
AMAGGI

2014 Sustainability Report

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Profile

With four business areas and one Foundation, AMAGGI operates in all phases of the agribusiness production chain, from agricultural production to river transport, including soybean origination, processing and trading of grain, inputs, electric power and port operations.

Governance

AMAGGI's corporate governance guidelines aim to develop management practices that promote sustainable economic growth and continuous improvement based on the equal treatment given to shareholders, transparency in management, full accountability by managers, and corporate responsibility.

Engagement and Materiality

In order to develop a Global Sustainability Policy that includes the expectations of AMAGGI's strategic stakeholders and supports the expansion of the business areas, the company structured the Stakeholder Engagement Plan and conducted a new materiality process, defining the priority topics reported here.

MATERIAL TOPICS**Accountability and transparency to society**

AMAGGI seeks to provide transparency to its strategies through structured communication actions. In order to include the expectations of the audiences considered priority, the company carried out consultations in 2014. The most comprehensive transparency tool for these audiences is the *Sustainability Report*, thus its investment in improvements.

Preservation of native forests in the conservation areas and impact of the activities on deforestation

Certifications globally recognized such as RTRS and ProTerra confirm the company's commitment to the topic. The company is a pioneer in initiatives such as the Round Table on Responsible Soy, UN's Corporate Principles for Food and Agriculture, and the Soy Moratorium. AMAGGI has a total of 95,123 hectares of preserved areas, and in 2014 invested R\$33 million in preservation and environmental management.

Management of water resources

AMAGGI establishes goals to reduce the consumption of water, in accordance with the opportunities for improvement identified in the Environmental Management Program. In the operational processes of agricultural production and in the industrial plants, where the impact is more significant, the company treats and reuses the water. In 2014, the company created in its headquarters the Sustainable Movement Program, with goals to reduce consumption of this resource.

Support to rural producers

The 3,600 rural producers that supply grain to AMAGGI are strategic and essential for the business growth. The + Responsible Producer Program encourages sustainable agriculture. By means of projects and partnerships, the company promotes UN's Principles for Food and Agriculture, as well as the fight against illegal deforestation. In 2014, a total of 1.3 million tons of soy from 951 partner producers

was certified.

Social and environmental criteria for evaluation of suppliers

AMAGGI's supply chain is formed by rural producers, suppliers of materials, and transport providers. All contracts contain provisions on environmental criteria, human rights, labor practices, and impact on communities. For suppliers considered critical the company conducts a more careful evaluation through on-site visits. For rural producers, in 2014, the company improved the evaluation system and actions for support and guidance.

Impacts of the business on communities where the company operates

In 2014, AMAGGI operated in 46 Brazilian municipalities. Through the various forums and initiatives for dialog, support, and debates in the production chain, the company seeks to identify the positive and negative impacts of its activities. The company is currently organizing a local development agenda with some priority communities. The close relationship is a value that the company has had since its foundation.

Contribution to Local Development and Positive Impacts on the Local Economy

The growth of AMAGGI and of the agribusiness sector in Mato Grosso led to the appearance and development of many cities. The company created jobs, favorably impacting the local economy. However, the expansion also brought negative social and environmental impacts to the communities. In this context, the André and Lucia Maggi Foundation has an important role and, therefore, it reviewed its activity fronts. In 2014, the foundation made diagnoses in some municipalities and established an action plan for the next year.

Management of industry, national and international initiatives and partnerships

AMAGGI's partnerships and commitments are selected based on whether the initiative is aligned with the company's values and strategies. The goal is to disseminate these principles across the value chain and manage the positive and negative impacts of the sector in the required scale.

Innovation

In the modernization process of the Brazilian agriculture, AMAGGI Agro became a national benchmark due to its model to manage the production of oilseeds. The company's restructuring of the management model and its investment in technology allowed for better corporate governance, optimizing the use of available resources. In the river navigation sector, the company invests in technology to increase capacity and efficiency in operations, with less social and environmental impact.

Presence in the Market

Given the growing demand for grain in the world, at a time of expansion of the Brazilian agricultural production and with new possibilities for the outflow of product through the North of the country, the company believes in its capacity to establish a growth strategy in terms of volume that creates value for shareholders and stakeholders. Aiming to provide sustainability to its projected growth, the company established an action plan up to 2020.

Message from the CEO

Another year has gone by and we carry on with our mission to contribute to the development of agribusiness, adding values, respecting the environment, and improving life in local communities. Therefore, even in face of a challenging scenario, which included significant shifts in the commodities market, complex domestic logistics, and constant adaptations in the process of obtaining licenses for the implementation of new operations, we were very close to achieving the plan.

We ended 2014 with revenue of US\$4.4 billion in Brazil and abroad. In Commodities, we originated more than six million tons of grain, with revenue of US\$1.7 billion in exports, and in Agro we increased the planted area by almost 10%. In Navigation, we transported more than 3.5 million tons of grain through the Madeira and Tapajós Rivers, while in Energy we produced 70 MW through our small hydroelectric power plants (SHEPs).

We invested US\$237 million in infrastructure, increasing our warehousing capacity and expanding and creating new alternatives for product outflow. We started our operations in the Tapajós corridor, in partnership with another player in the market. In 2015, we will complete the construction of the new Porto Velho (RO) port and the bulk grain terminal of the Itaquí Port (MA).

Additionally, we made two significant operations in the international financial market that reinforced AMAGGI's credibility: one for US\$150 million with an American pension fund administrator, and one for US\$200 million with a Japanese institution, an unprecedented operation in the sector.

AMAGGI's senior management became even more committed to sustainability and to dialog with stakeholders and created the Sustainability Department, growing closer to the company's business strategy. And to support the growth plan for the coming years, we created the 2020 Vision, with an action plan shared with stakeholders.

We also adopted the name AMAGGI as our brand, showing our commitment to innovation and simplicity. Thus, we unified the treatment of business areas and streamlined communication with the various audiences.

We continue to invest in people, since we believe the company's expansion would not be possible without the growth and commitment of our employees. In 2014 we conducted the organizational climate survey, which showed very positive results.

We reaffirm our commitment to UN's Corporate Principles for Food and Agriculture. We coordinate this work in Brazil, and its principles underlie our Global Sustainability Policy, which will be published in 2015. The objective is to share our values across the entire chain.

We also had a major role in the continuity of the Soy Moratorium. We are increasingly closer to and supporting rural producers to achieve compliance with the Forestry Code. The world's population should grow approximately 30% in the next four decades, reaching nearly nine billion people in 2050, which will increase demand for food.

We believe the response to this challenge lies in sustainable agriculture, which acknowledges the complex structure of the food production chain, but knows that it is possible to be more productive and add value while preserving natural resources and respecting the environment, also contributing to the development of local communities and society. The great challenge is to be an even more global company and a reference in sustainable development.

Enjoy your reading!

Sustainability at AMAGGI, in our chain and in our businesses

AMAGGI has innovation in its radar and understands that it will be possible to advance based on dialog with the various players involved in the process and with society in order to incorporate the demands of its stakeholders, disseminate best practices and transfer technology across the value chain.

Our businesses

AMAGGI closes the year with revenue of US\$4.4 billion and advances in corporate governance practices, in the definition of priority management topics, based on the expectations of strategic audiences, and in accountability to society.

Profile

With four business areas and one Foundation, AMAGGI operates in all phases of the agribusiness production chain, from agricultural production to river transport, including soybean origination, processing and trading of grain, inputs, electric power and port operations. Learn about our activities, the important certification obtained, and the characteristics of our internal audience.

G4-3, G4-4, G4-5, G4-6, G4-8, G4-9, G4-10, G4-13

Business Areas

AMAGGI operates with integration and synergy, through four business areas, in all phases of the agribusiness production chain. Learn more about the activities and the highlights of each business area.

AMAGGI Commodities

AMAGGI Commodities operates in the buying and selling of grain (soybean and corn), industrialization, logistics, port operations, and importing and trading of agricultural inputs.

The trading has warehouses located in several states, with capacity to store 2.5 million tons of grain, and it has three soybean crushing units: Lucas do Rio Verde (MT), Itacoatiara (AM), and Fredrikstad, in Norway. Abroad, the trading has offices and representations in Argentina, the Netherlands, Switzerland and Paraguay. In Maranhão, through a joint venture, the company started the work of the new Itaquí

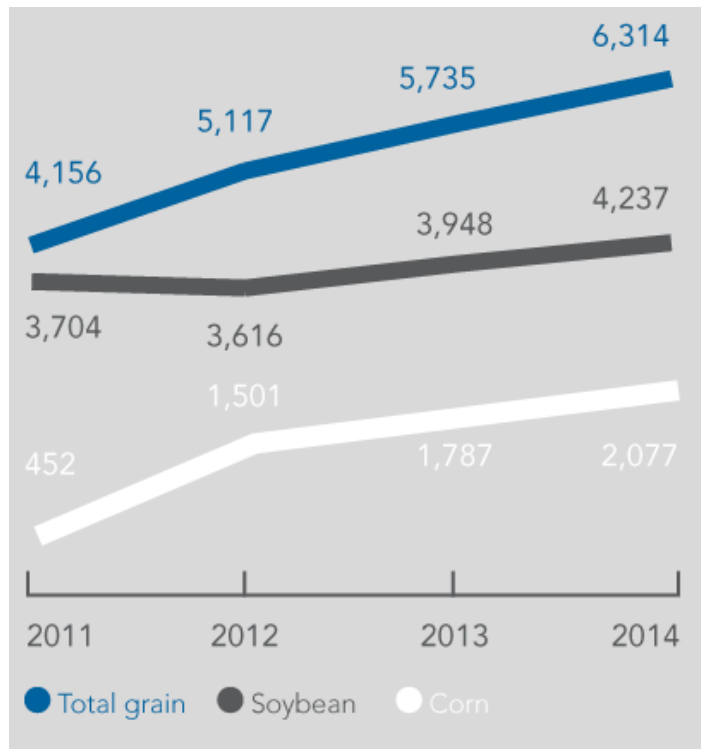
Port terminal to address the outflow of the production from the Northeastern region, with operations planned for 2015. The goal is to originate approximately 1.2 million tons of grain in the next three years.

AMAGGI Commodities closed the 2014 fiscal year ranking 16th among the largest Brazilian exporters, according to the ranking of the Ministry of Development, Industry and Foreign Trade.

6.314 million tons of grain originated in 2014

Revenue of US\$1.77 billion in exports

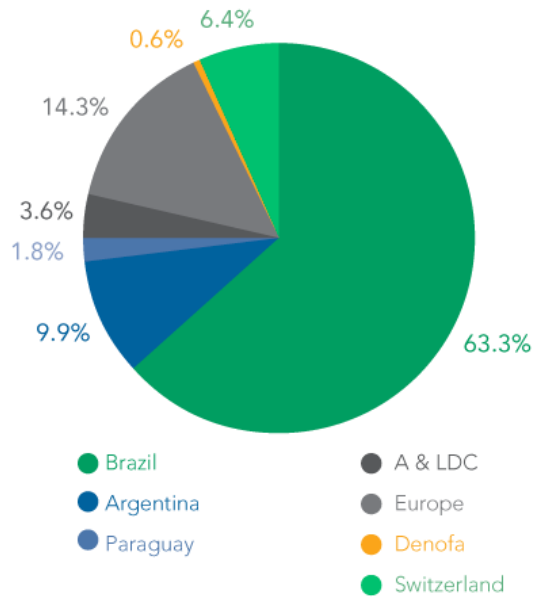
Origination of grain by AMAGGI in Brazil – volumes (thousand tons)



Origination

| Volumes (thousand tons) | 2011 | 2012 | 2013 | 2014 |
|-------------------------|-------|-------|-------|-------|
| Soybean | 3,704 | 3,616 | 3,948 | 4,237 |
| Corn | 452 | 1,501 | 1,787 | 2,077 |
| Total grain | 4,156 | 5,117 | 5,735 | 6,314 |

Percentage of grain traded in 2014 by region



| | 2011 | 2012 | 2013 | 2014 |
|----------------------|--------------|--------------|--------------|---------------|
| <i>mil toneladas</i> | <i>5.760</i> | <i>7.321</i> | <i>7.959</i> | <i>9.977</i> |
| Brasil | 72,16% | 69,90% | 72,06% | 63,29% |
| Argentina | 7,31% | 14,04% | 15,19% | 9,87% |
| Paraguai | 0,00% | 0,00% | 0,00% | 1,79% |
| A&LDC | 5,83% | 5,11% | 4,69% | 3,65% |
| Europa | 13,60% | 9,83% | 5,53% | 14,32% |
| Denofa | 1,10% | 1,12% | 1,42% | 0,63% |
| Suiça | 0,00% | 0,00% | 1,12% | 6,44% |
| Agro | 725 | 902 | 924 | 881 |
| Volume Grupo | 6.485 | 8.223 | 8.882 | 10.858 |

Volume of Commodities - share (without *intercompany*)
 Thousand tons – 2012 – 7,321, 2013 – 7,959, 2014 – 9,977
 Brazil – 2012 – 69.90%, 2013 – 72.06%, 2014 – 63.29%
 Argentina - 2012 – 14.04%, 2013 – 15.19%, 2014 – 9.87%
 Paraguay - 2012 – 0%, 2013 – 0%, 2014 – 1.79%
 A&LDC - 2012 – 5.11%, 2013 – 4.69%, 2014 – 3.65%
 Europe – 2012 – 9.83%, 2013 – 5.53%, 2014 – 14.32%
 Denofa - 2012 – 1.12%, 2013 – 1.42%, 2014 – 0.63%
 Switzerland - 2012 – 0%, 2013 – 1.12%, 2014 – 6.44%

AMAGGI Agro – 2012 – 902, 2013-924, 2014-881

Total Volume - 2012 – 8,223, 2013-8,882, 2014-10,858

AMAGGI Agro operates in the agricultural production of soybean, corn, and cotton and in the processing of soy seeds in 14 company-owned farms, all of which located in the state of Mato Grosso.

Certification of 241,000 tons of soy by RTRS, 309,000 tons by ISCC, and 307,000 tons by ProTerra in 2014

Productivity Indicators 2011-2014

| | | | |
|---|--------------------|--------------------|--------------------|
| Planted Area (in hectares) | 2011-12 Harvest | 2012-13 Harvest | 2013-14 Harvest |
| Soybean | 131,259 | 139,087 | 137,400 |
| Corn | 52,105 | 73,958 | 64,800 |
| Cotton | 35,336 | 10,415 | 30,400 |
| | | | |
| Agricultural Production (in thousand tons) | 2011-12 Harvest | 2012-13 Harvest | 2013-14 Harvest |
| Soybean | 441 | 410 | 467 |
| Corn | 333 | 474 | 369 |
| Cotton | 127 | 43 | 116 |
| | | | |
| Average Productivity (sacks) | 2011-12 Harvest | 2012-13 Harvest | 2013-14 Harvest |
| Soybean | 56.1* | 52.98* | 53.3 * |
| Corn | 106.5* | 106.95* | 93.5 * |
| Cotton | 240.5** | 278.75** | 257 ** |

*Sack per hectare.

**Arroba per hectare (One arroba equals approximately 33 pounds).

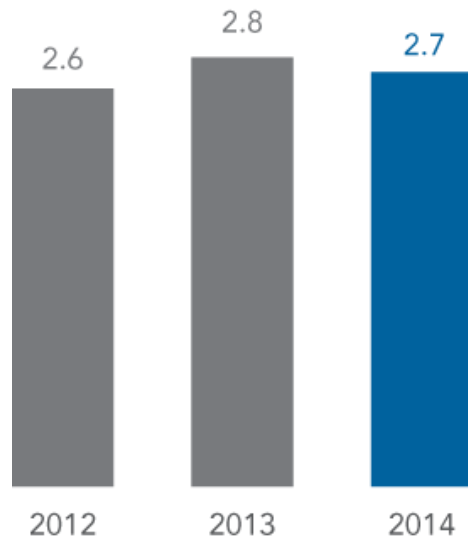
AMAGGI Navigation

AMAGGI Navigation manages the Northwest Export Corridor through which the grain from the Northwest region of Mato Grosso and the South region of Rondônia are transported. The agricultural production is transported by truck to Porto Velho (RO), where AMAGGI has a transshipment port terminal. Shipments then follow in convoys of barges through the Madeira River to the bulk handling port of Itacoatiara (AM); from there they are exported in Panamax-class ships to Europe and Asia.

Through this corridor, the company operates 115 bulk grain barges, one of the largest river fleets in Latin America. The vessels are monitored by satellite and use electronic navigation charts. The fleet also has 17 pusher tugs and two motorboats for support and research. In 2015, a total of 60 new barges and three pusher tugs will be added.

3.53 million tons of grain transported by AMAGGI Navigation

Volume of grain transported through the Madeira-Amazonas corridor (in million tons)



In 2014, through a joint venture with another player in the market, AMAGGI started operations of the Tapajós corridor as a new opportunity for the outflow of grain production through the North of the country. In 2014, a total of 836,000 tons of grain were transported through Unitapajós. For 2015, the company plans to reach the volume of 2 million tons, and 3.5 million tons in 2016. The grain is transported through the Tapajós River from Mirituba (PA) up to the Port of Barcarena (PA). From there, it is shipped to Europe, Asia, and Africa. The fleet has 90 barges and five pusher tugs.

AMAGGI Energy

AMAGGI Energy manages five small hydroelectric plants (SHEPs), located in the state of Mato Grosso: four are located on the Juruena River, in the municipality of Sapezal, bordering the municipality of Campos de Júlio, and one on the Formiga River, in Campos de Júlio. The SHEPs are connected with the National Interconnected System and together they have an installed capacity of approximately 70 MW.

70 MW of installed capacity

| PCH SHEP | Potência instalada* Installed power* |
|---|--|
| Santa Lúcia I <i>Santa Lúcia I</i> | 5 MW <i>5 MW</i> |
| Santa Lúcia II <i>Santa Lucia II</i> | 7,6 MW <i>7.6 MW</i> |
| Divisa <i>Divisa</i> | 10,8 MW <i>10.8 MW</i> |
| Ilha Comprida <i>Ilha Comprida</i> | 20,1 MW <i>20.1 MW</i> |
| Segredo <i>Segredo</i> | 26,1 MW <i>26.1 MW</i> |

André and Lucia Maggi Foundation

The André and Lucia Maggi Foundation is a nonprofit organization of federal public utility. The institution coordinates all AMAGGI's private social investments. Created in 1997, with a more charitable operation, in 2013 the Foundation reviewed its areas of operation to be more aligned with the company's business strategy.

