

# SUSTAINABILITY REPORT

2020



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# Emerging Topics

## Pandemic

The coronavirus pandemic led, in roundabout ways, to a greater commitment from the entire Agribrasil team. Besides uniting people, even more, the solidarity the situation has shown that a conscientious team can not only help feed the world, but also be a protagonist of relevant social actions.

In 2020, the Company distributed 20 thousand masks and 8 thousand liters of hand sanitizer in the Port of Santos, supported the realization of PCR exams, seeking to foster engagement, to share knowledge in the fight against the disease that threatens us all.

At this stage, the protocols established by the Government and the World Health Organization were strictly followed, installing partitions in the São Paulo office, wi-fi in the homes of employees who needed it, as well as renting space for others, so that the social distance was respected.

In the midst of the health challenge, the team also grew to meet the demand during the year. Challenges were overcome safely, preserving the lives of all.

## Compliance

GRI 413-1

Contracts signed with suppliers, customers, employees, and partners, in general, obey objective compliance criteria, offering legal security to sellers and buyers.

The Company has the transparency in its corporate purpose and respect for commercial laws as an intrinsic part of its business, both nationally and internationally. Similar approaches are taken concerning labor laws and the entire environmental framework (see topic Soy Moratorium), observing the best practices.

The purchase of corn and soybeans in the state of Mato Grosso, a region bordering the Amazon, is an example of ethical and legal care. There are two regional offices (in Sorriso and Canarana) in Mato Grosso itself, commanding operations with special attention to compliance with the Soy Moratorium.

No separate policy was created for the General Law of Data Protection (LGPD), as the compliance policy and the Code of Ethics and Conduct have been sufficient to ensure the protection of the data that pass through the organization.

## Sustainable Logistics

It is important to point out that the growth in demand, and the internal teams, in no way altered the logistics process and operation, which are anchored in sustainability. Within this principle, there is a guarantee of the purchase of soybeans and corn in legal areas of cultivation.

An experienced field team makes the first analysis of the product, and its respective planting area, ensuring that the grains are sustainable - from cultivation to harvest. Since July, Agrottools' service was added to this process, allowing the monitoring of the planting area, via satellite.




Additionally, the grain producer signs a contract making himself legally responsible for the origin of the product.

With sustainability and efficiency permanently on the radar, Agribrasil transports more than 80% of its grains (see

chart below) by waterways and railways. Highways are necessary, in some stretches and situations, but they represent less than 20% of the total haulage and are replaced whenever possible since a train wagon (for example) emits seven fewer Greenhouse Gases (GHGs) than a truck.

From the grain producer to the vessel, there will always be a shorter and more efficient path. For this reason, the most used export corridors are those of the ports of Barcarena (PA) and Santos (SP), which together account for 85% of Agribrasil's cargo handling. The remaining 15% are moved through São Francisco do Sul (SC) and Paranaguá (PR).

The truck fleet is outsourced, as well as barges (Hidroviás do Brasil) and freight trains (Rumo), through commercial partnership contracts.

	Waterways 	Railways 	Highways 
CO <sub>2</sub> Emission *	20	23	101
Brazilian cargo transport matrix	5%	15%	65%
Agribrasil cargo transport matrix **	50%	32%	18%

\* gCO<sub>2</sub> / ntkm  
 \*\* Volume of tons (%)

# How to read this report

GRI 102-46, GRI 102-50, GRI 102-52, GRI 102-53, GRI 102-54

Agribrasil presents the 2020 Sustainability Report. In it, the Company shares with its stakeholders key information related to social, environmental, and governance aspects.

The content also considered the Sustainable Development Goals, reflecting progress in articulation between one of the main international commitments and sustainability management.

This publication was structured along three strategic axes so that the reader can follow what and how the Company has dealt with the issues, improving governance and, management. We have sized up four major matters that can be observed throughout the reading:

**Governance and Management** - We address, besides governance structure, the economic contents from the financial data contained in your Financial Statements, characterizing the means to achieve a return on investments. Actions to fight climate change, ethics, and transparency, market presence, procurement practices,

social and environmental impacts, are also cited.

**Relationship with Stakeholders** - We implement the processes and practices of action along with the stakeholders. Addressing the issue is a value shared with society. We seek to show efforts of dissemination of policies and strategies for awareness and adoption of good practices along with our employees, suppliers, community, producers, and other players in the value chain.

**Sustainable Agriculture** - There is an expectation of strong action from the Company, meeting stakeholders' demand for information. The development of sustainable agriculture requires engagement with all actors in its chain: producers, trading companies, agri-food industries, retailers, customers, financial institutions, civil society, and the government. In this topic, we try to highlight the Company's strategic actions, as well as the evaluation of suppliers, impacts on the chain, responsible purchasing, multimodal logistics, traceability, and product safety.

These axes encompass relevant strategic issues and the paths taken by the company and will be expanded in 2021. It is important to point out that these matters were based on an in-depth discussion with Agribrasil's main executives and, subsequently, tested in an online consultation. Each of these will be discussed below, confirming in practice their relationship with the materiality matrix. We also included information about the organization's profile, a message from the president (Letter from the CEO), and other information about business value.

The information contained in this report refers to the activities of Agribrasil in Brazil, over which the company has full control. The data was collected from January 1 to December 31, 2020, and the document was prepared following the GRI standards in the essential option, in the format guided by the Integrated Reporting guidelines.

Comments, suggestions, questions, or criticism can be forwarded to the email [contato@agribrasil.net](mailto:contato@agribrasil.net).



# Materiality and Engagement

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47

Agribrasil is in the first edition of its Sustainability Report. This process, a commitment in the sustainability area, was organized into four stages: identification of issues relevant to the business, prioritization of relevant issues, analysis, and validation.

This first cycle of Company materiality, carried out in 2020, counted on the participation of the Executive Board, employees, suppliers and customers. The methodology applied consisted of consulting stakeholders through online questionnaires.

Since this is a new development, in this operation we had a significant number of internal collaborators, but as far as external stakeholders are concerned, the adhesion was modest. We believe that next year the scenario will be different and the number of accesses will be more significant. Further on, the topic of stakeholder engagement will be detailed. We will point out the topics and their respective related matters that resulted from the materiality process.

The following table highlights 7 matters that were considered material in this first cycle. In 2021, the materiality review will be carried out for the three subsequent years, increasing the proximity of the effective dialogue with Agribrasil's stakeholders.

## Materiality Matrix



Besides guiding Agribrasil's Sustainability Report, the materiality results are also used to review documentation and internal processes related to ESG strategies (Environmental, Social and Governance), having significant value in the implementation of stakeholder management and strategic sustainability planning for the coming years.

## Stakeholder Engagement

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-47

Agribrasil's ESG strategy is based on its institutional purpose, mission, vision, and core values interpreted by business strategies, policies, mapping of impacts, risks and opportunities, as well as the materiality of the topics demanded by stakeholders.

In this sense, the results of the consultation with the related publics are used to guide the entire vision of the strategic scenario and how to engage the stakeholders. This document presents the company's action to perform its first materiality, seeking the target audience, objectives, goals, evaluation indicators, and monitoring of results, according to the guidelines of the Global Reporting Initiative (GRI).

In the Agribrasil materiality process, it were initially identified the current and desired level of engagement, per public. The Sustainability area evaluated the process, which enabled the identification of possible issues and aspects related to the concerns and expectations of the public consulted.

In 2021 Agribrasil will continue to implement

stakeholder engagement, with remote consultation actions and engaging dialogues, through workshops on recurrent subjects of sustainable development. The work was carried out in partnership with a consulting firm specialized in communication. It started in a workshop format and aimed to increase the engagement of employees and renew institutional values, including strategic matters for the Company's sustainability.

In the online survey applied, 100% of the respondents stated that the topics of Sustainable Agriculture, Sustainable Logistics, Traceability of Origin and Chain are relevant, followed by Environmental Impact and Relationship with Suppliers and Producers. See in the table below the complete range of issues and aspects resulting from the online survey, including the respective GRI indicators.

The survey format did not interfere with the quality of the replies, indicating quality content delivery in all questions raised. It follows:

ESG Axis	Material Topics (GRI 102-47)	Aspects / Indicator / Management Approach	Concerns Raised by Stakeholders (GRI 102-44)
Governance and performance	Economic Performance	<b>GRI 201-1</b> Direct economic value generated and distributed <b>GRI 201-2</b> Financial implications and other risks and opportunities due to climate change.	Transparency and accountability
	Taxes	<b>GRI 207-2</b> Tax governance, control, and risk management	Transparency and accountability
	Purchasing Practices	<b>GRI 204-1</b> Proportion of spending on local suppliers	Transparency and accountability
	Ethics and Integrity	<b>GRI 205-2</b> Communication and training about anti-corruption policies and procedures	Business Ethics
	Environmental Impact	<b>GRI 304-2</b> Significant impacts of activities, products, and services on biodiversity <b>GRI 307-1</b> Non-compliance with environmental laws and regulations	Licensing processes and compliance with environmental laws and regulations Conservation and restoration of biodiversity Atmospheric emissions and air quality impacts Efficiency and optimization in the use of natural resources in the production process
People and relationships	Suppliers	<b>GRI 308-1</b> New suppliers that were screened using environmental criteria <b>GRI 414-1</b> New suppliers that were screened using social criteria <b>GRI 414-2</b> Negative social impacts in the supply chain and actions taken	Alignment of internal policy and social and environmental demands in the supply chain
	Work environment	<b>GRI 401-1</b> New employee hires and employee turnover <b>GRI 401-2</b> Benefits provided to full-time employees <b>GRI 403-1</b> Occupational health and safety management system <b>GRI 403-2</b> Hazard identification, risk assessment, and incident investigation <b>GRI 405-2</b> Ratio of basic salary and remuneration of women to men	Company management mechanisms to ensure everyone's safety in operations and promote healthy habits among employees and third parties, with a focus on well-being and disease prevention Management model to promote decent working conditions and human capital development to meet the trends of digitalization and diversity for work in the future
	Community	<b>GRI 413-1</b> Operations with local community engagement, impact assessments, and development programs <b>GRI 416-1</b> Assessment of the health and safety impacts of product and service categories <b>GRI 416-2</b> Incidents of non-compliance concerning the health and safety impacts of products and services	Community and Social Investment Systemic approach to the relationship with the communities within the operating territories for the mitigation of negative impacts and promotion of sustainable development Alignment of discourse and practices, decision-making, impact management, and corporate culture with voluntary commitments that go beyond legal obligations in favor of sustainable development Compliance with laws and voluntary health and safety codes.
Sustainable Agriculture	Multimodal logistics		Product quality and safety Origin and supply chain traceability Adherence to sectoral norms and legal alignment with Sustainable Agriculture

Agribrazil will prioritize the three ESG axes in its approach to its business and dialogues with stakeholders. The management and

results of these three axes will reinforce the commitment to the development of organizational policies in line with sectoral,

social and environmental standards. The issues addressed in materiality will allow the company to determine its next goals in

search of increasingly sustainable logistics. For this reason, we aim to report the most relevant annual information.

