



Sustainability  
Report  
2016-2017



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## FOREWORD

102-50, 102-53

The contents of this report describe how we have addressed the challenges set forth by our five Sustainability Pillars – products for a healthy and sustainable lifestyle; governance for sustainable development; climate and environmental changes; responsible value chain; and social engagement. Disclosures in this report address the issues and impacts that are most material for our business. Social, environmental and economic disclosures cover the period from July 1, 2016 to June 30, 2017 (2016-2017 season). Certain information may extend beyond this period to provide a better understanding of our business performance. To submit any questions or request information about this report, please write to [citrosuco@citrosuco.com.br](mailto:citrosuco@citrosuco.com.br).



## LETTER FROM THE CEO 102-14

Our aspiration to be recognized as the best company for natural fruit juices and ingredients in the global food industry set the tone for Citrosuco's fifth anniversary in 2017. We are proud to have built a strong, industry-leading business with solid values, highly engaged people and a bright future. Over the last five years we have evolved Citrosuco into one of the most competitive companies in our industry through a focus on excellence and creating value.

Our achievements in the 2016-2017 season are the result of efficient management, a well-articulated strategy and people committed to delivering on it. NFC production increased by 11% from the previous season, while investments grew by 64% with a focus on grove maintenance and building production and logistics efficiency.

We reiterate our commitment to transparency and adherence to globally recognized standards of governance that are in line with our strategy and values.

We have invested continually in developing innovative processes, products and services. In the 2017-2018 season we will market a further-



-expanded product portfolio emerging from our research and development pipeline over the past two seasons.

These investments demonstrate our confidence in the future of the business and its sustainable growth. We work to continuously improve the efficiency of our operations, striving for excellence in serving the markets where we operate. We continued to ensure that 100% of our farms are certified, and increased the number of Fairtrade-certified family farms by 11% in the season. As part of our strategy to further develop the value chain, we have encouraged fruit growers to seek independent assurance through the SAI Platform. As a result, a substantial part of the fruit we process in the 2017-2018 season will be sourced from farms using independently verified, sustainable farming practices.

Citrosuco has continued to invest in citrus-greening management through biological control. Despite the increased proliferation of the insect vector of the disease, we have successfully kept infection rates in our groves remarkably low at 1%.

Our continuing efforts to develop a clean, efficient and sustainable energy mix have delivered a 6% reduction in greenhouse gas emissions. This was achieved in part by replacing natural gas with sugar cane bagasse and upgrading one of the three boilers at the Matão (SP) plant, improving the efficiency and flexibility of our energy mix.



In customer relations, we have continued to build partnership and to customize our service. This has helped to grow our customer base and ensured we continued to meet customer demand despite the smaller crop size in the year.

Citrosuco has worked to achieve healthy and sustainable growth by using our best efforts to deliver products that improve people's health, quality of life and well-being. We remain committed to delivering quality in our products and in our relations with customers, business partners and communities in the regions where we operate, proud to be part of this journey.

**Mario Bavaresco Junior**  
CEO, Citrosuco



# ABOUT CITROSUCO

102-1, 102-5, 102-6, 102-8, 102-46

Citrosuco is a 100% Brazilian-owned company and one of the largest in our industry globally, with operations spanning the entire orange juice value chain.

We are a privately-held company equally owned by the Fischer and Votorantim groups. Citrosuco directly employs more than 5,000 people and operates 47 business units globally – 36 in Brazil and 11 overseas – including manufacturing plants, farms, warehousing operations, port terminals and sales offices.

Citrosuco's product portfolio comprises orange juice as well orange-based ingredients such as oils, essences, soluble solids and pulp, supplied to customers in more than 100 countries in the Americas, Europe, Asia, Africa and Oceania.

## Read more

About Citrosuco products in the following chapter (page 14).

## MISSION 102-16

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

## VISION FOR THE FUTURE 102-16

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

## VALUES 102-16

- ▶ 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 & Safety: ensuring a healthy and safe work environment

## RESULTS OVERVIEW

Our achievements in the 2016-2017 season are the result of recent investment across people, processes, products, governance and management.

### INVESTMENT

**US\$ 87 million,** 64% more than in the 2015-2016 season.

### INFRASTRUCTURE

## New fruit receipt

facilities have reduced truck queues and fuel consumption.

### SUSTAINABLE AGRICULTURE

**100%** of our farms are rated Gold or Silver by the SAI Platform and many are Rain-forest Alliance Certified. Some fruit growers are audited by the SAI Platform or Fairtrade Foundation.

### SOCIAL AND ENVIRONMENTAL DEVELOPMENT

## R\$ 13 million

allocated to environmental protection and social programs.

### "TRILHAR" PROGRAM

**100%** of fruit growers are offered a technical capacity-building program to improve citrus farming practices.

### RENEWABLE ENERGY SOURCES

Account for **57%** of our total energy requirement.

### CLIMATE SURVEY

Above market average ratings in Korn Ferry-Hay Group Survey.

### DEVELOPMENT

**11%** more training hours per employee.

### TRANSPORTATION

**Connectivity technologies** support truck fleet productivity and cost efficiency.

### FOR ALL

Internal and external engagement around building inclusion for persons with disabilities.

### BOOST YOUR WELL-BEING

Quality of life and less absenteeism. **37%**

### BIOLOGICAL CONTROL

An integral part of pest control and **greening management.**

## GLOBAL PRESENCE

102-3, 102-4, 102-7



### OUR ASSETS AND OPERATIONS

#### BRAZIL

##### 3 manufacturing plants

Matão, Catanduva and Araras (SP)

##### 29 farms

in São Paulo and Minas Gerais, including 26 orange growing farms; two farms connected to industrial operations, and one leased to a third party

#### 2 warehousing units

Matão and Limeira (SP)

##### 1 port terminal

Santos (SP)

##### 1 office

São Paulo (SP)

#### US

##### 1 manufacturing plant

Lake Wales (Florida)

##### 1 port terminal

Wilmington (Delaware)

##### 1 office

Lake Wales (Florida)

#### BELGIUM

##### 1 port terminal

Ghent

##### 1 office

Ghent

#### AUSTRIA

##### 1 office

Vienna

#### JAPAN

##### 1 port terminal (50% stake)

Toyohashi (Aichi)

##### 1 office

Tokyo

#### CHINA

##### 1 office

Shanghai

#### AUSTRALIA

##### 1 port terminal

Newcastle

##### 1 office

Newcastle

#### FULL-TIME EMPLOYEES

5,130 Brazil

209 overseas

#### SEASONAL EMPLOYEES<sup>1</sup>

7,745 in Brazil

#### FLEET

5 ships (4 company-owned and 1 multi-cargo)

50 company-owned tanker-trucks

53 chartered tanker-trucks

#### MORE THAN 100

countries buy our products

<sup>1</sup> Employees hired during the orange harvest season to work at our manufacturing sites and farms.

## MATERIAL SUSTAINABILITY TOPICS

102-46

A comprehensive understanding of our material topics helps to ensure we create sustainable value and implement state-of-the-art, fair and competitive citrus growing practices.

We work to integrate social, environmental and governance attributes into our products, processes and strategy, addressing issues that matter to our stakeholders. This approach is reflected in Citrusuco's Sustainability Pillars.



GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



CLIMATE AND ENVIRONMENTAL CHANGE



RESPONSIBLE VALUE CHAIN



SOCIAL ENGAGEMENT



PRODUCTS FOR A HEALTHY AND SUSTAINABLE LIFESTYLE

# VALUE CREATION

Creating shared value. With this aspiration in mind, Citrusuco has engaged with stakeholders to strengthen our social initiatives and the business. Initiatives in recent seasons have been targeted at mitigating risks and addressing material issues.

In local communities, our efforts are focused on education, sports and professional training programs geared to children and adolescents, such as our "Pescar" program. Citrusuco is proud to deliver healthy products. Our mission is to support a healthier and more energetic life through our products, processes and services.



## ECOSYSTEM SERVICES

Orange groves and forest areas provide carbon sequestration.

Approximately 44,000 native saplings planted.

17,534 hectares of preserved areas – including native and recovered forest areas – supporting biodiversity



## MIGRANT WORKERS

Migrant recruiting provides job opportunities in different regions throughout Brazil.



## ENERGY

57% of Citrusuco's total energy requirement is derived from renewable sources.



## CERTIFICATIONS

Process standardization to enhance safety, quality, environmental conservation, the economic development of farm properties and quality of life for workers, supporting a responsible value chain.



## EMISSIONS

6% reduction in GHG emissions.



## LOGISTICS

Reduced truck queues and fuel transportation costs.

Higher productivity, less environmental impact and greater driver comfort and safety.

Higher energy efficiency and lower emissions per transported metric ton.



## CARING FOR COMMUNITIES

Education, sports and professional training programs.



## FRUIT GROWERS

376 fruit growers attended a total of 1,644 hours of training.

The entire orange is processed into products.



# PROUD TO DELIVER HEALTHY PRODUCTS



Our mission at Citrosuco is to support a healthier and more energetic life through our products, processes and services. We produce high-quality orange juice offering a range of health benefits (*read more in Orange product attributes, page 16*) as well as orange-based ingredients as natural raw materials for other industry or agribusiness segments, operating under a business model that creates economic, social and environmental value.

With governments and consumers increasingly demanding foods that are healthier and more environmentally friendly to produce, Citrosuco has continued to generate and share quality information that supports the development of a sustainable business, society and planet.

## PORTFOLIO 102-2

### Orange products and their applications in detail

Citrosuco's product portfolio offers a variety of orange juices and orange-based ingredients. Our

products are supplied primarily to the beverage industry as well as to the chemicals, pharmaceutical, food and fragrance and cosmetics industries.

