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**SUSTAINABILITY  
REPORT  
2019**



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We believe in sustainable development and in our ability to generate positive impact for society.

# INTRODUCTION

**W**e believe in sustainable development and in our ability to generate positive impacts for society. Operating in the market for over 35 years, we are constantly working to improve processes and communication with all our stakeholders and, today, as part of the South Korean group CJ CheilJedang, we at CJ Selecta believe in the value of innovation, always seeking to be ahead in the development of products and services that cater to the needs of our customers and partners while working to grow with sustainability.

Thus, this year we are publishing our first Sustainability Report with the commitment to annually disclose our economic, social and environmental results, always in search of continuous improvement and the continuity of our operations.

Enjoy your reading!





# 01

## MESSAGE FROM THE CEO

| 102-14 |

### TEAMWORK

**The year 2019 was turbulent, but the commitment of the professionals who are part of CJ Selecta - Brazilians and Koreans - showed that teamwork is the key to overcoming any challenge. In this interview, Guilherme Tancredi, CEO of CJ Selecta, talks about the main events of the year and his outlooks for 2020.**

**This was your first year as CEO after the acquisition of controlling interest by the Korean group CJ CheilJedang, which occurred precisely amidst a complex economic scenario in the foreign and domestic markets. How did CJ Selecta position itself to reduce possible impacts on the business?**

**G.T:** The year 2019 was really a complicated one, mainly due to the domestic market and the trade war between China and the United States and to the swine fever crisis in China, which affected all markets related to meat production. But, despite these difficulties, we managed to deliver a very satisfactory result, both from an economic and production standpoint. We had a record production volume, which is one of our main goals, and achieved record field efficiency rates, product quality and the highest customer satisfaction index in the company's history. So, despite the ad-

verse scenario, we have a lot to celebrate. And, as I see it, this is the result of a strong commitment from managers and all our employees, who work with transparency and focus on customer needs—something that is already in the company's DNA.

**In the last quarter of 2019, much was discussed internationally about the fires in the Amazon—a subject that directly marred the country's image, especially among the European audience. Did this have a negative impact on the company's business?**

**G.T:** Europe is one of the main markets for the soy protein concentrate that we produce. They are very attentive to environmental issues and, mainly, to what goes on in the Amazon region. That is why we received many inquiries about the actions taken by the country and by agribusiness in relation to this biome. Despite our operations being distant from the region, this gave the company a clear indication of how important it is to invest in actions that further reinforce our sustainability strategy throughout the chain. And the structuring of a specific department to coordinate all CJ Selecta's sustainability governance actions will boost our strategic performance in the sector.



### Are there medium- and long-term strategies in place to address possible impacts on the business?

**G.T:** We are already working with short-term strategies. The new sustainability department will be responsible for addressing all matters related to mitigation of impacts, relationship with producers, measurement of all eco-efficiency indices, certifications for our products and operations, in addition to developing a close relationship with the main associations and entities in order to prepare plans for the industry that address the main risks and challenges for the local market.

Today this topic must be viewed as strategic. Urgent matters must indeed be addressed, albeit with an eye on the long term and understanding what we need to do. All business leaders are focusing on that. And, to maintain a relationship of trust with customers, consumers and society, we have been preparing to continuously improve all sustainability-related practices. This challenge is here to stay. That's why we are creating a systemic and non-negotiable model, a path of no return and critical for maintaining our operations.

### Is NonGMO soy an essential feedstock for the company? What is being done to boost your production in the country?

**G.T:** This has been a challenge, as large producers are gradually abandoning investments in NonGMO products, forcing us to source soy in regions farther from our industrial operations – with impacts on both cost and the environment. For this reason, two years ago we developed a program to foster NonGMO soy to drive cultivation of NonGMO soy in our region, which we expect to complete by 2022. We also actively participate in industry groups that have been working to develop actions in this direction.

### And what was it like to culturally integrate Brazil and Korea?

**G.T:** I'm happy to say that it is happening in a very positive way. Of course, there are difficulties that are inherent to the process, not to mention that the western and the eastern cultures are very different. But there was a great deal of respect for both cultures and, in these two and a half years of work, we managed to maintain many characteristics that were already consolidated in the company and incorporate many of the group's processes, leveraging the best that each had to offer. Within the group, we are considered a successful acquisition case, even when compared to Asian companies.

### The market started 2020 with a more optimistic scenario. In your opinion, what is the outlook for the year?

**G.T:** I believe 2020 is going to be a year of growth. A year in which we will define the path to expand our presence in the animal protein market. It will also be a year of consolidation of our specialty fertilizer plant, which today is still a small business, but with huge growth potential. At CJ, we are part of the biotechnology unit (CJ BIO Division), where our vision is to become protagonists and a global reference in soy nutrients, with innovation, quality and sustainability. Given our very strong research and development base in Korea and deep knowledge in the field of amino acids, we expect many new things coming our way. Innovation was already part of our culture and it is now even more so. As such, the plan for 2020 is to continue growing within a sustainability strategy, always relying on the commitment of our team—without them, none of this would be possible.

Enjoy your reading

**GUILHERME TANCREDI**  
CEO CJ Selecta



This is CJ Selecta's first Sustainability Report. Through it, we want to ensure the transparency of our actions to all company stakeholders. It will be one of our channels to communicate on results and challenges each year. And your insights are very important for us to continue improving. Be sure to share your opinion with us!

## SUSTAINABILITY IN OUR STRATEGY

The year 2019 was marked by many market challenges, such as the US-China trade war, the swine fever crisis, also in China, and the instability of the global economy. But this was also the year in which we consolidated our integration process as CJ Selecta and began to structure a more robust sustainability strategy in the country.

An extremely important point in this whole process has been the commitment of our team in Brazil and Korea, especially in the integration of our cultures. We arrived in the country looking to combine the best in the way Brazilians and Koreans work to create a way of being unique and capable of showcasing our company in the domestic and international markets. I believe that the results show that we are on the right track.

It is also important to highlight our efforts to make our process increasingly more sustainable and responsible. Thus, in 2019, we brought together all actions related to product quality and traceability under the sustainability department, with a specialized and trained team to respond to

all customer demands – especially those involving NonGMO soy and soy planted outside of the Amazon biome.

In addition, we are working on finding solutions that create value for what was previously discarded. We have already taken the first step through our organomineral fertilizer plant (creating a new market for the company) and we are already in the development phase of our ethanol production plant, which is the main input for the extraction of sugars in the manufacture of SPC – all based on soy molasses, which was previously considered waste.

This is a path we will always follow, constantly searching for environmentally friendly processes and products. And, with this report, we are making a commitment to transparency with all company stakeholders.

Enjoy your reading.

**SEOKHWAN YOON**  
President of CJ Bio Division Latin America



We believe in sustainable development and in our ability to generate positive impact for society.

# 02 ABOUT THE REPORT

| 102-1, 102-50, 102-52, 102-54 |

This is the first year that CJ Selecta is publishing its sustainability report. Developed according to the GRI<sup>1</sup> Standards methodology (Core option), this material contains information regarding the period from January 1 to December 31, 2019, reinforcing our commitment to an increasingly sustainable and transparent management.

In order to define the main topics to be reported by the company, we conducted a materiality process to help us understand which topics

are most relevant to the agribusiness sector and to our main stakeholders, including customers, suppliers and employees through interviews and online questionnaires.

In addition, this process included consultations of materials disclosed by competitors, customers, companies in the sector and entities associated with sustainability processes such as SASB<sup>2</sup>, RobecoSAM Sustainability Yearbook<sup>3</sup> and GRI's Sustainability Topics for Sector study. | 102-40, 102-42, 102-43, 102-44, 102-46 |

Below are the topics considered material for CJ Selecta: | 102-47, 103-1 |

1 Water	7 Supplier management
2 Agricultural practices and sourcing	8 Biodiversity
3 Economic performance	9 Effluents and waste
4 Health and safety	10 Climate change
5 Energy	11 Innovation
6 Governance, Ethics and Compliance	12 Human capital management

<sup>1</sup>Independent international standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

<sup>2</sup>Sustainability Accounting Standards Board ([www.sasb.org](http://www.sasb.org)): defines specific standards for the disclosure of corporate sustainability, ensuring that the disclosure is material, comparable and useful for investors.

<sup>3</sup>RobecoSAM Sustainability Yearbook (<https://yearbook.robecosam.com/>): mapping of the most relevant topics for the sector.



Operating in the market for 35 years, the company is now part of the South Korean group CJ CheilJedang.

# 03

## CJ SELECTA

**D** Since 1984, CJ Selecta has been a pioneer in the production of soy products for a variety of segments. Headquartered in Goiânia (GO), with an industrial unit in Araguari (MG), a sales office in São Paulo (SP) and several branches throughout Brazil, the company is today one of the largest exporters of Soy Protein Concentrate (SPC), from GMO and NonGMO sources. | 102-3 |

CheilJedang. Until then known as Sementes Selecta, the company changed its name to CJ Selecta, becoming part of one of the largest conglomerates in the world in food, pharmaceuticals, biotechnology, entertainment, media, home shopping, and logistics.

Today, the company is part of the CJ Bio Division, a global leader in bioscience based on the development of products and solutions that meet customer needs based on sustainable biotechnology. With a focus on offering environmentally friendly solutions, for the past 50 years the company has been working on the development of cutting edge technologies for microorganisms, becoming a reference in the market for food amino acids and fermented nucleotides for food.



See CJ Selecta's other products in the Operational Performance section.

