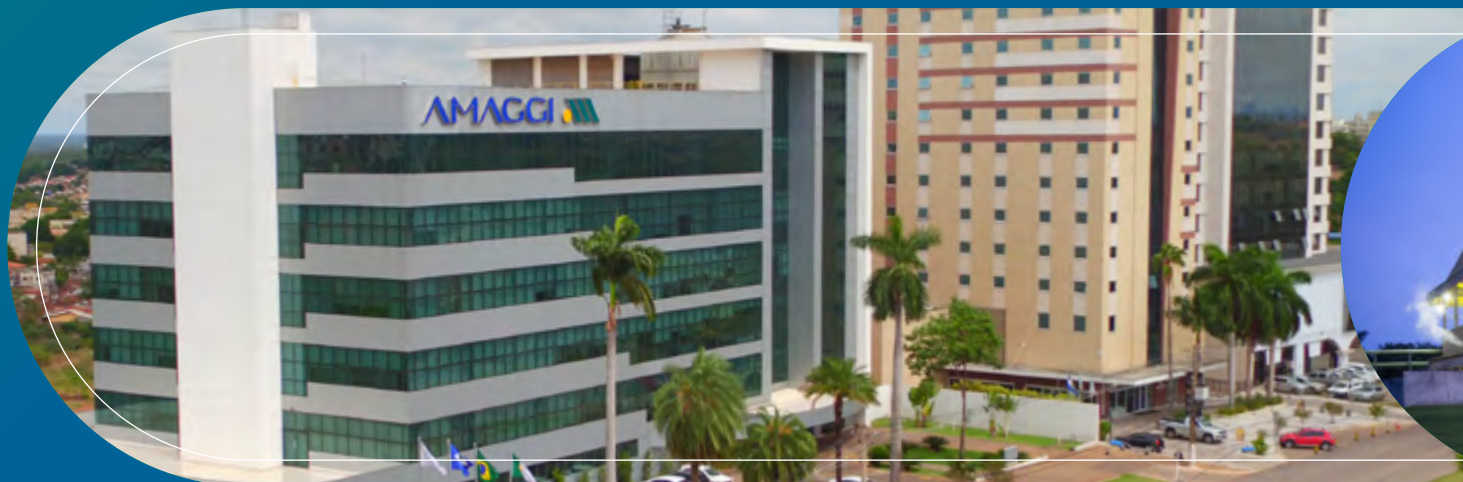
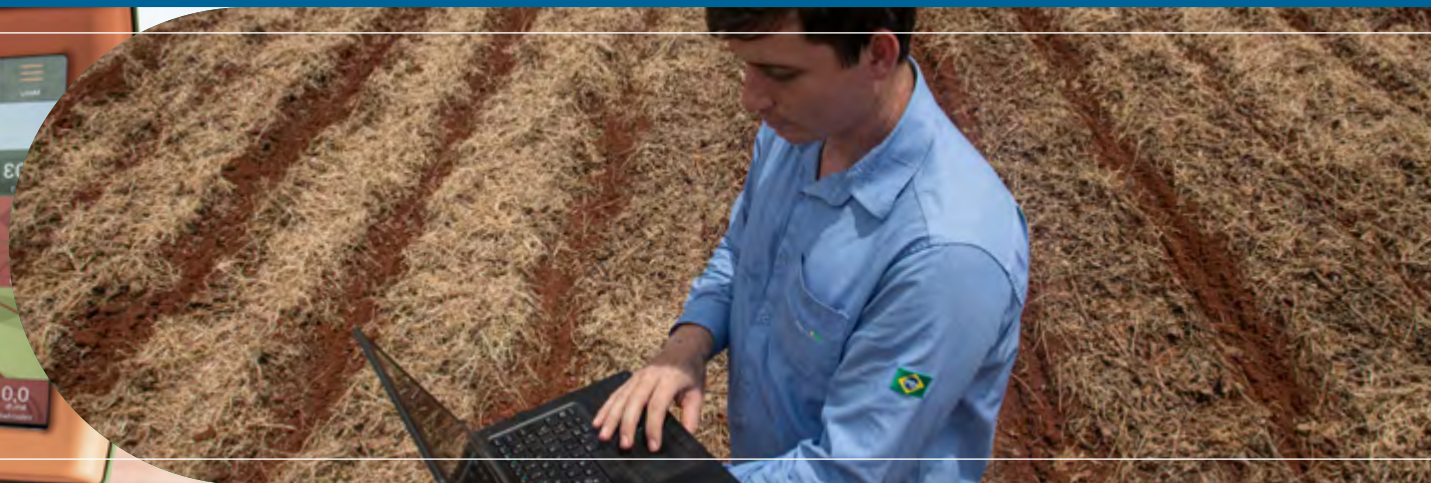
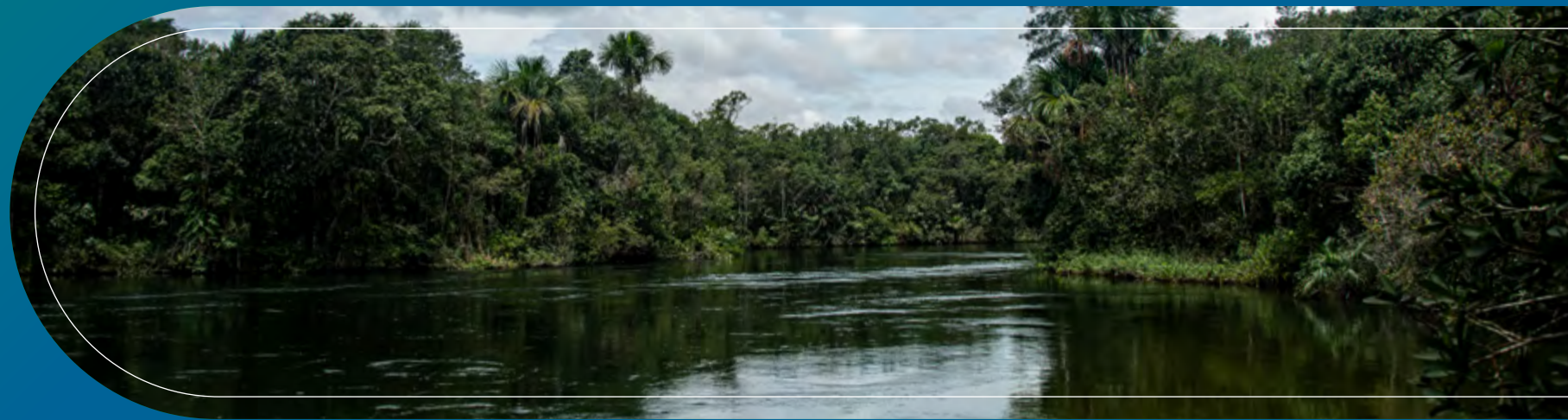




# Sustainability Report 2020





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# Introduction

## Welcome

This cycle was challenging on many fronts due to the coronavirus pandemic but it brought with it many opportunities that made us look at tools and solutions in a different way and they will probably continue to be a part of our activities in coming years.

In this Sustainability Report, structured on Global Reporting Initiative Standards - Core option, you will find the main highlights of the period from January 1 to December 31, 2020, the results in context, a description of our core business activities, our governance, and how we work with our material topics, identified along with our stakeholders. The information in this report refers only to the Brazil-based units, as well as the André and Lucia Maggi Foundation (FALM), without including data on companies that are not wholly owned by AMAGGI, such as joint ventures and online bank AL5 Bank. [GRI 102-45](#), [102-46](#), [102-50](#), [102-52](#), [102-54](#)

The structure of this publication follows the key points of this cycle and the information is laid out in chapters organized around the 2025 Plan, a strategy developed by the company to launch its actions under the Global Sustainability Framework, with 2025 as the goal. It is important to point out that the content of this publication underpins AMAGGI's commitment to the Global Compact and the Sustainable Development Goals of the United Nations (UN).

If you have any questions about the content of this report, please send us a message at [sustentabilidade@amaggi.com.br](mailto:sustentabilidade@amaggi.com.br). [GRI 102-53](#)

Have an enjoyable read!

AMAGGI Team

### Photos in this report

The photos of people not wearing masks were taken before the Covid-19 pandemic.

# Message from the CEO

GRI 102-14

2020 will forever be remembered as a challenging year when we all had to urgently reinvent ourselves at the spur of the moment. We moved forward, following all medical and health guidelines to protect our more than 6,000 employees. We continued working in the field, in the factories, in the ports, and in our entire production chain.

We operate in a strategic sector for food safety. As such, we needed to find ways to continue producing, transporting, exporting, and interacting with thousands of rural producers along our value chain.

In the same way as the operational sectors had to adapt to the pandemic scenario, so our employees in the corporate area had to adjust to the work-at-home system. All of this was only possible because of the commitment of several areas, which worked together in record time.

We also understand our role in the communities we are involved with and we supported several actions, either directly in the area of health or food safety through the André and Lucia Maggi Foundation. In this report you will find detailed information about these and other actions.

The results of our efforts have translated into employee protection and also into important economic indicators for the company. We continue to rank among the main exporting companies in Brazil. All this, added to the socio-environmental responsibility that is already in our DNA and that is expressed in our Global Sustainability Positioning.

One proof of the confidence and recognition we have gained in the market was with our first sustainable bond issue (USD 750 million, maturing in 2028), which was well received by investors, who place a high value on environmental, social, and governance (ESG) criteria.

Another recent and important step for AMAGGI was the execution of the contract for the acquisition of the O Telhar Agro group, which will provide us with an increase in our own grain and fiber capacity, reinforcing our position as one of the main agricultural producers in the country.

I am sure that 2021 will be no less challenging but we have proven that we can adapt and reinvent ourselves even in the most adverse scenarios. This is the result of a long line of achievements, over more than 40 years of acting responsibly in agribusiness.

You will learn a little more about this story in the next pages of this report! Enjoy the read!



**Judiney Carvalho de Souza**  
CEO

## 2020 in the spotlight



**USD 4.56 billion**

of annual revenue



**USD 17 million**

of investments in assets



**6,211** employees



**157,500**

hours of own training



**93%**

of employees trained in anti-corruption policies



**Mais Integridade (More Integrity) Seal**

recognition by the Agriculture, Livestock and Supply Ministry for good integrity practices from the standpoint of social responsibility, sustainability, ethics and commitment for the prevention of bribery and corruption



More than  
**BRL 2 million**

in awards to RTRS certified suppliers



Beginning of the work at  
**biodiesel plant**

in Lucas do Rio Verde, MT



Obtaining the installation license for  
**small hydroelectric plant PCH Jesuíta,**  
located between Campos de Júlio and Sapezal, both in Mato Grosso, enabling the start of the work in 2020



Actions to promote the  
**Covid-19**

- BRL 2 million in investments by the André and Lucia Maggi Foundation for the One For All and All Against Covid-19.
- BRL 6.4 million in donations to purchase 94,400 basic food baskets.
- 370,000 people benefited



Introduction into the capital markets with the issue of the first  
**"Sustainability Bond"** in January 2021

# 2020 in the spotlight



## CDP Forest

2nd time that AMAGGI, the only Brazilian soybean company to receive a score of A-, is in one of the most important surveys on environmental risk management (including forest risks and opportunities) and best practices associated with environmental leadership in the world



## Forest 500

3rd place in best practices among companies worldwide. The global ranking annually assesses 500 of the most influential companies and financial institutions in forest risk supply chains regarding how they implement their voluntary commitments and policies to address deforestation including the Progress Report



## 137,000 hectares

of protected areas between Legal Reserve (RL), Permanent Preservation Areas (APPs) and park areas for offsetting purposes



## 100% of the volume

produced in our own farms is zero deforestation, after 2008, and certified in at least one socio-environmental standard - RTRS (Round Table on Responsible Soy Association), ProTerra, ABR (Responsible Brazilian Cotton) and A.R.S. (AMAGGI Responsible Standard)



## Around 1.4 million

tons of grain was certified under RTRS, A.R.S, 2BSvs and ProTerra standards



## Completion of the Carbon Footprint

of soybeans, corn and cotton produced by AMAGGI based on the ISO 14044 (2006) methodology and verified by a third party



## Launch of the second Progress Report for the commitment

"Towards a chain free of deforestation and conversion of native vegetation"



## Traceability and monitoring

by polygon of 98% of the total grain volume traded with direct suppliers from priority jurisdictions



# Covid-19 actions

With the onset of the novel coronavirus pandemic, organizations from different sectors have had to put in place measures to cope with the crisis. At AMAGGI it was no different, and throughout the year we worked hard to maintain the wellbeing of our employees and continue our activities.

A few of the initiatives implemented were: work-from-home measures for employees, online meetings, travel restrictions, changes in the work schedule and weekly shifts for some teams, consultations via medical and psychological support hotlines (extended to dependents), care for employees with Covid-19 symptoms and removal of those belonging to the risk group (with guaranteed compensation), expansion of hygiene practices, and social distancing.

Since agribusiness has such an important role in the country's trade balance, we knew that our mission to fight the pandemic would need to go beyond the company scope and reach the municipalities we were connected to. That is why we allocated more than BRL 7 million in health resources to help the states of Mato Grosso and Amazonas.

- **Mato Grosso:** donation of equipment (mechanical respirators and surgical aspirators) to equip Intensive Care Units (ICU) in a hospital in Sapezal, an important grain and fiber producer in the country. We took part in the campaign to raise funds to build ICU beds in Querência in the northeast of the state, and in Rondonópolis, by donating supplies and equipment to the Federal University of Rondonópolis (UFR), to increase the Covid-19 testing capacity.
- Amazonas: donation of equipment (aspirators, respirators, infusion pumps, defibrillators, heart monitors, and blood gas analyzers) for ICU beds at the Itacoatiara Regional Hospital, a riverside municipality where the company has a soybean processing plant and a port for grain exports.

In addition to medical and hospital donations, we realized that many socially vulnerable families needed to be taken care of also. For this purpose, we donated BRL 3.5 million to acquire basic food baskets distributed by local social organizations.

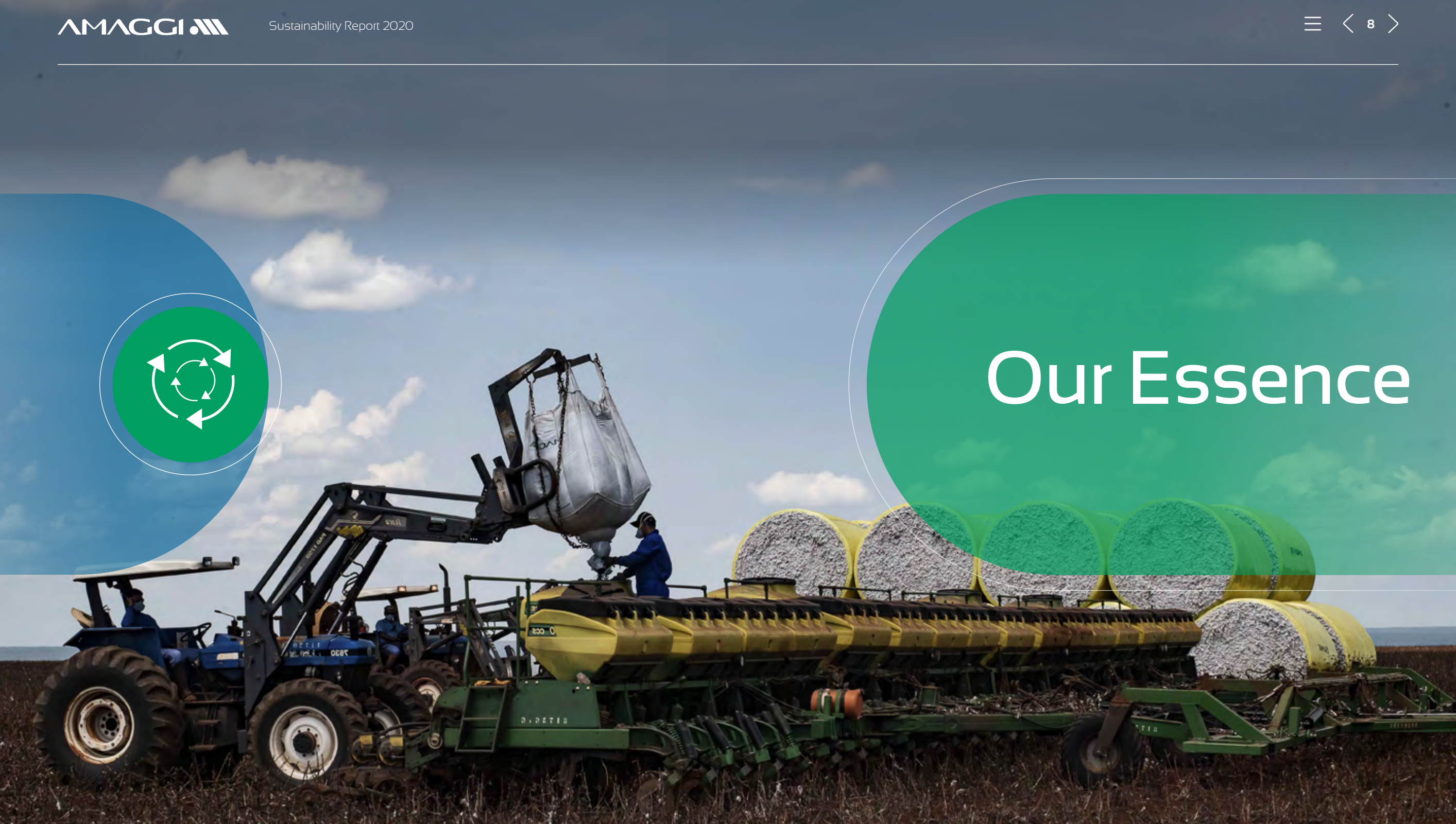
Through the André and Lucia Maggi Foundation (FALM), the company's private social investment support arm, an additional BRL 2 million has been earmarked for the fund **One For All and All Against Covid-19**. The amounts donated by AMAGGI and FALM, added to the proceeds from an online campaign reached BRL 6.4 million and were used to buy food baskets for 370,000 people in the states of Mato Grosso, Amazonas and Rondônia (read more on page 58).

**We have endeavored to mitigate the effects of the crisis caused by the novel coronavirus** in several cities where agriculture drives the economy





# Our Essence





# AMAGGI Culture

We started 44 years ago as a family-run company and have grown to become the largest Brazilian company in the grain and fiber chain. Our head office is located in Cuiabá, Mato Grosso. [GRI 102-1, 102-3, 102-5](#)

We are one of the largest vertically-integrated agribusiness companies in Latin America, in operation since 1977, and are uniquely positioned throughout the entire agribusiness value chain. We are also a major agricultural commodities and sourced grain producer, processor and trader, with operations and offices in Brazil, China, Norway, Netherlands, Switzerland, Argentina and Paraguay, and we are also one of the largest grain logistics operators in Brazil. To a lesser extent, we are also producers of renewable energy. [GRI 102-2, 102-4, 102-6, 102-7](#)

Our business performance, however, is not our only driver. We believe that a company only grows if it is together with the community and operates in an ethical, social, and environmentally-responsible way. Twenty-four years ago, we created the André and Lucia Maggi Foundation, which manages AMAGGI's private social investments. If we occupy the position as one of the main exporters in Brazil, it is primarily because we stand firmly by our values.

Our growth is spurred by ongoing investments to promote the sustainable development of our operations, value chain and surrounding communities



## PERFORMANCE

Our operations and offices span Latin America, Europe, and Asia





## Mission

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



## Vision

Be a benchmark in sustainable development.



## Values

### Integrity

Be ethical, fair and cohesive in what we think, say and do.

### Simplicity

Focus on the essentials, encourage speed and reduce bureaucracy.

### Participative management

Encourage participation, promote recognition and professional growth and involve people in the company's important processes.

### Innovation and entrepreneurship

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

### Respect for the environment

Be a benchmark in socio-environmental management.

### Humility

Respect all people while maintaining good judgment in professional and personal relationships.

### Commitment

"Be a team player". Have passion and pride in your work and strive for the success of the company.

### Respect our partners

Nurture good business relationships, maintaining the commitment to be a company that is admired and respected by all.



