



SUSTAINABILITY REPORT

2015-2016

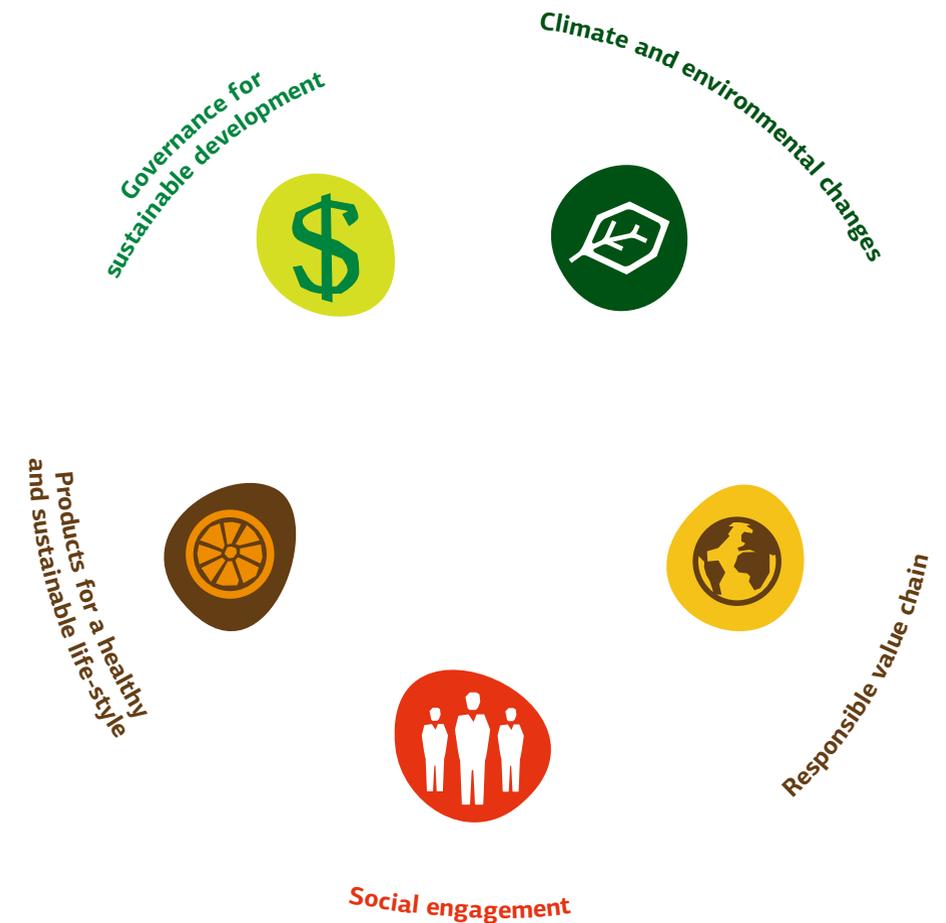
Contents

- 04** Introduction
- 12** Governance for sustainable development
- 24** Our processes and impacts
- 59** Products for a healthy and sustainable life-style
- 64** About the report
- 69** GRI content index
- 77** Assurance report

Sustainability Pillars

Citrosuco's Sustainability Pillars - shown below - are the expression of the company's responsible business approach and are based on its corporate values and commitments to the creation of economic, social and environmental value.

The pillars encompass the company's material business issues and their impacts. These pillars have been used in structuring this report which includes information on the company's initiatives, results and challenges during the 2015-2016 Season.



Araras Unit, São Paulo



Introduction

Highlights of the season



1st AGRICULTURAL BENCHMARK FORUM

Sharing knowledge, connecting people and facing challenges



INVESTMENT

More than US\$ 53 million invested in sustaining and expanding the business



SAI PLATFORM - FSA

100% of Citrusuco's orange farms underwent an assessment by third-parties and received a silver-level classification



NEW ORGANIZATIONAL CULTURE

Establishes the foundations for strategy implementation



RAINFOREST ALLIANCE CERTIFIED

3 farms certified



ROAD TRANSPORTATION

20% increase in efficiency and a 6% reduction in diesel consumption - for bulk juice transportation



EMPLOYEE DEVELOPMENT

32% increase in the training hours per employee



RENEWABLE ENERGY SOURCES

Represent 51% of the total energy consumption



BIOLOGICAL CONTROL

A new strategy to control greening



WATER CONSUMPTION

36% reduction in the volume used in the application of pesticides



GROUNDBREAKING AIJN CAMPAIGN

The science behind 100% fruit juice and its health benefits

Letter from the CEO

G4-1

The 2015-2016 Season for the Brazilian citrus industry was characterized by significant challenges, particularly the lower quality and yield of the orange harvest. Despite the adversities and challenges posed by the economy, Citrosuco achieved its planned results. We continued to grow strongly in the NFC juice segment and set new records for production and sales, which increased by 10%, compared to the results in the previous season. At the same time, we worked hard on adapting our FCOJ products to meet specific consumer demands in the various regions around the world. These investments underpin our business strategy and enable us to grow.

As part of the process of evolving Citrosuco's organizational culture and corporate governance, we implemented initiatives that strengthen our compliance system, reduce our risk exposure and ensure the execution of our strategy.

Of these initiatives the most important were the programs for internal audit, compliance and risk management. In the latter case our objective is to ensure that we identify, control and monitor all the risks to which the company is exposed, namely, corporate, financial, operational and regulatory risks. These actions were important to ensure that Citrosuco meets market requirements and are also essential for the nature of our business, that is: a global company with the mission



“

We strive to be efficient, while acting responsibly, to ensure that Citrosuco creates sustainable value.”

to provide food products derived from fruit to contribute to a healthier and more energetic life.

In another initiative to value our employees, we implemented the Citrosuco Development System (CDS). In addition to providing guidance for each employee's career development, the CDS gives recognition in a fair manner, aiming to enable the organization to achieve a high level of performance.

These actions reinforced Citrosuco's commitment to adopt globally-recognized corporate governance standards and to strive for excellence in the markets where we operate.

Our ongoing efforts to enhance the efficiency of our operations has enabled us to realize significant achievements, such as, a cumulative increase of more than 20% in the productivity of transporting juice by road and a reduction of 36% in the amount of water used for spraying the groves.

We operate in accordance with best practices for social and environmental responsibility. As a result, 100% of our agricultural operations received a silver-level classification under the Sustainable Agriculture Initiative (SAI) Platform standard and three company-owned farms obtained the Rainforest Alliance Certified seal. In relation to the supply of fruit from third-party growers, we have strengthened our partnerships with family farmers and increased the volume of products certified by the Fairtrade Foundation by 32%. In our social development actions, we focused our efforts

on the personal and professional development of 76 young people who were in socially vulnerable situations.

In order to maintain the excellence of our client services, we established a new area dedicated to improving existing applications and developing new products. Regarding our relations with business partners, we restructured our procurement management model. This will enable us, among other things, to screen and select suppliers through a process that takes sustainability criteria into account. We trained 100% of our employees in the application of our Code of Conduct, and a substantial number, including all managers, were trained in anti-corruption measures.

The consistency and robustness of our actions have resulted in our company being seen as a reference in the markets where we operate. We believe that we have established the necessary base to overcome the future challenges inherent in the execution of our strategic plan.

We are fully aware that the future will be more challenging than the present. In such a situation, efficiency is a key factor. We strive to be efficient, while acting responsibly, to ensure that Citrosuco creates sustainable value.

Mario Bavaresco Junior
CEO, Citrosuco

Catanduva Unit, São Paulo



Citrosuco

G4-3, G4-5, G4-7, G4-8, G4-9

Citrosuco is a privately-held, 100% Brazilian-owned company that operates throughout the entire orange juice production chain, from agriculture to the delivery of its products around the world. The company focuses primarily on exports, serving clients in more than 100 countries, mainly in the beverages market segment.

The company has 47 operating facilities consisting of four processing plants, 29 farms¹, two storage facilities, five port terminals² and seven sales offices. It also owns and operates four ships and 45 tanker-trucks that were designed specifically for the transportation of orange juice.

 READ MORE ABOUT CITROSUCO'S HISTORY ON THE WEBSITE <http://www.citrosuco.com/nossa-historia.html> 

¹ 26 farms are dedicated to growing oranges; 2 farms which are connected to the industrial operations, use the fertigation method to grow other crops; and 1 farm is leased to a third-party.
² 50% of participation on the Toyohashi (Japan) terminal.

Matão Unit, São Paulo



Mission

To provide food products derived from fruit to contribute to a healthier and more energetic life.

Vision for the future

To be the best company for natural fruit juices and ingredients in the global food industry.

Values

Sustainability: environmental, social and economic

Value Creation: focus on results

Integrity: trustworthiness, transparency, respect and ethics

Meritocracy: valuing and developing people; rewarding performance

Entrepreneurship: seeking constantly to explore opportunities above and beyond the available resources

Health and Safety: ensuring a healthy and safe work environment

G4-56

Where we are

G4-5, G4-6, G4-8

United States

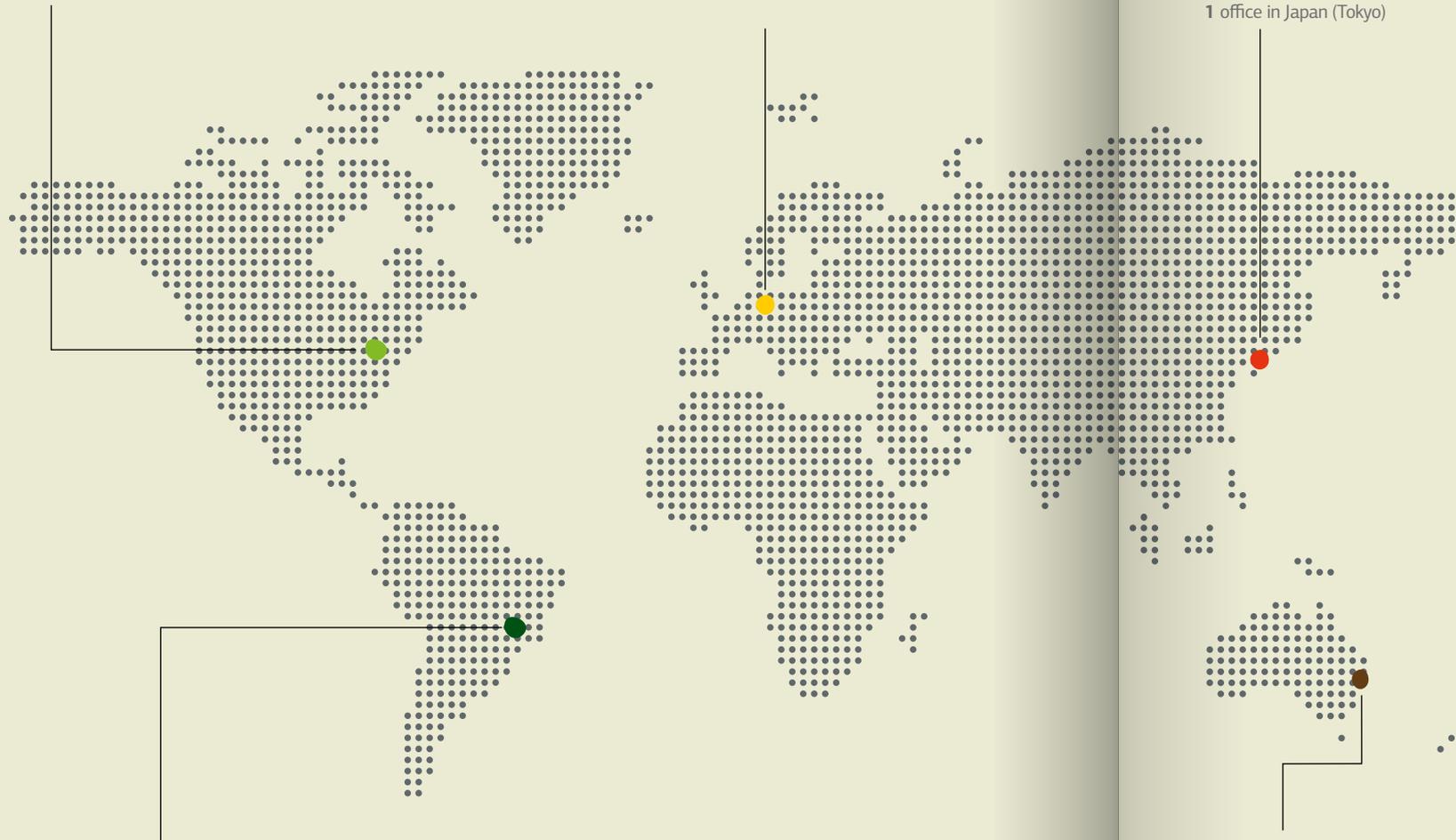
- 1 plant in Florida (Lake Wales)
- 1 port terminal (Wilmington)
- 1 office in Lake Wales

Europe

- 1 port terminal in Belgium (Ghent)
- 1 office in Austria (Vienna)
- 1 office in Belgium (Ghent)

Asia

- 1 port terminal (Toyohashi - 50% participation)
- 1 office in China (Shanghai)
- 1 office in Japan (Tokyo)



Brazil

- 3 plants in Matão, Catanduva and Araras (SP)
- 29 farms in the states of São Paulo and Minas Gerais
- 2 storage facilities, in Matão and Limeira (SP)
- 1 port terminal in Santos (SP)
- 1 office in São Paulo (SP)

Transportation Fleet

-  5 ships (4 company-owned and 1 multi-cargo)
-  45 company-owned tanker-trucks
- 68 chartered tanker-trucks

Australia

- 1 port terminal (Newcastle)
- 1 office in Newcastle

Orange-based products

G4-4, G4-8, G4-9

Citrosuco's product range consists of juices and ingredients derived from oranges. These products are destined mainly to the beverage markets and also to the industrial segments for foods, chemicals, fragrances, pharmaceuticals, animal feed and energy.

capturing the volatile aromas produced in the evaporators during the orange juice concentration process. Watery-phase essence is used in the food and beverage industries and the oily-phase essence in the industries for fragrances and aromas.