Operating in the market for 35 years, in 2017 the company underwent a major transformation after the acquisition of its controlling interest by the South Korean group CJ

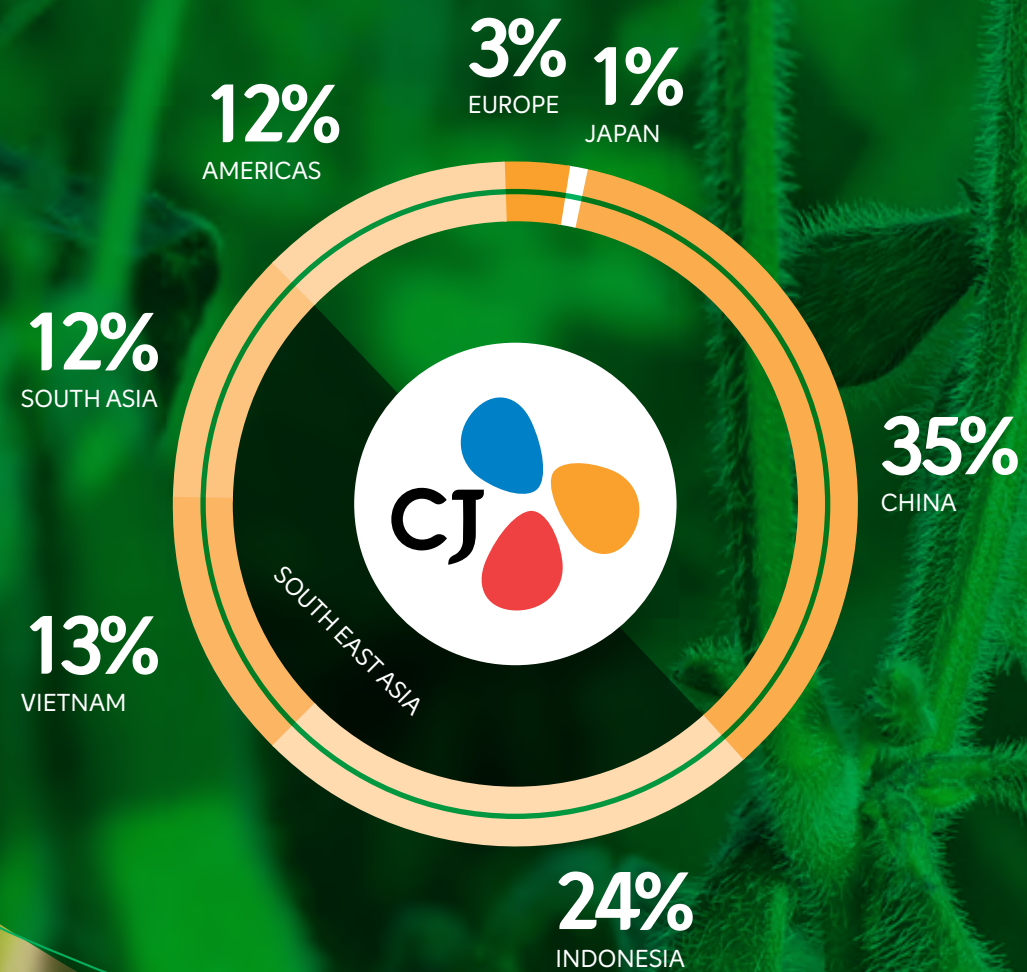


To learn about the CJ Bio Division, visit: <https://m.cjbio.net/>



# THE CJ GROUP

With annual sales of US\$ 30 billion and global assets of US\$ 22.4 billion, the group was founded in 1953 and has become one of the sales leaders in the food sector, especially in the sugar, flour and oil segments. Today, the CJ Group operates in the areas of Home Shopping & Logistics, Bio & Pharma, Entertainment & Media, and Food & Food Services. In Brazil, the Korean company has business in the area of soy trading, logistics and bioscience, with a plant in upstate São Paulo.



To learn more about  
the CJ Group visit:  
<http://english.cj.net/>

## WHO WE ARE | 102-16 |

### Corporate Philosophy

To contribute to the country's economic development and to people's lives through business.

To maximize the capacity of talented people and create an environment of respect.

To seek profit and prosperity through rational management and innovation.

### Mission

To contribute to the global community by providing the best value through our Only-One products and services.

### Vision

Global lifestyle company that inspires a new life of health, happiness and convenience.

To be a global reference in soy nutrients, with innovation, quality and sustainability.

### Values

**OnlyOne:** reach leadership through fundamental competence as the first, best and different.

**Talent:** become a leader with exceptional talents and corporate culture.

**Shared growth:** to be respected by society for composing ecosystems and creating shared value.

### Principles that guide

#### the actions of group members

Integrity, Passion, Respect and Creativity.

## OUR BUSINESS VISION

At CJ Selecta, we want to be a global reference in soy nutrients, with innovation, quality and sustainability:

- **Soy nutrients:** not only in the area of SPC (Soy Protein Concentrate), but also in other soy-based nutrients, such as oil, lecithin, molasses, tocopherol, and soybean hulls.

- **With innovation:** in continuous evolution, with cost competitiveness in new and existing projects, such as fostering NonGMO seeds, fertilizers and the ethanol plant. Innovation in sales and marketing, with the development of new customers, new applications and technical marketing.

- **With quality:** in product control and in process, with SAP implementation and improvements, adding Strategy, know-how and competence, always considering sustainability issues.

- **Cost structure:** structural improvement, flexible for changes in the corporate environment.

- **Business model:** contribution to society and the environment.

- **Human Resources:** develop self-confidence and corporate culture



TIMELINE



**1984**  
Selecta is established with a focus on trading of soybean seeds - part of them NonGMO - and other agricultural inputs.



**1991**  
Accelerated growth, with a focus on soy as the core business.



**2002**  
Start of own logistics program - trucks and terminal at the Port of Tubarão.



**2007**  
Start of construction of the Araguari (MG) operational unit.



**2009**  
Opening of the industrial soy crushing plant in the city of Araguari (MG).



**2010**  
Development of the SPC market in South America and Asia.



**2013**  
Controlling interest acquired by the Chilean group Corpesca.



**2015**  
ProTerra certification for NonGMO products.  
Start of the X-Soy plant.



**2016**  
Start of lecithin production.



**2017**  
Acquisition of 90% of the company's controlling interest by the Korean group CJ. The company changes its name to CJ Selecta.



**2018**  
Barter operations to promote NonGMO soybean.  
FSSC22000 certification for food products.

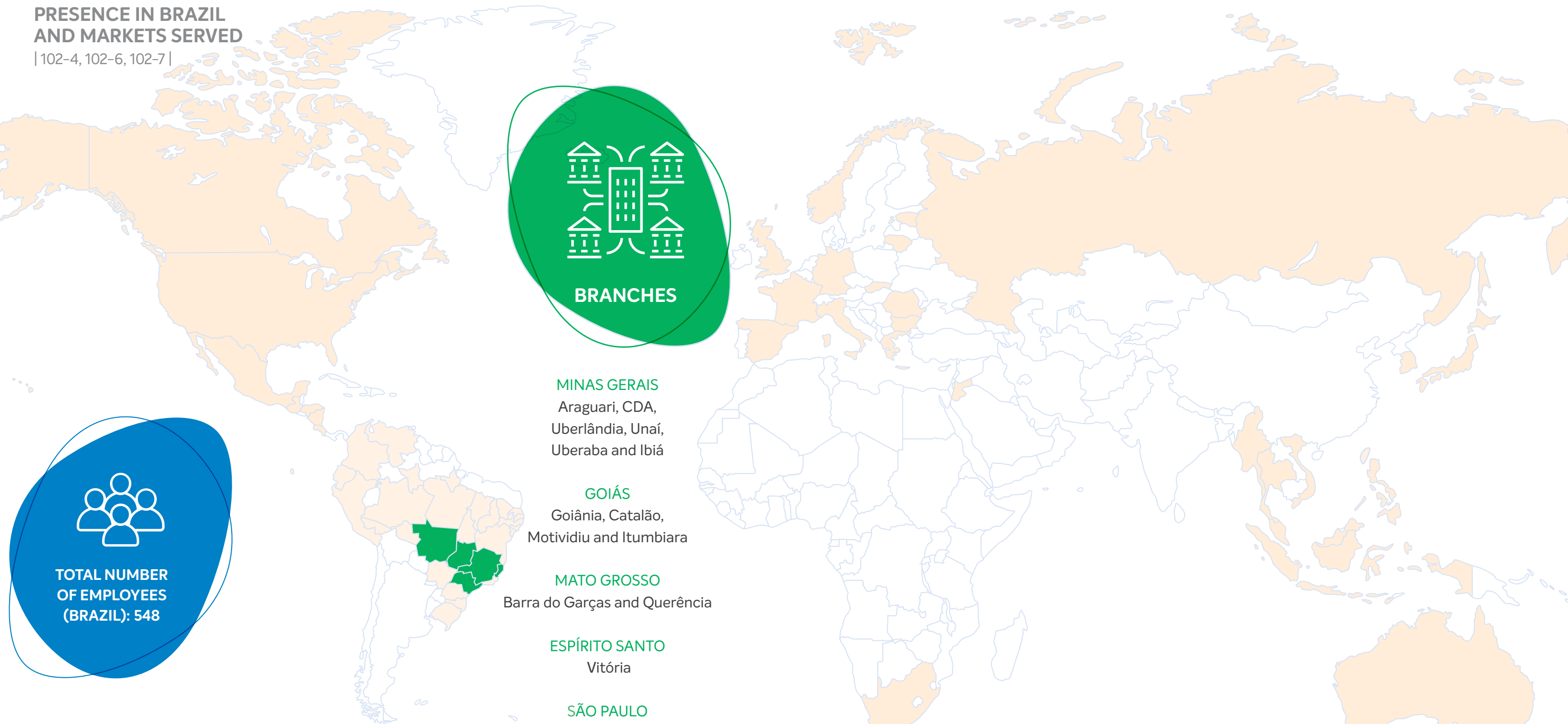


**2019**  
Acquisition of the remaining 10% interest, making the company wholly-owned by the CJ group.  
Beginning of operations at the organomineral fertilizer plant in Araguari (MG).  
Planning of the construction of the ethanol generating unit from soy molasses.



PRESENCE IN BRAZIL AND MARKETS SERVED

| 102-4, 102-6, 102-7 |



**BRANCHES**

**MINAS GERAIS**  
 Araguari, CDA,  
 Uberlândia, Unaí,  
 Uberaba and Ibiá

**GOIÁS**  
 Goiânia, Catalão,  
 Motividiu and Itumbiara

**MATO GROSSO**  
 Barra do Garças and Querência

**ESPÍRITO SANTO**  
 Vitória

**SÃO PAULO**  
 São Paulo

**TOTAL NUMBER OF EMPLOYEES (BRAZIL): 548**

**INDUSTRIAL UNIT: ARAGUARI (MG)**

**SALES OFFICES: SÃO PAULO (SP) AND GOIÂNIA (GO)**

**CUSTOMERS**

**AMERICAS**  
 Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Peru, United States, Venezuela

**EUROPE**  
 Germany, Bulgaria, Slovenia, Spain, Estonia, Finland, France, Greece, Netherlands, Faroe Islands, England, Italy, Lithuania, Norway, Romania, Russia