### JUICES

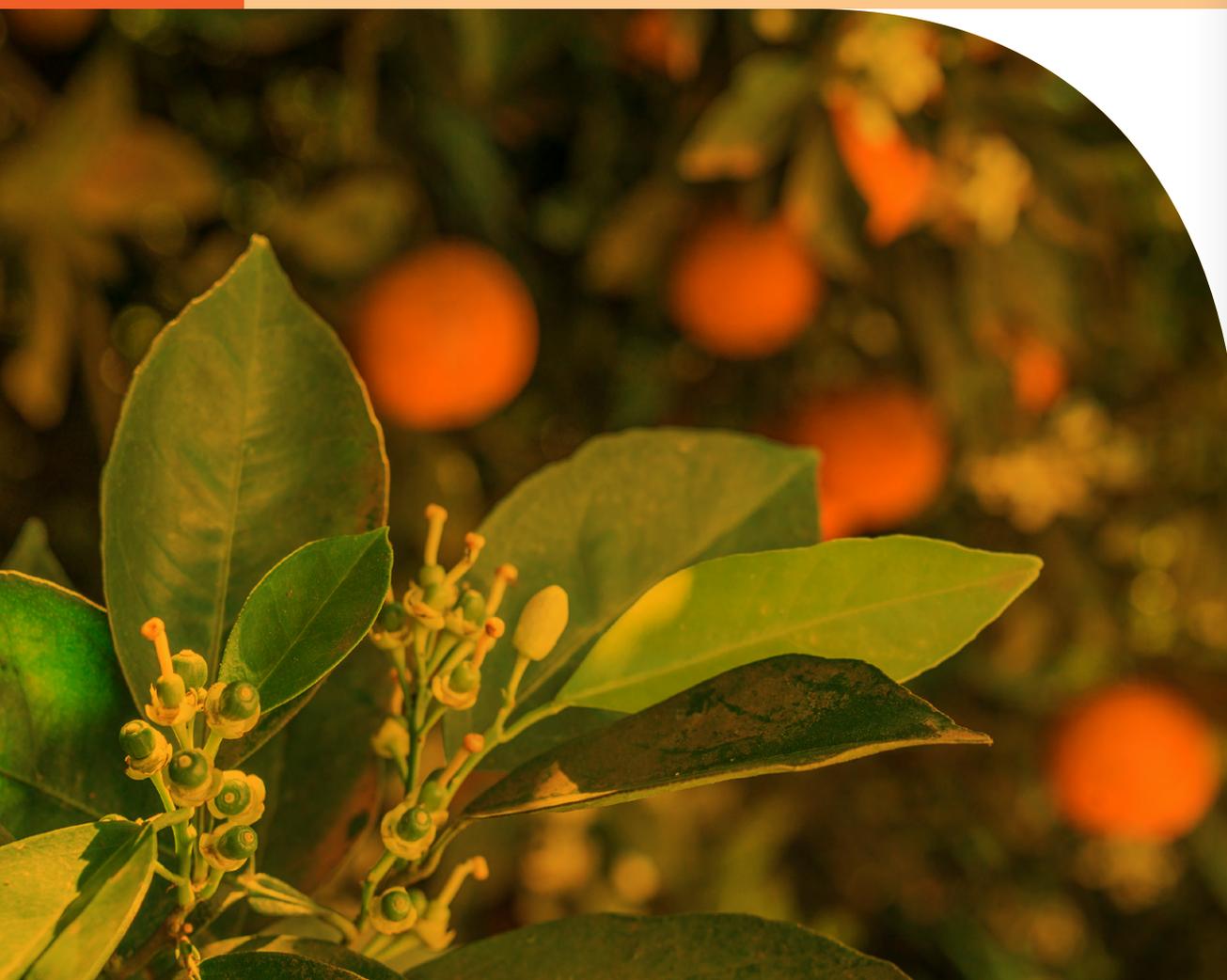
- ▶ **NFC (Not From Concentrate)**  
Whole orange juice, 100% natural, pasteurized, chilled and ready to drink.  
Supplied to the beverage industry.
- ▶ **FCOJ (Frozen Concentrated Orange Juice)**  
100% natural, concentrated and frozen orange juice which can be consumed as reconstituted juice or used as a component of nectars and other beverages.  
Supplied to the beverage industry.

### ORANGE-BASED INGREDIENTS

- ▶ **Essential oil**  
Produced by cold-pressing orange peels after juicing.  
Supplied to the chemicals, food and fragrance industries.
- ▶ **Citrus pulp pellets**  
Produced by pressing and drying orange peels, seeds and rag.  
Supplied to the animal feed and chemicals industries.

- ▶ **Essences (aqueous and oil phases):**  
Produced by capturing the volatile compounds released in evaporators in the orange juice concentration process.  
Supplied to the food and beverage (aqueous phase) and fragrances and flavors (oil phase) industries.
- ▶ **Citric Terpene (D-Limonene)**  
A thin, colorless oil with a light citrus odor produced by distilling citric liquor extracted from juicing waste.  
Used in the fragrances, chemicals and pharmaceutical industries.

- ▶ **WESOS (Water-Extracted Soluble Orange Solids)**  
Soluble orange solids extracted with water.  
Used by the food and beverage industries.
- ▶ **Frozen orange pulp**  
Obtained from healthy, ripe oranges after juicing.  
Used in the beverage industry to produce juices containing vesicles.



# ORANGE PRODUCT ATTRIBUTES

102-11, 102-15, 103-1, 103-2, 419-1, FP-5, FP-6, FP-7

Citrosuco processes all parts of the orange – including the juice, peel, seeds and pulp – into a broad product portfolio that is largely destined for human consumption.

Juices are produced at processing plants with certified food safety management systems and

with only oranges as ingredients, without any added preservatives, sugars, salts, fats or other substances. Our operations span the entire value chain, from processing through transportation and storage to delivery to user industries. Citrosuco does not process genetically modified oranges.

No incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services were identified during the period covered by this report. Citrosuco also incurred no fines for noncompliance with laws and regulations concerning the provision and use of products and services.

## NUTRITIONAL CONTENT IN 100 ML OF ORANGE JUICE

Energy (kcal) 41	Calcium (mg) 11.1
Energy (kJ) 172	Magnesium (mg) 9.5
Carbohydrate (g) 9.1	Phosphorus (mg) 15.3
Sugars (g) 9.0	Potassium (mg) 151.5
Protein (g) 0.6	Sodium (mg) 4.6
Total fat (g) 0.08	Vitamin C (mg) 36.4
Dietary fiber (g) 0.19	Folate (µg) 21.5

Source: Fruit Juice Matters: the nutritional profile of 100% orange juice. <https://goo.gl/X7R7bf>

## BENEFITS OF ORANGE JUICE IN A BALANCED DIET

A source of vitamins and minerals that support immune function.

Lower glucose, insulin and triglycerides.

Reduced total cholesterol and LDL (bad) cholesterol levels.

As source of flavonoids, which have antioxidant, anti-inflammatory, anti-hemorrhagic and anti-allergic properties.

## HEALTH BENEFITS

Research has shown that 100% natural processed orange juice can be a boon for weight loss and provides significant nutritional benefits. A paper published in *Nutrition*, one of Europe's leading science journals, has demonstrated the health benefits of orange juice through a trial with around 80 obese patients (with a BMI higher than 30) on a 2,000 calorie diet, divided into two groups.

The diet plan for one group included two daily servings of 250 ml of processed whole orange juice. In addition to exhibiting significant weight-loss outcomes as in the other group, participants who drank orange juice showed more pronounced metabolic improvements including lower glucose, insulin, triglycerides, total cholesterol and LDL levels.

In addition to being a source of vitamin C, orange juice intake also increased participants' folate and citrus flavonoid levels. Flavonoids have antioxidant, anti-inflammatory, anti-hemorrhagic and anti-allergic properties. The study is available at <https://goo.gl/FYhJrm>

## BENEFITS AND APPLICATIONS OF ORANGE INGREDIENTS

A source of natural and renewable raw materials.

Medicines and foods.

Fragrances and cosmetics.

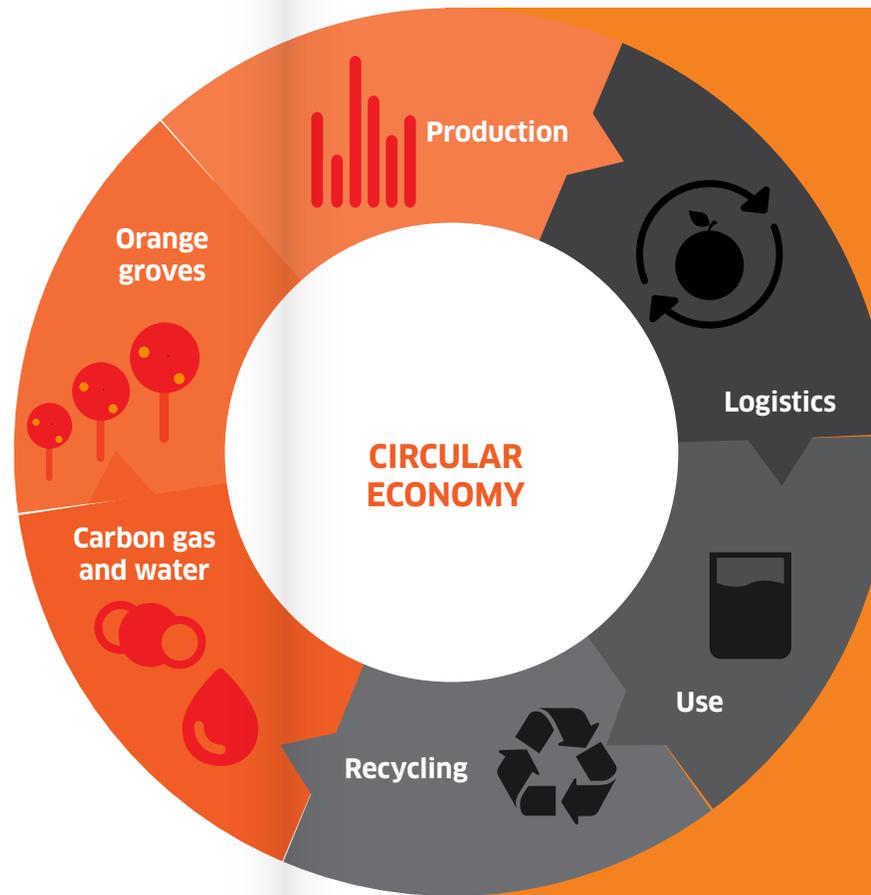
Paints and solvents.

Insecticides.

Contaminated site remediation.



A small glass (150 ml) of orange juice contains more than 50 % of the daily requirement of vitamin C and contributes just 3% of the daily calories in a recommended 2000 kcal diet.



## CIRCULAR ECONOMY

With operations across the upstream and midstream segments of the global food and beverage value chain, our business has the potential to support the transition to a circular economy through wasteless processing of raw materials, whether by recycling by-products into the production process or by producing commercially valuable products in addition to juice.

Orange processing byproducts are valuable ingredients in a range of industries, including flavorings and fragrances, insecticides, pharmaceuticals, detergents, solvents, fertilizers, glues, paints, candy, jellies and animal feed.

Citrus pulp, for example, is a competitively priced and highly nutritious alternative to corn for use in cattle feed.

## INDUSTRY ASSOCIATION MEMBERSHIP 102-13

The National Association of Citrus Juice Exporters (CitrusBR), of which Citrusuco is a founding member, represents and advocates for the interests of the citrus juice and orange-based ingredients industry. Studies in collaboration with industry peers, CitrusBR and education and research institutions assess the impacts of regular and balanced intake of orange juice on human health.

The Citrus Defense Fund (FUNDECITRUS), another important industry association which Citrusuco helped to found, is a private, non-profit association engaged in public-interest initiatives for the benefit of the citrus industry. Fund initiatives include citrus disease management, organizing and disseminating research on grove health; crop-size estimation; phytosanitary warnings; and free-for-member graduate master's programs in citrus disease and pest control.

The European Fruit Juice Association (AIJN) is currently running the "Fruit Juice Matters Programme" to provide sound, reliable information on the health benefits of regular fruit juice intake. With voluntary funding from CitrusBR members and the European bottling industry, the program is designed to share information on the attributes of fruit juice – and particularly orange juice – and clarification about 100% fruit juice, such as nutrition facts and actual sugar content.

The program aims to provide the public with evidence-based scientific information on how regular and balanced intake of fruit juice can support good health.

## RESPONSIBLE BUSINESS 102-11, 102-12, 103-2, 416-1, 412-1

Citrusuco has adopted world-class management practices aligned with its strategy and has secured internationally recognized certifications for food quality and safety, human rights, labor practices, health and safety, environment and business ethics.

Below are some of our key results in the season:

- ▶ A substantial part of the fruit we process in the 2017-2018 season will be sourced from farms that have been independently assured against social and environmental standards by at least one of the Sustainable Agriculture Initiative (SAI) Platform, the Rainforest Alliance or the Fairtrade Foundation.

- ▶ In July 2017, several of our farms earned the Rainforest Alliance Certified seal and were rated Gold by the the SAI Platform, with the remainder of Citrusuco's farms rated Silver.

- ▶ Citrusuco has continued to support the Fairtrade system and has worked to strengthen small-holder family farming through our partnership with the Rural Small-Holder Family Growers Cooperative (COPERFAM).