In addition to funding projects from social institutions – selected through public notice –, the Foundation develops its own projects and actions.

R\$3 million invested in social project, a total of 49,440 direct beneficiaries and 167,704 indirect beneficiaries.

Internal Audience

AMAGGI ended 2014 with 4,376 employees, including Brazilian and international units, a slightly higher number when compared with the workforce in the previous year. Given the characteristics of the sector in which the company operates, as well as a historical and cultural process, most employees are men. All employees registered in the respective units are covered by the collective bargaining agreements. G4-11

G4-10. Number of employees, by type of job, employment contract and region

| Number of employees by functional level* | 2012 | 2013 | | 2014 | |
|---|-----------|------|-------|------|-------|
| | Man/Women | Men | Women | Men | Women |
| Board of Directors | 4 | 2 | 2 | 2 | 2 |
| Executive Board | 12 | 13 | 1 | 11 | 1 |

| | | | | | |
|---|-------|-------|-----|-------|-----|
| Management | 71 | 75 | 0 | 79 | 1 |
| Department | | | | | |
| Head/Coordination | 143 | 186 | 5 | 178 | 5 |
| Technical/Supervision | 324 | 196 | 50 | 198 | 59 |
| Administrative | 732 | 410 | 363 | 469 | 399 |
| Operational | 2,720 | 2,360 | 204 | 2,657 | 221 |
| Trainees | 16 | 17 | 5 | 12 | 9 |
| Apprentices | 63 | 31 | 24 | 37 | 24 |
| Interns | 9 | 3 | 2 | 3 | 9 |
| Total by gender | 4,094 | 3,293 | 656 | 3,646 | 730 |
| Total | 4,094 | 3,949 | | 4,376 | |
| <i>*Contractors are not considered.</i> | | | | | |

| Number of employees by type of contract* | 2012* | 2013 | | 2014 | |
|--|-----------|-------|-------|-------|-------|
| | Men/Women | Men | Women | Men | Women |
| Fixed- term | 0 | 0 | 0 | 0 | 0 |
| Open-ended | 4,094 | 3,293 | 656 | 3,646 | 730 |
| Total by gender | 4,094 | 3,293 | 656 | 3,646 | 730 |
| Total | 4,094 | 3,949 | | 4,376 | |

**Contractors are not considered.*

| Number of employees by type of job* | 2012* | 2013 | | 2014 | |
|-------------------------------------|-----------|-------|-------|-------|-------|
| | Men/Women | Men | Women | Men | Women |
| Full time | 4,010 | 3,091 | 617 | 3,436 | 683 |
| Part time | 84 | 202 | 39 | 210 | 47 |
| Total by gender | 4,094 | 3,293 | 656 | 3,646 | 730 |
| Total | 4,094 | 3,949 | | 4,376 | |

**Contractors are not considered.*

| Number of employees by region* | 2012 | 2013 | | 2014 | |
|--------------------------------|-----------|-------|-------|-------|-------|
| | Men/Women | Men | Women | Men | Women |
| South | 16 | 11 | 7 | 13 | 10 |
| Southeast | 0 | 0 | 0 | 0 | 0 |
| Midwest | 3,041 | 2,381 | 507 | 2,685 | 567 |
| Northeast | 0 | 0 | 0 | 0 | 0 |
| North | 1,037 | 901 | 142 | 948 | 153 |
| Total by gender | 4,094 | 3,293 | 656 | 3,646 | 730 |
| Total | 4,094 | 3,949 | | 4,376 | |

**Contractors are not considered.*

| Number of contractors by region* | 2012* | 2013 | 2014 |
|----------------------------------|-------|------|------|
| South | - | 0 | 0 |
| Southeast | - | 0 | 0 |
| Midwest | - | 538 | 358 |
| Northeast | - | 0 | 0 |
| North | - | 283 | 252 |

| | | | |
|--------------|---|-----|-----|
| Total | - | 821 | 610 |
|--------------|---|-----|-----|

**The database used for contractors until 2012 did not include breakdown by region.*

Certifications

AMAGGI believes that certifications represent and confirm the social, environmental and quality criteria of internal processes and of its production chain. Aware of their importance, AMAGGI was a pioneer in Brazil in obtaining several certifications, such as the Round Table on Responsible Soy (RTRS) and the International Sustainability & Carbon Certification (ISCC).

To ensure the quality of the products marketed, AMAGGI has an internal program based on the Best Manufacturing Practices (BPF - *Boas Práticas de Fabricação*) of the National Health Surveillance Agency (ANVISA), and a series of specific certifications.

Social and Environmental Certifications

ISO 14001

International standard that establishes the requirements for planning, implementation and operation of an Environmental Management System (SGA in the Brazilian acronym). Its first operating unit was certified in 2007. Currently, there are 22 units with the certification.

ProTerra Standard

Verification of compliance with legal, environmental, ethical, and social requirements throughout the production chain, as well as confirmation that the certified product is not a GMO (Genetically Modified Organism). The scope involves the warehouses of Brasnorte, Campos de Júlio, Campo Novo dos Parecis, Cerejeiras, Querência, Sapezal, and Vilhena (RO); the ports of Itacoatiara (AM) and Porto Velho (RO); and the crusher in Itacoatiara (AM). The certified products are soy meal, oil, and grain exported through the ports. Of the total volume of grain certified, 704,000 are from AMAGGI Commodities (third-party producers) and 307,000 from AMAGGI Agro (own production).

In 2014, approximately 1 million tons of soybean were certified, and 904 producers were evaluated

Round Table on Responsible Soy

Verification, through audits and of the entire supply chain, of 98 indicators within the five principles of RTRS: legal compliance and best practices; fair and responsible work conditions; a responsible relationship with the community; environmental responsibility; and best agricultural practices. Worldwide, AMAGGI was the first company to receive this certification. In 2014, AMAGGI Agro certified 241,000 tons in the Tucunaré and Tanguro farms. AMAGGI Commodities certified 308,000 tons from 51 producers. Also in this scope are 18 warehouses, three port terminals (Porto

Velho, Itacoatiara, and TGG) and two soy crushers (Lucas do Rio Verde and Itacoatiara).

In 2014, a total of 549,000 tons of soy were certified, with 51 certified producers, in addition to AMAGGI Agro

International Sustainability & Carbon Certification (ISCC)

Certification to confirm that the biomass produced by AMAGGI complies with Europe's sustainability standards and, specifically, those of Germany (Renewable Energy Directive – RED and the Regulation for Sustainable Biomass – BioNachV). To obtain the certification, it is necessary to prove that the biofuel produced from soy or corn is at least 35% less pollutant than fossil fuel. In 2017, this percentage could be increased to 50%. The scope includes the Itamarati, Tucunaré, and Água Quente farms, as well as the Porto Velho and Itacoatiara ports and the crushers in Lucas do Rio Verde and Itacoatiara.

In 2014, a total of 309,000 tons of grain were certified

Quality Certifications of the Product

FSSC 22000

Certification for food manufacturers developed by the Foundation of Food Safety Certification. It specifies the requirements for management systems for food safety through the incorporation of all elements of the Best Manufacturing Practices (BPF - *Boas Práticas de Fabricação*) and the Analysis of Hazards and Critical Points

GMP+

Certification granted by the Dutch agency GMP+ International related to the quality control of food materials. It comprises the areas of ports, origination, trade, execution, and logistics.

Non-GMO

Monitoring program for the entire product chain that allows for the supply to the market of soy products without the use of genetically modified organisms (GMOs).

Hard IP Program

Methodology for quality control of the conventional soy that starts in the seeds and extends to the delivery of products to clients.

Kosher

Document attesting that the products manufactured follow specific rules governing the orthodox Jewish diet. Globally recognized and accredited as a synonym for maximum quality control.

Governance

AMAGGI's corporate governance guidelines aim to develop management practices that promote sustainable economic growth and continuous improvement based on the equal treatment given to shareholders, transparency in management, full accountability by managers, and corporate responsibility.

Governance Structure

G4-34, G4-35, G4-36, G4-38, G4-39, G4-40, G4-47, G4-51

AMAGGI's senior management is comprised of the Board of Directors and the Executive Board, each with different roles and responsibilities. In line with best practices in governance, the Chairman of the Board does not hold a position in the Executive Board. In order to support both instances, the company relies on several committees.

The Board of Directors is formed by seven members, elected for a three-year term and eligible for reelection. One of the members is independent, in line with the guidelines of the Brazilian Institute of Corporate Governance - IBCG). Board members meet at least once every two months to discuss strategic guidelines for economic, environmental, and social issues.

The Executive Board is comprised of the CEO and 11 directors. It has the authority and autonomy to manage issues in a structured and hierarchical manner. The Board convenes monthly to discuss results of the business areas, as well as their challenges and opportunities.

Variable remuneration of directors and managers includes the performance of sustainability indicators. The performance goals established for the payment of bonus are shared by employees in two hierarchical levels immediately below management. The company plans to extend these parameters to the other employees.

Mission, Vision and Values

G4-56

MISSION

To contribute to the development of agribusiness by adding value, respecting the environment, and improving life in the communities.

VISION

To be a reference in sustainable development.

VALUES

- Integrity - To be ethical, fair, and consistent with our thoughts, words, and actions.
- Respect for the Environment -To be a reference in social and environmental management.
- Simplicity - Focus on the essential, encouraging agility and less bureaucracy.
- Humility - To show respect for all, following common sense in professional and personal relations.
- Participatory Management - To encourage participation by promoting recognition and professional growth, involving people in key company processes.

- Commitment - “Fly the company flag.” Work with passion and pride and strive for the company’s success.
- Innovation and Entrepreneurship - Retain creative, participative, bold, talented, and enthusiastic people who can make a difference in the competitive market.
- Respect for our partners - Foster good business relations, remaining faithful to the commitment of being a company admired and respected by all.

Senior Management commitment to sustainability

G4-42, G4-43, G4-45

AMAGGI's senior management is committed to sustainability and dialog with stakeholders, seeking to provide transparency to its growth strategies and show coherence in the company's practices to achieve continuity in the business.

The Sustainability Area, which had management level until 2013, became a department at C-suite level and grew closer to the company's business strategy. In order to support the growth plan for the coming years, the company developed the 2020 Vision, with an action plan shared with the stakeholders to manage priority topics.

With operations in six countries, the company establishes its commitment through the Global Sustainability Policy, currently undergoing validation. This policy, also inspired by UN's Corporate Principles for Food and Agriculture, is based on the assumption that sustainability should permeate management as a whole, the operations and AMAGGI's value chain; it also considers that only the work in partnership with society, non-governmental organizations, suppliers, clients, and the government, among others, can bring large-scale results.

Determination of the most relevant topics initiated in the materiality process conducted in 2012 and advanced with a workshop for the Board of Directors and the Executive Board, carried out in 2013 by the Dom Cabral Foundation.

In that same year, the company structured the Stakeholders' Engagement Plan, with an assessment of impacts, challenges and opportunities aiming to support the preparation of its strategy (*Learn more in Engagement and Materiality*).

In 2014, the company made consultations that supported the materiality process, and senior management was one of the audiences consulted. Based on the analysis of the materiality matrix, the Executive Board validated the final topics to be prioritized in management and communication in the next two years (*Learn more in Engagement and Materiality*).

Risk Management

G4-14, G4-38, G4-41, G4-44, G4-46, G4-50, G4-57, G4-58

AMAGGI adopts preventive management through the work of six corporate committees: Sustainability and Occupational Health and Safety; Ethics and Conduct; Financial Risks; Tax and Fiscal; Internal Audit; and People.

The committees are responsible for regularly identifying and gauging the main financial, environmental, and social risks to which the company is exposed, establishing preventive or mitigation measures and procedures.

In 2013, the company started the process for the identification and prioritization of strategic, financial, operational and regulatory risks, and established action models for risk management. In 2014, the company advanced in the management of these risks, with the support of the committees.

Performance of the Committees

Sustainability and Occupational Health and Safety Committee

Headed by the company's CEO, this committee is formed by all AMAGGI's directors, the Occupational Health and Safety (OHS) management, and a coordinator appointed by the Sustainability Department. The committee is responsible for developing sustainability strategies to be validated by the directors, and for monitoring indicators related to priority topics.

Ethics and Conduct Committee G4-37, G4-SO3, G4-49, G4-50, G4-57, G4-58

Headed by the chairman of the Executive Board or the Board of Directors, the main attributions of this committee is to monitor the application of the guidelines set forth by the Code of Ethics and Conduct, and decide on eventual deviations in all units.

The committee also acts as an access channel for suggestions and grievances, sent by employees and other audiences to AMAGGI's Executive Board and Board of Directors. The following channels are available to submit reports: *e-mail* (comite.etica@amaggi.com.br); suggestion boxes in all units; *link "Fale com o Comitê"* (Talk to the Committee), available at the corporate website; and the telephone numbers of committee members. The company internal policies can be viewed at <http://www.amaggi.com.br/?page_id=2036>.

The committee also receives and escalates reports of conflicts of interest, harassment, abuse of power, acts of discrimination, bribery, and corruption.

Financial Risks Committee

Formed by members of the Executive Board, this committee convenes every three months to discuss and identify the risks to which the company is exposed, in addition to gauging the value at risk and define the appropriate mitigation strategies, always seeking to generate value.

Tax and Fiscal Committee

This committee supports the Board of Directors in order to ensure that the company fully complies with the current legislation, and handles tax matters with efficiency and effectiveness.

The committee is comprised of 14 employees, representatives of all business divisions from the Controllershship, Legal and Tax departments, and reports directly to the Tax Governance Committee (formed by the CEO, the legal director, and the administrative-financial director). Members convene monthly, and act independently from the board.

Internal Audit Committee

This committee is responsible for defining the processes to monitor and assess the adequacy of the internal control environment, and of rules and procedures defined by the Executive Board. It is responsible for approving the Internal Audit Plan, monitoring the development of the work, and taking the necessary measures to

deal with the risks identified, including incidents involving fraud and corruption.

The committee is formed by the chairman of the Board of Directors, one of its members, and one executive director. Internal audit is an external and independent management activity.

People Committee

It is comprised of one shareholder, the chairman of the Board of Directors, the CEO, the personnel director and an invited director. This committee convenes three times a year to assist the Board of Directors and the Executive Board in the succession plan and the annual appraisal of board members, validate the remuneration policy, monitor the development of directors, and define strategies for the directors to prepare their team leaders.

Compliance with the Legislation

AMAGGI's strategic guidelines in terms of legislation establish the safekeeping of the company's rights and interests, with actions based on ethical principles. Once a possibility of non-conformity is identified, the Executive Board is immediately communicated, with the appropriate recommendations and risk analysis to enable the application of the necessary measures to adjust the company's conduct to the legislation. Compliance of tax matters, for example, is monitored in this way. Statements are audited annually by an external and independent consulting company.

In terms of environmental aspects, the applicable legislation is identified by a consulting company specializing in the topic, aiming to update the legal standards. A legal compliance evaluation is carried out annually, as a procedure of the Environmental Management System. When inconsistencies are identified, they are recorded, and the actions necessary for their correction are defined.

For the feasibility study of new developments, projects and activities, a risk assessment is conducted to identify financial impacts, permits, environmental factors, among others.

AMAGGI controls compliance with all items provided in the labor legislation with on-site assessments in all units. In terms of issues concerning Occupational Health and Safety (OHS), the company adopts the proactive principle, seeking to implement stricter standards even before they become mandatory.

AMAGGI also evaluates the social and environmental and OHS appropriateness throughout the supply chain.

Training and Development

The growth strategy based on the development of the professionals working at AMAGGI is materialized in the scope of the Aroeira Project. Among other actions, the initiative is aimed at preparing leaders and identifying potential talents to execute the growth strategy, which is reflected in business continuity and in maintaining company values.

The actions and impacts of training are managed based on the Human Resources Policy, executed through human and organizational development programs. Planning of actions is defined based on the strategy and business plan of each area, as well as on the employees' development needs, identified through evaluation and analysis of

the competencies shown.

Some of the most important actions of 2014 are described below.

School for Leaders

Created in 2013 to prepare leaders, with competency development projects for supervisors, coordinators, managers, and directors. In 2014, the project expanded and had 12 directors, 89 managers, 125 supervisors, 58 field coordinators, and 21 water transport leaders.

Improvement Trails

Project developed according to the mapping of positions and needs identified in the medium and long-term strategy. They are personalized technical and behavioral capabilities for each business area, aimed at improving employees' administrative, technical, and operational performance. In 2014, a total of 48 employees from the commercial area and 45 from technical areas participated.

Compartilhar Program (Share Program)

Implemented in 2014 as a pilot project, it is aimed at developing knowledge management among employees. Meetings take place every two weeks and one of the employees presents a subject from a conference, seminar or presentation in which he or she participated.

Organizational Climate Survey

In 2014 a climate survey was conducted with the participation of 80% of the employees. The objective was to identify the aspects that helped AMAGGI to engage people in its business objectives and strategies, comparing the results with the general market and best practices in the market, and recommending actions for improvement.

Some positive points identified were: 92% are proud to work at AMAGGI, and 90% would recommend the company. 91% understand how their role is connected to strategic objectives, and 90% are confident in the business perspectives for the coming years. Ninety one percent acknowledge that AMAGGI conducts local development projects, 94% perceive compliance with the Environmental Policy in its field of work, and 86% say they take the environmental management practices to their personal lives.

G4-LA9. Average number of training hours per year

| Average by gender* | |
|--------------------|--------------|
| | 2014 – hours |
| Men | 150.1 |
| Women | 189.5 |

*Contractors were not included in this calculation, since they are not broken down by gender in the database.

| Average number of training hours per employee* | |
|--|------|
| | 2014 |
| Senior Management | 42.7 |
| Administrative | 24.4 |
| Technical | 27.3 |

| | |
|----------------------|-------------|
| Young talents | 43.2 |
| Operational | 25.5 |
| Contractors | 17.2 |
| Total average | 25.9 |

* Contractors were not included in this calculation, since they are not broken down by gender in the database.