**ASIA**  
 Korea, Philippines, Indonesia, Japan, Jordan, Malaysia, Myanmar, Thailand, Taiwan, Vietnam

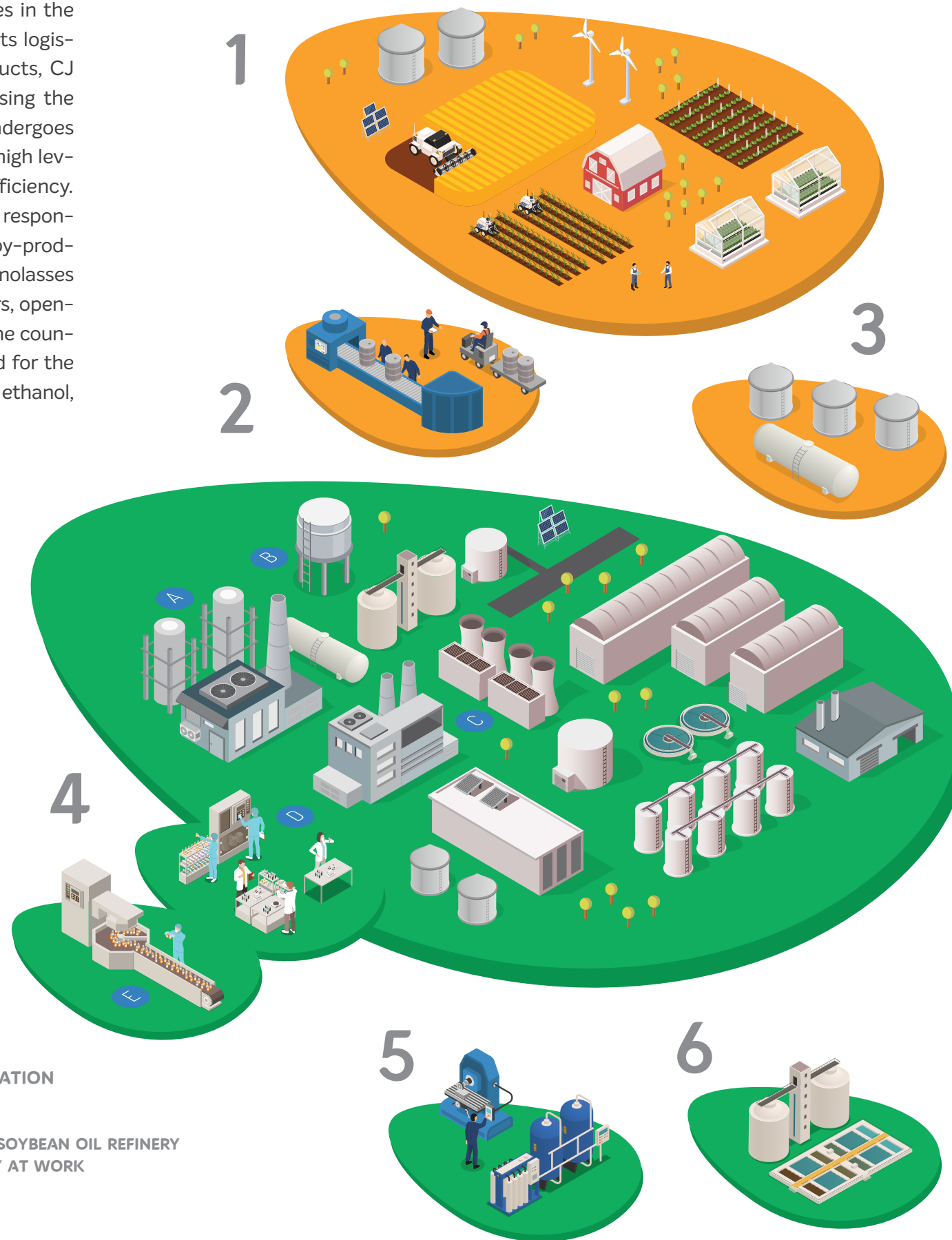
**OCEANIA**  
 Australia

**AFRICA**  
 South Africa

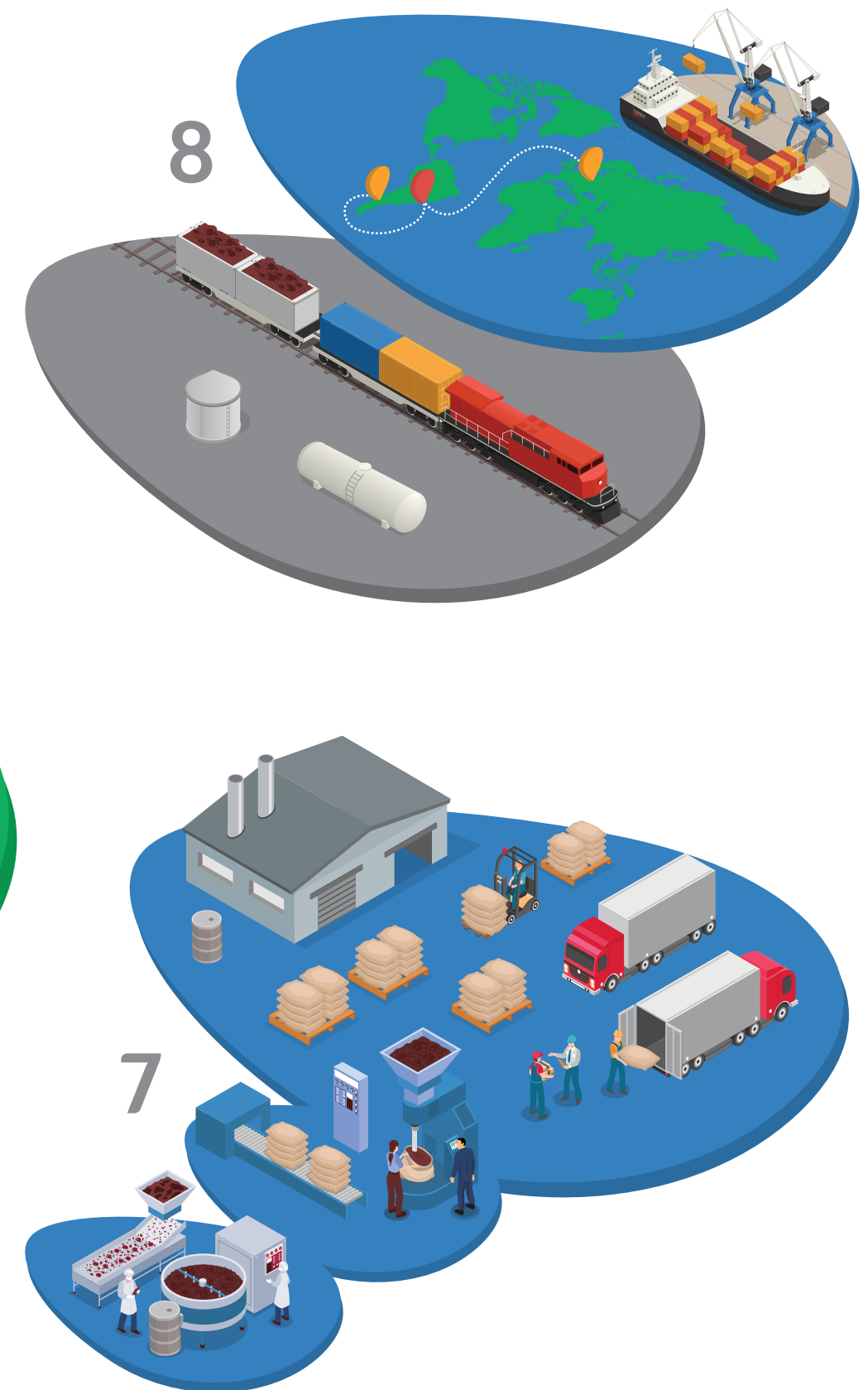


Located in an area of over 50 hectares in the city of Araguari (MG) and favored by its logistics channels for the outflow of products, CJ Selecta's operational unit was built using the highest technology standards and undergoes constant modernizations to maintain high levels of quality, safety and operational efficiency.

In 2019, on the same area as the plant responsible for crushing and producing soy by-products, a unit was built to process soy molasses and transform it into specialty fertilizers, opening a new market for the company in the country. For 2020, a plan is being developed for the construction of a new plant to produce ethanol, also based on soy molasses.



- 1. SOY FARM
- 2. SOYBEAN RECEIPT: GRAIN CLASSIFICATION
- 3. STORAGE OF SOYBEANS
- 4. SOYBEAN PROCESSING PLANT
  - A- SPC EXTRACTION | B- LETICINA | C- SOYBEAN OIL REFINERY
  - D/E LABORATORY, QUALITY AND SAFETY AT WORK
- 5. FERTILIZER PLANT
- 6. EFFLUENT TREATMENT STATION
- 7. SHIPPING OF BAGGED PRODUCTS
- 8. BULK LOADING





## CERTIFICATIONS



### GMP+

GMP (Good Manufacturing Practices) are widely recognized practices in any production process worldwide. Since 2012, CJ Selecta has worked following the guidelines of GMP+ B2 and B3, which integrates the ISO and HACCP management approaches. This certification reinforces our guarantees regarding food safety and sustainability in the production of the plant and in the supply chain.



### ProTerra

In addition to the NonGMO certification, the ProTerra certification guarantees transparency, social responsibility, traceability throughout the soy supply chain applicable to CJ Selecta's products.

### NonGMO

ProTerra seal for NonGMO products. This certificate ratifies that CJ Selecta complies with European regulations for food and animal feed. The company has had this seal since 2016.

### Halal

Certification required to supply food to markets governed by specific rules and compliance with the Sharia Halal law. We have had this certification since 2015.

### Kosher

Document that attests that the products conform to Orthodox Jewish dietary regulations. We have had this certification since 2015.

### Sedex (SMETA)

Since 2015 we have conducted the Sedex Members Ethical Trade Audit (SMETA), which encompassing all aspects of responsible business practice, covering four pillars: Work, Health and Safety, Environment, and Business Ethics.

### FSSC 22000

Since 2018 we have had the seal that guarantees the effectiveness in managing food safety for products in the product line intended for the human food industry.



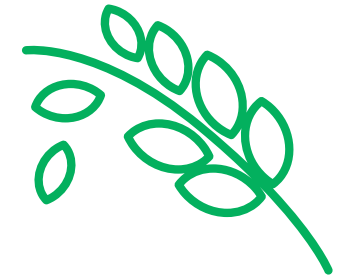
## CJ SELECTA RECEIVES THE ONLYONE AWARD

In 2019, CJ Selecta participated in CJBio's OnlyOne award, an event that brings together all companies in the CJBio business unit worldwide. CJ Selecta presented the project "Strengthening crushing competitiveness through process innovation<sup>4</sup>", covering four items: reducing the plant's steam consumption, reducing the plant's ethanol consumption thanks to the change in layout and new process engineering, substitution of refinery inputs to make the process safer, improvements in annual plant maintenance to reduce losses due to corrective shutdowns.

The project resulted in cost savings of up to 3.1 million dollars a year and involved the Services and Refinery team at the Araguari plant. At the end of the assessment by the award judges, the Brazilian project was received the best score in three of the four stages, and was chosen as the best of 2019.

<sup>4</sup> Strengthen Crushing Competitiveness through Process innovation





We understand our role as one of the main soy processors in the country.

## MEMBERSHIP IN ASSOCIATIONS

| 102-13 |

We understand that our role as one of the main soy processors in the country also involves the continuous debates for improvements in the entire soy production chain. To this end, we actively participate in several associations and groups that promote the development of the market with a sustainable and environmentally responsible vision.

### National Association of Cereal Exporters (ANEC)

As a member of ANEC, CJ Selecta shows its commitment to the program for non-trading of soy sourced in the Amazon Biome. The company has been continuously working to eliminate any type of sourcing in this biome.