# Performance in Brazil

📍 Head Office

🏭 Factory

📁 Sales Office

🏠 Farm

🏠 Warehouse

🚢 Port Terminal

🚢 Shipyard

⚡ Small Hydroelectric Power Plants

1 Água Boa 📁

2 Ariquemes 📁

3 Boa Vista 📁

4 Brasnorte 🏠

5 Campo Novo do Parecis 🏠🏠

6 Campos de Júlio/AGD 🏠⚡

7 Campo Verde 📁

8 Cerejeiras 🏠📁

9 Comodoro 🏭

10 Confresa

11 Diamantino

12 Itacoatiara 🏠📁🏭🏭🚢

13 Ipiranga do Norte

14 Itiquira 🏠📁

15 Lucas do Rio Verde 🏭

16 Maringá 📁

17 Matupá

18 Nova Mutum

19 Nova Ubitatã

20 Novo Horizonte

21 Paragominas 📁

22 Paranaguá 📁

23 Passo Fundo 📁

24 Pontes e Lacerda 📁

25 Primavera do Leste

26 Querência

27 Redenção 📁

28 Rio Grande

29 Rio Verde 📁

30 Rondonópolis 🏠📁

31 Santa Rita do Trivelato

32 Santos

33 São Félix do Araguaia

34 São Francisco do Sul 📁

35 São José do Xingu

36 Sapezal 🏠⚡🏠

37 Sinop 🏠

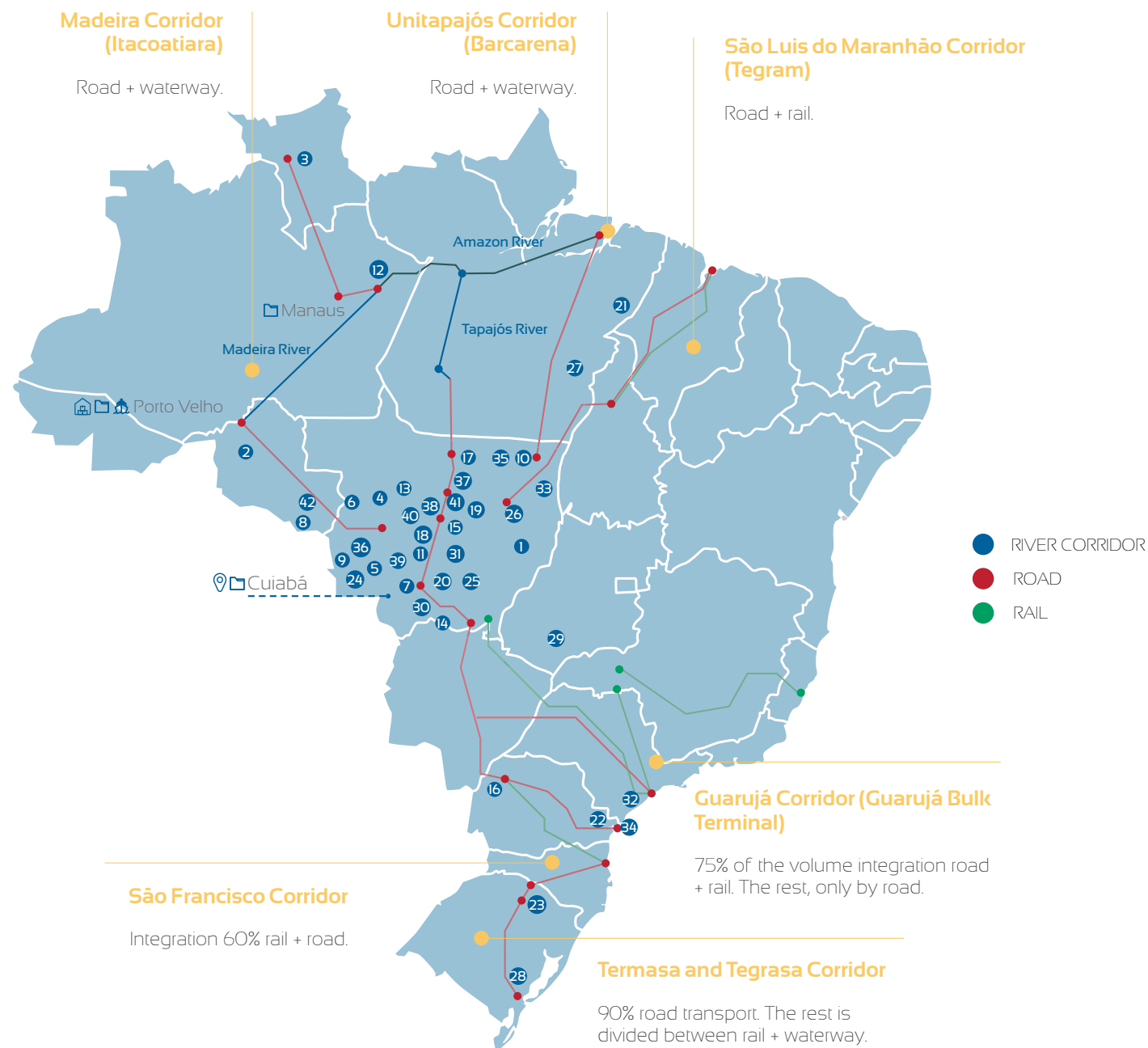
38 Sorriso 🏠📁

39 Tangará da Serra










40 Tapurah

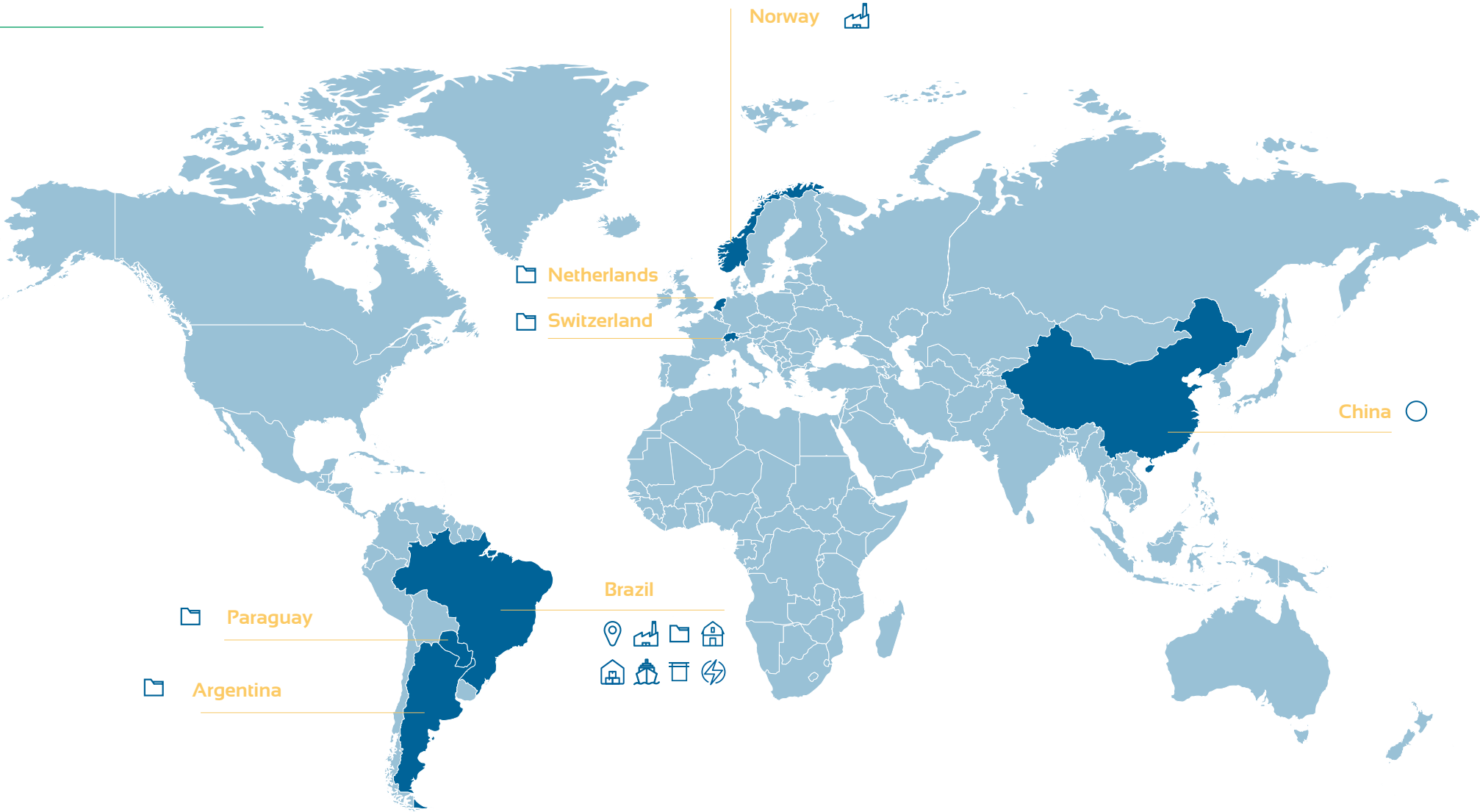
41 Vera

42 Vilhena 🏠📁

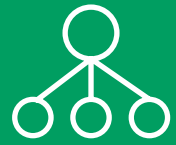


# International presence

-  Head Office
-  Factory
-  Sales Office
-  Farm
-  Warehouse
-  Port Terminal
-  Shipyard
-  Small Hydroelectric Plants
-  Commercial Representation Office







# How we do business





# Our performance

We operate through an extensive chain divided into agro (agricultural production), commodities (grain and input trading), logistics and operations, and renewable energy generation. The challenge is to have them all operate in alignment with the 2025 Sustainability Plan, a responsibility proportional to our size and role.

To succeed in this planning, we rely on the engagement of our leadership, on the sense of cooperation and belonging of every employee, on the commitments and principles that guide our way of working, and on our commitment to conduct long-term sustainable management.

We seek economic feasibility, add value for shareholders and employees, preserve the environment, and share this value with society by contributing to local development



## EXTENSIVE CHAIN

We operate in agro, commodities, logistics and operations, and renewable energy generation



## AGRO

This area accounts for the agricultural production of soybeans, corn, and cotton; soy seeds, and cotton processing. We have ten agricultural production units of our own and in the 2019/2020 harvest, we cultivated 259,000 tons per hectare and harvested 587,000 tons of grains (of which 567,000 tons was soy and 20,000 tons was corn) and 483,000 tons of cotton, which after processing turned into 199 tons of lint and 256,000 tons of cotton seed.



We own ten agricultural production units and cultivated

**259,000  
hectares**

in the 2019/2020 harvest

## COMMODITIES

This area focuses on trading grains (soy and corn) and cotton, and selling agricultural input. In 2020, we registered a 35% growth in the sale of grains as compared with the previous cycle. We have more than 5,000 farmers in our grain and fiber supplier database, and all grain purchases are evaluated taking into account social and environmental criteria. Every year, part of the producers in our chain - especially those with certified areas - receive technical visits and guidance from AMAGGI, whose purpose is to contribute to the sustainable management of their properties.



**5,000 rural  
producers**

are included in our grain and fiber supplier database

## LOGISTICS AND OPERATIONS

This area involves many activities, including storage of sourced grains (own and third party) and the transport of this production through riverways in the Northwest Export Corridor (Madeira and Amazon rivers), management of own fleet and outsourced road, railway, and waterway transport, besides grain processing operations (factories) and fertilizer mixing. The structure of the area in 2020 consists of:

**22** storage units (MT, RO, AM)

**2.7** million tons of static grain storage capacity per year

**3** soybean crushing units (MT, AM and Norway)

**1.8** million tons of soybean crushing capacity per year

## ENERGY

We have four Small Hydroelectric Power Plants and four Hydroelectric Generating Plants in Mato Grosso, generating renewable energy for our operations in the state. Their total installed capacity is 71,464 megawatts (MW) and the power generation is integrated to the National Grid. In addition, six photovoltaic plants with an installed capacity of 682.56 kWp went into operation in early 2020 to offset the energy consumption of approximately 40 consumer units of the company in Mato Grosso, by means of distributed generation.

**1** fertilizer mixing unit  
(MT with capacity to mix 250,000 tons of fertilizers per year)

**191** barges

**21** tugboats in operation

**2** own reforestation farms

## Our products, byproducts and inputs

### Products

soybean, corn and cotton



### Byproducts

soybean hulls, degummed soybean oil,  
soymeal, cottonseed



### Inputs

soybean, corn and cotton seeds,  
pesticides and fertilizers





# Commitments and performance GRI 102-12, 102-13

## Corporate commitments



### • Sustainable Development Goals (SDG)

Initiative of the United Nations to engage signatory countries in a call for action in crucial areas for global sustainable development. The initiative has been supported by AMAGGI since 2015, when it was launched, and the company includes the SDGs in its activities and disseminates them to all its stakeholders.



### • Global Compact

UN's international commitment to adopt principles related to human rights, labor relations, environment, and anti-corruption in all business practices. AMAGGI has been a signatory since 2009.

#### » Action to Communicate and Engage

**Platform** We have been part of the Action Platform to Communicate and Engage of the Global Compact's Network Brazil since 2016. Among the objectives are the engagement and awareness of organizations in regard to disseminating the Ten Principles and the SDGs to their stakeholders, in addition to the collective definition of communication strategies to support Rede Brasil's action guidelines. In 2020, we took on the coordination of this platform for the 2021/2022 period. The main tasks developed by this group are actions aimed at strengthening the value chain, producing content for campaigns for the companies' internal audience, and engaging leaders.



### • Business Principles for Food and Agriculture (BFP)

Commitment launched in 2014 by the Global Compact to collaborate on the development of efficient and practical solutions to enhance food system security and agricultural sustainability. Along with 20 other world organizations from the private sector, AMAGGI was present in all stages of its creation as the only Brazilian company invited to participate in the process of developing the principles.



### • Business Pact Against Sexual Exploitation of Children and Adolescents on Brazilian Roadways - Na Mão Certa (In the Right Direction) Program

Commitment undertaken by AMAGGI in 2014. The company has since then supported the Na Mão Certa program fostered by the non-governmental organization Childhood Brasil, which works towards bringing together companies and entities to fight the sexual exploitation of children and adolescents on Brazilian roads.



### • Business Pact for Integrity and Against Corruption

Commitment organized by the Ethos Institute for Business and Social Responsibility with the aim of promoting a more ethical market and eradicating bribery and corruption. AMAGGI has been a member since 2009. Every year, the company accesses and updates its actions on the pact's monitoring platform to stand by its commitment to the agreement signed by the signatory organizations, which is described in the Guide: Integrity, Prevention and Fighting Corruption.



### • National Pact for the Eradication of Slave Labor

Commitment that seeks the eradication of all forms of slave-like labor practices in the country. AMAGGI has been a signatory since 2005 and sends to the organization every year the InPACTO monitoring report informing the actions it has taken to eradicate slave labor in the company's production chain.

## Corporate commitments



- **Empresa Amiga da Criança (Child-Friendly Company) Program** Abrinq Foundation's initiative to bring together companies in a social action that benefits children and adolescents in Brazil. AMAGGI, which has been a participant of this program since 2009, renewed its membership in 2020 to underpin its commitment to protect children and adolescents.



- **Soy Moratorium**  
Commitment established by the industries and exporters affiliated to the Brazilian Vegetable Oil Industry Association (Abiove) and the National Grain Exporters' Association (Anec), managed by the Soy Working Group (Grupo de Trabalho da Soja - GTS) with the involvement of the main non-governmental organizations (environmental NGOs) and Banco do Brasil, not to trade soybeans sourced from areas of the Amazon biome deforested after 2008. AMAGGI joined the moratorium in 2006 and, every year, receives an external audit to certify compliance with the agreement.



- **Green Grain Protocol**  
Joint initiative of the Public Prosecutor's Office, the Pará state government, the Environmental Ministry and the State Environment and Sustainability Department (SEMAS) and local companies in the sector to establish purchasing procedures that ensure the legal and sustainable origin of soybean farming in the state and strengthen the Rural Environmental Registry (CAR) as a tool for environmental planning. AMAGGI joined the Protocol in 2018 when it started up its activities in Pará.

## Socio-environmental Certifications



- **Algodão Brasileiro Responsável (ABR) / Better Cotton Initiative (BCI)**  
Attests to responsible cotton production and is based on the progressive development of good social, environmental, and economic practices in the production units.



- **AMAGGI Responsible Standard (A.R.S.)**  
The company's own certification standard that establishes criteria for rural producers and helps them with socio-environmental management.



- **ISO 14001**  
Establishes requirements for the implementation of an environmental management system for organizations that have committed to sustainable practices, environmental protection, pollution prevention, and ongoing improvements.



- **ProTerra Standard**  
Seal that assures a product free of deforestation and the absence of Genetically Modified Organisms (GMO) in the certified soybeans.



- **RTRS (Round Table on Responsible Soy Association)**  
Ensures that the certified product is produced with environmental (zero deforestation and conversion of native vegetation) and social responsibility, with responsible working conditions and community relations.



- **2BSvs**  
Voluntary sustainability certification for the biofuel supply chain.



## Product and process quality certifications



- **Food Safety Management System (FSSC 22000)**

Provider of structure focused on quality and safety of food for human consumption and that follows ISO 22000 requirements.



- **Good Manufacturing Practices (GMP+ FSA)**

Focused on food safety and quality (raw material for animal feed).



- **Non-GMO Foodchain ID**

Establishes an identification of products free of genetically modified components.



- **Kosher**

Ensures that the products comply with specific Jewish dietary standards.

We have certifications that attest to our operational and socio-environmental commitments



We are committed to evaluating and improving our processes

# Sustainability strategy

The sustainability strategy is a transversal topic in the company and encompasses our business, management processes, operation and value chain, detection of risks and opportunities, as well as our corporate commitments. This plural strategy is the responsibility of the Sustainability, Communication, and Compliance Office, which provides support to all the company's business areas.



We seek more sustainable practices for the company and the industry

## Global Sustainability Positioning and 2025 Plan

We reflected on our role in the company, the sector, the chain and the surrounding communities with more sustainable practices in mind. This process led to two documents: the Global Sustainability Positioning and the 2025 Plan, which have become guidelines for our business in 2017.