# Letter from the CEO

GRI 102-14



The year of 2020 was an extraordinary exercise in overcoming challenges for Agribrazil. In addition to the pandemic, which mobilized all sectors to combat the previously unknown Covid-19, the company had to adjust quickly to new commercial demands. We operate in a complex scenario, since

the company is present in all stages of the soybean and corn export chain.

A newcomer in a national context dominated by large multinationals, Agribrazil, which is only four years old and 100% Brazilian, relied on its vast management experience

and a highly integrated team to face the new scenario that has emerged. With the downturn in the global economic activity and the international need to maintain food supply and safety stocks, there was an increase in demand for grains for consumption and animal feed. This context, in tandem with the depreciation of our currency and a record harvest in 2020, favored Brazilian grain exports, enabling us to achieve a performance beyond the projections made at the beginning of the year.

Contracts signed with clients across all continents have allowed us to triple our sales concerning the previous year. This achievement would not have been possible without the perfect synergy between our commercial team and our logistics intelligence, which are advancing at a rapid pace. We handled around 21 thousand trucks, 3 thousand wagons, 200 barges, and 45 vessels. All this without losing the perspective of protecting the health of our team.

The pandemic's occurrence forced us to adopt new procedures, previously alien to our daily routine. We followed all the sanitary protocols set by the government and by the World Health Organization, promoting social distancing and facilitating remote work.

Committed to improving governance practices, we changed the corporate nature of our incorporation from limited liability company to S/A in May, established a Board of Directors with two independent directors, maintained and strengthened the independent auditing process of the annual Financial Statements, added quarterly reviews, and prepared for B3 listing.

It is also worth highlighting the recognition of our work by stakeholders. In 2020, we won important awards: Among the agribusiness companies, we won 2nd place in the "Foreign Trade" category and 1st in













"Profitability of Equity" in the 16th edition of the "Best of Agribusiness" by Globo Rural magazine, and among the 1,000 largest companies in Brazil we are the 3rd best company in agribusiness in the category Corporate Governance, according to the yearbook of the Best of Dinheiro 2020, promoted by Istoé Dinheiro magazine.

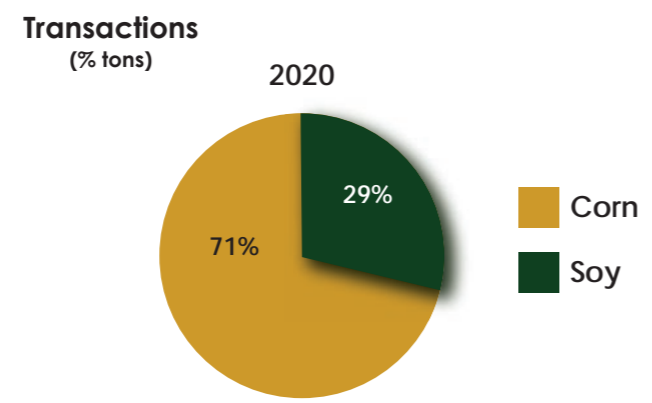
In terms of sustainability, we have established a freight matrix that prioritizes hydro and rail transportation in the outflow of grains, making our carbon footprint significantly smaller. Furthermore, we have kept our socio-environmental commitments, implemented new purchasing and farm monitoring systems, and strengthened relations with our soybean and corn suppliers. All of this brings more security to our operations and makes the business more sustainable in the long term.

Amid so many initiatives that seek to maximize the value generated by Agribrazil, we are pleased to release our first Sustainability Report, an important material to enforce our commitment to ESG.

**Frederico Humberg**  
CEO

# Highlights

 <p><b>Prioritizing ESG practices in the management decisions</b></p>	 <p><b>Net Revenues of R\$ 1.4 billion in 2020</b></p>
 <p><b>Commitment to the Soy Moratorium and other socio-environmental criteria</b></p>	 <p><b>Investment of almost R\$ 400 thousand to positive social impact initiatives</b></p>
 <p><b>Technology: acquisition of satellite monitoring system</b></p>	 <p><b>Supporting employees to take safety measures for the pandemic</b></p>
 <p><b>82% of transportation through waterways and railways</b></p>	 <p><b>2nd BEST COMPANY in the "Best in Agribusiness Award"</b></p>
 <p><b>Public Limited Company, election of board of directors, and preparation for B3 listing</b></p>	 <p><b>3rd BEST agribusiness company in terms of governance in ISTOÉ DINHEIRO magazine</b></p>
 <p><b>transaction of 1.1 million tons of corn and soybean</b></p>	 <p><b>2 new branches: Canarana (MT) and Luis Eduardo Magalhães (BA)</b></p>



## Transparency, Dialogue and Accountability

GRI 102-17, GRI 102-18

Agribrasil works in continuous improvement of processes to be increasingly more productive and efficient. To do so, a major initiative is the relationship policies with suppliers/producers that seek engagement and co-responsibility for operational practices. Another relevant aspect is the creation of the ESG Management, which will calibrate all the company's procedures to get in line with the mechanisms for corporate sustainability, without losing sight of Brazil's sustainable development.

The ESG Management, beyond executing the management tools for the business, will promote close dialogue with stakeholders and seek a truly engaged management, especially in this time of market turmoil, given the pandemic scenario.

Another cornerstone supporting the dialogue

is communication with the stakeholders, always aiming at internal and external acculturation. In this sense, the integrity of the accounts and finances has progressed in the subject of public transparency and management reports, further increasing the credibility of the Company's performance, in Brazil and in the international market.

With the acquired knowledge, it is already possible to plan for the next year's continuity of the corporate sustainability practices. There are bound to be new challenges, but also new growth opportunities. The improvement of the governance structure was established as a goal, assuring stakeholders transparency in Agribrasil's activities, essentially in the refinement of environmental and social scope matters, creating an ideal environment of trust for investors and other interest groups.





## Agribrasil Profile

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4,  
GRI 102-5, GRI 102-6, GRI 102-7, GRI 102-8,  
GRI 102-9, GRI 102-12, GRI 102-16

HUMBERG AGRIBRASIL COMÉRCIO E EXPORTAÇÃO DE GRÃOS S.A. located in the city of São Paulo, SP - Brazil is a company incorporated as a Public Limited Company (S.A.), and its activities consist of acquiring corn and soybeans, including non-GMO crops, produced by farmers, cooperatives and resellers located in the Brazilian countryside, transporting and selling them in the local market, as well as exporting them to Europe, Asia, the Caribbean, and the Middle East.

The purchase, logistics, and freight operations are concentrated in Brazil, but the company has a Switzerland-based subsidiary, which enables direct sales to the global market, simplifying negotiations with world buyers.

The company has 40 employees, of which 34 are employed under the CLT labor regime and 6 are outsourced (legal entities). Of these, 32.5% are female and 67.5% are male. The contractual model for each employee varies from case to case and is made in mutual agreement with each worker.

## Products, Services and Business Areas

Intelligence applied to logistics is our business model. Operating under a high level of Corporate Governance, the Company is a grain exporter and operates in risk management throughout the logistics chain - from product acquisition to shipment, following all the sustainability standards.

Founded in 2016, Agribrasil is a grain exporting company, funded with 100% national capital, directed by founder and CEO Frederico Humberg. Our staff is highly specialized in Brazilian agribusiness and international grain trade.

The company sources soy and corn, including GMO, non-GMO, and specialty grains directly from cooperatives, retailers, and large producers in the countryside, and sells and ships it to more than 15 countries.

Regarding customers, Agribrasil trades mainly with Brazilian institutional buyers, and exports to China, Singapore, South Korea, Italy, Turkey, and Middle Eastern countries. These include slaughterhouses, food processing industries, feed producers, cereal producers, biofuel plants, and commodity trading companies.

## Purpose, Mission, Vision and Values

### Purpose

Born in Brazil to feed the world.

### Mission

To connect the producer to the consumer in a sustainable and competitive way.

### Vision

To be one of the 10 largest grain exporters with logistical assets.

### Values

#### Ethics

Being honest, fair and coherent in what we say and do (Walk the Talk).

#### Trust

Faith that we are working on what is right, worthy and honest.

#### Transparency

Making our objectives, goals, plans and accountability clear and available.

#### Safety

Ensuring product quality.

#### Respect

To establish good business, personal and professional relationships, maintaining the reputation of a company which people respect and admire.

#### Commitment

To be conscious of the work and determination in the achievement of sustainable results.

#### Responsibility and Efficiency

Keeping participative, committed and accountable people in the company, who make a world of difference in the delivery of Agribrasil products.

# Code of Ethics and Conduct

GRI 102-16, GRI 102-17, GRI 205-2

**“A company is made by people and it is their conducts that outline the credibility of the organization.”**

This is Agribrasil's vision expressed in its Code of Ethics and Conduct, based on seven principles.

- 1 The Company, through all its employees (in any position or function), is bound to obey the Laws;
- 2 It conducts business with Integrity - the text specifies anti-bribery stances, addresses intellectual property, competition and trade sanctions;
- 3 It keeps records of all transactions, preserves financial statements and controls;
- 4 It honors obligations and maintains trust in business relationships;
- 5 It stands for treating people with dignity and respect, respecting human rights, not accepting any kind of harassment, providing guidance on alcohol and drugs;
- 6 Information, assets and interests of Agribrasil must be protected; there are specifications about intellectual assets, privileged transactions and conflicts of interest;
- 7 Through its operations, the Company recognizes participation in different sectors of society, and therefore manages any impacts it may cause. Its environmental safety standards are strict and, through accumulated experience, it seeks to contribute to the solution of economic and social challenges. Still within the framework of responsible citizenship, there are standards and legitimation of political freedom to all its employees, as long as these take place apart from work.

The policing of the rules of conduct and their enforcement is the responsibility of the Company's managers. The Board of Directors is responsible for revising and updating the Code of Ethics and Conduct, and the Executive Board is responsible for analyzing and applying sanctions related to violations of the code.

Always attentive to the evolution of social customs, the company is committed to

creating a policy of respect for Diversity, reinforcing what is already practiced on a daily basis with its staff and related parties.