[www.anec.com.br](http://www.anec.com.br)

### Round Table on Responsible Soy (RTRS)

We are active members of the RTRS Foundation, an organization that promotes the responsible production, processing and marketing of soy worldwide. Through RTRS, we participate in global debates on environmentally friendly, socially just and economically viable production.

[www.responsiblesoy.org](http://www.responsiblesoy.org)

### Brazilian Association of Vegetable Oil Industries (ABIOVE)

ABIOVE represents 13 companies that produce meal, vegetable oils and biodiesel, cooperates in the implementation of policies for the sector, promotes sustainability programs and generates statistics used in sector studies.

[abiove.org.br](http://abiove.org.br)

### IFFO – The Marine Ingredients Organisation

An international trade organisation that represents and promotes the marine ingredients industry, such as fishmeal, fish oil and other related industries. Marine ingredients are nutritious products used mainly for aquafeed, land animal feed as well as for human consumption and are derived from marine organisms such as fish, krill, shellfish and algae.

### ProTerra Foundation

A non-profit organization that promotes sustainability at all levels of the food and animal feed production system. It brings together a global network of companies that support more sustainable agricultural practices in conventional crops (NonGMO), fully respecting workers and the dignity of communities.

[www.proterrafoundation.org](http://www.proterrafoundation.org)



In September 2019, the CJ Group acquired the remaining 10% interest in the company. As a result, CJ Group now has 100% interest in CJ Selecta.

| 102-10 |

# 04 CORPORATE GOVERNANCE, ETHICS AND COMPLIANCE

| 102-18 |

**W**e believe in transparent, long-lasting relationships that are always guided by ethics and compliance in our actions. Recognized as one of the main producers of sustainable vegetable proteins for the animal feed industry in Brazil and abroad, we work continuously to maintain our standards of excellence not only in our products, but also in our relationship with the market and other stakeholders.

As part of the CJ group, in Brazil we follow global guidelines, our bylaws, and are managed by a Board of Directors composed of five members elected by shareholders at the General Meeting and by the Executive Board composed of 12 members elected by the Board of Directors.

## Ethical Principles

To reinforce our commitment to seek improvements in responsible and ethical business practices in global supply chains, we are affiliated with Sedex Global<sup>5</sup> and work in accordance with the Sedex Members Ethical Trade Audit (SMETA) guidelines<sup>6</sup>.

### Communication channels

Sales SPC: [x-soy@cjselecta.com.br](mailto:x-soy@cjselecta.com.br)

Sales other products: [comercial@cjselecta.com.br](mailto:comercial@cjselecta.com.br)

Origination: [originacao@cjselecta.com.br](mailto:originacao@cjselecta.com.br)

Procurement: [suprimentos@cjselecta.com.br](mailto:suprimentos@cjselecta.com.br)

Sustainability: [sustentabilidade@cjselecta.com.br](mailto:sustentabilidade@cjselecta.com.br)

<sup>5</sup> Global membership organization with the world's largest collaborative platform to share data on responsible procurement.

<sup>6</sup> The most widely used social audit procedure in the world, which provides an assessment of responsible supply chain activities, including labor rights, health and safety, environment and business ethics.



# 05

## ECONOMIC AND OPERATIONAL PERFORMANCE

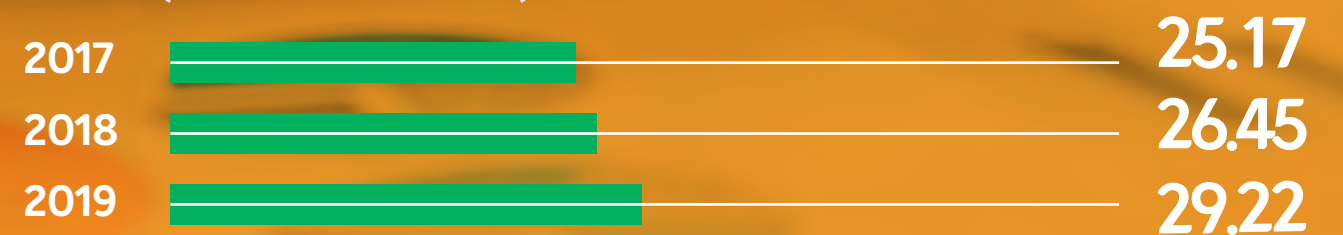
The year 2019 was a challenging for the global and local economies. A period that started with high growth expectations and aggressive goals that, due to several external factors, did not materialize.

Internationally, the US-China trade war led to instability in prices in the soy market, with an impact on the Chicago Mercantile Exchange. The swine fever in China has also had an impact with

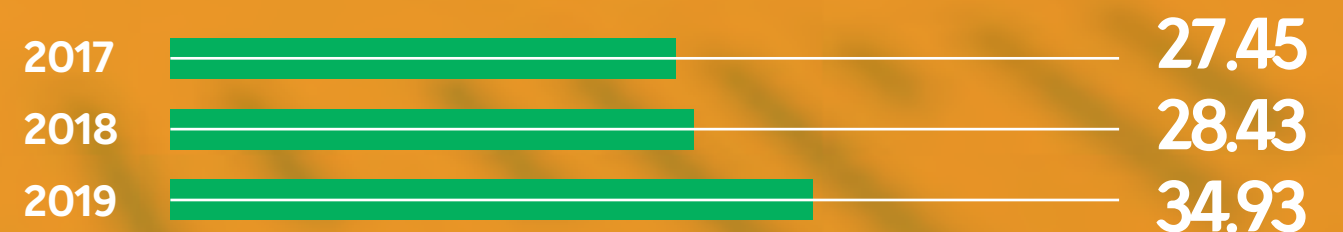
reduced demand for soy. However, in Brazil, prices did not drop and high premiums were paid. We had raw material at prices at par with previous years, but which were affected by the drop in prices traded on exchanges outside the country. Despite this scenario, we achieved a result close to that of 2018, with an operating margin of nearly 8% and positive results, even if below the initial projection. | 103-2, 103-3: 201, 201-1 |

In 2019, our operation had its best year.

### SALES (BILLION DOLLARS)



### ASSETS (BILLION DOLLARS)





The operation registered its best year, breaking records for soy crushing and the associated refining of soybean oil, a result achieved with less use of resources (such as chips for the boilers) per ton of processed soy due to improvement projects in the production area conducted throughout the year.

For 2020, the plan is to start the construction of our ethanol pro-

duction plant, also based on soy molasses. As a result, instead of buying ethanol from a plant, we will produce internally. In addition to a cost reduction that can reach R\$ 700,000 per year, the project helps to lower our carbon footprint by reducing the use of trucks to transport fuel.

In 2020, the largest project will be the ethanol plant.

<sup>7</sup> An economic concept that is part of sustainable development, where waste is transformed into feedstock for the production of new products, avoiding any kind of waste of raw material.

### CREATING NEW MARKETS AND SUSTAINABLE SOLUTIONS

In 2019, we opened our new fertilizer plant in the industrial park of Araguari (MG). Using molasses as a raw material (a by-product from soy processing that in the past was geared to the cattle feed market) to produce organomineral fertilizers, we started a new area for the company: Plant Nutrition.

The technology to produce organomineral fertilizers represents a promising alternative, both for the safe disposal of waste and for obtaining highly efficient fertilizers. With the opening of the organomineral fertilizer market, our plan is to expand it fourfold in the coming years. In addition to creating this new market, the project contributed to closing our production cycle, without disposing of any type of waste in the process (concept of the circular economy<sup>7</sup>)

In 2019, more than 47 new projects were proposed by CJ Selecta's teams. The selection for implementation takes into account the company's strategy and return on investment. The projects are then prioritized and those that are not implemented in the current year are carried over to the subsequent year.





OUR PRODUCTS | 102-2 |

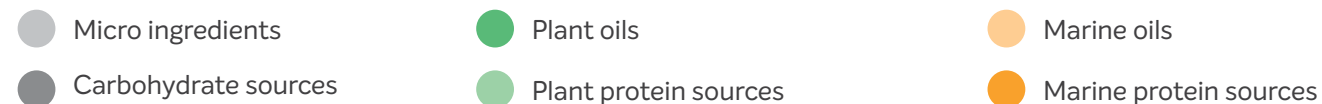
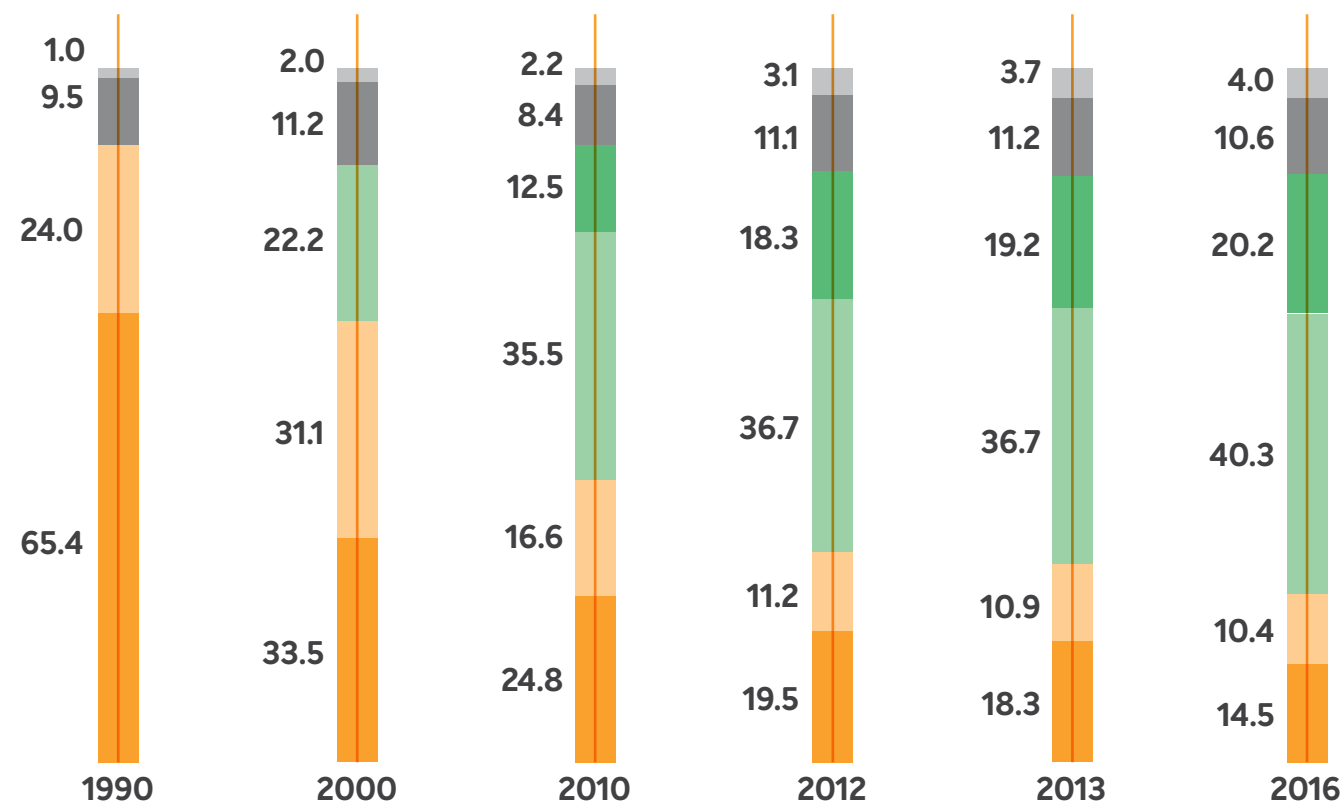
Soy Protein Concentrate

One of CJ Selecta's main products, SPC, is a protein food for poultry, pigs, cattle, pets, fish and shrimp since it presents numerous nutritional benefits, due to its processing. It has lower antinutritional factors and higher protein content and are better digested than conventional soybean meal, mainly in the nutrition of young animals.