Juices

NFC (Not For Concentrate) - whole orange juice, 100% natural, pasteurized, chilled and ready to drink. Destined to the beverage markets.

Citric Terpene (D-Limonene): a thin, colorless oil with a light citrus odor, obtained from the distillation of the citric liquor extracted from the orange bagasse. Used in the perfume, chemical and pharmaceutical industries.

FCOJ (Frozen Concentrated Orange Juice): orange juice, 100% natural, concentrated and frozen, which can be consumed in the form of reconstituted juice or used as a component of nectars and other beverages. Destined to the beverage markets.

Citrus Pulp Bran: produced by pressing and drying the peel, seed and the excess orange pulp from the production of juice. Destined to the animal feed industry.

Orange-based ingredients

Essential oil: obtained by cold-pressing the orange peel after the juice has been extracted. Destined to the chemical, food and perfume industries

Wesos: soluble orange solids extracted with water and destined for use by the food and beverage industries.

Essences (watery and oily-phase orange essences): obtained by

Frozen orange pulp: obtained from healthy, ripe fruits through processes of extraction, decantation, filtration, pasteurization, cooling and storage. Used in the production of juices containing fruit bits.

HIGHLIGHTS



INTERNAL AUDIT

Strengthens best practices in corporate governance



COMPLIANCE

Further improvements in best practices in preventing corruption and launch of the Code of Conduct and related training



RISK MANAGEMENT

Consolidation of the risk management platform and identification, control and monitoring of the company's main risks



LEADERSHIP

Implementation of the Citrosuco Development System, aimed at accelerating organizational transformation



Governance for sustainable development

Commitment to best practices in corporate governance

In recent years, Citrosuco has continually incorporated best practices in its corporate governance and management approach. These practices are based on widely-accepted models such as those developed by the Brazilian Institute for Corporate Governance (IBGC) and the Brazilian Securities Commission (CVM).

The adoption of best practices in corporate governance enables management to better face business challenges that involve risk mitigation and control, a focused line of action, speed in decision-making and the pursuit of the planned results.

Functions

The Board of Directors: approves and establishes strategic guidelines, provides general guidance to senior management and approves the company's Strategic Business Plan.

Advisory Committee: advises the Board of Directors in relation to the monitoring of important and strategic matters, thus giving flexibility to the company's decision-making processes.

Audit Committee: advises the Board of Directors on issues related to internal and external audits, internal controls, accuracy of the financial statements, risk management and compliance.



Best practices in corporate governance enable management to better face business challenges

Corporate governance structure G4-34



Focuses on evaluation and continuous improvement

The Internal Audit area reinforces Citrosuco's good corporate governance practices. It has independence of action and reports directly to the CEO and the Audit Committee. During the 2015-2016 Season the area initiated a structured audit cycle that focuses on the risk assessment and internal controls of eight of the organization's business processes, related to corporate governance, the value chain or support functions.

The internal audit processes examine corporate, financial, operational and regulatory risks and the controls designed to mitigate these risks. It aims to review the main business processes in three-year cycles.



Audits are, above all, opportunities to discover our weaknesses, learn from them and improve our processes."

**Roberto Vitório Ciardella,
General Manager for
Internal Audit**

Organizational culture supports the strategy

Challenge, Integrate, Recognize and Anticipate. These are the four pillars of Citrusuco's organizational culture. They express the company's expectations for the attitudes and behavior of its employees, namely: initiative, pro-activity, critical thinking, collaboration, integration and meritocracy. During the 2015-2016 Season, Citrusuco took an important step towards implementing its strategy by carrying out an intensive campaign to disseminate the new organizational culture at all levels in the company.

The initiatives included a diagnosis of the organizational culture from the perspective of real-life employee experiences followed by in-depth discussions on the results of this diagnosis. In the 2016-2017 Season the company will continue with these communication actions in order to reinforce the dissemination of the new culture.



Material used in the publicity campaign for the new organizational culture

Citrusuco Development System

The organizational transformation process was reinforced during the 2015-2016 Season with the implementation of the Citrusuco Development System (CDS). This program, which is based on a structured evaluation model, provides guidelines for the actions to be taken in relation to employee training and career development. The CDS has been designed based on best market practices and aims to assess, in an integrated manner, the employee's potential, performance and degree of adherence to the company's organizational culture.

The CDS is expected to be a great ally, for both the company and its employees, since it focuses on developing the skills that are necessary

for implementing the company's strategy and provides support for the construction of a working environment conducive to stimulating growth.

The first CDS cycle of training courses focused on the Human and Organizational Development (HOD) area, and managers, up to the level of coordinator, in Brazil and abroad. Following this, the Performance and Potential Committees, with Citrusuco's senior management, reviewed the results, evaluated the various points of view and then shared the results of the employee team assessments with their peers, in order to generate input for the preparation of Individual Development Plans.

Constructing a sustainable future

The importance of the decision to create the Transformation Management Unit (TMU) became apparent during the strategic planning process for the 2015-2016 Season. This unit was set up and structured not only to monitor the implementation of strategic projects but also to provide a methodology that supports managers in the implementation of these projects, both on time and with the expected level of quality.

The TMU is responsible for ensuring that these projects and studies are aligned to Citrusuco's core strategic

objectives. It sets priorities, defines the results to be delivered, and ensures that the resources required for implementation are available.

In parallel to the implementation of these projects, the company's senior management participated in meetings on innovation and efficiency in which they reflected on the company's future, revisited its value drivers and stimulated discussions on a sustainable future for the business.



Discussions on the future of the business were high on the agenda in the 2015-2016 Season



Risk management G4-14

In the 2015-2016 Season, Citrosuco initiated a process to restructure its risk management. The company made important advances during the season with the development of procedures and tools and the consolidation of the required fundamental premises and concepts.

Citrosuco takes the view that effective risk management is dependent on certain key factors, namely: a robust **corporate governance** system, endorsed by the company's senior management, that ensures transparency in relation to the risks in the decision-making processes; the appropriate infrastructure and management approach for an effective program for the identification, evaluation, development, implementation and monitoring of risks; and the process itself, with the definition of 'owners' and their respective responsibilities.

Corporate Governance

Under the company's corporate governance structure, the theme of risk management is handled by senior management, with the support of the Committee for Risk Management, Compliance and Sustainability. This responsibility is then cascaded down the organization, through a system of risk managers, who are assisted by a risk management model. This risk management structure aims to mitigate the possible negative impacts of risks on the business activities. The CEO and the executive directors are responsible for monitoring these actions and reporting back to the Audit Committee and the Board of Directors.

Best practices

Citrosuco's risk management process is based on certain aspects that are considered essential for ensuring effective risk management in the organization. It follows best market practices, namely:

- the existence of a common language for discussing risks, which is aimed at both preserving and creating value and is adopted throughout the company;

- clear definitions of the key roles, responsibilities and powers related to risk management;
- appropriate levels of transparency and visibility for senior management's risk management practices;
- establish the responsibilities of business managers and areas for risk management.

Tools to strengthen compliance

DMA FOR COMPLIANCE, DMA FOR ANTI-CORRUPTION, DMA FOR ANTI-COMPETITIVE BEHAVIOR, DMA FOR SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY, G4-56, G4-58, G4-HR12, G4-SO11

Citrosuco conducts its business in accordance with the legal regulations applicable to its activities and is formally against any form of misconduct related to the regulatory aspects that underlie the company's strategic decisions, such as corruption, trust, monopoly or anti-competitive behavior. The company's main driver in this sense is its **Compliance Program**. During the 2015-2016 Season the company took some important steps in this field, making good progress in anti-corruption compliance and the implementation of its Code of Conduct and Conduct Hotline. These actions contributed to strengthening the compliance program and to ensuring that the company performs responsibly.

During the season, all employees in Brazil participated in training courses on the Code of Conduct. Next season, the Code of Conduct will be disseminated to other stakeholder groups. The Code of Conduct is available for public consultation on the company's website (www.citrosuco.com.br). The Conduct Committee promotes and encourages compliance with the Code of Conduct and aims to ensure that its rules and principles are respected in all Citrosuco's business activities.

Conduct Hotline

DMA FOR HUMAN RIGHTS GRIEVANCE MECHANISMS

The Conduct Hotline, which is one of the pillars of the implementation and management of the Code of Conduct, aims to identify and correct any type of behavior that is not in conformity with these guidelines.

It went into operation in mid-2015 and by the end of the 2015-2016 Season a number of reports had been received. None of the reported cases were related to situations that characterized violations of human rights or impacts on society.

Compliance program G4-58

The Compliance Program comprises an organizational structure, methodology and tools, that are necessary to ensure that the company's activities are continuously and permanently in accordance with the applicable legislation. The program is managed through a dedicated organizational structure, to guarantee the necessary level of autonomy and independence.

For each of the issues addressed, the program defines the type of evaluation and methodology that must be applied, considering best practices for compliance management.



It is of fundamental importance to Citrosuco that its employees have a proper understanding of the anti-corruption legislation and also of the best practices for prevention. The Compliance Program also plays a part in achieving this."

Clauber de Andrade Souza, General Manager of the Legal Department



New orange-based applications and products

The research carried out in the Product Development and Application (PDA) area has focused on anticipating customer needs right from the start of its activities, in the 2015-2016 Season. This area, which is oriented towards the development of new orange-based applications and products, was established to support Citrosuco's growth strategy.

The studies are focused mainly on new solutions for the market segments for premium products and seek to find alternatives with competitive prices and innovative applications. The area also carries out research related to use of technology to increase the value of the utilization of the fruit, and consequently, of the products generated in the industrial processes.

During the season, approximately US\$ 10 million were invested in the PDA area, principally in initiatives to provide more flexibility to the product range.

“

We are observing the trends and evaluating the opportunities that arise, in both traditional and growth markets. Our role is to help the customer by demonstrating that there are viable alternatives for the application needed.”

Alex Marie Schuermans, General Manager for PDA

Research and innovation

In parallel to the work of the PDA area, in the development of solutions aimed at the sales area, Citrosuco has been improving its processes, products and services and has been searching for simpler and more sustainable production alternatives, thus acting as an agent for the transformation of society.

One of the company's ongoing studies, carried out in partnership with Votorantim's "Legado das Águas" Reserve, is the use of bioengineering to obtain products from orange-based ingredients that are renewable and of high added-value. In this way the company is providing products that meet society's demands for the substitution of certain persistent and unnatural compounds by those that are normally abundant or readily decompose in the natural environment. This line of research is consistent with Citrosuco's strategic guidelines for capturing synergies with partnering companies. In this way the company can optimize the use of the combined know-how and innovation infrastructure, thus leveraging the development and application of new products.

Itapetininga Farm, São Paulo



Voluntary commitments and memberships of associations

G4-15, G4-16



Did you know? No sugar is added to 100% natural orange juice, whether concentrated or not.”

This was one of the messages in the campaign material developed by the AIJN.



FOR MORE INFORMATION PLEASE REFER TO:
<http://fruitjuicematters.eu/en>

Citrosuco is represented on the Executive Council of CitrusBR, an association of which it is a founding member. CitrusBR is an industry trade association established by the leading Brazilian producers and exporters of citrus juices and derivatives. It acts in the defense of the industry’s interests, sponsors technical studies and promotes the segment’s image, among other activities. Citrosuco is also represented in the European Fruit Juice Association (AIJN), an organization based in Brussels that represents the industry of fruit processors in its relations with the beverage bottling companies in Europe.

In the 2015-2016 Season, Citrosuco was a member of the steering committee for a groundbreaking publicity campaign, sponsored under a partnership between AIJN and CitrusBR. The main

objective was to demonstrate, based on scientific evidence, that 100% natural fruit juices are healthy.

Citrosuco is one of the founders of the Citrus Defense Fund (Fundecitrus), a private, non-profit association that acts publicly on behalf of the citrus industry. Fundecitrus is financed by the fruit growers and the juice processing industry in Brazil and has achieved worldwide recognition. It promotes actions to combat citrus diseases, such as: organizing, directing and disseminating research aimed at citrus production health issues; conducting crop estimation studies; issuing phytosanitary warnings; and offering, free of charge to its members, the Professional Master’s Program in Disease and Pest Control in Citrus Production. These actions are

aimed at protecting the phytosanitary health of the Brazilian citrus industry, cost efficiency and the preservation of environmental resources.

Citrosuco is committed to the cause of defending the rights of children and adolescents, and their preparedness to exercise citizenship. To this end, the company supports the “Child’s Friend” Company Program, developed by the Abrinq Foundation. This program has benefited more than eight million children in Brazil since its inception 25 years ago.



FOR MORE INFORMATION PLEASE REFER TO:
www.citrusbr.com
www.aijn.org
www.fadc.org.br
www.fundecitrus.com.br

HIGHLIGHTS



ENVIRONMENTAL PROTECTION

Environmental protection expenditures of R\$ 12 million



FRUIT GROWERS

100% of the fruit is monitored through an agrochemicals control program



CONTROL OF GREENING

Infestation rate of less than 1%, well below the average for the sector



Our processes and impacts

Results for the season

DMA FOR ECONOMIC PERFORMANCE, G4-EC1

The 2015-2016 Season proved to be challenging for the Brazilian citrus industry. The lower fruit yield and decreased average brix both adversely impacted the cost of the finished product. On the other hand, the global market prices for juices increased sharply in the last quarter of the season, in response to the projections of lower global inventory levels combined with a drop in production in the United States.

In view of this scenario, Citrusuco took the important strategic decision to reallocate part of its sales volume to the following season, at more competitive prices. As a result, the company registered decreases in net income (-17%) and in EBITDA (-32%) compared to the previous season, falling to US\$ 1,041 billion and US\$ 116 million, respectively. These reductions were due to the unfavorable weather conditions, which impacted fruit quality, and the lower sales volume due to the reallocation of product to the 2016-2017 Season. However, this latter action is expected to generate significant gains in the next season.