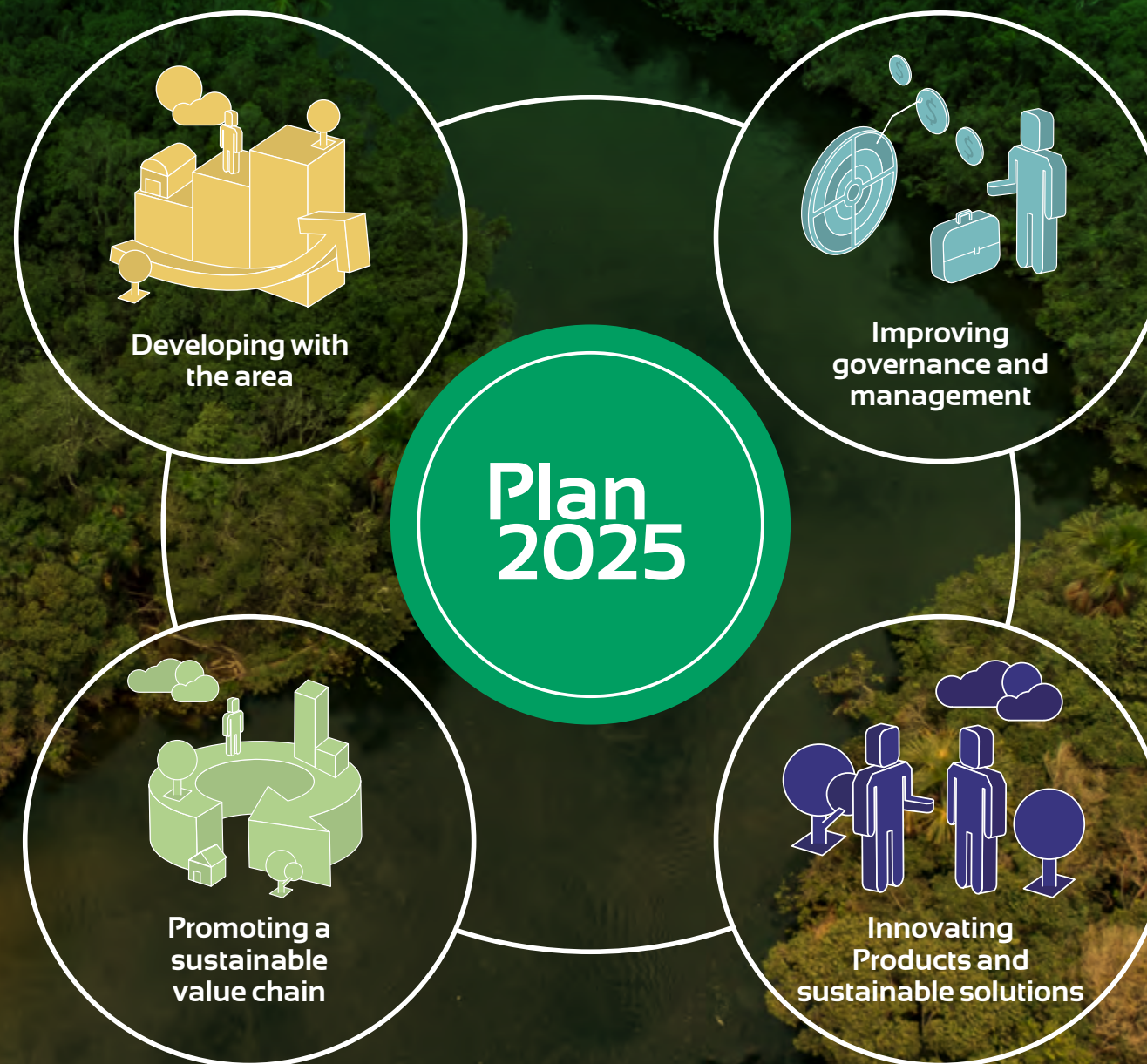
The Global Sustainability Positioning encourages us to implement sustainability strategies in all operations and allows us to relate to the market and our stakeholders with transparency. The document is divided into six principles:

- Be economically feasible, add value for shareholders and employees and share this value with society by contributing to local development
- Be socially and environmentally responsible and consistently improve social and environmental management in operations and the value chain
- Ensure good governance and transparency in its activities through legal compliance and risk management
- Respect human rights and decent work in its operations and value chain
- Foster the personal and professional growth of its employees, valuing diversity and consistently improving working conditions, health, and safety
- Contribute to the improvement of food and nutritional security



The 2025 Plan (Sustainability Plan with Vision until 2015) is a Global Positioning development, which a year ago underwent a review with the involvement of the leaders of several areas and external stakeholders. Consisting of priority topics and the sustainability challenges for the next five years, the plan was organized into the four blocks described in the chapters of this Sustainability Report. They are: Improving governance and management; Promoting a sustainable value chain; Developing with the area; and Innovating sustainable products and solutions.

## The Global Sustainability Positioning and the 2025 Plan drive our business







After revalidating our material topics, we now have a clearer view of our role within the context of the pandemic

## Materiality

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-49, 103-1




In 2020, due to the pandemic, we decided to revalidate our material topics through a structured engagement that involved talking to ten groups of internal and external stakeholders. This process was divided into four steps - identification, prioritization, analysis, and validation - and was reviewed and evaluated by the Sustainability team.






We also took into consideration the latest materiality process (in 2019) and consulted sector documents, such as: GRI Topics for Sectors, Robeco SAM Sustainability Yearbook 2020, SASB *Progress Report*, AMAGGI's commitments and action plans including the sustainability strategy, socio-environmental policy and sustainability reports from other agribusiness companies.

The fourteen material topics identified are connected to the Global Reporting Initiative (GRI) indicators, the United Nations Sustainable Development Goals (SDG), and the environmental, social, and governance (ESG) criteria.

The materiality processes are important tools for understanding how the public perceives the impacts and management of the company, prioritizing the issues to be addressed by the leadership and disseminated to society through public documents, such as this report.



NO.	MATERIAL TOPIC	DESCRIPTION OF THE MATERIAL TOPIC	AMAGGI STRATEGIC BLOCK	SDG	SDG GOAL	INDICATORS	IMPACT LIMIT
1	Local development, including emergency assistance for municipalities	Donations and emergency support for municipalities and institutions within the context of the pandemic, Support for socio-economic development; Social impacts; Projects with rural producers; Inclusive decision making.	 Developing with the area	1	Poverty eradication	1.a	GRI 201-1, 203-2, 204-1  Communities, producers, society
				8	Decent work and economic growth	8.2	
				17	Partnerships and means of implementation	17.16 17.19	
2	Zero Deforestation	Agricultural production free of deforestation and conversion of native vegetation; Solutions for protection, conservation, and recovery of areas of high conservation value; Preservation and recovery of natural areas and degraded areas.	 Promoting a sustainable value chain	13	Actions to fight climate change	13.1 13.2 13.3	GRI 304-3  Society, environment
				15	Life on land	15.a 15.2	
3	Transparency in the chain	Management and communication with full transparency about practices at any point in the chain; Generate positive impacts on operations and the value chain; Transparency; Corporate Governance.	 Promoting a sustainable value chain   Innovating products and sustainable solutions	12	Responsible use and production	12.6 12.7	GRI 308-1, 308-2, 414-1, 414-2  Customers, suppliers, producers, collaborators
4	Health and safety	Protection of employees, suppliers, surrounding communities and other business partners; Safe working conditions; Health and wellbeing.	 Improving governance and management	3	Health and wellbeing	3.d	GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9  Employees, suppliers, producers, society
				8	Decent work and economic growth	8.8	

NO.	MATERIAL TOPIC	DESCRIPTION OF THE MATERIAL TOPIC	AMAGGI STRATEGIC BLOCK	SDG		SDG GOAL	INDICATORS	IMPACT LIMIT
5	Positioning, commitments and regulatory environment	Company's ability to define public positions on critical issues of interest to its stakeholders; Institutional commitments; Compliance with laws and regulations.	 Improving governance and management	16	Peace, justice, and efficient institutions	16.b 16.c	GRI 102-12, 102-13	Society, producers, suppliers, customers, employees
				17	Partnerships and means of implementation	17.16 17.17		
6	Climate changes	Monitoring, reducing and offsetting greenhouse gas (GHG) emissions; Lower carbon footprint; Climate change adaptation/strategy.	 Innovating products and sustainable solutions	13	Actions to fight climate change	13.1	GRI 201-2	Society, environment
						13.2		
						13.3		
7	New farming practices	Development and adoption of new technologies (digital or otherwise) in own and third-party operations; Best agricultural practices; Research and development.	 Innovating products and sustainable solutions	2	Zero hunger and sustainable agriculture	2.a	GRI 201-2, 305-1, 305-2, 305-3, 305-4, 305-5	Customers, suppliers, producers
				9	Industry, innovation and infrastructure	9.1		
8	Integrity, ethics and fighting corruption	Promoting and integrating the values of integrity and ethics; Fighting corruption; Ethical and legal behavior.	 Improving governance and management	16	Peace, justice, and efficient institutions	16.a 16.b	GRI 205-2	Society, producers, suppliers, customers, employees, community
9	Attracting, retaining and developing employees	Attraction and retention of professionals, offering competitive salaries to the market, guarantee of equal benefits to all company employees; Training and career plan.	 Improving governance and management	3	Health and wellbeing	3.d 3.c 3.8	GRI 102-8, 202-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 405-2	Employees
				8	Decent work and economic growth	8.3		



NO.	MATERIAL TOPIC	DESCRIPTION OF THE MATERIAL TOPIC	AMAGGI STRATEGIC BLOCK	SDG		SDG GOAL	INDICATORS	IMPACT LIMIT
10	Agrochemicals	Responsible use of agrochemicals; Responsible grain chain; Responsible agricultural production.	 Innovating products and sustainable solutions	12	Responsible use and production	12.a 12.4	GRI 416-1	Customers, suppliers, producers, community
				15	Life on land	15.a 15.b		
11	Socio-environmental certifications	Assessment and accreditation of agricultural practices that follow and respect social, environmental, and economic standards; Socio-environmental certifications.	 Improving governance and management  Promoting a sustainable value chain	17	Partnerships and means of implementation	17.17	GRI 307-1	Customers, producers
12	Labor and union relations	Workers' rights; Right to freedom of association; Right to free trade union membership and right to collective bargaining; Elimination of forced or compulsory labor; Abolition of child labor.	 Improving governance and management	8	Decent work and economic growth	8.3 8.8	GRI 102-41, 407-1	Collaborators, producers
13	Biodiversity	Protection and reduction of impact on biodiversity in its own operations and those of the entire production chain; Conservation of biodiversity.	 Promoting a sustainable value chain	12	Responsible use and production	12.6 12.7	GRI 304-1, 304-2	Society, environment, producers, community
				15	Life on land	15.3 15.4		
14	Food quality and safety	Offering products that do not pose risks to human health and the environment in their use and consumption; product safety and quality.	 Improving governance and management	12	Responsible use and production	12.6 12.7	GRI 416-2	Customers, suppliers, producers, society





# Improving governance and management







Improving  
governance and  
management

## Commitments

We believe that the way a company positions itself in the market is a reflection of its values and human capital, and that its growth is related to its capacity to **engage people and ensure good governance and management, with ethics, integrity, and transparency.**

Therefore, we are committed to ongoing investments:

- in **people development, process improvement, preventive risk management and legal compliance,**
- in valuing a culture of **continuous improvement, innovation, social and environmental responsibility, occupational health and safety, diversity and inclusion, and an increase in quality of life and wellbeing.**

# Improving governance and management

Business performance has always been linked to the way we position ourselves in the industry and how we adapt to the economic and social scenarios. As such, 2020 was an intense year because of the pandemic, causing us to urgently reinvent ourselves and learn new languages.

This circumstance directly influenced our decision making, particularly when it came to ensuring a governance that would preserve our team, our employees, and other groups in the AMAGGI community, according to the needs of this very unique moment. After all, together with ethics, integrity and transparency, values that we believe in, human capital is directly related to our growth and to our permanence.



### COMMITMENT

We aim to improve all our practices

We endeavor to ensure good governance and transparency through legal compliance and risk management

# Corporate governance

GRI 102-18

Aligned with our Code of Ethics and Conduct and the focus on contributing to the sustainable development of agribusiness, the entities that make up our corporate governance are responsible for the strategic direction of the Company.

We are committed to improving practices related to governance, risk management, and compliance in our operations and units (in Brazil and abroad), for our employees and business partners. Our purpose is to further the culture of integrity, accountability, and good business practices.

The governance structure was built to uphold our actions in the search for good performance, risk reduction and the monitoring of strategic objectives. To do this, we rely on the Executive Board, the Board of Directors, and the committees linked to these entities, whose role is to propose improvements in their respective areas and legitimize the choices made by the full board.

- **Executive Board**

With three collaborative committees, specific attributions for analysis and recommendation on certain topics, our Executive Board is composed of ten members chosen by the Board of Directors. The directors' actions are guided by the Bylaws, the Code of Ethics and Conduct, and AMAGGI's policies.

- **Board of Directors**

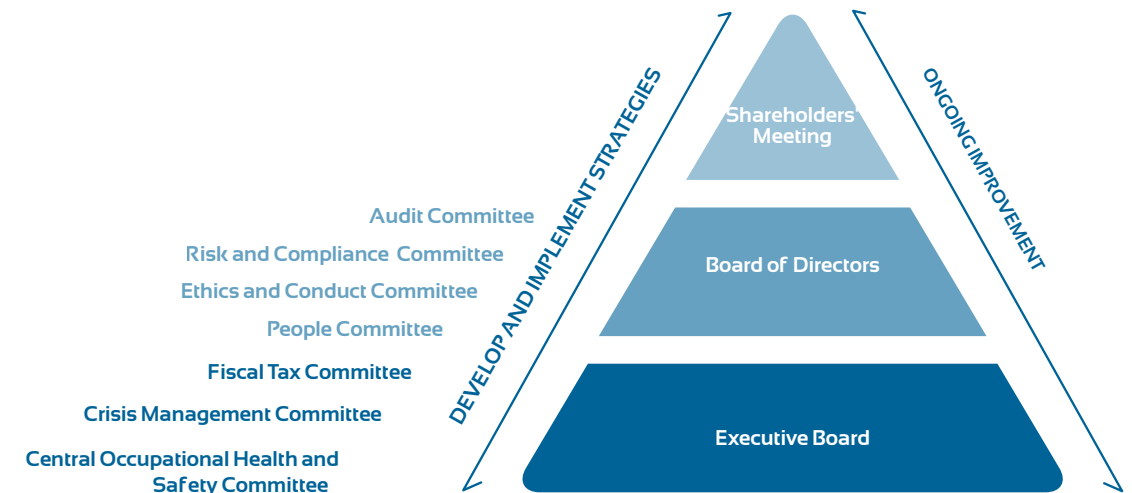
Responsible for piloting the overall direction of our business, policies, goals and long-term objectives; it is the full board that acts as a link between the Executive Board and the shareholders. The group is made up of eight members with a three-year mandate elected at the general shareholders' meeting and chosen from among professionals with know-how and experience in AMAGGI's business sectors. The Board of Directors has four advisory committees, whose attributions are specifically geared toward analysis and recommendation on certain matters.

- **Audit Committee**

This committee is dedicated to ensuring the execution of the internal and external audit activities. Composed of five members, which are the chairman of the Board of Directors, two directors, the Sustainability, Communication and Compliance director, and the legal director; this committee includes in its bylaws, information about the annual assessment of the group's members, its meeting structures, and related matters.

- **Risk and Compliance**

This committee is responsible for overseeing the effectiveness and compliance of our policies and standards, strengthening all the company's *compliance*, risk management and internal control systems and suggesting improvements. It consists of three members - the Chairman of the board, the Chief Executive Officer and the Chief Compliance Officer, this committee provides the structure, as well as processes, practices, mechanisms and systems, that ensures compliance with regulatory requirements and those applicable to AMAGGI.







#### • **Ethics and Conduct Committee**

The role of this committee is to assist the Board of Directors in the processes and reporting of topics linked to the Code of Ethics and Conduct. Consisting of up to five employees, including the Chairman of the board of directors and other members from different areas, this committee also includes the Compliance Officer and at least two Corporate Managers, from the areas of People, Legal or Corporate Security.

This team's mission is to look into inquiries of complaints received to assess if the resulting measures are in line with the consequence management policy. The other task of this committee is to clear up any doubts that may arise from the interpretation of the Code of Ethics

and Conduct, policies and bylaws, as well as in understanding laws (national and international) that make up the company's Compliance Program.

#### • **People Committee**

This committee is in charge of approving the rules of the company's fixed and variable remuneration policy at all levels. This committee also deliberates on the succession process of the CEO and every member of the Executive Board, as well as follows up on processes to identify, develop and retain talent.

It is formed by up to three members, defined and guided by the Chairman of the board of directors, who, at his own discretion, can invite other people to participate in the meetings, according to the needs of the committee's agendas.

#### • **Fiscal Tax Committee**

This committee assists the Executive Board in performing its duties and it is involved in matters related to tax rules and issues, assessing compliance with laws and regulations, as well as efficiency in fiscal and tax operations. It is composed of the managers of the Tax Planning, Tax Legal, and Accounting areas, the controller

of the AMAGGI Division, and the supervisor of the Shared Services Center (Tax CSC). Other collaborators may be called in if more specific understandings are needed on certain issues.

In general, the bylaws provide that the group contributes to the transparency of information from top-down to shareholders and stakeholders.

#### • **Crisis Management Committee**

This committee is focused on the concepts of AMAGGI's Crisis Management Policy and is made up of collaborators who identify, monitor, manage and assess, in a multidisciplinary way, new and imminent risks to the company. This group's attributions are to inform the other members about possible crises, validate the actions and recommendations of the Corporate Communication Department, and develop the positions to be adopted by the company in times of image risk.

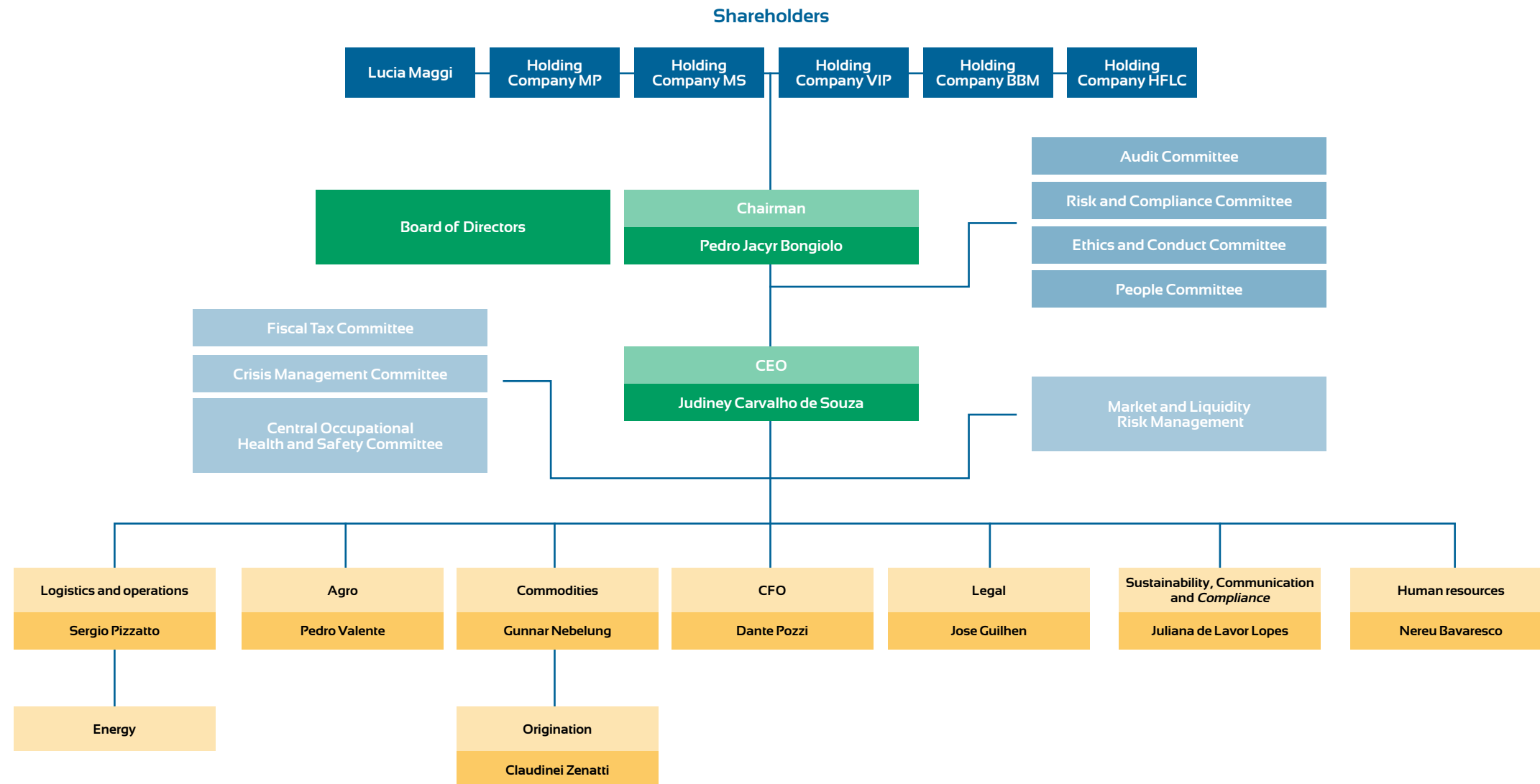
Depending on the severity of the incident, the type of business involved, and the scope and location of the incident, the configuration of the committee may be changed. In 2020, as a result of Covid-19, the committee was involved in pandemic-related negotiations.

#### • **Central Committee for Occupational Health and Safety (OHS)**

This committee integrates the CEO, the business directors, the people director, the corporate manager for Occupational Health and Safety, and the general/regional business managers and their respective boards. This committee systematically monitors performance indicators related to work accidents and compliance verification. In addition, it monitors the good practices developed in each unit to broaden their scope and encourage an integrated, participative management that encompasses the other levels of the organization.