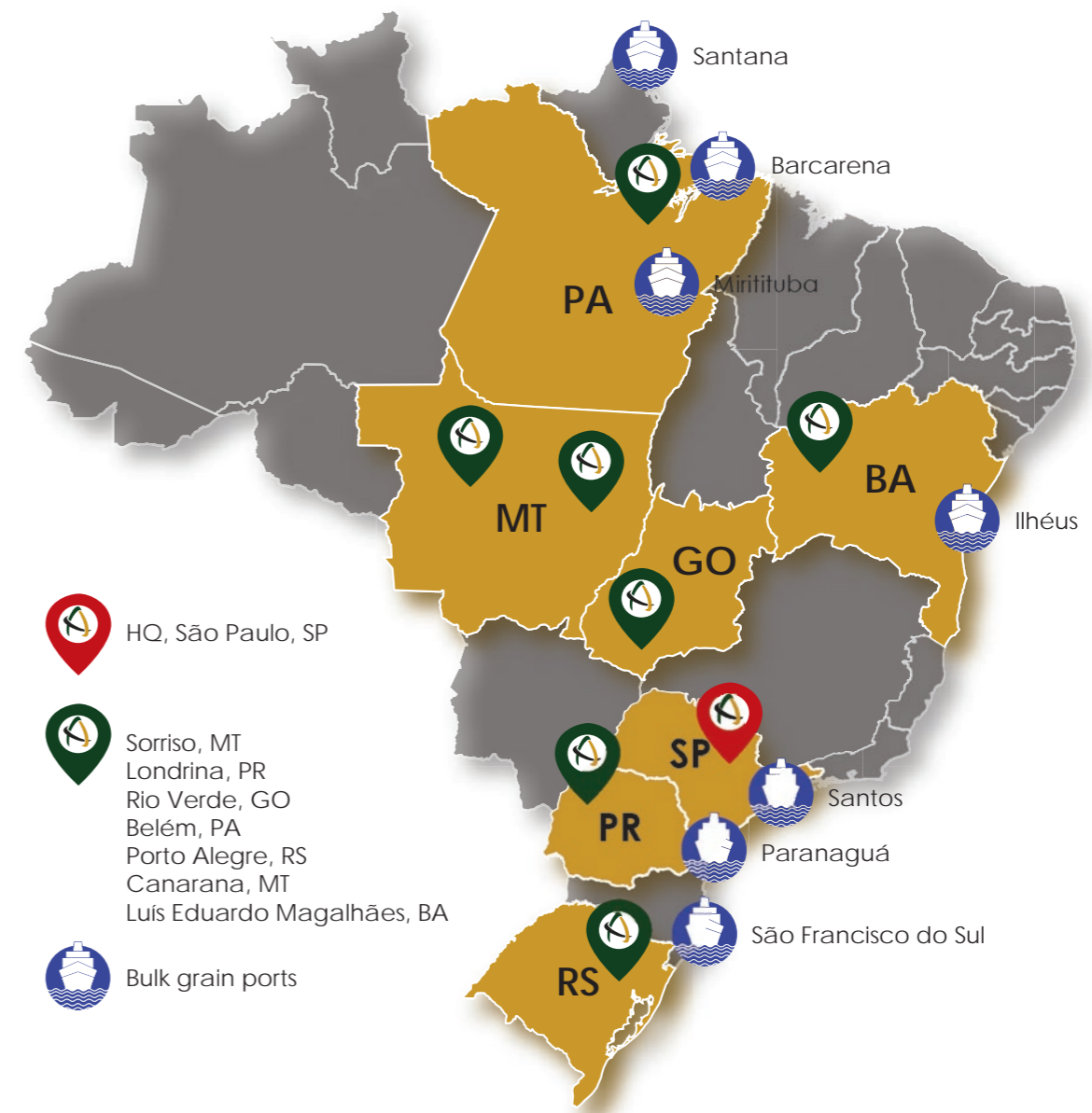
Should there be any questions, the email [etica@agribrasil.net](mailto:etica@agribrasil.net) can be reached at all times. The complete version of the Code is available on the company's website: [www.agribrasil.com.br](http://www.agribrasil.com.br)

# Operational Map

GRI 102-4

Agribrasil is headquartered in São Paulo and has offices in the states of Paraná, Rio Grande do Sul, Mato Grosso, Goiás, Bahia and Pará. From these, Agribrasil operates in the main export corridors of the country, such as Santos, Paranaguá, São Francisco do Sul,

Miritituba, Barcarena, Ilhéus and Santana, besides having a wholly-owned subsidiary in Switzerland, responsible for enabling direct sales to foreign markets.

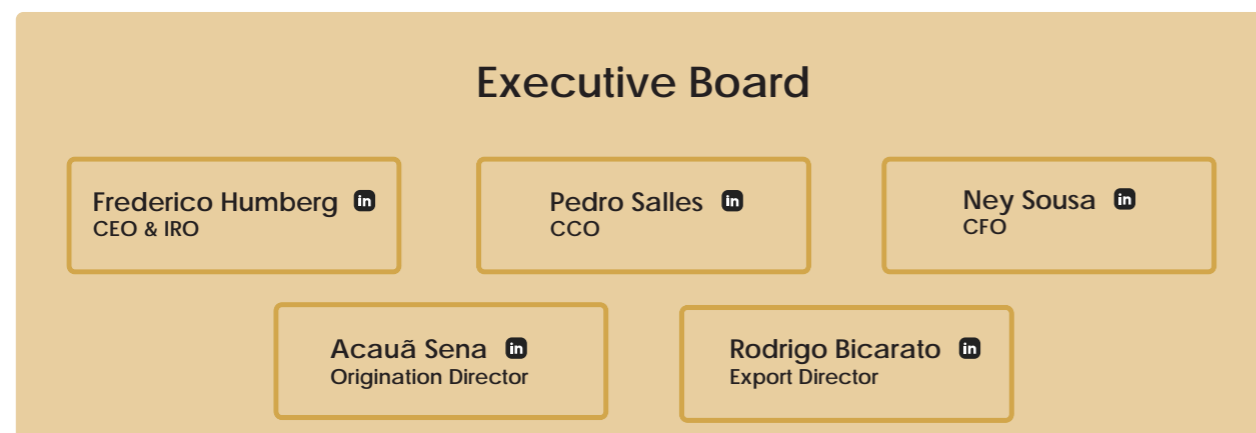


# Corporate Governance

GRI 102-18, GRI 102-23

The company has a suitable Corporate Governance structure. The Board of Directors, the Company's highest body, consists of three members: Frederico Humberg (chairman) in addition to independent members Stephane Frappat and Paulo Humberg.

In the company's organic structure, there is also a Executive Board, composed of five executives: Frederico Humberg (CEO), Ney Sousa (CFO), Pedro Salles (CCO), Rodrigo Bicarato (Export Director) and Acauã Sena (Origination Director)



It is noteworthy that the CEO is a graduated board member by the Brazilian Institute of Corporate Governance (IBGC) and has participated in other boards of directors before creating Agribrasil.

The company has no Committees formally installed and saw its capital stock increase by R\$2.0 million on 05/31/2020, the date of its transformation into a Public Limited Company.

## INTEGRITY

GRI 102-17

Although there is no Fiscal Board in place, the company has its own internal guidelines included in its Code of Ethics and Conduct (approved in October 2020 and published on Agribrasil's website), which also establish integrity guidelines to be adopted by all employees, including members of the Board of Directors, directors, managers, technicians and analysts, as well as in every engagement with third parties.

Also, there is an independent, outsourced team (Smartway- <https://smartwayassessoria.com/>), in charge of

overseeing accounting, tax and payroll.

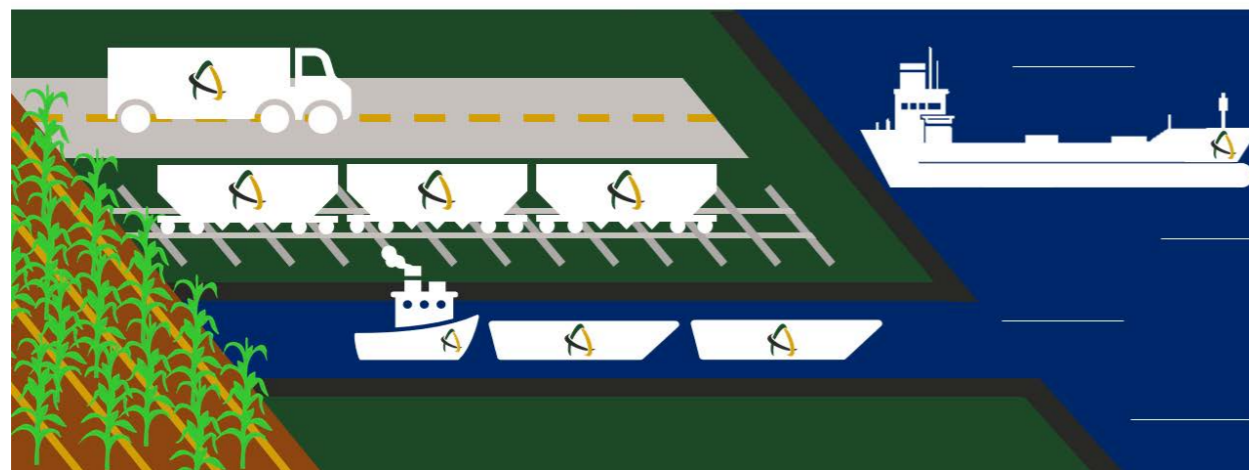
Identified risks are periodically reassessed when the Financial Statements are prepared, or whenever any event warrants it. Agribrasil understands that its internal control and integrity frameworks are appropriate for the risks it faces, as well as for the organization's activities as a whole.

Noncompliance with any rule of the Code of Ethics will entail disciplinary sanctions, and may even lead to the termination of the offender's contract

# Business Model

Exporting GMO, non-GMO and specialty grains is Agribrazil's business. Applying a risk management model throughout the logistics chain, Agribrazil ensures strict compliance with negotiation protocols (national contracts, with producers and logistics operators, and international contracts, with customers). Along with compliance, the company adheres to the principles of ESG policy (Environmental, Social and Governance).

With intelligence applied to logistics, the company operates under a high level of Corporate Governance - with independent board members and audited Financial Statements - it invests in social causes and continuously improves environmental control instruments, so as to ensure a high degree of reliability with customers and other stakeholders.



# Institutional Commitments

GRI 102-12, GRI 102-13

## Soy Moratorium

In July 2006 the Brazilian Association of Vegetable Oil Industries (Abiove) and the National Association of Cereal Exporters (ANEC) committed not to trade soybeans coming from deforested areas of the Amazon biome. This agreement became known as the Soy Moratorium.

The companies signing this Moratorium pledge not to trade, acquire or finance soybeans from: a. Areas deforested within the Amazon biome after July 2008. b. Areas included in IBAMA's list of areas embargoed for deforestation. c. Suppliers included in the list of labor analogous to slavery, and are submitted to annual auditing processes to ensure compliance with the pact.

When it was founded in 2016, the company was already a member of the pact, since it is associated with the National Association of Cereal Exporters (ANEC). This, along with the best corporate governance practices, makes Agribrazil a transparent and reliable company

This year, the care taken in the purchase of soybeans received substantial improvements: the hiring of georeferencing services from Agrottools, a company that does satellite monitoring on farms, and also the creation of a structure independent from the sales department, which analyzes farmers' compliance and has the autonomy to block purchases that do not meet one or more socio-environmental requirements.