Despite the adverse economic scenario in Brazil, Citrusuco remained alert to market opportu-



Disciplined financial management, operational stability and a clear and objective sales strategy ensure that Citrusuco has the solid base necessary to continue on its growth cycle.”

**Marcos Paolucci Santos Pinto,
Executive Director for Finance**

nities and continued to invest in improving its existing processes and new projects. During the season the company invested more than US\$ 53 million. Of this amount, US\$ 18 million were allocated to increasing production capacity and research and development.

Among the various expansion projects, one of the highlights was the restructuring of the fruit reception process at the Matão unit (SP). This project, which will require a total investment of US\$ 16 million, was initiated in 2016 and is planned to be completed during the 2016-2017 season. Following the implementation of this project, the new logistics of the fruit reception process will result in productivity gains and increased operational safety.

The company ended the season with a gross debt of US\$ 396 million and a financial leverage, as measured by Net Debt/EBITDA, of 2.0 compared to the level of 1.1 at the end of the previous season. Citrusuco's financial management discipline, operational stability and clear and objective sales strategy will provide the necessary strength for the company to continue on its growth path.

Climate and environmental changes G4-EC2

The company's ongoing investments in environmental management reaffirmed Citrusuco's commitment to conduct its operations in a sustainable manner, in all stages of the production process.

Its management approach prioritizes the responsible use of natural resources, investments in renewable energy alternatives, constant monitoring, increased productivity and process efficiency.

Emissions monitoring and enhanced positive impacts

DMA FOR EMISSIONS

The emission of greenhouse gases (GHG) is an important topic on the Brazilian and international agendas and is also a material issue for Citrusuco. The company is constantly monitoring emissions and seeking ways to reduce them.

Direct GHG emissions (Scope 1) are those that arise from sources owned or controlled by the company. Citrusuco monitors indicators for both direct emissions and indirect GHG emissions from purchased energy (Scope 2), and adopts reduction measures in its most critical operations.

Although, on the one hand, Citrusuco's operations generate GHG emissions, on the other hand, the nature of its business results in an offsetting impact on climate change, since its orange groves and environmental conservation areas sequester carbon dioxide from the atmosphere. In 2015, Citrusuco's environmental conservation areas and orange groves sequestered at least 319 thousand metric tons of CO₂. This is a conservative estimate since the calculation only considered 60% of the potential carbon sequestered in the environmental conservation areas.

Management approach and initiatives

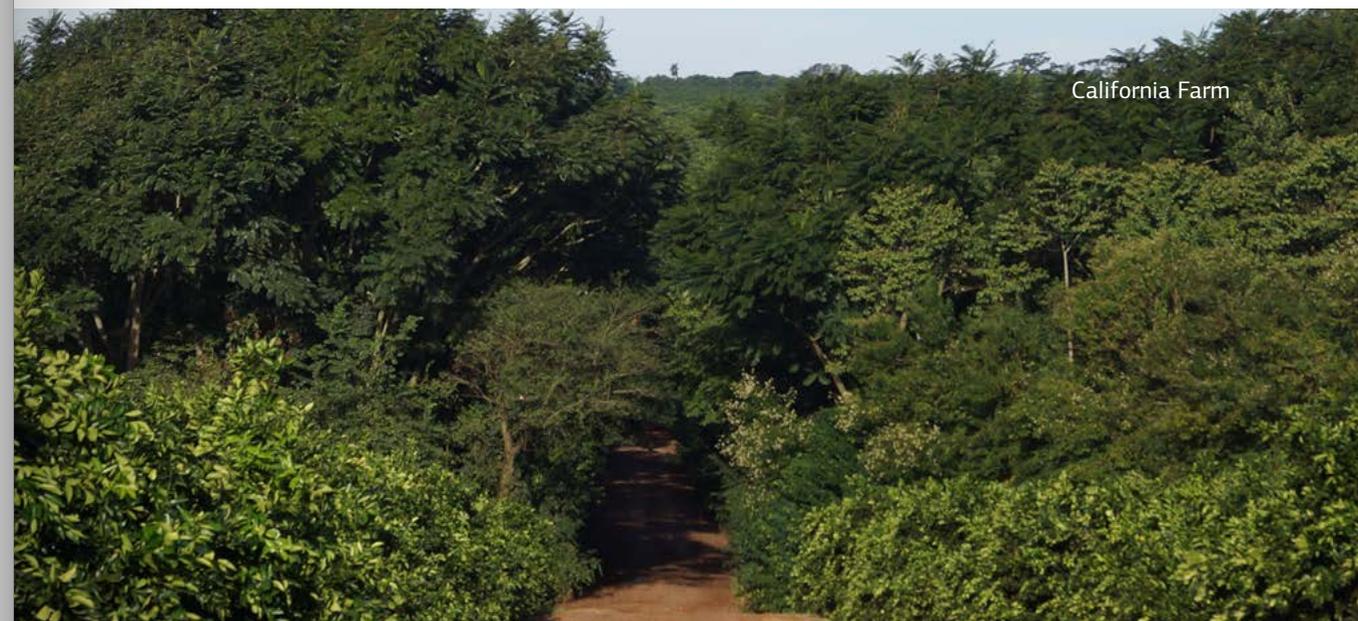
On an ongoing basis Citrusuco evaluates alternatives to reduce the GHG emissions from its opera-

Climate change

The business sectors based on agricultural activities, such as citrus production, are frequently impacted by variations in climatic conditions. These can result in alterations in both the quality and quantity of fruit production. These changes are linked to factors such as water scarcity, temperature and the spread of disease, which are, in turn, linked to climate change. On the other hand, agricultural systems can contribute positively to mitigating climate change due to their high potential to carbon sequestration and storage.

tions through measures such as the use of renewable energy sources, increased efficiency and the optimum use of fertilizers. One of the highlights of the 2015-2016 Season was the increased use of ethanol to substitute gasoline in the company's fleet of light vehicles. For the 2016-2017 Season the company plans to increase the energy produced from burning energy cane (a sugarcane variety with a high biomass production).

Another initiative that marked the 2015-2016 Season was the development of a new Maintenance Master Plan for the industrial units. The objective



California Farm

is to improve process efficiency by reducing the number of unscheduled stoppages during the season. This will eliminate inefficiencies in the processes and contributes to reducing the consumption of water, energy and other industrial inputs.

Among the season's highlights for the farm activities were initiatives such as the projects for preventive and corrective maintenance. These projects focused on performance improvement and resulted in the more efficient use of equipment. Projects such as these, combined with improved operational planning, led to reductions in the number of tractors required and the number of scheduled

movements of people and materials, reducing fuel consumption and GHG emissions.

Performance and highlights of the season

The measurement and monitoring of GHG emissions at Citrosuco are based on guidelines specified by the GHG Protocol and the IPCC. Up until 2014, the company published data on the emissions related to its operations in Brazil and Europe, the main market for its products. In this report, Citrosuco has published figures on emissions for all its operations, in Brazil and abroad, and this has resulted in higher values for both Scope 1 and 2 emissions.

G4-EN15, G4-EN16

Total GHG emissions in metric tons of CO₂ equivalent (ton CO₂eq) / year *

G4-EN15, G4-EN16

	2013	2014	2015
Scope 1 GHG	283,189	318,754	457,053
Scope 2 GHG	20,791	30,944	44,986
Total GHG	303,980	349,698	502,039
Biogenic emissions	677,021	683,789	604,924

* Data is for the calendar year

Note 1: The gases included in the calculations were: CO₂, CH₄ and N₂O.

In search of a clean energy mix

DMA FOR ENERGY



Citrosuco prioritizes both the efficient use of energy and the search for renewable energy sources, such as sugarcane bagasse, which is currently the main source of renewable energy used by the company. With the aim of ensuring a continuous supply of biomass for industrial processes in the 2013-2014 Season, Citrosuco financed the planting of an area dedicated to the production of

biomass. In the 2016-2017 Season the area planted by the company will provide 60 thousand metric tons of energy cane biomass. This will increase to as much as 120 thousand metric tons per season, as from 2020. Energy cane was developed from the crossbreeding of a selection of sugarcane varieties that provided a high content of biomass production, that is, they

produced dry matter at rates higher than 70 metric tons/hectare/year. In addition to ensuring a continuous supply of biomass, growing energy cane provides other benefits to Citrosuco, such as a reduction in diesel consumption due to the shorter distances traveled and a lower number of internal movements of people and materials.

Performance and highlights of the season

Of the total energy consumed during the season, 51% was derived from renewable energy sources including ethanol, biodiesel, biomass and the renewable portion of purchased electricity. The proportion of the energy from non-renewable sources consisted mainly of the natural gas used in the industrial processes and the fossil fuels consumed in the logistics and agricultural operations.

In the port terminal in Toyohashi, Japan, the replacement of the cooling system generated savings in electricity consumption of around 10% compared to the previous season. The installation of more efficient motors in the production processes resulted in a reduction of 0.4% in industrial electricity consumption.

For next season, we are evaluating the replacement of the remaining motors in the Matão unit in order to further reduce industrial energy con-

sumption. The company also expects to achieve energy savings from the refurbishment of the oldest boiler in the Matão unit, which is planned to be carried out during the 2016-2017 Season. Another project aimed at saving energy is the substitution of the use of natural gas in the Araras unit by installing an electricity substation.

The cultivation of energy cane is expected to produce 60 thousand metric tons of biomass in the next season, increasing the proportion and security of supply of this renewable source in the company's energy mix.

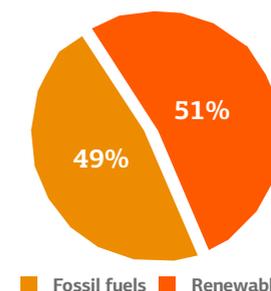
Energy consumption inside the organization (GJ)/year*

G4-EN3

SOURCE	Energy consumed		
	2013	2014	2015
Fossil fuels	3,403,130	3,894,170	5,119,453
Renewables	5,288,914	5,287,531	5,301,886
Total	8,692,044	9,181,501	10,421,339

* Data is for the calendar year

2015



Note 1: Up until 2014, the company published data on energy consumption for its operations in Brazil and Europe. In this report, Citrosuco has published figures on the energy consumption for all its operations, in Brazil and abroad.

Water resources are constantly monitored

DMA FOR WATER, G4-EN10



The company's Water Resources Plan aims to ensure its access to water in the required quantity and quality without prejudicing the availability for the current and future generations. Citrusuco recognizes the importance of water for its operations and executes planned actions to reduce, reuse and recycle water. The management of water risks and impacts is one of the main priorities on the environmental management agenda. The company aims to reduce the volumes of the draw-down of fresh water and the discharge of treated effluent, while ensuring the economic, social and environmental viability of its initiatives.

The use of water in operations

Citrusuco's productive process reuses the water extracted from the fruit during the juice concentration stage. This water, referred to as plant condensate, is used in the boiler for steam generation, for washing fruit and for cleaning production lines and piping systems.

In the Matão (SP) plant part of the treated effluent leaving the Effluent Treatment Plant (ETP) is reused for washing floors and watering the gardens. At the Santos (SP) port terminal treated effluent is being used in the cooling towers, thus reducing the draw-down of fresh water.

For the groves that require irrigation, the company uses the drip system, which is consid-

ered to be one of the most efficient methods available. This method reduces the consumption of both water and fertilizer since they are applied slowly and directly to the tree's root system. Approximately 31% of the company's total productive area is under irrigation.

Performance and highlights of the season

During the season, the total volume of water consumed decreased by 17%. In the agricultural operations, despite the increase in the irrigated area, the favorable climatic conditions, associated with good grove management practices, enabled the company to reduce the volume of water used for irrigation by 5.21 million m³. In the pesticides spraying operations, the combination of the use of new technologies, knowledge of the behavior and proliferation mechanisms of pests and/or diseases and well-trained employee teams, reduced water consumption by 1.16 million m³, which is equivalent to approximately 36% of the water consumed in this activity in the previous season.

In the industrial operations, the reduction in the volume of plant condensate, due to the lower production of juice concentrate, was compensated by an increase in the draw-down of groundwater. In the port terminal in Santos, the replacement of the membranes in the waste-water treatment plant resulted in an increase of 96% in the unit's volume of reuse water.

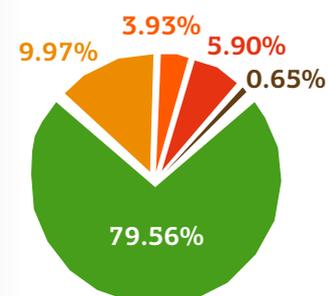
Total water withdrawn by source (m3)

G4-EN8

	13/14 SEASON	14/15 SEASON	15/16 SEASON
Surface water (rivers and lakes)	28,668,166	27,802,031	20,313,873
Industrial groundwater	3,737,719	3,483,426 ¹	3,992,310
Groundwater for other purposes	1,726,905	1,373,015	2,948,756
Reuse water	1,529,859	2,062,142	1,600,410
Water-supply companies	222,536	225,912	156,882
Total	35,885,185	34,946,527	29,012,230

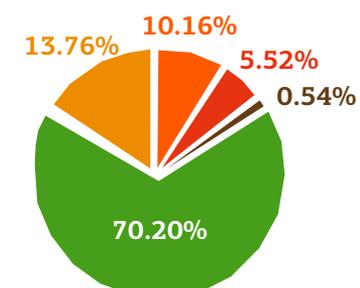
¹ Data has been adjusted due to improved measurement and revision of the historic series.