With a preventive approach and with the objective of assisting the Executive Board in supporting AMAGGI's occupational health and safety policy, the OHS Central Committee, as well as other committees, proposes several improvements within its area of activity.

## Corporate governance structure





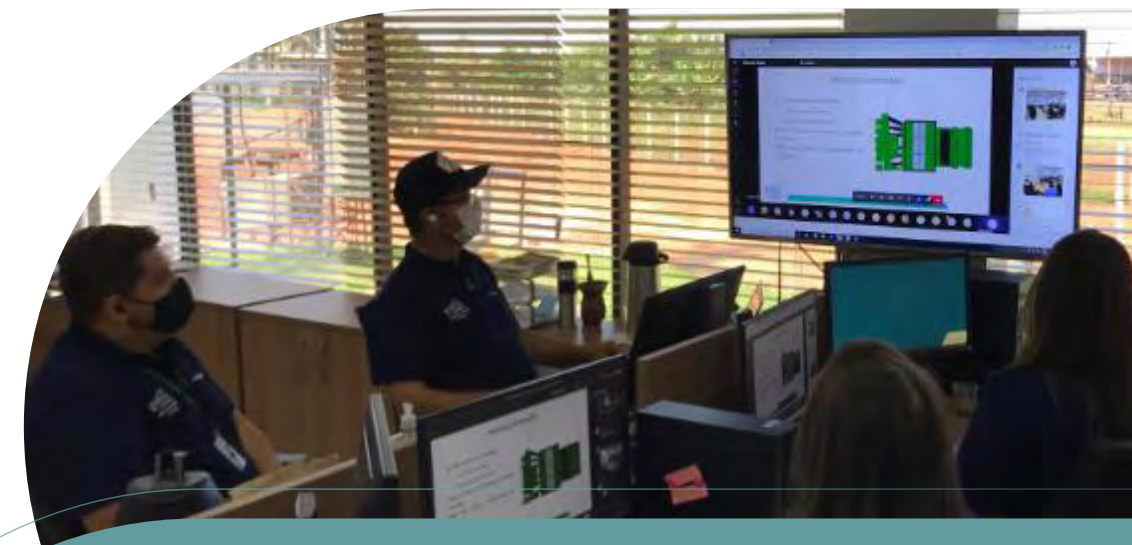
# Ethics, compliance and risk management

GRI 102-II, 102-16, 103-2, 103-3 | 205, 307

Our principles are grounded on ethics and integrity, respect for laws and regulations in conducting our business - in Brazil and abroad - and in our relationship with all of our stakeholders. We believe in disseminating a culture of ethics as a tool for transparency and best practices, which is essential for market competitiveness and long-term sustainability.

For these values to be transversal within the company, we have the Compliance Board and Management heading demands and activities related to the integrity and ethics programs and policies, important tools to raise awareness about risks related to the topic. The main mission is to uphold integrity as a value and standard of behavior expected of employees and business partners.

Accordingly, we invest in training, communication plans, monitoring adherence to policies, as well as in helping employees with questions about the Code of Ethics and Conduct, the bylaws and guidelines and other aspects. **GRI 205-2**



## Integrity Policy GRI 205-1



Our Integrity Policy, which is improved on an ongoing basis, formalizes the management's strategic guideline of not allowing acts that may be construed as bribery, kickbacks, extortion or any conduct linked to corruption. To all our employees, partners, and the communities where we operate, we uphold integrity as a value. We want to encourage activities that champion ethics, responsibility, and compliance with the law.

In the case of misconduct, the policy provides for disciplinary measures for both the employee and his or her manager. We have other instruments that support us by describing standards of conduct to be adopted for all activities, such as the: Donations and Sponsorship Policy; Information Management and Security Policy; Socio-environmental Policy; Corporate Communication Policy; Brand Usage Policy; Quality Policy; Occupational Health and Safety Policy and Supplies Policy.



### ETHICS AND CONDUCT CODE

Our Code of Ethics and Conduct describes the standards of behavior adopted at AMAGGI, and the required commitment to our standards is clear. Upon joining the company, all our employees and members of the governance bodies sign the Term of Responsibility of the Code. Reports of potential violations of Company policies and current laws are received through the Confidential Channel, which, since 2017, has an independent service in Portuguese, English and Spanish and is available to all internal and external company *stakeholders*. In 2020, 298 claims and complaints were registered; of this total 21 cases are still under analysis by the Ethics Committee. **GRI 205-3**

### CONFIDENTIAL CHANNEL

The Confidential Channel is offered in all our units, in Brazil and abroad, as well as to external *stakeholders*, through several actions developed by the areas of Communication, Sustainability and *Compliance*, and Corporate Security. All reports, if desired by the whistleblower, have their confidentiality ensured by the outsourced company hired to operate the service channel and swiftly, confidentially and independently follow the analysis process of the Ethics and Conduct Committee and the Corporate Security area, with no retaliation against the whistleblower.

## Risk management GRI 102-11

In line with the evolution in compliance practices, we treat risk management as a tool to detect business exposure factors, mitigate them, and take in opportunities to improve our practices, policies, and strategies. The purpose, besides reducing risks and protecting the reputation and our business, is to strengthen the corporate governance structure and increase levels of transparency.

We have had a Global Risk Management Policy, for national as well as international operations, for two years. This policy defines the degree of relevance of our risks, establishes an objective scale of impact and responsibilities, involving from the Company's highest governance body (Board of Directors through the Risk and Compliance Committee) to the managers and those responsible for operational processes, corporate managers, the Market and Liquidity Risk areas, Compliance and internal audits.

Risk management is in charge of two areas, which have different tasks and attributions:

- **Market and Liquidity:** performs daily analysis of commodities and freight quotes, and monitored exchange rate exposures in real time.
- **Compliance:** handles the integrated analysis of strategic and business risk, covering internal and external factors related to the compliance of the Company's activities with norms, laws, regulations, and standards of transparency and governance.

The risk management process is organized into five stages: identification, assessment, mitigation, monitoring, and review. This methodology applies to any nature- commercial, operational, financial, market, strategic, reputational, or related to compliance - including transparent and objective recording of the work performed.

With our Global Risk Management Policy, we conduct our operations considering exposure factors measured in impact and liability



# Our team, people management

GRI 102-8, 102-41, 103-2, 103-3 | 202, 401, 405, 407

We believe that a productive work environment, that can generate good results for the company, cannot be separated from valuing people's development and wellbeing. Therefore, our people management operates on the following fronts: attraction and selection; organizational development; corporate education, remuneration and people support.

We foster the personal and professional growth of the employees, valuing diversity and consistently improving working conditions, health, and safety

## Our team in 2020:



**6,211**  
own staff



**98%**  
full-time contracts



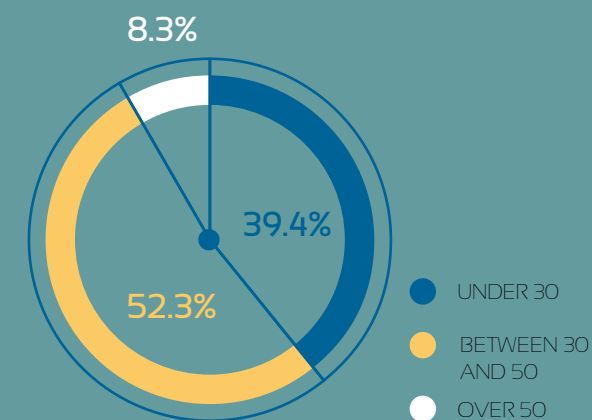
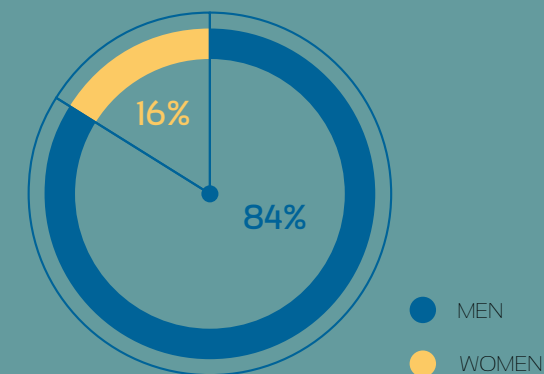
**5,411**  
permanent employees



**800**  
temporary employees



**74%**  
in the midwest region



### ATTRACTION AND SELECTION

We apply several market practices with the objective of developing and attracting talent aligned to our strategies and values. One such practice is Employer Branding, which seeks to promote AMAGGI as an employer brand to attract professionals with skills aligned to our market performance. In 2020, 45,160 new candidates registered on our website, which currently has a base of 136,500 registered resumes.

Throughout the year, we looked for people in professional training at more than 50 Brazilian universities and participated in online events at some of them. In 2020, 2,712 people were hired, 56.37% of them under 30, 87% men, and 86% from the midwest region. The Cultivar program welcomes newcomers in meetings with partner areas and training sessions to help them integrate into AMAGGI's culture, and above all, to make them feel part of the team from day one. [GRI 401-1](#)



## Our team: main indicators GRI 102-8

### Employees by type of employment contract and gender

CONTRACT TYPE	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	4,169	845	5,014	4,803	808	5,611	4,552	859	5,411
Temporary	670	70	740	590	119	709	653	147	800
<b>TOTAL</b>	<b>4,839</b>	<b>915</b>	<b>5,754</b>	<b>5,393</b>	<b>927</b>	<b>6,320</b>	<b>5,205</b>	<b>1,006</b>	<b>6,211</b>

### Employees by employment type

JOB TYPE	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	4,740	820	5,560	5,282	824	6,106	5,112	895	6,007
Part time	99	95	194	111	103	214	93	111	204
<b>TOTAL</b>	<b>4,839</b>	<b>915</b>	<b>5,754</b>	<b>5,393</b>	<b>927</b>	<b>6,320</b>	<b>5,205</b>	<b>1,006</b>	<b>6,211</b>



## Employees by job category

	2018	2019	2020
Board of Directors	10	9	9
Managers	415	440	420
Administrative staff	1,029	1,059	1,048
Operational staff	4,027	4,530	4,327
Technicians	64	70	184
Interns	6	10	8
Trainees	27	14	25
Apprentices	176	188	190
<b>TOTAL</b>	<b>5,754</b>	<b>6,320</b>	<b>6,211</b>

## Employees by employment contract and region

REGION	2018			2019			2020		
	Undetermined period of time	Permanent	Total	Undetermined period of time	Permanent	Total	Undetermined period of time	Permanent	Total
North	1,257	58	1,315	1,559	42	1,601	52	1,561	1,613
Midwest	3,734	682	4,416	4,028	667	4,695	748	3,827	4,575
South	23	0	23	24	0	24	0	23	23
<b>TOTAL</b>	<b>5,014</b>	<b>740</b>	<b>5,754</b>	<b>5,611</b>	<b>709</b>	<b>6,320</b>	<b>800</b>	<b>5,411</b>	<b>6,211</b>

## Employees by age group<sup>1</sup>

	2019	2020
Under 30	2,544	2,445
From 30 to 50	3,301	3,251
Over 50	475	515
<b>TOTAL</b>	<b>6,320</b>	<b>6,211</b>

<sup>1</sup> 2018 data not available in GRI format.

## Turnover rate<sup>1</sup> GRI 401-1

	2019	2020
Total headcount	6,320	6,211
<b>BY GENDER</b>		
Men	0.39	0.44
Women	0.04	0.05
<b>BY AGE</b>		
Under 30	0.22	0.26
Between 30 and 50	0.20	0.21
Over 50	0.01	0.01
<b>BY REGION</b>		
North	0.07	0.06
Midwest	0.36	0.43
South	0.00	0.00

<sup>1</sup> Calculation methodology:  $[(\text{hired} + \text{laid off}) * 2] / \text{total headcount}$ .

PEOPLE DEVELOPMENT GRI 103-2,103-3 | 404

We invest in different initiatives and programs to attract, retain and develop people, such as:

- **Trainee Program:** fosters the development of recently graduated professionals or those in college to act as managers or in technical roles in the business areas. They get to try out different activities and get hands-on experience, receive constant feedback and performance assessments. In 2020, 29 young people joined the program, two of them allocated to the Inputs area; 21 in Agro (Digital Agriculture, Maintenance, Agronomy, and Cotton Processing); two to the Energy Sales and Regulation area, three to the Engineering department, and one to Plant Maintenance Engineering - Lucas do Rio Verde.
- **Young Apprentice Program:** this is one of the main points of entry for young people between 14 and 24, where they can start their careers in the company by developing several skills. In 2020, we hired 20% of our young apprentices.
- **Assessment:** the employee has a set of on-site and online tools that assess professional profiles, career motivations, and development levels in relation to the company's competencies. In 2020, we did not conduct assessment processes. However, we encouraged and highlighted access to and use of the training on offer as a way to keep up individual development, improve people retention, and maintain an environment of engagement.

- **Competencies:** we use the competency-based management model as a guiding strategy for individual development. To this end, we make available to the professional areas (non-managers) competencies related to leadership. In 2020, we applied the competency assessment to 100% of the leadership positions and started the professional area assessment.
- **People Chat:** a structured conversation with each of our managers. Through this chat, we seek to understand the strategic challenges of the areas and individually assess the profile of each employee, in addition to enabling an assessment of the career and succession potential. In 2020, 290 managers attended, which represented the assessment of 1,031 employees.
- **HR Portal:** allows employees access to important information for their career management so that competency-based assessments can be put in conducted to help build and follow up Individual Development Plans (IDPs) even more efficiently, as well as to record formal feedback. We also preserve each employee's access to the entire e-learning training portfolio, for the best learning management with responsibility and independence.

DIVERSITY AND INCLUSION

For the time being we do not have a specific program or management for diversity and inclusion implemented in the company. The Board of Directors is composed mostly of men (77.77%) over 50. In regard to the other positions in the company, men also occupy the majority of the positions of directors (88.89%) over the age of 50; managers (85.71%), in the 30 to 50 age range; and technicians

(86.41%) between the ages of 30 and 50. Women can mostly be found in administrative positions (46.95%), under 30, and in trainee positions (48%), under 30. In turn, blacks, people with disabilities and indigenous people occupy mostly operational (55.87%) and administrative (29.15%) posts. **GRI 405-1**

Employees receiving performance reviews by job category (%) <sup>1 2</sup> GRI 404-3

	2019			2020		
	Men	Women	Total	Men	Women	Total
Board of Directors	100	100	100	87.5	100	88.88
Managers	104.98	106.77	105.22	84.37	91.78	85.35
Administrative staff	41.92	35.63	39.09	40.71	37.95	39.45
Operational staff	NA	NA	NA	2.48	7.46	2.86
Technicians	39.28	28.57	37.14	82.22	78.57	81.35
Trainees	100	100	100	0	0	0
<b>TOTAL</b>	<b>65.95</b>	<b>43.60</b>	<b>58.16</b>	<b>14.89</b>	<b>27.70</b>	<b>16.98</b>

<sup>1</sup> In 2019, the data presented was for those eligible for the formal competency-based assessment process, and does not represent the final number of respondents, since the assessment cycle was in progress. The Apprentice, Intern, and Operational positions are not yet covered by formal performance assessment.

<sup>2</sup> The assessment was not conducted in 2018.

<sup>3</sup> Not Available (NA): data for 2019 unavailable for the Operational category.



**CORPORATE EDUCATION** GRI 404-1, 404-2

"Transformation is what makes us grow", this is the motto that drives the Corporate Education area and ensures a culture of ongoing learning, of managing and multiplying knowledge, in addition to providing the necessary skills for the professional performance of our employees. During 2020, we conducted 157,500 hours of training for our own employees, the equivalent of 25.35 hours per employee. The main initiatives during the year were:

- **Training on Compliance/Integrity Program Policies**: training dedicated to disseminating values and behavioral rules to ensure our commitment to the standards of ethics and conduct. By 2020, 93% of the employees in Mato Grosso and all nine members linked to the governance bodies received training in anti-corruption policies.
- **Educational Aid Program**: aid to fund between 10% and 50% of the cost of technical or academic training courses for our employees.
- **Learning tracks**: tools for the development of technical and behavioral competencies that contribute to the improvement of the position and to continuing education.

- **School of leaders**: our goal is to promote the technical and behavioral direction of our leaders to achieve the desired results outlined by our corporate strategies.
- **Talent school**: the purpose is to encourage the technical and behavioral development of employees (who are not managers) through tools and training. The primary focus is to promote self-knowledge, wellbeing, stronger relationships and communication, and develop positive attitudes in the participants.
- **Sharing Program**: develops knowledge management among the employees, who introduce at bimonthly meetings a topic related to a congress or seminar they have attended.

## Number of company employees trained in anti-corruption policies, by job category <sup>1</sup>

GRI 205-2

JOB CATEGORY	2018		2019		2020	
	NUMBER	%	NUMBER	%	NUMBER	%
Board of Directors	11	100	11	100	9	100
Managers	343	80.32	352	95.39	526	96.69
Administrative staff	1,191	80.80	1,080	95.91	1,097	96.22
Operational staff	2,257	62.41	3,649	91.36	4,066	92.07
Interns	5	100	6	75	9	81.81
Apprentices	80	52.63	101	94.39	42	89.36

<sup>1</sup> The baseline used to conduct the training is from August 2018. Therefore, the total number of company employees mentioned above is different from that reported in the GRI 102-8 and GRI 404-1 indicators, which used the December 2018 baseline. No data is available for the technician category.

In 2020, all our trainees received training on anti-corruption policies. Data for 2018 and 2019 is not available.

## Average hours of employee training by gender GRI 404-1

	2018	2019	2020
Men	12.78	15.19	26.29
Women	12.78	9.43	20.46
<b>TOTAL</b>	<b>12.78</b>	<b>14.35</b>	<b>25.35</b>

## Average hours of employee training by job category GRI 404-1

	2018	2019	2020
Board of Directors	18.85	0.33	8.31
Managers	29.41	10.99	39.99
Administrative staff	13.57	8.74	18.42
Operational staff	11.24	16.07	26.81
Technicians	11.85	35.53	12.55
Interns	16	33.4	17.21
Trainees	16.05	12.92	37.47
Apprentices	3.68	3.91	81.38
<b>TOTAL</b>	<b>12.78</b>	<b>14.34</b>	<b>26.02</b>

### REMUNERATION

Remuneration management is developed according to the company's business needs, in alignment with the culture and best market practices, without distinction of gender, race or color. Our salary schedules and remuneration programs are built and updated with the help of specialized consultants, whose focus is the job performed.

The Profit Sharing Program (PPR), for example, reinforces AMAGGI's culture of rewarding employees according to their contributions to the results. All are hired under the terms of the Brazilian Labor Code (CLT). In 2020, the lowest salary paid to men and women was BRL 1,115.94, based on the minimum wage of BRL 1,045.00 determined by law or by the union. [GRI 202-1](#)

The employees contribute collectively to the attainment of the goals, so they can be assessed according to their individual contributions. To ensure consistency in the process, the results achieved by person, area and unit, together with the justifications for the performance achieved, are presented by the PPR committee to the Executive Board and then to the Board of Directors for analysis and validation.

## Ratio between the base salary received by women and men in each job category <sup>1 2 3</sup> GRI 405-2

	2020
Administrative	1.01
Apprentices	1.00
Interns	1.00
Managers	1.15
Trainees	1.00
Operational staff	0.99
Technicians	0.97

<sup>1</sup> Data from 2018 and 2019 is not available in GRI format.

<sup>2</sup> For the board category, the information is confidential.

<sup>3</sup> The results show the following wage differences: above 1, women's wages are higher than men's; equal to 1 no differences; and below 1 means that women's wages are lower than men's.





## BENEFITS GRI 401-2, 401-3

We have adopted a people management policy focused on valuing and developing our employees. We offer benefits aligned with the company's strategies and the best market practices, which address important aspects of the lives of our professionals and their families. We believe that in this way we can better attract and engage talent.

All our employees (in 100% of the locations where we operate) receive the same benefits package. However, we pay attention to specific needs in regions that have little infrastructure and try to minimize possible impacts, such as: housing for the employee and family members, lodging, restaurant, transport, and others.