Engagement and Materiality

G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27, G4-37, G4-48

In order to develop a Global Sustainability Policy that includes the expectations of AMAGGI's strategic stakeholders and supports the expansion of the business areas, in 2013 the company structured the Stakeholder Engagement Plan with the support of an external consulting company.

Relying on the concept of engagement of ISO 26000, the plan includes mapping of strategic stakeholders, as well as a definition of short-term actions to create opportunities for dialog and to build a consistent base for decision-making in the organization. For AMAGGI, the priority stakeholders were:



In 2014, in addition to the consultations that supported a new materiality process, the company conducted online surveys with institutional partners and managers of AMAGGI units, and structured a survey for rural producers, to be conducted in 2015. The objective is to identify perceptions about the company and media habits and then advance to a second engagement phase.

Materiality

The materiality principle refers to the definition of the most relevant topics for company management, considering its strategy and the perception of its internal and external stakeholders about the impacts of the company's activities.

AMAGGI carried out its first materiality process in 2012, undertaking a commitment to review or redo the materiality every two years – a viable period for

the maturity of its management processes and the communication of priority topics.

In 2014, a new materiality process was carried out with the support of a consulting company. The process comprised the following phases:

Identification – survey of stakeholders and analysis of secondary sources (internal and external) to determine the relevant topics for the organization;

Prioritization – consultations with stakeholders to prioritize relevant topics based on their perceptions;

Analysis – consolidation of results and materiality matrix;

Strategic Validation – presentation of the analysis of results and the company's decision to define strategic topics;

Process Evaluation – review of the process, with recommendations for management, engagement, and reporting of material topics.

Identification

Industry studies
Internal Documents
Dynamics with Managers

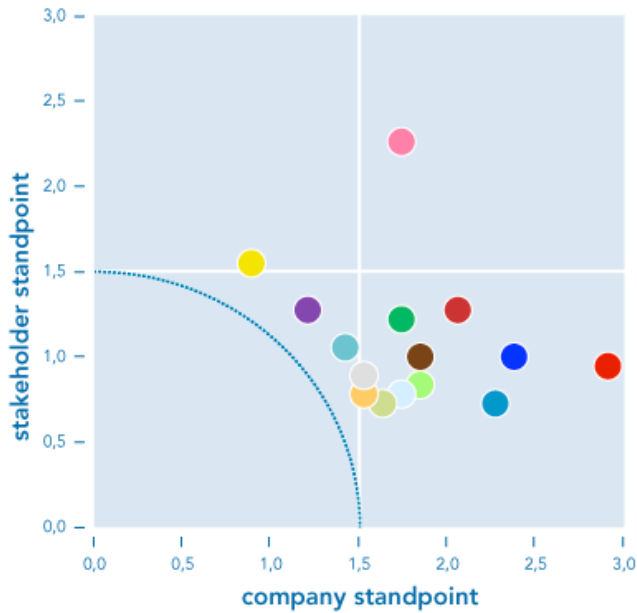
Prioritization

Consultation
Internal: 11 representatives of senior management
External: online questionnaire (408 responses from employees, unit managers, strategic partners and suppliers)
Interviews with three industry specialists
Panels in Mato Grosso with participation of the community
Cuiabá
Campo Novo dos Parecis
Lucas do Rio Verde

**The meetings had the participation of local suppliers, NGOs, members of the Academia and the local government, community leaders and representatives of traditional communities.*

Analysis – materiality matrix

Compilation of Results
Weighting of Information
Creation of a matrix with topics placed in the horizontal and vertical axes
G4-27



- | | |
|--|--|
| ● Contribution to Local Development | ● Impact of Activities on Deforestation |
| ● Compliance with Legislation | ● Management of Water Resources |
| ● Risk management | ● Innovation |
| ● Senior Management Commitment to Sustainability and search for coherence | ● Positive Impacts on Local Communities |
| ● Training and Development | ● Presence in the Market |
| ● Preservation of Native Forests in Conservation Areas, protected by the Forestry Code | ● Management of National and International Industry Initiatives and Partnerships |
| ● Accountability and Transparency to Society | ● Management of National and International Industry Initiatives and Partnerships |
| ● Support to Rural Producers | ● Adverse impacts of the activities on communities where the company operates |

Validation

Preparation of a Report

Analysis and debate by the Board (including the CEO)

Definition of the material topics in two lists

Priority topics that will be reinforced with actions throughout 2015 and 2016

- Accountability and Transparency to Society
- Management of water resources
- Impacts of activities on deforestation
- Preservation of native forests in conservation areas
- Support to rural producers
- Contribution to local development and positive impacts on the local economy
- Impacts of the business on communities where the company operates
- Social and environmental criteria for evaluation of suppliers
- Management of initiatives and industry partners
- Innovation

- Presence in the Market

List of topics that are already structured internally and that underlie the governance practices

- Compliance with the legislation
- Risk management
- Senior management commitment to sustainability
- Training and development

In addition to supporting management, the results obtained guide the development of this report and the definition of the content to be included in the publication. In planning the determination, data from the Global Reporting Initiative methodology and the results of the materiality process were crossed and the aspects covered by the GRI that are more adequate to monitor the progress in each priority topic were identified. Each GRI aspect related to the topics in list 1 received specific coverage, involving data on management style and performance indicators (*learn more on About the Report*). **G4-18**

The topics in list 2 are reported in the Corporate Governance section, which presents the management styles, without necessarily correlating them to performance indicators.

Accountability and Transparency to Society

Audiences that most frequently addressed this topic: executive board, communities, specialists, and suppliers.

Testimonials

"AMAGGI is very active in social and environmental projects, but needs to show the work that is being done." [representative of the community]

"The sector needs to show what it does, the development of the communities where it operates, and how it manages the supply chain." [industry specialist]

AMAGGI seeks to provide transparency to its strategies through structured communication actions. Consultations conducted in 2014 with the audiences defined as priority by the company help share business planning, while the communication channels seek to establish an effective dialog. (*learn more in Engagement and Materiality*)

The Sustainability Report is the most complete tool for transparency to the company's audience, and therefore, the company invests in improvements to make

information more comprehensible and accessible to all stakeholders.

This is the 11th edition of the publication and the company distributes it to all employees, including contractors. In 2010, the company began to publish the online version and, in 2013, it was published in versions adapted for smartphones and tablets. That same year, the company also developed a short version for its internal audience, which, in addition to focusing on more relevant topics for this group, reduced paper consumption.

Also in 2013, the company held a promotional campaign to launch the report in social media and in news websites, which will be expanded in 2015, since the only complete version of the Sustainability Report will be online. Thus, the company will further reduce the use of paper in the publication and ensure greater access by the general audience.

There are also specific channels for employees, such as internal magazines and newsletters, and the Ethics and Conduct Committee channels. In 2014, AMAGGI implemented the intranet, which was an advance in terms of communication with employees, and opened new channels, such as the *Fale com o Presidente* (Talk to the CEO), which allows for any employee to make suggestions or ask questions directly to the company's senior management.

The Commercial Department is responsible for relationship with clients, and provides a customized service to that audience. Issues regarding other areas are forwarded by this Department to be addressed and to provide feedback to the client. There is no formal satisfaction survey. PR5

For the external audience, in addition to projects, consultations and participation in congresses, conferences, and debates, already mentioned in the report, the Communication area provides transparency to strategies, operational changes and the company's position on topics that are of interest to society and the sector through the press office, the institutional website, and social media.

The company also provides channels, both to internal and the external audiences for complaints, suggestions, and questions about social, environmental, labor and ethical issues, among others. The current channels are: Contact Us (*Fale Conosco*), available at AMAGGI's website (<http://amaggi.com.br/fale-conosco-2/>); form available at the reception desks of company units, which may be deposited in the specific box for that purpose or sent by mail (sealed letter); and telephone numbers of the units (numbers available at <http://amaggi.com.br/sobre/unidades-do-grupo/>), with people trained to assist or receive the communication and fill out the registration form.

In 2015, the company is implementing the ombudsman channel through the website, and a toll-free number to make communication more efficient and fast.

Preservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation

Audiences that most frequently addressed this topic: Executive Board, specialists, and institutional partners.

Testimonials

"AMAGGI is a reference for international certification standards. The company was a pioneer in the RTRS and supports major projects to adapt producers to the Forestry Code. [industry specialist]"

"In an area that borders the forest, it is important to think about how to grow without violating the law, making use of degraded areas and new corridors." [Member of the Executive Board]"

The topics of **preservation of native forests** and **impact of activities on deforestation** are related to the requirements foreseen in the new Brazilian Forestry Code, and will all be addressed in this section.

AMAGGI, through globally recognized certifications, such as RTRS and ProTerra, which are specific to the soy production chain, confirms the commitment to these topics. In addition to legal aspects, the company follows strict social and environmental criteria demanded by these certifications both in its activities and in the activities of its suppliers (*learn more in Social and Environmental Criteria for Evaluation of Suppliers, Support to Rural Producers, and Certifications*).

The company also participates in initiatives that promote the debate about the topic. AMAGGI was the first Brazilian company to become part of the Round Table on Responsible Soy (RTRS) and coordinates, in Brazil, the work of the United Nations on the Corporate Principles for Food and Agriculture of the Global Compact. The company was also the first to adhere to the Soy Moratorium, created to prevent the progress of soybean crops in the Amazon (*learn more in Commitments and Partnerships*). In 2014, AMAGGI, through the Soy Work Group (GTS in the Brazilian acronym), participated in the debate that resulted in the extension of the pact for two more years. By then, the government is expected to have full ability to promote governance and inspection related to the requirements of the Forestry Code (*learn more in Commitments and Partnerships*).

Preservation of native forests in conservation areas

AMAGGI develops monitoring programs of wildlife and flora in the areas surrounding its operations, as provided for in the EIS/EIA. The projects are aligned with the company's Environmental Policy, which includes compliance with legal requirements and the company's own guidelines.

The company has an extensive conservation area, classified as legal reserve and

permanent conservation area, with a total of 95,123 ha, of which 17,680 ha are located within State Parks and intended for compensation or exemption of legal reserve. An additional 77,425 ha are preserved at AMAGGI's farms.

The percentage of legal reserve calculated to comply with the current legislation may vary from 20 to 35% when the area is located in the cerrado and from 50 to 80% when it is located in the forest. This variation is defined by the Brazilian Forestry Code always in compliance with the current state legislation and according to the size and year when the property was established. It is important to note that, when there are two types of area within a single property, the calculation is made separately.

EN13

In places where the vegetation coverage of the permanent conservation areas is not compliant with the parameters required by the Brazilian legislation, AMAGGI has in place Recovery Plans for Degraded Areas (PRAD in the Brazilian acronym). In 2014 alone, the company acquired approximately 14,000 seedlings of native species, of which approximately 5,000 are cultivated in company-owned seedling nursery in the Tanguro farm. The results of this work are continuously monitored through inspections by company specialists. The places are also inspected by licensing environmental agencies.

| AMAGGI's PROPERTIES EN11 | | | | | | | | | | |
|---------------------------------|-----------------------|----------------|-----------|--|-------------------------------------|-------------------------------------|-----------------|---|---|--|
| Farms | Municipality | Type | Bio me | Watershe d basin/ micro basin | Proper ty area (hecta res) | Explor ed area (hecta res) | Activit y*** | Area of legal reserve/p ermanent conservati on (hectares) | Recover ing perm anent conserve tion area (hecta res) | Posit ion in term s of the prot ecte d area |
| Santa Lucia | São Félix do Araguaia | Cerrado/forest | Amazonian | Amazon/Xingu | 7,908.10 | 6,055.24 | AG | 1,892.79 | 40.0061 | Located in vicinity of indigenous land |
| SM1 and SM6 | Itiquira | Cerrado | Cerrado | Paraná/Alto Paraguai | 4,578.57 | 2,999.65 | AG/PR | 1,578.92 | 1.4035 | |
| SM2 | Rondonópolis | Cerrado | Cerrado | Paraná/Alto Paraguai | 1,057.24 | 913.0555 | AG/PR | 144.1876 | 5.7161 | |
| SM4 | Rondonópolis | Cerrado/forest | Cerrado | Paraná/Alto Paraguai | 783.1588 | 632.0151 | RF/PR | 151.1437 | 1.6717 | |
| SM3 | Itiquira | Cerrado | Cerrado | Paraná/Alto Paraguai | 1,592.71 | 1,467.50 | AG | 125.2019 | 0.4 | |
| SM3B | Itiquira | Cerrado | Cerrado | Paraná/Alto Paraguai | 8,671.90 | 8,403.81 | AG/RF | 268.0954 | 0 | |

| | | | | | | | | | | |
|------------------------------------|-----------------------|---------------------|----------|----------------------|-----------|-----------|--------------|-----------|---------|---------------------------|
| | | | | Paraguai | | | | | | |
| São Domingos | Sapezal | Cerrado/forest | Cerrado | Amazon/Juruena | 1,566.31 | 1,058.01 | AG | 508.2986 | 0 | |
| Estância Promissão | Campo Verde | Cerrado | Cerrado | Paraná/Alto Paraguai | 120.4694 | 120.4694 | RF | 0 | 0 | |
| Santo André | Sorriso | Cerrado/forest | Cerrado | Amazon/Teres Pires | 3,370.44 | 1,809.91 | RF | 1,560.53 | 5.1888 | |
| Sapezal | Sapezal | Cerrado/forest | Cerrado | Amazon/Juruena | 10,284.75 | 7,933.33 | AG | 2,351.42 | 0 | |
| Tucunaré | Sapezal | Cerrado/forest | Cerrado | Amazon/Juruena | 44,590.15 | 35,762.44 | AG/PR/RF/ARM | 8,827.70 | 20.1074 | |
| Cacoré | Sapezal | Cerrado/forest | Cerrado | Amazon/Juruena | 3,027.10 | 0.00 | | 3,027.10 | 0 | |
| Água Quente | Sapezal | Cerrado/forest | Cerrado | Amazon/Juruena | 20,435.12 | 15,098.51 | AG | 5,336.61 | 2.0013 | |
| Juruena | Sapezal | Cerrado | Cerrado | Amazon/Juruena | 491.7466 | 314.9137 | AG | 176.8268 | 0 | |
| Dois Córregos | Lucas do Rio Verde | Cerrado/forest | Cerrado | Amazon/Teres Pires | 2,370.60 | 1,406.46 | RF | 964.14 | 17.2841 | |
| Tanguro | Querência | Forest | Amazonia | Amazon/Xingu | 80,862.99 | 33,925.55 | AG/RF/ARM | 46,937.44 | 44.258 | |
| Água Quente 2 | Sapezal | Forest | Cerrado | Amazon/Juruena | 1,260.30 | 0 | AS | 1,260.30 | 0 | |
| Fauna, Flora and Cerrado | Cocalinho | Cerrado | Cerrado | Tocantins/Araguaia | 13,236.84 | 0 | AS | 13,236.84 | 0 | Inside the protected area |
| Encontro das Águas | Barão de Melgaço | Pantanal (Wetlands) | Wetlands | Paraná/Alto Paraguai | 1,683.45 | 0 | AS | 1,683.45 | 0 | Inside the protected area |
| No designation (compensation area) | Cotriguaçu | Forest | Amazonia | Amazon | 1,200.00 | 0 | AS | 1,200.00 | 0 | Inside the protected area |
| Canaã | São Félix do Araguaia | Cerrado/forest | Amazonia | Amazon/Xingu | 6,203.63 | 5,650.14 | AG | 553.496 | 41.4978 | |

| Nova Esperança II | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon /Urubu | 325.61 | 65.12 | RF | 260.489 | 0 | |
|---|------------------------|----------------|------------|-------------------|-------------------|---------------------|--------------|-------------------------|--|------------------|
| Novo Destino I (compensat ion area N. Esperança II) | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon | 300.00 | 0 | AS | 300 | 0 | |
| Açaí | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazonia n/Urubu | 152.2835 | 0 | | 152.2835 | 0 | |
| Araçá | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon/Urubu | 283.3767 | 0 | | 283.3767 | 0 | |
| Bacaba | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon/Urubu | 819.9885 | 0 | | 819.9885 | 0 | |
| Bacuri | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon/Urubu | 210.6136 | 0 | | 210.6136 | 0 | |
| Buriti | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazonia n/Urubu | 334.0606 | 0 | | 334.0606 | 0 | |
| Patauá | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazonia n/Urubu | 978.2018 | 0 | | 978.2018 | 0 | |
| TOTAL | | | | | 215,295.58 | 123,551.00 | - | 95,123.51 | 179,534.8 | 16,120.29 |
| THIRD PARTY PROPERTIES LEASED BY THE GROUP | | | | | | | | | | |
| Farms | Municipality | Type | Bio me | Basin/micro basin | Proper ty area | Area explor ed (ha) | Activit y*** | Legal reserve area (ha) | Recoveri ng perman ent conserv ation area (ha) | |
| Itamarati | Campo Novo dos Parecis | Cerrado | Cerrado | Amazon/Juruena | 51,919.40 | 51,919.40 | AG/ARM | 0 | 0 | |
| Nanaí | São Félix do Araguaia | Cerrado/forest | Amazonia n | Amazon/Xingu | 5,497.94 | 4,454.69 | AG | 392.9069 | 0 | |
| Vale do Boi | São Félix do Araguaia | Amazon Forest | Amazonia n | Amazon/Xingu | 14,532.65 | 14,532.65 | AG | 0 | 0 | |
| Bom Sucesso | Itacoatiara (AM) | Amazon Forest | Amazonia n | Amazon/Urubu | 641.35 | 116.35 | RF | 524.9939 | 0 | |
| TOTAL | | | | | 72,591,33 | 71,023.09 | - | 917,900.8 | 0 | |

KEY:

| | |
|--|--|
| | AMAGGI Agro |
| | AMAGGI Commodities |
| | Tucunaré Farm Production Unit |
| | Properties formed only by native forest for purposes of environmental compensation |

AG: agriculture
 RF: reforestation
 ARM: warehouse
 AS: compensation area
 PR: livestock production

Monitoring impacts on biodiversity G4-EN12

The construction work of AMAGGI's small hydroelectric plants started in 1992 with the clearing of access ways and work fronts, as defined in the licensed project. In 2014, AMAGGI proceeded with the Recovery Plans for Degraded Areas (Prad) of SHEPS Segredo, Santa Lucia, Ilha Comprida, Divisa, and the Deposits of Gravel and Clay. In the areas of the SHEPS, the company also monitors the wildlife, as a result of the suppression of the vegetation, and of the ichthyofauna.