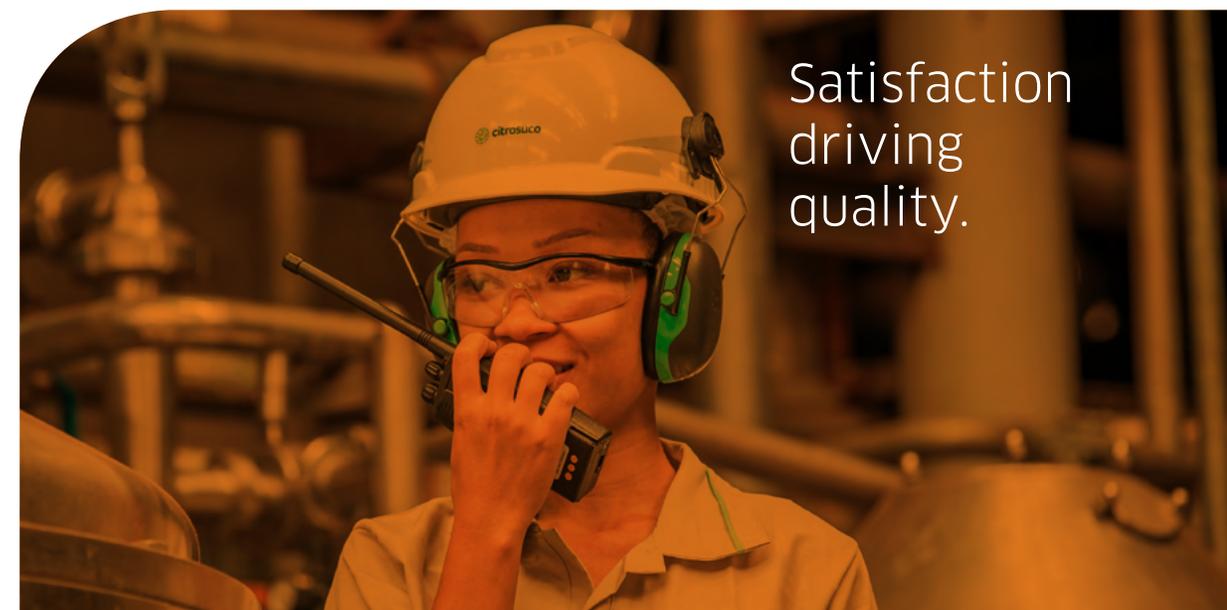
- ▶ 100% of Citrusuco's operations have been audited for human rights compliance.

- ▶ Through our membership of CitrusBR, we have also worked with the international Fruit Juice CSR Platform to support corporate social responsibility practices and principles in the fruit juice industry.

**CERTIFICATIONS** 416-1, FP5

STANDARD	DESCRIPTION	UNITS CERTIFIED
FSSC 22000 (Food Safety System Certification)	Certification for food safety management systems, including supply chain risk management.	Plants: Matão, Catanduva, Araras and Limeira (Brazil), and Lake Wales (US); Port terminals: Ghent (Belgium), Santos and Santos Warehouse 29 (Brazil), Wilmington (US), Toyohashi (Japan).
SGF/IRMA (Sure-Global-Fair/International Raw Material Assurance)	Voluntary certification for good manufacturing practices and product authenticity for European industries.	Plants: Matão, Catanduva and Araras (Brazil) and Lake Wales (US); Port terminal: Ghent (Belgium).
FDA	Assurance that the food safety management systems of domestic producers and exporters meet US regulations.	Plants: Matão and Catanduva (Brazil) and Lake Wales (US); Port terminal: Wilmington (US).
USDA	USDA verification of manufacturing standards and process quality.	Plant: Lake Wales (US); Port terminal: Wilmington (US).
ACS G029	Food safety verification by the Belgian food safety authority.	Port terminal: Ghent (Belgium).
AIB International (American Institute of Baking)	AIB standards and requirements for safe food processing.	Plants: Matão, Catanduva and Araras (Brazil).
Halal	Certification attesting that food manufacturing processes and ingredients conform to Islamic law and are suitable for consumption by Muslim consumers.	Plants: Matão, Catanduva and Araras (Brazil) and Lake Wales (US).
Kosher	Certification attesting that food manufacturing processes and ingredients conform to orthodox Jewish dietary law.	Plants: Matão, Catanduva and Araras (Brazil) and Lake Wales (US).
GMP+	Feed safety assurance for citrus pulp pellets (CPP) incorporated in animal feed.	Plants: Matão, Catanduva and Araras (Brazil) and Lake Wales (US).

SAI Platform - FSA	The SAI Platform is a global food & drink value chain initiative for sustainable agriculture that fosters environmental and social governance in agricultural activities.	All of Citrosuco's orange groves and some of its fruit suppliers farms have undergone independent assurance using the SAI Platform - FSA assessment approach.
Rainforest Alliance Certified	Certification attesting that farm properties support environmental preservation and the quality of life of rural workers.	Farms: twelve Citrosuco farms (Brazil); Plant: Matão (Brazil); Port terminals: Ghent (Belgium) and Santos (Brazil).
Fairtraide	Certification primarily focused on the development of family farming and improving quality of life by reducing poverty through ethical business practices.	Farms: 69 third-party fruit farms; Plants: Matão, Catanduva and Araras (Brazil).
SEDEX - SMETA	One of the most widely used ethical audit formats in the world focused on industrial facilities, based on labor, health and safety, environment and ethical business standards.	Plants: Matão, Catanduva and Araras (Brazil) and Lake Wales (US); Port terminals: Santos (Brazil), Wilmington (US), Ghent (Belgium).
ISO 9001	Quality management.	Port terminals: Santos and Santos Warehouse 29 (Brazil).
ISO 14001	Environmental management systems.	Port terminals: Santos and Santos Warehouse 29 (Brazil).
OHSAS 18001	Occupation health and safety management systems;	Port terminals: Santos and Santos Warehouse 29 (Brazil).
Sustainable Aerial Application Certification	Voluntary certification of good social and environmental responsibility practices in the aerial application of pesticides	Applies to all Citrosuco farms in the state of São Paulo (Brazil).



Satisfaction driving quality.

## RESEARCH AND INNOVATION

### INNOVATION NETWORK

In 2016 Citrusuco joined the Innovation Network, a Votorantim initiative providing a platform for sharing experience and building synergies across its eight subsidiaries. Network members work to monitor and assess trends, jointly explore opportunities, and support research and innovation and partnerships with universities, research institutes and other organizations.

Significant Network initiatives in the season included Citrusuco's participation in the 100 Open Startups Movement, an initiative created to help identify entrepreneurs for collaboration in the development of innovative solutions that can have a positive and substantial impact on business and society; and our attendance at Tech Fair, an event featuring technology developments that will shape the future of business and society.

### LOOKING INTO THE FUTURE

To support our business continuity and ensure we are responsive to society's changing needs, Citrusuco continuously evaluates emerging technologies that can help to achieve new levels of efficiency in our operations.

Our master plan for the digitization of agricultural, industrial and logistics processes is another innovation front at Citrusuco. Combining Big Data, Industry 4.0 and IoT concepts, the master plan sets out a roadmap for consolidating and collating climate, production, disease management, transportation and other data affecting Citrusuco's operations. These data are then translated into information that supports continuous cognitive learning processes. By combining the right tools, information and human knowledge, digital transformation is helping to improve processes and products across the Company.



## EXTERNAL RECOGNITION

### TALENT IN SUSTAINABILITY AWARD

Instituto Votorantim annually presents awards for projects developed by Votorantim Group employees or suppliers to create environmental, social and economic value.

In 2016, a committee of company and third-party professionals selected winners across five categories. Citrusuco won awards in two categories:

- ▶ ENVIRONMENT: Biological control: innovation in the control of greening in citrus orchards.
- ▶ EMPLOYEE VOTE: Behavioral group - a culture of health and safety.



# GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



Citrosuco entered its fifth year of business in 2017 under a best-practice governance and management model and a business strategy focused on creating sustainable value.

The 2016-2017 season was a year of change. As part of an effort to achieve new levels of excellence, Company management worked to develop systemic thinking, resilience and transformative leadership as levers to deliver planned results.

## GOVERNANCE STRUCTURE AND ROLES & RESPONSIBILITIES 102-18

GOVERNANCE & MANAGEMENT



FOUNDING SHAREHOLDERS  
(FISCHER GROUP AND VOTORANTIM GROUP - 50% EACH)

GOVERNANCE

BOARD OF DIRECTORS

AUDIT COMMITTEE

CEO

MANAGEMENT BOARD

MANAGEMENT

## STRATEGY AND VISION

102-12, 103-2

Reviewing and implementing our business strategy is among the responsibilities of senior management. Strategy execution at Citrusuco is supported by a Transformation Management Unit created to disseminate a project management culture, capture synergies and implement strategic projects.

Planning for the future of the business is a multi-dimensional process. One dimension focuses on innovation, exploring opportunities and improving efficiency by maximizing the value of raw materials and diversifying our portfolio.

Market intelligence is another important dimension which supports Citrusuco's entry and growth in Latin American, Asia-Pacific and Middle East markets. A key challenge is meeting customers' wide-ranging expectations and understanding the particular needs of each market.

In people management, further progress was made on the Citrusuco Development System (SDC), a platform supporting performance assessment and helping to steer employee development in line with our organizational values and objectives. These initiatives all combine to support the Company's strategic goals.

## RISK MANAGEMENT, COMPLIANCE AND INTERNAL CONTROLS

102-11, 102-16, 102-17, 103-2

As part of efforts to evolve our Corporate Governance framework in a manner consistent with our organizational value of integrity, in the 2016-2017 season a Governance, Risk and Compliance function was structured to accommodate all Risk Management, Compliance Program and Internal Controls processes and functions within the company. In Risk Management, progress was made on mapping, gaining an in-depth understanding of, monitoring and planning the mitigation of risks with the potential to impact our ability to achieve business goals. Risks are assessed based on their financial, legal, reputational, social, environmental and health and



safety impacts. Our governance framework ensures that risks are assessed collectively by the GRC Committee and by other governance bodies within the Company. This improves risk visibility, strengthens transparency and helps to further mature the Company's risk management culture.

Citrusuco's Compliance Program ensures we deliver on our commitment to regulatory and antitrust compliance and to preventing corruption and fraud. Important tools within this program include our Code of Conduct and conduct hotline.

Citrusuco's Code of Conduct is distributed to customers, suppliers and employees and sets out the day-to-day business conduct expected of all parties interacting with Citrusuco to ensure we comply with the laws and regulations applying to our business.

In the 2016-2017 season, a total of 226 reports were received through the ethics hotline. Of these, 191 reports were investigated and ad-

## INTERNAL AUDIT

ressed, including through disciplinary action, as applicable, and 21 were under investigation by the Ethics Committee at the time of writing. The Committee investigates all reported concerns and involves managers as appropriate to improve the requirements and guidance in the Code of Conduct, keeping the identity of reporting parties confidential. No reported concerns involved any situations constituting human rights violations or creating impacts on society.

In internal controls, we strengthened our organizational structure and training to improve and review our internal controls environment, practices and processes. With a focus on the findings from internal audits, the internal controls department supports managers in developing and implementing action to mitigate weaknesses identified during audits. Initiatives to strengthen our risk management culture during the season included training on criminal liability and Board approval of the Citrusuco Anticorruption Policy.