14/15 Season



- Surface water (rivers and lakes)
- Industrial groundwater
- Groundwater for other purposes
- Reuse water
- Water-supply companies

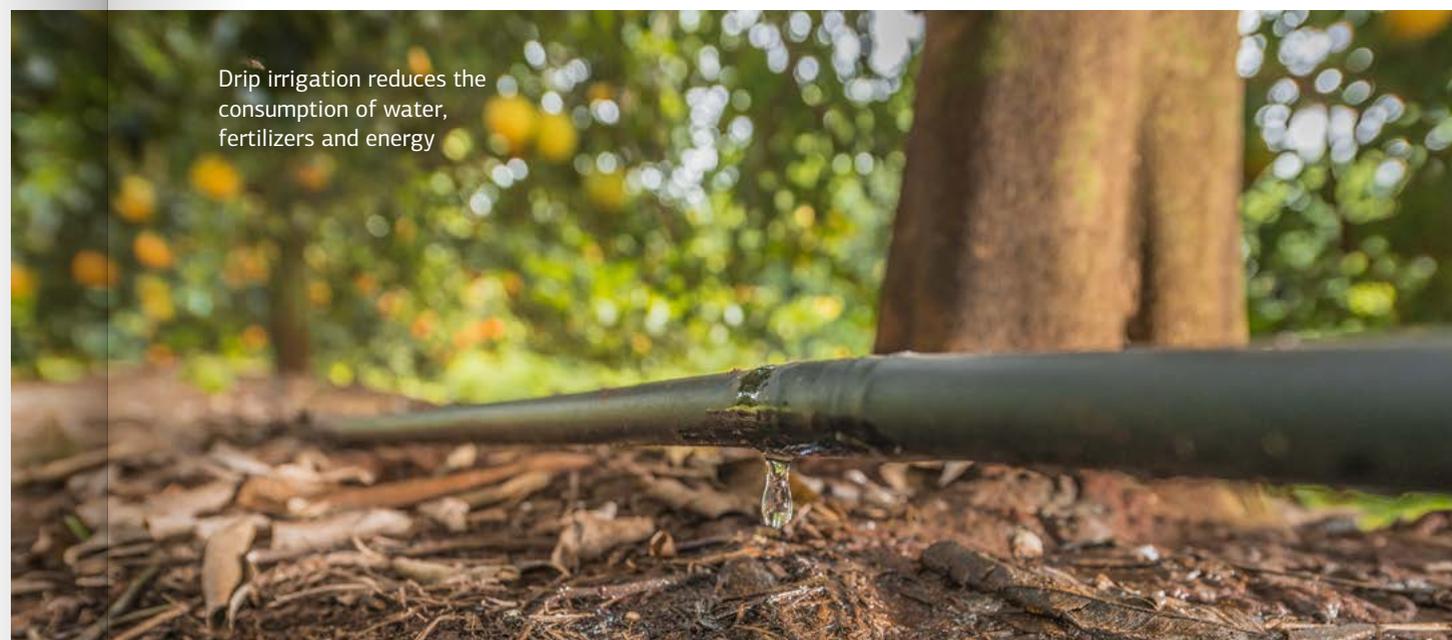
15/16 Season



- Surface water (rivers and lakes)
- Industrial groundwater
- Groundwater for other purposes
- Reuse water
- Water-supply companies

G4-EN8, G4-EN10

The water extracted from the oranges during the juice concentration process is reused in the plant.



Drip irrigation reduces the consumption of water, fertilizers and energy



Industrial effluent treated for fertigation

Responsible management of effluents and waste



DMA FOR EFFLUENTS AND WASTE

Citrosuco's management of effluents and waste is characterized by compliance with the applicable legislation and environmental standards and a focus on water reuse. The company considers these aspects to be extremely important and carries out initiatives to prevent damage to the environment and the local communities. The company's priorities for the management of effluents and waste are as follows (in order of priority): avoid generation, reduction, reuse, recycling, treatment and proper final disposal.

Effluents G4-EN22

Citrosuco uses two systems to guarantee the proper treatment of the effluents generated in the industrial processes. In the first system, the effluent is processed in treatment plants that are 90% efficient in removing the organic content. The second system is the fertigation process in which the industrial waste, consisting of more than 90% water, and free of heavy metals, is used to irrigate other crops, such as sugar cane, where it is treated naturally by interacting with the soil.

Solid waste

Citrosuco's production process inherently results in low waste generation, since 100% of the orange is processed into products or water for reuse. The company's Solid Waste Management Plan defines the conditions for the proper disposal of solid waste. The waste is collected, separated and treated in accordance with the applicable legislation.

Of the total amount of solid waste produced less than 1% is classified as hazardous. This is composed, mainly, of oil-contaminated materials from the maintenance workshops for machinery and vehicles. Initially the solid waste is stored internally and then it is collected by specialist contractors, which are prepared and authorized to provide the proper treatment.

Other types of waste such as ash, sludge, sugarcane bagasse and discarded oranges are sent to the Composting Facility and transformed into organic fertilizer. The empty packaging from the use of pesticides is properly handled, prepared and stored in-

ternally until collected by authorized specialist contractors who are responsible for the proper treatment and disposal.

Performance and highlights of the season

In the 2015-2016 Season, 3.9 million m³ of effluent were treated either in the fertigation process or in the treatment plants. These plants discharge the treated effluent into Class 4 rivers or the municipal sewage networks.

The increase in the amount of waste sent for composting was due, mainly, to the

increased amount of impurities in the bagasse, such as sand, and also to improvements in the gas scrubber decanting system, which resulted in an increased amount of solid material being removed.

In its agricultural operations, Citrosuco intensified the application of the Solid Waste Management Program by the reclassification and the standardization of methods to quantify the amount of waste; therefore improving the screening process, accuracy and management of the indicator.

Total weight of non-hazardous waste for disposal (metric tons)

G4-EN23

	13/14 SEASON	14/15 SEASON	15/16 SEASON
Composting	44,441	17,177	49,039
Recycling	1,621	1,438	1,661
Landfill	858	2,102	8,477
Co-processing/refining	68	101	47
On-site storage	25,148	28,493	36,853
Other	0	31	0
Total	72,135	49,341	96,076

Total weight of hazardous waste for disposal (metric tons)

G4-EN23

	13/14 SEASON	14/15 SEASON	15/16 SEASON
Reuse/external recycling	2	3	3
Incineration (or use as a fuel)	0	17	5
Co-processing/refining	152	83	55
On-site storage	113	96	16
Total	267	199	80

Note: Waste was classified in accordance with the Brazilian NBR 10004 standard and National Solid Waste Policy (Law N°12305/10).

Promoting recycling and bulk sales in Japan

One of the season's highlights was the recycling initiatives of Citrosuco's operation in the port terminal of Toyohashi, Japan. Fifty percent of the drums used to transport juice are returnable and can be reused after washing. This initiative enabled the customer to reduce waste generation and Citrosuco to reduce the purchase of new drums.

At the same time, Citrosuco is providing incentives for its customers to adopt the bulk juice delivery system. This reduces the amount of waste packaging to zero and also reduces the costs of labor and handling. Currently, 15% of the company's customers have opted for this type of delivery. Citrosuco aims to increase this proportion to 25% by the 2019-2020 Season.



Commitment to preserve biodiversity

DMA FOR BIODIVERSITY, G4-EN13



Citrosuco demonstrates its commitment to conserve biodiversity by its rational use of land, the adoption of sustainable agricultural practices, the maintenance of protected areas and the control of protected or restored habitats. These initiatives, in addition to contributing to environmental conservation, enable the company to manage the impacts related to its activities.

Control of protected or restored habitats

Citrosuco maintains Legal Reserve areas and Permanent Preservation Areas (APP) on its company-owned and leased farms. In total, the company has more than 17 thousand hectares of protected or restored habitats registered in the Rural Environmental Registry (CAR).

On the Entre Rios Farm, in Boa Esperança do Sul (SP), part of its legal reserve is being restored. The actions being taken to recover



Maringá Farm

this area include: establishing an ecological corridor that connects the reserve to a Permanent Preservation Area; planting of native tree species; the installation of ecological bird perches; and the construction of networks of branches for use as habitats by animals and birds. The aim is to mitigate the effects of the fragmentation of ecosystems by connecting the remaining fragments. The corridor facilitates the movement of animals and seed dispersal and increases the vegetation cover, thus creating conditions that favor the flourishing of fauna and flora. During the season, Citrosuco was engaged in

the restoration of 479 thousand m² of areas of high ecological value, considering both new planted areas and the maintenance of existing areas.

Management of productive areas and the rational use of land

Citrosuco's management of its productive areas includes establishing policies for soil management and the application of inputs and pesticides that are in compliance with the parameters defined in the Brazilian legislation and in line with the guidelines applicable to its main consumer markets.

Investments in environmental protection

DMA FOR OVERALL



In the 2015-2016 Season, Citrosuco spent R\$ 12 million on environmental protection, including investments and expenses.

The amounts invested in these and other environmental initiatives are an indication of the importance of this subject for Citrosuco. The company has made a commitment to mitigate or compensate the undesirable impacts of its activities and to contribute to improving the natural environment.

Total investments and expenses for environmental protection, broken down by type (R\$ thousands) G4-EN31

	13/14 SEASON	14/15 SEASON	15/16 SEASON
Environmental prevention, education and management	322	1,194	1,635
Preservation, reforestation and biodiversity	61	117	204
Air emissions treatment	599	1,230	1,004
Waste treatment	1,174	951	318
Effluent treatment	4,324	5,364	6,285
Employee expenses - environmental area	2,374	2,062	2,300
Decommissioning/remediation of contaminated sites (soil and water)	0	0	42
Other environmental expenses	616	537	333
Total	9,470	11,456	12,119

Logistics: efficiency in meeting deadlines and ensuring responsible practices

DMA FOR TRANSPORT



Citrosuco's road transportation and shipping activities are responsible for ensuring the delivery of juice products, orange ingredients, raw materials and inputs. The main adverse environmental impact resulting from this activity is the emission of GHGs. Citrosuco seeks to mitigate this impact by ensuring that its logistics operations are managed efficiently thereby reinforcing its commitment to responsible environmental practices.

In the 2016-2017 Season the company will implement a new process for the transportation and reception of biomass, using trucks equipped with automatic unloading systems. The objective is to reduce diesel consumption by about 10%, improve operational performance and increase the safety of operations for the drivers and operators.

Also in the coming season, the first phase of the new fruit reception process in the Matão unit (SP) will come into operation. This will facilitate, in a gradual manner, the use of larger vehicles, resulting in increased efficiency in diesel consumption.

Joining forces

Citrosuco is participating in an initiative called the Port of Santos Area Plan (PAPS). This initiative, which has brought together 47 operating facilities located in the vicinity of the Port of Santos, including parts of the adjacent municipalities of Cubatão and Guarujá, aims to encourage the participating companies to join forces and integrate their actions, in order to combat oil pollution in maritime waters and strengthen the port's capability to respond to oil-spill emergencies.

The Environmental Company of the State of São Paulo (CETESB) and the National Institute for the Environment and Renewable Natural Resources (Ibama) are responsible for coordinating the committee that is preparing the PAPS. The São Paulo State Dock



New initiatives increased the transportation productivity of the company-owned fleet

Company (CODESP) also participates in this initiative. The committee initiated its activities in 2011 and then, in 2015, the plan was officially implemented and signed by all the participants. The preparation and execution of the plan was a legal requirement.



Today, our operation is considered to be a benchmark by the majority of the transport companies in the market, in terms of our high productivity, low rate of accidents and reduced diesel consumption."

Fábio Madeira, General Manager for Logistics

ity of bulk juice operations was finally fully implemented. The main advantages of the project are the standardization of processes and the real-time monitoring of vehicles. The results exceeded expectations. The systematization and standardization of processes resulted in an increase in the productivity of the company-owned fleet, which rose from 45% to 67% of the total volume transported. This increased the productivity of the company's assets, with an accumulated gain in efficiency of more than 20%.

As a result, the proportion of the total volume transported by third-party carriers decreased from 17% to 2%, reducing total freight costs: 7% in the company-owned fleet and 5% in the total bulk juice transportation costs, despite the high rates of inflation in Brazil over the last two seasons. There was also a significant reduction in the specific consumption of diesel, amounting to 6%, which, in addition to the financial return, contributed to reducing the company's GHG emissions. With regard to safety, the number of incidents fell by 37% over the last two seasons.

Performance and highlights of the season

Bulk juice deliveries represent more than 80% of the total volume of finished products transported by Citrosuco. In the 2015-2016 Season, a project to enhance the productiv-

Responsibility in the supply chain

Citrosuco considers respect for employees and partners, and the preservation of their health and physical integrity, to be priorities, and requires the same of its suppliers. The company's occupational health and safety practices are supported by a dedicated management system which includes programs focused on the company's main risks. The "Value of Life" Program is the company's main program for health and safety. It brings together, under one "brand" name, for all stakeholders, all the company's engagement actions and operational con-

trols, and is aimed at instilling a corporate culture of health and safety.

Citrosuco's management system for Health, Safety and the Environment (HSE) was developed based on the main methods and tools for risk management and loss-prevention adopted in the market. The aims are to induce cultural change through leadership, training and effective communication, to stimulate the sharing of best practices among the units and to be in full compliance with the applicable legislation.



Health, safety and environmental management

DMA FOR OCCUPATIONAL HEALTH AND SAFETY

The establishment of the Committee for Health, Safety and the Environment (HSE) and the implementation of the HSE Policy, during the 2015-2016 Season, strengthened Citrosuco's management and governance of these themes.

The committee aims to strengthen the company's HSE strategy by: setting general guidelines; defining policies, programs and rules; assessing indicators and investments and monitoring the evolution of an HSE culture.

The HSE policy was widely publicized in the company's various communication channels. The main objective of this communication campaign, which was directed to both employees and other stakeholder groups with whom the company maintains relations, was to formalize and strengthen the existing safety practices and clarify the company's principles on the subject. All employees were made aware of the content of the HSE policy and the basic principles that contribute to strengthening everyone's commitment to these themes.

HSE culture

The development of an HSE culture in Citrosuco is supported by a number of actions aimed at education, engagement and increasing awareness of safe behavior, and the continuous monitoring of the results achieved. When new employees are admitted to the company, including the seasonal employees¹, they undergo a training course to learn about the company's people management practices, safety and environmental rules and operational standards. Every year the company organizes two company-wide events focused on health

¹ Seasonal workers, both those working in the industrial operations and those picking fruit during the harvest, sign employment contracts for an indefinite period of time, which are regulated by the Brazilian Consolidation of Labor Laws (CLT). They are entitled to receive the standard salary for the employment category or the minimum salary for the state of São Paulo (which is higher than the Brazilian national minimum salary).