In the areas acquired by AMAGGI Agro in 2013, the company initiated the recovery of more than 50% of the degraded permanent conservation areas (APPs in the Brazilian acronym), aiming to recover environmental liabilities by restoring local biodiversity. Agro also has a partnership with the Amazon Protection Institute (IPAM) in the Savannization Project, carried out at Tanguro Farm, aimed at evaluating the vulnerability of tropical forests, climate change, and modifications in the use of land.

Investment and expenditures on environmental protection G4-EN31

Investments and expenditures on environmental protection follow the guidelines established in the company's Environmental Policy, and were applied on the improvement of processes in the operating units and new projects, such as: structure for the construction of waste deposits, waterproofing of workshop floors and oil tanks.

The significant increase in the global amount of investments, in comparison with the previous year, was due to the documentation to adjust the soil to beginning planting soy in the Vale do Araguaia Farm, replacing pasture, with a positive impact on greenhouse gas emissions.

Investments in research and development were still focused on investments in projects executed in partnership with The Nature Conservancy - TNC, and Aliança da Terra (Earth Alliance), in actions for social and environmental improvements in the soy supply chain. Investment in initiatives and partnerships with GVces - PESE and TESE, were maintained in the following areas: Natural Capital, Ecosystem Services, and Environmental Valuation. Another major project is the SABPs, which discusses the principles of sustainable agriculture within the United Nations - in the scope of the Global Compact.

Environmental costs on waste are higher in Navigation; they represent approximately 40% of expenditures on treatment and disposal. In 2014, a total of R\$ 1,268,344 was

spent in the area on waste disposal, insurance, and cleaning and mitigation of spills.

| Investments and expenditures on environmental protection (in R\$) | 2012 | 2013 | 2014 |
|--|----------------------|----------------------|----------------------|
| Costs on waste disposal, treatment and mitigation of emissions. | 0.00 | 459,471.31 | 1,268,344.57 |
| Waste treatment and disposal | - | 459,471.31 | 546,727.62 |
| Insurance on environmental liability | - | - | 201,666.00 |
| Total cleaning costs, including costs for the remediation of spills. | - | - | 519,950.95 |
| Costs for conservation and environmental management. | 33,817,985.09 | 12,013,196.21 | 32,642,515.51 |
| Research and development | 1,011,125.84 | 888,186.91 | 824,458.05 |
| Extra expenses to install cleaner technologies (e.g.: additional cost besides standard technologies) | 28,866,327.96 | 7,358,720.50 | 27,899,816.51 |
| Other environmental management costs | 3,940,531.29 | 3,766,288.80 | 3,918,240.95 |
| TOTAL investments | 33,817,985.09 | 12,472,667.52 | 33,910,860.08 |

In 2014, there was an improvement in reporting the indicator, with the breakdown of investments related to the cleaning of areas resulting from environmental incidents in the logistic route. Investments in environmental liability insurance were also included.

Impacts of activities on deforestation

AMAGGI prioritizes the impacts of its activities on deforestation and thus develops a series of actions to mitigate them. These initiatives are formally laid down in policies, projects, procedures, and goals. In 2014, the Soy Workgroup (GTS in the Brazilian acronym), in which AMAGGI takes part, published a document that shows the mapping and monitoring of soybean planting in the Amazon. A total of 47,000 hectares of soybean were found to be non-compliant with the moratorium guidelines. Nonetheless, it is already possible to see great progress. The deforestation rate was reduced by approximately five times in 73 municipalities in the Amazon - which concentrate 98% of all soy planted in the biome.

The company also invests in its own reforestation areas of eucalyptus and acacia to supply its demand for biomass. The plants use sawmill wood waste generated from wood processing. In addition to promoting the correct destination of the material, the action avoids the exploitation of new areas.

Reduction in the consumption of biomass of native origin



Biomass is used for production of thermal energy in the crushing plant of Lucas do Rio Verde and in the drying process of grain at AMAGGI's storage units. The company uses reforestation biomass and native forest biomass. To avoid clearing new areas, the company invests in its own reforestation areas.

In 2014, the Itacoatiara unit harvested 30 ha of the *Acacia mangium* species, with an average volume of 10,500 m³/st, which corresponds to 49,064.40 GJ of energy produced. For 2015, the plan is to harvest 10,200 m³/st and plant 60,000 seedlings.

In partnership with Embrapa Amazonia Ocidental, the company developed an experiment called "*Avaliação do efeito da adubação fosfatada e do espaçamento em plantio experimental de duas espécies florestais*" (in loose translation: Evaluation of the effect of phosphate fertilization and spacing in the experimental planting of two forest species (*Eucalyptus urograndis* and *Sclerolobium paniculatum*) for the production of energy in Central Amazon," aimed at evaluating the growth of both species, under different spacing and dosages of phosphate fertilizers, for the production of energy in the municipality.

Based on their heat of combustion, the two species were considered appropriate for the production of energy.

In the Itacoatiara unit, a study was also initiated in 2014 about the natural regeneration of the seed bank from the planting of the *Acacia mangium*. The initial thinning was carried out to decrease intraspecies competition. The first continuous forest inventories (IFC) is expected to begin in 2015, aiming to generate comparative data between the experiment and the commercial planting. The objective is to evaluate the feasibility parameters of the two forms of handling (planting x regeneration).

In 2014, a total of 48 hectares of eucalyptus were planted at Tanguro Farm, 50 hectares at Tucunaré Farm, and 65 hectares at Água Quente Farm.

At Santo André Farm, from November 2013 to December 2014, a total of 473 hectares of eucalyptus were planted. At the Lucas do Rio Verde plant, 33 hectares of eucalyptus were harvested in 2014 and replanted in December of that same year.

As a form of mitigating the impacts associated with deforestation in the supply chain of biomass of native origin, the company expects to be self-sufficient in the coming years or establish partnerships to maintain responsible supply.

Trends in Ecosystemic Services (TeSE)

To understand and estimate the importance of the natural capital to AMAGGI's business and to society, the company took part in the TeSE initiative by GVCes with two pilot projects in 2014.

At Tanguro Farm (MT), the company studied the "Global Climate Regulation" service, which focuses on the deforestation avoided through monitoring, maintenance, and recovery of native vegetation areas and their respective inventory of biomass. The ecosystemic service in the second study was the "Provision of Biomass Fuel", which is the main energy source in the Itacoatiara (AM) Crushing Plant.

The result of this work, based on version 2.0 of the Corporate Guidelines for Economic Valuation of Ecosystemic Services (DEVESE in the Brazilian acronym), showed that:

- Based on the inventory of biomass of native vegetation (approximately 44,000 hectares) it was estimated that the Tanguro Farm avoided the emission of almost 3,000 million tCO₂e, which is equivalent to a positive externality* valued at more than R\$280 million;

- The economic value associated with the company's dependence** on the ecosystemic service for the provision of biomass was estimated at approximately R\$12 million. In the absence of the current sources of biomass, replacement with the most available alternative (diesel) would represent an impact of approximately R\$35

million (cost increase). In terms of externalities, the use of biomass, in comparison with diesel, avoided an average of almost 60,000 tCO₂e/year, whose value would exceed R\$5 million.

The pilot project at the Tanguro Farm allowed for the identification of the added value to the environmental preservation work, which promotes climate regulation by maintaining the ecosystem's capability to sequester carbon dioxide (CO₂) from the atmosphere and fix it in the form of biomass (vegetation). Additionally, maintaining the carbon inventory, through the preservation of the Tanguro forests, prevents new emissions of CO₂.

The study carried out in the Itacoatiara Crushing Plant presented, in monetary terms, the dependence and the impacts of biomass used as fuel in the unit, thus becoming an important tool to help define corporate management strategies for this ecosystemic service.

*Externality: consequence of an action that affects others and not the agent responsible for the action, and for which such agent is neither compensated nor penalized by the market. Externalities can be positive or negative.

**Dependence: something needed to achieve a given objective, the higher the need, the higher the level of dependence.

Risk Management of Climate Change G4-EC2

AMAGGI was the first agribusiness company to disclose its inventory of greenhouse gases emissions according to the guidelines of the Agribusiness GHG Protocol, whose objective is to expand the current tool to address the characteristics of agribusiness (*learn more in Commitments and Partnerships*). In 2014, the fourth inventory was produced and the goals for 2015 were established based on the comparative analysis between the last two years. AMAGGI's inventory can be seen in the GHG Protocol platform at <http://www.ghgprotocolbrasil.com.br/>.

Climate change affects agricultural production in many ways, whether by altering climate, causing extreme events to become even more severe or contributing to the multiplication of plagues and diseases. Furthermore, the increase of carbon dioxide (CO₂) in the atmosphere influences the volume of production and alters the intensity of the crop.

Another risk related to climate change is the modification of the rainfall regime, which impacts river operations and power generation. River volume is essential for small hydroelectric plants (SHEPs) and river transportation. Extended drought hinders the loading of barges. Additionally, the excessive rise of river levels can increase the fall of tree trunks, which may cause damage to vessels. In the industries, consumption of biomass and energy increases during periods of intense rainfall. Storage of grain is also influenced by the weather. When the ambient temperature increases, it is necessary to turn on warehouse fans to avoid the "burning" of the soy, which also increases the cost of energy.

Reduced productivity has an impact on sales and, as a consequence, on economic results. Furthermore, since AMAGGI operates with commodities, the result of the harvest in other countries could represent threats or opportunities given the fluctuation of the product's price in the market.

AMAGGI has invested in the generation of knowledge and in new technologies to manage these risks and improve productivity. Production has also been adapted with the use of better seeds and more effective pest control. By identifying and mitigating these risks, the company increases its operational efficiency, turning risks into competitive advantages.

Greenhouse gas emissions

The development of the inventory of greenhouse gas emissions, in 2014, remained based on the methods proposed by the Brazilian Program GHG Protocol, including new tools developed for the agribusiness sector (GHG Protocol Agriculture).

In a brief comparison between the 2013 and 2014 inventories, the main justifications for the variations are:

- Increase of Scope 1:

The expansion of the company's operations according to the company's strategic planning and the beginning of the harvesting of the company's own reforestation areas for consumption of biomass in the boiler of the Lucas do Rio Verde plant were the main factors impacting the variation of this scope.

- Increase of Scope 2:

AMAGGI reduced by approximately 12% the amount of electricity bought from public utilities; however, the emission factor for the National Interconnected System (SIN) went from an average of 0.0960 kg CO₂e/kWh in 2013 to 0.1355 kg CO₂e/kWh in 2014, which resulted in an increase of 41% in the emission factor, directly affecting the results of scope 2.

- Increase of Scope 3:

The main factor affecting the variation of this scope was the use of biomass from reforestation, instead of biomass of native origin, in addition to the shutdown of the activities in the Cuiabá plant.

The values calculated and the detailed results for each of AMAGGI's business areas can be seen in the Public Registration of Emissions – Brazilian Program GHG Protocol (<https://www.registropublicodeemissoes.com.br>).

Management of Water Resources

Audiences that most frequently addressed this topic: senior management, suppliers, and specialists. It was also a highlight in industry studies.

Testimonial

“It is hard to establish priorities when we talk about efficient management of natural resources. However, at this moment, we are placing more emphasis on water use and reuse. [executive board]”

In order to ensure the responsible use of water, the company establishes goals to reduce consumption, in accordance with the opportunities for improvement identified in the Environmental Management Program. In the operational processes of agricultural production and in the industrial plants, where the impact is more significant, the company treats and reuses the water. In 2014, AMAGGI made an important progress in water management with the creation of the Sustainable Movement Program, at company headquarter. In addition to defining goals to reduce consumption of water, the program foresees actions to engage employees in the reduction of energy and paper consumption, and in the adequate disposal of waste.

The Program, which expected a 5% reduction in water consumption in 2014, obtained a 2% reduction in comparison with 2013. For the next year, a greater reduction is expected due to improvements in the process to monitor consumption and understand the variables involved.

Management of water resources is aligned with the company's Environmental Policy. Among the guidelines of the Environmental Management System, in addition to compliance with legal requirements, such as obtaining license and grant for use and collection of water, an annual planning is in place to measure and monitor the volume and quality of water and effluents, thus ensuring the presence of indicators that allow for analysis of quality and the responsible use of water. AMAGGI also participates in debates on the topic and is a member of the Câmara Temática da Água (Water Thematic Chamber), organized by CEBDS aiming to promote management of water resources in the corporate sector (*learn more in Commitments and Partnerships*).

Use of water in agriculture and in industrial plants

AMAGGI has invested in new technologies and in the change of processes that contribute toward the reduction in water consumption for agricultural production (*learn more in the Innovation section*). The application of inputs is responsible for most of the water used in the production of oilseeds.

One of the work fronts to reduce consumption is the application of low-volume fertigation. Approximately 100 liters of water per hectare are currently used per application of inputs (agrochemicals) in each harvest. The usual number of applications is seven per period. The company's goal is to reduce to 50 liters of water per application by 2020.

The company has also been working to control loss caused by soil erosion and to mitigate the impact on the quality of bodies of water. One of the tools adopted is no-till farming, a management technique that protects the soil and is present in 85% of the areas cultivated by the company. The permanent conservation areas (APPs in the Brazilian acronym) and the preservation of riparian forests are other ways used by AMAGGI to reduce these impacts (*learn more in Preservation of Native Forests*).

To avoid contamination of water from the use of agrochemicals, the company carries out decontamination of ground and aerial equipment in appropriate locations. The waste produced goes to containment boxes and, then, is reused in crop dusting. Periodically, AMAGGI analyses the quality of the water and of all artesian wells to ensure drinkability and quality standards in compliance with the legislation. The company also adopts short-season cultivars in 40% of the production areas. Since they are less exposed to pests, they need a lower volume of agrochemicals.

In the industrial plants, water is used in many processes other than washing the facilities and installations. In the soybean crushing process, usage of water is higher for the production of steam in the boilers. In Itacoatiara, power generation through a steam turbine is responsible for part of the consumption.

At the Lucas do Rio Verde unit, all water used comes from artesian wells. In Itacoatiara, water comes from a well and from the Amazon River. Volumes collected have decreased in recent years. AMAGGI does not collect or use water, whether surface or groundwater, in amounts that could significantly affect the inventory or access to these sources. **EN9**

Responsible use of water in industrial plants

The volume of water used has reduced significantly in recent years due to improvements in the processes at the plants. A reduction of the following volumes was observed:

- 283,000 m³ between 2006 and 2014;

- 56,904,000 m³ between 2011 and 2014 (reuse);
- 7,500 m³ between 2012 and 2014 (reuse of energy);
- 1,080 m³ in 2014 (reuse of boiler steam);
- 244,448,000 m³ between 2006 and 2014 (in improvements in efficiency, such as reductions of steam for crushing, as well as power consumption).

**Starting in 2015, boiler water will be reused. The estimated reduction in consumption is 990 m³ per year.*

| Total volume of water collected by source in m ³ EN8 | | | | | | | | |
|--|------------------------------|-------------------|--------------------|-------------------------------|-------------------|--------------------|------------------------------|--------------------|
| Source | 2012 | | | 2013 | | | 2014 | |
| | Cuiabá | Itacoatiara | Lucas do Rio Verde | Cuiabá | Itacoatiara | Lucas do Rio Verde | Itacoatiara | Lucas do Rio Verde |
| Surface water (rivers, lakes, wetlands, oceans) | 0 | 186,425 | 0 | 0 | 156,456 | 0 | 146,579 | 0 |
| Groundwater | 154,502 | 239,586 | 322,116 | 51,623 | 275,159 | 343,250 | 216,260 | 373,862 |
| Rainwater collected | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effluents from other organizations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public utility/supply company | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total/unit | 154,502.00 | 426,011.00 | 322,116.00 | 51,623.00 | 431,615.00 | 343,250.00 | 362,839.00 | 373,862.00 |
| Total | 902,629 m³ | | | 826,488, m³ | | | 736,701 m³ | |

For the calculations, measurements are obtained through monthly readings of hydrometers installed in underground wells used and explored by AMAGGI. The Cuiabá unit is not in the 2014 calculation, since it closed its activities in 2013. The reduction in consumption in Itacoatiara was due to the decrease of activities by approximately 1,000 hours from 2013 to 2014, and in Lucas do Rio Verde the increase was due to the greater volume of soybean crushed.

| Recycled and reused water G4-EN10 | | | | | | | | |
|--|--------|-------------|--------------------|--------|-------------|--------------------|-------------|--------------------|
| | 2012 | | | 2013 | | | 2014 | |
| | Cuiabá | Itacoatiara | Lucas do Rio Verde | Cuiabá | Itacoatiara | Lucas do Rio Verde | Itacoatiara | Lucas do Rio Verde |
| Total volume of | 2673 | 76,848. | 3042.9 | 1113 | 72,369 | 3,003.4 | 60,080. | 859.8 |

| | | | | | | | | |
|---|------------------|-------------------|------------------|------------------|--------------------|------------------|-------------------|------------------|
| recycled/reused water (m ³) | , m ³ | 90 m ³ | 2 m ³ | , m ³ | .41 m ³ | 3 m ³ | 70 m ³ | 2 m ³ |
| Recirculation rate (%) | 1.70 % | 15.28% | 0.94% | 0.72 % | 14.52 % | 0.92% | 16.56% | 0.23 % |

The Cuiabá unit closed its activities in 2013.

Effluents

In two industrial units, a biological effluent treatment system is used. The Lucas do Rio Verde unit reuses water in a fertigation area of eucalyptus crop. Starting in 2015, it will also use it to irrigate six hectares of grass in the complex, reusing 12,200 m³ per year.

The volume of effluents is controlled based on a project developed for each treatment system. In order to comply with the legislation, size and settling time are considered so that the effluents can have an effective removal of its parameters. Another resource used for the treatment of effluents is the system of ponds. The entire volume is disposed of and monitored.