SPC is recognized as the best vegetable protein to replace fishmeal in diets in aquaculture, in the markets of Chile and Central America (salmon) and Asia (mainly shrimp). SPC made from NonGMO soy has Europe as its main market.

SPC NonGMO is the main source of protein for salmon nutrition in Norway, representing 20% of the diet, with CJ Selecta being the leader in this market.

There is an increasing demand for fish feed manufacturers from sustainable sources and alternatives to marine ingredients (such as fish meal). Since the supply from marine sources is based on extractivism, this is a finite resource with high environmental impact. In addition to a protein source with greater nutritional value, the use of SPC has grown due to environmental and sustainability issues, given its greater availability in the market and more attractive prices.



TOP REPORTED FISH AQUACULTURE PRODUCTION IN 2017\*

	Top fish species	Million tonnes	Total value US\$ billion
1	Carpa capim	5.52	12.6
2	Silver carp	4.7	10.3
3	Nile tilapia	4.13	7.61
4	Common carp	4.13	8.63
5	Bighead carp	3.15	7.32
6	Carassius sp	2.82	5.61
7	Catla	2.71	4.69
8	Atlantic salmon	2.36	16.7
9	Roho labeo	1.96	3.38
10	Pangasius catfish	1.82	3.13
11	Milkfish	1.73	2.43
12	Striped catfish	0.97	1.45
13	Torpedo shaped catfish	0.96	1.36
14	Wuchang bream	0.83	2.51
15	Rainbow trout	0.81	3.6

\* Source: FAO, 2019

X-SOY 600® and X-SOY® 200

X-SOY is the trademark of CJ Selecta's soy protein concentrate. Its main market is nutrition of young animals and aquaculture, with specific recommendations, depending on the animal species, age or breeding system. It replaces soy meal and meal from animal sources ensuring excellent performance and cost benefit.

Soybean Oil

Degummed

Renewable source for the production of biofuels. Other applications include use in the food and feed industry.

Refined

It has a high standard of quality, the result of innovative processes used in CJ Selecta's modern refinery. Used by the human food industry, the product can also be made with NonGMO soy and has Kosher, GMP B2+ and Halal certifications.



## Certified Soy

All CJ Selecta's NonGMO products are certified by the ProTerra Foundation. Our efforts include regular audits of soy suppliers to ensure that farmers are applying practices that are in line with the requirements of the program.



## MANAGEMENT OF AGRICULTURAL AND SOURCING PRACTICES

Sourcing is a matter of great importance for CJ Selecta. Through this work, we guarantee the quality of our grains and, consequently, the final quality of industrialized products. To this end, we have a team of more than 30 professionals who work with our more than 1,000 certified rural producers and cooperatives, ensuring a joint long-term work.

When sourcing GM and NonGMO soy, we pay special attention to our processes, especially those related to the sustainability and origin of the raw material acquired. Thus, starting in 2020, we will implement the Geomonitoring Platform via satellite, providing greater security and assertiveness to the social and environmental consultation processes. Through this solution, we will have an even deeper understanding of our partners' territories, expanding our risk management work during the soy purchasing process. | 103-2, 103-3 |

### Soy lecithin

Produced with certified NonGMO soy, lecithin is used as an ingredient by the food industry in Brazil and Europe and is GMP B2+, Kosher and Halal certified.

### Soy Molasses

With unique characteristics, molasses has different applications. It is used as a source of energy in cattle nutrition and can also be used in the chemical, steel and fertilizer industries. With the new fertilizer unit built in Araguari, CJ Selecta is opening a new market for the company in the country with more than 50 products in our portfolio. | 102-10 |

### Soybean hulls

Used as a source of essential fibers for cattle nutrition, it is certified as NonGMO, and has GMP B2+ and Halal seals.



To learn more about our products, visit <https://m.cjbio.net/>

## SOURCING TEAM

1 COO (CHIEF OPERATING OFFICER)

1 SOURCING AND BARTER MANAGER

2 REGIONAL MANAGERS

9 BUYERS

2 TRADERS

1 BARTER AND MARKETING COORDINATOR

1 BARTER AND MARKETING ASSISTANT

+ SUPPORT FROM 14 ADMINISTRATIVE PROFESSIONALS IN GOIÂNIA AND 12 IN THE BRANCHES OF MINAS GERAIS, MATO GROSSO AND GOIÁS.

In addition, our team works to ensure that none of our suppliers or partners are blacklisted as companies with a history of violation of the Soy Moratorium, use of slave or slave-like labor and that have been notified by IBAMA.

## INNOVATION | 103-2, 103-3 |

We are always looking for the new, for the unprecedented and for solutions that increasingly meet the needs of our customers. Thus, at CJ Selecta innovation is treated in a decentralized and comprehensive manner. We work in partnership with the productive sectors to identify points of improvement for the process and for specific consumption, in partnership with the maintenance area to identify losses and improve reliability, and

in partnership with the projects area for the execution and management of investments.

The focus of our mission is to establish and implement a plant strategy in line with the strategy of the BIO unit, thereby contributing to achieving management goals, ensuring competitiveness in global production and driving growth by eliminating losses and maximizing efficiency in the areas of cost, quality, production technology and risk management.

Among the various activities, the scope of our work includes management of projects and new technologies, establishment and implementation of a monitoring plan for new technologies and methods, support in the financial viability study, return on and execution of improvement projects and analysis of competitors, and benchmarking.



SEE SOME OF OUR  
INNOVATIONS IN 2019

## PROCESS UPDATE

- Installation of the new dust extraction system in preparation, improving cleanliness and quality environment.
- New soybean hulls suction system in preparation, ensuring greater efficiency and product yield.
- New soy dryer, ensuring total moisture control in grain storage.
- Complete automation of the soybean hulls pelletizer, ensuring stability and reliability in the pelletizing process.

## New business

- Development of new applications for the SPC product:
  - Field studies on the evaluation of the use of SPC in the nutrition of laying hens. As a positive result, new markets were opened with sales for organic egg production systems.
  - Application in the nutrition of dairy cattle, in the nutrition of dairy cows in organic milk farming systems.
- Fertilizer plant completed, introducing several soy molasses-based products in the market.
- Project for the ethanol production plant based on soy molasses (to be built in 2020).

## Management methodologies

- Implementation of the 5S program in the entire plant started in 2019.
- Implementation of the Autonomous Maintenance pillar started in the SPC pilot sector.
- An internal program of incentives and recognition of ideas was carried out in 2019, involving all sectors in the submission of ideas with great positive impact on the company's objectives.

## Studies

- Development of a fermented SPC for animal nutrition. Unique and innovative product for the aquaculture segment, which will be available for experimental trials on salmon farms in 2020.
- Study on how the glyphosate present in soy is degraded in industrial processes and its distribution among all products.
- Capability study of the oil refining process, enabling analysis of capability indices (Cp, Cpk, Pp, Ppk, R&R). The study made it possible to identify and adjust specific points of the process to maximize the capability indices.
- Through a mapping using a 3D scanner, an analysis of the accuracy of current processes for measuring solid stocks was carried out.
- Study on the composition of soy molasses and more efficient forms of fermentation to produce ethanol.
- An experiment was conducted on the dosage of solid and liquid Lysine on SPC to develop a new product.

## WATER AND WASTE MANAGEMENT

| 103-2, 103-3: 303; 306 |

At CJ Selecta, water is not discharged in the storm drainage system. All effluents generated at the plant, including waste from restrooms and cafeteria, pass through the wastewater treatment plant (WWTP), discharged with the following characteristics: turbidity below 40 NTU, COD below 125 mg/l and pH between 6 and 9. All effluents treated are reused at the plant to restore the levels of the boiler water tanks, the water in the SPC cooling towers and, in the dry season, it is used for watering the lawns.

The plant has a modern energy cogeneration system powered by the burning of biomass. To contain the emission of particulate matter, we have a Gas Scrubber Water Treatment Station and a recirculation system (effluent + ashes) composed of filters for removing solids and keeping the liquid phase in a closed circuit.

The water in the gas scrubber system reuses treated effluents from the Wastewater Treatment Station (WWTS). This treated effluent is also used to replace the water consumed in the cooling towers of the industrial park. Thanks to this, our unit can absorb 100% of the liquid effluents generated and reuse them in industrial processes. | 306-1 |

Water consumption\*\* - volume of water withdrawn from underground sources (in m<sup>3</sup>) | 303-1 |

2018	2019*
105,211,750.00	118,264,920.00

\* The increase in consumption is due to a longer drought period, compared to 2018, in addition to a 5% increase in production compared to 2018.

\*\* CJ Selecta does not harvest rainwater or use effluents from other organizations

Water discharge: volume by quality (in m<sup>3</sup>) | 306-1 |

2018	2019*
227,447.00	210,884.00

## Percentage of reclaimed water consumed (%)\* | 303-3 |

2018	2019*
20.04	19.23

All solid waste generated in our industrial park is segregated and disposed of according to our Solid Waste Management Plan (PGRS), i.e., it is sorted according to the level of risk and safety separated in our solid waste area. After proper segregation and storage, we work in partnership with several industries that are authorized to collect and recycle, compost or co-process this waste.