“

We are strengthening our framework for HSE, which is a priority on senior management's agenda, thus enabling in practice, and in a systematic manner, a management approach focused on prevention.”

Clauber de Andrade Souza, General Manager of the Legal Department

and safety: the "Internal Week for Occupational Accident Prevention (Sipat)" and the "S Day" (pg. 41). In these events employees and third parties discuss important questions related to HSE issues and participate in interactive and leadership development activities. These themes are also discussed in the ongoing routine work activities. The Weekly Safety Dialogue aims to encourage employees to reflect upon topics of health, safety and the environment and to contribute to improving the dissemination of an HSE culture.



Quality of life

Providing a working environment that is conducive to promoting employees' health and well-being is one of Citrosuco's priorities. The company's programs focused on improving the employees' quality of life have resulted in lower rates of absenteeism and a reduced number of claims under the health plan. One

of these programs is called “Acelere seu Bem-Estar (Boost your well-being)”. The aim of this program, which was launched in November 2015 in the Matão unit, is to encourage employees to do physical exercises on a regular basis. Employees can also receive

support from the company’s Occupational Health team. During the season, the activities aimed at increasing the employees’ quality of life included discussions, workshops, nutritional evaluations and advice, sports’ championships and hiking, among others.

Occupational Safety Indicators **G4-LA6**

	13/14 SEASON	14/15 SEASON	15/16 SEASON*
Injury frequency rate with lost days	6.53	6.69	4.88
Injury frequency rate, with and without lost days	10.83	9.16	8.00
Injury severity rate	61.64	88.44	289.98 ¹

* Includes all employees of Citrosuco - in Brazil and abroad

¹In the 2015-2016 Season, despite all the company’s efforts, actions and investments in safety measures, unfortunately, a fatal accident occurred during the maintenance of a fruit elevator. Citrosuco provided the deceased’s family with all the necessary support and is cooperating fully with the ongoing investigation into the causes of the accident.



Main HSE programs implemented in the 2015-2016 Season

- Review of the company’s four main safety programs: working with hot materials; working in confined spaces; risk of falls; and energy blocking. This resulted in the standardization of safety systems, unification of work permits and re-training of the employees involved;
 - Training courses on the new HSE policy were taken by 100% of employees - completed in August/2016 (2016-2017 Season);
 - Training courses for leaders focused on promoting a culture of safety and the handling of incidents;
 - Implementation of “S Day” with a total of 8 thousand hours of training;
 - Immunization campaign for the H1N1 virus;
 - Implementation of the “Acelere seu Bem-Estar” program. This program is aimed at promoting the health and well-being of employees by encouraging regular physical exercise and a balanced diet.
- Participants are accompanied by fitness coaches and nutritionists.
- Training courses in machine maintenance and the application of pesticides. The courses were carried out in partnership with the National Service for Rural Learning (Senar) and were focused on the regulatory norms (NR 31);
 - Development of a training program for the harvest supervisors;
 - Consulting contract to perform an assessment of the company’s HSE practices and identify opportunities for improvement. The results will be available during the 2016-2017 Season.
 - The “Value of Life in Traffic” training course is a corporate initiative that provides guidelines for the organization’s actions regarding the prevention of traffic accidents. The program, which is carried out annually, is mandatory for all employees who drive company-owned vehicles.

With the aim of stimulating employee engagement regarding occupational safety and accident prevention, the “S Day” event mobilized around 1,300 people, including employees and service providers.

The people who make Citrosuco

DMA FOR MARKET PRESENCE, G4-9, G4-10



Citrosuco's employees are protected by the Brazilian labor laws, international commitments ratified by the Brazilian Government, and by the class associations that represent the various professional categories.

Citrosuco's workforce is composed of permanent employees and seasonal workers. This latter group includes both those working in the industrial operations and those working on the farms as fruit pickers during the orange harvest, as it is common in many agro-industrial businesses.

At the end of the 2015-2016 Season, Citrosuco had 5,273 permanent employees in Brazil, all located in the Southeast region of the country. The total workforce increased to 12,657 during the harvest period. During the season, Citrosuco admitted 22 trainees into its internship program, called **#semear**, and took on a further 86 young people as apprentices. In the company's overseas operations, it employed 213 people on permanent contracts.

The company has a specific hiring policy for people with disabilities (PWD) and monitors their progress on a monthly basis in order to promote their inclusion. During the 2015-2016 Season the company conducted a project on the inclusion of PWDs. This included initiatives such as training courses for 96 employees working in the HSE and HOD areas regarding the legislation on PWD quotas, mapping out the company's PWD population and encourag-

ing new hires. In addition, 250 managers participated in awareness training on the subject.

As a result of these actions, the number of PWDs employed increased from 94 in August 2015 to 180 in June 2016. During the 2016-2017 Season, the company will undertake a study on PWDs, in partnership with the Votorantim Institute and an outside consultant, to better understand the opportunities and challenges and to propose new actions.



Citrosuco's Internship Program, called #semear, is the main gateway for young, talented people to join the company. These interns, who must be enrolled in university undergraduate courses, will acquire knowledge about the business from their involvement in routine activities and projects. The program was established in 2015 with 10 interns. Among the program's strong points are two initiatives designed to prepare them to work in the company. Firstly, each intern has an employee designated as a tutor who will guide, develop and challenge him/her and, secondly, all interns undertake the Lean Six Sigma White Belt training course for project management.

Workforce diversity (2015-2016 Season)

G4-LA12

Job Category	AGE GROUP (%)			GENDER (%)	
	Under 30 years old	30 to 50 years old	Over 50 years old	Men	Women
Management	5	70	25	88	12
Technical/Administrative	17	71	12	82	18
Operational	23	57	20	75	25

Note: The table does not include data on seasonal employees.



Citrosuco's workforce includes seasonal employees, for example, those employed during the harvest

Composition of minority groups in the organization (2015-2016 Season)

G4-LA12

Employees over 50 years old	19%
Women	24%

Note 1: The table does not include data on seasonal employees.

Diversity in governance * (2015-2016 Season)

G4-LA12

	BY GENDER (%)	BY AGE GROUP (%)
	Men	82
Women	18	Between 30 and 50 years old 55
		Over 50 years old 45

* Includes members of the Board of Directors, the Advisory Committee, the Audit Committee, the Committee for Health, Safety and the Environment, the Committee for Risk Management, Compliance and Sustainability and the Conduct Committee

Employee development and career management

DMA FOR TRAINING AND EDUCATION

The company has established separate and specific procedures for the management of training for the industrial and agricultural areas. During the 2015-2016 Season, the company implemented an online platform to manage training in the industrial area in a more efficient and flexible manner. The main challenge in the agricultural area for the next season is to review the mix of courses and annual training plans for each farm, as well as establishing a training program for supervisors.

During the season, on average, employees received 22.7 hours of training, an increase of 32% compared to the previous season. At the end of 2015, Citrosuco renewed its partnership with the National Program for Access to Technical Education and Employment (Pronatec) and provided a course in Diesel Engine Mechanics for four employees at the São Vicente Farm.

Average number of training hours per year per employee G4-LA9

JOB FUNCTION	13/14 SEASON	14/15 SEASON	15/16 SEASON
Total	16.17	17.23	22.75

Average number of hours of training per job category * G4-LA9

JOB CATEGORY	15/16 SEASON
Management	45.26
Technical/Administrative	36.21
Operational + Industrial Seasonal Workers	21.35
Apprentice/Intern	17.84
Total	22.75

* The average number of training hours per job category began to be monitored in detail during the 2015-2016 Season.



During the season, the average number of hours of training per employee increased by 32% compared to the previous season

The leadership team is committed to people management

DMA FOR DIVERSITY AND EQUAL OPPORTUNITY, DMA FOR NON-DISCRIMINATION

Valuing people and the importance of their work, investing in employee development and giving fair recognition to their contributions are the main drivers of one of the pillars of Citrosuco's organizational culture (the recognition pillar). These drivers characterize the company's approach to people management, to which process senior management is fully committed.

The exercise of leadership is one of the dimensions of Citrosuco's management model and the foundation of the implementation of the company's strategy. For this reason, the company invests continuously in the development of its managers. The implementation of the Citrosuco Development System (CDS) was one of the highlights of the 2015-2016 Season (for more information please refer to page 16).

The first cycle of the performance evaluation of managers was completed and the results were used as inputs for preparing the action plans for employee development and succession. The evaluation was completed for 100% of the target group.

Employees who received performance evaluations and career development actions in the 2015-2016 Season G4-LA11

BY GENDER (%)	
Men	1.5%
Women	0.2%

BY JOB CATEGORY (%)	
Management	1.7%
Technical/Administrative	0
Operational	0
Total employees	1.7%



The exercise of leadership is the base for strategy implementation

Citrosuco's compensation system DMA FOR EMPLOYMENT

Citrosuco has a single company-wide compensation policy which uses standard criteria to reward and recognize employees. The remuneration and benefits of seasonal employees are in line with market practices.

Benefits G4-LA2

Citrosuco's benefits package is a fundamental component of the employee's total compensation, and consists of:

Medical and dental care: ensures that high quality healthcare services are provided to employees and their relatives, through partnerships with the leading companies in the sector, in the markets in which the company operates.

Life insurance and funeral assistance: covers 100% of the workforce with coverage extended to include spouses and children. The company pays 50% of the costs.

Transportation: all employees either receive transport vouchers or travel to/from work on buses chartered by the company.

Restaurant: in those units with restaurant facilities, employees are provided with breakfast, lunch and dinner, based on menus prepared by nutritionists. In the units without restaurant facilities, meal vouchers are provided.

Food vouchers: provided to all operational and administrative employees in the industrial units, up to the level of supervisor, and to the administrative employees in the agricultural units. The employees at the operational level working in the agricultural units receive a monthly package of staple food products.

Subsidized medicine: all employees in the industrial area, and their dependents, have access to company agreements with healthcare providers. The company subsidizes 50% of the cost of prescription medicines.

Supplemental salary: this program supplements the employee's salary during the lay-off period (up to 180 days) when the employee is being paid by the National Social Security Institute (INSS). All employees in the industrial area and the administrative employees on the farms are entitled to this benefit. The amount, which is paid through the company's pay-roll system, corresponds to the difference between the employee's nominal salary and the amount paid by the National Social Security Institute (INSS).

Christmas Hamper: this is distributed to all employees.

Coopernitro: a non-profit credit cooperative that provides financial services to its members, as follows: stimulates the habit of regular saving; provides financial advice to help manage finances; provides financial assistance in emergencies (at low interest rates compared to the financial markets); and promotes a system of mutual solidarity and assistance for the benefit of all members.

"Convida" Program: provides access to long-term medication under medical supervision.

Pregnancy Program: provides medical care for pregnant women during the pregnancy and the baby's first six months of life.

CitrosucoPrev: contributory pension program for all employees, except seasonal fruit pickers. The company's contribution is based on the employee's contribution option (from 0.5% to 6% of salary), up to a maximum of 100%.

Salaries G4-EC5

The company's salaries are negotiated under collective agreements with the trade union for each job category. The lowest amount paid in the organization corresponds to the Brazilian national minimum salary.

Hiring and turnover

Total number and percentage of new hires by gender G4-LA1

	13/14 SEASON		14/15 SEASON		15/16 SEASON	
	Men	Women	Men	Women	Men	Women
Total	952	384	793	436	750	261
Percentage	17%	7%	14%	8%	14%	5%

By age group G4-LA1

SEASON	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD		
	13/14	14/15	15/16	13/14	14/15	15/16	13/14	14/15	15/16
Total	635	581	481	596	569	472	105	79	58
Percentage	11%	10%	9%	11%	10%	9%	2%	1%	1%

Note: The calculations of the percentages of new hires (%) exclude seasonal workers, interns and apprentices

Total number of employees and turnover G4-LA1

	13/14 SEASON		14/15 SEASON		15/16 SEASON	
	Men	Women	Men	Women	Men	Women
Total	4,062	1,501	4,081	1,495	3,993	1,280
Percentage	2.1%	2.2%	1.7%	2.5%	1.7%	2.5%

By age group G4-LA1

SEASON	UNDER 30 YEARS OLD			BETWEEN 30 AND 50 YEARS OLD			OVER 50 YEARS OLD		
	13/14	14/15	15/16	13/14	14/15	15/16	13/14	14/15	15/16
Total	1,491	1,425	1,314	3,123	3,147	2,951	949	1,004	1,008
Percentage	3.5%	3.3%	3.0%	1.7%	1.6%	1.7%	1.2%	0.9%	1.0%

Note 1: These figures exclude seasonal workers, interns and apprentices.

Note 2: Citrosuco calculated the turnover as the average of the number of employees hired and dismissed, divided by the total number of employees. The company's goals are to position its hiring salaries and benefits to be in line with the market average and to maintain a turnover of between 1% and 5%.

Farm certification

In the 2015-2016 Season, all Citrosuco's farms producing oranges were submitted to an external verification process, according to the guidelines of the Farm Sustainability Assessment (FSA) developed by the **Sustainable Agriculture Initiative (SAI) Platform**. In this process, the results of the company's self-assessment, which had been based on sampling, were verified and confirmed in the external audit conducted by Control Union. The overall result was the confirmation of the silver level award for 100% of the company's farms and their total production. The Sustainable Agriculture Initiative (SAI) Platform is an initiative of the global food industry value chain that seeks to support the achievement of the UN Sustainable Development Goals.

The Rainforest Alliance Certified (RAC) seal is an environmental certification audited by the Institute of Agricultural and Forest Management and Certification (Imaflora). This certification also evaluates and attests to Citrosuco's social and environmental responsibility. In the 2015-2016 Season, three company-owned farms were audited by Imaflora and awarded the RAC seal: Constância Farm, Entre Rios Farm and Rio Pardo Farm.