## 2030 Agenda

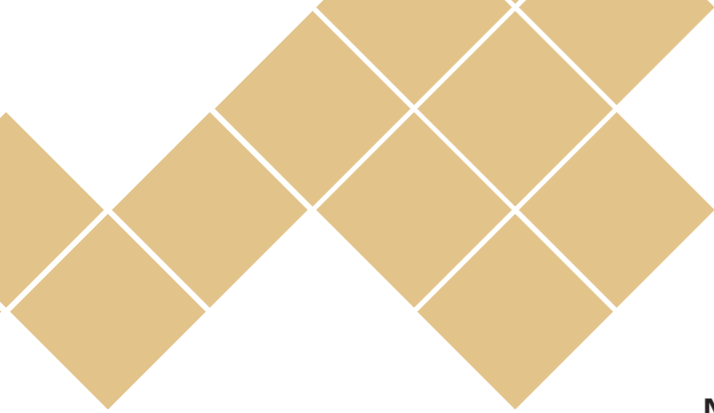
The ESG topic (Environmental, Social and Governance) that today pervades market discussions, brings a strong appeal for the inclusion of sustainability in the strategic management of companies.

Agribrazil understands that it cannot stay out of this movement and has voluntarily adopted the 2030 Agenda as its approach to social and environmental governance. The Agenda is composed of 17 Goals and 169 targets and adopts a global proposal committed to People, the Planet, the promotion of Peace, Prosperity and Partnerships.

The commitment undertaken by Agribrazil's governance aligns itself with the purposes of socio-environmental health. The strategic plan is to uphold responsible business practices, as well as to address issues related to public concerns, especially those that add value to its core-business.

As a first display of this commitment, the SDG goals will be scaled and linked to Agribrazil's business and their performance indicators. Certainly this development will be evident in the next reporting cycles.

Along with the SDGs, Agribrazil also supports the 10 Principles of the Global Compact, stemming from the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

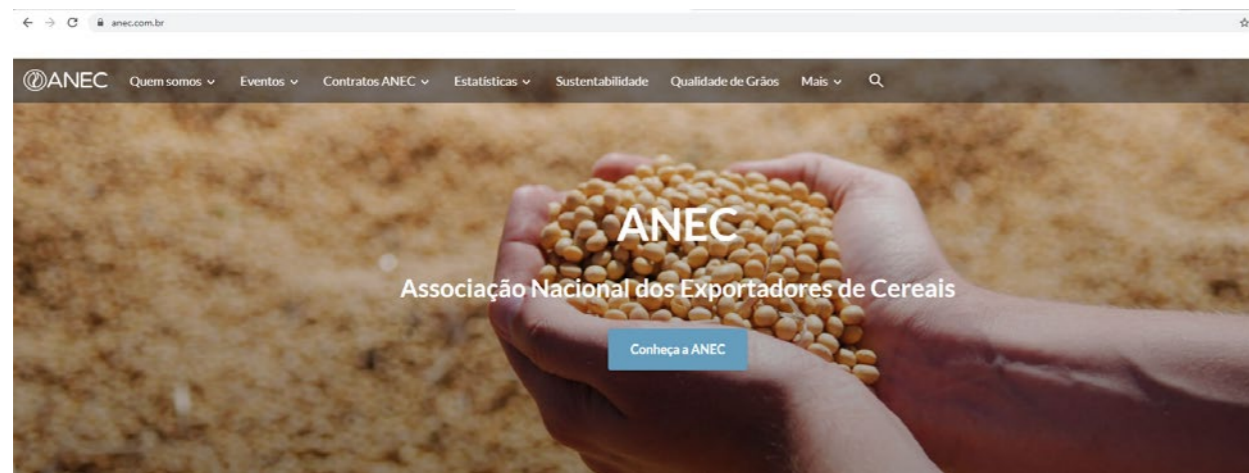


## National Association of Cereal Exporters - ANEC

By being engaged in the main issues that permeate the sector, the Company participates, as a member, in ANEC. It is through ANEC that associated companies address their demands, hence the importance of being in line with its principles.

In addition to Agribrazil being a member since its creation in 2016, CEO Frederico Humberg is also on their Fiscal Council.

<https://anec.com.br/article-board-of-directors-2020-2022>



## ANTI-CORRUPTION GRI 205-2

While there is no specific code for anti-corruption, the anti-bribery matter is dealt with in the Code of Ethics and Conduct. It is recommended that all employees read the document and it is available to anyone who may be interested. There is also a whistleblowing channel, run independently of the company's management.

In this context, it is important to point out that the company has no relationship with public authorities, nor does it hire public works or

public companies. All the terminals used for grain exports are private.

### Controls

There has always been a concern with internal controls, which is why all the operations and business transactions are recorded and controlled by means of the ERP system.

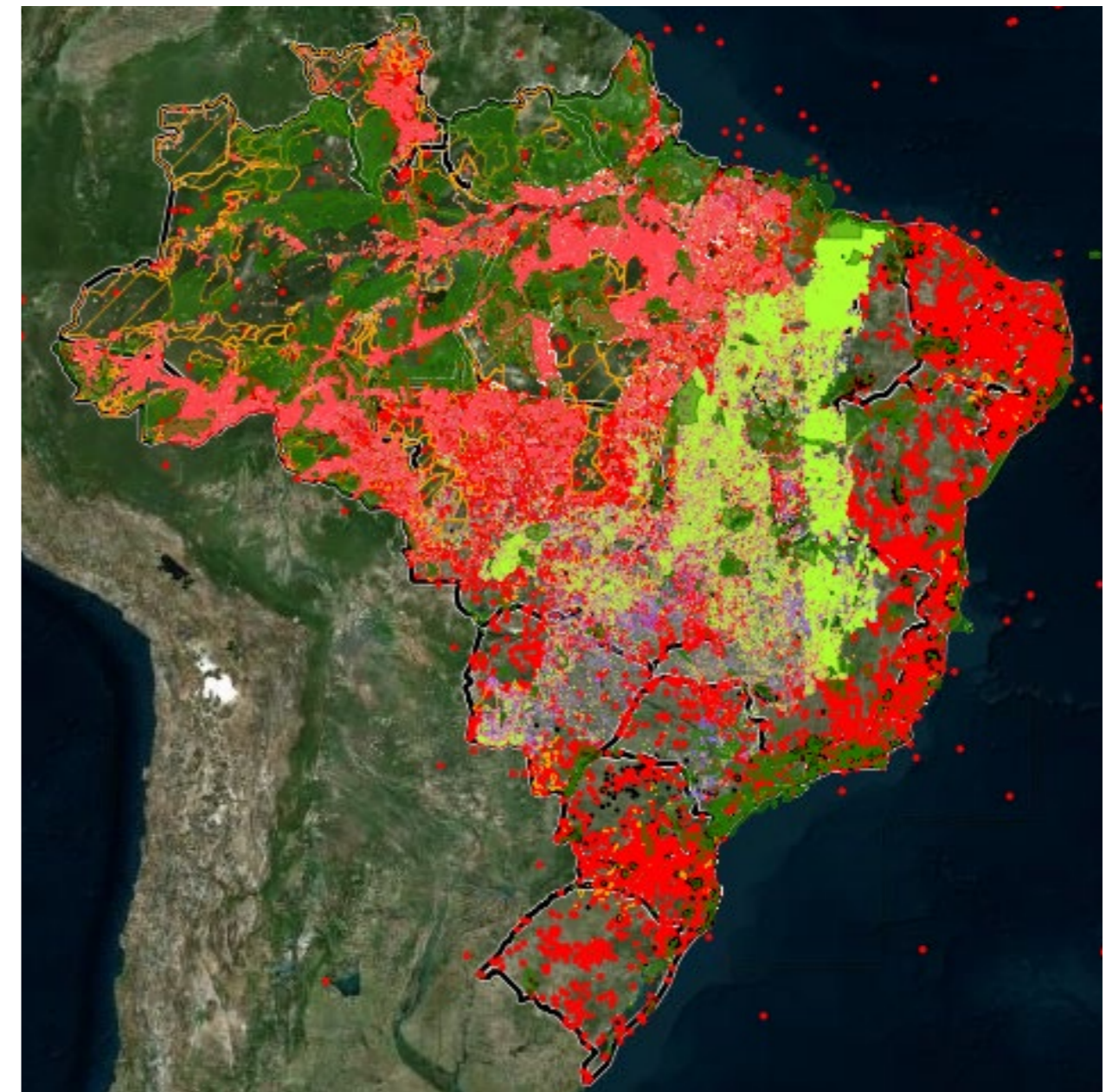
### Audit

The financial statements have been audited by ERNST & YOUNG Auditores Independentes S.S. since the beginning of Agribrazil's operations.

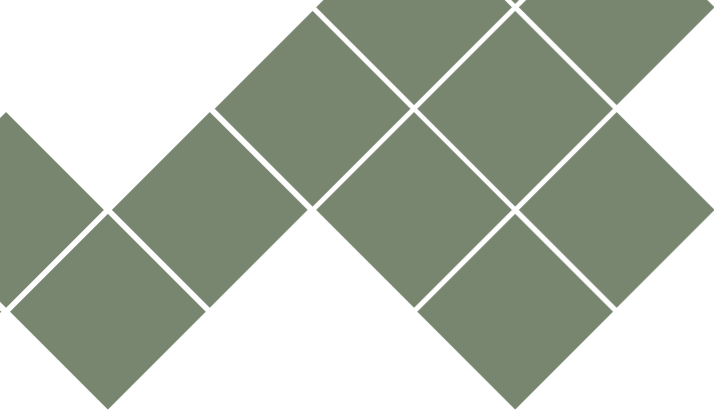
## Traceability

The hiring of Agrottools at the beginning of the second semester for satellite monitoring services is a fundamental step to ensure the traceability of the products acquired and exported. That is because tracking the grain, from the crops to the vessels, is a demand found in the materiality matrix and in the day-to-day lives of customers and other stakeholders.

Alongside the satellite surveillance, there is an autonomous field team that can embargo the grains if it finds any irregularities, such as cultivation in embargoed areas, cultivation in Amazon deforested areas, signs of labor analogous to slavery, among others. After the goods are inspected and approved, a contract is signed in which the supplier takes responsibility for the information provided. Subsequently, the Company takes care of the transportation and shipment.



Traceability Agrottools



# Risk Management

GRI 102-11, GRI 102-15, GRI 102-30, GRI 207-2, GRI 304-2

Risk management is one of the Administration's highest priorities, as it is inherent to the business itself. Apart from controls and external auditing, the company carefully analyzes and reviews contracts.

This creates safety screens. It begins with the careful choice of suppliers, passing through field monitoring of acquired grain production and, now also, by satellite monitoring. The contracts, always in accordance with international standards, are carefully reviewed by experts in the area.

The already adopted ESG policy (focused on environmental, social and governance management) will have priority in the next fiscal year because Agribrazil firmly believes in creating business opportunities in the international market, in addition to consolidating its core business.

There will remain the task of monitoring, on a daily basis, the COVID hazards, which at the closure of this fiscal year seemed far from being dealt with, nationally and internationally.

