



2019

# Sustainability Report

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Executive Summary  
SASB and GRI Standards



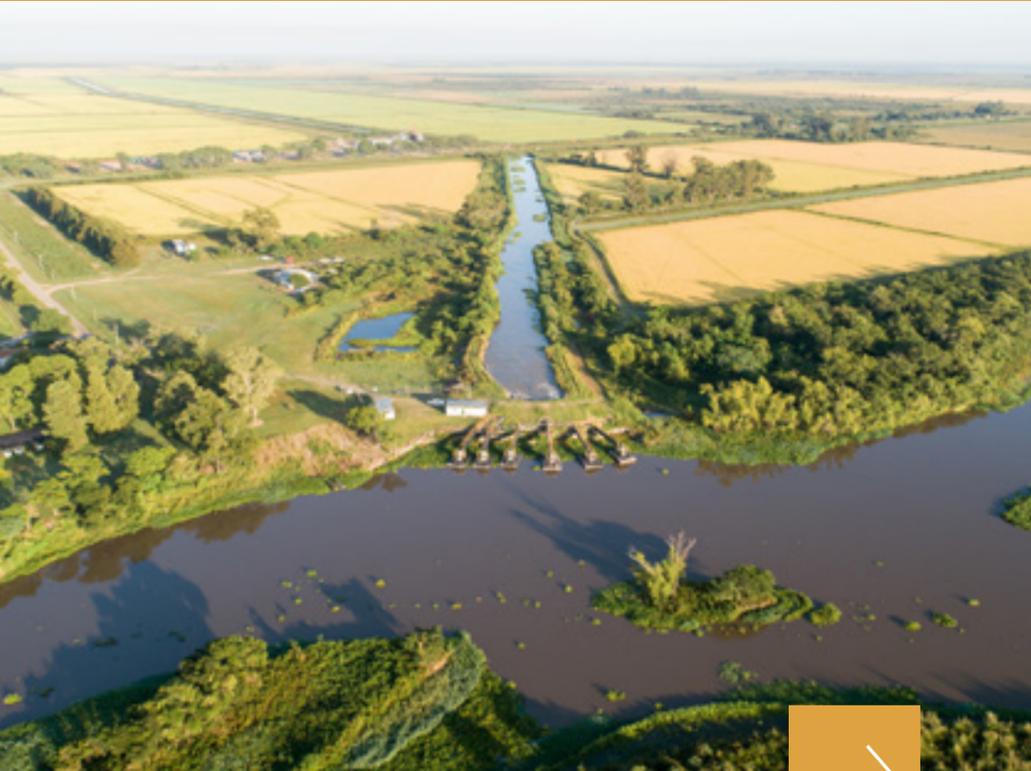
**Our Company**



**Governance, Ethics  
and Transparency**



**Our Team**



**Sustainable Business  
Model**



**Environmental  
Management**



**Community**

# Our Company

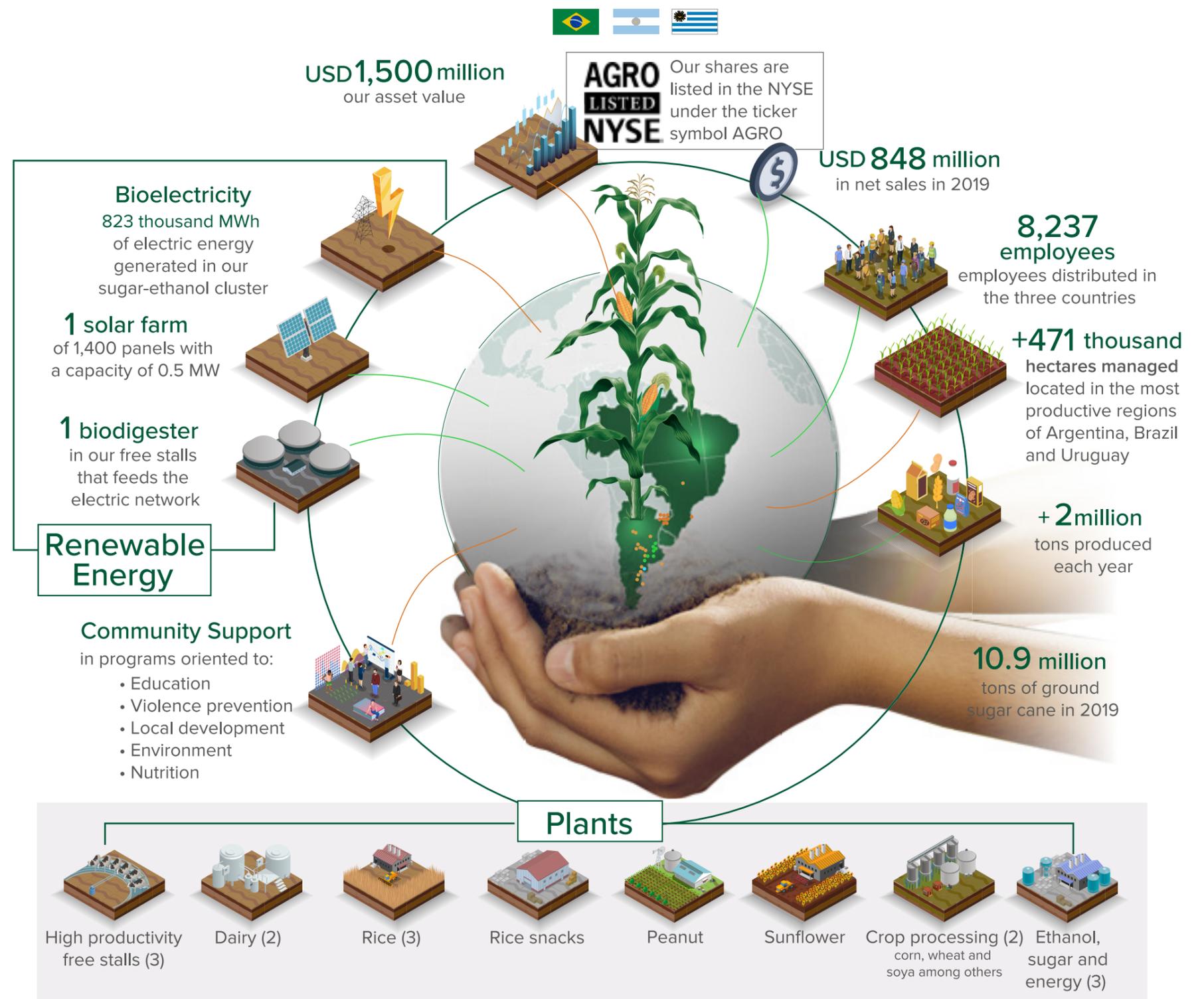
We are an agroindustrial company that produces and manufactures food and renewable energies, and that was born and has grown under a spirit of a circular model of efficiency and sustainability in different areas of Brazil, Argentina and Uruguay.

We produce ethanol, sugar, grains, rice, peanut, and dairy products of the highest quality. We process the farm products in our own plants and manufacture food for consumers. We also generate renewable energies as a source of income and as fuel that feeds our production cycle.

## Our brands



## Certifications



# Governance, Ethics and Transparency

Independence, transparency and accountability are the pillars of our corporate governance model.

“We believe that it is possible to develop a more sustainable world with people having better access to healthy foods and efficient renewable energies. For this, we need to always seek a balance with our environment, the development of local communities and the health and safety of our people. This is especially important in this very particular and sensitive time we are going through right now. We implement this vision through a sustainable development model focused on people”.



**Mariano Bosch**  
Co-Founder and General Manager

## Our values

### Transparency

We are honest in our relationships and work with integrity.

### Trust

We generate solid and long-lasting relationships.

### Efficiency

We maximize our capacities.

### Innovation

We encourage creativity and ongoing improvement.