This certification process, which has gained international recognition was established by the Sustainable Agriculture Network (SAN) and attests that the certified farm is in accordance with its guidelines for caring for the environment and for employee working conditions.



www.saiplatform.org/
www.fsatool.com/
www.imaflora.org/empreendimentos-certificados.php



“

The market is demanding increasingly sustainable products. This implies the necessity for increased sustainability throughout the production chain. The certification of our farms serves as a testimonial for our customer to show the consumer.”

Dirk Lansbergen, Sales Director

Operating units that have undergone reviews or assessments on impacts related to human rights

DMA FOR ASSESSMENT, G4-HR9

Citrosuco carries out regular internal and external evaluations on its operations, aiming to adhere to best market practices and to be aligned to its own values and strategy. All the company's operations are assessed to verify aspects related to human rights, labor practices, decent work and the environment.

In the 2015-2016 Season, all Citrosuco's operations were subjected to human rights assessments.



The greening infestation rate in the company's groves is less than 1%

Biological control: an ally in the fight against greening



The use of a natural enemy to combat the agents causing greening has been an important strategy in controlling the disease. The infestation of groves by greening is one of the biggest risks facing the global citrus industry. It currently affects more than 60% of the plots in the groves in the state of São Paulo and virtually 100% of those in Florida, in the United States. Even though it presents no risks to consumer health, the disease increases the fruit's acidity, thus changing the juice's characteristics.

The bacteria causing greening is transmitted by an insect called *Diaphorina Citri*, also known as a psyllid. The biological control of greening is performed by releasing an insect called *Tamarixia Radiata*, present in the natural environment. This insect reproduces exclusively on *Diaphorin Citri* nymphs, thus interrupting its productive cycle. The disease has been brought under control in the company's groves and the infestation rate is currently less than 1%. This is substantially below the Brazilian national average of 17%, according to estimates by the Citrus Defense Fund (Fundecitrus). There are now seven facilities dedicated to breeding *Tamarixia Radiata* in the state of São Paulo, of which five are operated by Citrosuco.

The use of *Tamarixia Radiata* has produced concrete results, as was observed in the Rechã neighborhood, close to the company's Itapetininga Farm. Following the release of its natural enemy the capture of psyllids in traps reduced from 47 to three. This efficient form of controlling greening has reduced the need for insecticide spraying, and consequently, reduced fuel

consumption and the exposure of employees to risks. These effects can also occur throughout *Tamarixia Radiata*'s operating radius, positively affecting the orange groves in adjacent areas.

Other initiatives

In partnership with Fundecitrus and other research institutions, Citrosuco organizes lectures to inform owners of non-commercial orange groves about the problem and to encourage them to eradicate their trees, receiving seedlings of other cultures as compensation.

Citrosuco promotes an annual workshop on greening, with the participation of its employees and representatives from Fundecitrus and the other research institutions studying the disease. The participants hold in-depth discussions and exchange knowledge on combating the disease.

“

It is our duty to contribute to the fight against greening, not only for our own defense, but also for the sake of the whole citrus industry.”

Francisco Groba Porto Netto, Agricultural Director

Strategic management of suppliers

DMA FOR SUPPLIER ENVIRONMENTAL ASSESSMENT, DMA FOR SUPPLIER ASSESSMENT FOR LABOR PRACTICES, DMA FOR CHILD LABOR, DMA FOR FORCED OR COMPULSORY LABOR, DMA FOR SUPPLIER HUMAN RIGHTS ASSESSMENT, DMA FOR SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY, G4-12, G4-EN32, G4-LA14, G4-HR10, G4-S09

In addition to specifying the terms for the services to be provided, Citrosuco's contracts provide guidelines for suppliers regarding ethical and responsible behavior, with an emphasis on safety, compliance with environmental requirements and respect for human rights. These requirements, which govern the company's commercial interactions, are expressly stated in its contracts and assessed in audits.

Citrosuco's supply chain is made up of fruit growers, suppliers of inputs, materials and services and logistics service providers. In total, the company has 2,085 suppliers, of whom the majority is located in the state of São Paulo.

The company's strategic plan includes projects aimed specifically at supplier management. In the 2015-2016 Season, the management of fruit growers was strengthened with the structuring of a methodology for assessing and approving these suppliers based on social, environmental and economic criteria. All Citrosuco's suppliers of inputs, materials and services are now subjected to registration, approval and assessment processes managed by means of the Core Project (acronym for compliance, risk and efficiency), established during the current season. Although the project is initially focusing on the suppliers of inputs, materials and services, it will be expanded to include the company's entire supplier base. (For more information refer to page 53).

During the season, 4% of the new suppliers were selected based on environmental, labor and human rights criteria. At present, Citrosuco has approved a total of 83 critical suppliers.

“

Citrosuco's objective is to make the contracting of suppliers and procurement processing more efficient while considering environmental, human rights, labor, social, financial and quality aspects.”

Marcos Paulo Tsiros, Procurement Manager

Fruit growers

The fruit growers are a very important stakeholder group for Citrosuco. The main topics governing the relations between the company and the growers are food safety, sharing of best practices, compliance and doing business responsibly. The company's procurement contracts contain clauses that require the growers to commit to complying with the technical regulations applicable to fruit growing, as well as other sector and legal obligations.

The management of fruit growers was strengthened with the structuring of a methodology for assessing and approving suppliers based on social, environmental and economic criteria. Citrosuco stimulated the growers' interest in these themes by providing training courses in sustainability and grove management. The process of supplier evaluation and approval includes criteria such as document analysis, grove management, fruit origin and quality, food safety and social, economic and environmental aspects, among others.

In addition to strengthening the supplier management process, this method of classification provides inputs for structuring development and training initiatives, raising issues such as diseases and pests, planning and cost management, among others.

Relations with fruit growers

Citrosuco's relations with fruit growers are based on the premise of partnership. This is essential to ensure the sustainability of the business, especially in a scenario of high market volatility and small margins.

One of the initiatives carried out in partnership with the growers is the Program for the Monitoring and Application of Agrochemical Products, which provides support for the management of the use of pesticides on the farms. In the 2015-2016 Season, Citrosuco organized presentations on the transfer of technical and

managerial expertise. The content of these training sessions included issues such as operational efficiency, financial management, environmental and social issues management, market conditions, fighting greening, new fruit varieties and planting techniques. Citrosuco provided over 2,000 hours of training courses for suppliers during the season. Around 87% of its supplier base participated, with an average of five hours per grower. The company aims to reduce the gap in the knowledge base between the growers and the research centers and universities.

Furthermore, growers contracted by Citrosuco were invited to take guided tours of its farms, encouraging them to adhere to the company's practices and values. This initiative led to the development of a program which targets technical and operational aspects of production. This program will be implemented during the 2016-2017 Season.

“

We are committed to the development of a safe and sustainable fruit supply chain.”

Gentil Fernando Teixeira Salgado, General Manager for Raw Materials Procurement



This program (for the Monitoring and Application of Agrochemical Products), in addition to integrating the work in the fields with the other stages in the orange juice production process, creates a standard for the use of pesticides guaranteeing that pesticides used in production are registered and respect the pre-harvest interval, ensuring a natural and healthy product for the final consumer.”

José Claudio Ruiz, orange grower and Citrosuco partner



Agricultural Benchmark Forum

The sharing of best practices improves the farm's technical and operational results. During the 2015-2016 Season, Citrosuco organized the first Agricultural Benchmark Forum. The objective was to share its knowledge of best practices with a group of fruit growers. The meetings were mediated by experts from Igeagro, a specialized independent consultancy.

The consulting company collected data on certain indicators, in confidence, from all the growers and made a presentation on the consolidated results. The meetings provided insights for the participants and revealed opportunities for further research.

In the first edition of the forum the main issues addressed were the guaranteeing of human rights and the use of fertilizers and pesticides.



Responsible raw materials procurement

DMA FOR PROCUREMENT PRACTICES

The raw material is purchased from fruit growers in accordance with the terms and conditions laid out in Citrosuco's purchase and sale contract.

A number of Citrosuco's fruit suppliers have obtained internationally-recognized certifications for responsible fruit production. They include growers that were certified by **Fairtrade** and/or the Rainforest Alliance.

Citrosuco contributes to the promotion of the Fairtrade system for the certification of orange growers. The company helps to develop the certification of this market, in partnership with the Cooperative of Rural Small-holder Family Growers (Coperfam), thus strengthening small-holder family farming. In the 2015-2016 Season, Citrosuco increased its production of Fairtrade certified products by 32%. For more information refer to: www.coperfam.com.br and www.fairtrade.net

G4-FP1

Suppliers of inputs, services and materials

The company made important progress in the management of suppliers of inputs, materials and services during the 2015-2016 Season with the completion of the Core Project. This project enables it to strategically manage processes such as the registration, approval and evaluation of current and potential suppliers.

The project, which focused on procurement,

included a review of the related processes, systems and organizational structure, aimed at improving compliance, corporate governance, efficiency and sustainability. It involved a number of functional areas and included the implementation of policies, standards and procedures within an integrated management platform. The new system, which will be used in the 2016-2017

Season, establishes, for example, the main prerequisites for contracting suppliers, whether they are of a documentary or training nature, in terms of environmental, human rights, labor, social, financial and quality aspects.

By the end of the next season, Citrosuco expects to have approved the majority of its supplier base using the new platform. Currently, only the company's critical suppliers are submitted to an approval process that evaluates economic, social, environmental and quality aspects.

Logistics service providers

Ensuring the quality of new logistics service providers is fundamental for Citrosuco. All the logistics service providers involved in the transportation of orange juice or ingredients are submitted to an approval process in which they are evaluated in relation to environmental, social, economic and safety as-

pects, including compliance with traffic laws. Although the approval is valid for five years, Citrosuco does annual checks, on a sampling basis, of its main suppliers (about 15% of the base). This includes visits and the verification of their compliance.



Social relations and engagement



DMA FOR LOCAL COMMUNITIES, G4-SO1

Creating shared value is one of Citrosuco's management guidelines. To this aim, the company aligns its social investment to its business strategies aiming to respond effectively to the demands of the parties involved, with quick and clear answers.

In recent years, the company has engaged in ongoing dialogue with its stakeholders. This has improved its understanding of the conditions in the local communities and enabled it to better administer the pressures that arise, which is a key competence for business success.

To this end, in addition to carrying out initiatives to mitigate the impacts of its activities, the company has developed projects in the communities in the areas of education, sport and professional training, prioritizing children and adolescents. Among the challenges being addressed reducing truancy, increasing school performance and preparing young people to enter the labor market.

In the 2015-2016 Season, Citrosuco invested R\$ 1.09 million in social projects, which benefited 228 people.

Stakeholder engagement

In the 2015-2016 Season, Citrosuco continued to apply the stakeholder engagement methodology developed by the Votorantim Institute, at its São João and Constância Farms. The methodology was used to monitor the progress of six action plans aimed at priority stakeholder groups. This process was expanded during the season to include the Entre Rios and Rio Pardo Farms. The stakeholders were identified and prioritized and the social and environmental impacts were evaluated and systematically monitored.



In addition to providing high quality products, we want to create value for the communities with which we interact.”

**Diego Victoriano,
General Manager
for HOD**

Pescar Project

The Pescar Project is an initiative that has been in place for the last 14 years in partnership with the Pescar Project Foundation. The project provides training courses for young people, between 16 and 19 years old, who are in socially vulnerable situations. The aim is to prepare them to take up opportunities in the labor market through a combination of professional training and guidance on citizenship.

During the season, the project involved 90 volunteers considering both employees and business partners. In total, 76 young people went through the training program completing, on average, a workload of 976 hours. Of these participants, 80% were able to find a job after completion of their training.

The Foundation's partner companies and institutions offered their own premises for the personal development and professional training courses for the adolescents. In the case of Citrosuco, four of its units participated in the project: Matão, Catanduva, Santos and Araras.



“

Participating in this project made me see how important it is to help young people develop their skills, using simple language, helping them in their professional training and building their self-esteem so that they are better prepared to meet society's challenges.”

Carlos Vicente Ferreira, an electrician at the Santos Port terminal who has been a volunteer in four editions of the Pescar Project.

In the current season, 76 young people participated in the Pescar Project



Benefits for all

In the opinion of the Secretary for Social Assistance of the municipality of Catanduva, Francisco Rodrigues Neto, the Pescar Project, in addition to promoting the development of young people in socially vulnerable situations, plays an important role in strengthening family and community ties. “I believe the Pescar Project to be an important tool for social inclusion, providing its young graduates with the opportunity to see their lives from another perspective. This initiative does more than just prepare these young people for the labor market, it prepares them to live life as it really is: full of challenges, questions and also choices”, he declared.

In the 14 years since the Pescar Project began, Citrosuco has sponsored 45 groups, involving a total of 836 young people.

Cambuhy Agricultural School

This initiative provides extracurricular education for children enrolled in schools in the rural region of the municipality of Matão (SP). It consists of training courses in arts, sports, music and caring for the environment which are held outside of the normal school hours. The project, a partnership between Citrosuco and Cambuhy Agrícola, took place on the Cambuhy Farm and benefited 42 children. The municipal school is the only school serving the rural area.

Schools Sports Project (“Bom de Bola, Bom na Escola”)

This project is aimed at students of the Matão municipal education system who are between 10 and 16 years old. It promotes social inclusion through sport, encourages teamwork and values the school and the family. The students participate in football training, under the guidance of a coach. Football training sessions are held in installations provided by the municipality with Citrosuco paying for the maintenance costs. In turn, the young people who participate must attend school regularly and perform well. This is monitored by the presentation of school reports and interactions with teachers and school principals.

Since the project began, in 2003, it has benefited about 110 children and young people each year.