Identification, assessment, prioritization, treatment, reporting, and tracking metrics for operational hazards can identify everything from minor risks to major ones. Several metrics can be used when measuring and listing such risks. Metrics such as probability,

severity, financial impact, legal, reputational, environmental, image, financial, business continuity, and heatmap matrices are often used in prioritizing and mapping them.

The risks are, in general, identified through internal sources (directors, officers, executives, employees) and external sources (external auditors, regulatory agencies, market, government, media and other stakeholders) and are (i) categorized, prioritized, assessed in terms of probability and severity of their various impacts (financial, legal, reputational, environmental and others) by the Company's executives and employees, depending on the area the risk relates to, (ii) overseen by an executive in charge of monitoring corporate risk matters in the Company's various levels and areas, and (iii) steered by the Executive Board and the Board of Directors, in line with the Company's usual practices. After the risks are assessed and agreed upon by the Executive Board and the Board of Directors, they can determine and prioritize their action plans.

Of note is that the Executive Board and the Board of Directors continuously monitor and discuss the risks to which the Company is exposed, and thus oversee the implementation and enforcement of action plans through continuous management and independent internal or external evaluations, as may be required.

## TYPES

### GRI 307-1

Agribrazil's operation involves a series of risks, inherent to the business itself. Briefly, these are the following:

- Market Risk - Linked to factors that affect the value of any portfolio position. The most common is commodity price risk (divided into flat price risk and basis risk), managed by "Long and Short" position management;
- Liquidity - refers to the risk of the Company having a physical position in commodities for which it cannot find a buyer (or seller);
- Credit - due to nonpayment by a customer or counterparty;
- Country - a set of risks associated with the inputs that investors, usually nonresidents, observe before and during investments. These include foreign exchange, economic, internal and external political, legal, and sovereign risks;
- Foreign exchange - arises on all trades that are not hedged against variations in exchange rates;

Compliance - refers to the Company's nonadherence to stakeholder procedures and the laws and regulations of the country; Operational - involving internal (people, systems, flows and approvals) or poorly specified (flawed, fraudulent or fraudable) processes; Environmental - allowing/ ignoring environmental aggression (via the use of an inadequate area or the practice of deforestation), as well as carrying out inadequate transportation.

Regarding environmental risks, as of 2020 the Company has reinforced its compliance and preventive actions for socio-environmental risks in rural operations by hiring the company Agrottools, which specializes in identifying risk dynamics that impact the safety of Brazilian agribusiness. Still on the environmental subject, the Company prioritizes transporting grains from the countryside to the ports by means of railroads and waterways, which are less polluting than road transport.



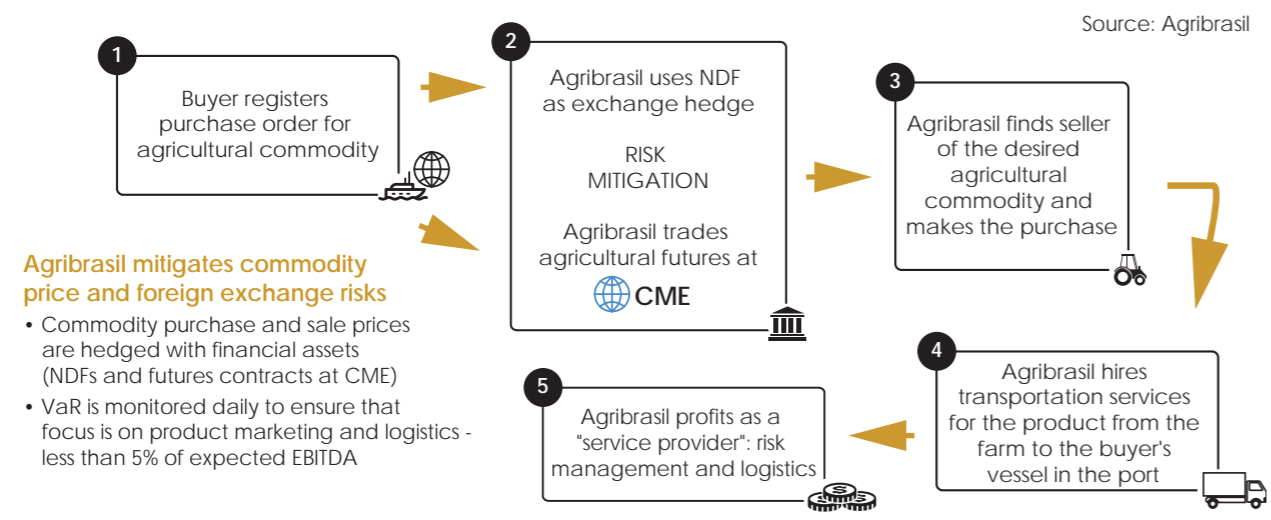
## MITIGATION

Simply put, in the risk mitigation operational flow, the buyer registers a firm purchase order, the Company hedges the currency, acquires the product, and closes the transport to the loading (vessel). The compensation derives from the logistical operation and its respective risk management (including foreign exchange, operational and environmental risks).

The systems for identifying, assessing, prioritizing, treating, reporting, and monitoring operational risks can identify from minor to major risks, for example. Agribrasil works with experienced teams already involved in foreign trade, conducts internal processes with screens, employs external audits, and has independent teams for contract analysis and field work, aided by satellite monitoring. The Value at Risk (VaR) parameter is used in

financial operations and Agribrasil is adamant about compliance. The transportation partners (Hidrovias do Brasil and Rumo) are responsible for delivering the grains to the ports, and the Company keeps track of it. Along with traceability, environmental risks are reduced. It is important to highlight the Cash Against Documents financing, in which the holder of the grain's documents is their effective owner. Thus, the Company only hands over the documents to the shipowner (represented by the vessel's captain) when the buyer settles the transaction. On the environmental front, effective monitoring of the producing lands is carried out, to ensure that they are free of illegal deforestation, irregular settlements, and that they do not employ slave labor. The Company also strives to comply with environmental criteria, such as embargoes (SEMAs, ICMBio, IBAMA) and the Soy Moratorium. Since the middle of the year, with the new system of farm georeferencing and recording the history of queries to suppliers, the system has become very secure. In Agribrasil's case, no loans are granted to the rural producer.

## Operational model: Risk mitigation



# Human Assets



## Our People

GRI 202-1, GRI 401-1, GRI 401-2, GRI 404-1, GRI 405-2

Agribrasil's team is lean and efficient. All employees, under the CLT regime, have college degrees. At the end of the year there were 40 of them, 34 hired directly and another 6 outsourced (such as accounting/tax consultancy, payroll management, press consultancy, and cleaning staff). Out of the staff 67.5% are male and 32.5% are female.

Having a high standard of corporate governance, the company seeks professionals with a "hands on" profile, determined, easy to relate to, and who enjoy challenging and innovative environments.

Newly hired employees receive integration training, with the department leader, about the company (its business, modus operandi, and also Human Rights and Diversity); ERP management; IT integration, and understanding of Agribrasil's Code of Ethics and Conduct.

It is standard practice to promote refresher courses for long-term employees. Refresher courses are always individual and are focused on areas such as finance/tax, market/crops and logistics, in addition to conventions and conferences.

**PSP** - The hard work expected of employees has its compensations. Besides the salaries being in a comfortable market range, the company offers performance and productivity bonuses (such as three salaries, in the Profit Sharing program) and a Stock Options policy for management positions. This policy is in line with the strategy for attracting and retaining talent, in accordance with the current legislation. In addition to the PSP benefit, medical assistance, transportation, meal and parking aids are offered.

## Hiring

GRI 401-1

This year, 30 hirings took place, fueling the organization's growth. Of these, 10 are women, 6 for the Sorriso (MT) unit, 3 for São Paulo (SP) and 1 for Belém (PA), and the other 20 men, 5 of whom were allocated in Sorriso (MT), 13 in São Paulo (SP), 1 in Belém (PA) and 1 in Luis Eduardo Magalhães (BA).

Of these 30, 14 are in the age group up to 30 (5 women and 9 men), 11 between 30 and 40 (4 women and 7 men), 3 between 40 and

50 (1 woman and 2 men), and 2 men over 50.

There is no Jovem Aprendiz ("Young Apprentice") style program, so everyone is of legal age, although there are interns and professionals at the beginning of their careers.

Agribrasil has an office in Switzerland, exclusively for closing exchange deals, and has no staff there.

### Breakdown by branch and gender

Total	São Paulo-SP	Sorriso-MT	Belém-PA	Luis Eduardo Magalhães-BA	Total
Layoffs	6	4	1	0	11
Admissions	16	11	2	1	30
Employee Balance	24	14	1	1	40
Turnover	46%	54%	150%	50%	51%

Female	São Paulo-SP	Sorriso-MT	Belém-PA	Luis Eduardo Magalhães-BA	Total
Layoffs	2	2	1	0	5
Admissions	3	6	1	0	10
Employee Balance	5	8	0	0	13
Turnover	50%	50%			58%

Male	São Paulo-SP	Sorriso-MT	Belém-PA	Luis Eduardo Magalhães-BA	Total
Layoffs	4	2	0	0	6
Admissions	13	5	1	1	20
Employee Balance	19	6	1	1	27
Turnover	45%	58%	50%	50%	48%



As a new company, celebrating its fourth anniversary in 2020, Agribrasil has a high turnover rate, but this is considered normal for an expanding company. In 2020, 46% was

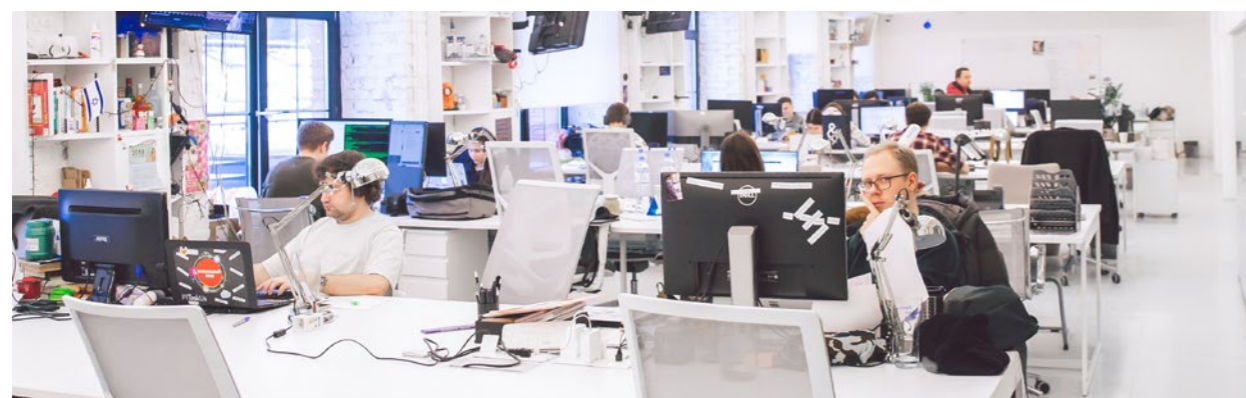
recorded in São Paulo (SP), 54% in Sorriso (MT), 50% in Luis E. Magalhães (BA) and 150% in Belém (PA). By gender, women represent 58% and men 48% turnover rate.

