

Present in the lists "2016 Most admired HRs in Brazil" and "25 Companies most admired by 2016 HR", and certified as State Highlight and Regional Highlight (Midwest).

MAIORES & MELHORES



AMAGGI Commodities as the 39th largest company in Brazil in net sales volume on 2016 Maiores & Melhores ranking by Exame magazine.



40 BEST COMPANIES TO START CAREER

34th place on Você S / A magazine.

GUIA EXAME DE SUSTENTABILIDADE



Among the most sustainable companies in Brazil for the fourth consecutive year.



ÉPOCA NEGÓCIOS 360°

2nd best financial performance of the Brazilian agribusiness sector in 2016.

Timeline



1977

- Start of activities, in São Miguel do Iguaçu (PR), with Sementes Maggi Company.



1979

- Acquisition of SMI Farm in Itiquira (MT), the first property in the State of Mato Grosso.



1983

- Inauguration of the company's first warehouse, at SM3 Farm, also in Itiquira.



1992

- Construction of the first small hydroelectric station, called Santa Lucia I, and the transmission lines and energy distribution system, in Sapezal (MT).



1997

- Inauguration of the Northwest Export Corridor and start of Navigation activities, in Porto Velho (RO) and Itacoatiara (AM).
- Creation of the André Maggi Foundation.



2001

- Beginning of the soybean crushing process in Cuiabá (MT).
- Death of the group's founder, André Antonio Maggi.



2002

- Beginning of Itacoatiara's industry operations.



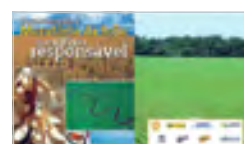
2003

- Start of the commercial production of another small hydroelectric station, Saint Lucia II, in Sapezal.
- Implementation of the Environmental Management System.



2005

- The company becomes a signatory of the National Compact Institute for the Eradication of Slave Labor (InPACTO).



2006

- Adhesion to the Soybean Moratorium.



2007

- Creation of the Public Selection of Projects of the André Maggi Foundation.
- Achievement of ProTerra certifications and ISO 14001.
- Guarujá Bulk Terminal (TGG) starts operating.
- The company's revenue reaches the first billion dollars.



2008

- The industry of Lucas do Rio Verde (MT) receives the first soybean load.
- Start of AMAGGI operations in Rotterdam, Holland.
- Adoption of the guidelines of the Global Reporting Initiative (GRI) for reporting sustainability.



2009

- Extension of AMAGGI presence in Europe, with the acquisition of 51% of the shares of the Norwegian overwhelming Denofa.
- Membership of the United Nations Global Compact.



2010

- Inauguration of the origination office in Argentina.
- Renewal and expansion of ISO 14001 environmental certification's scope.



2011

- Completion of the works of the new headquarters, which is transferred from Rondonópolis (MT) to Cuiabá.
- Unprecedented certification of Round Table on Responsible Soy (RTRS), with the first two farms in the world to obtain this certification.
- Start of the commercial operation of the small Divisa hydroelectric station.



2012

- AAMAGGI becomes the first Brazilian company to obtain the certification of the International Sustainability & Carbon Certification (ISCC) - Renewable Energies / Biomass.
- Recognition as reference in environmental management in agribusiness by the Annual Report of the Forest Footprint Disclosure (FFD) - 2011 edition, released in 2012.
- AMAGGI participates in the Rio + 20 Conference as a model company on panel about Sustainable Agriculture.



2013

- Opening the commercial office in Lausanne, Switzerland.
- Acquisition of 100% shares of Denofa, a Norwegian overwhelming.
- Start operation of the small hydroelectric stations Segredo and Ilha Comprida, in Sapezal.
- Acquisition of Vale do Araguaia Farm, in São Félix do Araguaia (MT).
- Featured in Guia Exame de Sustentabilidade.
- AMAGGI President makes a speech during the 2013 Global Compact Leaders Summit.



2014

- AMAGGI starts activities in Paraguay.
- New warehouses in Matupá, Diamantino, Santa Rita do Trivelato and Tapurah, all in Mato Grosso, start to receive grains.
- Departure of the first convoy of grain transportation by the Tapajós / Amazonas waterway corridor and the beginning of Unitapajós activities in Pará.
- Publication of the GHG Agricultural inventory.
- André Maggi Foundation is renamed as André and Lucia Maggi Foundation, in honor of its founders.



2015

- Harvest of Vale do Araguaia Farm first crop.
- Beginning of operations at Maranhão Grain Terminal (Tegam), in São Luís (MA) and Portochoelo, in Porto Velho (RO).
- Beginning of commercial representation activities in China.
- Creation of Socio-environmental Management and payment of the RTRS Producers Award.
- Beginning of the partnership with Childhood Brasil, in the Na Mão Certa (Right Direction) Program.



2016

- Inauguration of the first fertilizer mixing unit, in Comodoro (MT).
- Acquisition of 50% of Miritituba Transshipment Station (PA) and Barcarena Port Terminal (PA).
- Launch of AMAGGI Responsible Soy Standard Certification (A.R.S.).
- Achievement of the Gold Seal by GHG Agricultural Protocol.
- Implantation of ORIGINAR – Responsible AMAGGI Origination, management and monitoring platform of its grain chain.

Global Positioning for Sustainability and 2025 AMAGGI Vision

In its growth process, AMAGGI was able to integrate every stage of its production chain, identifying opportunities and incorporating challenges. Thus, over more than four decades of existence, it has increased its operations until reaching the current size.

International operations began in 2008, and AMAGGI became a multinational with its Brazilian headquarters. Continually expanding its international operations, in just six years the company was already operating in Argentina, Paraguay, Holland, Switzerland, Norway and China.

AMAGGI has been working towards its consolidation on a global scale, based on a careful expansion plan, which seeks to guarantee all the operations of the company - national and international - the premise of action aligned with sustainable development. It is in this context that the company decided to formalize and publish its Global Sustainability Positioning, in order to unify its socio-environmental performance and deepen the synergy of its operations around the world.

In addition to unifying its socio-environmental performance, AMAGGI Global Positioning of Sustainability intends to highlight the commitments relevant to its continuity, to integrate sustainability into the company's expansion strategy and to allow an organic unfolding of its global positioning for its national, regional and local actions.

One of the acknowledgments necessary for a truly sustainable performance is that it is not possible for a sole company to achieve performance compatible with that goal. Only working in partnership with civil society, ONGs, suppliers, clients and government, among others, it is able to scale the results.

It is with these horizons that AMAGGI Global Sustainability Positioning is structured around the following principles:

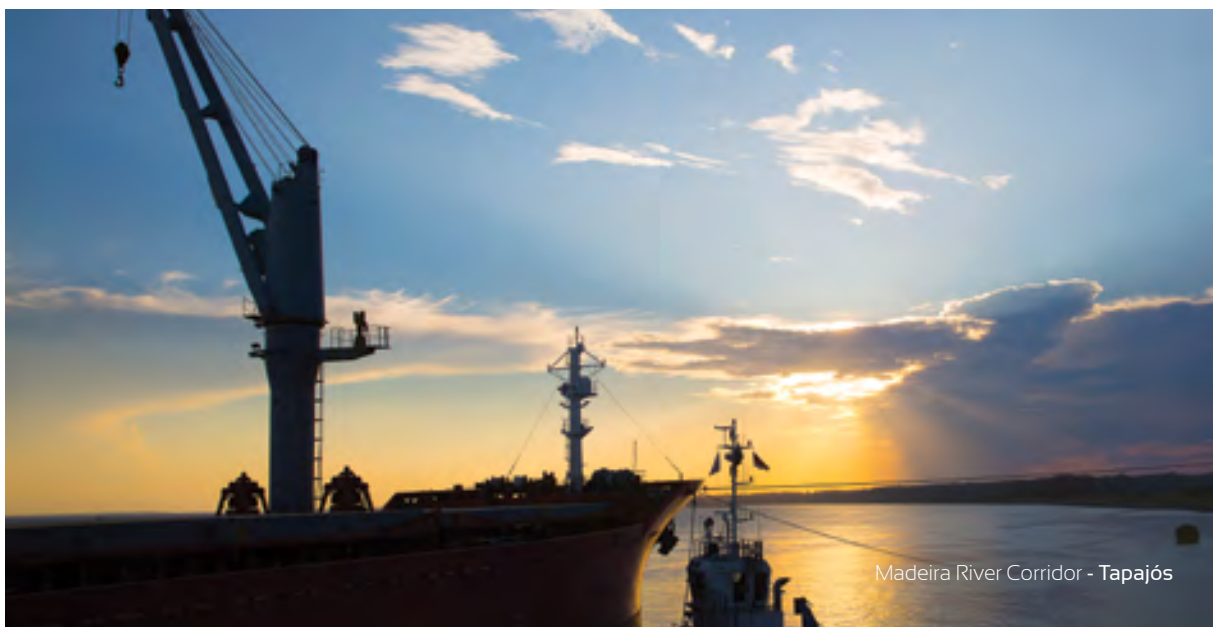
- ➔ Have economic viability, add value to shareholders and employees, and share value with society, contributing to local development;
- ➔ Be socially and environmentally responsible, and promote the continuous improvement of socio-environmental management in its operations and in the value chain;
- ➔ Ensure good governance and transparency of its operations, through legal compliance and risk management;
- ➔ Promote respect for human rights and decent work in its operations and in the value chain;

- Promote personal and professional growth of employees, valuing diversity and seeking continuous improvement of working conditions, health and safety;
- Contribute to the promotion of food and nutritional security.

The commitments made in AMAGGI Global Positioning of Sustainability were contemplated in the company's decisions, which in 2017 intend to engage partners and disseminate it to their value chain.

Sustainability Plan with Vision until 2025

In order to integrate the strategies of the business areas for the coming years and the Global Positioning of Sustainability, AMAGGI created a Sustainability Plan with Vision until 2025. The plan was divided into strategic blocks, with actions in each theme, and which cover the company's four business areas, as well as André and Lucia Maggi Foundation.



In 2016 AMAGGI undertook the internal consolidation of the Global Positioning of Sustainability scope, with the special care of evaluating its capacity to assume and fulfill the commitments. The process went through continuous improvement with the Top Management, seeking an even greater integration with business strategies and having transparency as a principle. Through its Vision Sustainability Plan until 2025, AMAGGI intends not only to position itself, but also to engage its partners and the entire industry.

In the same year the company began a process of reviewing and prioritizing both AMAGGI and André and Lucia Maggi Foundation social and environmental actions, based on 2025 Vision. The consolidation of this process is scheduled for 2017, and it will be possible to follow the goals established in the short, medium and long term.

The detailing of AMAGGI Global Sustainability Positioning and Sustainability Plan for 2025 will be launched in 2017 on an online platform and its access will be available to all AMAGGI stakeholders.

Strategic Blocks



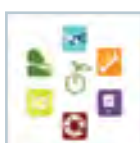
Institutional Commitments

G4-15



GLOBAL COMPACT

In 2009 AMAGGI joined the United Nations (ONU) Global Compact, an international commitment signed by companies that want to adopt, in their practices, principles related to human rights, labor relations, environment and fight against corruption.



BUSINESS PRINCIPLES FOR FOOD AND AGRICULTURE

In September 2014 the Global Compact launched the Business Principles for Food and Agriculture. Along with 20 other private sector organizations worldwide, AMAGGI was present in all stages of the project, being the only Brazilian company invited to participate in the elaboration process. Today the company coordinates the Agriculture and Food Working Group of the Brazilian Network of the Global Compact, which in 2016 published a booklet to guide the implementation of the principles and Objectives of Sustainable Development, with information on successful cases in sustainable agriculture.



NATIONAL COMPACT INSTITUTE FOR THE ERADICATION OF SLAVE LABOR

On November 16, 2005, AMAGGI joined the National Compact for the Eradication of Slave Labor, committing itself to the defense of human rights and the elimination of any form of work analogous to the slave in its productive chain. The company is a founding member of the Institute of the National Compact for the Eradication of Slave Labor (InPacto), created in 2014 with the objective of strengthening and expanding the actions carried out under the compact, giving them sustainability.



BUSINESS COMPACT AGAINST SEXUAL EXPLOITATION OF CHILDREN AND ADOLESCENTS ON BRAZILIAN HIGHWAYS - PROGRAMA NA MÃO CERTA (RIGHT DIRECTION PROGRAM)

In 2014 AMAGGI undertook a commitment with Na Mão Certa Program, organized by ONG Childhood Brasil, which is part of the World Childhood Foundation - an international organization dedicated to promoting and defending the children rights throughout the world. The program seeks to mobilize companies and entities to confront the sexual exploitation of children and adolescents on Brazilian roads.



CHILD FRIENDLY COMPANY PROGRAM

Since 2009 AMAGGI has been involved in the Child Friendly Company Program, created by Abrinq Foundation with the purpose of mobilizing companies for a social activity for the benefit of children and adolescents in Brazil.



OBJECTIVES OF SUSTAINABLE DEVELOPMENT

The Sustainable Development Goals (ODS) is a United Nations (ONU) initiative dedicated to engaging signatory countries to work in crucial areas to global sustainable development. It is a set of 17 macro-objectives to be achieved up to 2030, through governments and society concrete actions. AMAGGI supports and disseminates the Sustainable Development Goals to its employees and key stakeholders.

Partnerships and initiatives

G4-16



SUSTAINABILITY COMMITTEE OF THE BRAZILIAN ASSOCIATION OF VEGETABLE OIL INDUSTRIES

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

In 2016 Abiove carried out several sustainability actions. Involved in the discussions related to the New Forest Code, Abiove Sustainability Commission participated in three technical groups of the Brazil Climate, Forests and Agriculture Coalition, with the objective of aligning collective efforts in the conservation of forests and in the promotion of sustainable Brazilian agriculture. The association also held the Ten Year Seminar of the Soybean Moratorium, attended by 180 participants and the Ministers of Agriculture and Environment, as well as various authorities from the business sector, civil society and universities.

In addition, in 2016 Abiove performed actions in areas such as the Cerrado biome, the Rural Property Management Program - Soybean Plus, the National Solid Waste Program, and the Green Protocol of Pará Grains.



SOYBEAN WORKING GROUP

Formed by the companies associated with Abiove and the National Association of Cereal Exporters (Anec), the Ministry of the Environment, Bank of Brazil and civil society organizations represented by Greenpeace, the Soybean Working Group (GTS) had AMAGGI in support of the continuity of the Soybean Moratorium - which in 2006 made a commitment not to market or finance soybean produced in areas of Amazonian biome deforested after July 22, 2008. In 2016 the Soybean Moratorium completed ten years of fighting deforestation in the Amazonian biome, and was renewed once again with an indefinite term. AMAGGI positioning in the GTS was important for the renewal decision.

In 2016, the year that marks a decade of the Soybean Moratorium, AMAGGI underwent a third party audit that confirmed the fulfillment of this commitment, and no nonconformities were identified in the marketing process.



RTRS BOARD

AMAGGI is a member and part of the Round Table on Responsible Soy (RTRS) board, participating in the discussions and approvals of guidelines and work for the evolution of the certified soybean market and improvements in the certification process.



TASK FORCE BRAZIL RTRS

RTRS counts on Task Force Brazil, the Brazilian group of the entity that meets periodically to develop projects dedicated to promoting and improving the market and the certification process itself in Brazil.



EARTH INNOVATION INSTITUTE

AMAGGI is a partner of the Earth Innovation Institute, an international reference in matters such as food security, protection of tropical forests and climate change. The partnership aims to discuss issues related to territorial performance and financial mechanisms and market to combat deforestation on a jurisdictional and regional scale.



SOYBEAN PLUS

Soybean Plus proposes a better management of rural property, in order to generate a process of continuous improvement of the environmental, social and economic aspects of production. This program is organized by the Association of Soybean and Mato Grosso Producers (Aprosoja). The program was started in Mato Grosso and now extends to other producing regions of the country. AMAGGI, through Abiove, has supported the project since its start, having confirmed a new partnership with Aprosoja for the realization of the Soybean Plus program in the municipalities of Vera, Nova Ubiratã and Feliz Natal, all in Mato Grosso.



THE NATURE CONSERVANCY

In a partnership that lasts more than ten years with The Nature Conservancy, AMAGGI supports the improvement of the environmental performance of rural producers in Mato Grosso. The initiative has a major focus on strengthening the environmental regularization of Alto Teles Pires region, in the municipalities of Brasnorte, Campos de Júlio, Feliz Natal, Nova Mutum, Nova Ubiratã, Lucas do Rio Verde, Sapezal, Sorriso and Tapurah, with restoration projects of permanent preservation areas (APP) and mapping of municipalities, through the Environmental Rural Registry (CAR).



INSTITUTE OF AMAZONIAN ENVIRONMENTAL RESEARCH

AMAGGI integrates two partnership fronts with the ONG Amazonian Environmental Research Institute (Ipam). One of them is the Sustainable Territories project, implemented in Mato Grosso, which aims to develop local partnerships to improve the social and environmental performance of the municipality of Querência. The other consists of the development of scientific research projects related to environmental preservation, within the Tanguro Farm, an initiative that has already over ten years.



BRAZILIAN BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT

AMAGGI participates in several thematic chambers of the Brazilian Business Council for Sustainable Development (CEBDS), such as CTClima, CTBio, CTÁgua and CTSocial, with the objective of seeking together with other companies the continuous improvement in the management of emissions, biodiversity, water and local development.