AMAGGI does not discharge into bodies of water or habitats that could be significantly affected. The only discharge into water is in the company activities in Itacoatiara, whose effluent discharges into the Amazon River. The river's water clearance capacity is intense. Additionally, the local hot and humid climate provides high evaporation of the effluent from the treatment ponds, which significantly decreases the amount of effluents discharged into the river. **EN26**

| Total water discharge (in m ³) G4-EN22 | | | | |
|---|--------------------------|----------------------|---|----------------------------------|
| | 2012 | | | |
| | Volume (m ³) | Treatment | Quality | Destination |
| Cuiabá | 33,000 | Biological treatment | - | Orchard fertigation |
| Itacoatiara | 44,985 | Biological treatment | - | Evaporation and/or body of water |
| Lucas do Rio Verde | 75,194 | Biological treatment | - | Orchard fertigation |
| 2013 | | | | |
| Cuiabá | 13,750, m ³ | Biological treatment | - | Orchard fertigation |
| Itacoatiara | 44,882, m ³ | Biological treatment | 117 mg/l – 29,30 mg/l SST ¹ | Evaporation and/or body of water |
| Lucas do Rio Verde | 65,311.48 m ³ | Biological treatment | 129 mg/l – 300 mg/l SST ² | Orchard fertigation |
| 2014 | | | | |
| Cuiabá | - | - | - | - |
| Itacoatiara | 13,427.4 m ³ | Biological treatment | 55 mg/l DBO – 189 mg/L SST ³ | Evaporation and/or body of water |

¹Maximum amount of DBO released (April/13). SST: larger release in December/13.

²April with largest disposal of DBO. SST, August.

| | | | | |
|--------------------|------------------------------|----------------------|---|---------------------|
| Lucas do Rio Verde | 113,997 .2 m ³ | Biological treatment | 60 mg/l DBO – 360 mg/L SST ⁴ | Orchard fertigation |
|--------------------|------------------------------|----------------------|---|---------------------|

Support to Rural Producers

Audiences that most frequently addressed this topic: executive board, unit managers, specialists, and institutional partners.

Testimonials

"We like more demanding markets. They motivate us and reflect on our supply chain. We are pioneers in guidance and certification of producers." [executive board]

"AMAGGI's work to adjust the supply chain to the Forestry Code needs to be communicated to society. Actions like these could take Brazilian agriculture to a new level." [industry specialist]

3,800 rural producers supply grain to AMAGGI. They are strategic and essential for the growth of the business.

AMAGGI's Program to Manage the Responsible Grain Chain, in addition to veto criteria that prevents the company from trading with producers, establishes two principles that foster sustainability: incentive to sustainable agriculture and fight against illegal deforestation. To this end, every year the company participates in projects and partnerships to encourage responsible production among producers, aimed at promoting the Corporate Principles for Food and Agriculture of UN's Global Compact, as well as fighting against illegal deforestation.

One of these partnerships is established between the André and Lucia Maggi Foundation and NGOs Aliança da Terra and Solidaridad, whose main objective is to make the social and environmental diagnosis of producers and guide them on the compliance with legal requirements and social and environmental criteria of the Round Table on Responsible Soy (RTRS). In 2013, a total of 54 properties and rural producers were certified; in 2014, they were 51. Three of them were excluded for not complying with the requirements of the standard. In all, they produced almost 320,000 tons of soy. Since 2006, AMAGGI has also qualified partner producers to obtain the ProTerra seal. In 2014 alone, 900 producers were certified, which represents 1 million tons of soy.

1.3 million tons of certified soy from partner producers, in 2014.

AMAGGI, through other initiatives such as the Soy Workgroup (GTS) and partnerships with NGOs such as TNC and IPAM, also plans to foster compliance with the federal government's Environmental Rural Registry, an essential step for best

³Largest release of DBO in June/14 (average of 21.58 mg/l). Largest release of SST in November/14 (average of 142.50 mg/l).

⁴Largest release of DBO in May/14 (average of 33.07 mg/l). Largest release of SST in March/14 (average of 177.50 mg/l).

environmental governance in Brazil. Another initiative is the creation of a primer for small and medium producers containing guidance on funding for social and environmental conformity. The project is being developed by the Biodiversity Theme Chamber, of CEBDS, an organization in which AMAGGI takes part.

AMAGGI coordinates, in Brazil, the Corporate Principles for Food and Agriculture of UN's Global Compact.

Field Days

Events and lectures held to disseminate AMAGGI's portfolio and share technical information that contributes to the increase in productivity in the fields and to the adoption of best practices in agriculture with the smallest environmental impact possible. Some of the topics addressed are related to the correct and safe use of phytosanitary products, as well as the reverse logistics of their packaging. Starting in 2013, the company intensified these actions: eight events were held in the 2013-14 and the 2014-15 harvests.

Social and environmental criteria for the assessment of suppliers

Audiences that most frequently addressed this topic: executive board, institutional partners, and suppliers.

Testimonials

"AMAGGI seeks the certifications [in suppliers] and leads us to operate at that level of excellence. This is extremely gratifying." [supplier]

"When we venture in new areas, new risks arise; this requires a lot of discipline, inspections." [executive board]

Supply Chain Management

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

EC9

| Share of expenditures on local suppliers in important operating units | 2012 | 2013 | 2014 |
|---|--------|--------|--------|
| | 87.00% | 85.37% | 72.35% |

Note: in 2014, the calculation included the purchase of materials and services by Procurement for all AMAGGI units, except joint ventures. The company considers local purchases, those in the states where its main subsidiaries are located (MT/RO/AM/PA).

In terms of suppliers, AMAGGI's Procurement department follows rules and procedures approved by the Executive Board. All contracts contain specific clauses in order to prevent the hiring of companies that exploit child labor, degrading or bonded labor. There are also clauses against corruption. **G4-HR5, G4-HR6**

Contracts also include clauses regarding labor and social security obligations, and that preserve occupational health and safety with the use of personal protective equipment, training, and practices of personal regarding these topics. In order to ensure compliance with these requirements, AMAGGI only establishes partnerships with suppliers that have a collective bargaining agreement. Today, the region with the highest risk for this type of incident is Mato Grosso, where most of the company units are located. **G4-HR4**

All suppliers are assessed by verifying their situation in terms of Social Security and FGTS withholdings that prove employee registration and payroll, in addition to the evaluation of compliance with the labor and social security legislation, practices of regular medical examinations and health and safety programs. **G4-LA14**

AMAGGI also has a system to block suppliers that are in the black list for bonded labor (*learn more in Program to Manage the Responsible Grain Chain*). All contracts that have environmental, property, personal, financial, or labor risks require additional legal and environmental documents.

Contracts for the acquisition of real estate and construction of new warehouses and ports include clauses in which the parties declare that they do not practice or consent with child or bonded labor and that they comply with the law, including the environmental and labor legislation. These contracts, associated with the expansion of the business, are considered a significant investment, totaling R\$ 255 million in 2014. **G4-HR1**

Since 2013, Procurement has participated in several initiatives that collaborate to its hiring and supplier management processes. In 2014, for example, the area took part in the Supplier Management Work Group, of the Getulio Vargas Foundation (GVCes) Sustainability Center, and in a workshop about sustainable procurement, conducted by an external consulting company, aimed at the continuous improvement of supply chain management.

In 2014, all 799 suppliers considered critical were assessed on criteria related to environmental, human rights, labor practices and impact on communities, and none of the contracts had to be terminated. **G4-EN32, EN33, HR10, HR11, SO9, SO10, LA15**

Supply Chain Description

(G4-12)

Origination - rural producers

Approximately 3,800 suppliers of soybean and corn, including buyers of inputs in the regional units: Parecis (MT), Médio Norte (MT and RO) and Sul (south of MT, PR and RS). These suppliers are divided into subgroups:

- Large groups (over 50,000 ha): approximately 15 companies in Mato Grosso supply nearly 30% of the volume originated by the company;
- Small, large and mid-sized producers certified by the Round Table on Responsible Soy (RTRS): 51 producers in the Médio Norte and Parecis regions, in Mato Grosso;
- Small and mid-sized partner producers: from all regional units, supply nearly 20%

of the volume originated by AMAGGI;

- Small and mid-sized producers: from all regional units.

Suppliers

Suppliers are broken down by product, category, and location (local, regional, national, and international levels), totaling 5,521 suppliers, classified in the following subgroups:

- Environmentally critical: suppliers of biomass, fuels, lubricants, chemicals, and minerals;
- Construction Companies: companies hired for the construction of warehouses and SHEPs;
- Equipment Suppliers: companies that supply warehouse dryers, furnaces, silos and parts for vessels (rudders, beds, kitchens, engines) and for SHEPs (turbines). Most products in this category are imported;
- Other: includes suppliers of everyday materials such as stationery, cleaning products, and coffee. They are generally local suppliers.

Logistics - transport providers

There are nearly 2,500 contracts with large, medium and small enterprises, which transport corn and soy to AMAGGI Commodities. The main subcategories for these suppliers are:

- Large and mid-sized companies: relate directly with the transport area at the headquarters;
- Small and micro enterprises: these are hired in the transport offices of Rondonópolis, Lucas do Rio Verde, and Cuiabá (MT), Vilhena (RO) and Paranaguá (PR).

Environmentally Critical Suppliers

In terms of environmentally critical business partners (suppliers of biomass, sand, gravel and fuels, among others), Procurement requests legal and environmental analyses prior to entering into an agreement. When necessary, the Sustainability Department carries out on-site inspections to determine work conditions and environmental compliance before advancing with the contract. The company also adopts the Environmental Management System (SGA in the Brazilian acronym) to monitor requests for environmental assessment of suppliers, audit processes, and information about legal compliance.

In order to issue an evaluation report on biomass suppliers, supplier inspections are mandatory for all contracts, regardless of the type of biomass that is being purchased. The rule is even stricter for native firewood, since, even after executing the contract, inspections of suppliers persist until the contract is terminated. The purpose is to verify the balance between the supplier's production capacity and compliance with the environmental legislation, in the process to exploit wood. In case of irregularities subject to correction, the supplier is notified and activities are halted until the problem is solved. If the problem persists, the agreement may be terminated. **EN32**

In 2014, a total of 352 environmentally critical suppliers were evaluated.

Program to Manage the Responsible Grain Chain

AMAGGI manages the grain supply chain through this initiative, which was restructured in 2014 with the improvement of the evaluation system and actions to support and guide rural producers. The program, in addition to establishing requirements for the trading of grain, with the criteria to veto producers who do not comply with sustainability principles, suggests projects to support producers (*learn more in Support to Rural Producers*) as well as their social and environmental registration. Among the criteria and measures adopted, we point out the sustainability principles for the trading of grain described below.

- **Veto to the use of degrading work**(bonded and child labor): the company does not maintain business relations with companies listed in the labor black list. Therefore, in addition to monitoring the updating of the list, thereby avoiding business relations with companies in this group, AMAGGI signed the Pact for Eradication of Bonded Work, which further reinforces the commitment. In addition, since 2014 the company has been part of the WG of the Ministry of Labor and Employment (MTE), formed by several agribusiness companies and the government to improve management and control of the black list. AMAGGI also integrates the InPacto, which is a partnership to reinforce and expand the actions developed in the scope of the National Pact for Eradication of Bonded Work, whose goal is to eradicate slave-like work in Brazil in the supply chain of national and international companies.
- **Veto to using areas in Indigenous lands and preservation areas:** the company does not trade grain with producers whose areas are in preservation areas or Indigenous lands.
- **Veto to areas under embargo by IBAMA (Brazilian Institute for the Environment and Natural Resources) due to deforestation:** forbids the trading of grain cultivated in areas interdicted by IBAMA. In order to improve the control, the company has efficient internal systems that block any negotiation with producers who have entered IBAMA's embargo list, whether either at the time of closing of the commercial negotiation or even during delivery of grain by the producer. AMAGGI also participates in IBAMA's Embargoes Work Group, which is comprised of several agribusiness companies and the government, and aims to improve the management and control of the embargo list.
- **Veto deforested areas after 2008 in the Amazon biome (Soy Moratorium Transition):** refrains from trading soy from deforested areas in the Amazon biome after June, 2008. In 2014, GTS, which brings together industry, civil society, and the government around the need to improve the environmental governance system in Brazil through the Rural Environmental Registry (CAR in the Brazilian acronym), decided to reaffirm its commitment, until May 31, 2016, not to trade soy from areas that were deforested after 2008. Thus, the transition period respects the need to improve governance in the Ministry of Environment to ensure that deforestation does not advance, and incorporates the guidelines of the new Forestry Code, aligning the commitment assumed, in compliance with the environmental law.

EN32

Social and Environmental Registry

AMAGGI also has a social and environmental registry of producers in the category of "future purchase." The tool allows for detailed monitoring of aspects such as water and soil conservation; social management; work safety; conditions and maintenance

of operational areas; handling of agrochemicals, waste disposal, and legal compliance.

The company makes on-site visits to check the conditions of the rural properties, and based on this diagnosis it develops a credit approval strategy, with the possibility to veto the negotiation.

The restructuring of the Program to Manage the Responsible Grain Chain includes new criteria for the analysis of other types of rural producers.

Acquisition of land

To negotiate new land, AMAGGI makes a social and environmental risk assessment, which includes verification of the property's compliance in the state environmental agency, the existence of embargoes in the Brazilian Institute for the Environment and Natural Resources (IBAMA) and other environmental violations. The company also checks if the seller is in the Ministry of Labor and Employment's black list for bonded labor. The process also includes verification of satellite imagery (to check for the presence of vegetation and rivers), the identification of the biome, the existence of deforested areas and the presence of Indigenous lands and preservation areas in the property. Assessments are made through analysis of documents and on-site visits.

The certifications obtained by AMAGGI are an important tool to determine legal compliance of the company and its suppliers. Furthermore, they certify the effectiveness of projects to protect biodiversity (*learn more in Certifications and in Preservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation*).

To ensure the continuous improvement of these projects, the company participates in several public initiatives, such as the Thematic Chamber of Biodiversity and Biotechnology (CTBio in the Brazilian acronym), organized by the Brazilian Business Council for Sustainable Development (CEBDS). CTBio helps organizations identify new market opportunities and minimize risks generated by the use of biodiversity and access to genetic heritage. The chamber also follows and participates in the Conference of the Parties to the Convention on Biological Diversity, lead by the United Nations, and in forums of the federal government and civil society, such as the Genetic Heritage Management Council, which authorizes the use of this information. Furthermore, it supports research on biodiversity.

In 2014, AMAGGI was invited by the Life Institute to take part in a pilot project in Brazil. The purpose of the Life certification is to qualify and acknowledge public and private organizations that develop favorable and effective actions for the preservation of biodiversity and sustainable development, thus ensuring the protection of the ecosystem's integrity. The company expects to contribute to perfecting the certification in the agricultural sector.

Impacts of the business on local communities

Audiences that most frequently addressed this topic: executive board and the community.

Testimonial

"In the last 30 years, production has advanced significantly; nevertheless, the logistic structure has changed little, causing a major impact on the scenario of producing regions, which suffered huge positive and negative impacts from the sector. We should be alert to this." [AMAGGI's CEO]

In 2014, AMAGGI operated in 46 Brazilian municipalities, 25 of which in Mato Grosso, 1 in Goiás, 2 in Amazonas, 3 in Pará, 2 in Rondônia, 1 in São Paulo, 1 in Santa Catarina, 1 in Rio Grande do Sul, 2 in Paraná, 2 in Maranhão, 1 in Tocantins, 1 in Piauí, and 4 in Bahia, in addition to the international units. The operations with significant impacts are located in the states of Mato Grosso, Amazonas, Pará, and Rondônia. **SO2**

Through the various forums and initiatives for dialog, support, and debates in the production chain, reported throughout this publication, the company seeks to identify the positive and negative impacts of its activities. The close relationship, especially with local communities, is a value that the company has had since its foundation.

Concerning environmental impacts, the company identifies and analyzes aspects and impacts in all its units in Brazil as a procedure of the Environmental Management System (SGA). The analysis is conducted in the implementation and maintenance of the SGA whenever there is a change in processes, products, or services and acquisition of equipment, and before a new unit starts operating.

When any aspects are considered significant, the unit develops an Environmental Control Instruction (ICA in the Brazilian acronym) including the necessary operational controls. In case of an emergency situation, the unit develops an Individual Emergency Plan (PEI in the Brazilian acronym). Processes are managed by the Sustainability Department in all company units

For a more comprehensive analysis of its impacts, including social and economical aspects, AMAGGI prioritized the state of Mato Grosso, where most of its operation is located, and implemented the DialogAção project - a project aimed at promoting dialog with the communities, with panels, lectures, and workshops.

Since 2012, AMAGGI and the André and Lucia Maggi Foundation have organized conversation panels with local communities. In 2012 and 2013, the dialog was with NGOs from several municipalities in Mato Grosso that are partners of the Foundation, established through panels held in the company headquarters, in Cuiabá.

In 2014, the company went to three municipalities in the state, Cuiabá, Campo Novo dos Parecis, and Lucas do Rio Verde, meeting with local leaders (including Indigenous leaders), NGOs, government, local suppliers and the Academia, with the support of a consulting company. In all, 57 people participated.

The goal of DialogAção is to identify the opinion of participants about the most relevant topics related to AMAGGI's activities in the community in order to promote improvements in management and communication involving priority topics.

Based on the perception of the communities, the main positive impacts identified were the company's contribution to the creation of jobs and income, and to the positive impacts on the local economy; the company's role as a reference in the sector; the Foundation's work in the municipalities; the investment in local social and environmental projects; and responsible environmental management.

On the other hand, they pointed out the connection between agriculture and deforestation; the use of agrochemicals; the traffic of trucks in the cities; the use of genetically modified seeds; the joint responsibility in the production chain; and the lack of transparency and communication in local actions.

For 2015, the Sustainability department will involve key areas of the company, so that, through a commission, the department can evaluate the impacts identified through consultations as well as those identified internally, to develop an action plan.

The goal is for the commission to plan improvements in AMAGGI's work in terms of its internal processes and, in partnership with the Foundation, organize together with the communities ,a local agenda for development.