Citrusuco has a cross-functional Internal Audit team, reporting directly to the CEO and Audit Committee. The Internal Audit team is responsible for identifying best governance practices for business processes and ensuring continual improvement in our internal controls environment. In the 2016-2017 season, assessments were performed on the quality of our internal controls environment across nine business processes, covering both the value chain and business support functions, and recommendations were made for improvement.

# PROCESSES AND IMPACTS



## INVESTMENT AND ECONOMIC PERFORMANCE

The 2016-2017 orange harvest – the poorest in three decades – created challenges that included low Brix levels and a growing population of psyllids, the insect vector spreading greening disease – one of the biggest threats to citrus groves worldwide.

Against this backdrop, we set a new record for NFC production – up 11% from the previous record; we succeeded in keeping citrus greening disease in check on our properties; we invested US\$ 87 million in the business – 64% more than in the previous season; and, working closely with our customers, we continued to meet our commercial commitments.

As a result, Citrusuco ended the season with net revenue of US\$ 1.278 billion and EBITDA of US\$ 330 million, an increase of respectively 23% and 159% compared with the previous season. EBITDA was substantially affected by the inclusion of changes in the fair value of biological assets in profit or loss as from the current season.

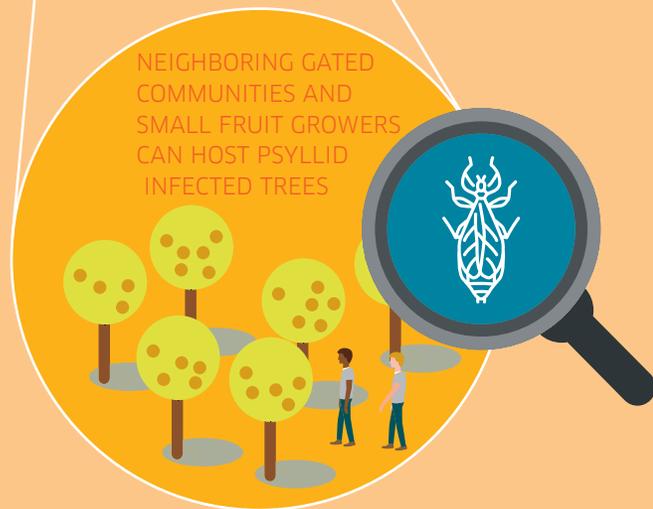
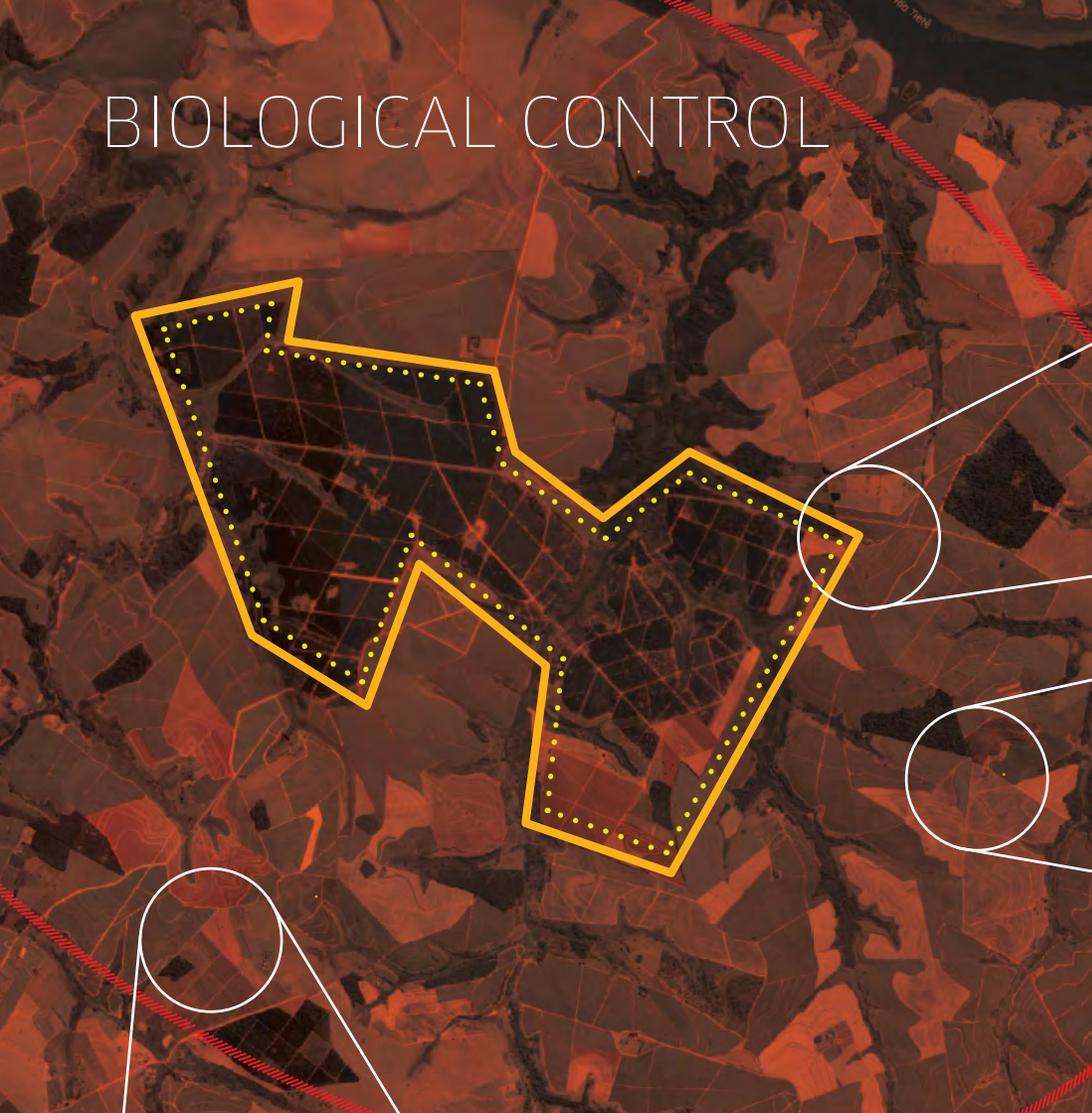
Gross debt was US\$ 490 million and financial leverage (net debt to EBITDA) was 0.91, down from 1.8 in the previous season.

Financial management discipline, operational efficiency and a clear and objective commercial strategy provide the strength needed to pursue continued growth.

Strategic decisions in recent years and a broader approach to achieving business results drove positive performance in the season.



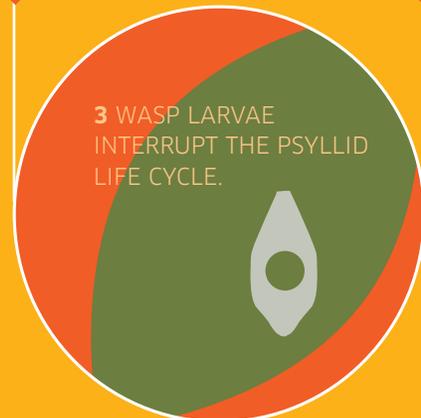
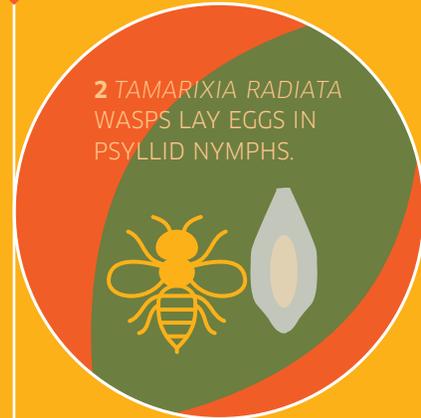
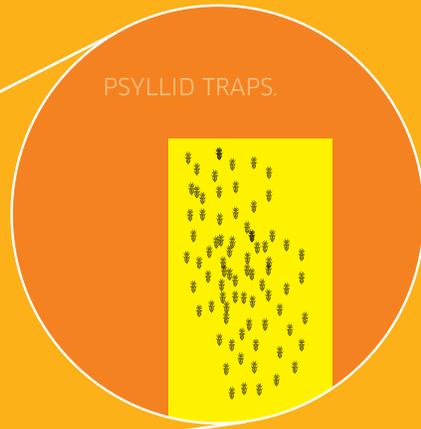
# BIOLOGICAL CONTROL



## AERIAL VIEW OF FARM AND SURROUNDING PROPERTIES

-  Citrusuco farm boundary
-  Traps
-  Off-site inspection and wasp release radius

More than 3 million wasps released.



## SUSTAINABLE INNOVATION IN CITRUS GREENING MANAGEMENT

In a groundbreaking initiative, Citrusuco has used *Tamarixia radiata* wasps to combat citrus greening disease, currently one of the biggest threats facing the global citrus industry.

To reduce vector populations, diseased plants are first identified and removed from abandoned backyards and properties adjacent to Citrusuco's commercial orange groves, and massive numbers of *Tamarixia radiata* wasps are then released in these areas.

In the 2016-2017 season the psyllid population reached its highest levels on record in the state of São Paulo. Despite these pressures, biological control measures as part of an integrated approach to citrus greening management have helped to keep insecticide spraying levels to a minimum and average grove infestation rates at 1%, well below the São Paulo citrus belt average of 17%. Our citrus greening response comprises the following activities:

On- and off-site inspections (outside our commercial orange grove properties) and replacement of citrus saplings with other fruit crops not susceptible to greening disease. Since 2015, these efforts have resulted in the removal of 562,000 infected orange trees from these areas.

5 facilities breeding *Tamarixia radiata* wasps, a natural predator of psyllids – the insect vector of citrus greening disease – released 3 million individuals during the crop year.

The numbers of psyllids captured within the wasp release radius has been reduced by 80%.

Early warning greening disease detectors – prototype portable detectors were tested in the 2016-2017 season. Citrusuco has provided feedback to improve detector design.

A new edition of the citrus greening workshop was held to present Citrusuco's greening management practices to Brazilian researchers and learn about recent research on preventing and combating the disease.

# CLIMATE AND ENVIRONMENTAL CHANGE

103-2, 201-2, 302-1, 305-1, 305-2



Citrosuco is committed to responsible operations underpinned by environmental policies that ensure biodiversity conservation, natural resource stewardship and risk mitigation. Our environmental management approach includes investment in renewable energy, continually monitoring impacts and improving process efficiency. Our consistent investment in environmental preservation demonstrates a commitment to ensuring our operations across the citrus value chain - from orange growing to product delivery - are sustainably managed. More than R\$ 11 million was allocated to environmental protection investment and expenditure during the season.



Citrosuco's environmental conservation areas and orange groves sequestered at least 320 thousand metric tons of CO<sub>2</sub> in 2016.

## TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE (R\$ THOUSAND)

	SEASON		
	2014/15	2015/16	2016/17
Environmental prevention, education and management	1,194	1,635	617
Preservation, reforestation and conservation	117	204	260
Emissions treatment	1,230	1,004	906
Waste treatment	951	318	175
Wastewater treatment	5,364	6,285	6,420
Personnel expenses - environment department	2,062	2,300	2,850
Decommissioning/contaminated area remediation (soil and groundwater)	0	42	25
Other environmental expenditures	537	333	333
<b>Total</b>	<b>11,456</b>	<b>12,119</b>	<b>11,583</b>

## Quatrimãs Farm



### BIODIVERSITY 103-2, 304-3

Citrosuco's approach to biodiversity conservation includes responsible land use, sustainable farming practices, maintaining protected areas and managing protected or restored habitats.

Our statutory nature reserves and protected areas help to preserve more than 17,000 hectares of protected or restored habitats in the Atlantic Forest and *Cerrado* biomes. In these areas, seeds are collected for native species nurseries that supply saplings in support of our reforestation initiatives.