CENTER OF STUDIES IN SUSTAINABILITY OF THE GETÚLIO VARGAS FOUNDATION (GVCES)

AMAGGI participates in working groups with the Getúlio Vargas Foundation's Sustainability Center (GVCes), such as the Companies for Climate Platform (EPC), the Brazilian GHG Protocol Group, and also contributes to the elaboration of the GHG Agricultural and Livestock Protocol, being the first Company to publish its emissions inventory in the standards defined for the sector. In 2016 the company also participated in the Group of Trends in Ecosystem Services (TeSE), with the objective of developing methodology for valuing ecosystem services; of IDLocal, focused on building strategies and business guidelines for local development; and of CiViA (Applied Life Cycle), focused on the strategic management of externalities related to the life cycle of products and services.



MT STRATEGY: PRODUCE, PRESERVE AND INCLUDE

AMAGGI is a member and private sector representative of the MT Strategy project: Produce, Store and Include. In 2015 the company participated in the Conference of the Parties (COP) to the United Nations Climate Convention, an international treaty that seeks to combat climate change caused by human actions. The participation of the State of Mato Grosso and AMAGGI was very expressive in the event, and brought good results to combat climate change in Brazil.

Among the objectives of the MT Strategy, we can highlight: eliminate illegal deforestation in the state up to 2020; replacing 6 million ha of degraded pasture by high productivity crops until 2030; to recompose 1 million ha (100%) of PPAs degraded to 2030; conserve the native area of the State, now estimated at 60% of its territory; and increase the share of family agriculture in the internal food market from 20% to 70%.



OTHER PARTICIPATIONS

AMAGGI is a member of the Environment Commission of the Brazilian Bar Association (MAB), Mato Grosso Environmental Council (Contema) of the Federation of Industries in the State of Mato Grosso (Fiemt), the Commission for Engagement and Communication (CEC) of the Brazil Network of the UN Global Compact.

Certifications

AMAGGI considers certifications as a tool that attests to its commitment to responsible production, guaranteeing compliance with social and environmental criteria, both in internal processes and in its production chain. Social and environmental certifications are already widely adopted in the soybean market, constituting an important tool for the management of good agricultural practices, the conservation of natural resources and the quality of life of employees and communities involved.



Plant in Itacoatiara – State of Amazonas

Social and environmental certifications



ISO14001

In 2007 AMAGGI had its first operational unit certified by ISO 14001, an international standard that establishes requirements for planning, implementation and operation of environmental management systems. Today the company counts on the certification in 22 units, among farms, warehouses, factories, ports and offices. Units that do not have ISO 14001 also have the same environmental management system in place and pass annually through internal compliance verification audits.

The internal audit notes of the certified and uncertified AMAGGI units impact the calculation of the annual bonus of the company's managers and directors, which indicates the commitment of the Top Management to the environmental management.



PROTERRA STANDARD

The ProTerra Standard seal ensures that the certified product meets environmental and social requirements, and is not a genetically modified organism (GMO). The audits carried out for certification verify that production is performed in a sustainable manner, respecting human rights and legislation, and apply quality controls to ensure that grain is not transgenic throughout the production chain – cultivation, handling and transportation. They are accomplished on farms, warehouses, ports and factories. (Learn more on the chapter [Promoting Sustainable Agriculture in the Grain Chain](#))



ROUND TABLE ON RESPONSIBLE SOY (RTRS)

AMAGGI was the first company certified by RTRS, a civil society organization that involves the main representatives of the soybean value chain from all over the world, from producers, industry and the consumer market to governments, ONG and associations. 16 warehouses are in scope; 5 port terminals: Guarujá Grains Terminal, Miritituba-Barcarena Complex, besides 1 in Itacoatiara and 2 in Porto Velho; and 2 soybean crushers, in Lucas do Rio Verde and Itacoatiara. (Learn more on the chapter [Promoting Sustainable Agriculture in the Grain Chain](#))



INTERNATIONAL SUSTAINABILITY & CARBON CERTIFICATION (ISCC)

Some AMAGGI units are certified by the International Sustainability & Carbon Certification (ISCC), a system developed primarily to meet European Union requirements in its renewable energy guideline. The certificate covers the entire production process - cultivation, transportation and processing - requiring the sustainable use of land, protection of the natural environment and management of greenhouse gases. The scope in 2016 involved the Tucunará and Água Quente farms, besides the ports of Porto Velho and Itacoatiara, and the overwhelming Itacoatiara. (Learn more on the chapter [Promoting Sustainable Agriculture in the Grain Chain](#))



AMAGGI RESPONSIBLE SOY STANDARD (A.R.S.)

In addition to being a pioneer in meeting the most important international standards for sustainable soybean production, in 2016 AMAGGI launched its own certification standard, the A.R.S. Focused on sustainability in the production chain, the initiative also aims to meet the demands of the European market, placing the company in an even more competitive position in grain marketing. (Learn more on the chapter [Promoting Sustainable Agriculture in the Grain Chain](#))

Certificações de Qualidade do Produto



FOOD SAFETY SYSTEM CERTIFICATION 22000

The FSSC 22000 represents a comprehensive risk management approach to food safety throughout the supply chain developed for both food and feed safety management systems. Recognized by the Global Food Safety Initiative (GFSI), it is under the responsibility of the Foundation of Food Safety Certification. It includes the Requirements of the Food Safety Management System, according to ISO 22000; Technical Specifications for the Prerequisite Program (PPR), and additional globally recognized system requirements.



GOOD MANUFACTURING PRACTICES (GMP+)

The Good Manufacturing Practices (GMP+) certification has developed into a complete certification scheme, integrating ISO quality management requirements, Hazard Analysis and Critical Control Points (HACCP) and other elements.

GMP+ is based on continuous improvement, in accordance with the Plan-Do-Check-Act (PDCA) principle. The process approach involves the systematic definition and management of processes and their interactions in order to achieve desired results in accordance with the organization's quality and strategy policy.



CERT ID NON-GMO (NON-GENETICALLY MODIFIED ORGANISM)

Certification is an efficient and practical way to ensure "non-OGM" status. Carried out by Cert ID, it is globally recognized as the premier standard that can provide companies with assurances that their products are not genetically modified. Through a traceability program (Hard IP) the certification makes a careful control of the entire production chain, from the soybean purchased in the field to the delivery of these products to customers.



KOSHER

Recognized worldwide and considered synonymous of maximum quality control, kosher certification attests that the products are manufactured conform to the specific norms that govern the orthodox Jewish diet.

Internal public

G4-10, G4-11, LA12

AMAGGI ended 2016 with a staff of 4,993 own employees and 720 outsourced. These figures show an increase of approximately 3% in the number of own employees, compared to the previous year.

Of the company's total own employees, 85% have an indefinite labor contract, and 15% have a fixed-term employment contract; 98% are hired on a full-time basis and 2% on a part-time basis. In addition, 100% of our own employees are covered by collective bargaining agreements.

Most of AMAGGI's employees are concentrated in the Midwest (74%) and in the Agribusiness (49%). They are divided into 84% of men and 16% of women, mostly included in the age group of 30 to 50 years.

Employees by type of contract and gender G4-10

	2014		2015		2016	
	Indefinite Labor Contract	Fixed-term Contract	Indefinite Labor Contract	Fixed-term Contract	Indefinite Labor Contract	Fixed-term Contract
Male	3,646	0	3,358	705	3,566	646
Female	730	0	674	111	699	82
Total	4,376	0	4,032	816	4,265	728

Own employees by working hours and gender G4-10

	2014		2015		2016	
	Full time	Part time	Full time	Part time	Full time	Part time
Male	3,436	210	4,010	53	4,171	41
Female	683	47	742	43	746	35
Total	4,119	257	4,752	96	4,917	76



Own employees by region and gender G4-10

	2014		2015		2016	
	Male	Female	Male	Female	Male	Female
Midwest	2,685	567	2,868	589	3,088	594
North	948	153	1,180	186	1,110	180
South	13	10	15	10	14	7
Total	3,646	730	4,063	785	4,212	781

Own employees by functional category and gender G4-10

	2015		2016	
	Male	Female	Male	Female
Administrative	520	445	549	435
Apprentices	61	35	41	32
Counselors	2	2	2	2
Directors	11	1	11	1
Trainees	4	4	3	4
Managers	362	50	366	49
Young talents	7	8	6	8
Operacional	3,040	222	3,185	232
Technicians	56	18	49	18

Own employees by business area G4-10

	2015		2016	
	Male	Female	Male	Female
Commodities	887	214	787	194
Agro	2,036	228	2,219	231
Logistics	887	139	863	136
Energy	58	11	52	10
Headquarters	195	193	291	210

Composition of groups responsible for governance LA12										
	Administrative	Apprentices	Counselors	Directors	Trainees	Managers	Young Talents	Operational	Technicians	Total
Number of employees	984	73	4	12	7	415	14	3,417	67	4,993
Age group										
Over 50 years	25	0	4	7	0	65	0	296	4	401
From 30 to 50 years	417	0	0	5	1	286	0	1,743	33	2,485
Under 30 years	542	73	0	0	6	64	14	1,378	30	2,107
Gender										
Male	549	41	2	11	3	366	6	3,185	49	4,212
Female	435	32	2	1	4	49	8	232	18	781
Negroes and brown										
Male / Female	616	56	0	4	5	233	14	2,873	54	3,855
Disabled people										
Male / Female	74	0	0	0	0	20	0	145	2	241

For more information on AMAGGI initiatives aimed at the internal public, access [Human capital development](#) and [Fair work practices, safety and occupational health and well-being](#).

André and Lucia Maggi Foundation

G4-4, G4-8

A non-profit institution of federal public utility, which coordinates all AMAGGI private social investment actions.



HIGHLIGHTS OF THE YEAR



R\$ 6,4 million
of investment



29,777 thousand
people directly impacted



20 municipalities
with activities of the Foundation in the States of
Mato Grosso, Rondônia, Amazonas and Paraná

AMAGGI

Business Areas

G4-4, G4-8

AMAGGI Commodities

G4-4, G4-8

Acting in the purchase, sale and processing of grains (soybean and corn); in the import and sale of agricultural inputs; and in the production of fertilizer (mixer).

HIGHLIGHTS OF THE YEAR



1,8 million tons
of grain storage
capacity



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



6,4 million tons
of originated grains



25 storage units

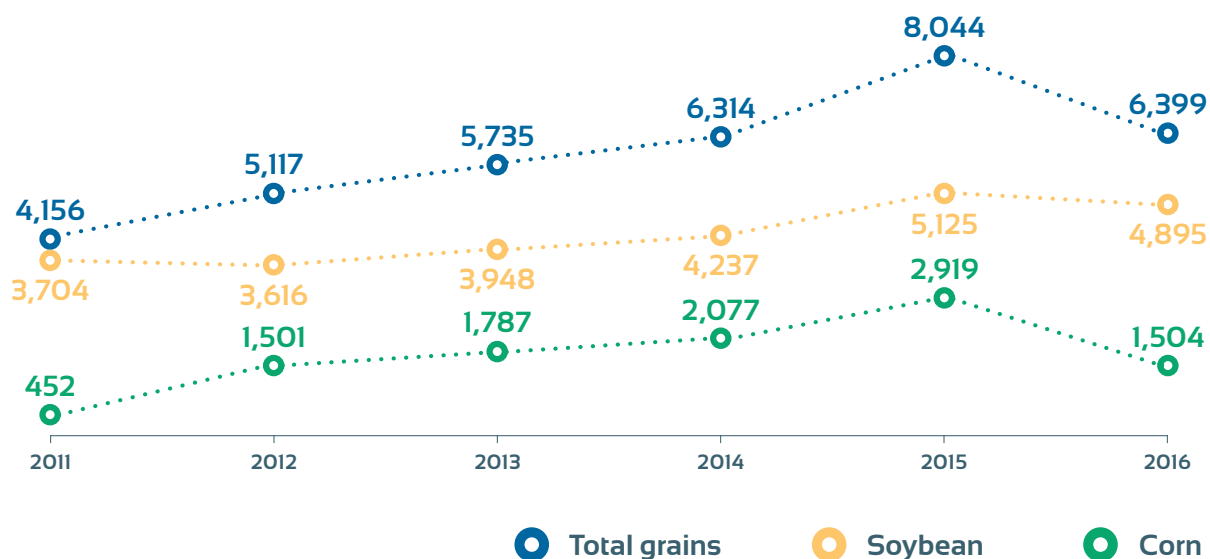


1 fertilizer mixer unit
Comodoro (MT)

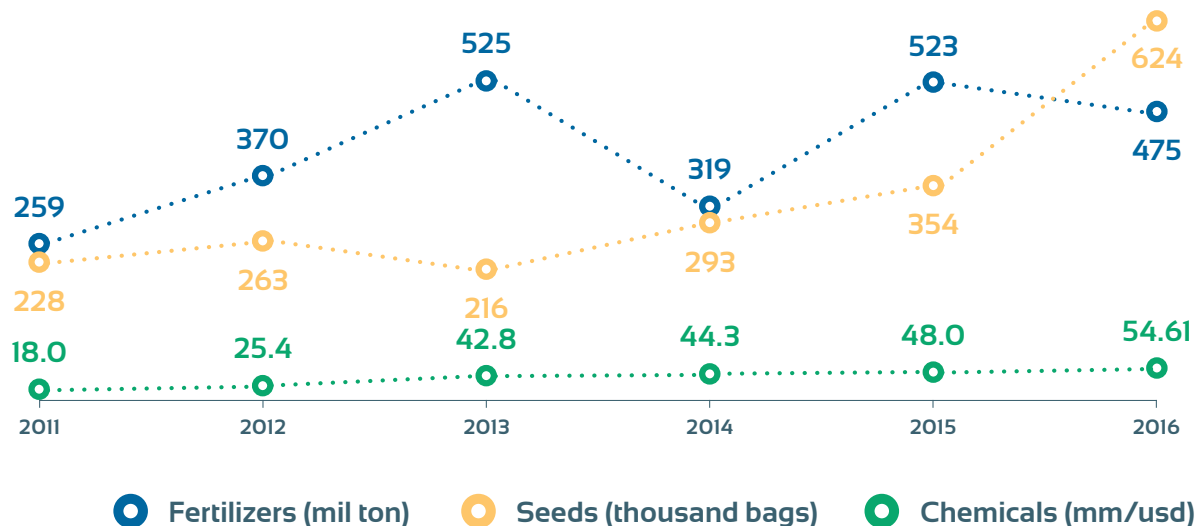


Soybean in Natura

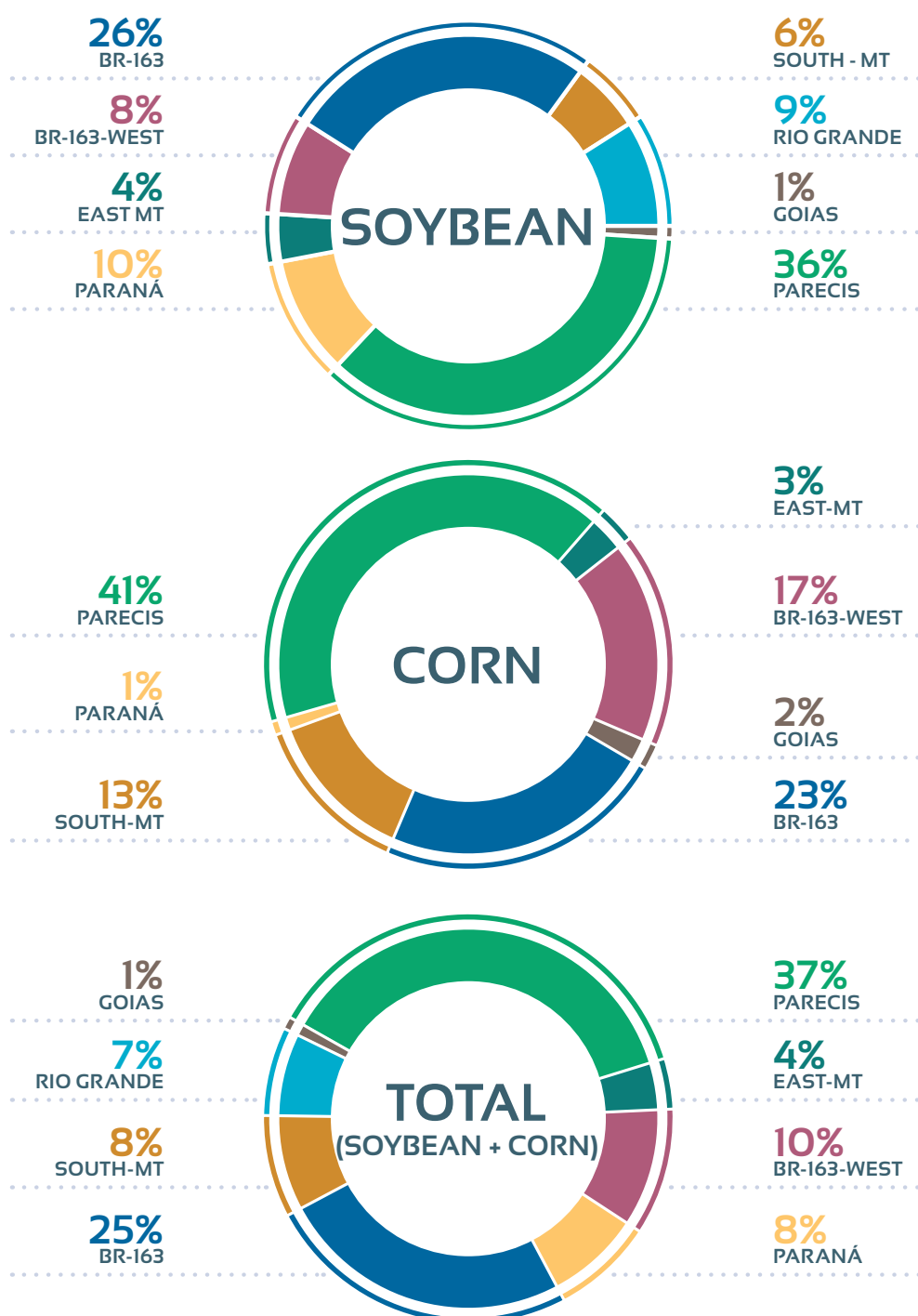
GRAINS ORIENTATION BY AMAGGI IN BRAZIL
(volumes in thousand tons)



Commercialization of Inputs



Percentage of grains commercialized in 2016 by region



AMAGGI Agro

G4-4, G4-8

It works in the soybean, corn and cotton agricultural production; in the soybean seeds production; and in the cotton processing. The activities are carried out in six production units, all located in Mato Grosso.