#### Breakdown by age and gender

Total	Up to 30	From 30 to 40	From 40 to 50	Over 50	Total
Layoffs	5	2	2	2	11
Admissions	14	11	3	2	30
Employee Balance	12	19	6	3	40
Turnover	79%	34%	42%	67%	51%

Female	Up to 30	From 30 to 40	From 40 to 50	Over 50	Total
Layoffs	2	1	1	1	5
Admissions	5	4	1	0	10
Employee Balance	4	6	3	0	13
Turnover	88%	42%	33%	-	58%

Male	Up to 30	From 30 to 40	From 40 to 50	Over 50	Total
Layoffs	3	1	1	1	6
Admissions	9	7	2	2	20
Employee Balance	8	13	3	3	27
Turnover	75%	31%	50%	50%	48%



## Compensation

GRI 202-1, GRI 401-2, GRI 404-1, GRI 405-2

It is part of Agribrasil's commitment to reward its employees fairly, with a package that involves competitive salaries and benefits, besides being compatible with the economic situation of the region where they work.

This policy is in line with the company's recruitment and retention strategy, in accordance with current legislation and market practices.

The base salaries of Agribrasil do not differ between men and women exercising the same function, in accordance with the Human Resources Policy. Variations may

occur due to the seniority and experience levels of the employees.

This year the duration of training reached 132 hours, with an average of 3h18/employee. If measured by functional category, we get an average of 1h53 per manager (coordinator/supervisor/manager/director) and 4h15 per associate.

Currently, the bonus system is tied to exclusively financial targets, but in due course there will be discussions about the adoption of nonfinancial metrics, as a bonus trigger for 2021.

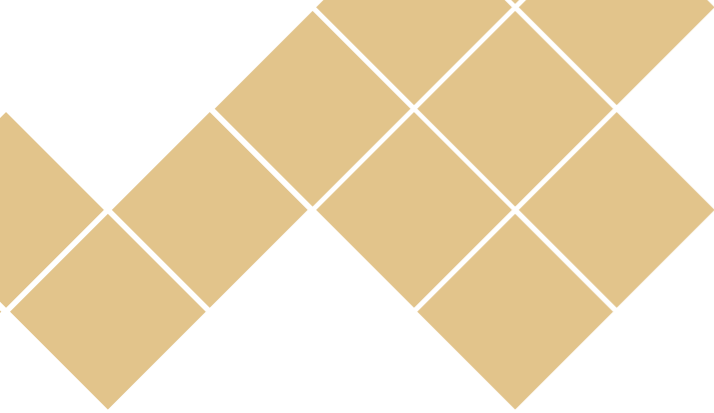
## Pandemic

The occurrence of the coronavirus pandemic has led to a greater engagement of the entire Agribrasil team. Besides uniting people even more, the solidarity situation showed that a conscious team can not only help feed the world, but also be protagonists of relevant social actions.

In 2020, the Company distributed 20 thousand masks and 8 thousand liters of hand sanitizer in the Port of Santos, supported the realization of PCR exams, seeking to foster engagement, to share knowledge in the fight against the disease that threatens us all.

At this stage, the protocols established by the Government and the World Health Organization were strictly followed, installing partitions in the São Paulo office, wi-fi in the homes of employees who needed it, as well as renting space for others, so that the social distance was respected.

In the midst of the health challenge, the team also grew to meet the demand during the year. Challenges were overcome safely, preserving the lives of all.



# Natural Assets

## Impacts

GRI 304-2

The activity, even if outsourced, requires the use of highways, railways and waterways. The company has a minority stake in a terminal at the Port of Ilhéus, used for freight. The infrastructure service can modify the environmental landscape.

It is important to note that Agribrazil suppliers may utilize fertilizers and pesticides, but not plant in irregular areas. This year a transportation matrix was set up in order to prioritize the water/rail system, which is both more CO2 efficient and financially viable. This practice is expected to continue in the following years.



## Biodiversity

GRI 304-2, GRI 307-1

The grains we acquire come mainly from farms surrounded by the Amazon and Cerrado biomes. The Agribrazil team always evaluates the regions authorized for soybean and corn cultivation, ensuring that they come from authorized producers, without recent deforestation (after 2008, in the case of the Amazon biome, due to the Soy Moratorium).

The expanse of the area in non-compliance with this Moratorium is 108,409 ha, according to studies. In the previous crop year (2018/19), a total of 88,234 ha were in noncompliance. There was thus an increase of 20,175 ha (23%), which corresponds to ~7% of the

soybean area expansion in the 2019/20 crop year (~300,000 ha) in the Amazon biome.

From the 20017/18 to 2018/19 crops the increase was 37%, meaning there was a slowdown in the expansion of noncompliant soybean acreage.

It is of note that Agribrazil does its own satellite monitoring, ensuring that it does not acquire grains from farms that have suppressed Amazon vegetation after 2008. In case of suspected irregularities, there is an autonomous team authorized to block the negotiations.

## Climate Change

GRI 201-2

It is the organization's commitment to contribute to the slowing down of climate change. For this reason, barges and train wagons are the preferred transportation methods - from the grain purchase to the loading of the vessels. Agribrazil's transportation matrix is 82% water/rail, being 50% by barges, 32% by trains, and 18% by trucks.

With this use of modals, the Company better protects the environment, since the consumption

and emission of gases (GHG) by trains and barges are significantly lower than that of trucks. In this way, the impacts on the environment are reduced, with gains in competitiveness.

In the grain transportation segment, the Brazilian matrix (on average) is quite different. Usually 65% of cargo is transported by road, 15% by rail and 5% by waterways. This data comes from the CNT - National Confederation of Transport.

2020 Data		
<b>CO<sub>2</sub> Emission(gCO<sub>2</sub>/NTKM)</b>	<b>95,552,124,443</b>	
Railway	9,977,578,546	10%
Barge	10,170,142,284	11%
Road	75,404,403,613	79%

Exclusively Road Scenario		
<b>CO<sub>2</sub> Emission(gCO<sub>2</sub>/NTKM)</b>	<b>170.201.415.796</b>	
Railway	0	0%
Barge	0	0%
Road	170,201,415,796	100%

The charts above show that Agribrazil avoided emitting 74,649 thousand tons of CO2 in 2020 by (or 170,201 - 95,552 gCO2/NTKM) by prioritizing waterway and railway.

freight. This is equivalent to the emission of 15,000 trucks traveling 1,000 km. To counteract this amount of CO2, it would be necessary to plant 533,000 trees.

## Environmental Compliance

GRI 307-1

Regarding environmental compliance, the company has not received any fines, monetary

or otherwise, and there is no instance where dispute resolution is in play.



Image provided by Hidrovias do Brasil S.A.

# Relational Capital

## Suppliers

GRI 204-1, GRI 414-1, GRI 414-2, GRI 308-1

There are more than 800 suppliers in Brazil, including producers sourcing agricultural products, and freight companies distributing soybeans and corn.

The rural producers are distributed in six states: MT, PR, GO, RS, PA, and BA. The company is represented in all of them, by means of regional offices.

In 2020 we purchased more than 1 million tons of corn and soybeans, from more than 300 producers, all limited to the national

territory, from the states listed above. Regarding suppliers, the team participated in programs and engagement drives, sharing results and carrying out awards.

Agribrasil effectively monitors the farmlands, so as to ensure that they are free of illegal deforestation, irregular installation and do not employ slave labor. The Company also strives to comply with environmental criteria, such as embargoes (SEMAs, ICMBio, IBAMA) and the Soy Moratorium. Since the middle of the year, with the new system of farm georeferencing and recording of the history of queries to suppliers, the system has become very secure.

Volume (Ton) by state	% of Purchases in 2020		
	Corn	Soy	Total
Mato Grosso	84%	83%	84%
Paraná	11%	10%	10%
Goias	2%	3%	2%
Mato Grosso do Sul	3%	1%	2%
São Paulo	1%	3%	1%
Para	1%	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The state of Mato Grosso is the Company's main grain supplier, in similar proportion for corn and soybeans. Following comes Paraná and other states (as shown in the chart above). The Company monitors risks and opportunities with all producers.

Besides demanding suppliers comply with the labor legislation, with verification records,

there is satellite monitoring that has enabled the assessment of more than 300 potential suppliers (rural producers), regarding the use of labor analogous to slavery and the overlapping of their farms with indigenous/quilombola lands.

There is no record of purchases from farms that impinged on these lands.

## Customer Health and Safety

GRI 416-1, GRI 416-2

The marketed goods (soybeans and corn) go through a certification process regarding the fulfillment of requirements established by the contract, which, in any case, already presupposes sanitary requirements. Agribrasil's activity involves human/animal food and, therefore, the company is obliged to follow strict quality standards.

The products are evaluated by third-party companies.

The attributes evaluated (percentual of humidity, impurities, damages, breakage, and others) can be adjusted according to the client's needs.





## Relationship with the Community

GRI 413-1

Involvement with Social Projects also has always been a hallmark of Agribrasil, valuing social innovation. In 2020 the company sponsored projects promoted

along with entities in São Paulo, Campinas, São José dos Campos (SP), São Francisco do Sul (SC) and Rio de Janeiro (RJ). As described in the following:



- **Instituto de Reciclagem do Adolescente** (Teen Recycling Institute). The Socioeducator Training Program aims at promoting professional qualification through workshops and mentoring to socially vulnerable teenagers. Investment: R\$ 44,400.00. São Paulo/SP.
- **AMIS – Associação Morumbi de Integração Social** (Morumbi Association for Social Integration). The Dream Orchestra Project consists of teaching musical instruments and choral singing to impoverished children in some of the poorest neighborhoods of São Paulo. Investment: R\$ 117,400.00. São Paulo/SP.
- **IEE – Instituto Esporte & Educação** (Sport & Education Institute). The Network of cores Project seeks to enhance human integral development through physical education and sports in high social vulnerability areas. Investment: R\$ 44.400,00. São Paulo/SP.
- **Casa de Oração Missionários da Luz** (House of Prayer Missionaries of Light). The Health and Well-Being with Sustainability Project consists of implementing improvements to the Nosso Lar (“Our Home”) rest home. Agribrasil is sponsoring the completion of a laundry room, acquisition of furniture, and the installation of a solar energy system. Investment: R\$ 44,400.00. São José dos Campos/SP.
- **Centro Infantil de Investigações Hematológicas Dr. Domingos A. Boldrini** (Children’s Center for Hematological Investigations Dr. Domingos A. Boldrini). The center works with precision medicine applied to childhood cancers. Agribrasil’s sponsorship will help establish models for pre-clinical tests from a biobank of viable cells from pediatric tumors to identify new drug targets and customize treatment for each patient. Investment: R\$ 44.400,00. Campinas/SP.
- **Panvision**. The Fala São Chico Latin American Film Festival will be a four-day program, aiming to strengthen and disseminate the cinematography of Santa Catarina, Brazil, and South America. The event will be free of charge to the population and complies with accessibility measures. Investment: R\$ 60.600,00. São Francisco do Sul/SP.
- **APABB – Associação de Pais, Amigos e Pessoas com Deficiência de Funcionários do Banco do Brasil e da Comunidade** (Association of Parents, Friends and Disabled People of Banco do Brasil Employees and Community). The Movement Project finds in sports the way to autonomy and self-esteem building. It assists people with different disabilities, from 14 years old and up. The sports comprise swimming, basketball, volleyball, athletics, bocce, and sports initiation. The project, which foresees the hiring of specialized professionals, serves the Capital and cities in the Metropolitan Region. Investment: R\$ 36,894.79. Rio de Janeiro/RJ.