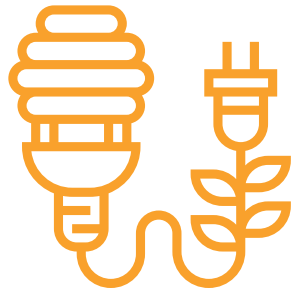
## HAZARDOUS WASTE | 306-2 |

Source	Volume (kg)
Plant and offices	40
Maintenance	5,120
Occupational Health	1
Total	5,162.24



**NON-HAZARDOUS WASTE** | 306-2 |

Source	Volume (kg or liter)
Boilers 1 and 2 (kg)	17,022,786.06
Production process (kg)	136,468.40
Office and restrooms (kg)	24,180.00
Cafeteria (kg)	33,200.00
Cafeteria (l)	40.00
Total (kg)	17,216,634.46
Total (l)	40.00



We work continuously to reduce our energy consumption

**ENERGY EFFICIENCY**

| 103-2, 103-3:302 |

We work continuously to reduce our energy consumption (mainly from non-renewable sources) through innovative processes that guarantee the efficiency of our plant and operations. To this end, in 2019 we made several changes to recover energy in the boiler by renovating the steam exchangers and reusing steam, among other actions. We also installed a flash vapor recovery system at various points in the production processes, increasing energy efficiency and the number of electricity and steam consumption meters in all sectors, with automated data collection.

**CONSUMPTION OF RENEWABLE AND NON-RENEWABLE ENERGY** | 302-1 |

	2018	2019
Diesel (liters)	224,891.127	223,607.013
Gasoline (liters)	122.223,87	173.130,70
LPG (kg)	349.145,84	376.132,22
Lubricants (liters)	14,576	9,670
Ethanol (liters)	4,168,926	3,811,451
Chip (ton)*	287,911	312,408.642
Electricity (MW)	69,585.826	71,386.663
Steam (ton)	1,045,578	1,128,391
Electricity sold (MW)	1,546.684	1,361.008

\* In 2019, the consumption of chips was higher than that in the previous year due to its moisture content: 34% in 2019 and 32% in 2018.





We are a company committed to the sustainable development of our business and of our entire chain.

# 06

## SUSTAINABLE STRATEGY

**W**e are a company committed to the sustainable development of our business and of our entire chain. To this end, we work with the highest standards of quality and traceability, always seeking to strengthen the relationship with producers, customers and suppliers through actions that reduce our possible negative impacts and enhance our positive impacts.

With a focus on these assumptions, in 2019 we consolidated our Sustainability department that will bring together all projects, initiatives and actions related to the efficient use of resources, communication with the production chain, audits, codes of conduct to guarantee compliance and carbon footprint. | 103-2, 103-3:304 |

### END-TO-END TRACEABILITY

Controlling the quality and sustainability of our products involves not only the production phase, but an entire chain that starts in the field and goes up to the delivery of the product to our customers, especially when dealing with NonGMO soy.

For over 15 years, we have been exporting NonGMO soy through a segregated logistics and dedicated warehouse at the port. Through the Preserved Identity Program, we have identified in

five steps the critical points of control in the supply chain, namely:

1. Soybean: quality of raw material and GMO control
2. Crushing plant: segmentation in raw material processing and storage of Soy Protein Concentrate (SPC)
3. SPC loading: supervision at the plant
4. Shipping terminal: supervision of unloading and storage at the port
5. Port of shipment: loading the SPC on ships

This process is conducted in partnership with SGS, which is responsible for inspection, verification and certification of all processes, as well as for sampling and analysis of the products marketed. Since January 2020, this process has been improved with the use of QR Codes for loading cargo on ships—an improvement that allows customers to have access to the entire route of the soy from producer to delivery. | 103-2, 103-3:307; 308; 414; 419 |





**DIALOGUES FOR SUSTAINABILITY**

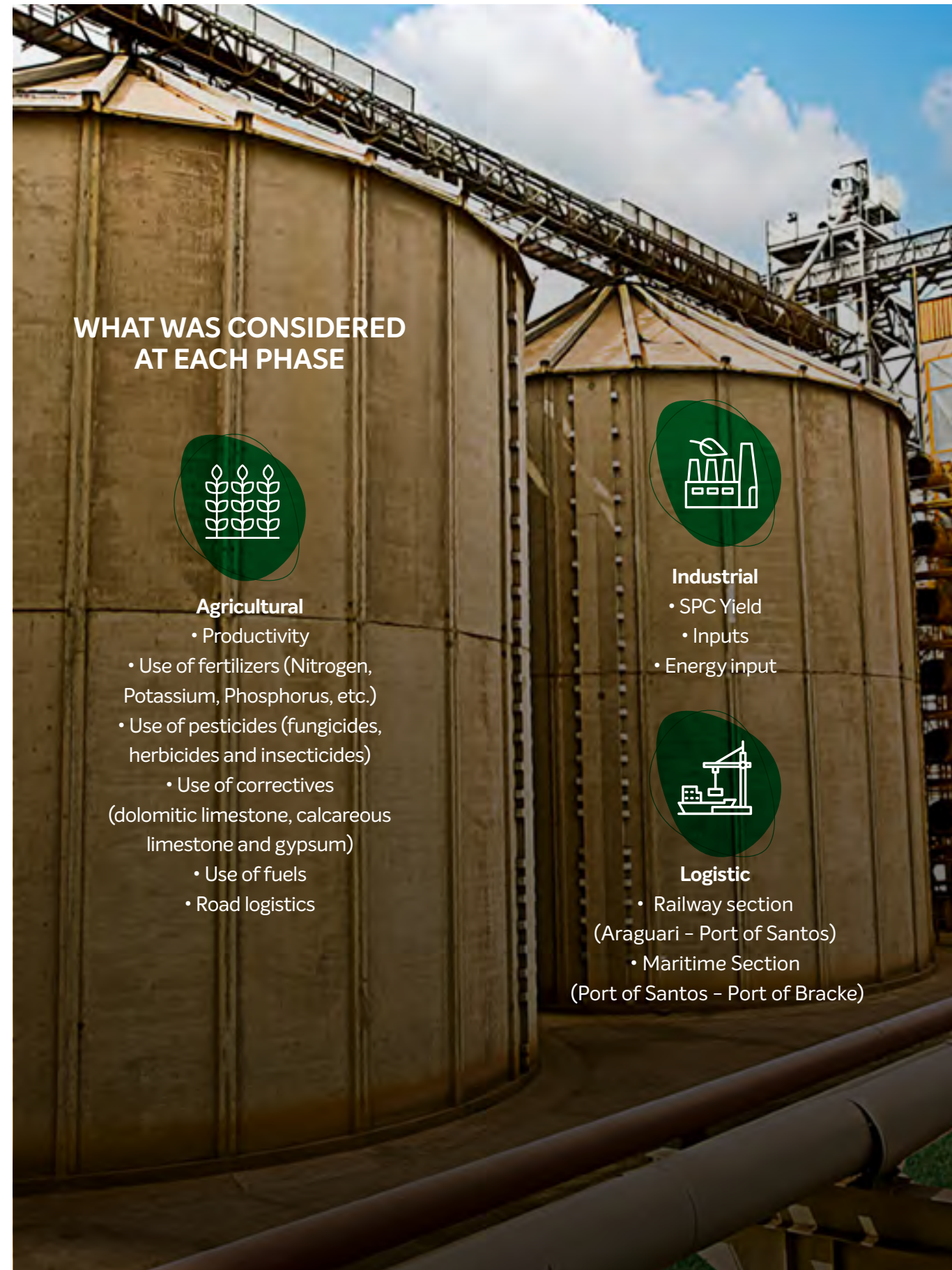
In order to improve soy traceability, transparency in the value chain and responsible soy processing and use in Brazil, since 2019 we have participated in the development of an initiative involving soy processing companies, environmental organizations, aquaculture feed producers and the ProTerra Foundation. The purpose of the project - now known as “Dialogue for Soy Improvement in Aquaculture” is to develop and implement a code of conduct for suppliers, ensuring that soy farmers adopt safe and respectful working conditions, responsible and ecological soy cultivation and conduct a study to more accurately identify the carbon footprint of soy protein concentrate.

**CARBON FOOTPRINT**

As climate change worsens, it is important to understand our impacts related to the carbon emissions of our operations in order to develop projects with a focus on mitigating them. Thus, in 2019 we conducted a study to calculate the carbon footprint of the NonGMO Soy Protein Concentrate (NonGMO SPC) produced in Brazil and exported to Norway (used as feed for farmed salmon).

The study considers only the emission of greenhouse gases expressed in KgCO<sub>2</sub>equivalent and considered all phases of the “Cradle to Port”, i.e., from the production and use of agricultural inputs for the production of soybeans up to the delivery of the finished product to the Port of Bracke in Germany.

Divided into three phases - Agricultural, Industrial Processing, and Storage and Distribution -, the project considered all soy produced in the states of Minas Gerais, Mato Grosso and Goiás, as well as the SPC produced in Araguari and transported to Europe between the months of March 2018 and March 2019 (crop/ year)



**WHAT WAS CONSIDERED AT EACH PHASE**



**Agricultural**

- Productivity
- Use of fertilizers (Nitrogen, Potassium, Phosphorus, etc.)
- Use of pesticides (fungicides, herbicides and insecticides)
  - Use of correctives (dolomitic limestone, calcareous limestone and gypsum)
- Use of fuels
- Road logistics



**Industrial**

- SPC Yield
- Inputs
- Energy input



**Logistic**

- Railway section (Araguari - Port of Santos)
- Maritime Section (Port of Santos - Port of Bracke)





The results were obtained in calculating economic allocation and mass allocation<sup>8</sup> and segregated using or not Land Use Change (LUC) in order to identify to what extent this aspect impacts the final result.



In 2019, we conducted our first greenhouse gas inventory based on the GHG Protocol guidelines.

**RESULTS (KG CO<sub>2</sub>eq)**

Economic allocation			Mass allocation
1.93	With LUC		1.68
1.17	Without LUC		1.03

The results obtained are extremely favorable to the sector, since in the highest value obtained, which is the Economic Allocation considering Land Use Change (LUC), the Carbon Footprint for 1kg of NGM SPC is 1.93KgCO<sub>2</sub>eq. This number is considerably lower than the number currently used by European studies, about: 6KgCO<sub>2</sub> for 1 kg of Brazilian soy.

<sup>8</sup> Economic allocation: amounts in US\$  
Mass allocation: amounts in mass (Kg)



**CLIMATE CHANGE**

| 103-2, 103-3:305 |

In 2019, we also conducted our first greenhouse gas inventory based on the GHG Protocol guidelines to understand our impacts on Scope 1 (direct GHG emissions from sources that belong to or are controlled by the organization) and Scope 2 (Indirect GHG emissions from the purchase of electricity consumed by the organization).

We have chosen to prepare the inventory only for the units in Brazil through an operational control approach including its industrial plant, the distribution center and our 13 offices. The period covered by this inventory corresponds to the baseline year of 2019, between January 1 and December 31. Since it is the first year of our inventory, we do not have compara-

tive data, but this analysis will be done starting in the 2020 cycle.

The emissions inventory will allow us to be more attentive to our emissions and help create climate management by mitigating and adapting their impacts. In addition, it will be a great tool to identify the possibilities for improvement in our processes, creating a benchmark for comparison with the market.