HIGHLIGHTS OF THE YEAR



AGRICULTURAL PRODUCTION:

527,838 tons of soybean
311,119 tons of corn
197,498 tons of cotton
18,922 tons of soybean seed



STORAGE CAPACITY ON FARMS:

605 thousand tons
of grains



Grain storage silos - Água Quente Farm –
Sapezal – State of Mato Grosso

Soybean			
Crop	Area (thousand ha)	Productivity (bags/ha)	Volume (t)
2012/2013	129,033	53.32	412,779
2013/2014	139,429	53.46	447,191
2014/2015	160,873	53.61	517,431
2015/2016	155,550	56.57	527,838
Average Productivity			54.24

Soybean seed			
Crop	Area (thousand ha)	Productivity (bags/ha)	Volume (t)
2012/2013	10,054	37.62	22,692
2013/2014	11,534	26.97	18,666
2014/2015	10,121	45.07	27,369
2015/2016	8,063	39.11	18,922
Average Productivity			37.1925

Corn			
Crop	Area (thousand ha)	Productivity (bags/ha)	Volume (t)
2012/2013	73,958	101.98	452,518
2013/2014	64,878	95.78	372,837
2014/2015	58,275	113.19	395,777
2015/2016	66,245	78.27	311,119
Average Productivity			97.305

Cotton			
Corn	Area (thousand ha)	Productivity (@/ha)	Volume (t)
2012/2013	10,415	278.76	43,549
2013/2014	30,279	257.36	116,888
2014/2015	30,082	294.13	132,719
2015/2016	52,460	251.55	197,498
Average Productivity			270.45

AMAGGI Logistics

G4-4, G4-8

AMAGGI Logistics operations are mainly focused on navigation operations, covering the transportation of grain originated and also of own production, as well as port operations and river navigation in the Northwest Corridor of Exportation, through which the grains of the northwest regions of Mato Grosso and south of Rondônia are outflowed. All these operations are managed and operated directly by the company. The grains are transported from Porto Velho by the Madeira River to the grain port of Itacoatiara, and from there to their final destination on ships. In the Tapajós corridor, which constitutes a Joint Venture with Bunge, the transshipment is carried out in Itaituba, and the cargo follows by barges to Barcarena.

Navigation is the priority mode in the outflow of grains to external customers, since it is the one with the lowest financial and socio-environmental impact in order to make this operation feasible. In the search for an even more efficient operation, AMAGGI bets on the combination of this logistic environment with the road and rail modalities. The integration among modal transports is a strong point of the company's economic and socio-environmental strategy: where there is no possibility of integration with waterway, the railroad is used, an integration that corresponds to 30% of the volume transported by AMAGGI and whose participation the company has been striving to raise. Road and rail transport are not part of AMAGGI's own fleet.

More information on the socio-environmental impacts of logistics intermodality you can check in [Climate Change](#) and [Responsible Truck Driver Program](#).



HIGHLIGHTS OF THE YEAR

MADEIRA CORRIDOR
 **157 bulk barges**
(other 5 under construction)

 **20 operating pushers**
(18 own and 2 chartered)

 **3 pushers**
under construction

 **3,7 million tons**
of grain transported

TAPAJÓS CORRIDOR
 **90 barges**

 **8 operating pushers**
(4 own and 4 chartered)

 **1 pusher**
under construction

 **1,6 million tons**
of grain transported

AMAGGI Energy

G4-4, G4-8

It operates in the generation of electric energy, through small hydroelectric stations in Mato Grosso, integrated to the National Interconnected System.

HIGHLIGHTS OF THE YEAR



**5 small
hydroelectric stations,**

located in Mato Grosso: 4 in the Jurueña river, in the municipality of Sapezal, and 1 in the Formiga river, in the municipality of Campos Júlio.



Approximately
70 MW
of installed power



Small Hydroelectric Station on the
Jurueña River - PCH Segredo - Sapezal
– State of Mato Grosso

Material Themes

Matrix of Materiality

G4-18, G4-20, G4-21, G4-24, G4-25, G4-26

AMAGGI considers the elaboration of its Matrix of Materiality a good practice of sustainability, which helps to align the expectations of the public of interest and to focus on the true priorities. In 2012 the company conducted its first materiality process, which was reviewed in 2014 - the process is carried out every two or three years, or when the company deems it necessary. Thus, in 2016 a review of the priority themes for the management of the company's report was made, which included the analysis of internal documents and sectoral studies; the identification of themes and socio-environmental aspects of the social and environmental responsibility NBR 16001: 2012 and ISO 14001: 2015; a dynamic with managers to survey relevant aspects and impacts; and stakeholder consultation.

For the stakeholder's engagement in the process of defining relevant themes, several methods were used. Interviews were conducted with managers, specialists, farmers, suppliers and financial institutions. A multi-stakeholder panel, held at Campo Novo do Parecis and Itacoatiara, allowed the engagement of external audiences, involving communities, public authorities, family members, community leaders, among others. Employee engagement already had a focus group, covering the four business areas. There were also online consultations with various audiences, such as employees, specialists, suppliers, farmers, trade unions and associations, consumers and customers, as well as the government. A direct consultation was held on the Top Management involvement.

AMAGGI had the support of an external consultancy to conduct the process, seeking to ensure the neutrality of the consultations. The publics consulted were defined based on a process of mapping and prioritization, carried out in the definition of materiality.











The whole process was conducted in such a way as to give the opportunity for the views of interested parties to be heard, and to enable two-way communication in order to obtain the stakeholders' perception of the positive and negative impacts. The impacts raised by the stakeholders, added to the references from the identification stage of positive and negative impacts, resulted in a list of ten priority themes, validated by the Top Management.

All material aspects identified are material inside and outside the organization.



Material Themes

G4-19, G4-27

<p>CORPORATE GOVERNANCE</p> 	<p>ECONOMIC VIABILITY AND SHARED VALUE</p> 
<p>PROMOTION OF SUSTAINABLE AGRICULTURE IN THE GRAIN CHAIN</p> 	<p>LOGISTICS FOR GRAIN DISPOSAL</p> 
<p>CLIMATE CHANGES</p> 	<p>COMBATING DEFORESTATION AND BIODIVERSITY</p> 
<p>DEVELOPMENT OF HUMAN CAPITAL</p> 	<p>FAIR WORK PRACTICES, OCCUPATIONAL SAFETY AND HEALTH AND WELL-BEING</p> 
<p>SUPPLIER CHAIN MANAGEMENT</p> 	<p>DEVELOPMENT OF REGIONS WHERE IT OPERATES</p> 

AMAGGI materiality review is performed every two or three years, or when there are significant changes to the business, relevance and significance of internal and external issues. Next review is expected to be held in 2019, but the current materiality will guide a stakeholder engagement plan that will undergo an annual review, allowing the identification of new aspects related to possible changes and evolution of scenarios for future reports.

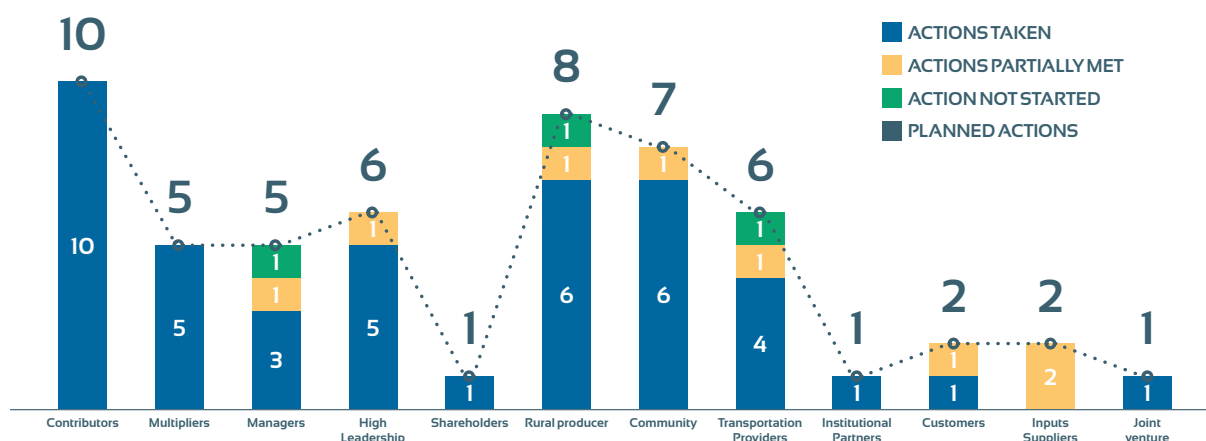
Stakeholders Engagement

G4-25

In 2015 AMAGGI defined its Stakeholder Engagement Plan after going through a process of materiality in 2014, which defined the priority themes for the business, as well as the publics to be engaged. The 2015/2016 engagement plan had 95% of its actions carried out, 80% of which were fully attended and 15% partially attended. The percentage of uninitiated actions was 5%, which is justified by a change in strategy over the period.

Some of the main actions carried out were: publication of the first bulletin with updated information from AMAGGI to its stakeholders; greater sustainability integration with business areas and their strategies; inclusion of the sustainability theme in Technological Circuits; broad dissemination of AMAGGI complaint channel; improvements in the Responsible Truck Driver Program; and bonus payment program to partner producers certified by RTRS.

Stakeholders Engagement Plan 2015/2016 (Jan. 2015 to Dec. 2016)



The results of the 2016 materiality review process and subsequent revision of the concerned parties map will be used as inputs for strategic sustainability management actions - which includes reviewing and implementing the Stakeholder Engagement Plan and the Sustainability Strategic Communication Plan with actions from 2017 to 2019. These actions will take into account the expectations and needs of the concerned parties and will be reviewed and validated annually by the Sustainability Division, in a process of continuous improvement.

CORPORATE GOVERNANCE

G4-34

AMAGGI governance model implemented in 2011 is constantly improving, through the training of board members by the Corporate Governance Institute (IBGC) and the work of their respective committees. It has a Matrix of Responsibilities that clearly defines the role, financial and non-financial allocations of the Board of Directors and their respective counselors, as well as the Executive Directory.

This structure has an opportunity to align expectations and agreements on the management model necessary for AMAGGI present and future, with a simpler decision-making process and the convergence of interests between the Administrative Council, president and directors, as transparency and strict accountability are cultural values and cultural attributes of the company, within the organization and for the market.

→ AROEIRA PROJECT

The now consolidated Aroeira Project constitutes AMAGGI own management model, ensuring the best decisions in the formulation and successful execution of the company's strategy, and the continuity for the next generations. Its business plan is prepared in a participatory manner and has actions defined until 2025.

→ SUCCESSION PROGRAM

Care for succession is part of AMAGGI governance agenda, which has a full mapping of the profile and potential of its leadership through the Leadership School. People's Committees carry out the calibration of the Nine Box³, which contributes to the individual development program and maximizes individual potential in preparation for future company opportunities.

Currently 100% of the opportunities for positions on AMAGGI Executive Board and 80% of the opportunities in leadership positions are filled internally.

At the end of 2016 the company announced the presidency transition process, with internal performance to take place in 2017. All the opportunities arising as a result of this movement were filled with internal talents.

³The performance and potential matrix, commonly referred to as "Nine Box", is a simple and effective tool used to assess talent in organizations. Its function is to evaluate people in two dimensions: their past performance and their competencies.

Risk management

G4-14

AMAGGI risk management is based on the Corporate Risk Management Policy, launched in 2015, and acts to mitigate financial, strategic, operational and regulatory risks. In addition to presenting the company's risk management guidelines, the document also defines the tools allowed to carry out mitigation of commercial and financial exposure risks.

AMAGGI organizes its risk management based on some principles, and the first one is that this management is a process, not an isolated event, so it must involve all areas of the company. The others are that its implementation should be led by the Council, the president and the Director of each business area, as well as requiring the dissemination of knowledge culture and risk mitigation, with the routine participation of all employees.

The risk management process goes through some stages, such as risk factors assessment and measurement; preliminary analysis of risk factors and assessment of mitigation alternatives; implementation of mitigation alternatives; communication of strategies implemented; and, finally, control and monitoring of actions. This process is conducted by the Risk Management Committee, which assesses the full compliance with the Corporate Risk Management Policy and proposes applicable alternatives. The committee also has the power to veto proposals for operations that, under its view, are not appropriate to the company.

AMAGGI also has other corporate committees in charge of preventive management: Central Committee for Occupational Health and Safety; Ethics and Conduct Committee; Financial Risks Committee; Tax Committee; Tax Governance Committee and Fiscal Tax Committee; Internal Audit Committee; and People Committee. The Sustainability Committee was reformulated in 2016 and will begin to operate in a new format in 2017. One of the attributions of these committees is to identify and regularly measure the main financial, environmental and social risks to which the company is exposed, besides defining prevention and mitigation measures and procedures.

Committees

G4-34

→ CENTRAL COMMITTEE FOR OCCUPATIONAL HEALTH AND SAFETY

This committee analyzes and suggests actions in AMAGGI Agro units where the Behavioral Security Program is implemented. Led by the president of the company, it also counts with the participation of AMAGGI Agro director and regional managers and the Management of the Occupational Health and Safety area. Furthermore, each unit of the company has its own Regional Occupational Health and Safety Committee, headed by the unit manager and key personnel designated by him, who have the function of deliberating, standardizing and monitoring actions related to the area.

→ ETHICS AND CONDUCT COMMITTEE

Led by the president of the Executive Directory or the Administrative Council, the committee's main duties are to monitor the application of the guidelines of the Code of Ethics and Conduct and to deliberate on possible deviations in all units. Comprised of three AMAGGI employees, it holds a regular quarterly meeting, or extraordinary meetings to discuss specific or emergency issues.

→ TAX COMMITTEE

In 2016 the Tax Committee became part of the structure of the Administrative Council. Supported by an external member of the Administrative Council, the committee supports recommendations and decisions of the Tax Area.

→ TAX GOVERNANCE COMMITTEE

Led by AMAGGI president and made up by the company Legal and Administrative-Financial Directors, the Tax Governance Committee also counts on the participation of the other executive directors, when necessary. Its function is to audit Tax Reports and Financial Statements, guarantee the laws and regulations compliance, and ensure the effectiveness and efficiency of AMAGGI operations.

→ FISCAL TAX COMMITTEE

It provides support to AMAGGI Executive Directory and Administrative Council, with the purpose of ensuring that the company fully complies with current legislation and has an effective and efficient performance in relation to tax matters. The committee is composed by 14 employees, representing all business divisions in the areas of Controllershship, Legal and Tributary; the committee reports directly to the Tax Governance Commission (made up of the executive president and the Legal and Administrative-Financial directors of the company). The members meet monthly and act independently in relation to the Board of Directors.

➔ **INTERNAL AUDIT COMMITTEE**

Responsible for defining the processes for monitoring and evaluating the adequacy of the internal controls environment and of standards and procedures formalized by the Executive Directory, the committee is composed of the chairman of the Administrative Council, a director and an executive director. It undertakes the tasks of approving the Internal Audit Plan, monitoring the management of the work and defining the appropriate measures related to the identified risks, including issues related to fraud and corruption. Internal audit consists of an independent external management activity.

➔ **PEOPLE COMMITTEE**

Composed by counselors, the president of the Administrative Council, AMAGGI president, and invited internal executives, the committee meets three times a year to support the Administrative Council and the Executive Directory in the succession plan and yearly evaluation of its members, besides validating the remuneration policy, monitoring the development of the directors and defining strategies for the development of the leaders of their teams.

Compliance: investment in ethics and compliance

SO4

In 2016 AMAGGI performed a diagnosis with the support of a specialized external consultancy, to implement a Compliance and Anti-Corruption Program. The diagnosis included the analysis of documentation and systems, interviews with directors and managers, and a mapping of interactions with governmental entities. The process resulted in a report indicating points of improvement and attention, which is under internal review of the areas and boards involved with the topic.