Our key benefits for all employees include:

- Group life insurance for employees since admission, with coverage for spouses and children
- Medical assistance (including spouses and children) at lower costs and with national coverage
- Dental assistance, with national coverage and extension to dependents
- Private pension plan: complementary income in retirement
- Executive check-up: a thorough health check-up for executive positions

- Valorizar Program: tribute to employees for length of service (more than 15 years)
- Pass Support: employees and their dependents have access to specialized confidential guidance in several areas (psychological, legal, financial, and social) through a service center. If necessary, the employee can be forwarded to a face-to-face service free of charge.
- Maternity/paternity leave: for women the leave is six months, as opposed to the four months guaranteed by law. Fathers get an additional 15 days on top of the five provided by law. In 2020, 237 employees went on leave, with 99, 32% of men returning to work, and 99.37% of women continuing with us.
- Daycare allowance: granted to employees to help with expenses with daycare centers or nannies.

To explain the access to these services and answer any questions, we hold the Benefits Workshop every year. In 2020, the event took place online due to Covid-19. Given the pandemic scenario, it was a challenge to mediate with the health plans the elective treatments that had been suspended because they were not classified as priorities at that time. With the purpose of expanding our care network in the current circumstances, we created a telemedicine hotline for all employees and dependents so they could have access to doctors and nurses.

We also ran a campaign to disseminate the Support Pass benefit, which offers a range of specialized guidance. Another achievement was the concession of coverage for death resulting from Covid-19 in the business life insurance for employees and dependents (insured), as a way to provide more financial security for people.

We offer benefits with the objective of valuing our employees and supporting their career development



## People Support

2020 was challenging and required a different work dynamic. We had to learn to deal with the crisis situation and the uncertainty brought on by Covid-19, and from the start we put in place health measures, social distancing, and emotional and social support for employees and their families. This set of actions helped us to build a different plan for each area, according to the needs.

We launched the "Balance Point", a content with tips and guidelines on wellbeing and emotional health, sent by e-mail to employees and posted on company bulletin boards. We created this material as a way to relieve the pressure at this very unique time. The leaders have a crucial role in these situations and, for this reason, received specific guidance on how to welcome their teams, with the aim of reducing the stress and anxiety inherent in the times in which we live.

We accompanied the cases of all our employees and their families who were kept in isolation (for suspected or confirmed contamination). In total, we carried out 2,931 consultations. Unfortunately, 14 employees lost close family members due to Covid-19 and we offered them psychological care.

From the start, we conducted a survey of employees who are part of the risk group (pregnant women, people with chronic diseases, and those over 60) so that they could work from home with guaranteed pay or be furloughed. About 180 professionals belong to this group and they were also offered physical and emotional health assistance.

Our support network has been extended to people on social security leave. Social aid was granted to 84 of them, due to the delay of the social security benefit after the interruption of services at the social security agencies for a certain period.

We also supported the Supplies area, right at the beginning of the pandemic, by distributing a kit with snacks for AMAGGI's service drivers. The purpose for this was that they were unable to eat during their journeys because most establishments were closed. We handed out 25,675 kits for a period of 30 days.



# Occupational Health and Safety

GRI 103-2, 103-3 | 403

Our Occupational Health and Safety Policy has the task of providing a safe and healthy work environment for everyone, a non-negotiable value for AMAGGI. Through it, we have implemented initiatives that ensure the preservation of the health and physical integrity of the employees in our operations. We are guided by four core principles:



## Operational discipline

Performing activities according to specific procedures and practices and getting it right every time



## Leadership by example

The leader adopts safe procedures and practices to encourage his teams to do the same



## Owner concept

Every person must act as the person responsible for what happens in his or her area of activity regarding the safety and health of employees, third parties or visitors



## Line responsibility

Responsibility for safety is primarily assigned to the leader of each area, just as it is for production and quality. The Occupational Health and Safety area works as technical support

operational discipline, owner concept, leadership by example, and line responsibility. They guide the position adopted by the entire company, always considering safety at work as a daily practice in all processes.

We always try to implement new guidelines (even before any obligation) as allies in the safety of employees and introduce new technologies to boost results. These measures also extend to partner companies.

The Occupational Health and Safety Management System (SGSSO) enables us to systematize health and safety actions and standardize activities and the ongoing improvement of processes. Currently, the system is composed of 38 tools that serve as a foundation for the evolution of our company's cultural soundness in occupational health and safety.

**GRI 403-1, 403-3**

Every year we conduct internal audits to verify compliance with the tools in the management system. Our managers, in turn, have targets on occupational health and safety performance, which include the results of these audits and reductions in injury rate. The Occupational Health and Safety (OHS) committee advises the Executive Board on the adoption of policies on this topic and on encouraging a culture based on prevention.

**GRI 403-4**

We conduct inspections and audits in the work areas to identify risks that can cause serious accidents, such as handling and maintenance of machinery and equipment; and use of tools; and we draw up action plans to prevent accidents from recurring.

Even with all these initiatives in place, we registered two deaths (one during adjustments made to a cotton harvester at the Itamarati Farm, and another in a ferry accident on the Madeira River at the Itacoatiara Unit). The cases were investigated, analyzed, and we developed action plans to prevent similar accidents from happening again. We ended the year with 64 accidents, 45 of them required leaves of absence and 19 did not require leaves.

## BEHAVIORAL SAFETY PROGRAM

Since its implementation, the Behavioral Safety Program has helped to significantly reduce the work accident frequency rate. More than just reducing the accident frequency rate, we seek to strengthen the culture of prevention, including with the suppliers that provide services at the company units.

**GRI 403-5, 403-6, 403-7**

We believe that a change in behavior comes from the awareness of all professionals and, for this, the work is done with the involvement of all unit managers, who are responsible for introducing the concepts throughout the organizational line. The collaborators are encouraged to report situations that put their own health or physical integrity at risk.

**GRI 403-2**



# Food Health and Safety

GRI 103-2, 103-3 | 416, 416-1

With stricter requirements becoming the norm in local and foreign markets for the sale of grains and their byproducts, the quality requirements go beyond just nutritional content. A few of the main ones are food safety, the assurance that the product (for humans or animals) can be consumed without any health risk.

A series of actions have been put in place to verify if the presence of pesticide residue and other potential contaminants is at a level that is considered safe for consumption, according to the laws in Brazil or in the country of destination. Ongoing communication and the active search for feedback from customers are important to analyze the feasibility of implementing improvements in internal processes.

In our routine, mapping product quality is a constant practice. Every year, our units and some partners in Brazil participate in a sampling protocol for grain, meal, and oil assessment. The results provide us with guidance so we can take action and manage risk, which can affect the health (human or animal) and the Company's reputation in the market and society.

It is also part of our daily routine to verify compliance with legal, statutory, customer, and certification requirements, which together provide the guidelines for our Quality Management and Food Safety System. To this end, we conduct frequent internal audits by local and corporate teams and are inspected by certification bodies. The company can also be assessed by customers and by the Ministry of Agriculture, Livestock and Supply (MAPA).

To be in tune with market demands, we follow and participate in several forums related to Quality and Socio-environmental Issues. We also have several certifications regarding product quality (see page 17).



## ROUTINE

In our day-to-day business, the mapping of product quality is constant

# Socio-environmental management

GRI 103-2, 103-3 | 304



Our goal is to broaden positive impacts through actions and programs

AMAGGI's Socio-environmental Policy and Socio-environmental Management System (GSA) guide us in the search for a socially-fair, environmentally-responsible and economically-viable performance. The GSA is based on the requirements of NBR 16001 (social responsibility) and integrates ISO 14001 rules (environment) and A.R.S. (AMAGGI Responsible Standard), RTRS (Round Table on Responsible Soy Association), ProTerra, 2BSvs and ABR/BCI (Algodão Brasileiro Responsável/Better Cotton Initiative) certifications.

Our socio-environmental management consists of a set of activities developed by the Sustainability area to prevent and mitigate possible negative socio-environmental impacts on operations or on products and services. On the other hand, our controls allow us to expand the positive impacts by implementing actions and programs.

Another role of GSA is to prepare all business units for annual internal audits in order to cover the scope of all environmental certifications. In 2020, the challenge was to perform all internal audits remotely. Even with the change in format, we got good results and the average attendance was 96% of the *checklist* of certifications, combining internal audits of farms, warehouses, offices, shipyards, factories, ports, and small hydroelectric power plants.

We are working on enhancing the Integrated System for Continuous Improvement (Sim+) linked to the Logistics and Operations board. The goal is to improve our performance, making it increasingly more safe, productive and efficient. We have already achieved relevant results with this process, which will continue to evolve over the coming years.

## PROTECTING BIODIVERSITY AND FORESTS

### GRI 304-1, 304-2

Our commitment to environmental preservation and biodiversity protection is linked to our own business, which depends on environmental balance to exist and prosper. This connection is expressed in the global and national initiatives we are part of and in our Global Sustainability Positioning, which has socio-environmental responsibility as one of its principles (read more on page 20).

The first step towards meeting these purposes is to be in full compliance with Brazilian laws: Brazilian Forest Code and other environmental laws. All productive activities are carried out outside the boundaries of Conservation Units or any other areas protected by law.

The company's Agro business area works to develop agricultural activities at sites that are already consolidated and, therefore, opened before 2008. Since that date, the properties are free of openings and conversion, and we are committed to zero deforestation for agricultural purposes at our units. Our farms were opened more than 20 years ago, when the occupation of the midwest region took place.

We monitor all the areas dedicated to preservation through satellite images of the National Space Research Institute (INPE), as well as on-site inspections and remote analyses through our geospatial platform ORIGINAR. To protect

biodiversity on our farms, we have put in place operational controls and damage mitigation measures based on risk and impact management of the activities.

In order to prevent forest fires from damaging biodiversity - mainly due to the dry climate and high temperatures - we carry out the maintenance of the fire breaks (strips around conservation areas or property perimeters where the vegetation is eliminated to keep wildfires from propagating), fire fighting equipment and trained fire brigades to fight fire in forests and plantations, which are also available to help neighboring farms whenever necessary.

We are committed to expanding our agricultural operations responsibly in areas that are already open, as well as investing in the transformation of degraded areas into increasingly productive properties. We, therefore, avoid new conversions of native vegetation for the purpose of agriculture. Before acquiring new properties, we conduct due diligence and social and environmental impact studies on the areas



## Green heritage

We maintain 49% of preserved areas (137,000 hectares) between Legal Reserves (LR) and Permanent Protection Areas (PPAs) of the total of 281,000 hectares that shelter our own agricultural production and reforestation units. Of this total of preserved areas, 168 hectares of PPA are in the process of recovery.



## INVESTMENT IN RESEARCH

We make a point of investing in scientific knowledge. Through a partnership with the Amazon Environmental Research Institute (IPAM) on the Tanguro Farm (MT), we support research that looks into the benefits of crop-forest integration, and forest management and restoration practices. The farm is visited by scientists, researchers, and students from many countries, who are given access to more than 80,000 hectares of forest and agricultural landscapes, to carry out their studies.

The results of this partnership are significant: the research has already been the subject of more than 40 articles published in scientific journals and 30 reports in the national and international press.

On the property, studies are also underway to assess how climate change may affect forests, rainfall cycles, soybean, corn, and cotton production, and the life of aquatic species in the rivers that flow through the farm, for example. The measurement of greenhouse gas emissions in

cultivated areas allows the company to track the fixation of carbon and nitrogen in the soil. The animals are also monitored and the important role of tapirs (*Tapirus terrestris*) in forest recovery and in the diversity of species found in local streams has been confirmed.

During 2020, we partnered with Embrapa Algodão (Cotton Study of the Brazilian Agricultural Research Institute - Embrapa) and Embrapa Arroz e Feijão (Rice and Beans Study of the Brazilian Agricultural Research Institute - Embrapa) to further studies on the soils (from microbiota to nutrient behavior) in the crop areas of all of the company farms. As such, we will have more assertive information for the proper management of the soil, allowing for more sustainability in productive processes, such as a potential decrease in the use of fertilizers and correctors, which can lead to a reduction in greenhouse gas emissions.

We measure greenhouse gas emissions in cultivated areas, which allows the company to track the fixation of carbon and nitrogen in the soil



We invest in soybean research and other scientific knowledge for the benefit of agribusiness

## RECOVERY OF AREAS GRI 304-3

We carry out work to recover Permanent Preservation Areas (PPAs) on our own farms, including riverbanks, streams, lakes or springs within a radius of 30 to 100 meters (depending on the size and characterization of the body of water).

The preservation of these riparian forests is extremely important to avoid silting in the water bodies and to conserve biodiversity. For this purpose we have a corporate and local team dedicated to revitalizing these areas, either by monitoring natural regeneration or by planting seedlings. We have nurseries (located on the Tanguro Farm in the Amazon biome) for the production of seedlings of various forest species. In 2020, 30,000 seedlings were produced.

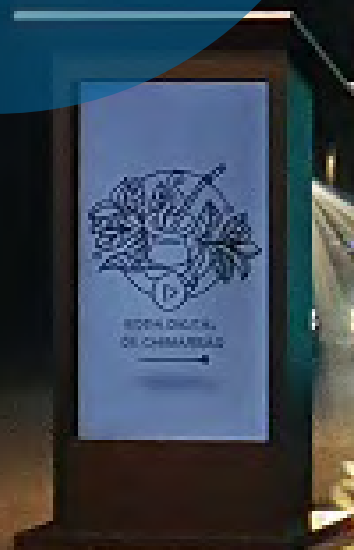
Through the Seed Paths (Caminhos da Semente) initiative, we have developed experiments to leverage a direct sowing technique, which involves a mixture of seeds with green manure and fruit tree species. This provides different growth stages, making it possible for the area to structure itself faster by attracting pollinating and dispersing animals. In 2020, we monitored the pilot project areas, developed in three locations on the Tanguro Farm, which together total seven hectares, and noticed a good germination rate of native seeds, 3.5 times higher compared to the conventional planting of seedlings.

The seeds are purchased from the Xingu Seed Network Association, which promotes exchanges of tree seeds and other native plants, generating income for family farmers and indigenous communities throughout the region.



1ª.  
RODA DIGITAL  
DE CHIMARRÃO

# Promoting a sustainable value chain





Promoting  
a sustainable  
value chain

## Commitments

We believe that for the development of responsible production, with **traceability and positive impacts and a smaller carbon footprint, free of deforestation and conversion of native vegetation**, we need to work together with all the stakeholders in our value chain. As such, **we agree**:

- to invest in increasing the value of **natural and human capital**, promoting respect for **human rights** and decent work
- with **dissemination of knowledge, motivation for socio-environmental certifications and best agricultural practices**, as well as the adoption of **new technologies** for sustainable production
- with **engagement** of our stakeholders and meeting the strictest of **market demands**.

# Promoting a sustainable value chain

GRI 102-9, 102-10, 103-2, 103-3 | 204, 308, 414

We believe that the development of sustainable agriculture is not a one-way street. A range of stakeholders is needed, encompassing farmers, traders, agri-food industries, retailers, customers, banks, governments, and civil society. Only with this involvement will we contribute to a responsible production chain to meet the demands of an increasingly more demanding market.

The shaping of this knowledge only has a reason to exist if it is shared, disseminating the adoption of good practices, process improvements, minimizing risks and environmental impacts and, above all, promoting dignified work and respecting human rights.



We believe in  
sharing good  
practices

Our commitment is to be socially and environmentally responsible and consistently improve social and environmental management in operations and the value chain



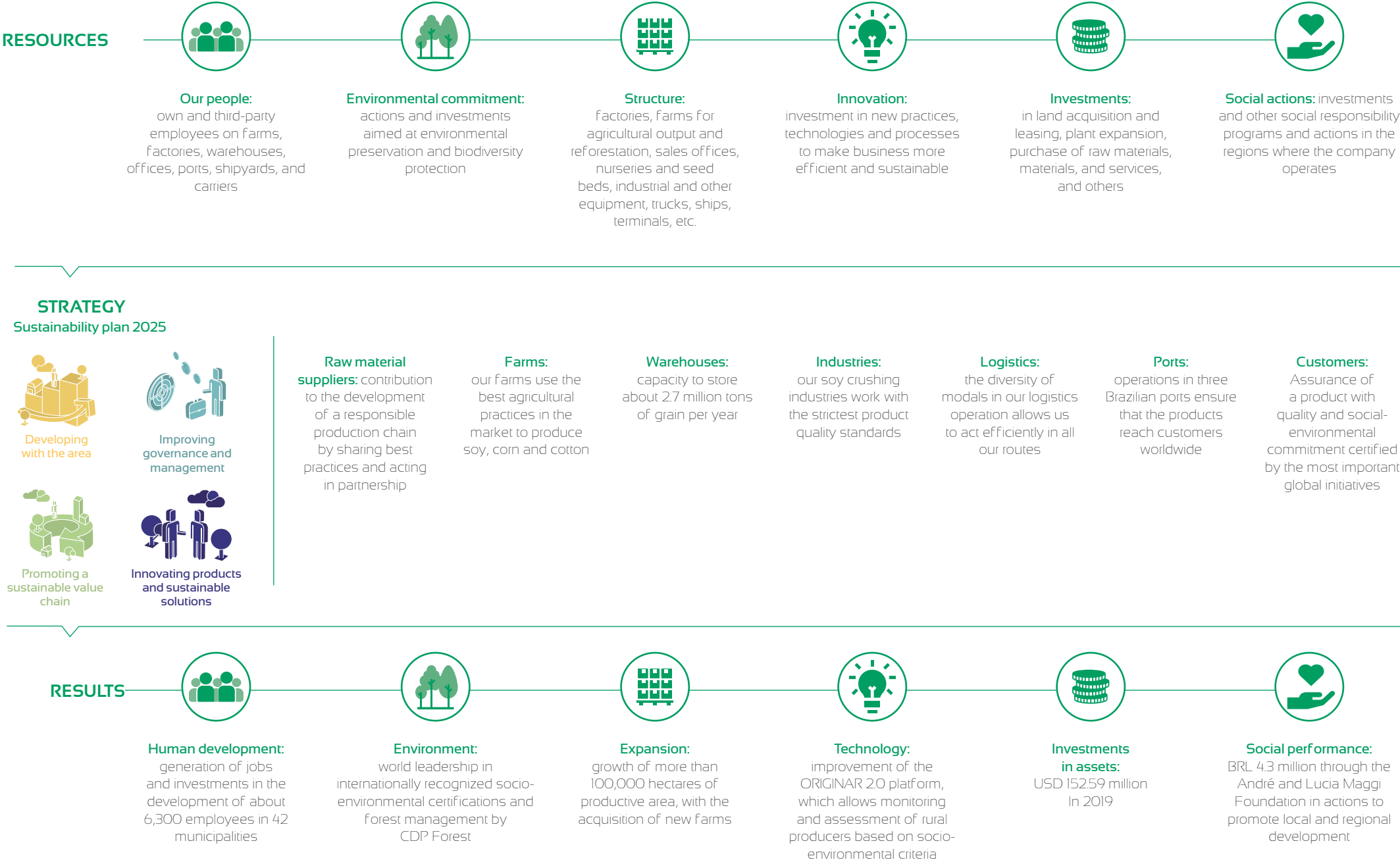
# Value chain

We have a strategic action for sustainable development in our extensive value chain, including the assessment of suppliers, socio-environmental impacts, responsible sourcing of grains and engagement with customers, civil society and other stakeholders.

Achieving a balance between all parties is, without a doubt, a great challenge but also an immense opportunity to encourage responsible actions in the chain itself and in the agribusiness sector.

## CAPITALS

-  Human
-  Natural
-  Manufactured
-  Intellectual
-  Financial
-  Social and relationship



SUPPLIERS

Our Supply area researches potential partners for the types of products or services required by area. In all contracts with suppliers there are clauses related to respect for human rights, non-exploitation of child labor, degrading or slave-like conditions, as well as specific anti-corruption, labor and social security requirements.

The [company website](#) discloses specific information for suppliers, so that they can learn about types of materials and services purchased by the company. To gain efficiency in the procurement processes, we created several initiatives during the year related to expense analysis, such as: teams that automated procurement processes for high-volume and low-value products; development of 16 KPI's to monitor purchases more effectively; and use of a Strategic Sourcing methodology for more complex and high-value purchases. In 2020, 71.79% of the purchases were made with local suppliers (those registered in the states of Amazonas, Rondônia, and Mato Grosso). [GRI 204-1](#)

Currently, the suppliers identified as socio-environmentally critical (grains and livestock; transport of phytosanitary products and fuels; construction companies and contractors, and others) are assessed more carefully. After the e-procurement system implementation and Supplier Relationship Management (SRM) project was put in place, we intend to review and categorize suppliers to identify which ones should be followed and monitored more closely.