## Awards

Recognized by the market, the company knows that as important as the operational performance is the approval of our work by

the stakeholders. In 2020 Agribrasil received the following honors in industry awards:

- Agribrasil is the 2nd BEST Foreign Trade Company in Agribusiness. The award is given by Globo Rural magazine and Editora Globo, based on data collected by Serasa Experian. This was the 16th edition of the Melhores do Agronegócio ("Best of Agribusiness") Award, recognizing the companies that stood out the most in 21 categories.
- According to the Globo Rural ranking, it is among the 500 largest agribusiness companies in Brazil. In "Profitability" and "Assets Evolution" it occupies the absolute leadership, ranking 2nd in "Assets Turnover" and "Net Revenue Evolution", 5th in "Business Margin" and 8th in "Current Liquidity".
- Melhores da Dinheiro Yearbook, promoted by ISTOÉ Dinheiro confers: the 3rd BEST COMPANY of Agribusiness in the Corporate Governance Category.
- In Melhores da Dinheiro it ranks among the 1,000 BIGGEST COMPANIES in BRAZIL.
- Ranks as the 13th corn exporter in Cargonave's Annual Report (2020).
- Cargonave's Shipping Report, from August, lists the company as the country's 11th CORN EXPORTER.



# Financial Assets

## Business performance

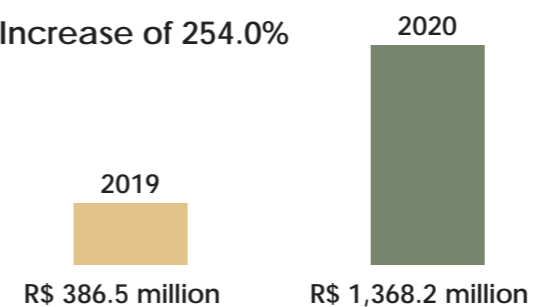
GRI 102-7, GRI 201-1, GRI 201-2

Motivated by conjunctural factors - such as the economic downturn and the falling dollar, which led to a greater incentive for

exports, creating a window of opportunity - the economic performance this year exceeded initial expectations, with the following highlights:

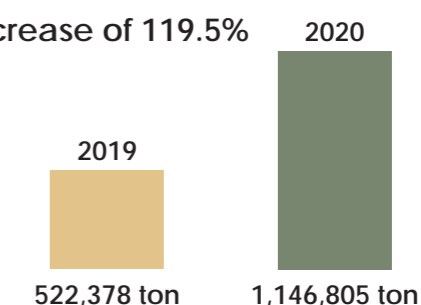
### Net Revenue. Record of R\$ 1,368.2 million

Increase of 254.0%



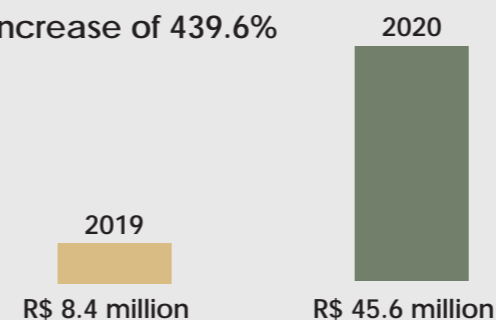
### Tons traded. Record of 1,146,805 tons

Increase of 119.5%



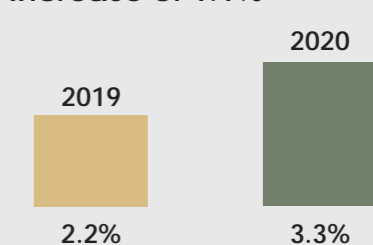
### Adjusted EBITDA. Record of R\$ 45.6 million

Increase of 439.6%



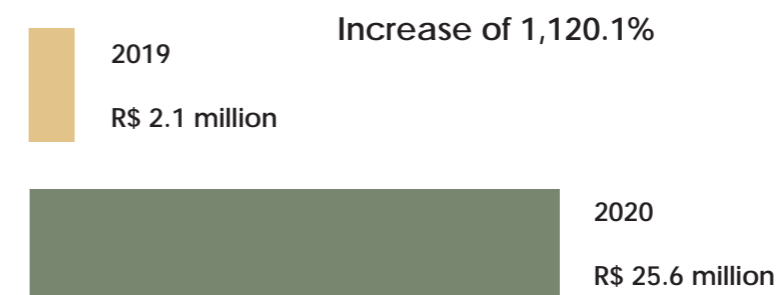
### Adjusted EBITDA margin

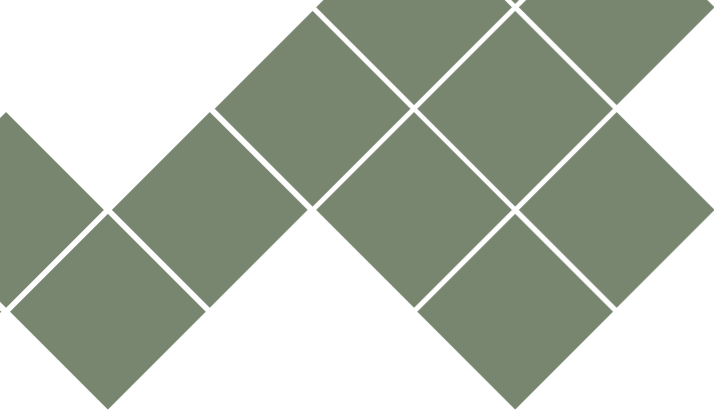
Increase of 1.1%



### Net income. Record of R\$ 25.6 million

Increase of 1,120.1%





The increase in revenues presented in the past few years is part of a long-term strategy. According to it, an expectation of net sales of approximately R\$800 million for

2020 had been announced to the market; however, favorable conditions have allowed it to exceed R\$1.3 billion. The plan is to reach approximately R\$3 billion in net sales by 2023.

### 2020 x 2019

**Net revenue** - Record high of R\$1,368.2 million (+254.0% vs. 2019), compared to R\$386.5 million in the previous year, an increase of R\$981.7 million.

• **Tons of corn traded** - Record high of 818,661 tons (+68.8% vs. 2019), compared to 485,115 tons in the previous year, an increase of 333,546 tons.

**Tons traded** - Record high of 1,146,805 tons (+119.5% vs. 2019), compared to 522,378 tons in the previous year, an increase of 624,427 tons, of which 333,546 in corn and 290,881 in soybeans.

• **Tons of soybean traded** - Record high of 328,145 tons (+780.6% vs. 2019), compared to 37,263 tons in the previous year, an increase of 290,881 tons.

## Purchasing Practice

GRI 204-1

Throughout the year, 300 purchasing contracts were signed, representing a volume of 1,146,805 tons of grains. Of these, 71% were for corn and 29% for soybeans. The operations took place in Brazil, in the states of MT, PR, GO, MS, SP and PA.

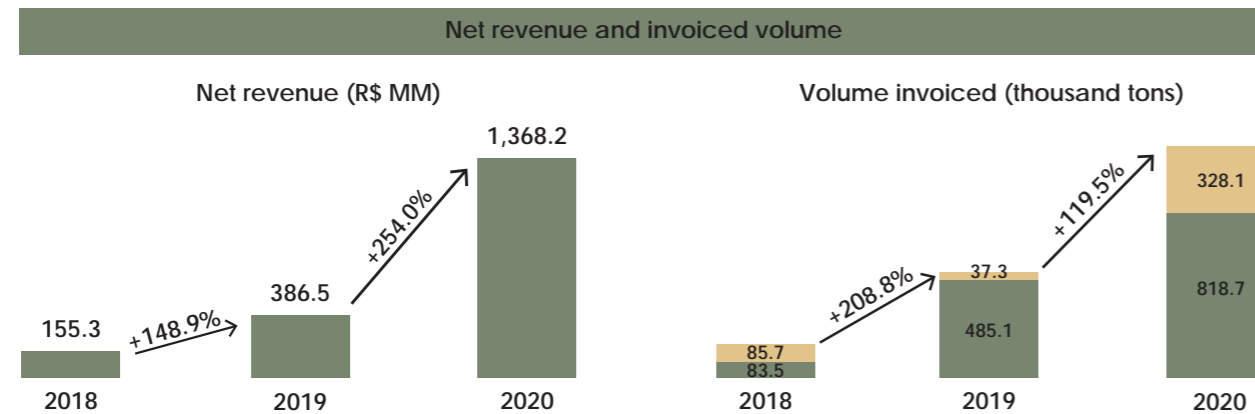
In the purchasing practice, the standards recommended in legislation, faithful fulfillment of contracts and compliance with the Soy

Moratorium are adopted. There are ethical standards that can be found in the Code of Ethics and Conduct, on the company's website: [www.agribrasil.com.br](http://www.agribrasil.com.br)

## Freight

As a very active buyer from rural producers and small town cooperatives, Agribrasil contributes to the soybean and corn classification and certification market. Over the year, R\$ 200 million (in rounded numbers)

were invested in the freight market, including transshipment units (transition from one freight mode to another), port logistics, shippers, truck drivers, etc.



## Manufacturing

In 2020 Agribrasil projected the structure of an department for acquisition and management of Port Assets, in the following year (21).

Until the closing of the fiscal year it was a project (only active and not operational), intended to seek capitalization for investment in logistics assets in the South of Brazil. The estimated budget is R\$300 million.



Image provided by Rumo S.A.