The contracted consultant's support also includes backing in the creation of an Integrity Policy, which will include procedures related to the Compliance and Anti-Corruption Program, in an integrated manner with the standards, communication channels and Code of Ethics and Conduct, already implemented by AMAGGI.

Following the approval of the Integrity Policy, a plan of action will be drawn up, as well as a schedule of future communications and training in anti-corruption policies and procedures.

Reporting channel

LAI6



AMAGGI offers a Reporting Channel, with the option of anonymity, available by email, website and telephone 0800 647 0004. It is available to all own and outsourced employees, suppliers and the community in general. All complaints received are investigated and analyzed; if something is proven irregular, the case is referred to the Board and Presidency.

In 2016 the company approached 108 cases; of this total, 86 were resolved in the same year, 12 of which were registered before the reporting period.

ECONOMIC VIABILITY AND SHARED VALUE

AMAGGI has important relationships with financial institutions that provide resources in the form of loans, and whose financing agreements include the company compliance with a series of legal, fiscal, labor, social and environmental commitments, among others, with the objective of ensuring that resources are employed correctly and responsibly. By the end of 2016 AMAGGI was associated with 54 financial institutions, public and private, Brazilian and foreign.

Over the last few years the demands placed by these institutions have been incorporated by AMAGGI, and today they are already integrated into the company's regular practice.

Although 2016 was a particularly challenging year in terms of access to credit for Brazilian companies, AMAGGI was successful in this area, a result of its good practices and the reputation built by the group since its establishment. The company has taken more than US\$1 billion globally in working capital loans in a financing portfolio that reached the end of the year with a balance of US\$1.82 billion (including working capital and financing for fixed assets).



Last year was also of intense competitiveness, with the emergence of new companies competing in the sector, which brought additional challenges to AMAGGI for remaining competitive, with a cost structure consistent with the market. Thus, the company's work with financial institutions mainly sought to defend adequate cost conditions of the financing lines made available. This has added to the many efforts in process reviews and staff restructuring to optimize corporate costs and gain efficiency.

In this sense, the implementation of AMAGGI project for the monitoring and control of foreign exchange exposures was highlighted. In 2016, after 2,5 years of work, the company finalized the implementation of a system that brings greater elucidation and control to the currency exposures arising from its regular commercial practice, besides allowing to identify good opportunities for optimization of processes and costs.

This type of initiative is also recognized by stakeholders as a practice of continuous improvement in AMAGGI business and administrative processes - a recognition taken by the company in the form of better and cheaper modes of operations and contracts.

In 2016 AMAGGI executed other initiatives that generated process value and efficiency:

- ➔ Elaboration and successful implementation of the cash pooling⁴ model among AMAGGI international companies;
- ➔ Modernization of the foreign exchange exposure monitoring of international companies with the implementation of the hedge⁵ policy in all companies;
- ➔ Consolidation of cash flow management in AMAGGI international business matrix, such as AMAGGI Argentina;
- ➔ Deployment of the Daily Cash Flow report entirely from the SAP system;
- ➔ Implementation of the credit system in AMAGGI & LDC joint venture.

⁴ It is a cash management technique used by companies that have credits and debits in different current accounts, and that allows the combination of several accounts in a single one. Among the objectives it is the mitigation of impacts caused by the low balance or transaction rates.

⁵ It is an operation whose purpose is to protect the value of an asset against a possible reduction of its value in the future or, further, to assure the price of a debt to be paid in the future. This asset could be the dollar, a commodity, a government bond or a share.

Direct economic value generated and distributed ECI			
	2014	2015	2016
Direct economic value generated - revenues (In thousands of Reais)	R\$ 10.314.642,00	R\$ 13.597.426,00	R\$ 12.303.987,00
Distributed economic value	R\$ 1.308.855.000,00	R\$ 1.842.420.893,78	R\$ 2.287.321.902,90
Shareholders (compensation of shareholders' equity)	0,95%	2,15%	6,25%
Employees (remuneration, benefits, charges for employees)	28,97%	20,86%	20,26%
Government (taxes, fees, contributions)	14,69%	26,87%	33,65%
Retained earnings / loss for the year	4,06%	10,71%	7,43%
Interest and rents (remuneration of third-parties capital)	51,33%	39,41%	32,11%
Investing in the community	-	-	0,30%*
Total	100%	100%	100%
Economic value withheld (R\$) ("direct economic value generated" minus "distributed economic value") **	R\$ 0,00	R\$ 0,00	R\$ 0,00

* Since 2016 AMAGGI has been reporting the percentage allocated to André and Lucia Maggi Foundation.

** AMAGGI understands that all the generated value has been distributed, even if part of the profit or loss for the period has been allocated to the profit reserve for possible distribution in subsequent periods. Amounts allocated for retained earnings / loss for the year: 2016 - R\$95,743,096.39; 2015 - R\$167,889,000.00; 2014 - R\$36,547,000.00.

PROMOTION OF SUSTAINABLE AGRICULTURE IN THE GRAIN CHAIN

EC8

AMAGGI acts in a determined way in defending and supporting the development of a more sustainable agriculture that respects the environment, people and the life of the communities, contributing to the social, environmental and economic development of the productive chain.

In its Sustainability Directory the company has a core Responsible Management of the Grain Chain, which acts in the development of activities and projects with the objective of supporting a better socio-environmental performance of the rural producers, promoting a more sustainable agriculture, respecting the environment and the life of the communities where it operates, contributing to the social, environmental and economic development of the productive chain.

AMAGGI seeks to work in partnership with its grain suppliers, aiming to guide rural producers in the socio-environmental adjustments in their properties.

To ensure a responsible purchase, the company has Socio-Environmental Criteria to evaluate its grain suppliers, which are minimum sustainability principles to be met:

- **Areas embargoed by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA):** AMAGGI prohibits the sale of grains from areas that are on the list of embargoes for illegal deforestation;
- **Indigenous Lands and Conservation Units:** the company does not commercialize with producers who have incident productive areas on Indigenous Lands and Conservation Units;
- **Deforested areas in the Amazon biome after 2008:** through the Soybean Moratorium, AMAGGI undertakes not to acquire soybean from deforested areas after 2008 in the Amazonian biome. In 2016 the GTS, which brings together industry, civil society and government, has decided to keep this commitment indefinitely. Periodically, there is an analysis of Amazon deforested areas and the activities implemented there - if it is confirmed that the area is producing soybean, AMAGGI does not purchase the product.

In 2016 AMAGGI received an external audit, which analyzed the commercialization of the 2015/2016 harvest, as a way of proving the company's commitment to the Soybean Moratorium. It was attested that the company applies the control of its Social and Environmental Criteria, honoring its commitment;



➔ **Dirty List of Slave Labor of the Ministry of Labor and Employment:** AMAGGI does not do business with any person or company that integrates the relation known as Dirty List of Slave Labor. In addition to accompanying the list update, AMAGGI signed the Pact for the Eradication of Slave Labor, which further strengthens the commitment. AMAGGI also integrates the InPacto, a partnership held to strengthen and expand the actions under the National Compact for the Eradication of Slave Labor.

At AMAGGI, 100% of the supply chain must meet these criteria. Suppliers that have any of these restrictions have their registration blocked, being prevented from commercializing with the company until they have their situation regularized. FPI

When a property is not automatically vetoed by the system, based on the socio-environmental criteria mentioned above, but there are still doubts regarding its regularity, AMAGGI carries out a risk analysis, through the Sustainability area. Last year the company had 45 commercializations vetoed by the Sustainability area, as they offer risks related to the Socio-Environmental Criteria adopted as principles for grain trading.

For producers commercializing in the form of advances on account of price, AMAGGI has a specific evaluation. In addition to evaluating the Socio-Environmental Criteria, AMAGGI branch local staff that has a direct relationship with the rural producer conducts on-site surveys on these properties, assessing various environmental, infrastructure, labor and social requirements, with the completion of a Socioenvironmental and Respective validation by the Sustainability team. It also analyzes the area of the property through satellite images, in order to ensure that the grain origin is from an area that meets the social-environmental criteria of the company. In 2016, 696 operations were analyzed in this way.

Originalar – Responsible AMAGGI Origination Platform

As a way of combating illegal deforestation and encouraging sustainable agriculture, in 2016 AMAGGI made a major investment in the acquisition of a management and monitoring platform for its grain chain, known as ORIGINALAR - Responsible AMAGGI Origination Platform, developed through Agro tools technology. Since then the company has been performing an enrichment of its grain supplier's database by periodically surveying property locations and training its AMAGGI Commodities managers and buyers to use the platform. This tool makes it possible to analyze more precisely and in detail the areas with which the company commercializes, allowing the generation of a socioenvironmental extracts of the property and of the producer, which can be crossed with the data of its Social and Environmental Criteria. So, it is evaluated not only the register of the producer, but also the location of the property, avoiding the risk of acquiring grains from areas with restrictions.

Investments in this technology aim to improve the territorial management and the monitoring of the risks involved, allowing the visualization of the work done in the field and facilitating the interaction of the Sustainability area with AMAGGI subsidiaries. This gives the company more security in its decision-making, serving as a strategy tool for business and supporting a more responsible grain chain. In addition, the platform provides greater knowledge about the AMAGGI grain chain and, as such, allows to define new project and partnership strategies to assist the development of rural producers and to foster an even more responsible value chain.



AMAGGI Technology Circuit

In 2016 AMAGGI carried out, in partnership with eight companies supplying agricultural inputs, the first edition of AMAGGI Technological Circuit. Twenty-four events were held on partner producers rural properties in 21 municipalities in the States of Mato Grosso and Rondônia. The events had the participation of 1,838 people, being 483 rural producers responsible for 1,263,770 ha of soybean planting - which represents 15% of all planted area in Mato Grosso in the 2015/2016 harvest.

Besides being a powerful tool of relationship with the rural producer - one of the main AMAGGI business partners -, the Technological Circuit was born with the mission of sharing knowledge. Its proposal is to spread new technologies and good agricultural practices, which allows to increase the production, and also to engage the rural producer in the adoption of good practices of management and socio-environmental responsibility.

For 2017 the AMAGGI Technological Circuit is expected to reach around 2,000 participants, in addition to expanding the number of locations covered.

Learn more about the project on [Contato Magazine - issue 18](#).



Partnerships for the sustainable development of rural producers

AMAGGI performs numerous initiatives and partnerships dedicated to supporting sustainable agriculture and curbing illegal deforestation, seeking to foster a responsible supply chain.

Currently the company maintains partnerships with ONGs such as The Nature Conservancy, Ipam and Earth Innovation Institute, which aim to stimulate the development of rural producers in areas such as forest restoration, local community development and adhesion to the Rural Environmental Register of the federal government, essential step for good environmental governance in Brazil.

In 2016, in partnership with The Nature Conservancy, a Strategic Forest Restoration Plan for Mato Grosso was developed with the objective of strengthening the chain of restoration and its capacity to meet expected demand for inputs and technical advice in the context of Agenda post-Rural Environmental Register. The project promotes land use planning and the development of a sustainable landscape model with greater use of better agricultural practices in the municipalities of Brasnorte, Campos de Júlio, Feliz Natal, Nova Mutum, Nova Ubiratã, Lucas do Rio Verde, Sapezal, Smile and Tapurah.

With Ipam AMAGGI develops the Sustainable + Landscapes Querência project, whose objective is to catalyze social, economic and environmental benefits for the municipality of Querência, improving the sustainability not only of soybean but also of other agricultural activities. Since 2016 the project has carried out interventions on three thematic fronts: strengthening local socio-environmental governance; support the implementation of a local compact for sustainable territory through a multi-sectoral forum; and evaluation and promotion of the best opportunities for family farmers and settlers.

Already with Earth Innovation, AMAGGI supports the project to develop and apply mechanisms to measure the territorial performance of municipalities with significant socio-environmental risk and important impact on soybean and meat supply chains. It includes 10 municipalities in the Xingu-Araguaia region (Alto Boa Vista, Bom Jesus do Araguaia, Canarana, Canabrava do Norte, Gaúcha do Norte, Porto Alegre Norte, Querência, Ribeirão Cascalheira, São Felix do Araguaia and São José do Xingu), where it occurs 20% of all deforestation in the Amazon area inside Mato Grosso. The current situation of these municipalities is being evaluated by the perspective of reputational, operational and financial risks in the commercial, financial and industrial operations fulfilled. Detailed identification and assessment of risk elements are the basis for discussions in regional forums, which will result in the planning and implementation of coordinated interventions in each municipality in order to reduce identified risk.

Rural socio-environmental certifications

In order to affirm its commitment to sustainable development of the grain chain, AMAGGI has certifications that meet social and environmental criteria and quality. The purpose of these certifications is to offer a path for a more responsible production, meeting the market and society's demands and trends for a differentiated product, and enabling rural producers to improve their property management, better agricultural practices, with consequent risk minimization of environmental and labor risks.

The certifications encourage a better socio-environmental and economic performance of the agribusiness sector, contributing to the conservation of natural resources, as well as providing fair conditions and welfare for workers and communities nearby the property. AMAGGI ended 2016 with 470 certified rural properties, 46 certified by A.R.S., 35 by RTRS and 389 by ProTerra.

AMAGGI Responsible Soy Standard (A.R.S.)

In order to work and stimulate the socio-environmental management culture with its grain suppliers, AMAGGI has launched its own certification standard, A.R.S., recognized by the Federation of European Food Manufacturers (Fefac).

The A.R.S. is a result of the company's knowledge of implementing internationally recognized certifications, with guidelines for internal standards and AMAGGI institutional commitments, in addition to the requirements established by national and international clients and institutions.

The A.R.S. in producer groups was started in 2016, through a partnership between André and Lucia Maggi Foundation and Aliança da Terra (Earth Alliance) organization. Up to date the company has certified 46 partner farms. The expectation is that A.R.S. stimulates a socioenvironmental management culture in rural properties, helping farmers take the first steps in this area and prepare for international certifications, as well as providing other benefits of good practices in sustainable agriculture, such as the development of surrounding communities. Initially, the work with producers involved the following municipalities of Mato Grosso: Alto Paraguay, Diamantino, Itiquira, Nobres, Nortelândia, Nova Maringá, Paranatinga, Primavera do Leste, Itiquira, Rondonópolis and São José do Rio Claro. The 46 certified rural properties have more than 156 thousand ha of total area, resulting in 213 thousand t of A.R.S. certified soybean.

All producers who participated in the certification process received, through a partnership with Aliança da Terra ONG, all technical support necessary for the certification process, including socio-environmental diagnosis of their properties, guidelines for compliance with legal requirements and meeting A.R.S. socio-environmental criteria. All properties underwent an internal audit process, and there was also external audit with sample methodology.

Round Table On Responsible Soy (RTRS)

The RTRS was developed with the participation of various interested parties, organized into three interest groups: Producers; Industry, Commerce and Finance; and Civil Society.

AMAGGI was the first company in the world to achieve this certification in 2012 and maintains its active and growing participation in the search for continuous improvement. The international RTRS certification has gained prominence in the soybean market, with growth in certified and marketed volumes, in response to the growing demand in the European market.

To be certified by the RTRS, the property must follow a grid of 106 indicators, divided into 5 principles: legal compliance and good practices; responsible working conditions; responsible relationship with the community; environmental responsibility; and good agricultural practices. The new RTRS standard, V3.0, approved at the 2016 assembly, does not allow certifying areas where there has been deforestation after 2008, guaranteeing customers zero deforestation on certified properties. Differentials such as this make RTRS a certification with growing demand by the market, standing out in the responsible soybean market.

In 2016 AMAGGI was responsible for the certification of 30% of RTRS soybean (physical modality and credit) worldwide. AMAGGI Agro certified 383 thousand t of soybean in book and claim, in the Tucunaré, Tanguro and Itamarati farms. Meanwhile, AMAGGI Commodities certified 290,000 t of soybean and 149,000 t of soybean book and claim from 35 partner farms⁶. Also in the scope of certification there are 16 warehouses, 5 port terminals, 2 in Porto Velho, Itacoatiara, Grain Terminal of Guarujá (TGG) and Miritituba-Barcarena Complex, and 2 soybean crushers located in Lucas do Rio Verde and Itacoatiara. Still in 2016 AMAGGI evolved in the inventory of its CO₂ emissions, and included the calculation of actual, non-estimated data, associated with the soybean production of RTRS certified producers in its value chain. For 2017 the expectation is to evaluate the evolution of this data in order to study joint actions and initiatives to improve emissions management.

⁶ The expressions book and claim and mass balance refer to technical issues related to the RTRS soybean chain standard. To learn more, visit www.responsablesoy.org.

Proterra Standard

The purpose of the ProTerra Standard is to encourage good agricultural practices, the protection of biodiversity in general, of rural workers and communities, by establishing a link between production and demand for non-GMO products with full traceability.

Audits carried out on own farms and on those from suppliers, warehouses, ports and factories, verified compliance with legislation and if quality control is maintained, ensuring that the grain is not transgenic. For this purpose the entire soybean production chain is evaluated, from cultivation to handling and transportation.

In 2016 AMAGGI ProTerra certification involved its own farms (Itamarati, Tanguro, Tucunaré and Agua Quente); the warehouses in Brasnorte, Campos de Júlio, Campo Novo do Parecis and Sapezal; the ports of Itacoatiara and Porto Velho, and the overwhelming in Itacoatiara. Certification reached approximately 400 rural producers, which totaled 981 thousand t of non-GM soybean.