During 2020, the Corporate Sustainability area conducted 247 socio-environmental assessments (a process that occurs before contracting), of which 15 were considered to have restrictions due to a lack of documentation required for the activity developed. So they were not hired. However, they received guidance regarding the necessary adjustments to meet AMAGGI's criteria and only then will they be able to work with the company again. [GRI 308-1, 414-1, 414-2](#)

Percentage of new suppliers (contracted) selected with basis on socio-environmental criteria [GRI 308-1](#)

	2018	2019	2020
New critical suppliers considered for hiring	248	234	247
Suppliers with socio-environmental restrictions	20	39	15
Suppliers qualified for contracting based on socio-environmental criteria	228	195	232
Percentage of new suppliers hired with basis on socio-environmental criteria (%)	91.93	83.33	93.93

TRANSPORT (LOGISTICS) PROVIDERS

We have been in the grain transport business for a long time and, for this reason, we have built a base of more than 70,000 registered service providers. In 2020, we took an important step when we entered the consolidation phase of a digital platform - Carguero app - which has already accounted for 90% of the AMAGGI trucking company's hires. Other services and functionalities are under development to facilitate the trucker's day-to-day life and increase efficiency throughout the chain.

To cover road accidents, we have a partnership with insurance companies throughout the logistics route and have procedures in place to prevent and provide services for environmental accidents. We also have contracts with companies who carry out collection services, product incineration, and cleanup affected areas, when necessary.

In 2020, we registered 178 road claims, representing 0.07% of the total number of cargo transported. Most of them were trucks that overturned while transporting soybeans in the municipality of Vilhena in Rondônia.

Specific requirements with regard to respect for human rights are included in our contracts with partners

### RESPONSIBLE LOGISTICS PROGRAM

The objective of this program, created eight years ago, is to minimize the social, environmental, and economic impacts resulting from road and waterway transport of products by our own fleet and by our suppliers. As part of this program, we have maintained since 2014 a partnership with the Na Mão Certa (In the Right Direction) Program, of the NGO Childhood Brasil, whose purpose is to protect children and adolescents against sexual exploitation, especially in vulnerable communities near highways and waterways used for the flow of agricultural output.

In 2020, the main initiatives linked to the Responsible Logistics Program were: training of a group of waterway workers and multipliers under the On the Right Track Program, monitoring the conditions of the drivers' waiting rooms by means of internal audits, shorter waiting queues with improvements provided by the Carguero app for hiring freight, as well as the handling of all the complaints from drivers that came in through the Confidential Channel. These initiatives have allowed us to reduce the number of complaints by 16% compared to last year.

### GRAIN AND FIBER SUPPLIERS

More than 5,000 rural producers are registered in our grain and fiber supplier database. To be aligned with our goal of promoting sustainable agriculture, they need to meet the following socio-environmental criteria:

- We do not buy grains and fibers from areas that are embargoed by the Brazilian and Renewable Natural Resources Institute (Ibama) for deforestation or restrictions on agricultural activity.
- We do not trade grains and fibers from areas that are embargoed by the State Environmental Department of Mato Grosso (Sema-MT) for deforestation or restrictions on agricultural activity.
- We do not trade with farmers whose productive areas are located in Indigenous Lands and Conservation Units under Full Protection.
- Under the sector-based Soy Moratorium commitment, agreed upon by a group of companies, we have agreed not to acquire soybeans from areas deforested after 2008 in the Amazon biome.
- We do not trade with companies or people who are on the Slave Labor Black List. Reinforcing our commitment, we are part of the InPacto's Deliberative Council, dedicated to strengthening actions under the scope of the National Pact for the Eradication of Slave Labor.
- We are committed to trading in Pará only with producers who meet the guidelines of the Green Grain Protocol, which establishes criteria such as acquiring or financing grains only from farmers enrolled in the Rural Environmental Registry (CAR), in addition to ensuring that the products do not come from areas that were illegally deforested after 2008.



## Careful assessment

Every year, before the trading of grains, suppliers undergo an assessment based on AMAGGI's socio-environmental criteria. Those with any restriction will have their registration blocked immediately. However, the company provides the necessary support for them to rectify the situation so they can go back to working with us. In 2020, 1,893 registrations of grain and fiber suppliers were blocked for having some type of socio-environmental restriction. All blockages are automated by the company's system. These assessments are based on internal

procedures and are carried out by a trained team using the ORIGINAR 2.0 platform, a tool that monitors and tracks the company's grain chain. In addition, after the company's traceability process was upgraded in 2020, an obligation was put in place to link all purchases to the farm of origin of the product, which must have its polygons delimited within the ORIGINAR platform. Every year, this traceability process is audited internally and the company undergoes third-party audits to ensure compliance with the Soy Moratorium and Green Grain Protocol requirements.

The producers who sell in the futures price modality receive socio-environmental guidance and on-site visits and the crop's growth is monitored by satellite images. We also offer the Producer Portal to all farmers, which is a place for our partners to monitor all negotiations underway and check all transactions.



## SHARE KNOWLEDGE

We believe that disseminating good practices helps in the adoption of socially and environmentally-responsible production. For this reason, we invest in technical visits, incentives for the recovery and expansion of degraded areas, besides compliance with environmental and labor laws.

We have the AMAGGI Technological Circuit, which shares technical information with farmers, such as: new cultivars, crop management, responsible use of pesticides, among others. In 2020, before the pandemic, we organized the Technological

Soy Circuit, which was attended in person by 1,772 people. In turn, the Technological Corn Circuit had to take place online due to the pandemic. We produced a series of videos shared with farmers, partners, and our collaborators.

We offer socio-environmental guidance so that the chain of producers and suppliers adopts responsible practices, such as the correct, safe, and efficient use of chemical pesticides. Since we are traders of inputs, we want to make sure that these products are safely handled so that they do not pose risks to human health. To do this, we have a team of

agronomist engineers who work in field and in the establishments in charge of selling these products.

Our inventories and the agronomic revenue generated for these activities are declared to the Plant Protection System (Sisdev), in compliance with the laws of the Mato Grosso Agricultural Protection Institute (Indea), which controls the movement of pesticides, seeds, seedlings and related products throughout the industry, and their distribution, resale and the production chain. This control also regulates the receipt and disposal of empty containers, which closes the reverse logistics cycle.

In soybean production, we certified 43,400 tons under the AMAGGI Responsible Standard (A.R.S.); 610,400 tons under the ProTerra standard, of which 438,600 tons from AMAGGI Agro's own farms and 171,800 tons from around 130 partner producers. Through the RTRS standard, EU RED scope (physical and credit modalities), 510,800 tons originated from 26 rural properties- 23 of them from partner producers and three own farms.

During 2020, we achieved the first certification in the Biomass Biofuels Sustainability voluntary scheme (2BSvs), developed for soybean and corn producers involved in the biofuel supply chain to demonstrate sustainability in their production according to the requirements of the European Union Biofuels Processing Directive. Twenty-four farms of partner producers were certified, verifying entry, storage, and shipping processes, totaling a volume of 227,200 tons for soy and corn crops.

## SOCIO-ENVIRONMENTAL CERTIFICATIONS

2020 brought with it many challenges in relation to the maintenance of the socio-environmental certifications due to the restrictions imposed by Covid-19 for in-person visits to the units. However, the certifiers adapted to a new model as a result of the pandemic. Most of the audits were carried out remotely, requiring a quick adaptation of the technical team from the Sustainability area and the producers in the use of online communication tools and platforms. We managed to keep all the cotton production certified by the Better Cotton Initiative (BCI)/Algodão Brasileiro Responsável (ABR) seal in an area of 101,400 hectares.



We provide guidance for producers and suppliers to adopt responsible practices

# Deforestation and conversion-free chain

We have been working towards expanding our agricultural output without deforestation or conversion, and sharing knowledge with the supply chain. One of these commitments was made 15 years ago after the execution of the Soy Moratorium, a sector-based commitment managed by the Soy Working Group (GTS) to ban the purchase of soy from the Amazon biome as of 2008. Since 2007, we have been a board member of the RTRS, a certification that ensures responsible soy farming worldwide.

In 2017, we launched the Global Sustainability Positioning and the 2025 Vision Plan, through which we reaffirmed our commitment to achieving a zero deforestation and conversion chain. We have established partnerships with several initiatives - the Cerrado Working Group (GTC); the Brazilian Coalition for Climate, Forests and Agriculture; MT Strategy: Produce, Conserve, and Include (PCI) - and we invest in the development of technologies, such as ORIGINAR 2.0, which helps us monitor areas and pinpoint risks so we can put in place projects in priority regions for actions and the geospatial analysis of our supply chain.

In 2019, we re-launched our commitment "Toward a grain chain free of deforestation and conversion of native vegetation," which covers production activities on our own farms and grain sourcing from rural producers in all regions where we operate, inside and outside Brazil. Actions based on this document are reported annually to our stakeholders through our Progress Report.

We worked hard in 2020 to strengthen our commitment for a chain free of deforestation and conversion of native vegetation. To this end, we are active on the following fronts: environmental conservation of the company's production areas; traceability and management of grain suppliers; partnerships and initiatives for sustainable and deforestation-free agriculture; engagement and development of the grain supplier chain; and environmental certifications.

See some of the main highlights of this work below. The full results, as well as the challenges that lie ahead, can be seen in the Progress Report.

We work to expand our agricultural production with zero deforestation or conversion



## PRESERVE

We operate on several fronts and environmental conservation is one of them



**100%**

of our own farms are free of deforestation for agricultural production, since at least 2008

**100%**

of compliance with the external verification of Soy Moratorium and Green Grain Protocol commitments

**22%**

of the indirect supplier volume is tracked

**Daily**

monitoring of about 4,500 farms (11,600 Rural Environmental Registries-CAR), totaling more than 14 million hectares

**87%**

of the volume originated by AMAGGI is from direct suppliers and 13% from indirect suppliers

**99%**

of the volume sourced and tracked for soy in 2019/2020 is deforestation and conversion-free after 2017

**100%**

of our grain suppliers are in accordance with the company's social and environmental criteria

**98%**

of the volume of grain traded with direct suppliers from the priority jurisdictions is tracked and monitored by polygon





# Developing with the area



Growing with  
the site

## Commitments

We believe that the company's growth is only feasible if it is **generating and sharing values with society** and contributing to the socioeconomic development of the regions where it operates.

As such, we agree to:

- generate **jobs and income, disseminate knowledge, good practices, encourage innovation, develop suppliers and local labor, and carry out private social investment in the regions where we operate**
- respect **Human Rights, the culture of traditional and indigenous people and that is aligned with the expectations of the communities** we will be able to generate a positive impact, transforming local realities.

# Developing with the area

GRI 103-1, 103-3 | 201, 203

We are committed to being drivers of development in the various regions where we operate. We understand that our connection with the communities encompasses the sharing of values, the generation of jobs and income, dissemination of knowledge, and impact prevention. Our growth is only feasible when it contributes to the socioeconomic development of the local communities.

We use mapping that points out the impacts of our activities, operations and services

The André and Lucia Maggi Foundation is a partner in projects in the regions where we operate



**RELATIONSHIP**  
Mapping shows  
the impacts of our  
performance

# Think global, act local

In order to scale our relationship with the many sites we are connected to, we use mapping to pinpoint the positive and negative impacts, risks and opportunities of our activities, operations and services, and consultations with our stakeholders. This tool enables us to review our performance and define new procedures, when necessary. Inspections and internal audits are carried out every year to ensure that we are working in compliance with legal requirements and with the effectiveness of the implemented controls.

We are aware that the implementation of new projects (construction, expansion, renovation, or new activities, for example) can cause some social and environmental impact in the regions, as a result of our own operations and the value chain. Therefore, we carry out a previous socio-environmental analysis in the locations, we evaluate suppliers, and all third parties go through a process of integration with the company.

The André and Lucia Maggi Foundation is an essential partner in prioritizing projects in the regions where we operate.

## SHARED VALUE

We operate in Brazil from our 74 units, which include farms, warehouses, offices, factories, movers, shipyards and ports, located in 42 cities over nine states. Our reach is even greater due to our trade operations and business relationships in all regions of the country and abroad.

Therefore, there are several ways of contributing to the regions where we are, including by offering jobs, supporting the local economy, collecting taxes and fees for the municipalities, and generating income for local producers.

In 2020, we hired 2,712 people, with 86% of this total concentrated in the midwest region. As with labor hiring, we also give preference to local and regional suppliers (72% of the total in 2020).

## Direct economic value generated and distributed GRI 201-1

	2019		2020	
<b>Direct economic value generated (BRL)</b>	<b>19,334,182,376.29</b>		<b>24,360,544,228.26</b>	
<b>Economic value distributed (BRL)</b>	<b>2,894,638,045.44</b>		<b>5,887,032,045.57</b>	
Operating costs	1,281,745,726.53	44.28%	3,305,139,470.79	56.14%
Employee salaries and benefits	453,300,317.92	15.66%	505,964,676.32	8.59%
Payments to capital providers	103,049,114.41	3.56%	157,519,756.02	2.68%
Government payments (by country)	525,666,269.05	18.16%	395,087,570.71	6.71%
Investments in the community	1,447,319.02	0.05%	12,616,647.23	0.21%
Retained earnings	529,429,298.51	18.29%	1,510,703,924.50	25.66%
<b>Economic value withheld (BRL)</b>	<b>16,439,544,330.85</b>		<b>18,473,512,182.69</b>	

We encourage respect for human rights and dignified work in our operations and value chain



# Commitment to local and regional development GRI 203-2

We contribute to local and regional development through the actions of AMAGGI itself, as well as the initiatives planned and executed by the André and Lucia Maggi Foundation (FALM) guided by the Private Social Investment Policy. We launched together in 2020 a bidding process to hire specialized consulting in mapping, monitoring, and territorial development. That was the kickoff for the Vulnerable Communities Mapping project in the regions surrounding the company's operations. This work will continue in 2021 and will be the basis for the development of a relationship strategy with communities, especially traditional ones, and will be the foundation for the creation of an action plan to generate positive impacts in the municipalities we have identified as priorities.

## André and Lucia Maggi Foundation (Fundação André e Lucia Maggi - FALM)

The André and Lucia Maggi Foundation is a non-profit institution in charge of managing AMAGGI's Private Social Investments. Besides the head office in Cuiabá (MT), it also has two units, one in Rondonópolis (MT) and another in Itacoatiara (AM).

The Foundation's purpose is to develop projects and actions in regions considered strategic, seeking to contribute to the Sustainable Development Goals (SDGs) of the United Nations (UN) and to our Global Sustainability Positioning. Our assumption is to strengthen the social role of young people and leaders in sustainable local development. As such, we add value to AMAGGI's performance, whose business vision is to be a benchmark in sustainable development, underpinning the company's social commitment to the communities in the areas where it operates.

### PRIVATE SOCIAL INVESTMENT STRATEGY - AMAGGI

The Foundation identifies the local demands of communities and stakeholders. The aim is to work along with the leaders to gain efficiency in the actions and respecting the local knowledge and know-how. We believe that valuing diversity and social inclusion are potential means for change and form the basis of fairer and more sustainable communities.

The Foundation encourages the social role of communities as a way for people to reflect on their dreams, what brings them together, and to collaborate in a concerted manner in the places where they live. The creation of areas where everyone can voice their opinions is encouraged and enables people to see themselves as characters in their own stories.



#### PURPOSE

We have a social commitment to the communities where we operate

## OUR ACTIONS IN 2020

In the year in which the pandemic brought to light the fragility of life and increased even further the social inequality in our country, several sectors, including agribusiness, began to look for ways to reduce the negative impacts. With this in mind, the Foundation sought to contribute with actions in the regions where the company operates. Faced with this scenario, we reorganized the foundation's plans for 2020/2021 and aimed at local human development by meeting the basic needs of socially-vulnerable people, in partnership with grassroots social organizations and social initiatives.

This movement started with the "One for All and All Against COVID-19" fund developed between April and September to distribute basic food baskets. The campaign began with the initial donation of 50,000 baskets, made by AMAGGI for families in vulnerable situations aggravated by the pandemic. Then, the Foundation together with other institutional partners, launched an online fundraising campaign that collected BRL 6.4 million, which was used to distribute 94,387 food baskets to families in the states of Amazonas, Mato Grosso, and Rondônia. In all, more than 370,000 people were benefited.

In 2020, the Foundation invested about BRL 17.5 million in actions and projects, which from the second half on were focused mainly on the states of Amazonas, Mato Grosso, and Rondônia.



### CAMPAIGN

We distributed 94,387 food baskets to vulnerable families

## SUPPORT AND STRENGTHENING OF SOCIAL ORGANIZATIONS

In line with the mission "Contribute to local and human development", we aligned our strategy to expand the capacity of partnerships in the places where AMAGGI operates to reduce the medium and long term negative impacts caused by the pandemic. We were able to strengthen partnerships with grassroots organizations and social initiatives that meet the basic needs of people in situations of social vulnerability from three aspects.

### 1. EMERGENCY INCENTIVE

In search of short-term results during the crisis caused by the pandemic, we supported formal organizations and social initiatives made up of volunteers who worked directly with the most vulnerable people in the areas of health, education or social protection. Through the Emergency Incentive, we offered funds (up to BRL 10,000 for social organizations and up to BRL 5,000 for social initiatives) and a series of incentives, such as training on fundraising through digital means, virtual meetings to promote networking, and online training for non-classified entities, among others.

#### » Virtual Showcase

[Online platform](#) through which the organizations selected in both the Emergency Incentive and the Foundation's Incentives have their causes publicized to increase the visibility of their work. The funds collected this way are transferred directly to the organizations. In 2020, 35 projects were selected via the Emergency Incentive (21 in Mato Grosso, eight in Amazonas, and six in Rondônia) and were monitored by the foundation's team throughout 2021. Another 11 entered the Showcase through the Foundation's Incentives (four in Rondonópolis, two in Espigão do Leste - both in Mato Grosso - four in Itacoatiara, AM, and one in Porto Velho, RO). Most of them are aimed at generating employment and income and promoting education.

#### » Networking

In partnership with Itaú Social, we work together with the Development Fund for Educational Area Networks to foster actions with partner networks for the comprehensive development of children and adolescents in situations of vulnerability and social exclusion in Várzea Grande and Cuiabá, both in Mato Grosso. We selected 13 projects in 2020, which received financial aid and technical follow-up for their implementation. The fund's priority is to strengthen the partner networks in order to install a collective and integrated action plan.