In the 2016-2017 season, Citrosuco implemented a Biodiversity Plan based on qualitative research in protected habitats to identify the prevalent fauna and flora on each farming property. In addition to maintaining existing protected and conservation areas, Citrosuco has continued to plant native tree species in environmentally significant areas. In a collective effort to deliver on our commitment to habitat restoration, Citrosuco planted around 44,000 native saplings in the season, increasing the total area of restored habitat from 20 to 27 hectares.

**A FOCUS ON REDUCING GREENHOUSE GAS EMISSIONS 103-2**

Reducing greenhouse gas (GHG) emissions, an issue of both local and international concern, is a primary focus of Citrusuco's environmental management efforts. In the 2016-2017 season, for example, replacing natural gas with sugarcane bagasse and an upgrade of one of the three boilers at the Matão (SP) plant to improve the efficiency and flexibility of our energy mix resulted in a 6% reduction in GHG emissions.

The first phase of the new fruit receipt facilities in Matão (SP) also began operation during the season. The new facilities are now equipped to unload double tractor-trailers, reducing the number of vehicles and trips by increasing cargo carrying capacity. This is expected to reduce diesel consumption per metric ton of transported fruit and ultimately GHG emissions. A decrease by as much as 50% in time spent waiting to unload will be an added benefit from the new facilities. Phase two operations will begin in the next season.

**TOTAL GREENHOUSE GAS EMISSIONS (IN TCO<sub>2</sub>eq/YEAR) 305-1, 305-2**

	2014	2015	2016
Scope 1	318,754	457,053	431,964
Scope 2	30,944	44,986	38,569
<b>Total</b>	<b>349,698</b>	<b>502,039</b>	<b>470,532</b>
Biogenic emissions	683,798	604,924	666,955

\* Data on a calendar-year basis. From 2015 the greenhouse gas inventory has accounted for all Citrusuco operations. In 2014 only operations in Brazil and Europe were included. This is consistent with the guidelines and parameters set out in the GHG Protocol; the gases included in the calculation and their GWP (Global Warming Potential) values were: CO<sub>2</sub> (GWP 1), CH<sub>4</sub> (GWP 25) and N<sub>2</sub>O (GWP 298).

**ENERGY: MANAGEMENT EFFORTS TO IMPROVE EFFICIENCY 302-1**

Energy efficiency and the increased use of renewable energy sources are a priority at Citrusuco. We regularly review our energy mix to identify opportunities to improve efficiency and options to increase the share of renewable source energy in our operations, taking account of each option's economic, social and environmental feasibility.

A new biomass transportation system with automated truck unloading capabilities began

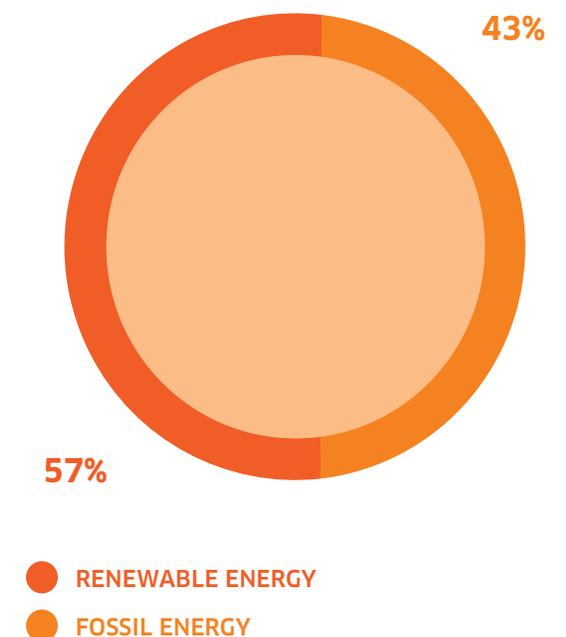
operation during the season, providing both logistics and fuel efficiency improvements. After successful implementation in Catanduva (SP), the system is now being replicated in Matão (SP). As a result of the project, diesel consumption has been reduced by 21% compared with the previous system.

In the 2016-2017 season, 57% of our energy requirement was produced from renewable sources (ethanol, biodiesel, solid biomass), including 938,000 GJ of purchased electricity and 243,000 GJ of electricity generated on-site.

**TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION (IN GJ/YEAR) 302-1**

TYPE OF SOURCE	2014	2015	2016
Fossil	3,894,170	5,119,453	4,549,091
Renewable	5,287,531	5,301,886	5,970,923
<b>Total</b>	<b>9,181,701</b>	<b>10,421,339</b>	<b>10,520,014</b>

NB: Emissions and energy data are for calendar year 2016.



**TOTAL WATER WITHDRAWAL BY SOURCE (IN THOUSANDS OF M<sup>3</sup>)**  
303-1, 303-3

	2014/15	SEASON 2015/16	2016/17
Surface water (rivers and lakes)	27,802	20,314	29,218
Groundwater as plant water	3,483	3,992	4,475
Groundwater for other uses	1,373	2,949	3,609
Utility-supplied water	226	157	241
<b>TOTAL</b>	<b>32,884</b>	<b>27,412</b>	<b>37,543</b>
Recycled water	2,062	1,600	1,116

**WATER: MANAGEMENT FOCUSED ON WATER SAVINGS 103-2**

Citrosuco's approach to water management includes initiatives designed to reduce consumption and increase the rate of water reuse and recycling, with risk and impact management as a priority. These initiatives, conducted under a Water Resource Management Plan, aim to ensure that water resource quality and availability will meet the demands of both current and future generations.

In the 2016-2017 season, the volume of condensate produced by the juice concentration process declined as a result of the lower production of concentrated juice, increasing the requirement for potable water.

The use of drip irrigation on all farms and surface water on most farms demonstrates Citrosuco's continuing commitment to water stewardship. Eight newly built high-capacity water storage reservoirs for irrigation have delivered further on this commitment. These reservoirs provide a buffer that allows water withdrawal to be better managed throughout the

year and reduced during the dry season, when water resources are stressed. Other investment includes groundwater assessment for irrigation purposes.

For general-purpose wells, a hydrogeological survey has been initiated to ensure that operational demand and the resulting groundwater drawdown will not adversely affect groundwater resources. An environmental training program on well water has also been initiated to teach the importance and proper use of well water resources.

In the 2016-2017 season, surface water withdrawal for irrigation increased by 43.8% due to the extended dry season and a projected orange production increase of 60% in the 2017-2018 season. The percentage of irrigated farmland remained at 31% of total farmland.



**WASTEWATER: EFFICIENT TREATMENT**  
103-2, 306-1

Citrosuco's wastewater treatment practices are in line with environmental regulations and best practice, and are designed to maximize water recycling. This is critically important in preventing damage to both the environment and communities surrounding our operations.

In the 2016-2017 season, 4.2 million of m<sup>3</sup> of wastewater were treated. Our wastewater treatment practices prioritize, in the following order: wastewater avoidance; reutilization; recycling; treatment; and proper disposal. Wastewater is treated using two different systems:

- ▶ Wastewater Treatment Plants: these facilities are 90% efficient in removing organic load;
- ▶ Fertigation: this process is used for effluents with a water content of at least 90% and free of heavy metals. Effluents are injected into the irrigation systems for alternative crops, such as sugarcane.

**SOLID WASTE: WASTE RECYCLING ACROSS THE SUPPLY CHAIN 103-2, 306-2**

Our waste management practices prioritize waste avoidance; reutilization; recycling; treatment; and proper disposal. Citrosuco's production process is designed to produce minimal amounts of waste by processing 100% of orange components into either products or water for recycling.

Our Solid Waste Management Plan establishes guidance on collecting, segregating and treating waste materials in accordance with applicable regulations. Less than 1% of the solid waste produced by our operations is classified as hazardous waste. This largely consists of oil-contaminated materials from our machinery and vehicle maintenance shops, which are stored on-site until they are collected by specialized companies with adequate treatment capabilities.

The same process is used for pesticide packaging, which is segregated and handled separately until it is collected by authorized companies for disposal. Other waste materials - including sludge, sugar cane bagasse and orange juicing waste - are composted into organic fertilizer at

appropriate facilities. Part of the fly ash from burning sugar cane bagasse at the Catanduva (SP) plant is stored on-site.

**TOTAL WEIGHT OF HAZARDOUS WASTE BY DISPOSAL METHOD (IN METRIC TONS) 306-2**

	2014/15	SEASON 2015/16	2016/17
External reuse/recycling	3	3	3
Incineration (or use as fuel)	17	5	17
Coprocessing/refining	83	55	80
On-site storage	96	16	18
<b>TOTAL</b>	<b>199</b>	<b>80</b>	<b>117</b>

NB: Waste materials are classified in accordance with ABNT NBR 10.004 and the Brazilian Waste Management Policy (Act 12.305/10).

**TOTAL WEIGHT OF NON-HAZARDOUS WASTE BY DISPOSAL METHOD (IN METRIC TONS) 306-2**

	2014/15	SEASON 2015/16	2016/17
Composting	17,177	49,039	39,898
Recycling	1,438	1,661	1,576
Landfill	2,102	8,477	7,658
Coprocessing/refining	101	47	78
On-site storage	28,493	36,853	43,193
Other	31	0	0
<b>TOTAL</b>	<b>49,341</b>	<b>96,076</b>	<b>92,403</b>

# HUMAN CAPITAL

102-8, 102-41, 103-2, 403-2, 405-1



Protecting the health and physical integrity of employees and outsourced workers is a priority for Citrosuco and one that permeates our decision-making processes. Our positive performance in the 2016-2017 season is a direct result of the efforts of our workforce of 5,130 permanent employees and 7,745 seasonal employees<sup>1</sup> in Brazil and 209 employees overseas. A total of 23 #semear interns and 96 apprentices joined our team in the season.

As part of a social inclusion strategy to create a work environment that provides opportunities and welcomes diversity, Citrosuco's "For All" program runs initiatives in collaboration with Instituto Votorantim to support the inclusion of persons with disabilities. Program components include recruiting and selection; accessibility; health & safety; wholesome co-working; and building our inclusion network.

Program initiatives in the 2016-2017 season included an inclusion awareness campaign geared to internal stakeholders; a workplace as-

essment; efforts to raise leadership awareness; registration of persons with disabilities in the community; training for human & organizational development and health & safety teams on the International Classification of Functioning, Disability and Health (ICF) and Brazilian inclusion regulations; and an internal survey to identify employees with disabilities. The program covered all Citrosuco business units in Brazil and engaged over 60 different stakeholders from involved communities, including municipal government authorities and agencies, the Association of Parents and Friends of Children with Special Needs (APAE), and the Industry-Led Training Service (SESI).

<sup>1</sup> Seasonal plant and harvest workers. These workers are employed under employment agreements governed by Brazil's Consolidated Labor Regulations (CLT) and are entitled to either the occupational category or state-specific minimum wage, as well as other employee benefits and rights.