Denofa, AMAGGI soybean crusher in Norway, is a reference throughout Europe for the processing of non-transgenic soybean and is one of the main destinations for ProTerra certified products.

LOGISTICS FOR GRAIN DISPOSAL

Logistics is very important for the sustainability and efficiency of AMAGGI operations. Thus, the company always seeks to be well positioned logistically, using modalities that are economically more viable and promote social development, without neglecting environmental preservation.

For this purpose it was created the Logistics Board in 2016, managed since April of this same year by Sérgio Luiz Pizzato, who previously worked as Director of Origination. The move was motivated by the strategic importance of the area within AMAGGI business. From 2017 the Navigation area will be incorporated into the new board and, in this new structure, it will be called AMAGGI Logistics.

With this change the Logistics area, which was previously fragmented, started to work with the goal of increasing the synergy between all modes. The new Directory is responsible for managing the processes involving highways, railways, shipping, terminals and ports, whether for their own or joint ventures. The change is a good example of a quest for the best performance, with AMAGGI model of operation privileging the integration of all logistic modalities, together with ports and transshipment points, observing the best and most efficient way of disposal for grains and their derivatives.

Thus, besides the operational and financial gain, environmental and social gains are also recorded. To know more [click here!](#)

In 2016 AMAGGI acquired 50% of Bunge terminals in Itaituba and Barcarena, in Pará. This corridor, called the Tapajós/Amazonas Corridor, is supplied in more than 90% of its volume with the integration of road and waterway modes, which will cheaper the cost of logistics and reduce the impact on the environment, as well as promoting local development through investment in transshipment structures. AMAGGI operates in all the export corridors of the country: in Itacoatiara, in Amazonas, with its own capital; in Barcarena, Pará, in partnership (50%) with Bunge Alimentos; in São Luís do Maranhão, in partnership with Louis Dreyfus Company in the Grain Terminal of Maranhão (Tegram) it guarantees us part of its disposal capacity, also serving AMAGGI & LDC joint venture; in Aratu, Bahia, the whole product is exported via AMAGGI & LDC joint venture; Guarujá Grange Terminal (TGG) - a joint venture with ALL and Bunge, being the most efficient terminal in the country, located on the coast of São Paulo - also makes AMAGGI logistics possible; in the state of Santa Catarina the outflow counts with a commercial partner in the Port of São Francisco do Sul; in Rio Grande do Sul, the company uses the Termasa Port Complex (Luiz Fogliatto Maritime Terminal) and the Terminal Graneleiro S / A (Tergrasa).

To design the operation of a period, or a harvest, the company begins with the alignment of the sectors of Logistics, Sales and Origination, so that the intentions and commercial possibilities of buying and selling in the different regions are discussed. From then on, these discussions are cross-checked with the information on AMAGGI installed logistics capacity, and the need to hire or reduce the disposal capacity is then evaluated. Planning is monthly organized for each corridor, with follow-up and adjustments throughout the process.

In the organization of road transport, daily traffic capacity is considered to define the delivery of trucks by the carrier, which directs the cargo directly to the transshipment ports or terminals, where the process becomes multimodal in more than 80% of the volume, with the integration between road, rail and waterway transport.



**MADEIRA CORRIDOR
(ITACOATIARA)**
Road + waterway.



**TAPAJÓS CORRIDOR
(BARCARENA)**
Road + waterway.



**SÃO LUÍS DO
MARANHÃO CORRIDOR
(TEGRAM)**
Road + railway.



**GUARUJÁ CORRIDOR
(TERMINAL DE
GRANÉIS GUARUJÁ)**
For 75% of the volume
road + railway. The
remaining, only road.



**SÃO FRANCISCO
CORRIDOR**
Integration 60% railway
+ road.



**TERMASA AND
TERGRASA CORRIDOR**
All transportation is
carried out by road.

Responsible Truck Driver Program

AMAGGI sees truckers as a key interested part in their business. In order to strengthen the partnership with approximately 1,000 professionals who operate in 42 company units in 8 states of the country, carrying more than 3.5 million tons per year, AMAGGI invests in infrastructure, in addition to having 300 employees trained for the this group.

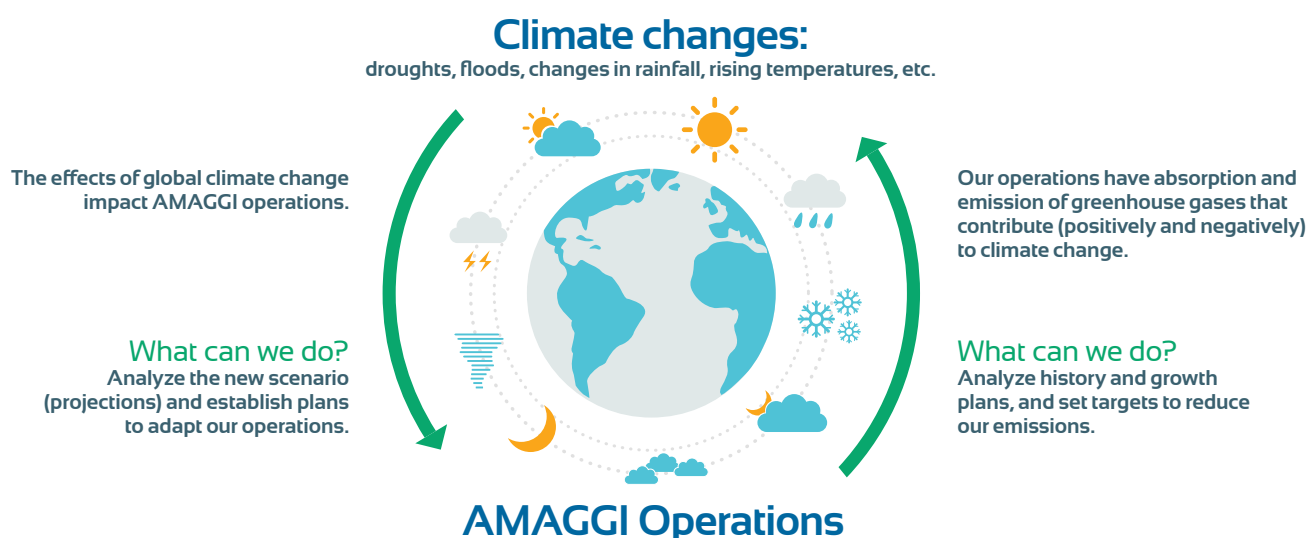
In 2014 AMAGGI joined Childhood Brazil's Na Mão Certa Compact (Right Hand Compact) against sexual exploitation of children and adolescents, and surveyed its dependence on road transport, which allowed mapping of company routes and assessing impacts on accidents and violation of human rights. Drivers' waiting rooms have dining areas, toilets and showers, and receive Rounds of Conversations on security and on the professionals' role in the fight against sexual exploitation. The result of this work, which has already impacted more than 7 thousand drivers, is a more ethical and autonomous professional, who feels less pressured by time, thus reducing his risk behavior.

In 2016 AMAGGI joined all campaigns of the Right Hand Pact, announcing to employees and truck drivers the importance of the Disk 100 in facing the sexual exploitation of children and adolescents, as well as making professionals aware of issues related to health and environment, among others. The company also reinforced training in the Responsible Truck Driver Program at AMAGGI main transportation offices. For 2017 the expectation is to improve the actions of engagement with the truck drivers, in addition to extending the initiatives to also attend the waterway professionals of the company.



CLIMATE CHANGES

Engaged in the debate on the theme, AMAGGI has been evolving in its Climate Change Mitigation and Adaptation Program, which involves all its business areas, each one with its risks and opportunities.



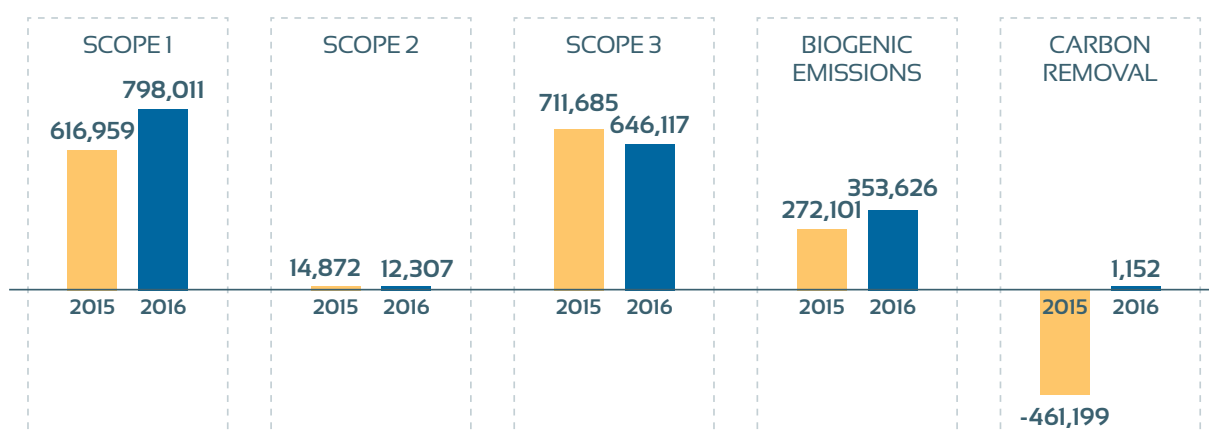
Thereby, the first step in setting reduction targets and adaptation projects is to identify opportunities and challenges through emission inventory, as well as in-depth knowledge of the impact of climate change on the business.

To do so, in 2013 AMAGGI took one of the most important steps in the management of its emissions, participating in the pilot project to improve the methodology of the GHG Agricultural Protocol to calculate greenhouse gas emissions. The company thus established itself as a pioneer in the use of the tool for the agricultural sector.

Since then the company annually updates its emissions inventory. From 2015 the document began to be checked by an accredited institution, receiving the Gold Seal of the GHG Protocol. The inventory includes all emissions from administrative, agricultural, port, factory, warehouse, and power generation activities. It considers all stationary and mobile combustion emissions, fugitive emissions, effluents, agricultural emissions through the use of nitrogen fertilizers, lime and urea, electricity consumption, logistic distribution and business air travel.

Below is the comparison of 2015 x 2016 emissions; the data for 2015 have been adjusted and will be submitted to the GHG for updating the Public Emissions Register. In 2016 there was an updating of the methodology regarding the accounting of agricultural emissions and changes in land use, as well as the insertion of new scopes for the accounting of emissions, such as reforestation for biomass production and new logistic routes.

Emissions of greenhouse gases (tCO₂e)



Main variations from 2015 to 2016 refer to the 47% increase in fertilizer consumption in soybean and cotton production; the 16% reduction in energy consumption in the grains crushing from Itacoatiara and Lucas do Rio Verde factories; and reducing road and rail transport emissions in 35%, even with the inclusion of fertilizer and cotton transport.

Details and justifications for variations of each scope (1, 2 and 3) as well as biogenic emissions and removals (carbon sequestration) can be accessed at [this link](#).

Program for Mitigation and Adaptation to Climate Change

Known and analyzed the emissions inventory, it starts an analysis of the impact of climate change on AMAGGI activities, from agricultural and cattle production to energy generation, going through fluvial operations and distribution.

Thus, understanding how their operations cause impacts to the climate, both positive - for the preservation of forest areas - and negative - for the emission of greenhouse gases from their operations and in the value chain -; and also how climate change influences AMAGGI activities, the company has established the following plans, actions and commitments:

EMISSION REDUCTION PLAN

As the company is expanding - illustrated by the increase in the number of warehouses, capacity expansion at the Lucas do Rio Verde plant, and increased grain outflow - its absolute emissions are expected to increase organically.

So, after evaluating the results of the inventories of previous years and projections of greenhouse gas emissions for 2025, with the growth and efficiency variables in the different business units, AMAGGI, through initiatives to improve efficiency in operations, expects to reduce its relative greenhouse gas emissions by 5% up to 2025 compared to 2015 (Scope 1 of the GHG Protocol inventory).

This number is being worked on in actions and projects in the company's business divisions, taking into account the most relevant and impactful issues for the business.

It is important to emphasize, however, that the premises and methodologies for calculating the emissions inventory are being improved every year, especially by the GHG Agricultural Protocol. Thus, AMAGGI reduction commitment can be strengthened or modified as a better understanding of the most impactful emissions and also of a larger amount of data is served, which will serve as inputs to improve the technical justification for the calculation of emissions.

Anyway, the company's premise is that its goals are always tied to its objective, which is to ensure efficient carbon management in operations and the value chain, with the least possible negative impact and maximizing the positive impacts.

Learn about the strategic and operational efficiency actions of each AMAGGI business division to mitigate emissions and contribute to achieving the reduction target, [clicking here](#).

CLIMATE CHANGE ADAPTATION PLANS

EC2

In relation to climate risks, AMAGGI establishes adaptation plans so that its operations are perpetuated and the impacts on the operation are minimized.

Thus, in 2015 the company initiated a pilot project in the study of the seed production process, using the Climate Change Adaptation Tool developed by GVCes in the Companies for the Climate Platform (EPC). In 2016 the study was expanded to AMAGGI Agro, and the same methodology was implemented in AMAGGI Logistics, since the activities of these business areas suffer direct climate influences.

In 2016 several meetings were held with people responsible for the areas, in order to discuss and measure, with the risk and impact tool help, the activities and actions of the company in the short, medium and long term, as well as the influences of the climate changes over operations. The results of the risk identification and adaptation plans implemented by AMAGGI in its operations and in the value chain are presented below.

→ AMAGGI AGRO

Agricultural activity is highly dependent on climatic factors: changes in humidity and air temperature, as well as increase on floods or prolonged droughts, or changes in rainfall (short summer), for example, can significantly affect the crops productivity, reduce the production overflow capacity, cause loss of investment and infrastructures, besides increasing direct and indirect costs and food prices. All this elements can affect the balance of the market, bringing risks to the business and even to food safety.

As a way of adapting to these different climatic scenarios and their consequences, AMAGGI Agro uses several techniques and controls in the crop, such as:

- Climate monitoring to carry out planting and harvesting in the best season;
- Use of no-tillage technique, which does not revolve the soil and increases the carbon fixation in it;

- Use of brachiaria and other coverages in the off season to reduce soil exposure, maintaining its physical, chemical and biological quality, in addition to increasing resistance to adverse climatic conditions as well as soil biodiversity;
- Recovery of degraded areas, for example, by planting stylosanthes (fodder legume), which improve soil quality;
- Crop-livestock integration.

At Itamarati Farm, in the municipality of Campo Novo dos Parecis, a pilot project of integration between agriculture and livestock was started in 2013, in an area of 240 ha. Due to the soil quality, in this area it was not possible to plant a second crop, then the Brachiaria ruziziensis planting experiment was started. The project was expanded to other pasture areas, currently covering 840 ha. Its first results show a drop in production costs, lower use of pesticides and fertilizers, and increased productivity from 60% to 70%. There is an improvement in the soil profile, with increased rooting and biodiversity, and reduction of natural enemies.

AMAGGI uses integrated pest management in all its farms, according to research recommendations of the Brazilian Agricultural Research Corporation (Embrapa) for grains and seeds, and in accordance with the social and environmental certifications implemented in the areas. These techniques used to control pests minimize the consumption of pesticides, which have a direct impact on Scope 3 of AMAGGI Greenhouse Gas Inventory.

In 2016 AMAGGI started a pilot project at Tucunaré Farm with the technique of biological control. There are areas where control of caterpillars by means of pesticides has been completely replaced by biological control, with good results.

The company continues its research with new cultivars, with technology adapted to the new climatic conditions and pests, to reduce the number of applications of pesticides, and to seek the use of those that are more efficient.

In relation to seed processing, the company has invested in the improvement of seed storage technologies in cold rooms, in order to guarantee the quality of the product for the following harvests.

AMAGGI has participated in committees that discuss the use of biotechnologies and agricultural pesticides, in addition to establishing partnerships with institutions such as Ipam, Embrapa and Emater. This position is fundamental for the implementation of actions that will ensure the adaptation of AMAGGI Agro's operations to climate change.

→ AMAGGI COMMODITIES

As AMAGGI also acquires grains from partner producers, work carried out along its supply chain is very important because climate change can directly influence the availability of grains in the market.

So, to support the rural producer in maintaining and improving his productivity, the Technological Circuit - an action promoted by AMAGGI in partnership with biotechnology producers - is developed to provide farmers in the region in which the company operates with access to suitable agricultural pesticides and seeds. Important information is provided on the correct management of these inputs, to reduce the environmental impact, increase the safety of workers and the productivity of the crop. The socio-environmental certifications A.R.S., Proterra and RTRS also play a significant role, since in their implementation important controls are adopted to support the efficiency of the operational, social and environmental management of the producing farms.

In relation to its own operation, the AMAGGI Commodities grain storage stage is influenced by the climate, as the temperature rise requires more activation of the warehouse fans - which can increase energy and biomass expenses. In addition, rainfall can deplete biomass stocks, since the more humid it is, the more of it is required for grain drying; this is why most of the warehouses now cover their tarpaulin stocks. On the other hand, rain minimizes the dust of the yards and irrigates the lawn, discarding the use of groundwater.