### » Strengthening social organizations and youth

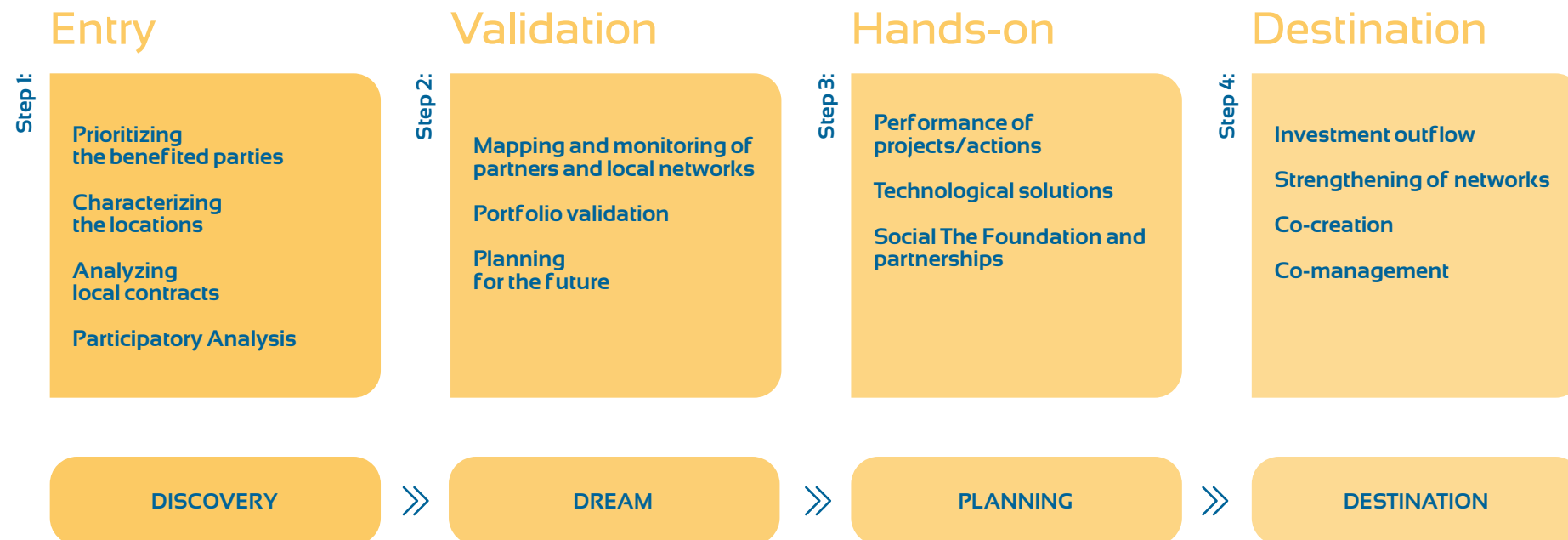
During the pandemic, we have identified opportunities to give new meaning to our activities in Rondonópolis (MT) by expanding our actions to support organizations that work with young people. Our goal is to strengthen the social role of youngsters and, consequently, local development.

We, therefore, mapped out the organizations present in the municipality and, through the Rondonópolis Incentive, we supported four social organizations with an investment of BRL 20,000 each, in addition to actions to encourage networking, management of social projects, and expansion of fundraising, with participation in the Virtual Showcase platform. The selected projects are being monitored by the foundation's team during 2021.

## 2. SOCIAL AND COMMUNITY INVESTMENT

One of the Foundation's roles is to conduct socioeconomic surveys in the municipalities where AMAGGI operates. By jointly analyzing the needs of the local communities, the company is able to prioritize the municipalities that need more robust, long-term assistance aimed at strengthening local networks and community development. As such, various tools and methodologies are used, such as appreciative inquiry:

We conducted socioeconomic surveys in the areas where the company operates



Based on the appreciative inquiry method.





In 2019, the municipalities assessed as priorities were Itacoatiara (AM) and Porto Velho (RO) - where important topics that include social roles, careers for young people, and addressing the sexual exploitation of children and adolescents were identified - and the district of Espigão do Leste (MT), where essential services such as health, education, and banking services were lacking. Due to Covid-19, the activities in these places (a stage dubbed Hands-On) had to be kicked off online in 2020.

A recovery plan needed to be implemented during the period with the participants of the local networks. They presented the problems and the most pressing points for improvement of the local reality in view of the pandemic. That was when we began to offer the online course "Digital Tools and Project Development and Management" to prepare them to develop projects that can be registered in the Foundation's Incentives. To make this happen, our work together included reviewing

priorities for the 2019 Action Plan, new projects for the 2020 Action Plan, new partnerships with local organizations and leaders, mapping local businesses (potential partners), offering training in digital tools and project development and management, under the Foundation's Incentives.

To encourage projects and actions aimed at predefined topics, we make the Foundation's Incentives available through tenders for organizations and social initiatives. The seven selected projects received benefits worth BRL 20,000 (for social organizations) and BRL 5,000 in the case of initiatives by individuals. The Foundation also offers training to further networking, social project management, and the expansion of fundraising, through the participation of the projects in the Virtual Showcase.

We believe that through new experiences, young adults can strengthen their relationship with their surroundings

### 3. STRENGTHENING THE SOCIAL ROLE OF YOUNG PEOPLE FOR SUSTAINABLE DEVELOPMENT

We support young people with ideas or projects that contribute to local development because we understand that the innovative and transforming profile of this audience helps us create social and environmental solutions based on "think globally, act locally", connected to the principles of the Sustainable Development Goals (SDGs).

We believe that it is through new experiences that young adults can strengthen their relationships with their surroundings, develop a positive attitude within their groups and create new life perspectives that will help them find opportunities and overcome social and regional inequalities intensified by the pandemic.

#### » Scholarships

Among our various projects that involve strengthening the role of young people, we would like to highlight the higher education course in Agrocomputing by Fatec offered in Rondonópolis and Cuiabá in Mato Grosso. The

full scholarships are offered to young people between the ages of 18 and 24, who have passed the vestibular university entrance exam, so they can participate in the bidding process launched by the Foundation.

The project has already benefited 23 students in 2019, who will finish the course in 2021, and another two students in 2020, who will be ready to enter the job market in 2022. Besides the financial incentive, we actively take part in actions with young people through activities that can contribute to their education.

The purpose of this project is to bring together the demand for qualified labor in agribusiness with young people who are looking for ways to enter the job market. AMAGGI is part of this strategy because it offers training to absorb and retain local labor, especially in the area of digital agriculture, which has been in demand due to the transformation that is taking place in the processes.





# Innovating products and sustainable solutions







Innovating products  
and sustainable  
solutions

## Commitments

We believe that our work influences and is influenced by **society's demands and by the constant challenges**, debates, and uncertainties that surround agribusiness. As such, we agree to:

- **Have a dialogue with our stakeholders about new technological trends** with high-yield and low socio-environmental impact, digital tools, new patterns of food consumption, and **solutions regarding the main challenges for a sustainable agribusiness**.
- Constantly invest to make available sustainable and innovative products and solutions that ensure **traceability of responsibility of origin, allied to a smaller carbon footprint, efficient use of pesticides, free from deforestation and conversion of native vegetation and that meet new consumer habits**.
- Be innovative in leadership and together with other stakeholders to **generate positive impacts in our operations and value chain** as well as for the responsible growth of the sector.

# Innovating products and sustainable solutions

Agribusiness is a sector that involves complex scenarios because it has to balance agricultural production with climate change. For this reason, we have invested more and more in innovation, now linked to cutting-edge technology. Such a challenge requires efficiency, firmness and proactivity, as well as total transparency in activities. Another essential characteristic is the dialogue with stakeholders about our investments in sustainable solutions and new modes of operation.

We are always aware of new demands and market trends to ensure greater production and growth, while at the same time not forgetting our values of ethics and sustainability by considering the future of present and future generations.



## Multiple partnership

In 2020, the Innovation area confirmed its support for AgriHub Space, the first agricultural innovation center in Mato Grosso, launched by the Agriculture and Livestock Federation of the State of Mato Grosso (Famato) and other companies in the sector. The center's goal is to seek tailor-made solutions for the agriculture of the state, which is one of the country's most important agricultural producers. A few of the research priorities are the development of solutions for new types of seeds and cultivars, modern agricultural equipment, and solutions for agricultural pests and diseases.



# Best practices and technology in the field

A more sustainable and productive agribusiness will always be associated with the use of new agricultural practices linked to preserving natural resources. For this reason, we spare no effort in looking for new techniques and, above all, sharing them with rural producers. We invest in solutions that benefit both production and preservation, such as:

- **TelemeClima:** online solution that integrates the use of machine telemetry and climate data for the performance of activities with more quality, according to the agronomic guidelines previously defined in the field work orders. The result is swift, sustainable management.
- **Connectivity:** the implementation of a 4G network in the units and 200 new automated weather stations have enabled the machinery to access remote sensing information in real time, increasing assertiveness for decision making in the field.
- **Efficiency in machinery:** replace machinery with more efficient, modern and economical models that are powered by less polluting engines and require more sustainable fuels. These factors have increased the availability of equipment in the field so they can carry out increasingly more intensive activities.
- **Experimental stations:** research to fight pests and diseases in crops, such as the use of biological control. We opened our first biofactory with the aim of reducing the use of conventional pesticides.
- **Crop dusting:** a pilot project in partnership with a startup to improve aerial spraying management, which is having positive results, such as: improvements in the aircraft work log process (evidence of if the application plan was followed as planned); automated exclusion of flyovers in Permanent Protection Areas (APP), Legal Reserves (RL), and populated areas - in compliance with the socio-environmental laws in effect; a robust database that subsidizes the instructions given to the pilots of the cropdusters to improve performance in the applications.
- **Combined techniques:** a combination of techniques consolidated by Brazilian agriculture, such as no-till farming (soil covered with plants or plant residue to preserve fertility); crop rotation (alternating between soybean and corn to maximize the use of the same planted areas); use of Integrated Pest Management (IPM) to reduce the use of pesticides, among others.



## MODELS

More modern machinery is more efficient and less polluting

# Climate Change

GRI 103-2, 103-3 | 201, 305

Climate change can affect people, biodiversity, and the economy of the planet. For agribusiness, it is one of the main risk factors for food production; in logistics, the ability to transport products can be compromised as a result of floods and other extreme events (as well as infrastructure). One of the main impacts of climate change resulting from agricultural activities is deforestation, which can directly influence the microclimate and the local rainfall levels. The consequences are higher production costs and food prices for end consumers, and a risk to food security worldwide.

Therefore, we understand our role in tackling climate change and, for this reason, we are firm in our commitment to maintain a deforestation and conversion-free chain. We also work with the best agricultural practices, implement monitoring and control actions targeted at reducing emissions, and we seek continuous improvement in our performance and support our partners. This action is part of the Company's strategy and of our 2025 Plan to put in place actions to fight or adapt to climate change. [GRI 201-1, 201-2](#)

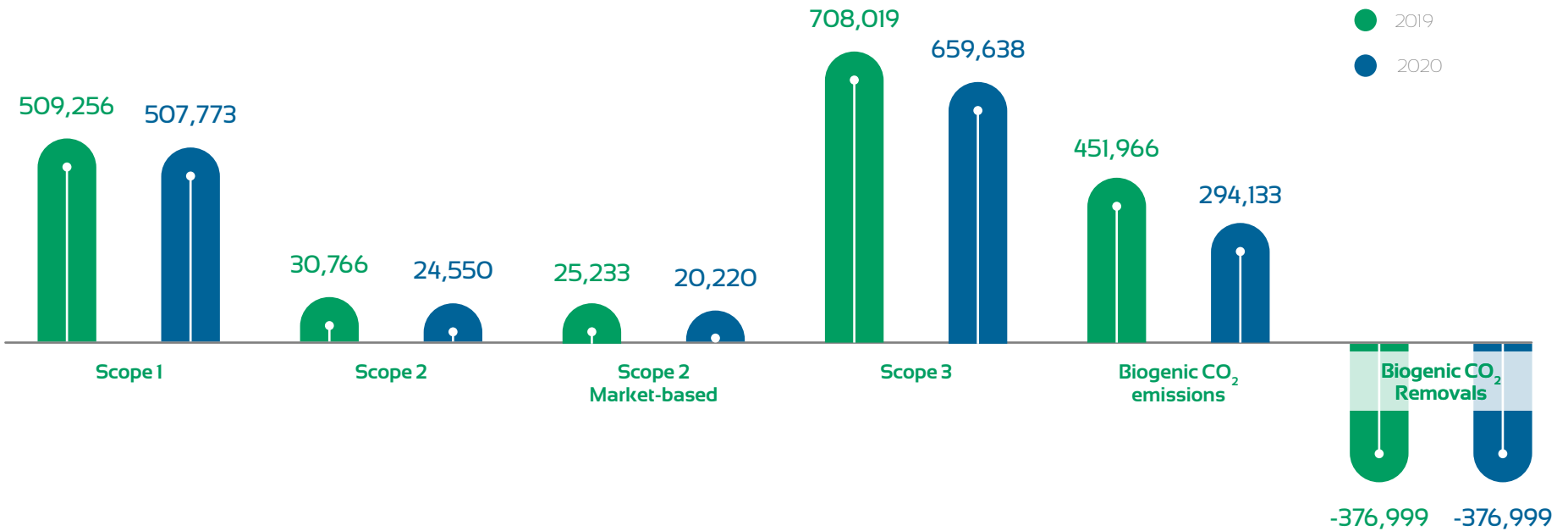
## GHG EMISSIONS MANAGEMENT

[GRI 305-1, 305-2, 305-3, 305-4](#)

The creation of the greenhouse gas inventory is the first step in the management of climate change because it offers an overview of the risks

and opportunities of the area. The emissions from Scopes 1, 2 and 3 in 2020 can be assessed as follows:

## Greenhouse gas emissions (tCO<sub>2</sub>e)



The gases contemplated in Scopes 1,2 and 3 were: CO<sub>2</sub> (carbon dioxide), CH<sub>4</sub> (methane), N<sub>2</sub>O (nitrous oxide).

### Scope 1

In 2020, AMAGGI expanded its industrial operations, intensified the use of its fleet of 300 trucks to ship its products and opened two new cotton processing plants on the Itamarati and Tanguro farms. This expansion represented significant increases in diesel consumption by AMAGGI Logistics and Operations and in biomass consumption by AMAGGI AGRO for cotton processing.

However, even with this increase, the company was able to reduce its absolute emissions by 0.29% on account of different factors. The first of these was linked to the sale of the Vale do Araguaia Farm in the second half of 2020, which reduced the use of inputs for agricultural production.

Another important factor in the cutting back of emissions was linked to investments in operational excellence: increased efficiency in the use of fuel in agricultural machinery (representing an 18% reduction in emissions, compared to the previous year); management changes in the use of more concentrated foliar products and greater use of biological pesticides provided a reduction in the use of agrochemicals and, consequently, of emissions; and no area conversion took place.

### Scope 2

20% decline as compared to 2019 due to the drop in carbon intensity (18%) of the emission factor of the energy coming from the national grid (SIN). This occurred despite the 7% increase in energy consumption, resulting from the installation of new cotton processing units. In total, the company emitted 24,500 tCO<sub>2</sub>e within Scope 2, considering the traditional accounting approach (location-based).

When considering the market-based approach, in which we were able to give visibility to the purchase of renewable energy with low or zero greenhouse gas emissions, the company emitted a total of 20 tCO<sub>2</sub>e - a figure 20% lower than in 2019 due mainly to the drop in energy consumption at the Itacoatiara plant. In total, AMAGGI purchased about 60% of its energy from renewable sources - with low or zero greenhouse gas emissions to power its operations.

*Errata: in 2019, emissions using the market-based methodology were 26,000 tCO<sub>2</sub>e and not 8,370 tCO<sub>2</sub>e reported in the 2019 Sustainability Report. The adjustment was made due to the correction in energy consumption at the Itacoatiara (AM) plant.*



Our role in fighting climate change involves several actions, such as reducing emissions



## Conservation areas and climate change



One of the researches carried out by scientists connected to the Amazon Research Institute (IPAM) at the Tanguro Farm, located between the Cerrado and Amazon biomes, concluded that the temperature in the forests is, on average, 5°C lower than in the fields; and that water streams in riparian forests are 2°C colder than in unprotected areas. The results were obtained by means of monitoring towers that collect atmospheric data, such as humidity, temperature, and the presence of CO<sub>2</sub>, in areas of degraded vegetation and farming to study the dynamics of temperature regulation by vegetation.

We adopt some measures to fight climate change, such as: genetic improvement (seeds and cultivars that can adapt to climate conditions), maintenance of conservation areas and evaluation of structures to guarantee navigation, such as depth of drafts

### Scope 3

There was a 7% drop in emissions as compared with 2019. The main sources of emissions in AMAGGI's value chain are for production by third-party companies, deriving from the main agricultural inputs (fertilizers, urea, limestone, etc.); as well as those related to air travel and road and rail transport for shipping products to domestic and international markets.

Due to the pandemic scenario, the number of business trips by employees and third parties dropped significantly - 15 tCO<sub>2</sub>e versus 980 tCO<sub>2</sub>e in 2019. The company's own fleet (about 300 trucks) operated at full capacity, reducing the need to hire transportation from third-party companies and contributing to a 7% decrease in emissions (438,597 tCO<sub>2</sub>e). However, the emissions from the company's own fleet have increased and have been included in Scope 1. As for emissions related to the acquisition of agricultural inputs, there was a 5% drop, which is justified mostly by the decrease in planted area after the sale of the Vale do Araguaia Farm.

### Biogenic emissions and removals

Biogenic emissions dropped 34.92% as compared with 2019 due to the absence of transformation of areas in AMAGGI farms. Biogenic removals, meanwhile, maintained 2019's 377,000 tCO<sub>2</sub>e, with growing commercial forest areas and improved agricultural and management practices as removal sources.

### Emissions mitigation [GRI 305-5](#)

In line with the 2025 Plan, our purpose is to contribute to low carbon agriculture through a series of initiatives: regenerative agriculture; adoption of no-till practices on 100% of our farms; crop livestock integration; soil quality control and proper management on our farms; expansion of farming activities only over degraded or already open areas and increased productivity per hectare; increased adoption of low- or zero-emission energy sources; investment in more efficient agricultural equipment; soil quality monitoring; efficient use of inputs, such as nitrogen fertilizers; and choice of seeds and cultivars according to productivity, tolerance and resistance to pests.

### INVENTORY AND CARBON FOOTPRINT

By 2020, we maintained approximately 137,000 hectares of Permanent Preservation Areas, Legal Reserves and forest surpluses that together enabled the capture of greenhouse gases from the atmosphere and currently represent an inventory of more than 73 million tCO<sub>2</sub>e. This is one of the results of our commitment to promote responsible agriculture.

We have several socio-environmental certifications for our products, such as EU RED and 2BSvs, for soy certified according to the European biofuels directive and aimed at reducing the product's carbon intensity.

During the year we invested again in improving our carbon footprint calculation and have been working on an ongoing basis to reduce it. As a result, we have made available to the market more and more products with a guarantee of sustainable origin. The full material regarding the [Carbon Footprint 2020](#) is available on our website.

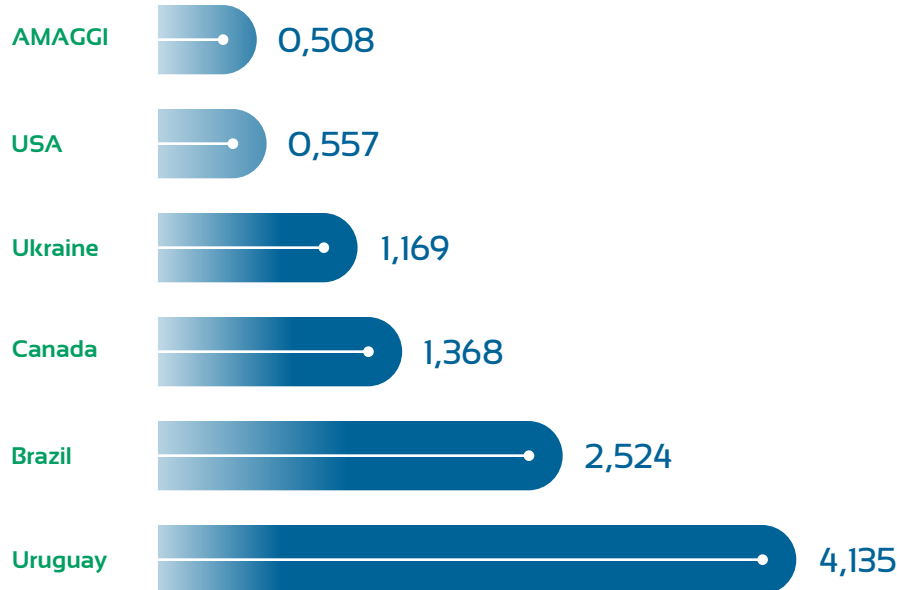
*\*Errata: 35 million tCO<sub>2</sub>e of carbon inventory was reported in the 2019 Sustainability Report because only AMAGGI AGRO farms were considered in the calculation. In 2020, the calculation covered all company properties, totaling 73 million tCO<sub>2</sub>e.*

### OVERALL COMPARATIVE RESULT - CARBON FOOTPRINT 2020

Our performance is due to a series of good practices implemented over time, such as no-till farming, crop succession, more efficient agricultural machinery, and technologies that integrate climate data, and others.