**I found in Citrosuco a company that respects and accepts diversity, invests in people and, above all, believes in human potential. A disability is a fact of life, not a personal trait. Our focus should accordingly be on the potential and functionality of each individual. I have seen this in practice in the way Citrosuco has managed its "For All" program.**



**Luiza De Paula**  
Chairwoman, Instituto Rumo Inclusão (IRI)

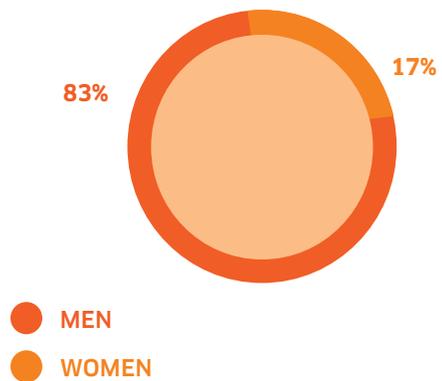
**EMPLOYEE DIVERSITY**

CROP YEAR 2016/17	AGE RANGE			GENDER	
	UP TO 30	BETWEEN 30 AND 50	OVER 50	MEN	WOMEN
Management	4	61	31	84	12
Technical/ Administrative	90	316	49	365	90
Operational	1,135	2,592	852	3,495	1,084

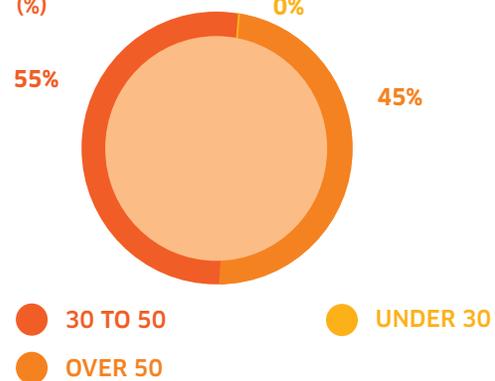
**MINORITY MEMBERSHIP**

2016/17 SEASON	
Employees over 50	18%
Women	23%

**DIVERSITY IN GOVERNANCE, BY GENDER (%)**



**DIVERSITY IN GOVERNANCE, BY AGE GROUP (%)**



NB: Members of the Board of Directors and management committees.

**RELATIONS WITH MIGRANT EMPLOYEES**

Citrosuco uses a structured hiring process for migrant farm workers during the orange harvest. These workers are entitled under their employment contracts to round-trip transportation from their hometowns to Citrosuco’s operations, accommodation and meals. Rent, water and light bills are paid by Citrosuco and partly deducted from payroll. Workers attend an induction training course with three modules addressing important subjects related to health, safety and quality of life: “Environmental Awareness”; “Housekeeping”; and “Health and Well-Being” (this training module includes visits to encourage healthy living habits and disease prevention). Through these initiatives, Citrosuco’s seasonal hiring program provides employment and development opportunities to the different regions where we operate in Brazil.

**HEALTH & SAFETY AND ENVIRONMENT MANAGEMENT 403-2**

Occupational health & safety and environmental management is supported by “Value of Life”, an umbrella institutional program providing guidance, operational controls and engagement initiatives designed to develop a Health, Safety and Environment (HSE) culture within Citrosuco. The HSE system drives cultural change through leadership, training and effective communication. This is further strengthened by sharing experience and best practice between business units and by full compliance with applicable regulations.

To further evolve our safety culture during the season, Citrosuco engaged expert consultants to implement the Hearts and Minds behavioral safety toolkit to assess and improve the safety culture in our operations. Deliverables from this engagement will inform Company initiatives to further improve safety conditions and mitigate risks to people and the business.

An accident involving a crop-dusting plane claimed the life of an outsourced worker during the crop year. The causes of the accident are being investigated by the relevant authorities.

**OCCUPATIONAL SAFETY INDICATORS 403-2**

	2014/15	SEASON 2015/16	2016/17
Lost time injury frequency rate	6.69	4.88	1.13
Injury frequency rate	9.16	8.00	5.67
Severity	88.44	289.98	73.72

NB: While all incidents are investigated, injuries classified as minor doctor’s cases are not included in occupational safety metrics. Safety metrics include both lost-time and no-lost-time injuries. Days lost are reported on a calendar-day basis.

S-Day engaged 1,300 employees in 8,000 hours of training

An internal influenza (H1N1) vaccination campaign covered 70% of employees

## “Boost your well-being” program: 37% reduction in absenteeism



### ENCOURAGING A HEALTHY LIFESTYLE

A program called “Acelere seu Bem-Estar (Boost your well-being)” encourages healthy habits among employees. Focused on four pillars – exercise and health, occupational health, information management and communication and awareness – the program aims to raise awareness about the importance of a healthy diet and exercise to improve quality of life, motivation and productivity, and reduce absenteeism due to chronic noncommunicable diseases (NCDs).

In the 2016-2017 season, 250 employees took regular exercise and followed a balanced diet under the supervision of fitness coaches and nutritionists. Since implementation of the program, absenteeism rates due to NCDs declined consis-

tently at participating business units from 0.9 at program launch in the 2013-2014 season to 0.56 in the current season.

### ORGANIZATIONAL CULTURE

Two years since implementing our cultural transformation program, we conducted our first climate survey as an important management tool to gauge employee perceptions about different aspects of people management and the work environment. Covering all business units, the survey had an 85% response rate and ratings above the general market average reported by Korn Ferry-Hay Group. The survey pointed to health and safety as one of the strengths in people management at Citrusuco.

## CAREERS AND DEVELOPMENT 404-1, 404-3

Citrusuco’s organizational culture provides the conditions needed to build integration and synergy among individuals and departments, anticipate trends, develop innovative solutions and provide merit-based opportunities – supporting employees in building successful career paths and gaining recognition for their achievements, skills and competencies.

Valuing people and the importance of what they do, investing in professional development and recognizing achievement fairly are three principles underpinning Citrusuco’s people manage-

ment approach – a process to which all leaders are committed.

Recognizing leadership as the foundation from which we deliver our strategy, we invest continually in leadership development through the Citrusuco Development System (SDC), a structured approach to performance assessment that informs professional and career development activities within the company.

The first assessment cycle, ending in the 2016-2017 season, identified individual development needs common to all leadership, such as enhancing communication between leaders and their reports.

Total training hours increased by 8% from 134,000 in 2015-2016 to 145,000 in 2016-2107, with each employee receiving an average of 25 hours of training, 11% more than in the previous crop year<sup>1</sup>.

<sup>1</sup> Reported information includes all overseas operations except Lake Wales (US).



Climate survey: 85% response rate and ratings above the general market average.



“I initially joined as a farm hand and worked my way up to pest inspector, driver, tractor operator and now supervisor. Attending the program has provided valuable theoretical as well as hands-on training.”

**WILLIAM VENÂNCIO**, A STUDENT IN THE FIRST CLASS WHO IS NOW A SUPERVISOR AT THE MONTE VERDE FARM



**Training for farm employees 404-1**

Citrusuco has a training program in place for farm supervisors. The initiative was implemented in 2014 to address the need for trained professionals to fill these positions. Farm supervisors are responsible for organizing and overseeing work fronts; instructing teams on how and where to perform farm tasks; inspecting equipment settings; ensuring farm workmanship and quality conform to applicable technical standards (phytosanitary requirements, soil nutrition, irrigation and weed control); and providing instruction on other Company procedures and applicable regulations (labor, occupational safety and environment).

Training is provided over a period of five months, during which selected employees take leave from their positions to dedicate their full time to training. Performance, attendance and behaviors consistent with Citrusuco's cultural pillars are some of the attributes against which employees-in-training are assessed.

**Developing young talent**

Citrusuco's #semear internship program - the primary gateway for young talents looking to join Citrusuco - provides higher education students with the opportunity to learn about the business and get involved in routine business tasks and projects.

Interns are each assigned a mentor to support their development and offer challenges. The training program for potential project management professionals includes site visits to provide in-depth knowledge about the supply chain and interaction with department heads to prepare candidates to perform successfully at Citrusuco.



**AVERAGE TRAINING HOURS, BY EMPLOYEE CATEGORY AND TOTAL. 404-1**

	2014/2015	SEASON 2015/16	2016/17
Management	***	45.26	35.05
Technical/Administrative	***	36.21	35.55
Operational + seasonal plant workers	***	21.35	24.21
Apprentices/Interns	***	17.84	21.24
TOTAL	17.23	22.75	25.22

NB: Average training hours by employee category have been reported since the 2015-2016 season.

## REMUNERATION SYSTEM

102-41, 103-2, 202-1, 401-2

Citrosuco has a single, Company-wide compensation policy that provides consistent compensation and rewards for employees.

Employee salaries conform to collective bargaining agreements with the relevant union, and entry-level salaries are at least on par with the national minimum wage, with no gender-based entry-level salary disparity. Seasonal employees are hired under indefinite employment agreements and are entitled to life insurance, monthly grocery packages and either the standard salary for the employment category or the minimum salary.

Citrosuco recognizes trade unions as legal representatives of employees and negotiates collective bargaining agreements with trade unions as a formal practice that is documented in our Code of Conduct. All employees were covered by collective bargaining agreements in the 2016-2017 season.



## BENEFITS PROVIDED TO PERMANENT AND SEASONAL EMPLOYEES 401-2

Benefits provided to permanent and seasonal employees are consistent with market practices and can include, depending on the employee's position within the organization:

- ▶ Medical and dental care
- ▶ Life insurance and funeral assistance
- ▶ Transportation tickets or chartered buses
- ▶ Catered meals or meal vouchers
- ▶ Subsidized medicine
- ▶ Supplementary salary

- ▶ Christmas hampers
- ▶ Credit cooperatives
- ▶ "Convida" Program
- ▶ Pregnancy Program
- ▶ Private Pension (CitrosucoPrev)



## RESPONSIBLE SUPPLY CHAINS

102-9, 102-10, 103-2, 205-3, 308-1, 414-1, FP-1, 408-1, 409-1

Citrosuco's supply chain comprises fruit growers, material and service suppliers and logistics suppliers largely located in the state of São Paulo.

Our supplier due diligence process screens potential suppliers for compliance with applicable regulations – and especially labor, human rights, environmental and social responsibility regulations – as well as quality and financial requirements. All new suppliers and suppliers seeking contract renewal are assessed against these requirements. In the 2016-2017 season the Citrosuco Code of Conduct was incorporated as an integral part of contracts with suppliers.

Fruit growers are assessed and ranked and the data is used to inform required action, such as training and courses, to address weaknesses (*read more in "Trilhar" Program, page 48*). Only those fruit growers which meet the minimum requirements are qualified. These initiatives combined ensure that the raw materials we source from third parties conform to Citrosuco's procurement policy.

In the 2016-2017 season Citrosuco initiated a pilot program to disseminate sustainable citrus farming practices among fruit growers. As a result of the program, in July 2017 a number of fruit growers achieved Silver level equivalence with SAI Platform's Farm Sustainability Assessment (FSA).

## “TRILHAR” PROGRAM

FP1, 103-2

Launched in September 2016, this program aims to develop enduring partnerships with fruit growers. The initiative includes actions aimed at strengthening farming practices and providing growers with the technical and agricultural support needed for sustainable farming. In

addition to improving productivity, the program is also preparing fruit growers to achieve compliance with internationally recognized sustainable agriculture standards. Additional benefits include enhanced food safety, quality and compliance.

Acting in the present to shape the future.

- Fruit Grower Portal
- Agrochemical Monitoring Program
- Training Program

- ▶ This stage of the Program supports the selection of capable fruit growers.
- ▶ On the Citrus Grower Portal, fruit growers can view financial statements, track fruit deliveries and report the use of pesticides within the Pesticide Application Monitoring Program.

- ▶ With a focus on food safety, quality and compliance, this program informs and trains fruit growers on using only pesticides that have been approved for citrus growing and observing the pre-harvest interval.

- ▶ To provide guidance to fruit growers and ensure they are aligned with Citrusuco's requirements, a Training Program addresses relevant topics such as farm succession and pesticide application technologies.