### Sustainability

We promote environmental and social management.

### Safety

We take care our employees, their families and the communities in which we operate.



We rely on consultation and reporting mechanisms available 24 hours a day in the local language of each country in order to ensure compliance with the Code of Ethics and Business Conduct.



Sustainability Area reporting directly to the Executive Board.

# 44%

of the Board members belong to the local community.

# 100%

> of directors and employees are trained in anti-corruption policies and procedures.

> of our directors and employees have adhered to the Code of Ethics and Conduct.

> of our communities are comprised by our consultation management procedure.



# Our Team

We work on a specific value proposal so that each employee can grow, learn and develop.

We offer the possibility of following a professional career in food manufacturing and renewable energies. We are fully integrated with our communities, we are flexible and dynamic when facing opportunities and we always encourage excellence.



The training Program in Brazil contributes to the development of our team.



Employees in our free stalls in Santa Fe, Argentina.

## Employee Centered Indicators

# 8,237

Direct employees (December 2019).



**1,057** women



**7,180** men

# 66.5

average hours of employee training.

### By type of contract

Contracts for an indefinite term	7,938
Fixed term contracts	299

### Collective bargaining agreements



## We contribute to local job creation

**USD 1,185,366**

invested in Brazil for the training and development of our employees.



of workers in our free stalls belong to the local communities.

**121**

young employees from professional practice programs and internships were incorporated to support the operation and management of our business in Brazil, Argentina and Uruguay.



reduction of the Accident Severity Rate in our operations in Brazil.

## Policy on occupational health and safety

- We comply thoroughly with all the statutory requirements and this is reflected in our Integrated Policy on Occupational Health and Safety.
- In Brazil, we rely on a Safety Executive Committee which is composed of directors and managers. We also have Internal Accident Prevention Committees in place, comprised by employees at all levels of the organization.
- We have developed the **Safe Operation Program in Brazil**, the purposes of which are: loss reduction, leadership conscience, risk management and ongoing improvement. An integral diagnosis carried out in the different organizational levels has helped us understand the level of maturity of health and safety at work in Brazil and, in this way, learn and start acting in the best improvement opportunities in order to achieve the **zero-accident goal**.
- We have strengthened the Safety area in the Argentine and Uruguayan operations, centralizing some of the processes. We work jointly with the different businesses in order to raise awareness and sensitization.

Employees at a rice plantation in Corrientes, Argentina.

# Sustainable Business Model

Our sustainable production system is aimed at achieving development and health of all our employees, the satisfaction of our clients, the protection of the environment and the general welfare of the communities in which we are immersed.

## Four key pillars of our business model:

1. Operating efficiency
2. Innovation
3. Ongoing improvement
4. Good practices

**1** | **Operating efficiency**  
We make our farms and industrial plants reach their maximum production capacity.

**11.7%**  
increase of ethanol production and 19% increase of bioelectricity exports.

**7%**  
increase in managed areas in Brazil.

**99%**  
of suppliers in Brazil have been screened using socio-environmental criteria.

**20%**  
year-on-year growth in the number of milking cows, without purchasing wombs.

**20% al 30%**  
of water saving based on the irrigation efficiency initiatives on the rice business.

**25%**  
more productivity in the new sunflower plant.

Angelica Plant in Mato Grosso do Sul, Brazil.





San Javier River pumping in Santa Fe, Argentina.

2

## Innovation

We develop innovative solutions that allow us to earn operating efficiency.

20%

increase of machinery efficiency thanks to the online tracking system.

- Incorporation of special processing equipment for the manufacture of lactose-free dairy products in the industrial plant in Chivilcoy, province of Buenos Aires.
- Internal development of the tool “*El Agrónomo*” (The Agronomist) for our agro business.

4G

internet coverage throughout the Mato Grosso do Sul Cluster (facilities and farms).

3

## Ongoing improvement

We conduct periodic integrated internal audits in our facilities.



We have obtained the Certificate of Efficient Production within the framework of the **RenovaBio** project in the 3 plants in Brazil.