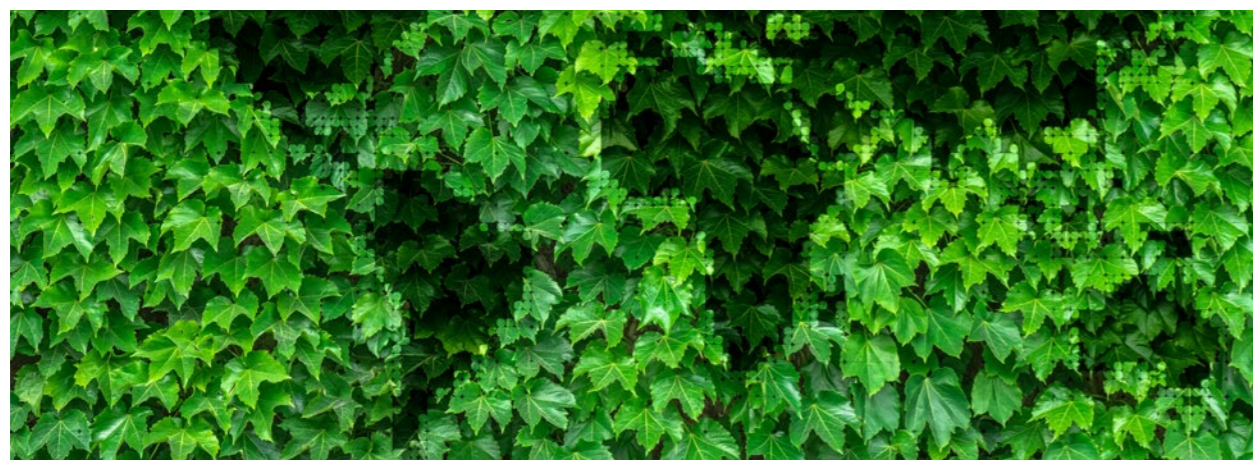
## Contracts

Sales are made based on the standard contracts ANEC-41 (soybean) and ANEC-43 (corn) and settlement takes place within 48 hours after presentation of the shipping documents (Cash Against Documents- CAD).

The export regime is the standard FOB, and the client is in charge of the goods' insurance. If, eventually, an international embargo occurs, it will be complied with. During the year there was no relevant activity involving fines, sanctions, or breach of contract. The company has no registered assets and the small depreciation figure that

appears in the DRE (Fiscal Year Income Statement) refers to investments in the ERP (Enterprise Resource Planning) system, an integrated management software.

In the contract model, it is made explicit that the other party commits to comply with certain socio-environmental and human rights criteria, as outlined in the FIFTH CLAUSE: "(the product or service in question) was not produced in an indigenous land, or with the use of child labor, or in conditions analogous to slavery...".



**GUIDANCE** – Disregarding the exceptional factors that impacted the results in 2020 - Agribrazil doubled its size in four years -, for the next fiscal year (21), the company projects net sales of R\$1.7 billion, which,

when achieved, would result in a growth of 30%. From a conservative standpoint, the number covers the consolidation of the current portfolio and a small number of new customers.

## Index

GRI 102-55

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GC SOURCE	<a href="https://www.pactoglobal.org.br/10-principios">https://www.pactoglobal.org.br/10-principios</a>			
SDG SOURCE	<a href="http://www.agenda2030.org.br/ods/17/">http://www.agenda2030.org.br/ods/17/</a>			

## ANNEXES

	Individual			Consolidated		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018
<b>Cost</b>						
<b>Cost of commodities</b>	(868,852)	(277,442)	(142,196)	(1,088,270)	(320,322)	(144,874)
<b>Logistics costs</b>	(187,344)	(59,350)	(7,611)	(210,043)	(63,419)	(7,611)
	(1,056,196)	(336,792)	(149,807)	(1,298,313)	(383,741)	(152,485)
<b>MTM</b>						
<b>Gains (losses) - future contracts</b>	(16,203)	10,392	(1,382)	(3,671)	11,605	(1,382)
<b>Inventories MTM</b>	(441)	1,053	(211)	(411)	1,053	(211)
	(16,644)	11,445	(1,593)	(4,112)	12,658	(1,593)
	(1,072,840)	(325,347)	(151,400)	(1,302,425)	(371,083)	(154,078)

### GRI 204-1

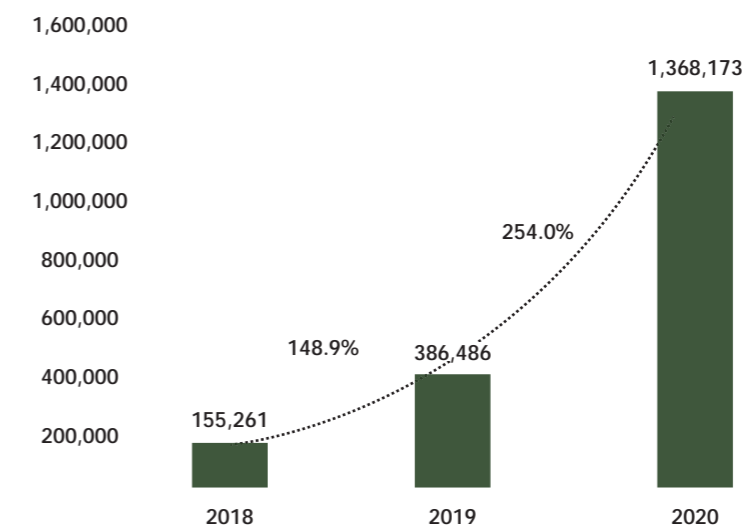


## Results

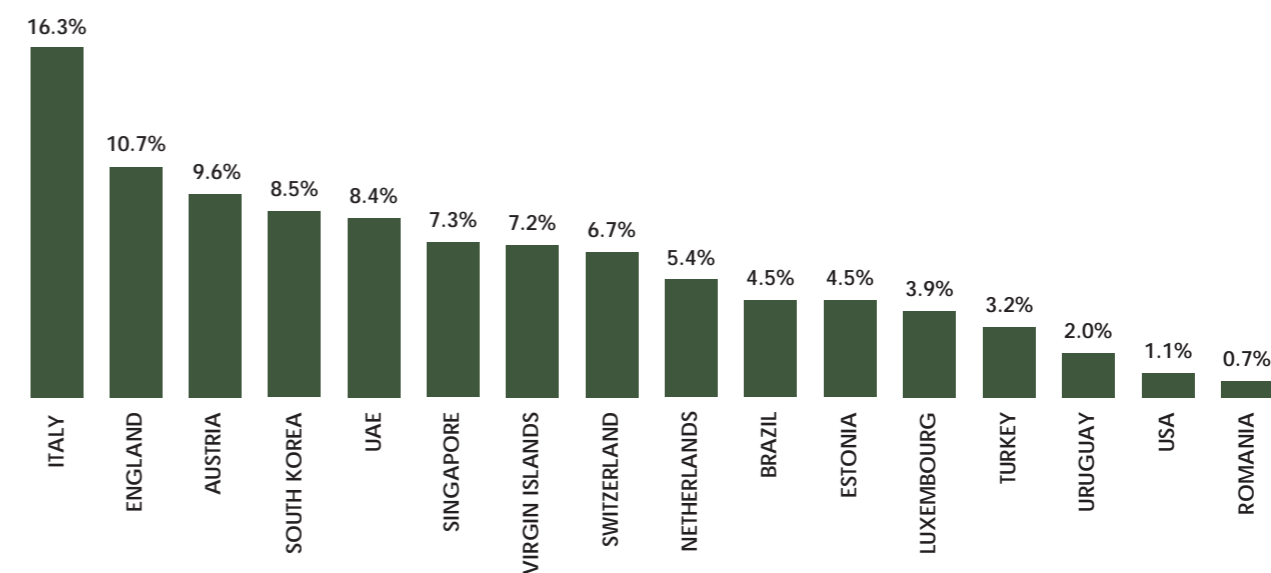
(R\$ thousand)	2020	2019	Var. 2020/2019	2018	Var. 2019/2018
<b>Net revenue</b>	<b>1,368,190</b>	<b>386,486</b>	<b>254.0%</b>	<b>155,261</b>	<b>148.9%</b>
<b>Costs</b>	<b>(1,302,425)</b>	<b>(371,083)</b>	<b>251.0%</b>	<b>(154,078)</b>	<b>140.8%</b>
<b>Gross profit</b>	<b>65,765</b>	<b>15,403</b>	<b>327.0%</b>	<b>1,183</b>	<b>1202.0%</b>
Gross margin	4.8%	4.0%	0.8 p.p.	0.8%	3.2 p.p.
<b>Expenses</b>	<b>(15,838)</b>	<b>(5,113)</b>	<b>209.8%</b>	<b>(2,412)</b>	<b>112.0%</b>
% of net revenue	1.2%	1.3%	-0.1 p.p.	1.6%	-0.3 p.p.
General and administrative	(15,697)	(5,048)	211.0%	(2,371)	112.9%
% of net revenue	1.1%	1.3%	-0.2 p.p.	1.5%	-0.2 p.p.
Other expenses					
% of net revenue	0.0%	0.0%	0.0 p.p.	0.0%	0.0 p.p.
Depreciation and amortization	(141)	(65)	116.9%	(41)	58.5%
% of net revenue	0.0%	0.0%	0.0 p.p.	0.0%	0.0 p.p.
<b>EBIT</b>	<b>49,927</b>	<b>10,290</b>	<b>385.2%</b>	<b>(1,229)</b>	
<b>Financial result</b>	<b>(13,882)</b>	<b>(4,306)</b>	<b>222.4%</b>	<b>(1,891)</b>	<b>127.7%</b>
Financial income	426	696	-38.8%	53	1213.2%
Financial expenses	(6,548)	(2,967)	120.7%	(1,484)	99.9%
Result of net exchange variation	(7,760)	(2,035)	281.3%	(460)	342.4%
<b>EBT</b>	<b>36,045</b>	<b>5,984</b>	<b>502.4%</b>	<b>(3,120)</b>	
<b>Income tax and social contribution</b>	<b>(10,422)</b>	<b>(3,884)</b>	<b>168.3%</b>	<b>786</b>	
Current	(19,285)	(16)	120431.3%		
Deferred	8,863	(3,868)		786	
<b>Result after IT and SC</b>	<b>25,623</b>	<b>2,100</b>	<b>1120.1%</b>	<b>(2,334)</b>	
Minority interest					
<b>Net income</b>	<b>25,623</b>	<b>2,100</b>	<b>1120.1%</b>	<b>(2,334)</b>	
Net margin	1.9%	0.5%	1.4 p.p.	-1.5%	2.0 p.p.
<b>EBITDA</b>	<b>50,068</b>	<b>10,355</b>	<b>383.5%</b>	<b>(1,188)</b>	
EBITDA margin	3.7%	2.7%	1.0 p.p.	-0.8%	3.5 p.p.
Adjustment of exchange variation effects on financial results	(7,760)	(2,035)	281.3%	(460)	342.4%
Adjustment of the effects of the US-China Trade War				4,392	
Adjustment of extraordinary expenses for access to the capital market	2,619				
Adjustment of expenses with PIS COFINS recovery	463				
Adjustment of expenses with ERP implementation	106	125	-15.2%		
Adjustment of commercial, general and administrative expenses	74				
<b>Adjusted EBITDA</b>	<b>45,570</b>	<b>8,445</b>	<b>439.6%</b>	<b>2,744</b>	<b>207.8%</b>
Adjusted EBITDA margin	3.3%	2.2%	1.1 p.p.	1.8%	0.4 p.p.

\* In accordance with CVM Instruction 527/12.

Net Revenue (R\$'000)  
Growth %



Country of origin of our customers  
% of net revenue in 2020



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