Initiatives with Transport Providers and Truckers

To mitigate the impacts of the traffic of trucks in the communities where it operates, AMAGGI develops several projects focused on this audience. In 2014, AMAGGI invested in waiting rooms in its units to avoid the traffic of truckers across the city. Some of these rooms are already operational, such as those in Nova Mutum, Matupá, and Santa Rita do Trivelato (all in MT). In that same year, AMAGGI also sponsored the Parada Legal (Friendly Stopover) project, a program by Rota do Oeste, the Odebrecht concessionaire for the construction work on Highway BR-163, which provided 25 activities in the areas of health, mechanics, education, and wellbeing in two service stations in Cuiabá, involving 1,209 truckers.

In 2015, the company plans an event with carriers and the implementation of the Responsible Trucker program, which includes training of employees who work directly with this audience, as well as dialog panels with truckers in three cities: Rondonópolis, Lucas do Rio Verde, and Campo Novo.

Contribution to Local Development and Positive Impacts on the Local Economy

Audiences that most frequently addressed this topic: executive board, employees, unit managers; communities, suppliers, and specialists.

Testimonials

"The fact that I work in an agribusiness company, a steadily-growing sector, has an impact on my personal relationship with the community where I live." [employee]

"AMAGGI has to take the lead to reduce the problems of social disparity in the regions where it operates." [industry specialist]

"It is important to have a social license to operate. We need to have a structured plan for the communities." [executive board]

The growth of AMAGGI and of the agribusiness sector in Mato Grosso led to the appearance and development of many cities. The company created jobs, favorably impacting the local economy. Currently, of the ten cities in the state with the highest Human Development Index (HDI), nine have their economies based on the soybean culture. However, the expansion also brought negative social and environmental impacts for the communities, such as the traffic of trucks in the cities, and air pollution.

In order to manage these impacts, AMAGGI planned its growth in a way that addresses the several aspects concerning the company's sustainability and, thus contributed to the development of these locations. In this context, the André and Lucia Maggi Foundation has an important role in the company's relationship with communities. Since 2013, when the Foundation reviewed its work fronts, the work has been more in line with AMAGGI's business strategy. A data survey was carried out in five municipalities in Mato Grosso - Campo Novo dos Parecis, Cuiabá, Lucas do Rio Verde, Querência, and Sapezal - and, based on this study, an action plan to be implemented in 2015 was established. **SO1, EC7**

The secondary data showed a view from a social and economic standpoint, based on information from IBGE (Brazilian Institute of Geography and Statistics) and the environmental impact reports (EIS/EIA), among others, analyzed based on four aspects: dynamics of the local economy and occupational framework, social and urban infrastructure, social-political organization, and infrastructure for leisure and culture. **SO1, EC7**

Primary data was collected in two phases: the first phase involved interviews and focal groups to understand the situation in the municipalities from the perspective of the residents. The second phase involved workshops with local individuals to validate with the community the framework developed, consolidating the results obtained to that point. In all, there were 26 interviews, 8 focal groups, and 7 workshops, with 220 participants in the 5 municipalities analyzed. The outcome of the diagnosis is available at http://fundacaoandreeluciamaggi.org.br/?post_type=biblioteca **SO1, EC7**

Another initiative of the Foundation is the DialogAção (*learn more in Impacts of activities in the communities where the company operates*). The debate generates a shared planning that includes the creation of projects and the financial support of the

Foundation.

The consultations conducted for the DialogAção enabled the company to identify that the major indirect economic impacts perceived by the community are the creation of jobs and income and the positive impacts on local economy. The following indicators show employability by region, age group and gender, in addition to information about the company's wage policies. **EC8**

In 2014 alone, the Foundation invested R\$3,074,052.92 in these locations. In addition to financing projects from social institutions - selected through public notices -, the Foundation funds its own projects and initiatives, with a total of 2,679 people directly supported. For 2015, the goal is to establish a local agenda for the development and mitigation of impacts. (learn more at <http://fundacaoandreeluciamaggi.org.br>) **EC7**

| SO1 – Percentage of development programs, impact assessments and engagement of local communities that include: | |
|--|------|
| Assessment of social impact, based on participative processes, including the evaluation of gender impact | 10% |
| Environmental impact assessments and continuous monitoring | 100% |
| Public disclosure of the social and environmental impact assessments | 100% |
| Community programs for local development based on the needs of local communities | 10% |
| Stakeholder engagement plan, based on the mapping of priority stakeholders | 30% |
| Committees or public (community) consultation groups, based on local communities and on processes that include vulnerable groups | 10% |
| Councils or occupational health and safety committees and other labor representation agencies to address impacts | 100% |
| Formal complaint processes or Ombudsman for the local community | 100% |

Hiring and Wages

AMAGGI does not have a formal policy in place for hiring people from local communities (municipality or region). Priority is given to the country where the unit is located. For 2015, the company plans to evaluate the restructuring of this procedure for a more regionalized practice. **G4-EC6**

In case of significant operational changes, the company informs employees in advance. The term is negotiated between the parties in the month of the baseline date, with the participation of unions. In addition, AMAGGI plans, in partnership with the André and Lucia Maggi Foundation, a project to structure, based on the dialog with the communities, the company's entrance, permanence and exit from municipalities. **G4-LA4**

AMAGGI's career and salary structure follows the Hay methodology (Hay Group Consulting), which adopts a score system for each function and salary levels for each position group level. Salary ranges are reviewed periodically. AMAGGI also conducts a salary survey to evaluate the competitiveness of salaries and benefits in relation to the market. **G4-52**

In 2014, all AMAGGI employees received more than a minimum wage. The lowest salary paid in the important operating units - those that together have 54% of the company's employees, was R\$724.00. The percentage ration between the lowest salary and the current minimum wage in these units is 5% (farms), and 12.5% (Cuiabá plant), and 20.5% (Lucas do Rio Verde plant). The calculation considers the lowest nominal wage paid divided by the current minimum wage (in 2014, the amount was R\$724.00)

Historically, the sector has high turnover of field employees due to the off-season

periods. In recent years, this period has been reduced due to a more regular second harvest, which makes it possible to keep seasonal employees. The company has been striving to reduce termination, but a large number of workers still opts for termination. The company is attentive to the topic and will make a decision based on how it develops. **G4-LA1**

Number and rate of new hires and employee turnover LA1

| Number of terminations by gender | 2014 | | | | |
|----------------------------------|-------------|------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| Male | 483 | 623 | 77 | 33 | 1,216 |
| Female | 140 | 48 | 25 | 9 | 222 |
| | 623 | 671 | 102 | 42 | 1,438 |

| Number of terminations by age group | 2014 | | | | |
|-------------------------------------|-------------|------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| Below 30 | 412 | 374 | 45 | 25 | 856 |
| Between 31 and 50 | 193 | 266 | 52 | 15 | 526 |
| Above 50 | 18 | 31 | 5 | 2 | 56 |
| | 623 | 671 | 102 | 42 | 1,438 |

| Number of terminations by region | 2014 | | | | |
|----------------------------------|-------------|------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| South | 2 | 0 | 0 | 0 | 2 |
| Southeast | 0 | 0 | 0 | 0 | 0 |
| Midwest | 540 | 671 | 0 | 42 | 1,253 |
| Northeast | 0 | 0 | 0 | 0 | 0 |
| North | 81 | 0 | 102 | 0 | 183 |
| | 623 | 671 | 102 | 42 | 1,438 |

| Turnover rate by gender (%) | 2014 | | | | |
|-----------------------------|-------------|-------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| Male | 0.76% | 0.89% | 0.21% | 0.96% | 2.82% |
| Female | 0.29% | 0.11% | 0.04% | 0.19% | 0.63% |

| Turnover rate by age group (%) | 2014 | | | | |
|--------------------------------|-------------|-------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| Below 30 | 0.46% | 0.41% | 0.08% | 0.49% | 1.44% |
| Between 30 and 50 | 0.54% | 0.48% | 0.14% | 0.60% | 1.76% |
| Above 50 | 0.05% | 0.11% | 0.03% | 0.06% | 0.25% |

| Turnover rate by region (%) | 2014 | | | | |
|-----------------------------|-------------|-------|------------|--------|--------|
| Business Unit | Commodities | Agro | Navigation | Energy | AMAGGI |
| South | 0.02% | 0.00% | 0.00% | 0.00% | 0.02% |
| Southeast | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Midwest | 0.88% | 1.00% | 0.00% | 1.15% | 3.03% |

| | | | | | |
|-----------|-------|-------|-------|-------|-------|
| Northeast | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| North | 0.15% | 0.00% | 0.25% | 0.00% | 0.40% |

Note: the company chose a new method to report this data; therefore historical data is not reported. After 2014, for the calculation of the turnover rate and the number of terminations, the company only considered the resignation/termination of fixed employees in 2014, excluding harvest and seasonal employees

(G4 EC5)

| Percentage between the lowest entry-level salary and the minimum wage* (2014) | | | | | | |
|---|--------|------------|-------------|--------|--------|------|
| | Energy | Navigation | Commodities | Agro | AMAGGI | (%) |
| Male | 875.56 | 760.18 | 781.10 | 860.00 | 760.18 | 4.8% |
| Female | 908.42 | 724.00 | 781.10 | 860.00 | 724.00 | 0% |

*According to the Brazilian legislation, the national minimum wage was R\$724.00 in 2014.

Management of industry, National and International Initiatives and Partnerships

G4-15, G4-16

Audiences that most frequently addressed this topic: directors, specialists, and institutional partners.

AMAGGI's partnerships and commitments are selected based on whether the initiative is aligned with the company's values and strategies. The goal is to disseminate these principles across the value chain and manage the positive and negative impacts of the sector in the required scale. In case of voluntary pacts, before making a new commitment, the company checks if it complies with at least 70% of the commitments and goals defined, even if partially.

Commitments

Global Compact - United Nations (UN)

Commitment by companies to adopt, in their business practices, fundamental and internationally accepted principles in the areas of human rights, labor relations, and the environment, as well as the fight against corruption. AMAGGI joined the Global Compact in 2009 (*learn more about the principles at www.pactoglobal.org.br*).

Corporate Principles for Food and Agriculture

AMAGGI participated in all phases of the project, along with 20 other global organizations from the private sector; and is the only Brazilian company invited to

participate in the development process. In 2014, the company started to coordinate the project in Brazil. The six principles are:

- to promote food safety, health and nutrition;
- to be environmentally responsible;
- to encourage good governance and responsibility;
- to promote access to and transfer of knowledge, abilities, and technology;
- to ensure economic feasibility and share values;
- to respect human rights, provide proper work conditions and help communities prosper.

National Pact for the Eradication of Bonded Labor

AMAGGI joined the pact on November 16, 2005 and committed to defending human rights and ban any type of bonded or slave labor in its production chain. AMAGGI is a founding member of the Institute of the National Pact for the Eradication of Bonded Labor (InPacto), launched in 2014 to strengthen, expand, and provide sustainability to actions carried out within the scope of the pact.

www.inpacto.org.br

Business Pact for Integrity Against Corruption

The pact aims to promote the engagement of companies against all forms of corruption and establish guidelines that regulate the relationship between organizations and the government. AMAGGI joined the pact on April 22, 2009.

Programa Empresa Amiga da Criança (Child-Friendly Company Program)

The program, created by the Abrinq Foundation, is aimed at mobilizing companies into social actions that benefit children and adolescents in Brazil. AMAGGI was awarded the Child-Friendly Company seal on April 24, 2009 .

www.fundabrinq.org.br

Millennium Development Goals

A set of eight macro-goals that must be achieved by signatory countries by 2015 through tangible actions developed by the government and society. AMAGGI supports the Millennium Goals and disseminates them to its employee.

www.objetivosdomilenio.org.br

Natural Capital Leadership Compact

In 2012, the company became a signatory to the Natural Capital Leadership Compact, created by the Cambridge University Sustainability Leadership Programme. Launched during the UN Conference Rio +20, the pact aims to achieve the mutual agreement of business leaders to value and maintain natural resources. AMAGGI and Natura were the only Brazilian business organizations included.

www.cpsl.cam.ac.uk

Corporate Pact Against the Sexual Exploitation of Children and Adolescents on Brazilian Highways.

Commitment made in 2014 with the *Na Mão Certa* program, organized by Childhood Brasil, an institution that is part of the World Childhood Foundation, an international organization dedicated to the promotion and defense of children's rights across the world. The program aims to mobilize companies and institutions to fight against sexual exploitation of children and adolescents in Brazilian highways.
www.namaocerta.org.br/

Industry and Sustainability Debates

To ensure AMAGGI's updating and positioning in priority agribusiness topics, the company participates in debates with several industries on topics such as deforestation, biodiversity, water, food safety, local development, and climate change. The company believes that dialogs and the exchange of ideas are essential to establish a strategic planning that considers the expectations of society and the market.

Institutional Partnerships

Sustainability Committee of the Brazilian Association of Vegetable Oil Industries (ABIOVE) – as a member of the committee, the purpose is to discuss and implement sustainability projects in association with member companies to ensure sustainability in soybean production.

Soy Workgroup (GTS in the Brazilian acronym) – Soy Moratorium – member of the GTS, formed by member companies of ABIOVE and the National Association of Grain Exporters (ANEC), by the Ministry of the Environment, by Banco do Brasil and by civil society organizations represented by Greenpeace. The Workgroup approved the moratorium for another year, in the end of 2014, aiming to improve the database and adherence to the Federal CAR to enable the government to establish good governance and inspection of the Forestry Code up to 2016. AMAGGI's position in the GTS was important for the decision to extend the Moratorium.

RTRS Board - Round Table on Responsible Soy – as a member, the company discusses and approves guidelines and tasks to develop the market for certified products, as well as improvements in the certification process.

Task Force Brazil RTRS – the Brazilian group at the RTRS conducts projects to develop the market and the certification process itself. For three years, AMAGGI has certified partner producers and, through the partnership with NGO **Aliança da Terra**, provided consulting work to adapt producers to the criteria demanded.

Earth Innovation Institute – an international reference in matters of food safety, protection of tropical forests and climate change. The objective of the partnership is to debate topics on territorial performance and zero net deforestation in order to advance this agenda.

Soja Plus (Soy Plus) – program organized by ABIOVE, the Association of Soy and Corn Producers of the State of Mato Grosso (APROSOJA) and the National Rural Apprenticeship Service (SENAR) that qualifies rural producers for free by distributing primers and promoting courses on occupational health and safety, adaptation of rural constructions, the new Forestry Code, in order to encourage sustainable production. The program was initiated in Mato Grosso and is now spread

across other production regions in the country. AMAGGI supports the project from the start, through ABIOVE.

The Nature Conservancy (TNC)– through the partnership with this NGO, AMAGGI funds the improvement of the environmental performance of rural producers from Mato Grosso. The main focus of the initiative is to strengthen the post-CAR (Environmental Rural Registry) agenda, with projects to recover the Permanent Conservation Areas (APPs) and the mapping of municipalities through the social and environmental registry.

Environmental Research Institute of the Amazon (IPAM)–AMAGGI has two partnerships with this NGO. The project Sustainable Territories in MT aims to develop local partnerships for the improvement of the social and environmental performance in the municipality of Querência (MT). In another front, the company annually develops projects for scientific research in the Tanguro Farm.

Brazilian Business Council for Sustainable Development (CEBDS)- AMAGGI participates in several thematic chambers, such as **CTClima, CTBio, CTÁgua and CTSocial**, aimed at promoting, in partnership with other companies, continuous improvement in management of emissions, biodiversity, water, and local development.

Sustainability Center of the Getulio Vargas Foundation (GVCes) - AMAGGI participates in the Companies for the Climate platform, of the Brazilian Group GHG Protocol. The company also contributed to the development of the **Agribusiness GHG Protocol, and was the first company to publish its inventory of emissions in compliance with predefined standards**. In 2014, AMAGGI also participated in the Trends in Ecosystem Services (**TeSE**) group to develop a methodology for the valuation of the ecosystemic services (learn more about the initiative in Impact of Activities on Deforestation); IDLocal, for the creation of corporate strategies and guidelines for local development; and Innovation and Sustainability in the Value Chain (ISCV).

The company also participates in the Black List Work Group, of the Ministry of Labor and Employment (MTE), and of IBAMA's Technical Group on Embargoes. The company also takes part of the Life Institute for analyses of certification in biodiversity.

AMAGGI is a member of OAB Mato Grosso's environmental committee, Mato Grosso State Council for Water Resources, and the Environment Thematic Council (CONTEMA) of the Federation of Industries of Mato Grosso (FIEMT).

Innovation

Audiences that most frequently addressed this topic: employees, institutional partners, specialists (industry studies), and suppliers.

Testimonial

“It is a reference in management of people, processes and innovation... it is a benchmark, a business case for our clients.” [supplier who took part in the panel conducted in Cuiabá]

In the last decades, the agribusiness sector has undergone major changes in terms of management model and technology. Today, the process of production and dissemination of innovation is a great challenge, since it involves different social and economic interests and goes beyond national borders in terms of climate change.

In the modernization process of the Brazilian agriculture, AMAGGI Agro became a national benchmark due to its model to manage the production of oilseeds. The company's restructuring of the management model and its investment in technology allowed for better corporate governance, optimizing the use of available resources, such as machines, agricultural inputs, and workforce, and causing less environmental impact as a consequence.