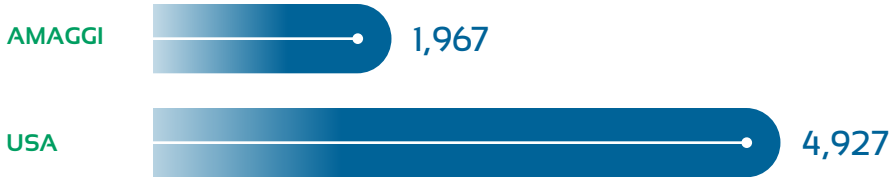
### Soybeans

(kgCO<sub>2</sub>e per kg of product delivered in Europe)



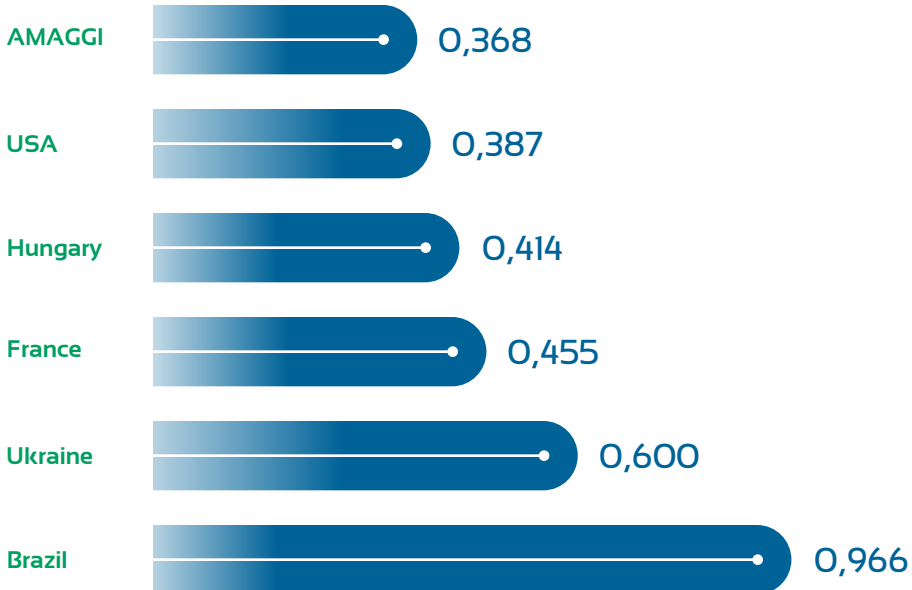
### Cotton fiber

(kgCO<sub>2</sub>e per kg of product delivered in Asia)



### Corn grain

(kgCO<sub>2</sub>e per kg of product delivered in Europe)



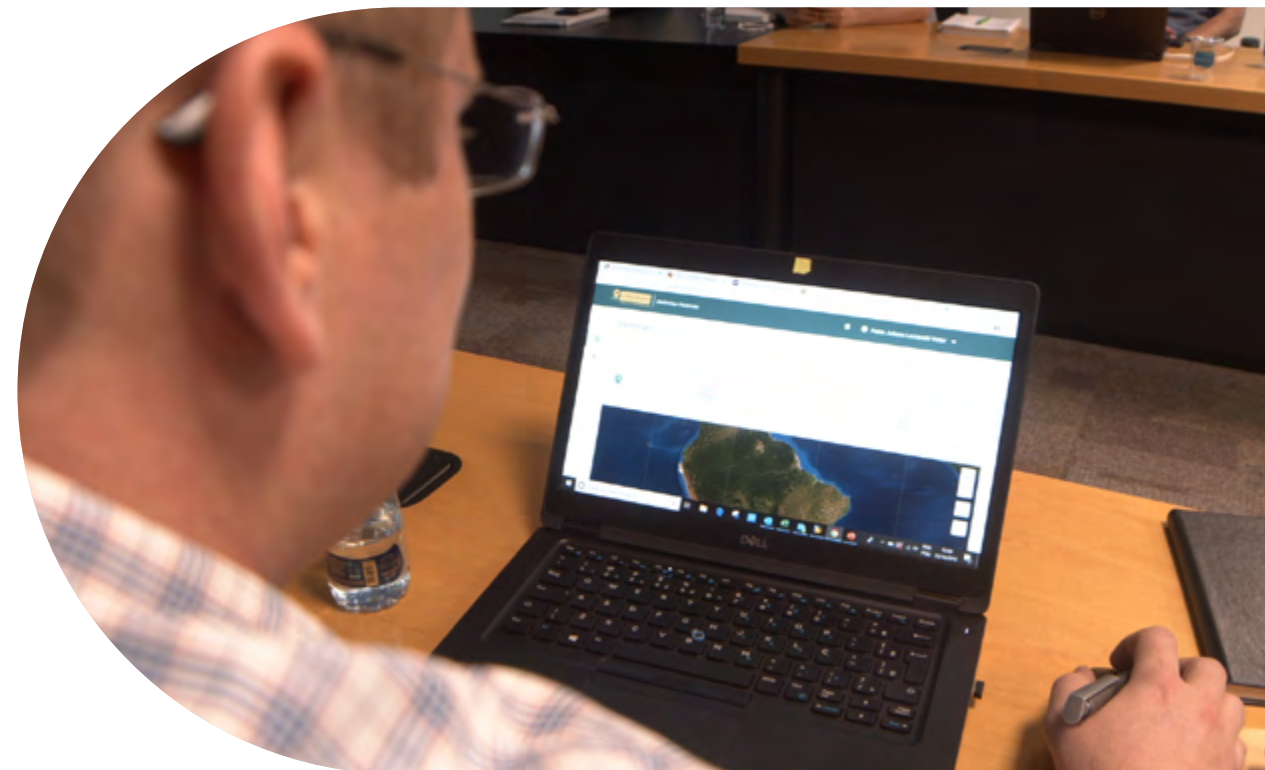
## ORIGINAR 2.0 Platform

If our purpose is to develop business by adding environmental, social, and governance values, we are committed to ensuring the transparency and traceability of the grain chain. For this purpose, we rely on ORIGINAR 2.0, an evolution of AMAGGI's geospatial tool that allows us to manage commercial information for negotiations in the Commodities area, in search for a more strategic market performance. The new version ensures the initial benefits of the platform, such as the traceability of the purchased product (grains and fibers), ensuring that they are sourced from a socially and environmentally responsible property.

Other advantages are enabling our understanding of farmers' needs, such as: customizing technical assistance to favor the incorporation of best agricultural and socio-environmental practices in the field - including compliance with the Forestry Code and support for the recovery of degraded areas - and helping producers to manage and minimize socio-environmental risks. Through this tool, we can engage farmers in relation to sustainable product practices and prepare them to meet the demands of highly demanding markets.

ORIGINAR 2.0 is based on the construction of modules that allow the identification and registration of the areas of rural properties, as well as the insertion of commercial data, socio-environmental analysis, and agricultural and environmental monitoring of the properties. The platform also has cell phone apps for on-site monitoring and inspections, which allows the user to carry out monitoring with georeferenced photos. Another possibility is the application of a checklist for the socio-environmental certifications that the company has in its own farms and those of its suppliers.

The evolution of the platform is constant. In 2020, we began developing a deforestation and fire warning service for all registered properties, a dashboard to manage and measure the impacts of social and environmental restrictions, which enhances the responsible performance and expansion of the company.



ORIGINAR 2.0 is an evolution of our geospatial tool, which gives AMAGGI a more strategic performance



## Initiatives and partnerships

- **FGV EAESP:** partnership with the Getulio Vargas Foundation to calculate greenhouse gas emissions in the Public GHG Registry Platform of the FGV Center for Sustainability Studies.
- **Brazilian Coalition for Climate, Forests and Agriculture (Coalizão Brasil Clima, Florestas e Agricultura):** the largest Brazilian multi-sector group dedicated to developing a low carbon economy. AMAGGI is a leader of the Deforestation Forum and the Coalition's Executive Group (GX).
- **Brazilian Vegetable Oil Industry Association (Associação Brasileira das Indústrias de Óleo Vegetal - Abiove):** aimed at implementing sustainability projects for the soy production sector
- **Mato Grosso Industry Federation (Federação das Indústrias no Estado de Mato Grosso - FIEMT):** brings together entrepreneurs and entities to discuss compliance with environmental laws and the evolution of sustainability in factories.
- **Earth Innovation Institute and Balikpapan Challenge:** international institute linked to issues such as food security, rain forest protection and climate change
- **MT Strategy: Produce, Conserve and Include (PCI):** initiative from the state of Mato Grosso that seeks to achieve a vision of social and economic development for 2030 through the sustainable use of natural resources. AMAGGI is a cofounder of the newly created PCI Institute and has been part of the initiative since 2015.
- **Soy Working Group (GTS):** at the helm of the fight to end deforestation in the Amazon biome, this group is formed by civil society organizations and companies.
- **Cerrado Working Group (Grupo de Trabalho do Cerrado - GTC):** initiative that seeks to create opportunities for collective solutions to eliminate deforestation in the Cerrado linked to the soybean chain.
- **Environmental Research Institute of the Amazon (Instituto de Pesquisa Ambiental da Amazônia - IPAM):** partnership for scientific research projects related to the role of forests and their interaction with human activities on the Tanguro Farm in Querência (MT).
- **Round Table on Responsible Soy (RTRS)** is an international initiative in which soy producers, traders and processors work together with banks and social organizations to ensure sustainable soy cultivation worldwide and the social responsibility of the industry.
- **The Nature Conservancy (TNC)** partnership with the NGO to promote environmental suitability and forest recovery on rural properties, as well as engaging producers in sustainable planting, particularly to expand already open areas and reduce pressure on deforestation.
- **Sustainable Trade Initiative (IDH):** partnership with the international institute aimed at facilitating the sale of large volumes of commodities according to sustainability commitments.
- **Soja Plus:** program that aims to promote improvements in the management of rural properties in environmental, social, and economic aspects.
- **Caminhos da Semente:** initiative formed by more than 160 organizations and 40 experts to disseminate environmental recovery through the sowing of direct seedlings in the country (known as muvuca).
- **Embrapa:** partnership to further studies about the soil (from microbiota to nutrient behavior) of the crop areas of all company farms, allowing greater sustainability in production processes.





# Awards, Rankings and Recognition 2020



## Awards, Rankings and Recognition 2020



### CDP Forest:

2nd time that AMAGGI, the only Brazilian soybean company to receive a score of A-, in one of the most important surveys on environmental risk management (including forest risks and opportunities) and best practices associated with environmental leadership in the world.



### Mais Integridade (More Integrity) Seal:

recognition by the Agriculture, Livestock and Supply Ministry for good integrity practices from the standpoint of social responsibility, sustainability, ethics and commitment for the prevention of bribery and corruption.

### Forest 500:



3rd place in best practices in the global ranking that annually assesses 500 of the most influential companies and financial institutions in forest risk supply chains regarding how they implement their voluntary commitments and policies to address deforestation including the Progress Report.



### Globo Rural magazine: Agribusiness Yearbook

- Largest agribusiness company in the midwest region, by net revenue
- The largest agribusiness company in the state of Mato Grosso, by net revenue
- 11th largest agribusiness company in Brazil, by net revenue
- 5th largest company in the soybean and oil industry in Brazil, by net revenue
- Holder of the 2nd largest annual net revenue growth among companies in the soybean and oil industry in Brazil



### Época Negócios 360° magazine

- 183rd place in the Época Negócios 360° ranking, with its own methodology for assessing companies (considering the aspects of Financial Performance, Corporate Governance, Innovation, Vision for the Future, People, and Sustainability)
- Holder of the 8th highest score among companies in the midwest region
- 5th place in Corporate Governance in the agribusiness sector
- 41st largest company in Brazil, by net revenue
- 2nd largest company in Brazil, by net revenue



### Valor 1000 magazine

- 44th largest company in Brazil, by net revenue
- 10th largest company in the food and beverages sector in Brazil, by net revenue
- 3rd largest company in the north/midwest region, by net revenue
- Largest company in the food and beverage sector in the north/midwest region, by net revenue
- 4th company in sustainable growth (net revenue variation over adjusted equity variation, in points attributed by the survey) in the food and beverage sector





## Awards, Rankings and Recognition 2020



### Valor Grandes Grupos – The 200 largest

- 15th largest business group in the commerce area, by net revenue
- 20th highest net revenue growth among business groups in 2019
- 9th largest corporate group in net worth
- Holder of the 11th highest net income among business groups in Brazil
- 56th largest business group in the country, by gross revenue



### As Melhores da IstoÉ Dinheiro (The Best of)

- 51st largest company in Brazil, by net revenue



### Exame Melhores & Maiores

- Amaggi Commodities as 33rd largest company in Brazil, by net revenue
- Amaggi Agro as 434th largest company in Brazil, by net revenue
- Amaggi Navegação as 998th largest company in Brazil, by net revenue
- Amaggi Commodities as 9th largest agribusiness company in Brazil, by net revenue
- AMAGGI as the 41st largest corporate group in the country, by net revenue



### Aberje: Communicator of the Year for Juliana Lopes

<https://www.amaggi.com.br/noticias/reconhecimentos-em-comunicacao-e-rh/>



### HR Management: highlight for Nereu Bavaresco

<https://www.amaggi.com.br/noticias/reconhecimentos-em-comunicacao-e-rh/>



# GRI Content Summary GRI 102-55

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	GRI 101 has no content			
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	102-4 Place of operation	9		
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	102-6 Markets served	9		
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	102-10 Significant changes in the organization and its supply chain	47		
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GENERAL CONTENT				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
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GRI 102: General content 2016	102-18 Governance structure	28		
<i>Stakeholder engagement</i>				
GRI 102: General content 2016	102-40 List of stakeholder groups	22		
	102-41 Collective bargaining agreements	33 All Amaggi employees are covered by a Collective Bargaining Agreement negotiated with the unions that represent the categories and monitored by the Workers' Representative Committee, elected among the workers themselves in group meetings.		8
	102-42 Identification and selection of stakeholders	22		
	102-43 Approach to stakeholder engagement	22		
	102-44 Key topics and concerns raised	22		
<b>Reporting practices</b>				
GRI 102: General content 2016	102-45 Entities included in the consolidated financial statements	3		
	102-46 Defining report content and topic boundaries	3 and 22		
	102-47 List of material topics	22		
	102-48 Restatements of information	There are no significant restatements. Revisions of numbers and data are pointed out on a case-by-case basis throughout the text.		
	102-49 Changes in reporting	22		
	102-50 Reporting period	3		
	102-51 Data of most recent report	2019		
	102-52 Reporting Cycle	3		
	102-53 Contact point for questions regarding the report	3		
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been drawn up in accordance with the GRI Standards "Core" option		
	102-55 GRI Content Summary	73		



MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Economic performance</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	55 and 64		
	103-3 Evaluation of management approach	55 and 64		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	56 and 64		8, 9
	201-2 Financial implications and other risks and opportunities arising from climate change	64		13
<b>Market presence</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 202: Market presence 2016	202-1 Ratio between the lowest wage and local minimum wage, by gender	38		1, 5, 8
<b>Indirect economic impacts</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	55		
	103-3 Evaluation of management approach	55		
	203-2 Significant indirect economic impacts	57		1, 3, 8

MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Procurement practices</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	47		
	103-3 Evaluation of management approach	47		
GRI 204: Procurement practices 2016	204-1 Ratio of expenses with local suppliers	49		8
<b>Anti-corruption</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	31		
	103-3 Evaluation of management approach	31		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	31		16
	205-2 Communication and training on anti-corruption policies and procedures	31 and 37		16
<b>Biodiversity</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	43		
	103-3 Evaluation of management approach	43		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	44		6, 14, 15
	304-2 Significant impacts of activities, products and services on biodiversity	44		6, 14, 15
	304-3 Habitats protected or restored	45		6, 14, 15

MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Emissions</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	64		
	103-3 Evaluation of management approach	64		
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	64		3, 12, 13, 14, 15
	305-2 Indirect GHG emissions (Scope 2)	64		3, 12, 13, 14, 15
	305-3 Other indirect GHG emissions (Scope 3)	64		3, 12, 13, 14, 15
	305-4 Intensity of GHG emissions	64		13, 14, 15
	305-5 Reduction of GHG emissions	66		13, 14, 15
<b>Environmental compliance</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	31		
	103-3 Evaluation of management approach	31		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	In 2020, no case of non-compliance with environmental laws and/or regulations was identified for which loss is possible.		16



MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
Environmental assessment of suppliers				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	47		
	103-3 Evaluation of management approach	47		
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers that were screened using environmental criteria	49		
	308-2 Negative environmental impacts in the supply chain and actions taken	Of the 4,599 suppliers with whom the Procurement area had a business relationship in 2020, 247 were in the socio-environmentally critical category and, therefore, underwent a sustainability assessment. Of these 247, 15 were not qualified to continue in the bidding process because they did not meet AMAGGI's sustainability criteria.		
Employment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	34 and 35		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39		3, 5, 8
	401-3 Maternity/Paternity Parental Leave	39		5, 8

MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
Occupational health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	41		
	103-3 Evaluation of management approach	41		
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	41		8
	403-2 Hazard detection, risk assessment and incident investigation	41		8
	403-3 Occupational health services	41		8
	403-4 Worker participation, consultation, and communication on occupational health and safety	41		8, 16
	403-5 Worker training on occupational health and safety	41		8
	403-6 Fostering worker health	41		3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
	403-9 Work-related injuries	41		3, 8, 16

MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Training and education</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	36		
	103-3 Evaluation of management approach	36		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	37 and 38		4, 5, 8 , 10
	404-2 Employee skill-building programs and career transition assistance	37		8
	404-3 Percentage of employees receiving regular performance and career development reviews	37		5, 8, 10
<b>Diversity and equal opportunity</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in governance bodies and employees	36		5, 8
	405-2 Ratio between the basic salary and remuneration of women to men	38		5, 8, 10



MATERIAL TOPICS				
GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Freedom of association and collective bargaining</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk		The Labor and Union Relations management maintains the relationship with all union entities that represent the trade categories to ensure compliance with the labor laws.	8
<b>Child Labor</b>				
<b>Environmental assessment of suppliers</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	47		
	103-3 Evaluation of management approach	47		
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers selected based on social criteria	49		5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	49		5, 8, 16

## MATERIAL TOPICS

GRI STANDARDS	CONTENT	PAGE/URL	OMISSION	SDG
<b>Consumer health and safety</b>				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	22		
	103-2 Management approach and its components	42		
	103-3 Evaluation of management approach	42		
GRI 416: Consumer health and safety 2016	416-1 Assessment of health and safety impacts caused by product and service categories	42 100% of significant product or service categories for which health and safety impacts are assessed.		
	416-2 Cases of noncompliance regarding health and safety impacts caused by products and services	We recorded no cases of noncompliance with laws and/or voluntary codes regarding health and safety impacts caused by products and services within the reporting period.		16

## SUSTAINABLE DEVELOPMENT GOALS

 <p><b>1 NO POVERTY</b></p> <p>Poverty eradication</p>	 <p><b>5 GENDER EQUALITY</b></p> <p>Gender equality</p>	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p> <p>Industry, innovation and infrastructure</p>	 <p><b>13 CLIMATE ACTION</b></p> <p>Fighting climate change</p>	 <p><b>17 PARTNERSHIPS FOR THE GOALS</b></p> <p>Partnerships to reach the goals</p>
 <p><b>2 ZERO HUNGER</b></p> <p>Zero hunger</p>	 <p><b>6 CLEAN WATER AND SANITATION</b></p> <p>Clean water and sanitation</p>	 <p><b>10 REDUCED INEQUALITIES</b></p> <p>Reducing inequalities</p>	 <p><b>14 LIFE BELOW WATER</b></p> <p>Life under water</p>	
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p>Good health and wellbeing</p>	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p>Affordable and clean energy</p>	 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> <p>Sustainable cities and communities</p>	 <p><b>15 LIFE ON LAND</b></p> <p>Life on land</p>	
 <p><b>4 QUALITY EDUCATION</b></p> <p>Quality education</p>	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <p>Dignified jobs and economic growth</p>	 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <p>Responsible use and production</p>	 <p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> <p>Peace, justice, and strong institutions</p>	

## Credits

### GENERAL COORDINATION

**Sustainability, Communication  
and Compliance Board**

### EXECUTIVE COORDINATION

**Corporate Communication  
Management and Social and  
Environmental Management**

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