In industries, during periods of heavy rain, the consumption of biomass and energy is increased. In 2017 the Lucas do Rio Verde plant will invest more than R\$800,000 to build a biomass storage shed in order to optimize its stock and consumption.

→ AMAGGI LOGISTICS

The rainfall regime also impacts river operations. Drought makes transportation difficult, with the formation of sandbanks and the narrowing of shipping channels, which requires more safety precautions and reduces the volume of cargo per barge. The flooding period can lead to loading risks if the level of the river rises excessively, which may compromise the quay structures.

In order to deal with these difficulties, AMAGGI seeks to strengthen relations with institutions such as the National Water Agency (ANA) and the Amazon Protection System (Sipam), monitoring the information disclosed and exchanging technical experiences, such as a study conducted in 2016 to evaluate influences of Madeira River flow. The company also began to monitor some fluviometric indexes in order to increase the forecast, feasibility and safety of its loading and transport plan. Improvements were also made in the loading structures of the barges of Porto Velho units, improvements in the vessels for the navigation monitoring, and the operation was adapted to the depth of the river, reducing the risk of accidents and seeking more efficiency against its current navigation conditions.

Aware of all these risks and committed to managing them and improving its productivity, AMAGGI has invested in the generation of knowledge and new technologies. By identifying and mitigating these risks, the company increases its operational efficiency, turning them into competitive advantage and pioneering.

PRODUCTS CARBON FOOTPRINT

The Carbon Footprint, technically known as Product Life Cycle Analysis, presents the greenhouse gas emissions from each stage of production, from the acquisition of the raw material to the delivery of the product to the customer, involving the entire chain of production value. It provides important information for managing emissions internally to the company as well as to its suppliers and customers.

In the calculation of AMAGGI Carbon Footprint, the emissions and removals of the transportation stages of the agricultural inputs were considered; production and consumption of agricultural inputs; change of land use; as well as the production and consumption of fuel and biomass used in warehouses and transportation from the farm to the international port.

→ SOYBEAN CARBON FOOTPRINT

AMAGGI soybean carbon footprint was calculated based on data from 2014, following the ISCC standard.

The soybean production at the company's farms (Itacoatiara, Santos, Paranaguá, São Francisco and Belém) was considered, and the results were compared to the average market in Brazil (Mato Grosso), Canada, United States, Ukraine and Argentina. The ports of Fredrikstad, where Denofa and Rotterdam are located, were considered as the destination of the soybean.

Main results:

- Maritime logistics accounts for 55% of greenhouse gas emissions, followed by 34% of emissions from the crop.
- AMAGGI has one of the lowest diesel consumptions in agricultural production, due to the scale of the machines used and, consequently, to its productivity.
- AMAGGI consumes one of the smallest amounts of energy and nitrogen fertilizers in the group of countries due to the use of high technologies and good agricultural practices.

The comparison showed that AMAGGI export operations emitted 14% less CO₂e than the average companies in Brazil, and almost 20% less than the United States average for delivering grains at the same destination.

→ CORN CARBON FOOTPRINT

AMAGGI Corn Carbon Footprint was calculated based on 2015 data basis, following the GHG Protocol standard, "Product Life Cycle Accounting and Reporting Standard".

The corn produced at AMAGGI farms was considered, with output from the main ports (Itacoatiara, Santos, São Francisco and São Luís), and the results were compared to the market average of Brazil (Mato Grosso), Hungary, United States, France and Ukraine. Rotterdam's port was considered as the corn destination.

Main results:

- The road logistics modalities in Brazil are one of the biggest impacts on greenhouse gas emissions, accounting for 57% of emissions.
- The agricultural stage has the second largest emission, representing 22%, followed by the production of agricultural inputs, with 17% of the emissions of AMAGGI corn Carbon.
- In Brazil the climate is conducive to the manifestation of pests, which increases the demand for pesticides. This demand is lower in countries with colder climates.

The average of the Brazilian and the Hungarian productions present the highest emissions of the studied group, being 40% above AMAGGI's. The final comparison between the countries showed that the AMAGGI has a performance equivalent to the one in France, with the lowest total emissions of the group studied, and also shows the lowest emission in the agricultural phase.

COMBATING DEFORESTATION AND BIODIVERSITY

EN11, EN12, EN13

In order to expand its agricultural areas, AMAGGI favors the acquisition of properties already converted and consolidated, and invests in the recovery of these areas, undertaking analyzes not only of land but also of all environmental legal issues and obligations. Thus, it does not carry out conversions of native forests for the agricultural use, besides maintaining all its agricultural production outside the limits of protected areas. The integration between farming and livestock is a sustainable production strategy that AMAGGI began to adopt in 2013 in some properties where it integrates agricultural, livestock and forestry activities, made in the same area in intercropping, contemplating the environmental suitability, the valorization of man and the economic viability. All company properties are in compliance with the Forest Code and other laws.

AMAGGI also has 90,357.40 ha of preserved areas as legal reserve and permanent preservation area. Of this total, 18,980.59 ha are located inside state parks (destined to compensation or exemption from legal reserve) and 71,376.81 ha are preserved on their farms.

In 2016 AMAGGI continued the activities of the Degraded Areas Recovery Plans in their preservation areas, using mainly the techniques of no-tillage of the seedlings and contribution to natural regeneration, since some areas have a good response. All plans are surveyed by the Sustainability team at least twice a year, determining the technical instructions and activities to be performed; in subsequent visits the performance and effectiveness of the activities are verified. The team also prepares annual monitoring reports, which are presented to the competent institutions.

In 2016 the company started recovering 5.22 ha, close to AMAGGI Private Port Terminal in Porto Velho. This recovery is part of a total of 106.10 ha of the terminal. AMAGGI currently has 290.80 ha of APPD being recovered.



Free Deforestation Chain

AMAGGI has been working to have a supply chain free of deforestation, participating in initiatives such as the Soybean Moratorium, which completed ten years in 2016, and is also a partner of the government of Mato Grosso in the Strategy: Produce, Preserve and Include (learn more on the [Partnerships and initiatives chapter](#)). The company also invests in socio-environmental certification and in the development of rural producers as one of the ways to stimulate environmental regularization and combat deforestation. In addition, it is improving its traceability tools and chain management information with the implementation of the platform ORIGINAR – Responsible AMAGGI Origination platform, developed through Agro tools technology (learn more on the chapter [Promotion of sustainable agriculture in the grain chain](#)).

“The Moratorium was - and still is - a very important instrument to reduce deforestation in Amazon. One of its main merits was to have joined sectors that ten years ago did not talk, did not dialogue, and today have a joint agenda for sustainable development”, commented Juliana Lopes, AMAGGI director.

For the future AMAGGI plans to invest further in tools, practices and initiatives aimed at ending deforestation, and will work together with its stakeholders to achieve this result in the shortest possible time. As soon as Global Positioning for Sustainability is launched, it will be possible to follow the actions related to this subject through an online platform (learn more on the chapter [Global Positioning of Sustainability and 2025 AMAGGI Plan](#)).

Tanguro Project

Among the various fauna and flora studies carried out at AMAGGI's Tanguro Farm in Querência, a Mato Grosso municipality, it is the largest and longest controlled fire experiment in tropical forests in the world. It analyzes the consequences of landscape transformation and habitat fragmentation. The scientific project started in 2004, after a partnership between AMAGGI and Ipam, and brings together a group of national and international scientists and students, aiming to investigate the direct impacts of agriculture on biodiversity, forest health, aquatic environments and nutrients.

The work, which became famous for setting fire to the forest in order to understand its resilience to this element, also investigates what happens in temperature, air humidity, water flow and greenhouse gases, rainfall, in the forest capacity to deal with fire and biodiversity, with changes in the landscape.

The data analyzed so far allow us to conclude that transition forests affected by fire become susceptible to grass invasion. They hinder the natural regeneration of vegetation and serve as extra fuel for new fires. In addition, the mortality of trees and lianas increases 80% and 120%, respectively, in relation to the area that has never been burned.

Until now the project has generated 13 doctoral theses, 10 master's dissertations and 37 articles in scientific journals.

DEVELOPMENT OF HUMAN CAPITAL

AMAGGI Organizational Human Development management is performed by the areas of Attraction and Selection, Organizational Development and Corporate Education. Its focus is on attracting, developing and maintaining talents, providing conditions for employees to achieve their personal and professional achievements, generating sustainable business results.

AMAGGI considers these strategic areas, ensuring the individual and organizational development necessary for the company's continuity and long-term success.

Attraction and Selection

The Attraction and Selection area seeks to ensure the attraction of talent aligned with the company's strategies, assisting in its development and retention, through the application of the best market practices in recruitment and selection.

→ EMPLOYER BRANDING

Started at four years ago, the project focuses on AMAGGI as an employer, using an online evaluation to access the candidate's point of view regarding the selection. Its objective is to attract people who have values aligned with the company's talent program.

In 2016 there were more than 93 thousand registered curricula. Six lectures were held at universities in Mato Grosso and other states, a technical visit was held by university students to the Corporation and it promoted a Career Fair. The public reached was 1,800 academics from various courses.



→ **GROWING PROGRAM**

Acting as an extension and enhancement of the New Employees Integration, this program monitors the newcomer by an area tutor, in meetings with partner areas and on-the-job training. In 2016, 525.5 hours of Growing Program were carried out with new employees, and 25.5 hours of training for tutors.

→ **INTEGRATION PROGRAM**

Every admitted employee participates in the Integration Program, which involves various areas of the company, such as Personnel Administration, Attraction & Selection, Sustainability, Internal Controls, Occupational Health and Safety, Information Technology and Quality. The purpose of the program is to convey information about the business and about the rights and duties of new employees.

Organizational Development

The Organizational Development area strongly influences the identification of development opportunities and monitors the entire organizational transformation, supporting the quality of people management decisions.

Corporate Education

The area of Corporate Education is guided by the motto “Transforming is what makes us grow”. Its objective is to guarantee the culture of continuous learning, by managing and multiplying individual and organizational knowledge, providing the necessary skills to achieve the strategic objectives. To do so, it puts into action a series of development practices and actions:

→ **EDUCATIONAL AID**

The program offers subsidies to cover - between 10% and 50% - the participation of employees in technical or academic training courses. Entries are issued twice a year, before the beginning of the semester, and are extended to the entire organization.

In 2016 AMAGGI invested R\$478,465.46 in this program, reaching 134 employees. In the same year 45 employees graduated from the courses funded by the program, and 63 employees linked to the Educational Aid were promoted.

→ TRAINING TRACKS

In line with the strategic plan of the business areas, the Training Tracks are a tool for developing technical and behavioral skills necessary for the maintenance and growth of the areas. Its focus is on improving employees' current and future performance.

→ INTERNAL AND EXTERNAL TRAINING

In order to provide new tools, instruments, methods and ways of thinking, AMAGGI invests in the continuous training of its employees, always wishing to improve performance and prepare them for new challenges.

→ LEADERSHIP SCHOOL

Through this program, AMAGGI seeks to ensure that its leaders have the necessary skills to execute strategies and pursue business continuity. The School of Leaders can be accessed through Assessment, a tool that enables self-knowledge and paves the way for participating in all modules of the program.

→ TALENT SCHOOL

Aimed at non-managerial employees, the program aims to promote their technical and behavioral development.

In 2016 AMAGGI provided approximately 126 thousand hours training, reaching 6,773 employees - 87% men and 13% women -, which resulted in an average of 18.64 hours per employee. LA9

To identify the training needs of employees, managers participate in the Leaders' School, which offers tools to detect development demands and make decisions. Each business area plans and develops its training budget based on Individual Development Plans, which allow the monitoring of development needs in accordance with the strategic objectives of the organization.

As a provider of methodologies and management tools, the Corporate Education area makes available on the intranet a system to support the registration and transfer of information regarding training, allowing its monitoring from the topic library.

Over the last year AMAGGI has acquired the Success Factors system, which allows optimizing information, integrating people management subsystems, and giving employees greater leadership, guaranteeing major capillarity of information, and therefore more freedom in development. The acquisition of the system was an important step, and it is now in the final stages of implantation, scheduled to run in 2017.

Other programs carried out in 2016:

→ SHARE PROGRAM

Implemented in 2014 with the objective of developing knowledge management among employees, it promotes monthly meetings so that a collaborator presents a topic of congress or seminar of which he has participated.

→ STRENGTHENING OUR ROOTS

This project was implemented in 2015 as a continuation of work begun in 2013, when the People's Board brought together leaders to reflect on institutional values, identifying a coherence between what the organization records and disseminates and what is perceived. From 2015 onwards meetings began to take place between the executives and the employees of the units, in which managers talk about their trajectory and comment on the ways for employees to identify themselves with AMAGGI culture. The meetings have already been held in several locations, and in 2016 they took place in Cuiabá (headquarters), Itacoatiara (shipyard and complex), Porto Velho, Portochuelo, Tanguro Farm, Vale do Araguaia Farm and Lucas do Rio Verde units.

→ SELF-KNOWLEDGE PROGRAM

The program seeks to enable the professional self-knowledge for their fluency and well-being in AMAGGI objectives achievement; improve the relationship and communication with the manager, the working team and the pairs; and demonstrate autonomy and protagonist attitudes, understanding the importance of carrying out their activities.

Average training hours of own employees, by functional category LA9			
Functional Category	Number of employees	Number of hours	Average training hours
Board	4	0	0
Directors	12	215,00	17,92
Managers	415	4,771.00	11,50
Administrative	984	79,542.00	80,84
Technicians	67	631,00	9,42
Young Talents	14	203,25	14,52
Apprentices	73	563,00	7,71
Trainees	7	83,50	11,93
Operacional	3,418	33,784.75	9,88
Total	4,994	119,793.50	23,99

Note: Some employees may undergo more than one training throughout the year. Therefore, when counting all the trainings, the number of trained employees appears to be higher than the total number of employees of the company.

Average training hours of own employees, by gender LA9			
Gender	Number of employees	Number of hours	Average training hours
Male	5,914	110,055.80	18,61
Female	859	16,181.45	18,84
Total	6,773	126,237.25	18,64

Note: Some employees may undergo more than one training throughout the year. Therefore, when counting all the training, the number of trained employees appears to be higher than the total number of employees of the company.

Average training hours of outsourced employees* LA9			
	Number of employees	Number of hours	Average training hours
Outsourced	1,779	6,443.75	3,62

* The number of outsourced employees reported here includes all those who have undergone AMAGGI training, whether fixed or contingent - which directly influences numerical results. For this reason, there may be a divergence between the figures related in this report over those previously reported by the company.

In addition to contributing to the development of its human capital, AMAGGI hires all its employees under the terms of the Consolidation of Labor Laws (CLT). Offering remunerations above the minimum wage (R\$880.00), the company has its lowest salary for men in the amount of R\$1,150.93, and for women in the amount of R\$1,084.62 - a ratio of 1.31 (men) and 1.23 (women) in relation to the national minimum wage. EC5

FAIR WORK PRACTICES, OCCUPATIONAL SAFETY AND HEALTH AND WELL-BEING

Always with a preventive vision, AMAGGI concentrates efforts to provide means for the permanent development of a safe and healthy working environment, believing that the constant search for the improvement of the actions directed to the safe behavior contributes to the elevation of the maturity in health and occupational safety. Ensuring the preservation of health and physical integrity of all those who interact with its operations is the main pillar of AMAGGI Occupational Health and Safety Policy.

The company works to develop and consolidate the following basic fundamentals:

- ➔ Operational discipline: achievement of activities according to specific procedures and practices, doing right every time;
- ➔ Owner concept: persons must act as responsible for what happens in their area of action regarding the safety and health of employees, third parties and/or visitors;
- ➔ Leadership by example: the leader adopts safe procedures and practices to encourage his teams to do the same;
- ➔ Line responsibility: responsibility for safety and health is firstly assigned to the leader of each area, just as it occurs with production and quality, and the Occupational Health and Safety area functions as technical support.

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

AMAGGI adopts the principle of anticipation, seeking to implement the new guidelines even before its mandatory, adopting the position that legal guideline is not an element that poses difficulties, but an ally in the implementation of new technologies and knowledge to improve results, so safeguarding the integrity of the workers. The company does not restrict this care to its own employees by extending it to partner service companies.

Occupational Health and Safety Management System (OSHS)

AMAGGI invests in tools and technologies aiming at the preservation of health and the prevention and reduction of occupational accidents. It stands out in this area the Occupational Health and Safety Management System (OSHS), which aims to systematize occupational health and safety actions, looking at the standardization of activities and continuous improvement of the process.

AMAGGI SGSSO is currently composed by 35 tools, which serve as a foundation for the evolution of cultural maturity in Occupational Health and Safety of the company.