**Gross direct GHG emissions (Scope 1)**

Emissions from sources that belong to or are controlled by CJ Selecta, such as the company's own vehicles, fuel consumption in stationary or mobile combustion equipment, fugitive gas emissions, among others. | 305-1 |

Scope 1	CO <sub>2</sub> (t)	CH <sub>4</sub> (t)	N <sub>2</sub> O (t)	R-410a (t)	Total Emissions (tCO <sub>2</sub> e)
Stationary Combustion	1,131.65	169.53	22.60	-	12,106.00
Mobile Combustion	698.28	0.22	0.04	-	715.45
Fugitive Emissions	0.55	-	-	0.003	6.81
<b>Total Emissions (tCO<sub>2</sub>e)</b>	<b>1,830.48</b>	<b>169.76</b>	<b>22.64</b>	<b>0.003</b>	<b>12,826.26</b>

Scope 1	CO <sub>2</sub> biogenic (t)
Stationary Combustion	567,690.99
Mobile Combustion	257.78
<b>Total Emissions (tCO<sub>2</sub> biogenic)</b>	<b>567,948.77</b>



**Indirect Emissions (Scope 2)**

Emissions from purchased and consumed electricity. Purchased electricity is defined as that which is purchased or brought within company limits and emissions occur physically at the location where the electricity is generated. | 305-2 |

**Scope 2 (tCO<sub>2</sub>e)**

Distribution center	0.133
Goiânia	16.599
Querência	0.696
Barra do Garças	0.354
Motividiu	0.323
Catalão	0.071
Itumbiara	0.167
Unaí	0.264
Uberlândia	0.586
<b>Total Emissions(tCO<sub>2</sub>e)</b>	<b>19.193</b>

**GHG emission intensity | 305-4 |****Total 2019**

Total Emissions - Scopes 1 and 2 (tCO <sub>2</sub> e)	12,847.45
Gross Revenue (US\$)	398,126,578
kgCO <sub>2</sub> e/US\$ (Scopes 1 and 2)	0.0323
Total Emissions - Scopes 1 and 2 (tCO <sub>2</sub> e)	12,847.45
Volume of Products (Kg)	803,645,513
kgCO <sub>2</sub> e/kg of product (Scopes 1 and 2)	0.0160

**RELATIVE EMISSIONS BY PRODUCT CONSIDERING THE PRODUCTION PERCENTAGE OF EACH PRODUCT**

Product	Volume (kg)	% of total	Emission relative to % of production
SPC	382,889,149	47.64	6,121.04
Pelletized soybean hulls	41,035,800	5.11	656.02
Degummed oil	141,224,444	17.57	2,257.68
Refined oil	120,921,153	15.05	1,933.10
Lecithin	6,679,716	0.83	106.79
Tocopherol	287,595	0.04	4.60
Fatty acid	1,108,199	0.14	17.72
Soy molasses	109,499,457	13.63	1,750.51
<b>TOTAL</b>	<b>803,645,513</b>	<b>100.00</b>	<b>12,847.45</b>



# 07

## STAKEHOLDERS

### EMPLOYEES | 103-2, 103-3:401 |



Integrity, passion, respect and creativity are not just words that describe the guiding principles of the CJ Group. These are actions that, together with commitment and responsibility, are part of the day-to-day of our operations.

In these two and a half years of integration with the Korean parent company, we have had the opportunity to integrate two cultures that seemed very different at first. But after a careful PMI<sup>9</sup> process, they were complementary, making the process very positive, leveraging the best of what each had to offer.

Today, we have a total of 548 professionals (temporary and permanent) divided between the Araguari operations, the Goiânia and São Paulo offices, and the branches across Brazil.

<sup>9</sup> PMI: Post Acquisition Management Integration. After the acquisition of Selecta by CJ, this project was implemented in which each employee had a role within the integration process, with objectives, goals and deadlines.

### TOTAL NUMBER OF EMPLOYEES | 102-8 |



	Temporary	Permanent
	15	447
	-	86
<b>Total</b>	15	533

### EMPLOYEES BY AGE GROUP | 401-1 |



	2018	2019
Under 30	44	38
Between 30 and 50	56	51
Above 50	8	1



**NEW HIRES** | 401-1 |

	2018	2019
	82	68
	26	22

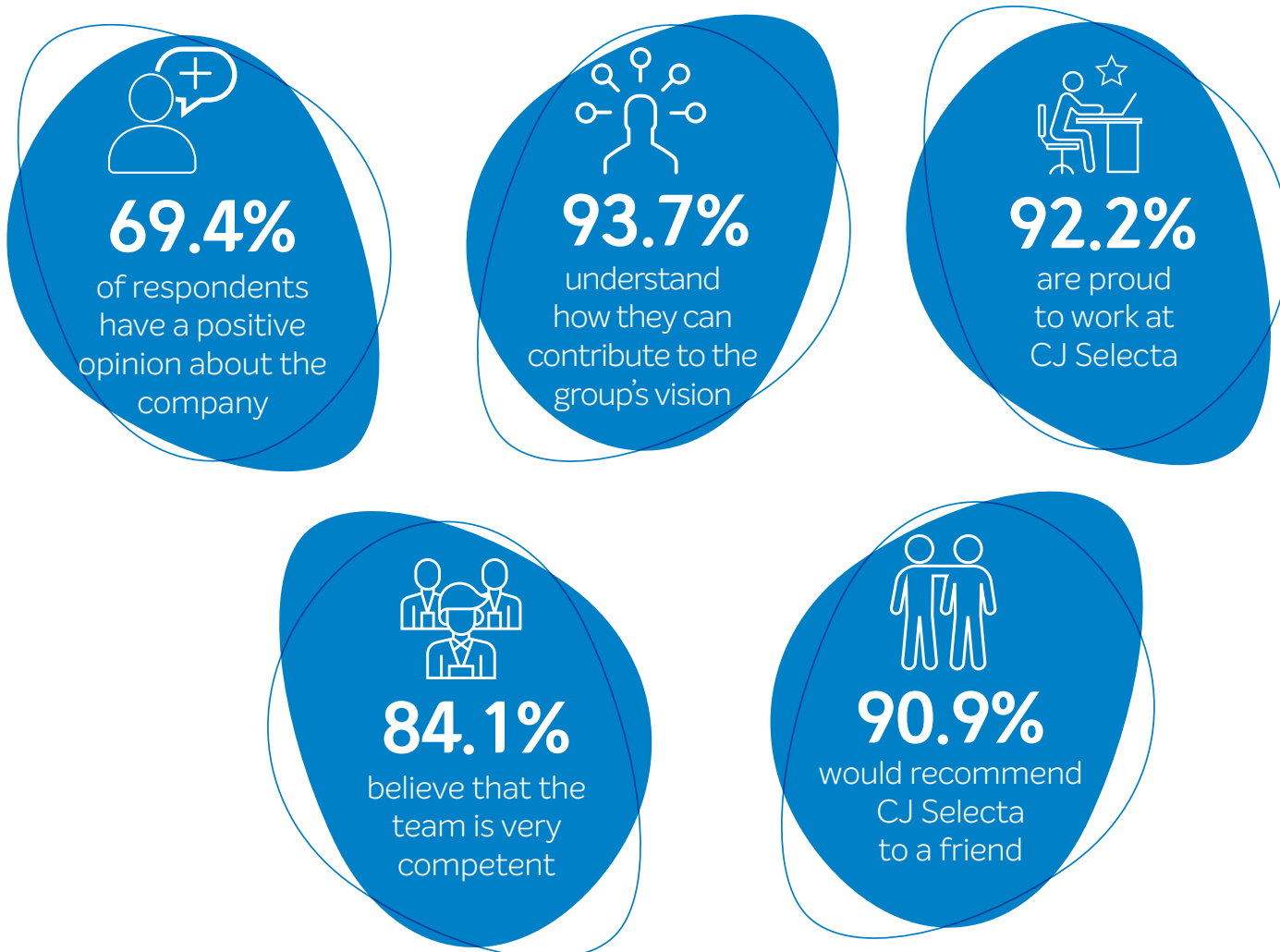
**TURNOVER RATE (%)**

	2018	2019
	13	14
	0	4

**Culture**

Since 2017, CJ Selecta has been undergoing a cultural transformation process initiated after its acquisition by the South Korean group CJ CheilJedang. Since then, ensuring the well-being of local and Korean teams has always been among the main concerns of managers and the Human Resources team.

The process of adapting and connecting this combination of the two cultures was successful. So much so that, in 2019, we conducted CJ Selecta's first culture survey as a way of measuring the extent of understanding and acceptance of values, a management model for new practices. Below are some of our main results:



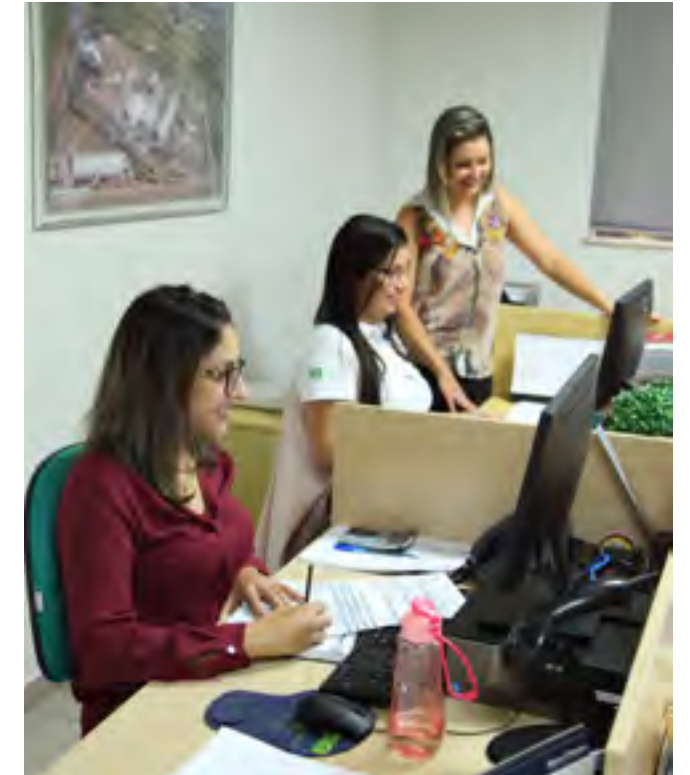
Among the points for improvement are the lack of effort in recruiting, developing and acknowledging talents (46%), the little communication between the areas (42%) and the lack of feedback from the leadership (51.7%) . These and other below-average assessments should be part of a Human Resources action plan for the coming years.

**Training** | 103-2, 103-3:404 |

To ensure that the team is always up to date, the Human Resources area has in place a professional development plan structured around the following pillars: legal training (mandatory), culture (after acquisition by CJ), code of conduct and development (carried out based on the needs of each area). These training courses include 100% of employees and specific training is associated with changes in processes.