- ▶ Raw materials are sampled for residues at receipt.

- ▶ In the 2016-2017 season, 376 fruit growers received a total of 1,644 hours of training.

- Productivity Incentive Program

- ▶ Organized in collaboration with the Small Business Support Service (Sebrae), this program provides medium and small holder fruit growers with special technical support in areas such as cost management; environmental compliance; and entrepreneurship.

- ▶ The topics addressed during each semester support improved planning, cost reduction and productivity. Achieving planned outcomes helps citrus growers to become more competitive while also using more sustainable citrus growing practices.

- ▶ In the 2016-2017 season, 30 fruit growers participated in phase one of the program.

- Agricultural Benchmarking Forum

- ▶ To help citrus growers achieve new levels of efficiency and productivity, the Agricultural Benchmarking Forum provides an opportunity to share best agricultural practices using a structured approach facilitated by independent consultants.
- ▶ Key outcomes from the program have included shared knowledge about nutrition, phytosanitary and citrus greening management practices.

- Certifications

- ▶ Citrusuco disseminates the concept and importance of independent certification or assurance among fruit growers. In addition to providing external recognition for achieved results, the certification process itself provides guidance to fruit growers on market demands and the roadmap to adopting sustainable farming practices. The verification frameworks to which we subscribe include Fairtrade, the Rainforest Alliance and the SAI Platform.

- ▶ In the 2017-2018 season, in addition to Fairtrade-certified third-party growers, Citrusuco's supplier base will also include fruit growers assessed by SAI Platform's Farm Sustainability Assessment (FSA).

**SUPPLIER MANAGEMENT TECHNOLOGY**

Supplier onboarding has been centralized and automated as part of Citrosuco's Core program. Suppliers can now register, bid for contracts, sign contracts and receive purchase orders on an SIPM (Supplier Information & Performance Management) platform.

During the procurement process, requesting departments can place orders using an e-commerce interface that displays the technical specifications for the product and agreed pricing. Requisitions are submitted for approval and orders are then sent directly to the relevant supplier. Suppliers can also use the SIPM platform to track their payments.

The new technology has improved performance, procurement efficiency and security and compliance in supplier management. It has also provided management improvements including enhanced process controls and the ability to build a robust database to inform the development of business partners. The platform also supports enhanced compliance with local and international regulations, standards and best practice.

**LOGISTICS: TRANSPORTATION SAFETY AND EFFICIENCY**

Citrosuco uses road and seaborne transportation to supply raw materials to our manufacturing plants and distribute finished products across five continents. Transportation is a significant source of greenhouse gas (GHG) emissions and can also create impacts such as unsafe or inadequate behavior, spills and noise. Adequately managing logistics impacts and efficiency is therefore crucial in protecting our reputation among customers and local communities.

Citrosuco's trucking operations undergo assessments that cover aspects such as management, working conditions, the environment, and health and safety. Company fleet drivers receive training on defensive driving, fuel-efficient driving, preventive maintenance and road safety. Fuel consumption is managed in a collaboration with Ecofrotas and vehicle servicing is performed at accredited repair shops that properly dispose of servicing waste.

Technology is helping to streamline our interaction with business partners and drive growth.



In the previous season, Citrosuco's fleet was renewed with latest-generation trucks equipped with technology that provides greater visibility and collision strength, self-learning of road topography and maintenance forecasting. These features will reduce fuel consumption while enhancing safety for drivers and road users. The new fleet is expected to carry 70% of the bulk juice from the 2017-2018 season.

An automatic trailer dumping system installed at Citrosuco's sugar cane bagasse operation has delivered fuel savings of 22% in addition to increasing driver and operator safety. In our farm transportation operations, a new fruit unloading system in Matão (SP) and centralized trucking management at our primary logistics partners have helped to improve operational stability and efficiency, reducing truck queues at our plants as well as overall fruit transportation costs.

Citrosuco's ship fleet is subject to International Maritime Organization (IMO) and other international shipping conventions, including the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL).

Our ships are certified with the International Association of Classification Societies (IACS) for compliance with international shipping conventions. In the previous season, storage capacity aboard the *Aracari Arrow* was expanded from four to eight tanks, improving efficiency and reducing GHG emissions per transported metric ton.

SOCIAL ENGAGEMENT

103-2, 413-1

One of the overarching goals of Citrosuco's management approach is creating shared value. In recent years, we have engaged in regular dialog with stakeholders to gain an understanding of the local needs of each community. Community engagement initiatives include education, sports and professional education programs geared mainly to children and adolescents.

Our social investments are in line with our business strategies and are reviewed annually to enhance their positive impacts on society. R\$ 1.89 million was invested in social programs in the 2016-2017 season, including R\$ 1.58

million in Company funds and R\$ 311 thousand in tax-deductible funds. In our Brazil operations, 44% of business units have social development programs in place.

Citrosuco is a participant in the "Empresa Amiga da Criança" Program coordinated by Abrinq Foundation, an organization founded in 1989 that engages businesses around and recognizes initiatives to protect the rights of children and adolescents. We develop youth education programs that foster and support training and inclusion in the job market.



**ENVIRONMENT WEEK: CREATING A CULTURE OF SUSTAINABILITY**

Citrosuco organized events at the Araras, Catanduva, Matão and Santos business units in São Paulo state to mark Environment Week. The event brought together 1,542 participants in 119.5 hours of on-site activities and 90.5 hours of activities in surrounding communities.

The event program was designed to raise awareness about environmental protection through activities under the slogans "Little Things, Big Change" and "Environmental stewardship starts with us!". Other topics included proper waste disposal, water savings, energy savings and preventing environmental impacts.

1,542 participants.

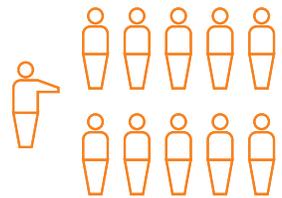
210 hours of activities.



**PESCAR PROJECT: EDUCATION FOR EMPLOYMENT**

Running as a partnership between Fundação Projeto Pescar and Citrosuco, for the past 15 years this program has fostered social inclusion by providing professional training to adolescents aged 16 to 19 in socially vulnerable situations. Participants engage in civic education and professional training in preparation to enter the job market.

Classes and training sessions are hosted at Citrosuco's facilities and include professional training in Administrative Services (Matão), Industrial Operations (Catanduva), Logistics (Santos) and Agribusiness Operations (Iaras).



174 volunteer employees and business partners involved in the project.

89 adolescents trained.

82% successfully placed in the job market.



1,000 participating students.

700 saplings distributed.



**NATIONAL RURAL CLEANUP DAY: PROMOTING WASTE MANAGEMENT IN RURAL AREAS**

For the fourth consecutive year, Citrosuco has partnered with the Pesticide Packaging Collection Cooperative (ARIAR) to organize a National Cleanup Day event in Araraquara (SP). Waste management and environmental awareness activities as part of the event program are designed to support the development of innovative agribusiness that creates environmental, social and economic value.

**SCHOOL SPORTS PROGRAM ("BOM DE BOLA, BOM NA ESCOLA")**

This program is geared to public school students in Matão between 10 and 16 years old. The initiative fosters teamwork, scholastic achievement and family interaction. Students participate in soccer training under the supervision of a coaching team at a facility provided by the municipal government with support from Citrosuco.

Participants must attend school regularly and demonstrate good scholastic performance by producing school reports from school principals and teachers.

110 students benefited per year.



**VOTORANTIM PARTNERSHIP FOR EDUCATION: SUPPORTING QUALITY PUBLIC EDUCATION**

Citrosuco has joined the Votorantim Partnership for Education (*Parceria Votorantim pela Educação - PVE*) to help improve the quality of public education in Brazil. With a presence in more than 50 municipalities, Citrosuco has PVE initiatives in place in Matão, Cerqueira César, Pratânia and Itapetininga, in the State of São Paulo.

The program identifies and engages key people within local communities to form a network in support of education in benefited municipalities. The program works directly with government education agencies to provide technical support within education programs established by the Ministry of Education. The Votorantim Partnership for Education has helped communities and governments to better fulfill their roles and responsibilities in education.

42 children benefited.



**CAMBUHY AGRÍCOLA: ART, SPORTS AND ENVIRONMENTAL EDUCATION IN RURAL COMMUNITIES**

Children from a rural school in Matão (SP) - the only school in the area - attend after-school programs including arts, sports, music and environmental protection activities on the Cambuhy Farm. The program is run in partnership with Cambuhy Agrícola.



BY DISSEMINATING KNOWLEDGE AND SUPPORTING THE DEVELOPMENT OF OUR PROFESSIONALS, SUPPLIERS AND THE COMMUNITIES WHERE WE OPERATE, CITROSUCO IS HELPING TO CREATE A SUSTAINABLE FUTURE FOR SOCIETY, THE CITRUS SUPPLY CHAIN AND OUR BUSINESS.

# ABOUT THIS REPORT

102-45; 102-46, 102-48,  
102-49; 102-51, 102-52;  
102-54; 102-56



Building on a reporting legacy initiated in crop year 2013-2014, Citrusuco's *Sustainability Report 2016-2017* has been prepared in accordance with the Core option under the Global Reporting Initiative guidelines. The information presented in the report offers an overview of our social, economic and environmental performance and describes our governance and management framework, our policies and our corporate values. [102-54](#)

Published annually, our Sustainability Report provides customers, regulators, financial institutions, employees, suppliers, consumers and thought leaders with information about our values, principles and business philosophy, and reports on our social and environmental performance and indicators using internationally recognized reporting methodologies. [102-51](#), [102-52](#)

While the broader report covers 100% of Citrusuco's operations, GRI social and environmental disclosures are based on data for our Brazil operations only, which are the highest weighted in terms of performance and impact. Local (Brazil) expenditure is reported in Brazilian reais (R\$) and the US dollar exchange rate used in reporting financial information was 3.3082. Certain disclosures are reported in US Dollars. [102-45](#)

Reported GRI disclosures and aspects were selected based on Citrusuco's most recent materiality exercise. Any scope changes or restatements of data are described in footnotes throughout the text or in the GRI Content Summary. This report has not been independently assured. [102-46](#), [102-48](#), [102-49](#), [102-56](#)

## Scope of disclosures

### Brazil

[202-1](#), [303-1](#), [303-3](#), [304-3](#), [306-1](#), [306-2](#), [307-1](#), [401-1](#), [401-2](#), [403-2](#), [404-1](#), [405-1](#), [406-1](#), [408-1](#), [409-1](#), [413-1](#), [205-3](#), [419-1](#)

### Global

[201-1](#), [201-2](#), [302-1](#), [305-1](#), [305-2](#), [308-1](#), [404-3](#), [414-1](#), [412-1](#), [414-1](#), [206-1](#), [416-1](#), [416-2](#), [419-1](#), [FP1](#), [FP5](#), [FP7](#)

## MATERIALITY

[102-40](#), [102-42](#), [102-43](#), [102-44](#), [103-1](#)

In accordance with the Global Reporting Initiative (GRI) framework, Citrusuco conducts periodic internal and external stakeholder surveys and engagement processes to learn about stakeholder perceptions about relationships, impacts or key topics that need to be addressed in the Company's management approach.

The most recent materiality review was performed in the 2015-2016 season based on an analysis of material topics identified in the previous reporting period. The materiality review was based on the GRI G4 reporting guidelines and the Food Processing Sector Supplement (FP) as well as internal and external interviews with senior managers, shareholders, municipal government officials, financial institutions, customers, fruit growers and NGOs and subsequent validation of identified material topics by senior management.