The “Bom de Bola, Bom na Escola” project promotes social inclusion through sport



National Clean Field Day

As a way of contributing to the construction of an agricultural activity that is innovative and dedicated to sustainability, Citrosuco has partnered with the Cooperative for the Collection of Agrochemical Packaging (ARIAR) to sponsor the event called “National Clean Field Day”. This has been held over the last three years in the municipality of Araraquara (SP). In the 2015-2016 Season, the event took place on August 18th. Around a thousand children from the municipal school system participated in activities such as lectures on the triple washing and proper return of packaging, as well as lessons on drawing and essay writing with a focus on environmental issues. During the event, Citrosuco donated 700 fruit tree seedlings that were distributed among the people attending.

Distribution of seedlings during the National Clean Field Day in Araraquara (SP)



Improving relations during the harvest

Citrosuco has developed a structured program for hiring seasonal farm workers from a number of locations around Brazil to work as orange pickers during the harvest. The contracts for these employees are drawn up in accordance with specific legislation and procedures. From the moment they are hired they are entitled to have their transportation and meals, during the journey to and from their cities of origin to the farms, paid for by Citrosuco. Furthermore, Citrosuco provides accommodation in apartments distributed in 40 cities close to the farms. The apartments are equipped with the appropriate infrastructure and the company provides basic foodstuffs and daily cleaning services.

In order to improve the relations between the company and the fruit pickers, and to encourage a harmonious and respectful climate in the accommodation and the workplace, Citrosuco has instituted a social-educational program for these workers. The program initiatives were developed in three modules: “Knowing the territory”: useful information communicated through presentations and printed material; “Taking care of my home”: visits to the accommodation with tips on the importance of organization and the proper disposal and storage of food, as well as guidance on urban pests; and “Health and welfare”: visits aimed at promoting healthy habits with a focus on disease prevention.



Products for a healthy and sustainable life-style

The health benefits of the orange



G4-PR1, G4-FP5, G4-FP6, G4-FP7

Orange juice is a natural source of nutrients and flavonoids (chemical compounds occurring naturally that have anti-oxidant and anti-inflammatory properties, among others). When consumed regularly, it can provide many health benefits. Citrosuco's orange products destined for human consumption are 100% natural. They conserve the original characteristics of the fruit in terms of its nutritional ingredients such as Vitamin C, folic acid and potassium, among others.

The main benefits of the nutrients present in the orange, and its juice, that contribute to a healthy lifestyle are as follows: improving cholesterol levels; strengthening the immune system; lowering blood pressure; stimulating antioxidant and anti-inflammatory activity; and having chemo-preventive properties (that can help reduce or block the occurrence of cancer), without increasing weight. (Reference: www.ncbi.nlm.nih.gov/pubmed).

Information available to everyone

Ensuring access to information on the health benefits of fruit juice, based on scientific facts and evidence, was the focus of a groundbreaking campaign

carried out by the citrus industry. The campaign was spearheaded by the European Fruit Juice Association (AIJN) and received funding on a voluntary basis from the bottling companies in Europe and the member companies of CitrusBR. The campaign's main objective was to reinforce the positive image of fruit juices, especially orange juice, and to provide complete and reliable information to encourage the consumption of industrialized 100% natural fruit juice. In summary, in AIJN's own words, the initiative aims to "to balance conversations involving juice" on the issue. Initially, the communication campaign focused on the opinion leaders that influence the public debate, such as, scientists, health professionals, government and media. In the subsequent phase, it focused on the end consumer.

Citrosuco, through its membership of CitrusBR, participates in AIJN's Corporate Social Responsibility (CSR) Platform. This is a forum for collaboration to promote continuous improvement in all sectors, and with all stakeholder groups.

The orange: 100% utilized

The industrial processing of oranges, in addition to juice, produces a number of ingredients that have various applications in many industrial sectors. Orange ingredients are natural and biodegradable and are used in the production of flavors, fragrances, perfumes, insecticides, medicines, fertilizers, detergents, solvents, repellents, resins, chewing gums, glues, adhesives, tires, inks, gelatin and animal feed.



Allies in disease prevention

"In the future, we could be using citrus flavonoids, a class of antioxidants, in preventing or delaying the chronic diseases caused by human obesity." This statement was made by Paula Ferreira, a doctoral student at the Universidade Estadual Paulista (Unesp), and a member of the research team who carried out a study on flavonoids.

The study was conducted on mice with metabolic syndrome, that is, they were fed on a diet with a high fat and calorie content. It was presented at the American Chemical Society Congress, held in Philadelphia (USA), in August 2016. The results of the research supported the researcher's hypothesis, namely: the consumption of orange and lemon citric flavonoids reduced the symptoms of metabolic syndrome in mice.

"Our studies did not demonstrate any weight loss in the mice due to the consumption of citric flavonoids, but the intake of these components made the mice healthier," observed Thais B. Cesar, PhD, leader of the research team. Paula added: "The study also suggested that the consumption of citric fruits can produce beneficial effects in people who are not obese, but have fat-rich diets and are exposed to the risks of developing cardiovascular disease, insulin resistance or abdominal fat."

Source: American Chemical Society – www.acs.org.com

Healthy and sustainable

New food trends and a higher awareness of responsible consumption have resulted in people increasingly seeking foods that are healthy and have been produced using socially and environmentally responsible practices. Orange juice is a great ally for the consumer, because it provides health benefits and is produced without the addition of preservatives, sugar, salt or fat. Furthermore, the production process must conform to international standards of quality and sustainability.

Citrosuco adopts a series of controls to ensure the traceability, quality and safety of its orange-based foods and ingredients. These controls are integrated in an Operational Management System that incorporates the practices of a number of national and international certifications, including: ISO 9000, ISO 14000, FSSC 22000 and OSHAS 18000.

DMA FOR CUSTOMER HEALTH AND SAFETY, DMA FOR COMPLIANCE (PRODUCT), G4-PR1

In partnership with CitrusBR and a number of teaching and research institutions, the company undertakes research that focuses on assessing the impacts of the regular consumption of orange juice on human health.

Certifications

Citrosuco adopts management standards that are consistent with best market practices and are aligned with its strategy. With the aim of responding to market demands the company has obtained certifications, under internationally recognized standards, in food safety and quality, human rights, labor conditions, health and safety, environment and business ethics. In the 2015-2016 harvest, 100% of the fruit production was subjected to an external assessment under the guidelines of the SAI Platform. Three farms were certified by the Sustainable Agriculture Network which concedes the Rainforest Alliance Certified seal.

G4-FP5

STANDARD	DESCRIPTION	UNITIES CERTIFIED	LIST OF UNITS
FSSC 22000 (Food Safety System Certification)	Certification of food safety management systems, including risk control throughout the production chain to ensure that food is safe for human consumption. It was developed for industries that process or manufacture perishable products, from animal or vegetable origin, and where the product or its ingredients have a long shelf-life.	9	Plants: Matão, Catanduva, Araras and Limeira (SP), and Lake Wales (USA); Port Terminals: Ghent (Belgium), Santos and Santos Warehouse 29 (SP), and Wilmington (USA)
SGF/IRMA (Sure-Global-Fair / International Raw Material Assurance)	The SGF/IRMA seal attests, by means of a voluntary control system, that the raw material suppliers for European industries meet the specified requirements, especially in relation to good practices for production and product authenticity.	5	Plants: Matão, Catanduva and Araras (SP), and Lakes Wales (USA); Ghent (Belgium) terminal
FDA	Food safety management system is in accordance with the United States legislation for the approval of exports and domestic producers.	4	Plants: Matão and Catanduva (SP), and Lake Wales (USA); Wilmington (USA) Port Terminal
USDA	Process conducted by the United States Department of Agriculture that aims to verify the standards of production and the quality of the processes involved.	2	Lake Wales (USA) plant and Wilmington (USA) Port Terminal
AIB International (American Institute of Baking)	The consolidated standards of AIB International are key requirements that the company must meet to ensure the safety of its food processing.	4	Plants: Matão, Catanduva and Araras (SP), and Lake Wales (USA)

STANDARD	DESCRIPTION	UNITIES CERTIFIED	LIST OF UNITS
Halal	The certificate attests that the products have been produced in accordance with Islamic law and therefore are suitable for consumption by all Muslims.	4	Plants: Matão, Catanduva e Araras (SP) and Lake Wales (EUA)
Kosher	The certificate attests that the products have been produced in accordance with the rules governing the orthodox Jewish diet.	4	Plants: Matão, Catanduva and Araras (SP), and Lake Wales (USA)
GMP+	Standards that are intended to ensure the safety of animal feed throughout the production chain. This certification is aimed specifically at the Citrus Pulp Pellets (CPP) product for animal feed.	4	Plants: Matão, Catanduva and Araras (SP), e Lake Wales (EUA)
SAI Platform - FSA	SAI Platform is an initiative of the global supply chain of foods for sustainable agriculture. FSA covers social, environmental and economic issues and good practices of agricultural management. For SAI, sustainable agriculture is the efficient production of safe, high quality agricultural products, in a way that protects and improves the natural environment, the social and economic conditions of farmers, their employees and local communities, and safeguards the health and welfare of all farmed species.	26	All of the farms designed for the production of orange (26) were subjected to an external assessment according to the version 1 of the implementation model of the SAI Platform – FSA
Rainforest Alliance Certified	Certification of social and environmental practices that attests that the growers respect biodiversity and the rights of the rural workers involved in the process. In Brazil, it is audited by the Institute of Forest and Agricultural Management and Certification (Imaflora).	3	Farms: Constância, Rio Pardo and Entre Rios (SP). NB: The following facilities are in the process of obtaining the certification of the custody chain: the plant in Matão (SP), the port terminals in Ghent (Belgium) and Santos (SP)
SMETA – Sedex Members Ethical Trade Audit	Process that describes the best practices of an ethical audit which is based on four pillars: Labor standards - Health and safety – Environment - Business ethics	5	Plants: Matão, Catanduva and Araras (SP), and Lake Wales (USA); Santos (SP) Port Terminal
ISO 9001	Quality management	2	Port Terminals: Santos and Santos Warehouse 29 (SP)
ISO 14001	Environmental management	2	Port Terminals: Santos and Santos Warehouse 29 (SP)

About the report

G4-17, G4-18, G4-19, G4-24, G4-25, G4-26, G4-27, G4-28, G4-32, G4-33

This report has been prepared according to the “Core” option of the G4 version of the Global Reporting Initiative (GRI) guidelines for sustainability reporting. It provides information on Citrosuco’s performance and the company’s management approach in relation to the economic, environmental and social impacts of its activities during the period from July 1st, 2015 to June 30th, 2016, referred to herein as the 2015-2016 Season.

Furthermore, it demonstrates the company’s progress, compared to the previous reporting periods, in its corporate governance model, management approach, strategy and business and operational indicators, highlighting the milestones achieved and challenges faced during the season.

The information includes the topics and indicators related to the most significant impacts of the organization’s activities and which could substantially influence the assessments and decisions of its stakeholders.

Although, in general, the report provides information on all the company’s operations, in the case of the GRI social and environmental indicators* the figures refer only to the operations in Brazil, due to their high weighting in this regard. The company’s expenditures in Brazil are presented in Brazilian Reais (BRL). The economic information was calculated using a BRL/USD exchange rate of 3.2098.

The report is prepared annually. In accordance with guidelines approved by Citrosuco’s Board of Directors and the company’s internal audit department, the report was subjected to a limited assurance review by the independent auditors PwC, whose opinion is included at the end of the report.

Our material issues

BSD Consulting, a consulting firm specialized in sustainability management and GRI reports, conducted a materiality review in order to define the report content. It examined the material issues and related topics that had been identified in the previous reporting cycle (the 2014-2015 Season). The review also used the GRI-G4 Food Sector Supplement (FP), which contains guidelines for food processing companies, as a reference source. After a qualitative and quantitative analysis of secondary sources and internal and external interviews, the list of defined material issues was validated by Citrosuco’s senior management. Each of the defined material issues was correlated with one of Citrosuco’s Sustainability Pillars and also with one or more GRI-G4 aspects. Representatives of the main stakeholder groups were interviewed with a focus on the identification of the material issues to be included in the sustainability report.



Identification of material issues



- Media research with a focus on the business activities
- 12 interviews with Citrosuco’s executive directors and managers of key areas
- 7 interviews with representatives of external stakeholder groups (shareholders, municipal governments, Santos port authorities, financial institutions, customers, fruit growers and NGOs)
- Materiality review for the 2014-2015 Season

* The calculations of the indicators related to safety, the carbon inventory and the energy mix, were based on all the company’s operations, in view of the significance of the value of life and the global impacts of climate change.