Training management starts with the Training Needs Survey (LNT - *Levantamento de Necessidade de Treinamento*) in a joint effort between managers and the Human Resources area. This process involves consulting the Competency Matrix of the positions in order to understand the main needs of each professional for refreshing or developing skills.

With this, we addressed the retention of professionals, sourcing internally an estimated at 56% of job openings (only very specific openings are sourced externally). In addition, local labor is prioritized, with the dissemination of opportunities in the Human Relations Center of Araguari, which includes more than 30 companies in the region.



Created five years ago, this environment of exchange between companies also supports the relocation and hiring of professionals who were dismissed. In addition, the Group holds monthly meetings to discuss common problems and solutions in the region and has become an important network for the use and qualification of local labor.

In 2019, the average number of training hours was 47 hours for men and 11 hours for women.<sup>10</sup>

<sup>10</sup> This difference is because most of the training is legal, mandatory and technical for industrial activities. As almost 100% of the manufacturing public is male, they receive a greater volume of training.



**Average number of training hours by role | 404-1 |**

Directors	4 hours
Managers	22 hours
Coordinators/specialists	29 hours
Analysts and Technicians	27 hours
Operators	26 hours

**Occupational health and safety**

| 103-2, 103-3:403, 403-1, 403-5, 403-9 |

We have not yet formally implemented a Health and Safety Management tool. But all issues associated with this topic are managed and based on CJ Selecta's Integrated Management Policy through a set of actions, activities, tools and preventive measures aimed at improving the work environment.

Our ultimate goal is always focused on the well-being of professionals, with the reduction of incidents and the elimination of accidents, and involves training actions, campaigns, structure of procedures, risk management, inspections, audits and emergency plans.

In 2019, the total number of Health and Safety (OHS) training hours was 10,542. The main training courses were Personal Protective Equipment (NR 06), refreshment course for operators of self-propelled machinery - forklifts, tractors and dump trucks (NR 11), Safety of Boilers and Pressure Vessels (NR 13), Combustible and Flammable Liquids (NR 20), etc.

It should be pointed out that in 2019 there were two lost-time work accidents (superficial cut in the middle finger of the left hand and cut/fracture in the little finger of the left hand). No fatalities were recorded in 2018 and 2019.

**ACCIDENT FREQUENCY RATE\***

2018	2019
18.03	17.39

\* Number of accidents (with and without lost time) per million man-hours of risk exposure.

**ACCIDENT SEVERITY RATE \***

2018	2019
89.00	139.00

\* Time (days lost + days debited) per million man-hours of risk exposure - company employees.



We work focused on the well-being of professionals, with the reduction of incidents and the elimination of accidents



**CUSTOMERS**

Today we are a company recognized in the domestic and international market as one of the main producers of ingredients for the animal feed industry. This is the result of work that values product quality and excellence in serving our customers - fundamental values for the company and for all our professionals.

We seek to closely monitor customer experience in each negotiation. A communication work that begins with the Sales area, which directly receives any type of dissatisfaction and passes it on to the responsible areas, which have up to three working days to solve the problem and apply the necessary corrective measures for each situation.

With this formalized procedure and the continuous process improvement and quality control actions, in 2019 we had only 28 complaints (all resolved). The result was 0.19 ppm, a calculation considering the volume of product claimed by the volume of product sold in the same period.

**Commitment to sustainable practices**

We are a company committed to caring for the environment in all aspects of our business. Thus, in response to international concerns about the fires in the Amazon and agricultural policy in the Cerrado biome, throughout 2019 we reinforced with customers - through various initiatives and public commitments - our vision as contributors to the sustainable soy production in Brazil.

We believe that policies with sustainable certified soy are the most assertive way to encourage environmental, social and economically correct actions. Currently, 100% of our NonGMO soy is certified by ProTerra.

In addition, we are committed to the Soy Moratorium (action that supports the protection of the Amazon biome by blocking the acquisition of grains from deforestation areas) through the Brazilian Association of Grain Exporters (ANEC) and the Brazilian Association of Vegetable Oil Industries (ABIOVE).





# 08

## GRI CONTENT INDEX

| 102-55 |





Standard GRI	Disclosure	Page and/or URL	Omission
<b>GRI 101: Fundaments 2016</b>			
<b>General disclosures</b>			
	102-1 - Name of the organization	11	
	102-2 - Activities, brands, products and services	Crushing and production of vegetable products. 12 soy products, 18 fertilizers. Pág. 32	
	102-3 - Location of headquarters	13	
	102-4 - Location of operations	18	
	102-5 - Ownership and legal form	CJ Selecta S/A is a privately held corporation.	
	102-6 - Markets served	18	
	102-7 - Scale of the organization	18	
	102-8 - Information on employees and other workers	48	
	102-9 - Supply chain	Our industrial process involves numerous inputs due to the large number of products. By relevance, they are: eucalyptus chips (80% of the contracted volume from two local suppliers - Pinusul and Duratex), hydrous ethanol (volume contracted from three mills) and hexane (a petroleum by-product acquired directly from Petrobras).	
	102-10 - Significant changes to the organization and its supply chain	In 2019 there were no changes in the supply chain. Pág. 34	
	102-11 - Precautionary Principle or approach	Possuímos uma Licença Ambiental de Funcionamento com algumas condicionantes que são acompanhadas e atendidas cumprindo rigorosamente o prazo estipulado pelo órgão ambiental. Também mapeamos os riscos associados as nossas operações e adotamos as medidas de controle estabelecidas.	
	102-12 - External initiatives	CJ Selecta is not a signatory to voluntary external initiatives.	
	102-13 - PMembership of associations	25	
	102-14 - Statement from senior decision-maker	7	
	102-16 - Values, principles, standards, and norms of behavior	15	
	102-18 - Governance structure	27	
	102-40 - List of stakeholder groups	11	
	102-41 - Collective bargaining agreements	All employees are covered by collective bargaining agreements. The company sees collective agreements as important instruments to be used for the development of work and economic activities in order to establish specific rules in the relationship between the company and its employees and provide greater benefits to all. Therefore it applies to all employees.	
	102-42 - Identifying and selecting stakeholders	11	
	102-43 - Approach to stakeholder engagement	11	
	102-44 - Key topics and concerns raised	11	
GRI 102: General disclosures			

Standard GRI	Disclosure	Page and/or URL	Omission
	102-45 - Entities included in the consolidated financial statements	The legal entity is CJ Selecta S.A., with a consolidated balance sheet of that company only.	
	102-46 - Defining report content and topic Boundaries	11	
	102-47 - List of material topics	47	
	102-48 - Restatements of information	Not applicable, since it is CJ Selecta's first report	
	102-49 - Changes in reporting	Not applicable, since it is CJ Selecta's first report	
	102-50 - Reporting period	11	
	102-51 - Date of most recent report	The 2019 Sustainability Report is the first carried out by CJ Selecta	
	102-52 - Reporting cycle	11	
	102-53 - Contact point for questions regarding the report		
	102-54 - Claims of reporting in accordance with the GRI Standards	11	
	102-55 - GRI content index	55	
	102-56 - External assurance	No external assurance.	
<b>Form of Management</b>			
<b>Economic Performance</b>			
	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	29	
	103-3 - Evaluation of the management approach	29	
GRI 201: Economic performance 2016	201-1 - Direct economic value generated and distributed	29	
<b>Energy</b>			
	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	38	
	103-3 - Evaluation of the management approach	38	
GRI 302: Energy 2016	302-1 - Energy consumption within the organization	39	
<b>Water</b>			
	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	37	
	103-3 - Evaluation of the management approach	37	
GRI 303: Water 2016	303-1 - Water consumption by source	37	
	303-3 - Water disposal	37	



Standard GRI	Disclosure	Page and/or URL	Omission
<b>Biodiversity</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	41	
	103-3 - Evaluation of the management approach	41	
GRI 304: Biodiversity 2016	304-3 - Habitats protected or restored	With a size of 0.0282 km <sup>2</sup> , the permanent preservation area (APP) is in the process of recovery, through the control of invasive species (with manual weeding).	
<b>Emissions</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	45	
	103-3 - Evaluation of the management approach	45	
GRI 305: Emissions 2016	305-1 - Direct (Scope 1) GHG emissions	45	
	305-2 - Energy indirect (Scope 2) GHG emissions	46	
	305-4 - GHG emissions intensity	46	
<b>Effluents and waste</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	37	
	103-3 - Evaluation of the management approach	37	
GRI 306: Effluents and waste 2016	306-1 - Water discharge by	37	
	306-2 - Waste by type and disposal method	37 e 38	
<b>Environmental compliance</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	41	
	103-3 - Evaluation of the management approach	41	
GRI 307: Environmental compliance 2016	307-1 - Non-compliance with environmental laws and regulations	In 2019, CJ Selecta did not receive any environmental notification. And no noncompliance with environmental laws and regulations were recorded.	
<b>Suppliers environmental assessment</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	41	
	103-3 - Evaluation of the management approach	41	
GRI 308: Suppliers environmental assessment 2016	308-1 - New suppliers that were screened using environmental criteria	Providers of services and inputs were selected based on quality and legal, social and environmental issues. In 2019, no suppliers were selected based exclusively on environmental criteria.	

Standard GRI	Disclosure	Page and/or URL	Omission
<b>Employment</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	49	
	103-3 - Evaluation of the management approach	49	
GRI 401: Employment 2016	401-1 - New employee hires and employee turnover	49 e 50	
<b>Occupational Health and Safety</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	52	
	103-3 - Evaluation of the management approach	52	
GRI 403: Occupational Health and Safety 2018	403-1 - Workers representation in formal joint management-worker health and safety committees	52	
	403-5 - Training of workers in occupational health and safety	52	
	403-9 - Related injuries	52	
<b>Training and Education</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	51	
	103-3 - Evaluation of the management approach	51	
GRI 404: Training and Education 2016	404-1 - Average hours of training per year per employee	52	
<b>Supplier Social Assessment</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	41	
	103-3 - Evaluation of the management approach	41	
GRI 414: Supplier Social Assessment 2016	414-1 - New suppliers that were screened using social criteria	Service and input suppliers were selected in compliance with quality, legal, social and environmental issues.	
<b>Socioeconomic Compliance</b>			
GRI 103: Form of Management 2016	103-1 - Explanation of the material topic and its Boundary	11	
	103-2 - The management approach and its components	41	
	103-3 - Evaluation of the management approach	41	
GRI 419: Socioeconomic Compliance 2016	419-1 - Non-compliance with laws and regulations in the social and economic area	In 2019, we were not aware of the application of any significant fine for noncompliance with laws and / or regulations in the social and economic areas.	



# CORPORATE CREDITS

| 102-3, 102-53 |

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## **WRITING, EDITING, REVIEW AND GRI CONSULTING**

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## **GRAPHIC DESIGN AND LAYOUT**

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## **PHOTOGRAPHS**

Acervo CJ Selecta, Adobe stock, Freepik and Noun Project

## **TRANSLATION**

Gotcha!Idiomas



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