Behavioral Security Program

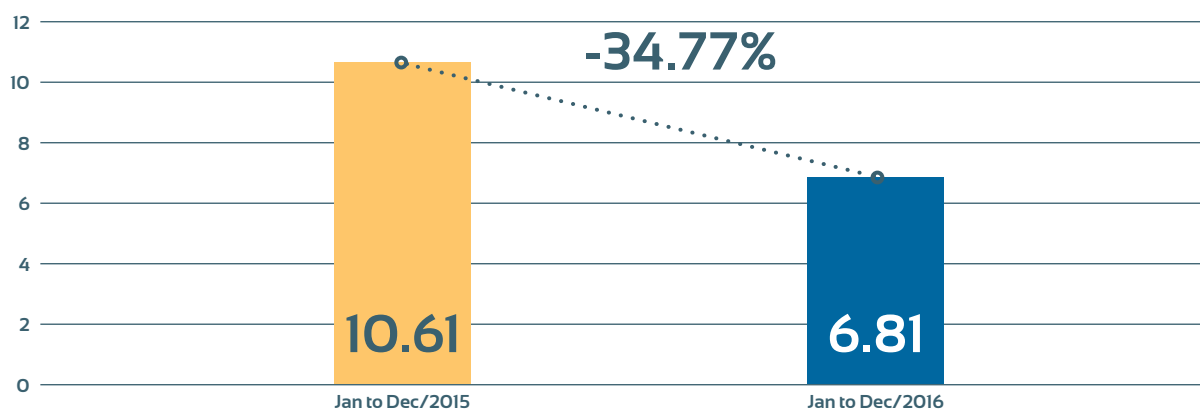
Implanted in 2013 AMAGGI Behavioral Security Program integrates the company's Occupational Health and Safety Action Plan, which is carried out in three units of AMAGGI Agro: Água Quente and Tucunaré farms in Sapezal, and Itamarati, in Campo Novo dos Parecis. In 2015 it was expanded to the Tanguro Farms, in Querência and Vale do Araguaia, in São Félix do Araguaia.

Since its implementation the Behavioral Safety Program has contributed to a significant reduction in the frequency of accidents at work. In the first year the reduction was 44%; in 2016 it was 34.77%.

However, more than reducing the rate of accident frequency, the program has a greater challenge: to work on the prevention culture, through the awareness and change of behavior of employees. The work is developed so that all unit managers are involved in the process.

In the sequence the program will be extended to the other units of the group. It already has begun the procedures for the implementation in Porto Velho units and other AMAGGI Agro farms. The idea is that in the coming years it will reach all AMAGGI units.

Total frequency rate



Mutual Alert

Among the tools that make up AMAGGI SGSSO, the Mutual Alert stands out as a tool that seeks to stimulate communication between workers, regardless the positions held, in order to avoid accidents and contributing to a safe and healthy work environment.



Health and safety in numbers

In 2016 the company managed to reduce health and safety rates considerably, compared to the previous year. The rate of injuries, for example, had a reduction of 11.39%.

Own employees health and safety* LA6			
	2014	2015	2016
Injury rate	6,75	7,81	6,92
Occupational disease rate	0,09	0,16	0,15
Gravity rate	401,27	717,50	207,09
Absenteeism rate	0,15	0,19	0,17
Total deaths	0	1	0

* AMAGGI follows NBR 14.280 - Labor Accident Register, besides the social security and labor legislation.

- Road accidents and outsourced employees were not computed for the calculation of lost rates and days, following NBR 14.280.

- This year it was not possible to answer about the gender indicators, but the SAP system implementation already started and it will contribute to improving responses to indicators in the coming years.

- Although implemented in 2013, the Behavioral Security Program was reinforced in 2016 at the unit where a death occurred in 2015. With this intensification of efforts, AMAGGI was able to reduce considerably all the health and safety rates of the unit, compared to the previous year. The injury rate, for example, had a reduction of approximately 50%.

Own employees health and safety by region LA6									
	2014			2015			2016		
	Midwest	North	South	Midwest	North	South	Midwest	North	South
Injury rate	7,08	5,75	0	8,27	6,48	0	6,35	8,90	0
Occupational disease rate	0	0,41	0	0,11	0,34	0	0,10	0,33	0
Gravity rate	205,19	1093,76	0	812,99	427,93	0	197,32	242,64	0
Absenteeism rate	0,11	0,27	0	0,14	0,36	0	0,16	0,21	0
Total deaths	0	0	0	1	0	0	0	0	0

Support for People

As well as health and safety, AMAGGI also takes care of the well-being of its employees. For this purpose it counts on a team that promotes the inclusion of diversity, family development, financial education and support for retirement - authentic concerns in the management vision of the company.

Among the programs and projects developed by the Support to People area in 2016, some deserve to be highlighted, and can be seen below.

→ AMAGGI PROGRAM INCLUSION

The promotion and appreciation of diversity is fundamental to the success and sustainability of the company's businesses - it is with this idea that the AMAGGI Inclusion Program carried out, in 2016, actions dedicated to making the inclusion process more effective and assertive, which resulted in the publication of AMAGGI Inclusion and Diversity Policy.

The implementation of this policy brought results that went beyond compliance with the Quotas Law in the business areas: it legitimized the inclusion culture in the company, providing a harmonious environment with equal opportunities.

Among the actions developed in this program, we can emphasize: awareness activity called Talking about Inclusion, accomplished with non-managerial collaborators; training and booklet Leading People with Disabilities, offered to managers; training and booklet Guide Rights and Duties of Persons with Disabilities, offered to employees with disabilities; training with Human Resources departments; partnership with social institutions for the appointment and hiring of people with disabilities; integration and monitoring of the inclusion of people with disabilities.

→ LIVING BETTER CHILDREN

With Living Better Children project, AMAGGI seeks to value education in the process of training the children of employees, contributing to the future professionals. By investing in education, the company helps to develop critical awareness and the ability to make healthier and more sustainable choices.

The initiative offers activities between parents and children, and contemplates the beneficiaries with the Knowledge Kit (school material). All this work helps the reflection process of the parents on the family legacy, the accompaniment and responsibility in the formation of these young citizens.

The 2016 edition of Living Better Children counted on three phases. In the first one, rounds of conversations were held with employees. Through play activities, parents reflected on the importance of being present in their children's school life, and exchanged experiences. At the end of the activities, they received a form to fill out, searching for elements about their children's educational lives.

In the second phase the parents received the result of the applied form. The feedback was guided by a psycho-pedagogue, allowing the development of a more careful look and a closer listening for what is beyond the grades on the school reports: the role of the family in the educational process.

The third phase, in 2016, aimed at the integration of what was done previously, being the responsibility of the employees to show through images everything that was approached in the meetings of the project.

→ FINANCIAL EQUILIBRIUM PROGRAM

In 2016 the Financial Equilibrium Program was accomplished, aiming to promote the culture of financial education inside AMAGGI, increasing the level of understanding of employees and their families concerned to a more conscious use of money and credit, allowing the realization of dreams.

Divided into modules, the program sought a closer participation of employees, so they could put into practice the tips passed between modules. Individual assistance was also offered to employees who needed further guidance.

Employees' service and guidance

AMAGGI offers a number of benefits to its employees in order to support them in various personal and professional situations.

The aim of the Care Program is to accompany the cases of employees in social security retirement to reestablish health and return to work, as well as attending to cases involving relatives.

In 2016, 849 appointments were made, among which: social security intermediation; clinical follow-ups; financial guidelines; care about life insurance; intermediaries for medical care; assistance on funeral assistance; cases of abuse of alcohol and other drugs.

Remuneration and benefits

At AMAGGI, compensation and benefits management is based on the needs of the business, according to the company culture and the best market practices. In 2016 two major actions well represented the initiatives of this area:

- Market research: with the support of Hay Group, the research sought to assess AMAGGI adherence to the best remuneration and benefits practices at the national and regional levels, allowing to conclude that the company's practices are in line with the market and, at some points, above of what is practiced by competitors;
- Goal Change in the Profit Sharing Program (PPR): the new Goal Program, which was previously restricted to managers, was extended to all employees. This new model was presented in all company units, with the participation of all managers, and will be an opportunity to intensify AMAGGI practice of justice and meritocracy.

SUPPLIER CHAIN MANAGEMENT

With a purchasing practice that prioritizes the hiring of local and regional suppliers, AMAGGI seeks to contribute to the development of the regions where it operates.

The management of all AMAGGI suppliers is based on internal rules and procedures approved by the Executive Directory. All supply contracts have specific clauses regarding respect for human rights, such as the non-exploitation of child labor, degrading or in a condition analogous to slavery, and a specific anti-corruption clause.

The contracts also include clauses on labor and social security obligations that preserve the health and safety of the professional, such as the use of personal protective equipment (EPI) and training and awareness-raising practices on these issues.

To ensure compliance with these requirements, AMAGGI establishes partnerships only with suppliers that have an agreement or collective work convention. Currently, the greatest risk of occurrences of this nature is in Mato Grosso, where most of the company's units are located.



Supply Chain Mapping

G4-I2

→ ORIGINATION – FARMERS

In their supply chain, rural producers - around 4,000, including purchasers of inputs - are AMAGGI strategic partners, essential to the company's growth plans. Therefore, the company offers several actions to support this public, based on its Environmental Policy and its Global Positioning of Sustainability. These initiatives seek to promote responsible agricultural production, stimulate producers in good agricultural practices, contribute to the socio-environmental development of rural properties and improve the quality of life of the communities where the properties are located.

AMAGGI Responsible Chain Management Program, in addition to the veto criteria, which prevent it from commercialize with the producer, provides two principles that foster sustainability: encouraging sustainable agriculture and combating illegal deforestation. So, projects and partnerships to encourage responsible production by producers are signed annually to promote the Business Principles for Food and Agriculture, of the United Nations Global Compact, as well as the fight against illegal deforestation.

These suppliers are divided into subgroups:

- Large properties;
- Medium properties;
- Small properties;
- Producers certified by A.R.S., RTRS and ProTerra.

→ INPUTS SUPPLIERS

Divided into product categories and local, regional, national and international locations, in 2016 AMAGGI contracted 5,843 suppliers of inputs, within the following subgroups:

- Construction companies: companies contracted mainly for the construction and / or renovation of warehouses, small hydroelectric stations, factories, ports and other industrial facilities;
- Shipyards: companies contracted for construction or repair of vessels and barges;
- Service providers: companies contracted to provide services in general (transport, customs clearance, maintenance, cleaning, leasing, etc.);

- Suppliers of equipment: companies that provide dryers for warehouses, furnaces, silos and materials for vessels (motor, propellant, housing, communications, kitchen) and for small hydroelectric stations (turbines, electric motors, etc.);
- Other: suppliers of stationery, hygiene, cleaning and food.

Among the above categories of suppliers, contracts were signed with 1,283 of them, and all contracts contain the standard clauses of the company with socio-environmental requirements.

→ CRITICAL SUPPLIERS

The main trading partners considered socially and / or environmentally critical by AMAGGI, as detailed in internal procedure, are divided into suppliers of:

- Biomass and timber of native or exotic origin;
- Seedlings (nurseries);
- Grains and livestock;
- Products of mineral origin;
- Phytosanitary products and fuels;
- Construction and contractors companies;
- Waste processors;
- Environmental laboratory analysis services.

→ TRANSPORT SUPPLIERS - LOGISTICS

AMAGGI Commodities has approximately 2,900 contracts for the transportation of corn and soybean, with transportation companies of all sizes. The company's relationship with these suppliers is organized from the size of the companies:

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

Suppliers' evaluation

EN33, HR11, LA15

AMAGGI has a Supplies area, which is responsible for prospecting and requesting the evaluation of the company's suppliers. It is up to the area to research possible suppliers for the type of product and / or service requested by each area, as well as to contact these suppliers and request all relevant documentation. For the contraction of critical suppliers, AMAGGI adopts socio-environmental criteria that are evaluated jointly by the areas of Supply and Sustainability. To know the criteria and description of the required documentation requested for each type of product or service provided, [click here](#). Concerned to grain suppliers, the evaluation criteria for acquisition is available in [Promotion of sustainable agriculture in the grain chain](#).

The company also carries out the socio-environmental evaluation of the suppliers considered critical in its chain, through consultations with Ibama's public lists of embargoes and the slave labor of the Ministry of Labor and Employment, through the InPacto institute, and conference of all documentation proving agreement with the relevant legislation.

In 2016 there was a 17.5% reduction in the number of evaluations of suppliers considered to be critically important from a socio-environmental point of view. Part of this reduction was motivated by the lower need to purchase biomass, since in 2015 a strong work was done in the identification of new biomass suppliers and, in order to minimize costs with this type of input, purchases were made in larger volumes, generating inventories for the 2015/2016 and 2016/2017 harvests.

Last year AMAGGI supply area requested the evaluation of 424 suppliers considered environmentally or socially critical, according to environmental criteria, human rights, labor practices and impact on the community. Among the evaluated, 198 were not qualified, since they did not present all the supporting documentation pertinent to the type of activity developed. Furthermore, the contract was finished with four suppliers, one for missing documents for the contractual renewal; another for its inadequate working conditions during a routine inspection; and two for the absence of a valid operating license for the processing of recyclable waste.

One of the main difficulties in finding suppliers that can be approved in all the requirements demanded by AMAGGI is the suppliers' non-regularization in the regulatory agencies. They often choose not to do this procedure because of the high cost and bureaucracy to get the license.

In 2016, aiming to engage non-qualified suppliers, AMAGGI, in an integrated work between the Sustainability, Supplies and Legal areas, developed a response letter with guidelines on the necessary procedures to become a qualified supplier of the company. This action is in the final process of validation and will be implemented in 2017, as part of the procedures of Socio-Environmental Evaluation of Critical Suppliers. The expectation is that in this way the company can stimulate its suppliers to comply with good sustainability practices.

DEVELOPMENT OF REGIONS WHERE IT OPERATES

In 2016 AMAGGI operated in 39 Brazilian municipalities, in 8 states, excluding joint ventures, in addition to international units, and its operations with the most significant impacts are located in the states of Mato Grosso, Amazonas and Rondônia. SO2

In order to support the development of the communities where it operates, AMAGGI created the André and Lucia Maggi Foundation, a non-economic institution dedicated to the strategic management of the company's private social investment.

Guided by the André and Lucia Maggi Foundation Private Social Investment Policy, all forms of AMAGGI social activities follow some guidelines, the first being the alignment of the initiative with its Mission, Vision and Values, and an always transparent communication on social investment practices in the community.

Another one is the stakeholders' engagement in the identification of priorities, in the planning, implementation and evaluation of practices, through consultation and dialogue with representatives of society organizations, as well as the possible spontaneous engagement of AMAGGI employees. The Foundation considers of great importance to stimulate and guide partners to improve their actions, always respecting the AMAGGI family's desire to value people's capacity.

The André and Lucia Maggi Foundation Private and Social Investment Policy underwent a review in 2013 and 2014, better orienting the focus of application of the projects in the communities, with the involvement of several actors and partnerships.



André and Lucia Maggi Foundation private social investment focus



In order to organize its actions with the communities, the Foundation relies on three axes: development of people, development with communities and mobilization of partnerships. The latter has a transversal influence in all the projects of the Foundation.

Development of people

This axe is dedicated to projects for development with communities, through premises such as listening and dialogue, seeking to identify and know challenges and opportunities for the development of actions, such as the Casa Maggica Project in Rondonópolis and the Centro Cultural Velha Serpa in Itacoatiara. As part of its expansion plan, the Foundation included the Casa Maggica Project in Cuiabá and the development of the Mundo Maggico Project, which will seek to replicate Casa Maggica's methodology with institutional partners.

Development with the community

This axe is addicted to projects dedicated to development with communities, through premises such as listening and dialogue, seeking to identify and know challenges and opportunities for the development of actions; the identification of partners in order to create a collaborative local agenda of discussions and actions to transform the local reality; and the strengthening of local networks, providing qualification and technical training for local organizations, as well as opening bids for financial support.

Mobilization of partnerships

In this area the Foundation seeks to mobilize partners - AMAGGI value chain companies, universities and international clients - for a qualified community social investment. Thus it is possible to create new social technologies, to increase the number of projects developed and to maximize their results.

Projects achieved

SOI

→ CASA MAGGICA

The project aims to contribute to citizen education, working after/before school, through art-education. The action reached 240 children and adolescents from 27 public schools in the municipality of Rondonópolis, located in neighborhoods with social vulnerability from medium to high, and with low scores in the Basic Education Development Index (Ideb). According to the calculation of the social return on investment, each R\$1 invested in the Casa Maggica Project generated R\$3.22 in social value - that is, three times more than the amount invested.

→ MUNDO MAGGICO

Still in development, the project aims to replicate the actions of Casa Maggica to other public spaces. To structure it the Foundation has already begun a process of analysis of the indicators and results of the Casa Maggica project, as well as measuring its impacts through focus groups with local stakeholders. From this process, a methodology and the systematization of actions will be written, as a social technology to be reapplied in other places of our performance.

→ VELHA SERPA CULTURAL CENTER

Space dedicated to the development of permanent cultural activities, projects focused on heritage education and storytelling, cultural exhibitions and shows. In 2016 the events held by the Cultural Center had the participation of more than 8 thousand people, from actions in partnership with public power and third sector organizations. The activities are offered free of charge to the public and organized from the publication of public calls and of occupation.

→ POTENCIALIZA

Considered a success story in the UN Global Compact booklet on the Business Principles for Food and Agriculture, the project provides solutions for the local and sustainable development of farming communities based on their own potential: local networks and their agents.

Launched in 2015 after a survey in the municipalities of Campo Novo do Parecis, Sapezal, Lucas do Rio Verde, Querência and Cuiabá, Potencializa is expected to be carried out during two years in each municipality, being able to extend to a third year, depending on the dynamics and development of the work in each locality.