Materiality Analysis

Criteria for the prioritization of issues: G4-18



Importance of the issue to the sector



Impact on the company’s image and reputation



Probability and severity of the impacts



Potential of the issue to influence customers



Potential to generate a significant impact on the company



Importance of the issue to the company

Citrosuco Pillars	Issues	Occurrence of Impacts			
		Positive/negative impacts	Inside the organization	Externally (in the value chain)	
Governance for sustainable development	Partnerships and global articulations, relations with stakeholders	Business continuity			
	Company's corporate governance	Transparency and communication with stakeholders			
	Market competition and business continuity	Commitment to perform and results			
	Results and economic / financial performance	Sales volumes			
	Market conditions and productivity	Market concentration			
Climate and environmental change	Sustainability management	Productivity and fulfillment of customer demands			
		Operational stability and cost management			
	Energy efficiency and use of renewable energy sources	Reduction of GHG emissions through the use of renewable energy sources			
		Transportation of products	Reduction in heavy truck traffic		
	Water and effluent management	Eco-efficiency in the consumption and management of energy and water			
		Effluents and waste: risk of increase of the organic content in water bodies and soil contamination related to the disposal of pesticide packaging			
	Monitoring of weather and climate change	Greenhouse gas emissions	Carbon capture		
			Impacts on the orange fruit solids		
		Production profitability			

G4-19, G4-20, G4-21

Citrosuco Pillars	Issues	Positive/negative impacts	Inside the organization	Externally (in the value chain)
Responsible value chain	Use of pesticides	Control of pests and diseases: Greening		
	Pests and diseases	Efficiency in the use of pesticides: management of risks related to health and the environment		
		Biodiversity conservation and Permanent Preservation Areas		
	Agricultural practices	Survival of small holder growers		
		Soil management: risks related to erosion and the application of products		
	Social and environmental certification	Ethical behavior with stakeholders		
	Working conditions	Differentiated position in the sector for working practices		
		Challenge of the availability of labor		
	Employee training and development	Employee training and development		
	Working conditions of seasonal employees	Mitigation of risks related to violations of human/ labor rights		
Supply chain management	Maintenance of business relations with the growers			
	Mitigation of risks in the supply chain			
	Efficiency and integration in the supply chain			
	Maintain loyalty of fruit growers and security of fruit supply			
Training of the procurement team				
	Exchange of knowledge with growers in the supply chain			

G4-19, G4-20, G4-21

Citrosuco Pillars	Issues	Positive/negative impacts	Inside the organization	Externally (in the value chain)
Products that contribute to a healthy and sustainable life-style	Product quality and customer focus	Product quality and suitability for the customer		
		End-consumer satisfaction		
	Healthiness of the product	Functional foods: properties that are beneficial to people's health		
Social engagement	Local development	Dialogue with and development of local communities		
		Investment in social projects		

G4-19, G4-20, G4-21



GRI Content Index

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
STRATEGY AND ANALYSIS		
G4-1 Statement of the most senior decision-maker about the relevance of sustainability to the organization	6, 7	Additional information: We have to be efficient, while always respecting our stakeholders and acting responsibly, in order to ensure that we contribute to a better economic, social and environmental perspective.
ORGANIZATIONAL PROFILE		
G4-3 Name of the organization	8	
G4-4 Primary brands, products, and/or services	11	
G4-5 Location of headquarters	8, 10	
G4-6 Number of countries where the organization operates	10	
G4-7 Nature of ownership and legal form	8	
G4-8 Markets served	8, 10, 11	
G4-9 Scale of organization	8, 9, 42	
G4-10 Workforce profile	42	During the season, Citrosuco had 5,273 permanent employees, of which 1,280 were women; and 7,384 seasonal employees, of which 2,308 were women. In total 29% of the workforce of permanent and seasonal employees were women.
G4-11 Percentage of employees covered by collective bargaining agreements		Citrosuco respects the employee's right of freedom of association and recognizes trade unions as legal representatives of its employees. This right is explicitly recognized in the company's Code of Conduct and by its practice of negotiating with trade unions in order to establish collective bargaining agreements. During the season, 100% of the employees were covered by collective bargaining agreements
G4-12 Description of the company's supply chain	50 - 54	
G4-13 Main changes in the organization's structure during the reporting period		There were no significant changes during the reporting period
G4-14 Explanation of whether and how the organization applies the precautionary principle	18	
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	22	
G4-16 Participation in associations and national or international advocacy organizations in which the company holds a position on the governance body; participates in projects or committees; provides substantive funding beyond routine membership fees	22	

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17 List of entities included in the consolidated financial statements	64	Refers to all the companies (legal entities/ subsidiaries) that are included in the scope of Citrosuco's financial statements and also in this sustainability report
G4-18 Process for defining the report content and boundaries	64, 65	
G4-19 List of the material aspects identified in the process for defining report content	64 - 68	
G4-20 Boundaries of each material aspect within the organization	66 - 68	
G4-21 Boundaries of each material aspect outside the organization	66 - 68	
G4-22 Explanation of the effect of any restatements of information provided in previous reports		There were no significant changes.
G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries		There were no significant changes.
STAKEHOLDER ENGAGEMENT		
G4-24 List of stakeholder groups engaged by the organization	64	
G4-25 Basis for identification and selection of the stakeholders with whom to engage	64	
G4-26 Approach adopted by the company to stakeholder engagement and frequency of engagement	64	
G4-27 Key topics that have been raised through stakeholder engagement, and measures adopted by the company to respond to them	64	
REPORT PROFILE		
G4-28 Period covered by the report	64	July 1st, 2015 to June 30th, 2016.
G4-29 Date of most recent previous report		Sustainability Report 2014-2015
G4-30 Reporting cycle		Annual
G4-31 Contact point for questions regarding the report		Head office - Matão Rua João Pessoa, 305 - Centro Matão - SP - Brasil. 15990-902 Phone: +55 16 3383-8500 Fax.: +55 16 3384-2059 citrosuco@citrosuco.com.br
G4-32 Report the "in accordance" option (core or comprehensive), content index GRI and assurance	64	
G4-33 Description of policy and current practice with regard to seeking external assurance of data	64	

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
GOVERNANCE		
G4-34 Report the governance structure of the organization including committees of the highest governance body	15	
ETHICS AND INTEGRITY		
G4-56 Description of the organization's values, principles, standards and norms of behavior such as codes of conduct and ethics	9, 19	
G4-58 Description of the internal and external mechanisms adopted by the organization to communicate concerns about behaviors which are unethical or incompatible with the law and issues related to organizational integrity	19	
ECONOMIC PERFORMANCE - DMA		
G4-EC1 Direct economic value generated and distributed	26	
G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	26	
MARKET PRESENCE - DMA		
G4-EC5 Ratio of standard entry level wage compared to local minimum wage at significant locations of operation	47	
ENERGY - DMA		
G4-EN3 Energy consumption within the organization	29	
WATER - DMA		
G4-EN8 Total water withdrawal by source	30, 31	
G4-EN10 Percentage and total volume of water recycled and reused	30, 31	
BIODIVERSITY - DMA		
G4-EN13 Habitats protected or restored	34, 35	
EMISSIONS - DMA		
G4-EN15 Total direct greenhouse gas (GHG) emissions (Scope 1)	28	
G4-EN16 Total indirect greenhouse gas emissions (Scope 2)	28	

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
EFFLUENTS AND WASTE - DMA	32, 33	
G4-EN22 Total water discharge by quality and destination	32	
G4-EN23 Total weight of waste by type and disposal method	33	
	19	Citrosuco has established departmental targets for actions to prevent environmental impacts for both the legal and technical areas and in the industrial and agricultural areas. The company has also implemented ongoing management and control systems. The legal department has adopted best practices for the control, management and planning of environmental prevention issues. This has already resulted in a number of improvements for the organization and has reduced the number of legal cases
COMPLIANCE - DMA		
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		During the period, there were no fines or non-monetary sanctions and lawsuits against the organization by national or international mechanisms of arbitration.
TRANSPORT - DMA	36, 37	
G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	36, 37	
OVERALL - DMA	35	
G4-EN31 Total environmental protection expenditures and investments by type	35	
SUPPLIER ENVIRONMENTAL ASSESSMENT - DMA	50 - 54	This will be developed during the next season with the implementation of the Core/Ariba Project
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	50	
EMPLOYMENT - DMA	45 - 47	
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	47	
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	46	
OCCUPATIONAL HEALTH AND SAFETY - DMA	39, 40	
G4-LA6 Type and rates of injuries, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	40	The injury frequency rate in this report includes the rate of occupational diseases, since Brazilian legislation includes occupational diseases in occupational injuries.

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
TRAINING AND EDUCATION - DMA	44,45	
G4-LA9 Average hours of training per year per employee by gender, and by employee category	44	
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	45	
DIVERSITY AND EQUAL OPPORTUNITY - DMA	45	
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	42, 43	
SUPPLIER ASSESSMENT FOR LABOR PRACTICES - DMA	50 - 54	This issue is addressed in the Code of Conduct
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	50	
NON-DISCRIMINATION - DMA	45	This issue is addressed in the Code of Conduct
G4-HR3 Total number of incidents of discrimination and corrective actions taken		No cases were registered during the 2015-2016 Season
CHILD LABOR - DMA	50	This issue is addressed in the Code of Conduct
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		No suppliers were identified as having significant risk for incidents of child labor
FORCED OR COMPULSORY LABOR - DMA	50	This issue is addressed in the Code of Conduct
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		No suppliers or operations were identified as having a significant risk for incidents of forced or compulsory labor. The main measures taken to eradicate forced or compulsory labor were as follows: the dissemination of the Code of Conduct; the implementation of supplier training, screening and approval processes; the terms of the supplier contracts; and internal or external audits
ASSESSMENT - DMA	48	
G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments	48	
SUPPLIER HUMAN RIGHTS ASSESSMENT - DMA	50 - 54	This issue is addressed in the Code of Conduct
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	50	

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
HUMAN RIGHTS GRIEVANCE MECHANISMS - DMA	19	
G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	19	
LOCAL COMMUNITIES - DMA	55 - 58	
G4-S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs	55	
ANTI-CORRUPTION - DMA	19	
G4-S05 Confirmed incidents of corruption and actions taken		There were no legal actions against the organization or against its employees during the period covered by the report
ANTI-COMPETITIVE BEHAVIOR - DMA	19	
G4-S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		There were no legal actions against the organization or against its employees during the period covered by the report.
	19	The management of these issues is reinforced by hiring lawyers who are specialized in handling the specific cases. The company's adoption of best practices in its controls and prevention actions, both in the industrial and the agricultural areas, led to a number of improvements and resulted in an insignificant level of legal actions (in value and quantity). The goal for the next season is to establish a Tax Committee and analyze the tax processes
COMPLIANCE - DMA		
		The company paid a total of R\$ 164,238 regarding a debt notice for SESI and infraction notices for ICMS and ISS. In the area of labor relations, the company paid a total of R\$192,716.28 for 33 infraction notices and received a further 22 notices. These notices originated from routine inspections carried out at the company's operating units (industrial plants and farms). During the season, the company received three new administrative procedures, and signed two Conduct Adjustment Agreements and a legal agreement at the offices of the Public Civil Action authority. There were no cases of non-monetary sanctions, nor lawsuits driven by arbitration mechanisms
G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY- DMA	50 - 54	
G4-S09 Percentage of new suppliers screened using criteria related to impacts on society	50	
G4-S011 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	19	

GRI-G4 General standard disclosures	Page	Additional information or reason for omission
CUSTOMER HEALTH AND SAFETY - DMA	60, 61	
G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	60, 61	
G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		During the reporting period, no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products were registered
G4-FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	60 - 63	
G4-FP6 Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars.	60	
G4-FP7 Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives.	60	
COMPLIANCE - DMA	60 - 61	
G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		During the season Citrosuco did not receive any significant fines for non-conformity with laws and regulations related to the supply and use of products and services
PURCHASING PRACTICES - DMA	53	
G4-FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy	53	

Correlations with the Global Compact

The Global Compact consists of ten universal principles, derived from: the Universal declaration of Human Rights; the Declaration of the International Labor Organization on the Fundamental Principles and Rights at Work; the Rio de Janeiro Declaration on the Environment and Development and the United Nations Convention Against Corruption.

Global Compact Principle ¹	GRI Disclosure Item
1. Businesses should support and respect the protection of internationally proclaimed human rights.	G4-HR9, G4-HR12, G4-SO1
2. Make sure that they are not complicit in human rights abuses.	G4-HR10
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11
4. The elimination of all forms of forced and compulsory labor.	G4-HR6
5. The effective abolition of child labor.	G4-HR5
6. The elimination of discrimination in respect of employment and occupation.	G4-10, G4-EC5, G4-LA1, G4-LA9, G4-LA11, G4-LA12, G4-HR3
7. Businesses should support a precautionary approach to environmental challenges.	G4-EN3, G4-EN8, G4-EN10, G4-EN15, G4-EN16, G4-EN-31, G4-EN32
8. Undertake initiatives to promote greater environmental responsibility.	G4-EN3, G4-EN8, G4-EN10, G4-EN13, G4-EN15, G4-EN16, G4-EN22, G4-EN23, G4-EN29, G4-EN30, G4-EN31, G4-EN32
9. Encourage the development and diffusion of environmentally friendly technologies.	G4-EN31
10. Businesses should work against corruption in all its forms, including extortion and bribery.	G4-56, G4-SO5

¹Although it is not a signatory to the Global Compact, Citrosuco follows its principles.

Independent auditors' limited assurance report on the sustainability information included in the Sustainability Report for 2015-2016

To the Board of Directors and Stockholders
Citrosuco S.A. Agroindústria
São Paulo - SP

Introduction

We were contracted by Citrosuco S.A. Agroindústria ("Citrosuco" or "Company") to present our limited assurance report on the compilation of the information related to sustainability included in the Sustainability Report for 2015-2016 of Citrosuco for the year ended June 30, 2016.

Responsibilities of the Company's management

The management of Citrosuco is responsible for the preparation and fair presentation of the information included in the Sustainability Report for 2015-2016 in accordance with the guidelines of the Global Reporting Initiative (GRI-G4) and for such internal control as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the information included in the Sustainability Report for 2015-2016, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Brazilian Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical requirements, including independence requirements, and perform our engagement to obtain limited assurance that the information included in the Sustainability Report for 2015-2016, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information taken as a whole might present significant misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation and presentation of the information included in the Sustainability Report for 2015-2016, other circumstances of the engagement and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Sustainability Report for 2015-2016;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the information included in the Sustainability Report for 2015-2016.
- (d) comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included tests to assess compliance with the guidelines of the Global Initiative Report (GRI-G4) applied in the compilation of the information related to sustainability included in the Sustainability Report for 2015-2016.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the information included in the Sustainability Report for 2015-2016. Consequently, we were not able to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an assurance engagement, the objective of which is the issue of an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the information included in the Sustainability Report for 2015-2016. Therefore, we do not express an opinion on these matters.

Non-financial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate the data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods, nor future projections and goals.

Conclusion

Based on the procedures performed, described herein, no matter has come to our attention that causes us to believe that the information included in the Sustainability Report for 2015-2016 of Citrosuco S.A. Agroindústria has not been compiled, in all material respects, in accordance with the guidelines of the Global Reporting Initiative (GRI-G4).

São Paulo, December 27, 2016

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We would like to thank all Citrosuco's employees for the dedication and teamwork that made this report possible.

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