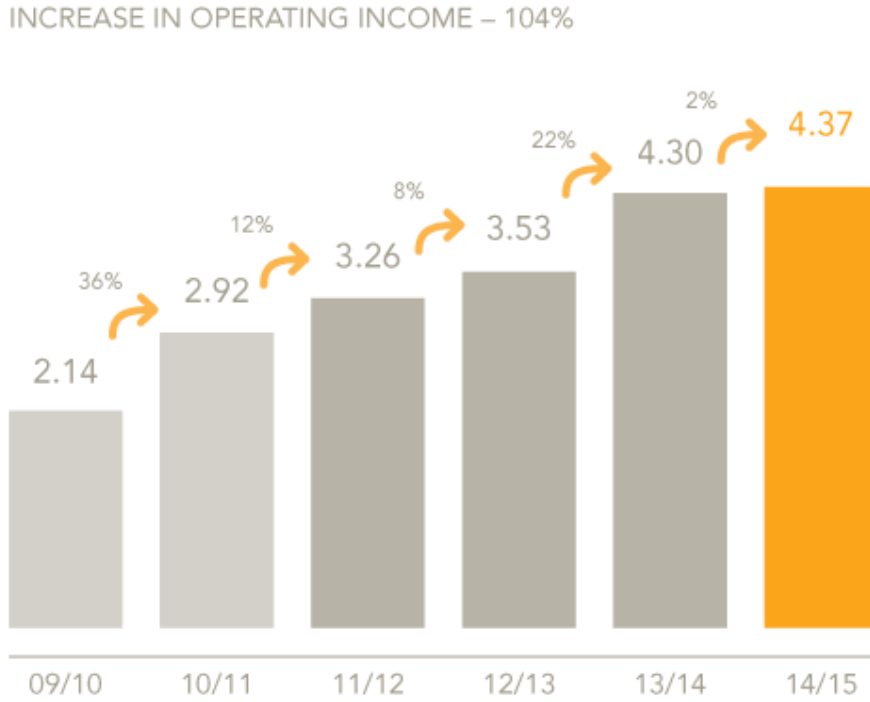
In order to consolidate the new structure, AMAGGI Agro has invested approximately R\$1.6 million in systems in the last eight years. For the past eight harvests, the company has relied on Geo Agrícola - a system developed in partnership with a technology company, and in the past three harvests, the company has been using tablets for the daily collection of field information. The system uses GPS and allows employees to register crop conditions and critical points. It is also possible to access maps of the farms, manuals, and documents with information about health and safety procedures and environmental matters.

One year ago, AMAGGI implemented a tool called AgroSIG (Geographical Information System), which allows for the analysis of the main performance indicators, combining information and spatial location. This system allowed for a more practical way to browse through the information, having the spatial location in great level of detail as a reference. In the field, the office, or in the headquarters, employees and managers have access to detailed content on each farm, which guides an increasingly assertive decision-making process, with more efficiency and less use of resources.

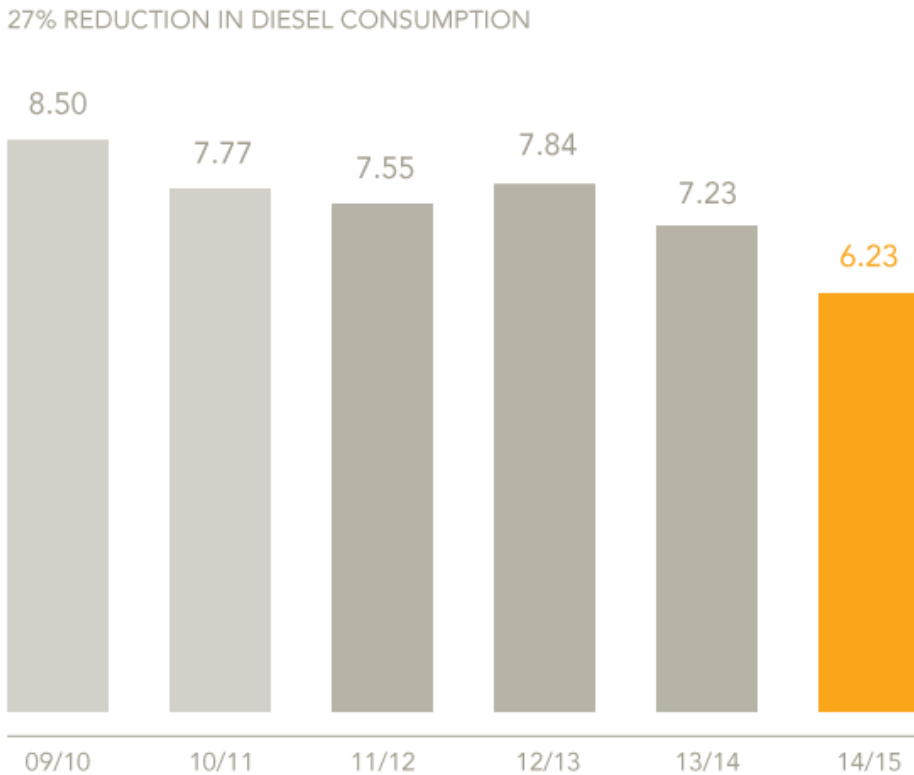
AMAGGI Agro has also invested more than US\$80 million in modal change in the last five years. New and more efficient machines mean improvement in operating performance and lower fuel consumption, which increases productivity, reduces costs and decreases environmental impact. In the last five harvests savings with fuel in the planting operation has reached 27%.

All initiatives developed and the restructuring of the governance model contribute to maintaining social and environmental certifications, such as the ISCC, which was only possible given the greater control of greenhouse gas emissions (*learn more in Certifications*).

Evolution of AMAGGI Agro's Operating Income (hectares/hour)



Evolution in fuel (Diesel) consumption in AMAGGI Agro's operation (liters per hectare)



Research on precision farming

The company invests in research on precision farming, in partnership with agricultural research institutes. The technology proved to be efficient to increase productivity, but the company is still investigating the impacts on production quality. Having implemented the technology in approximately 30% of the total agricultural production area, the company now analyzes its efficacy in the mitigation of environmental impacts.

For the future, AMAGGI Agro is investing in research on telemetry, which will allow for the automated measurement of machine performance. Today, this technology is used in mining and heavy construction sectors.

AMAGGI Agro's investment in technology and training in precision farming in the last three years, has totaled R\$160,000. The company's agricultural production practices are already recognized by the market and society and confirmed by its awards and certifications.

Innovations in logistics

The dynamic performance of production brought new challenges to the sector, such as logistic infrastructure. Eighteen years ago, in 1997, AMAGGI innovated with the implementation of a new alternative for the outflow of grain, with lower cost, greater efficiency, and less environmental impact, and launched the country's first river corridor in the Madeira River, North of Brazil.

In a new innovation phase, AMAGGI Navigation is investing in technology for the Madeira-Amazonas corridor and the new Tapajós corridor, both located in an Amazon forest region, expanding capacity and improving operating efficiency with less social and environmental impact.

In the Cuiabá Terminal Project, the company built a barge with a crane for the Itacoatiara Port, in the Madeira-Amazonas corridor, which carries grain directly from the barge to the ship through a cargo equipment that resembles a crane combined with a backhoe loader.

The crane-barge, which starts to operate in 2015, is an innovation that allows for the expansion of the terminal's capacity with no need for an area on land, thus preventing deforestation of areas in the Amazon region.

The company also designed and built more efficient pusher tugs with less social and environmental impact on the Tapajós corridor, in partnership with the company InterOcean. The pusher tugs have diesel-electric propulsion and use power generators that enable the best work conditions and reduce carbon emissions from 20 to 40%. It is the first pusher tug with these characteristics to be built and operated for inland navigation in Brazil.

AMAGGI Navigation also developed a new technology, in partnership with a Belgian company, to cover the grain barges. Traditionally, the grain was covered by tarp that needed to be tied by employees, who were then exposed to risks. Also, the tarp was less reliable in terms of keeping the moisture out. In 2014, the company started the process to cover the barges with automated aluminum covers, allowing for greater personnel safety and ideal sanitary conditions for the grain, with full water tightness. AMAGGI is the only company in Brazil to use this technology.

In the last three years, AMAGGI Navigation's investment in technology (assets) has totaled approximately US\$200 million.

Presence in the Market

Audiences that more often appointed the topics: executive board and specialists.

Testimonials

"The greatest challenge is to become a global company... we still lack a structured sale strategy for Asia and we are not originating in the United States." [executive board – CEO]

"AMAGGI has to be clear about the trade offs of expanding soy, showing the upside and downside of this expansion. There has to be a balance between negative environmental impacts and the creation of jobs." [specialist]

AMAGGI defines its strategic plan for growth based on its capacity to buy soy and corn. Its history, grounded on agricultural production and proximity with rural producers enables a strategy that is primarily focused on origination, then in buying markets.

Given the growing demand for grain in the world, at a time of expansion of the Brazilian agricultural production and with new possibilities for the outflow of product through the North of the country, the company believes in its capacity to establish a growth strategy in terms of volume that creates value for shareholders and stakeholders.

The following indicators show the evolution of AMAGGI's expansion plans.

1. Volume of origination and trading, in Brazil and abroad: **10,858 million tons**
2. Investment in assets

| INVESTMENTS (Million US\$) | 2011 | 2012 | 2013 | 2014 |
|-------------------------------|------|------|------|------|
| Commodities | 28.4 | 32.6 | 37 | 68.7 |
| Agro | 29.9 | 84.6 | 111 | 77.8 |
| Navigation | 25.8 | 24.2 | 24 | 88.7 |
| Energy | 85.6 | 87.6 | 37.5 | 2 |

3. Operational indicators
 - fixed capacity for storage of grain - 2014 - 2.52 million tons
 - elevation capacity - capacity of own ports (excluding TGG) - 2.8 million tons
 - logistic capacity - navigation capacity - 2.8 million tons

Based on volumes planned for trading, the other business areas annually decode the strategy, establishing the plans for the expansion of agricultural production, navigation logistics, and energy production.

AMAGGI Commodities is now the 13th largest exporter in the country, according to the ranking from the Ministry of Development, Industry and Foreign Trade. The company buys grain in Brazil, Argentina and Paraguay. It has sales offices in these three countries, as well as in the Netherlands and Switzerland, and a crushing plant in Norway.

The challenge for the future is to become an increasingly global company, originating in the largest grain producing markets, such as South America and the

United States, and trading in the European and Asian markets. The company plans a more structured operation for the Chinese market.

Growth with sustainability

In order to grow and generate value to all stakeholders, the strategies for the business areas are supported by the Financial-Administrative, Human Resources, Legal, and Sustainability Departments.

These departments plan the needs and opportunities for funding, personnel needs to support growth, and legal requirements to ensure operation in these new markets; furthermore, they plan responsible growth, optimizing positive social and environmental impacts and mitigating the negative effects.

The Sustainability Department designs its 2020 Vision with an action plan for each topic perceived as a priority for the business and society, such as the topics addressed in this report. The purpose is to provide sustainability for the projected growth and continuity of the company.

In 2014, AMAGGI had an annual revenue of US\$4.4 billion, very close to the result planned for the year.

| Value added statement - summary (in R\$) | 2012 | 2013 | 2014 |
|---|-----------|-----------|------------|
| 1. Revenue | 6,816,583 | 9,504,888 | 10,314,642 |
| 2. Inputs purchased from third parties | 5,653,144 | 8,002,244 | 9,383,838 |
| 3. Gross value added (1-2) | 1,163,439 | 1,502,644 | 930,804 |
| 4. Retentions | 76,378 | 86,811 | 90,405 |
| 5. Net value added produced by the organization (3-4) | 1,087,061 | 1,415,833 | 840,399 |
| 6. value added received in transfer | 237,990 | 363,390 | 463,293 |
| 7. Total value added for distribution (5+6) | 1,325,051 | 1,779,223 | 1,303,692 |

Nota para o design: inserir gráfico de pizza para cada ano da tabela abaixo.

| Value added statement (in R\$) | 2012 | 2013 | 2014 |
|---|--------|--------|--------|
| Shareholders (return on invested capital) | 3.58% | 2.48% | 0.95% |
| Employees (salary, benefits and payroll charges for employees) | 20.08% | 16.67% | 28.97% |
| Government (taxes, fees and contributions) | 17.85% | 28.82% | 14.69% |
| Retained income/losses in the period | 10.99% | 13.83% | 4.06% |
| Interest and lease (interest on third-party capital) | 47.50% | 38.19% | 51.33% |

About the Report

G4-17, G4-28, G4-33

This sustainability report presents a balance of AMAGGI's main activities developed in the company units in Brazil from January 1 to December 31, 2014.

The publication reports on the operations of the units in the Brazilian territory that are fully controlled by AMAGGI, including leased properties. It does not report on quantitative data for companies that are not fully controlled by AMAGGI, thereby excluding joint ventures and operations in other countries.

The eleventh annual report, and the seventh developed according to the guidelines of the Global Reporting Initiative (GRI), one of the world's references in corporate reports already in its G4 version and launched in 2013, consolidates information on 46 performance indicators associated with topics identified as priority. The application level adopted was the Essential level, since at least one indicator associated with the aspects defined as material is presented.

The annual report, combined with a set of future goals and objectives shows the company's advances in its sustainability practices associated with the business and its responsibility in the agribusiness chain.

There is also a set of data reported based on Ibase's Social Audit model.

The economic and financial indicators were determined according to the criteria established by the Brazilian accounting standards and are subsequently analyzed and validated by an independent external audit.

The social and environmental data, which cover both the administrative activities at company headquarters in Cuiabá (MT) and the activities developed by the various units and business areas, were consolidated without analysis and validation by external auditors. This measure, which has been planned for since 2013, is under study for implementation in the next cycle, since the adoption of GRI's G4 version required adjustments in the collection of indicators.

G4-18

In 2012, AMAGGI carried out its first materiality, anticipating the guidelines of GRI's G4 version. In 2013, the company created the Stakeholder Engagement Plan. One of its objectives is to improve the process to identify and define strategic topics developed in 2014 (*learn more in* Engagement and Materiality).

Based on the topics considered a priority by internal and external audiences, eleven topics were validated by AMAGGI's Executive Board, as show in the table below.

G4-19, G4-20, G4-21 e G4-27

| Material Topic | Aspect | G4 Indicator | Audience Related to the Topic |
|---|---------------------------|---------------------|--|
| Contribution to Local Development and Positive Impacts on the Local Economy | Presence in the market | G4-EC5 | Directors, employees, unit managers; communities, suppliers, and specialists |
| | | G4-EC6 | |
| | Indirect economic impacts | G4-EC7 | |
| | | G4-EC8 | |
| | Employment | G4-LA1 | |
| Labor relations | G4-LA4 | | |

| | | | |
|--|--|---------|---|
| | Local communities | G4-SO1 | |
| | | G4-SO2 | |
| Preservation of native forests in conservation areas, protected by the Forestry Code | Biodiversity | G4-EN11 | Directors, specialists, and institutional partners |
| | | G4-EN13 | |
| | Products and services | G4-EN27 | |
| | Transportation | G4-EN31 | |
| | Economic performance | G4-EC2 | |
| Accountability and transparency to society | Compliance | G4-EN29 | Directors, communities, specialists, sector studies and suppliers |
| | | G4-SO8 | |
| | | G4-PR9 | |
| | Mechanisms for grievances and complaints associated with environmental impacts | G4-EN34 | |
| | Mechanisms for grievances and complaints associated with labor practices | G4-LA16 | |
| | Non-discrimination | G4-HR3 | |
| | Mechanisms for grievances and complaints associated with human rights | G4-HR12 | |
| | Public policies | G4-SO6 | |
| | Unfair competition | G4-SO7 | |
| | Mechanisms for grievances and complaints associated with impacts on society | G4-SO11 | |
| | Labeling of products and services | G4-PR5 | |
| Support to rural producers | Internal indicators | | Directors, unit managers, specialists, and institutional partners |
| | Indirect economic impacts | G4-EC8 | |

| | | | |
|---|---|---------|---|
| Impacts of activities on deforestation | Economic performance | G4-EC2 | Directors, specialists, and institutional partners |
| | Biodiversity | G4-EN12 | |
| | Biodiversity | G4-EN11 | |
| | | G4-EN13 | |
| | Products and services | G4-EN27 | |
| Transportation | G4-EN31 | | |
| Management of water resources | Water | G4-EN8 | Directors, specialists, and sector studies |
| | | G4-EN9 | |
| | Effluents and waste | G4-EN10 | |
| | | G4-EN22 | |
| | Effluents and waste | G4-EN26 | |
| Transportation | G4-EN31 | | |
| Presence in the Market | Economic performance | G4-EC1 | Directors and specialists |
| | | G4-EC4 | |
| | Internal indicators | | |
| Management of industry, national and international initiatives and partnerships | Internal indicators | | Directors, specialists, institutional partners and sector studies |
| | Public policies | G4-SO6 | |
| Social and environmental criteria for evaluation of suppliers | Procurement practices | G4-EC9 | Directors, institutional partners and suppliers |
| | Environmental evaluation of suppliers | G4-EN32 | |
| | | G4-EN33 | |
| | Evaluation of suppliers on labor practices | G4-LA14 | |
| | | G4-LA15 | |
| | Investments | G4-HR1 | |
| | Freedom of association and right to collective bargaining | G4-HR4 | |
| | Child labor | G4-HR5 | |
| Bonded labor | G4-HR6 | | |

| | | | |
|---|---|---------|---|
| | Evaluation of suppliers on human rights | G4-HR10 | |
| | | G4-HR11 | |
| | Evaluation of suppliers on impacts on society | G4-SO9 | |
| | | G4-SO10 | |
| | | | |
| Impacts of the activities on communities where the company operates | Local communities | G4-SO2 | |
| | Environmental evaluation of suppliers | G4-EN33 | |
| | Evaluation of suppliers on labor practices | G4-LA15 | |
| | Evaluation of suppliers on human rights | G4-HR11 | |
| | Evaluation of suppliers on impacts on society | G4-SO9 | |
| | Evaluation of suppliers on impacts on society | G4-SO10 | |
| | | | |
| Innovation | Internal indicators | | Employees, institutional partners, sector studies and suppliers |

Comparability with the content of the previous report (2013) is ensured, since changes and eventual corrections are duly highlighted, when necessary, in different passages throughout the text or in explanatory notes.

Two important institutional commitments with which AMAGGI engaged in 2009 (Global Compact and Millennium Development Goals) continue to stand out throughout the report, with the respective correlation of topics covered by the two global initiatives, which is presented in the beginning of each section..

The same procedure is adopted with GRI's performance items and indicators for their easy identification and to facilitate reading.

The report has an online version and an abridged version, which will be widely disseminated to priority audiences, as established in the communication plan (*learn more in Accountability and Transparency to Society*).