- 8 new certifications obtained related to the environment, food quality and innocuousness in Argentina and Uruguay.

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## Good practices

We implement good practices in order to carry out our business while taking care of the environment and the community. They are related to:

- Practices to ensure animal welfare.
- Soil preservation.
- Rational consumption of water and reutilization practices.
- Generation of renewable energies and energy management.
- Recycling and reutilization of waste.
- Management to reduce emissions.
- Biodiversity practices.



# Environmental Management

We develop our operations within a framework of environmental protection, assuming the responsibility of taking care of our planet and preserving its natural resources for the future generations.

- We optimize the use of natural resources.
- We improve energy efficiency.
- We encourage the prevention of contamination.
- We promote the use and the production of renewable energies.
- We monitor the state of the natural environments.
- We conduct internal and external audits.



Sugar cane plantations in Mato Grosso do Sul, Brazil.

**34%**

reduction of Greenhouse Gas emissions in Brazil (Scope 2).

**1,400**

solar panels installed in our free stalls in Argentina.



## RenovaBio Certification in Brazil

In Brazil, we adhere to the National Biofuel Policy, RenovaBio, and have thus obtained the Efficient Production Certificate for our three plants in this country with great efficiency scores.

### 1<sup>st</sup> position: Hydrated Ethanol

A total of 139 ethanol plants were rated in Brazil: 137 of sugar cane and 2 of corn.

#### Hydrated Ethanol

- Monte Alegre plant: 1<sup>st</sup> place
- Ivinhema plant: 5<sup>th</sup> place
- Angelica plant: 12<sup>th</sup> place

#### Anhydrous Ethanol

- Angelica plant: 8<sup>th</sup> place

## Renewable energy in Argentina



We have earned the 14001:2015 certification for the biodigester in the milk business.

# 7 thousand MWh

of renewable energy generated in Argentina.

# 100,800 tons

of manure processed for the generation of biogas.

Biogas plant located in Santa Fe, Argentina.



# Community

We promote the development of the communities through different initiatives and working jointly with the public sector and social organizations.



The opened libraries are part of our Sustainable Local Development program in Brazil.

**USD 327 thousand**

in private social investment in Brazil.

**USD 280 thousand**

in private social investment in Argentina.

## Initiatives in Brazil

### Education

#### Escola Nota 10 Project

We contribute with the improvement of basic public education. Alliances: Bradesco Foundation and municipal governments of Ivinhema, Angelica and Novo Horizonte do Sul.

- 7 schools.
- 68 teachers.
- 1,907 students.

### Violence prevention

#### Protect program

We guide employees and the community on ways to report a sexual abuse of children and adolescents, and on ways combat the culture of rape, violence, and sexual or moral harassment.

- 100% of employees informed.
- 12 multipliers trained.
- 533 employees trained.
- 1,913 students in 9 schools watched our theater initiative.

### Local sustainable development

We support relevant social projects, which are in line with our actions.

- 762 children and teenagers benefitted from the program.

### Donations & sponsorships:

We establish relationships with different stakeholders to support our communities.

## Initiatives in Argentina and Uruguay

### Education

We promote educational opportunities throughout our country.

- 7 projects.
- 19 schools.
- 86 teachers trained.
- 46 scholarships granted.

### Nutrition

We contribute to the food safety of communities.

- 9 CONIN centers.
- 7 Food Banks.
- 377 tons of food.

### Local development

We promote the development of our communities by taking active part together with public and private entities and NGOs.

- 5,150,608 dishes of rice.
- 107,580 glasses of milk.
- + de 50 organizations benefited.





This publication is a consolidated summarized version of the economic, social and environmental performance of Adecoagro in Brazil, Argentina and Uruguay.

The complete versions of Adecoagro's 2019 Sustainability Report, together with the GRI Content Index and the SASB Standards are available in the website <https://ir.adecoagro.com>

For the preparation of this report, we have followed the GRI and SASB standards.



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