In 2016 the project continued the mobilization work of the local community in Campo Novo do Parecis, Querência and Lucas do Rio Verde, working on empowerment and community participation to build a plan of action and division of responsibilities (first, second and third sectors), in order to develop a single working agenda, elaborated and validated collectively, strategic for the future of these communities.

Until 2018 Potencializa project intends to develop its work in the five municipalities that underwent the initial diagnosis.

→ TRANSFORMAR

Project of training and formation of social institutions, which seeks to stimulate best practices for the third sector, encouraging local development and sustainability. In 2016 the project reached 38 organizations, which participated in distance learning. For 2017 the Foundation plans to restructure the project, through face-to-face work in seven poles: Sapezal, Cuiabá, Rondonópolis, Confresa, Sinop, in Mato Grosso; Porto Velho, in Rondônia; and Itacoatiara, in Amazon.

→ ANDRÉ AND LUCIA MAGGI FOUNDATION AWARD

In an effort to recognize and value social organizations that contribute to the human development of the municipalities in which it operates, André and Lucia Maggi Foundation created an award, whose first edition was held in 2016. It awarded entities in three categories: Good Management Practices; Best Impacts; and Social Entrepreneur. As a prize, six organizations will receive, in 2017, training focused on topics of relevance to the third sector, as well as financial resources, for a total amount of R\$170 thousand.

→ RURAL SCHOOL CONSTRUCTION

Responding to the need to care for the children and adolescents of the region in a broader structure, the Foundation undertook the construction of Argeu Augusto de Moraes School in Campo Novo do Parecis. The project will offer a more appropriate school space for young people, lasting a year, with an investment of R\$2.3 million in 2016. The expectation is that the school will be finalized and delivered in the first half of 2017, with a total investment of nearly R\$3 million. EC7

In addition to the actions carried out by the Foundation, AMAGGI also supports local community development initiatives. In 2016 the Itacoatiara unit supported a series of social actions, offering materials and equipment to schools, entities and events, as well as donations and training. Total investment in these projects was R\$68,755.79.

Last year, AMAGGI Energy has led to improvements in the accesses of the small hydroelectric plants Segredo and Ilha Comprida, maintaining the access roads. A renovation was also carried out on the bridge linking Segredo and Ilha Comprida, used by rural producers and the population in general. The total investment was R\$105 thousand. EC7

About the Report

G4-17, G4-28, G4-29, G4-30, G4-32, G4-33,

AMAGGI presents in this Sustainability Report an overview of the main activities of its units installed in Brazil, from January 1 to December 31, 2016. Having an annual publishing, the last report covered 2015.

This publication reports the operations of the units located in the Brazilian territory and which are totally controlled by AMAGGI, including the leased ones. Quantitative data are not reported for companies not fully controlled, such as joint ventures.

The document is based on the Global Reporting Initiative (GRI) methodology, following the G4 guidelines, "in accordance" with the "Essential" adherence option.

The company has chosen not to carry out an external verification of this document.

Navigation of the Report

Aiming to provide an easier and more interactive reading of this report, “i” icons have been included along the chapters, referring to the principles of the Global Compact and Sustainable Development Objectives.

→ GLOBAL COMPACT

A voluntary initiative proposed by the United Nations, aiming to engage the business community to adopt fundamental and internationally accepted values in the areas of human rights, labor relations, environment and fight against corruption, in its business practices. These values are arranged in ten principles.



Respect and support the protection of internationally proclaimed human rights;



Make sure that they are not complicit in human rights abuses;



Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;



Elimination of all forms of forced and compulsory labour;



Effective abolition of child labour;



Elimination of discrimination in respect of employment and occupation;



Businesses should support a precautionary approach to environmental challenges;



Undertake initiatives to promote greater environmental responsibility;



Encourage the development and diffusion of environmentally friendly technologies;



Businesses should work against corruption in all its forms, including extortion and bribery.

→ SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (ODS) are a global agenda adopted at the United Nations Summit on Sustainable Development in September 2015, consisting of 17 objectives and 169 goals to be achieved until 2030. In this agenda global actions are planned in the areas of poverty eradication, food security, agriculture, health, education, gender equality, energy, water and sanitation, sustainable patterns of production and consumption, climate change, sustainable cities, protection and sustainable use of oceans and terrestrial ecosystems, inclusive economic growth, among others.



Contents of the Global Reporting Initiative (GRI)

G4-32

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
GENERAL STANDARD CONTENT				
STRATEGY AND ANALYSIS				
G4-1	Message from the president	3 and 4	1, 2	
ORGANIZATIONAL PROFILE				
G4-3	Organization name	5		
G4-4	Main brands, products and / or services	27 to 34		
G4-5	Organization headquarters location	99		
G4-6	Countries where the organization operates and where its main operations are located	5 to 7		
G4-7	Nature of ownership and legal form of organization	<p>AMAGGI consists of the following companies:</p> <p>André Maggi Participações S.A.;</p> <p>AMAGGI Exportação e Importação Ltda.;</p> <p>Agropecuária Maggi Ltda.;</p> <p>Hermasa Navegação da Amazônia S.A.;</p> <p>Maggi Energia S.A.;</p> <p>Divisa Energia S.A.;</p> <p>Ilha Comprida Energia S.A.;</p> <p>Segredo Energia S.A.;</p>		
		<p>The others are international companies or joint ventures. Their information is not reported from the financial and socio-environmental point of view. Are they:</p> <p>Unidas Tapajós (joint venture);</p> <p>AMAGGI International BVI;</p> <p>AMAGGI Argentina;</p> <p>AMAGGI Paraguay;</p> <p>AMAGGI Europe BV;</p> <p>Denofa S.A.;</p> <p>AMAGGI S.A.;</p> <p>Terminal Granéis S.A TGG;</p> <p>AMAGGI e LD Commodities S.A (joint venture);</p> <p>AMAGGI e LD Terminais Portuários S.A (joint venture).</p>		

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development																				
G4-8	Report the markets in which the organization operates (with geographic breakdown, covered sectors and types of customers and beneficiaries)	<table><tr><th>Business Areas</th><th>Scope</th><th>Sectors served</th><th>Customers / beneficiaries</th></tr><tr><td>Commodities</td><td>Mato Grosso, Amazonas, Goiás, Paraná, Santa Catarina, Rio Grande do Sul, Rondônia, Roraima and international units</td><td>- Purchase and sale of grain (origination) - Processing (industrialization) - Import and marketing of agricultural inputs and fertilizer production (mixing plant)</td><td>Consumer Dealer</td></tr><tr><td>Agro</td><td>Mato Grosso</td><td>Agricultural</td><td>Consumer Dealer</td></tr><tr><td>Logistics *</td><td>Brazil</td><td>Waterway</td><td>Consumer Dealer</td></tr><tr><td>Energy **</td><td>Mato Grosso: Rio Juruena, em Sapezal; Rio Formiga, in Campos de Júlio</td><td>Energetic</td><td>Consumer Dealer</td></tr></table>	Business Areas	Scope	Sectors served	Customers / beneficiaries	Commodities	Mato Grosso, Amazonas, Goiás, Paraná, Santa Catarina, Rio Grande do Sul, Rondônia, Roraima and international units	- Purchase and sale of grain (origination) - Processing (industrialization) - Import and marketing of agricultural inputs and fertilizer production (mixing plant)	Consumer Dealer	Agro	Mato Grosso	Agricultural	Consumer Dealer	Logistics *	Brazil	Waterway	Consumer Dealer	Energy **	Mato Grosso: Rio Juruena, em Sapezal; Rio Formiga, in Campos de Júlio	Energetic	Consumer Dealer		
		Business Areas	Scope	Sectors served	Customers / beneficiaries																			
		Commodities	Mato Grosso, Amazonas, Goiás, Paraná, Santa Catarina, Rio Grande do Sul, Rondônia, Roraima and international units	- Purchase and sale of grain (origination) - Processing (industrialization) - Import and marketing of agricultural inputs and fertilizer production (mixing plant)	Consumer Dealer																			
		Agro	Mato Grosso	Agricultural	Consumer Dealer																			
		Logistics *	Brazil	Waterway	Consumer Dealer																			
Energy **	Mato Grosso: Rio Juruena, em Sapezal; Rio Formiga, in Campos de Júlio	Energetic	Consumer Dealer																					
27 to 34																								
G4-9	Organization size	10	6	8																				
G4-10	Total number of employees	24 and 25	3	8																				
G4-11	Percentage of total employees covered by collective bargaining agreements	24																						
G4-12	Describe the organization's supply chain	80																						
G4-13	Main changes related to size, structure, share ownership or chain of suppliers	Opening of units: - Fertilizer mixer in Comodoro (MT); - Commercial origination offices in Boa Vista (RR), Ariquemes (RO) and Água Boa (MT); - Grain storage unit in São José do Xingu (MT); - Expansion of storage capacity at Lucas do Rio Verde (MT) unit, which increased the crushing capacity of the unit from 3 to 4 thousand t of grain per day; - Expansion of a partnership with Bunge to sell grain through the logistics corridor formed by the Tapajós and Amazonas rivers, with AMAGGI purchase of 50% of the port assets that comprise this corridor.																						

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
G4-14	Report whether and how the organization adopts the precautionary approach or principle	40		
G4-15	List the charters, principles or other externally developed economic, environmental, and social initiatives that the organization subscribes or endorses	17		
G4-16	List the participation in associations (e.g. sectoral associations) and national or international organizations	18		
IDENTIFIED MATERIAL ASPECTS AND LIMITS				
G4-17	Entities included in the consolidated financial statements or equivalent documents of the organization	87		
G4-18	Process for defining report content and reporting boundary	35		
G4-19	Material aspects identified in the process of defining the content of the report	37		
G4-20	Aspect boundary within the organization	35		
G4-21	Look outside the organization boundary	35		
G4-22	Effects of previous reformulations of information provided in previous reports and the reasons for such reformulations	In 2016 AMAGGI reviewed its materiality. Based on this review, a new list of material topics and respective GRI indicators has been defined to be reported in the company's Sustainability Report.		
G4-23	Significant changes compared to periods covered by previous reports in scope and aspect boundaries	In 2016 AMAGGI reviewed its materiality. Based on this review, a new list of material topics and respective GRI indicators has been defined to be reported in the company's Sustainability Report.		

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
STAKEHOLDERS' ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the organization	<p>In 2016 AMAGGI revised its Materiality Matrix. This process also includes a new mapping of the organization's internal and external stakeholders, as well as a prioritization based on the frequency and influence of those relationships. Prioritized as internal stakeholders: shareholders and Top Management. Prioritized as external stakeholders: rural producers, local community, government and regulatory agencies, sales clients, financial institutions and insurance companies, suppliers of supplies, and employees.</p> <p>35</p>		
G4-25	Basis for identification and selection of stakeholders for engagement	35 and 38		
G4-26	Approach adopted by the organization to involve stakeholders, including the frequency of their engagement by type and by group, with an indication that some engagement was specifically promoted as part of the reporting process	35		
G4-27	Key topics and concerns raised during stakeholder engagement and measures taken to address these issues and concerns, including in the reporting process. Report of stakeholder groups raising each of the issues and concerns mentioned	37		
REPORT PROFILE				
G4-28	Period covered by report	87		
G4-29	Date of most recent previous report	87		
G4-30	Reporting cycle	87		
G4-31	Contact details	99		

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
G4-32	Please report the "agree" option chosen by the organization. Report the GRI Content Summary for the chosen option. Please provide the reference to the External Verification. Inform if the report has been subjected to this verification.	87 and 90		
G4-33	Report the current policy and practice adopted by the organization to submit the report to an external verification.	87		
GOVERNANCE				
G4-34	Report the organization's governance structure, including committees of the highest governance level. Identify all committees responsible for advising the council in making decisions that have economic, environmental and social impacts.	39 and 41		
ETHICS AND INTEGRITY				
G4-56	Describe the organization's values, principles, standards and behavioral norms, such as codes of conduct and ethics.	8 and 9	10	16
CATEGORY: ECONOMIC				
G4-DMA	Management approach	Material Themes: Economic viability and shared value; Corporate Governance; Climate Changes; Development of human capital		
ECONOMIC PERFORMANCE				
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	45		2, 5, 7, 8, 9
G4-EC2	Financial implications and other risks and opportunities for the organization's activities as a result of climate change.	60		13

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
G4-EC4	Financial assistance received from the government	In 2016, the amount received in tax incentives was R \$ 53,148,760.26.		
MARKET PRESENCE				
G4-EC5	Variation of the proportion of the lowest salary, broken down by gender, compared to the local minimum wage in major operating units	72	6	1, 5, 8
INDIRECT ECONOMIC IMPACTS				
G4-EC7	Development and impact of investments in infrastructure and services offered	86		2, 5, 7, 9, 11
G4-EC8	Significant indirect economic impacts, including the extent of impacts	46		1, 2, 3, 8, 10, 17
CATEGORY: ENVIRONMENTAL				
G4-DMA	Management approach	Material Themes: Promotion of sustainable agriculture in the grain chain; Climate Changes; Logistics for grain disposal; Combating deforestation and biodiversity		
BIODIVERSITY				
G4-EN11	Own, rented or managed operating units within or adjacent to protected areas and high biodiversity index areas located outside protected areas	66	8	6, 14, 15
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity index located outside protected areas	66	8	6, 14, 15
G4-EN13	Habitats protected or restored	66	8	6, 14, 15

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
EFFLUENTS AND WASTE				
G4-EN24	Total number and volume of significant leaks	In 2016 there were small spills in the Itacoatiara unit, pontoon (supply raft), in the transfer of fuel oils between vessels. There was no environmental impact, as the emergency brigade acted promptly to contain the residue with barrier and blanket of absorbents.	8	3, 6, 14, 15
ENVIRONMENTAL EVALUATION OF SUPPLIERS				
G4-EN33	Real and potential significant, negative, environmental impacts in the supply chain and measures taken in this regard	82	8	
CATEGORY: SOCIAL - LABOR PRACTICES AND DECENT WORK				
G4-DMA	Management approach	Material Themes: Development of human capital; Fair work practices, occupational safety and health and well-being		
HEALTH AND SAFETY AT WORK				
G4-LA6	Types and rates of injuries, occupational diseases, days lost, absenteeism and number of work-related deaths, broken down by region and gender	76		3, 8
TRAINING AND EDUCATION				
G4-LA9	Average number of training hours per year per employee, broken down by gender and functional category	70 and 72	6	4, 5, 8
DIVERSITY AND EQUAL OPPORTUNITIES				
G4-LA12	Composition of groups responsible for governance and discrimination of employees by functional category, according to gender, age group, minorities and other indicators of diversity	24 and 26	6	5, 8

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
SUPPLIERS EVALUATION IN LABOR PRACTICES				
G4-LA15	Significant real and potential negative impacts on labor practices in the supply chain and measures taken in this regard	82		5, 8, 16
MECHANISMS OF COMPLAINTS AND COMPLAINTS RELATED TO LABOR PRACTICES				
G4-LA16	Number of complaints and complaints related to labor practices recorded, processed and resolved through a formal mechanism	43		16
CATEGORY: SOCIAL - HUMAN RIGHTS				
G4-DMA	Management approach			
SUPPLIERS EVALUATION IN HUMAN RIGHTS				
G4-HR11	Significant actual and potential negative impacts on human rights in the supply chain and actions taken in this regard	82	2	
CATEGORY: SOCIAL - SOCIETY				
G4-DMA	Management approach	Material Theme: Development of regions where it operates		
LOCAL COMMUNITIES				
G4-SO1	Percentage of operations with implemented programs of local community engagement, impact assessment and local development	85	1	
G4-SO2	Operations with actual and potential significant negative impacts on local communities	83	1	1, 2
FIGHT AGAINST CORRUPTION				
G4-SO4	Communication and training in anti-corruption policies and procedures	42	10	16

Indicator	Description	Comments and Report Page	Global Compact	Objectives of Sustainable Development
CONFORMITY				
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions applied as a result of non-compliance with laws and regulations	In 2016 AMAGGI received no significant fines and / or non-monetary sanctions arising from non-compliance with laws and regulations, considering as significant fines that, individually or jointly, relate to the same matter, reach at least 1% of revenues of the company and, cumulatively, whose administrative and / or judicial defenses and remedies have been exhausted.		16
CATEGORY: FOOD SECTOR				
G4-DMA	Management approach	Chapter Promotion of sustainable agriculture in the grain chain		
PURCHASING PRACTICES				
G4-FPI	Percentage of volume purchased from suppliers in accordance with the company's purchasing practices policy	47		

Credits

→ GENERAL COORDINATION

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Diretoria de Sustentabilidade
Fabiana Reguero
Social and Environmental Management

→ EXECUTIVE COORDINATION

Heloisa Torres
Social Responsibility Supervision

Daniel Escobar
Corporate Communication Supervision

→ INDICATORS

Adriana Lima
Social Responsibility

Elaine Andrade
Corporate Communication

Thanks

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→ **GRI TECHNICAL CONTENT AND WRITING**

Visão Sustentável – www.visaosustentavel.com.br

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→ **GRAPHIC PROJECT**

S+G Comunicação

→ **FOTOS**

AMAGGI collection

This publishing is of AMAGGI's responsibility

G4-5, G4-31

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our full report on the website:
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