Annexes

G4-7

The companies that comprise AMAGGI are: André Maggi Participações S.A. (legal nature: closed capital corporation /CNPJ: 04.786.144/0001-76), AMAGGI Exportação e Importação Ltda. (legal nature: limited liability company / CNPJ: 77.294.254/0001-94), AMAGGI International Ltda., Agropecuária Maggi Ltda. (legal nature: limited liability company / CNPJ: 00.315.457/0001-95), AMAGGI Argentina S.A., Hermosa Navegação da Amazônia S.A. (legal nature: closed capital corporation /CNPJ: 84.590.892/0001-18), Maggi Energia S.A. (legal nature: closed capital corporation/CNPJ: 03.908.754/0001-32) and Agro Sam Agricultura e Pecuária Ltda. (legal nature: limited liability company / CNPJ:

Grievances, complaints, fines and cases of noncompliance recorded in 2014

There were no significant fines in 2014. Significant fines are fines that, individually or in aggregate, if applied on the same matter, reach at least 1% (one percent) of the company's revenue, and cumulatively, whose defenses and administrative and/or judicial appeals are final. **EN29, SO8**

AMAGGI was not assessed significant fines or non-monetary sanctions in 2014. Also, there were no lawsuits by arbitration mechanisms against the company. In that year, we continued with the actions to comply with the *Termo de Ajustamento de Conduta* - TAC (an agreement between a private company and the Public Attorney's Office to committing to act pursuant to the law) that aim to recover degraded Permanent Conservation Areas, in compliance with one of the phases of the *MT Legal Program*, to which AMAGGI voluntarily adhered. **EN29**

Also there have been no lawsuits or sanctions related to environmental impacts in the last three years. The company received four complaints about environmental impacts, all of which were duly addressed. There are no solutions pending related to the previous year. **EN29, EN34, SO11**

With respect to labor claims, an incident occurred during the work in the Matupá warehouse that was identified by the Occupational Health and Safety department, causing the stoppage of work until the occupational health and safety items were regularized. **LA16**

For cases of discrimination and impact on human rights, both internally and externally, the company had no conclusive findings in 2014. The cases identified through the Ethics and Conduct Committee are investigated twice a year, and the process is not disclosed until a final opinion is issued. **HR3, HR12**

In 2014, there were no incidents of administrative or judicial sanctions for noncompliance with regulations regarding the provision and use of products and services, and there are no pending lawsuits, ongoing or otherwise, for unfair competition, trust and monopoly practices. **PR9, SO7**

In 2014, AMAGGI received R\$33,775,410 in tax incentives.

Awards and Recognition

AMAGGI entered for the first time in the *Época 360°* business yearbook, and in the area of HR Practices, the company ranked first.

Época 360°

AMAGGI participated for the first time in the *Época Negócios 360°* business yearbook. The following areas are considered in the evaluation: Financial Performance, Corporate Governance, Capacity to Innovate, Social and Environmental Responsibility, HR Practices, and Vision of the Future. The company ranked 80th among the 250 best companies evaluated according to the 360° criteria. In the Agribusiness category, the company ranked fourth in the overall ranking, and first in HR Practices.

Exame Magazine Sustainability Guide

For the second consecutive year, AMAGGI has been listed among the most sustainable companies in Brazil, according to the yearbook. The *Exame Magazine Sustainability Guide* lists the 61 most sustainable companies on social and environmental practices, divided into 19 industry segments and highlights in ten categories. The publication pointed out the fact that AMMAGI was the first agribusiness company to adopt the GHG Agriculture Protocol to calculate greenhouse gas emissions, associated with the carbon footprint.

Valor 1000 Yearbook

AMAGGI advanced 15 positions in the ranking of the *Valor 1000 Yearbook*, which ranks the 1,000 largest companies in Brazil, and now ranks **54th** overall. It is the only national capital company in the agribusiness sector among the 60 largest in the ranking. AMAGGI also ranks 7th in net income in the Food Industry by annual revenue.

Melhores e Maiores Exame Magazine

AMAGGI Commodities advanced 20 positions among the 500 largest Brazilian companies in Sales, in the new edition of the magazine. According to this edition, the US\$3 billion in net sales was 26% higher when compared with the previous year. AMAGGI Commodities advanced two positions in the ranking of Best in Agribusiness when compared with last year, and now ranks 10th.

Globo Rural – 1000 Largest Companies in Brazil

AMAGGI went from 15th to 12th among the 500 largest companies by net revenue in the tenth agribusiness yearbook of *Globo Rural Magazine – 1000 Largest Companies in Brazil*. In *Dinheiro Rural - The Best Agribusiness Companies in 2014* guide, the company ranked 12th overall and first in the grain segment, highlighting its investment in infrastructure. In the last edition of *Melhores da Dinheiro – 1,000 Largest Companies in Brazil*, the company ranked 72nd overall and 2nd in the agribusiness sector.

Remissive index

| OVERALL CONTENT | | | | |
|-------------------------------|--|--------------------------|---------------------------|-----------------|
| Aspect | Description | Page/Answer | External assurance | Omission |
| Strategy and analysis | G4-1 Message from president | Our businesses | | |
| | G4-2 Description of key impacts, risks and opportunities | Our businesses | | |
| Organizational profile | G4-3 Name of organization | Profile | | |
| | G4-4 Primary brands, products, and services | Businesses areas | | |
| | G4-5 Location of organization's headquarters | Our businesses | | |
| | G4-6 Countries where the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report | Our businesses | | |
| | G4-7 Nature of ownership and legal form | Profile | | |
| | G4-8 Markets served | Our businesses | | |
| | G4-9 Scale of organization | Profile | | |
| | G4-10 Employee profile | Internal Audience | | |
| | G4-11 Percentage of employees covered by collective bargaining agreements | Internal Audience | | |
| | G4-12 Description of organization's supply chain | Supply Chain Description | | |
| | G4-13 Significant changes in organization's size, structure, ownership and supply chain | Profile | | |
| | G4-14 Description of how the precautionary approach or principle is addressed by the | Risk Management | | |

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|---|--|--|--|--|
| | organization | | | |
| | G4-15 Charters, principles or other externally developed initiatives | Management of National and International Industry Initiatives and Partnerships | | |
| | G4-16 Membership of associations and national or international advocacy organizations | Management of National and International Industry Initiatives and Partnerships | | |
| Material aspects identified and boundaries | G4-17 Entities included in the consolidated financial statements and entities not covered by the report | About the report | | |
| | G4-18 Process for defining the report content | About the report | | |
| | G4-19 List of material aspects | About the report | | |
| | G4-20 Boundary, within organization, for each material aspect | About the report | | |
| | G4-21 Boundary, outside organization, for each material aspect | About the report | | |
| | G4-22 Restatement of information provided in previous reports | There were no re-statements of information provided in comparison with earlier reports | | |
| | G4-23 Significant changes in scope and boundaries of material aspects compared with previous reports | The set of indicators contained in this report differs from the previous version due to the new materiality matrix, which redefined the items to be reported. The correlation between the material topics and the indicators can be seen in the section About the Report. In addition to the change of scope of the aspects and indicators, there were NO significant changes in relation to previous reports. | | |
| Stakeholder engagement | G4-24 List of stakeholder groups engaged by the organization | About the report | | |
| | G4-25 Basis for identification and selection of | Engagement and Materiality | | |

| | | | | |
|-----------------------|---|--|--|--|
| | stakeholders with whom to engage | | | |
| | G4-26 Approach to stakeholder engagement | Engagement and Materiality | | |
| | G4-27 Key topics and concerns raised through stakeholder engagement, by stakeholder group | Engagement and Materiality | | |
| Report profile | G4-28 Reporting period | About the report | | |
| | G4-29 Date of most recent previous report | About the report | | |
| | G4-30 Reporting cycle | About the report | | |
| | G4-31 Point of contact for questions regarding the report or its content | sustentabilidade@amaggi.com.br e comunicacao@amaggi.com.br | | |
| | G4-32 Option of application of guidelines and location of GRI table | GRI Index | | |
| | G4-33 Policy and current practice with regard to seeking external assurance for the report | About the report | | |
| Governance | G4-34 Governance structure in the organization | Governance structure | | |
| | G4-35 Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees | Governance structure | | |
| | G4-36 Executive level positions with responsibility for economic, environmental and social topics | Governance structure | | |
| | G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics | Risk Management | | |
| | G4-38 Composition of the highest governance body and its committees | Governance structure | | |
| | G4-39 Chair of the highest governance | Governance structure | | |

| | | | | |
|--|--|--|--|--|
| | body | | | |
| | G4-40 Nomination and selection processes and criteria for the highest governance body and its committees | Governance structure | | |
| | G4-41 Processes for avoiding and managing conflicts of interest | Risk Management | | |
| | G4-42 Role of highest governance body and executives in development of impact management policies and targets | Senior Management Commitment to Sustainability | | |
| | G4-43 Measures taken to enhance highest governance body's knowledge of economic, environmental and social topics | Senior Management Commitment to Sustainability | | |
| | G4-44 Performance self-assessment processes for highest governance body | Risk Management | | |
| | G4-45 Responsibility for implementation of economic, environmental and social policies | Senior Management Commitment to Sustainability | | |
| | G4-46 Role of governance in analysis of effectiveness of organization's risk management processes for economic, environmental and social topics | Risk Management | | |
| | G4-47 Frequency with which highest governance body reviews impacts, risks and opportunities | Governance structure | | |
| | G4-48 The highest position responsible for formally approving the sustainability report and ensuring all material aspects are covered | Engagement and Materiality | | |
| | G4-49 Process adopted for communicating critical concerns to the highest governance body | Risk Management | | |
| | G4-50 Nature and total number of critical | Risk Management | | |

| | | | | |
|-----------------------------|---|---|--|---------------------------------------|
| | concerns communicated to the highest governance body and the mechanisms used to address them | | | |
| | G4-51 Relationship between remuneration and organizational performance, including social and environmental aspects | Governance structure | | |
| | G4-52 Involvement of internal or independent consultants in determining remuneration | Contribution to Local Development and Positive Impacts on the Local Economy | | |
| | G4-53 Consultation of stakeholders about remuneration and its application to organizational policies | Contribution to Local Development and Positive Impacts on the Local Economy | | |
| | G4-54 Ratio of highest salary to general median in the organization, by country | | | Strategic information for the company |
| | G4-55 Ratio of proportional increase in highest salary to median increase in the organization, by country | | | Strategic information for the company |
| Ethics and integrity | G4-56 Values, principles, standards and norms of behavior in the organization | Mission, vision and values | | |
| | G4-57 Internal and external mechanisms for guidance on ethical behavior and compliance | Risk Management | | |
| | G4-58 Internal and external mechanisms for communicating concerns about unethical conduct | Risk Management | | |

| SPECIFIC CONTENT | | | | |
|----------------------|---|-----------------|--------------------|----------|
| Economic category | | | | |
| Aspect | Description | Page/Answer | External assurance | Omission |
| Economic performance | G4-DMA <i>Management approach</i> | Market presence | no | |

| | | | | |
|----------------------------------|--|---|-----|--|
| | G4-EC1 Direct economic value generated and distributed | Market presence | yes | |
| | G4-EC2 Financial implications and other risks and opportunities for organization's activities due to climate change | Preservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | no | |
| | G4-EC4 Significant financial help received from government | Annexes | yes | |
| Market presence | G4-DMA <i>Management approach</i> | Contribution to Local Development and Positive Impacts on the Local Economy | no | |
| | G4-EC5 Ratio of lowest salary in organization to local minimum wage, by gender | Contribution to Local Development and Positive Impacts on the Local Economy | no | |
| | G4-EC6 Local hiring | Contribution to Local Development and Positive Impacts on the Local Economy | no | |
| Indirect economic impacts | G4-DMA <i>Management approach</i> | Contribution to Local Development and Positive Impacts on the Local Economy | no | |
| | G4-EC7 Impact of infrastructure investments offered for public benefit | Contribution to Local Development and Positive Impacts on the Local Economy | no | |
| | G4-EC8 Description of significant indirect economic impacts | Contribution to Local Development and Positive Impacts on the Local Economy Support to Rural Producers | No | |
| Procurement practices | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | No | |
| | G4-EC9 Policies, practices and proportion of spending on local suppliers | Social and Environmental Criteria for Evaluation of Suppliers | No | |

Environmental category

| Aspect | Description | Page/Answer | External assurance | Omission |
|--------------|--|------------------|--------------------|----------|
| Water | G4-DMA <i>Management approach</i> | Water management | No | |
| | G4-EN8 Total water withdrawal by source | Water management | no | |
| | G4-EN9 Water sources significantly | Water management | no | |

| | | | | |
|------------------------------|--|---|----|--|
| | affected by water withdrawal | | | |
| | G4-EN10 Percentage and total volume of water recycled and reused | Water management | no | |
| Biodiversity | G4-DMA <i>Management approach</i> | Preservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | no | |
| | G4-EN11 Location and size of areas owned | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | no | |
| | G4-EN12 Significant impacts of activities, products and services on biodiversity | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | no | |
| | G4-EN13 Habitats protected or restored | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | no | |
| Effluents and waste | G4-DMA <i>Management approach</i> | Water management | no | |
| | G4-EN22 Total water discharge by quality and destination | Water management | no | |
| | G4-EN26 Protection and biodiversity rate of water bodies and habitats | Water management | no | |
| Products and services | G4-DMA <i>Management approach</i> | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation Water management | no | |
| | G4-EN27 Initiatives to mitigate environmental impacts | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation Water management | no | |
| Conformity | G4-DMA <i>Management approach</i> | Compliance with the Legislation | no | |
| | G4-EN29 Monetary value of fines and total number of | Annexes | no | |

| | | | | |
|---|--|---|----|--|
| | sanctions for non-compliance with laws | | | |
| General | G4-DMA <i>Management approach</i> | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | No | |
| | G4-EN31 Total environmental protection expenditures and investments | Reservation of Native Forests in Conservation Areas and Impact of Activities on Deforestation | No | |
| Supplier environmental assessment | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | No | |
| | G4-EN32 Percentage of new suppliers screened using environmental criteria | Social and Environmental Criteria for Evaluation of Suppliers | No | |
| | G4-EN33 Significant actual and potential negative environmental impacts in supplier chain | Social and Environmental Criteria for Evaluation of Suppliers | No | |
| Environmental grievance mechanisms | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-EN34 Number of grievances and complaints about environmental impacts | Annexes | No | |

Social category – labor practices and decent work

| Aspect | Description | Page/Answer | External assurance | Omission |
|------------------------|--|---|--------------------|----------|
| Employment | G4-DMA <i>Management approach</i> | Contribution to Local Development and Positive Impacts on the Local Economy | No | |
| | G4-LA1 Total number and rates of new employee hires and employee turnover | Contribution to Local Development and Positive Impacts on the Local Economy | No | |
| Labor relations | G4-DMA <i>Management approach</i> | Contribution to Local Development and Positive Impacts on the Local Economy | No | |
| | G4-LA4 Minimum notice periods regarding operational changes | Contribution to Local Development and Positive Impacts on the Local Economy | No | |
| Training and | G4-DMA | Training and | No | |

| | | | | |
|---|---|---|---------------------------|-----------------|
| education | <i>Management approach</i> | education | | |
| | G4-LA9 Average hours training per year | Training and education | No | |
| Screening of supplier labor practices | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-LA14 Percentage of new suppliers screened using labor practice criteria | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Labor practices grievance mechanisms | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-LA16 Number of grievances about labor practices filed through formal mechanism | Annexes | no | |
| Social category – human rights | | | | |
| Aspect | Description | Page/Answer | External assurance | Omission |
| Investments | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-HR1 Significant investment agreements and contracts that include human rights clauses | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Non-discrimination | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-HR3 Total number of incidents of discrimination and corrective measures taken | Annexes | no | |
| Freedom of association and collective bargaining | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-HR4 Degree of application of right to free association and operations and suppliers identified as at risk | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Child labor | G4-DMA <i>Management</i> | Social and Environmental Criteria for Evaluation | no | |

| | | | | |
|--|---|---|---------------------------|-----------------|
| | <i>approach</i> | of Suppliers | | |
| | G4-HR5 Operations and suppliers identified as presenting significant risk of incidents of child labor and measures taken | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Forced or slave labor | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-HR6 Operações e fornecedores identificados com risco de trabalho forçado ou análogo ao escravo e medidas tomadas | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Supplier human rights assessment | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-HR10 Percentage of new suppliers screened using human rights criteria | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and measures taken | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Human rights grievance mechanisms | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-HR12 Number of grievances about human rights impacts filed, addressed and resolved | Annexes | no | |
| Social category – society | | | | |
| Aspect | Description | Page/Answer | External assurance | Omission |
| Local communities | G4-DMA <i>Management approach</i> | Contribution to Local Development and Positive Impacts on the Local Economy Impacts of the Business on Local Communities | no | |
| | G4-SO1 Percentage of operations with implemented local community | Contribution to Local Development and Positive Impacts on the Local Economy | no | |

| | | | | |
|--|---|---|---------------------------|-----------------|
| | engagement, impact assessment and development programs | | | |
| | G4-SO2 Operations with significant actual and potential negative impacts on local communities | Impacts of the Business on Local Communities | no | |
| Anticompetitive behavior | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-SO7 Total number of legal actions for anti-competitive behavior | Annexes | no | |
| Conformity | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions | Annexes | no | |
| Supplier assessment for impacts on society | G4-DMA <i>Management approach</i> | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-SO9 Percentage of new suppliers screened using criteria for impacts on society | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| | G4-SO10 Significant actual or potential negative impacts of supply chain on society and measures taken | Social and Environmental Criteria for Evaluation of Suppliers | no | |
| Grievance mechanisms for impacts on society | G4-DMA <i>Management approach</i> | Annexes | no | |
| | G4-SO11 Grievances about impacts on society filed, addressed and resolved through formal mechanisms | Annexes | no | |
| Social category – product responsibility | | | | |
| Aspect | Description | Page/Answer | External assurance | Omission |
| Customer health and safety | G4-DMA <i>Management approach</i> | Accountability and Transparency to Society | no | |
| | G4-PR5 Results of surveys measuring customer satisfaction | Accountability and Transparency to Society | no | |

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|-------------------|---|---------------------------------|----|--|
| Compliance | G4-DMA <i>Management approach</i> | Compliance with the Legislation | no | |
| | G4-PR9 Fines for non-compliance regarding the provision and use of products and services | Annexes | no | |

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Gotcha Idiomas!