The material topics listed in the table below are connected to Citrusuco's Sustainability Pillars and correlate with GRI aspects related to economic, environmental and social disclosures in this report. Material topics have been prioritized based on criteria such as relevance to our industry, reputational impact, probability and severity, and influence on customers.

CITROSUCO PILLARS	MATERIAL TOPICS 102-47	IMPACTS*	RELATED GRI ASPECTS
Governance for sustainable development 	Global partnerships and collaborations, stakeholder relations	Business continuity	NA
	Governance model	Transparency and communication with stakeholders	Anti-corruption Anti-competitive behavior
	Market competition and business continuity	Commitment to delivering results	Economic performance
	Economic and financial results and performance	Sales volume	Economic performance
	Market conditions and productivity	Market concentration	Anti-competitive behavior
Climate and environmental changes 	Sustainability management	Productivity and meeting customer demand Balancing operational cost management	Economic Performance
	Energy efficiency and using renewable energy sources	Reducing emissions through renewable energy adoption	Energy Emissions
	Product transportation	Reducing heavy vehicle traffic	Emissions
	Water and wastewater management	Energy and water management efficiency Effluents and waste: the risk of increasing organic load in receptor water bodies and contaminating the soil due to improper disposal of pesticide packaging	Water Effluents and waste
	Climate monitoring/ climate change	Greenhouse Gas Emissions Carbon capture Impacts from orange solids Operational profitability	Emissions Economic performance
Responsible value chain 	Use of pesticides	Pest and disease management: Citrus greening	Customer health and safety
	Pests and diseases	Efficient use of pesticides: management of health and environment risks	Customer health and safety
	Agricultural practices	Conservation and protected areas Survival of small hold fruit growers Soil management: the risk of erosion and the application of pesticides	Biodiversity
	Social and environmental certification	Ethical conduct toward stakeholders	Procurement practices Environmental compliance
	Workplace conditions	Industry leadership in labor practices Challenges in sourcing labor	Employment Occupational Health & Safety

CITROSUCO PILLARS	MATERIAL TOPICS 102-47	IMPACTS*	RELATED GRI ASPECTS
Responsible value chain 	Employee training and development	Employee training and development	Training and education Diversity and equal opportunities
	Working conditions for seasonal employees	Mitigating human rights/labor risks	Non-discrimination Child labor Forced or compulsory labor Human rights assessment
Products for a healthy and sustainable lifestyle 	Supply chain management	Commercial relations with fruit growers Mitigating supply chain risks Supply chain efficiency and integration Customer loyalty and fruit receipt operations Procurement training Sharing knowledge with supply chain producers	Assessing suppliers against environmental and social criteria
	Product quality and customer focus	Product quality and consumer preference End consumer satisfaction	Customer health and safety Social and economic compliance
Social engagement 	Product sustainability	Functional foods: health benefits	Product responsibility
	Local development	Engagement and development of local communities Social investment	Local communities Market presence

\* All topics affect both the organization (internally) and the supply chain (externally) except for "Governance model", "Social and environmental certification" and "Procurement training", which primarily affect the internal organization.

### GLOBAL COMPACT 102-12

Citrosuco supports the United Nations Global Compact, which advances ten universal principles aligned with the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. While not a formal signatory, the Company reports on performance and indicators in line with this global commitment (*For a correlation between the Global Compact Principles and GRI Disclosures, see the GRI Content Summary, page. 57*).

# APPENDIXES

## NEW EMPLOYEE HIRES AND HIRING RATE BY GENDER 401-1

	2014/15 SEASON		2015/16 SEASON		2016/17 SEASON	
	Men	Women	Men	Women	Men	Women
Total	793	436	750	261	666	165
Percent	14%	8%	14%	5%	13%	3%

## NEW EMPLOYEE HIRES AND HIRING RATE BY AGE RANGE (YEARS OLD) 401-1

	2014/15 SEASON			2015/16 SEASON			2016/17 SEASON		
	Up to 30	30 to 50	Over 50	Up to 30	30 to 50	Over 50	Up to 30	30 to 50	Over 50
Total	581	569	79	481	472	58	413	377	41
Percent	10%	10%	1%	9%	9%	1%	8%	7%	1%

## TOTAL EMPLOYEES AND EMPLOYEE TURNOVER BY GENDER 401-1

	2014/15 SEASON		2015/16 SEASON		2016/17 SEASON	
	Men	Women	Men	Women	Men	Women
Total	4,081	1,495	3,993	1,280	3,944	1,186
Percent	1.7%	2.5%	1.7%	2.5%	1.3%	1.3%

## TOTAL EMPLOYEES AND EMPLOYEE TURNOVER BY AGE RANGE (YEARS OLD) 401-1

	2014/15 SEASON			2015/16 SEASON			2016/17 SEASON		
	Up to 30	30 to 50	Over 50	Up to 30	30 to 50	Over 50	Up to 30	30 to 50	Over 50
Total	1,425	3,147	1,004	1,314	2,951	1,008	1,229	2,969	932
Percent	3.3%	1.6%	0.9%	3.0%	1.7%	1.0%	2.2%	1.1%	0.6%

NB: The data are exclusive of seasonal employees, interns and apprentices, and remained level with previous years. Citrosuco measures the turnover rate as the average of the number of terminated and hired employees divided by the employee headcount. The Company aims to position its hiring, salaries and benefits practices to be in line with the market average and to maintain turnover levels of between 1% and 5%.

# GRI CONTENT SUMMARY 102-55

## GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
	102-1 Name of the organization	4		
	102-2 Activities, brands, products, and services	11		
	102-3 Location of headquarters	3 / HEADQUARTERS - Matão Rua João Pessoa, 305 - Centro Matão - SP - Brazil. 15990-902 Phone: +55 16 3383-8500 Fax.: +55 16 3384-2059 citrosuco@citrosuco.com.br		
	102-4 Location of operations	6		
	102-5 Ownership and legal form	4		
	102-6 Markets served	4		
	102-7 Scale of the organization	6		
GRI 102: General Disclosures 2016	102-8 Information on employees and other workers	4, 34 / Citrosuco employed a workforce of 5,133 permanent employees and 7,745 seasonal employees in the current season, of which respectively 1,186 and 2,200 were women. Our total workforce of fixed and seasonal employees was 27% women.	6	
	102-9 Supply chain	43		
	102-10 Significant changes to the organization and its supply chain	43		
	102-11 Precautionary Principle or approach	12, 15, 22		
	102-12 EXTERNAL INITIATIVES	15, 22, 55		
	102-13 Membership of associations	14		

**GENERAL DISCLOSURES**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	2		
	102-15 Key impacts, risks, and opportunities	12		
	102-16 Values, principles, standards, and norms of behavior	4, 22		10
	102-17 Mechanisms for advice and concerns about ethics	22		10
	102-18 Governance structure	21		
	102-40 List of stakeholder groups	53		
	102-41 Collective bargaining agreements	34, 42		3
	102-42 Basis for identifying and selecting stakeholders with whom to engage	53		
	102-43 Approach to stakeholder engagement	53		
	102-44 Key topics and concerns that have been raised through stakeholder engagement	53		
	102-45 Entities included in the financial statements	52, 53		
	102-46 Defining report content and topic Boundaries	4, 7, 52, 53		
	102-47 List of material topics	54, 55		
	102-48 Restatements of information	53		
	102-49 Changes in reporting	53		
	102-50 Reporting period	1		
102-51 Date of most recent report	53			
102-52 Reporting cycle	53			

GRI 102: General Disclosures 2016	102-53 Contact point for questions regarding the report	1		
	102-54 Claims of reporting in accordance with the GRI Standards	1, 53		
	102-55 GRI content index	57		
	102-56 External assurance	53		

**MATERIAL TOPICS**

**Economic Performance**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	28		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	28		7

**Market presence**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	42		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	42		6

**Anti-corruption**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	43		
GRI 205: Anti- corruption	205-3 Confirmed incidents of corruption and actions taken	43		10

<b>MATERIAL TOPICS</b>				
<b>Anti-competitive behavior</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	22		
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Citrosuco has worked to ensure compliance with applicable laws on anti-competitive behavior, anti-trust, and monopoly practices and has not been implicated in any legal actions due to any such violations.		
<b>Energy</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	28		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	28, 31	8, 9	
<b>Water</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	32		
GRI 303: Water 2016	303-1 Water withdrawal by source	32	7, 8	
	303-3 Water recycled and reused	32	8, 9	
<b>Biodiversity</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	29		

GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	29		8
<b>Emissions</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	28		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	28, 30		7, 8, 9
	305-2 Energy indirect (Scope 2) GHG emissions	28, 30		7, 8
<b>Effluents and waste</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	33		
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	33		8, 9
	306-2 Waste by type and disposal method	33		8, 9
<b>Environmental comfort</b>				
GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	2		

**MATERIAL TOPICS**

**Environmental compliance**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	There were no instances of noncompliance with environmental laws and regulations in the 2016/2017 season. Nevertheless, Citrosuco has identified the need to develop controls (and system support) for ensuring compliance with environmental laws and regulations.	8	

**Supplier environmental assessment**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	43		
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	43		

**Employment**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	34		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56	6	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	42		

**Occupational Health & Safety**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	34		
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	34		

**Training and education**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	34		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	39		6
	404-3 Percentage of employees receiving regular performance and career development reviews	39		6

**Diversity and equal opportunities**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	34		
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	34		6

**MATERIAL TOPICS**

**Non-discrimination**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	22		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Two cases of discrimination were reported in the 2016/2017 season. Following investigations, one case was found not to have involved discrimination, and the other involved the employees of a contractor. In response to the second case, the contractor's management was reminded to comply with the guidance and guidelines in the Citrusuco Code of Conduct.		6

**Child labor**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	43		
GRI 408: Child labor (2016)	408-1 Operations and suppliers at significant risk for incidents of child labor	43		5

**Forced or compulsory labor**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	43		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	43		4

**Human rights assessment**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	15		
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	15		1

**Local communities**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	47		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	47		1

**Supplier social assessment**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	43		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	43		2

**Customer health and safety**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	15		

**MATERIAL TOPICS**

**Customer health and safety**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	15, 16		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of noncompliance with voluntary regulations and codes related to the health and safety impacts of products and services were identified during the period covered by this report.		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	15		
Sector Supplement: Food processing	FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	16		
	FP7 Percentage of total sales volume of consumer products, by product category sold, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives.	This percentage is not applicable as the orange products supplied by Citrosuco for human consumption are 100% natural and conserve the original content of fibers, vitamins, minerals and phytochemicals found in fruit.		

**Social and economic compliance**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	26t		

**Social and economic compliance**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	12 / Citrosuco incurred no fines for noncompliance with laws and regulations concerning the provision and use of products and services. A total of 20 deficiency notices were received in the normal course of audits on the Company's operations (agricultural and industrial). The volume of notices decreased compared with the 2015-2016 season. A total of R\$116,591.03 was paid under ICMS Deficiency Notices and R\$242,671.06 under 39 labor deficiency notices. One administrative proceeding was initiated, and three Deficiency Remediation Agreements and 238 court settlements were concluded. No monetary sanctions were imposed or arbitration proceedings brought against the company. No monetary sanctions were imposed or arbitration proceedings brought against the company.		

**Procurement practices**

GRI Standard	Disclosure	Page/where addressed	Omissions	Global Compact
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	53		
	103-2 The management approach and its components	44		
Sector Supplement: Food processing	FP-1 Percentage of purchased volume from suppliers compliant with company's sourcing policy	44		

## REPORT PRODUCTION

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### IMAGES

Citrosuco Archive

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

